



## **American States Water Company Announces Agreement for New Service Territory**

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SAN DIMAS, Calif., Mar 21, 2011 (BUSINESS WIRE) --

American States Water Company (NYSE:AWR) today reported that its Golden State Water Company ("GSWC") subsidiary has executed an agreement with Sutter County, California, a group of developers in Sutter County and a group of water customers in Sutter County to allow GSWC to provide retail water service in a new development being proposed in the southern part of Sutter County ("Sutter Pointe").

Previously, GSWC filed for a Certificate of Public Convenience and Necessity ("CPCN") with the California Public Utilities Commission ("CPUC") to provide retail water service in the Sutter Pointe area. The agreement resolves all matters related to the CPCN to serve Sutter Pointe among the four parties, including rate setting mechanisms, incremental acquisition of the system infrastructure and water supply availability. The agreement has been filed with the CPUC. The CPUC's Division of Ratepayer Advocates ("DRA") had previously raised concerns with certain aspects of GSWC's proposed CPCN, but GSWC believes that the agreement and a related agreement with Natomas Central Mutual Water Company, regarding water supplies for Sutter Pointe, address many of the issues raised by DRA. DRA has not yet taken a position on the agreement, but will have an opportunity to file comments with the CPUC in mid-April of 2011.

"We are pleased that the parties could come together on these agreements and excited about the prospects of GSWC providing utility service to this new territory," said Robert J. Sprowls, CEO of AWR and GSWC. When the development is completed, it could add as many as 17,000 customers to GSWC's service territory. Home construction could begin as early as 2014. The agreement also requires, after the CPCN is issued, that GSWC request approval from the CPUC to acquire Sutter County's Robbins system, a 93-connection water system currently owned by the County.

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 approximately 1 out of 36 Californians located within 75 communities throughout 10 counties in Northern, Coastal and Southern California (approximately 256,000 customers) and to over 13,000 customers in the Town of Fountain Hills, Arizona and a small portion of Scottsdale, Arizona. The Company also distributes electricity to over 23,000 customers in the Big Bear recreational area of California. Through its contracted services subsidiary, American States Utility Services, Inc., the Company provides operations, maintenance and construction management services for water and wastewater systems located on military bases throughout the country.

American States Water Company has paid dividends to shareholders every year since 1931, increasing the dividends received by shareholders each calendar year since 1953.

SOURCE: American States Water Company

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