



## **American States Water Company Announces Earnings for 2002 Expected to be Below Consensus Estimates**

December 20, 2002

SAN DIMAS, Calif.--(BUSINESS WIRE)--Dec. 20, 2002--American States Water Company (NYSE:AWR) today announced that earnings per share for fiscal 2002 are expected to be below the current street estimate of \$1.35, due primarily to delays in rate proceedings and increased supply costs.

In making the announcement, Floyd E. Wicks, President and CEO stated: "During 2002, earnings growth has consistently been adversely affected by (i) the lack of timely approval of revenue increases by the California Public Utilities Commission (CPUC), (ii) the impact of removing balancing account treatment for supply costs enacted by the CPUC in November 2001, and (iii) flat water consumption in most of the Company's service areas. In terms of magnitude, the first item has had a year-to-date negative impact on earnings of approximately \$0.09 per share in 2002. Additionally, year-to-date earnings during 2002 have been negatively impacted by approximately \$0.11 per common share by the removal of the balancing account provision. The Company has been able to effectively control all other operating costs, which are virtually flat when compared against the same period ended November 2001."

Wicks further stated: "Looking forward, we presently expect that the \$2.7 million annual anticipated increase in revenues resulting from the 2002 Infrastructure Replacement Program ("IRP") in Region II of our Southern California Water Company unit will be considered by the CPUC at its January 16, 2003 meeting. We originally expected this increase during the first quarter of 2002. This delay has also held up the approval of the 2003 IRP increase of approximately \$3.5 million that was anticipated to be in place going into 2003. We do expect that the second increase will be effective during the second quarter of 2003."

Certain matters discussed in this news release with regard to the Company's expectations may be forward-looking statements that involve risks and uncertainties. The assumptions and risk factors that could cause actual results to differ materially include those described in the Company's Form 10-Q and Form 10-K filed with the Securities and Exchange Commission.

American States Water Company is a holding company that, through its subsidiaries, provides water service to 1 out of 30 Californians located within 75 communities throughout 10 counties in Northern, Coastal and Southern California and to approximately 11,800 customers in the city of Fountain Hills, Arizona and portions of Scottsdale, Arizona. The Company distributes electricity to approximately 21,000 customers in the Big Bear recreational area of California, and contracts with various municipalities and private entities in both California and Arizona to provide services to an additional 90,000 customers.

### **CONTACT:**

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