

FOR IMMEDIATE RELEASE

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## **PENNSYLVANIA AMERICAN WATER LAUNCHES APPROXIMATELY \$7.3 MILLION UPGRADE FOR NORRISTOWN AREA WATER SYSTEMS**

*Nearly nine miles of aging pipe to be replaced*

**NORRISTOWN, Pa. (May 12, 2008)** – Pennsylvania American Water today announced capital spending plans totaling approximately \$7.3 million to upgrade water systems in the Norristown area this year to improve reliability for customers, reduce service disruptions and increase water flows for firefighting. The company’s capital improvements include replacing nearly nine miles of aging water main.

“The region’s water infrastructure represents a hidden asset that is aging and needs repair. This is why capital investments are needed to ensure long-term water service reliability and adequate fire protection,” said Pennsylvania American Water President Kathy L. Pape. “The pipes being replaced have reached the end of their service life, with some dating back to the early to mid-1900s. The new main we’re installing is built to last for the next 100 years.”

The company serves nearly 31,000 customers in its Norristown District, which includes Norristown and Bridgeport boroughs, and East Norriton, West Norriton, Plymouth, Perkiomen, Whitpain, Worcester, Whitmarsh, Upper Merion and Lower Providence townships.

In West Norriton, Pennsylvania American Water’s 2008 upgrades include the following:

- Replace more than 7,800 feet of aging cement pipe along Hoover Avenue, Darland Road, Highland Avenue, Stergiere Street and James Street, with an estimated cost of approximately \$1.2 million. Crews will install the new main in several phases, with construction and final paving restoration tentatively scheduled to be completed by the end of September, weather permitting.
- Install approximately 12,000 feet of new water main in the township’s Betzwood area along Hillside Lane, Betzwood Drive, Wayfield Drive, Mystic Lane and South Parkview Drive. The approximately \$1.9 million upgrade, including final paving restoration, is tentatively scheduled to be completed by November, weather permitting.

In Norristown, the company will install approximately 1,900 feet of new ductile iron pipe along Glen Valley Drive and East Marshal Street. The construction, with an estimated cost of nearly \$340,000, is tentatively scheduled to be completed by November, weather permitting.

## PENNSYLVANIA AMERICAN WATER ANNOUNCES APPROXIMATELY \$7.3 MILLION UPGRADE FOR NORRISTOWN AREA SYSTEMS

In East Norriton, Pennsylvania American Water plans to install more than 1,400 feet of new ductile iron main along Stony Creek Road and Sycamore Street. Both projects, with a combined cost of approximately \$180,000, are tentatively scheduled to be completed in November, weather permitting.

In Whitpain, the company is replacing nearly 1,400 feet of aging pipe along Thayer Drive, with an estimated cost of nearly \$150,000. Pipe installation and final paving restoration is tentatively scheduled to be completed by mid-June, weather permitting.

The company will contact the affected communities prior to construction to provide information related to temporary service interruptions or traffic disruptions. For more information, contact Pennsylvania American Water's customer service center at 1-800-565-7292.

Pennsylvania American Water is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 2.1 million people. In addition to its regulated operations, American Water provides operation and maintenance services to an additional 112,000 people in Pennsylvania. Pennsylvania American Water is a wholly owned subsidiary of American Water (NYSE: AWK). 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 nearly 7,000 dedicated professionals who provide drinking water, wastewater and other related services to approximately 15.6 million people in 32 states and Ontario, Canada. More information can be found by visiting [www.amwater.com](http://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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