



American States Water Company Announces Delay in Filing of Form 10-K with the Securities and Exchange Commission

March 31, 2003

SAN DIMAS, Calif.--(BUSINESS WIRE)--March 31, 2003--American States Water Company, (NYSE:AWR) announced that it has filed Form 12b-25 with the Securities and Exchange Commission with respect to its filing of Form 10-K for the period ended December 31, 2002. The Company stated that it would file its Form 10-K on or before April 15, 2003.

American States Water Company stated that the additional time is required to complete its analysis of its deferred and current tax accounts and to restate its financial statements for prior years. In addition, since Arthur Andersen was the Company's previous accountants and are not in a position to audit the restatement, the Company's new independent accountants will need to re-audit the financial statements for the years ended December 31, 2001 and 2000. This analysis was undertaken in connection with a deferred tax study initiated in 2002 and that spans a period of 20 years. As a result of this study, the Company has preliminarily identified a cumulative total of approximately \$4.5 million of previously recognized current and deferred tax expense which should not have been recognized in 2001 and earlier periods. The Company expects to report a corresponding reduction in taxes on income for prior periods presented along with an increase in beginning retained earnings in 2000.

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 filings of the Company with the Securities and Exchange Commission. The Company does not undertake any obligation to publicly update or otherwise revise any forward-looking statement.

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 12,000 customers in the city of Fountain Hills, Arizona and portions of Scottsdale, Arizona. The Company also distributes electricity to approximately 22,000 customers in the Big Bear recreational area of California and contracts with various municipalities in both California and Arizona to provide services to an additional 91,500 customers.

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SOURCE: American States Water Company