



News Release

Kimberly Cooper
American Water
T: 856-346-8207
kimberly.cooper@amwater.com

AMERICAN WATER ANNOUNCES PILOT PROGRAM IN WATER LOSS MANAGEMENT *Connellsville, PA Pilot Uses AMR Technology to Detect and Repair Leaks*

VOORHEES, NJ (June 24, 2005) – American Water, the largest water services provider in North America, today announced a first-of-its-kind program that uses acoustic information from an automatic meter reading (AMR) system to detect and repair water leaks. Leaks are a problem plaguing public water systems nationwide. In its 2005 Report Card for America's Infrastructure, the American Society of Civil Engineers states that "each day, six billion gallons of clean, treated drinking water disappears, mostly due to old, leaky pipes and mains...enough water to serve the population of a state the size of California."

The unique AMR program, piloted in the Connellsville, PA water system, has equipped 500 of the water meters with an "MLOG" leak detecting sensor, manufactured by Flow Metrix, and an AMR transmitter as part of a fixed network system designed by Hexagram, Inc. Permanently installed on pipes near water service meters, MLOG sensors record sound vibrations over a period of four hours each night. Specially designed software analyzes these acoustical patterns and assigns them one of four leak categories: no leak present, possible leak, probable leak, or no data available.

"Leak monitoring with AMR allows us to locate and repair leaks that would normally remain undiscovered until they caused significant damage," said Wayne Morgan, VP Business Performance for American Water's Northeast Region. "This technology offers us the opportunity to examine an aging distribution system and explore the nature of water main leaks— from the time they start, to the time they become visible and severe enough to be repaired."

American Water chose Connellsville as the site of its leak monitoring trial because of the city's unique geography: it sits on a hillside along the Youghiogheny River, enabling leaks to flow underground to the river undetected. Additionally, Non-Revenue Water (NRW) exceeds 25 percent, and the cost of water purchased for the system is nearly \$2.00 per thousand gallons, providing a strong financial driver for effective leakage reduction. By utilizing the MLOG leak detection system, American Water will reduce operating expenses, decrease water wastage and increase water availability in Connellsville." This program promotes water resource conservation and gives American Water an affordable, round-the-clock means of detecting and repairing water leaks in Connellsville," said Morgan.

-more-



News Release

Page 2

American Water, Water Loss Management

The Connellsville pilot is one of a series of water leak programs American Water plans to monitor within the next year, including two already-completed projects in Uniontown, Pa. and Manville, N.J., which utilize MLOG sensors, but not AMR technology.

American Water offers a comprehensive menu of water loss management services, including water loss system evaluation, leak detection, meter management, a LineSaver Service Line Protection Program for homeowners and network repair and replacement. For more information on the Connellsville pilot or American Water's leak management services, contact Wayne Morgan 609-512-3607.

With a history of over 100 years, American Water provides high quality water, wastewater, and other related services to over 18 million people in 29 states and 3 Canadian provinces. Employing approximately 7,000 and reporting over \$2 billion in revenue, American Water is an integrated part of RWE's water division, which includes London-based Thames Water. More information can be found by visiting www.amwater.com.

-end-