

FOR IMMEDIATE RELEASE

Contact: Josephine Posti, APR
T: 724.743.3103
M: 412.667.1479
Josephine.posti@amwater.com

Gary Lobaugh
T: 724.873.674
M: 724.944.5148
Gary.Lobaugh@amwater.com

PENNSYLVANIA AMERICAN WATER TO START PIPE, HYDRANT UPGRADES IN WASHINGTON COUNTY

Approximately \$873,000 in infrastructure improvements coming this fall

MCMURRAY, Pa. (October 17 2008) – Pennsylvania American Water announced today the start of new water main installations in its McMurray District, bringing its total 2008 investment in Washington County to approximately \$7.2 million. The pipe upgrades planned for the fall, valued at nearly \$873,000, will improve service reliability and increase flows for firefighting.

The company's McMurray District serves approximately 50,000 customers in Washington County. In 2008, Pennsylvania American Water has replaced nearly eight miles of water main throughout its local system.

"The latest projects will replace aging pipe that dates as far back as the 1940s, ensuring that our customers receive quality, reliable water service for many years to come," said Dave Gumbert, Pennsylvania American Water manager of field operations, southwest region.

Starting this month, the company is installing water main in the following locations:

Langloth

- **Francis Mine Road** - Crews will replace 7,800 feet of eight-inch cast iron main with new 12-inch high-density polyethylene (HDPE) pipe along Francis Mine Road through right-of-way to Hanlin Station Road.

McMurray

- **Galley Road** - The company will replace nearly 1,000 feet of six-inch cast iron with new eight-inch ductile iron pipe. The project will be completed in conjunction with a PENNDOT paving project.

Washington and South Strabane Township

- **Glenn, Nevada and Idaho Streets** - Crews will install more than 3,700 feet of new eight-inch ductile iron pipe. This project also includes the installation of two fire hydrants.

Construction is scheduled to be completed by the end of November.

PENNSYLVANIA AMERICAN WATER ANNOUNCES PIPE AND HYDRANT UPGRADES IN WASHINGTON COUNTY

The company will contact affected residents in advance regarding any temporary service interruptions. For more information, contact Pennsylvania America Water's customer service center at 1-800-565-7292.

Pennsylvania American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 2 million people. Founded in 1886, American Water is the largest investor-owned U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs more than 7,000 dedicated professionals who provide drinking water, wastewater and other related services to approximately 15 million people in 32 states and Ontario, Canada. More information can be found by visiting www.amwater.com.

This release contains forward looking statements, including, among others, our plan to continue our long-term strategy of capital investment in our systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, unfavorable weather conditions, changes in regulations or regulatory treatment and availability and the cost of capital. We undertake no obligation to publicly update or revise any forward-looking statement.

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