



American States Water Company Confirms Change of Rating Outlook to Positive

February 8, 2007

SAN DIMAS, Calif.--(BUSINESS WIRE)--Feb. 8, 2007--American States Water Company (NYSE:AWR) today confirmed that Standard & Poor's Ratings Services ("S&P") has affirmed the corporate ratings of 'A-' for American States Water Company and its primary water utility subsidiary, Golden State Water Company, and has also revised the rating outlook for both, to positive from stable.

According to S&P's February 7, 2007 press release, "The outlook revision reflects improved regulatory treatment in California and the expectation of consistently strong cash flow measures and declining debt leverage." As further noted, "Additionally, the outlook assumes adequate and timely rate relief, as well as that non-regulated operations will remain modest in scale."

S&P's corporate credit ratings range from AAA (highest rating possible) to D (rating for default), reflecting S&P's opinion of a company's overall capacity to meet its financial obligations. Credit ratings are not recommendations to purchase, sell or hold a security and are subject to change or withdrawal at any time by the rating agency.

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 the parent of Golden State Water Company, American States Utility Services, Inc. and Chaparral City Water Company. Through its subsidiaries, AWR provides water service to 1 out of 30 Californians located within 75 communities throughout 10 counties in Northern, Coastal and Southern California (approximately 254,000 customers) and to approximately 13,000 customers in the city of Fountain Hills, Arizona and a small portion of Scottsdale, Arizona. The Company also distributes electricity to approximately 23,000 customers in the Big Bear recreational area of California. Through its non-regulated subsidiary, American States Utility Services, the Company contracts with municipalities, the U.S. government and private entities to provide various services, including billing and meter reading, water marketing and operation and maintenance of water and wastewater systems.

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SOURCE: American States Water Company