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PHILADELPHIA SUBURBAN CORP
Form 8-K
August 14, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 31, 2003

PHILADELPHIA SUBURBAN CORPORATION

(Exact name of registrant as specified in its charter)

| | | |
|---|--------------------------------------|---|
| Pennsylvania | 1-6659 | 23-1702594 |
| ----- (State or other jurisdiction of incorporation) | ----- (Commission File Number) | ----- (IRS Employer Identification Number) |
| 762 W. Lancaster Avenue, Bryn Mawr, Pennsylvania | | 19010 |
| ----- (Address of principal executive offices) | | ----- (Zip Code) |

(610) 527 - 8000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report.)

Item 2. Acquisition or Disposition of Assets.

On July 31, 2003, Philadelphia Suburban Corporation ("Registrant") completed its acquisition of all of the outstanding common stock of four operating water and wastewater subsidiaries of AquaSource, Inc. (a subsidiary of DQE, Inc.), including selected, integrated operating and maintenance contracts and related assets for \$195 million in cash. Pursuant to the purchase agreement, the amount paid at closing is subject to adjustment upon completion of a closing balance sheet and finalization of other adjustments that may occur over approximately a six month period. The acquisition was completed pursuant to a Purchase Agreement dated July 29, 2002 by and among Registrant, its subsidiary Aqua Acquisition Corporation, AquaSource, Inc. and DQE, Inc. The amount of consideration was determined through negotiations between the

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parties. The four companies acquired, AquaSource Utility, Inc., AquaSource Development Company, The Reynolds Group, Inc. and AquaSource Operations, Inc. will be subsidiaries of Registrant. The acquired operations serve over 130,000 water and wastewater customer accounts in eleven states. In May, 2003 Registrant announced a sale agreement for the sale of the acquired operations in New York and Connecticut to a New England based water utility company for an aggregate purchase price of \$5 million and the assumption of approximately \$800,000 in debt.

Registrant financed the acquisition with a portion of the proceeds from the issuance of \$135 million of unsecured notes due 2023 bearing interest at 4.87% per annum and a \$90 million unsecured note issued to PNC Bank, National Association, due July 30, 2004.

Item 7. Financial Statements, Pro Formal Financial Information and Exhibits.

(c) Exhibits.

| Exhibit Number ----- | Description of Document ----- |
|-------------------------|--|
| 2.1 | Purchase Agreement, dated as of July 29, 2002, by and among AquaSource, Inc., DQE, Inc., Philadelphia Suburban Corporation and Aqua Acquisition Corporation (incorporated by reference to the Form 8-K filed by Registrant with the SEC on August 5, 2002. |
| 2.2 | Amendment No. 1 dated as of March 4, 2003 to the Purchase Agreement dated as of July 29, 2002, by and among AquaSource, Inc., DQE, Inc., Philadelphia Suburban Corporation and Aqua Acquisition Corporation. |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILADELPHIA SUBURBAN CORPORATION

Date: August 14, 2003

ROY H. STAHL

Name: Roy H. Stahl
Title: Executive Vice President and
General Counsel

EXHIBIT INDEX

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