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August 30, 2002

FILED³

AUG 30 2002

**Missouri Public
Service Commission**

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, Missouri 65102

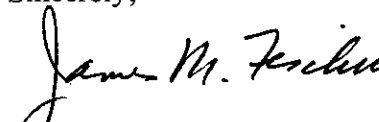
RE: *In the Matter of the proposed acquisition of AquaSource, Inc. by
Philadelphia Suburban Corporation, Case No. WO-2003-0062.*

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter is an original and eight (8) copies of Suggestions In Opposition To Public Counsel's Motion To Open A Docket To Investigate And Review The Proposed Acquisition Of AquaSource, Inc. By Philadelphia Suburban Corporation.

Copies of the foregoing have been hand-delivered or mailed this date to the Office of the Public Counsel and Dana K. Joyce, General Counsel. Thank you for your attention to this matter.

Sincerely,


James M. Fischer

Enclosures

cc: Office of the Public Counsel
Dana K. Joyce, General Counsel

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED³

AUG 30 2002

In the Matter of the proposed)
acquisition of AquaSource, Inc.)
by Philadelphia Suburban Corporation)

Case No. WO-2003-0062

Missouri Public
Service Commission

**SUGGESTIONS IN OPPOSITION TO PUBLIC COUNSEL'S MOTION TO OPEN A
DOCKET TO INVESTIGATE AND REVIEW THE PROPOSED ACQUISITION OF
AQUASOURCE, INC. BY PHILADELPHIA SUBURBAN CORPORATION**

COME NOW Philadelphia Suburban Corporation ("PSC") and AquaSource, Inc. ("AquaSource")(collectively "Joint Applicants") by and through their counsel, pursuant to 4 CSR 240-2.080, and hereby respond to the Motion To Open Docket To Investigate And Review The Proposed Acquisition Of AquaSource, Inc. By Philadelphia Suburban Corporation filed on August 20, 2002, by the Office of the Public Counsel ("Public Counsel"). In support thereof, Joint Applicants respectfully state as follows:

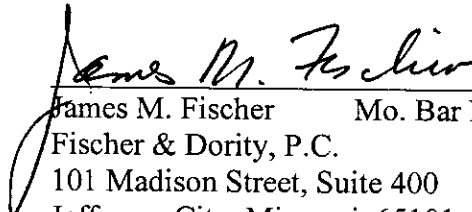
1. On August 20, 2002, the Office of the Public Counsel filed its Motion To Open A Docket To Investigate And Review The Proposed Acquisition Of AquaSource, Inc. By Philadelphia Suburban Corporation ("Motion"). In the Motion, the Public Counsel requests that "this Commission open an docket to investigate whether the proposed sale of AquaSource to Philadelphia Suburban will be detrimental to the public interest of AquaSource's Missouri customers." (Motion, p. 6). **As explained herein, there is no need to open a separate investigation of the proposed transaction since PSC intends to file with the Missouri Public Service Commission an Application to acquire the stock of AquaSource Development, Inc., a Missouri regulated public utility, in the near future.**

2. On July 29, 2002, a Purchase Agreement was entered into by AquaSource (the "seller"), and PSC (the "buyer"), and other related corporations, in which it was agreed that the Seller would sell all of the stock of AquaSource Development, Inc., a Missouri regulated public utility, to the Buyer. In addition, the Seller agreed to sell all of the stock of AquaSource Utility, Inc., which is a holding company and owns other regulated public utilities, including AquaSource/RU, Inc. and AquaSource/CU, Inc. in Missouri.

3. Since PSC is proposing to purchase all of the stock of AquaSource Development, Inc., a Missouri regulated public utility, it intends to submit an Application in the near future to the Missouri Public Service Commission seeking approval of this aspect of the transaction, pursuant to Section 393.190.2 RSMo 2000. In addition, the Application will fully explain other aspects of the transaction which may not require the approval of the Commission since they involve the purchase of stock of a holding company, and not a regulated public utility. *See e.g., Report & Order, Re Merger of American Water Works Company with National Eneterprises, Inc. and the Indirect Acquisition by American Water Works Company of the Total Capital Stock of St. Louis County Water Company*, Case No. WM-99-224; *Report & Order, Re SBC Communications, Inc. and Ameritech Corporation*, Case No. TM-99-76. As a result of the filing of the Application and supporting information, copies of which will be served on Public Counsel, the Commission and Public Counsel will have information regarding the transaction for their review, and it will be unnecessary to open a separate investigation into the proposed transaction, as requested by Public Counsel.

WHEREFORE, for the reasons stated herein, AquaSource, Inc. and Philadelphia Suburban Corporation respectfully request that the Commission deny the Motion To Open Docket To Investigate And Review The Proposed Acquisition Of AquaSource, Inc. By Philadelphia Suburban Corporation filed by Public Counsel on August 20, 2002.

Respectfully submitted,


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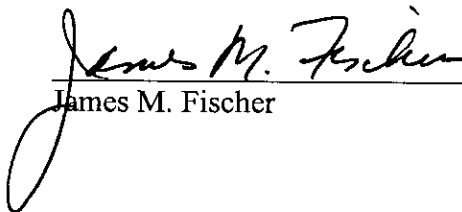
ATTORNEYS FOR
JOINT APPLICANTS

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been hand-delivered or mailed, postage prepaid, by U.S. Mail, First Class, this 30th day of August, 2002, to:

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Dan Joyce
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102


James M. Fischer