

FOR IMMEDIATE RELEASE

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PENNSYLVANIA AMERICAN WATER SCHEDULES WATER MAIN UPGRADE FOR YARDLEY

YARDLEY, Pa. (May 1, 2008) – Pennsylvania American Water announced today the start of water main installation in Yardley Borough to improve service reliability and increase flows for firefighting. The approximately \$235,000 project involves replacing pipe that dates back to the 1940s.

Starting the week of May 5, the company will replace more than 1,400 feet of four-inch cast iron main with new eight-inch ductile iron pipe along Cold Springs Avenue, Windsor Road and Riverview Avenue. Crews will work weekdays between 7:30 a.m. and 3 p.m. Traffic disruptions are possible during construction, and motorists are asked to avoid the area.

Pennsylvania American Water expects to complete the pipe installation, service connection ties and final paving restoration by the end of June, weather permitting.

The company will contact affected residents in advance regarding any temporary service interruptions. 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.

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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