



## **American States Water Company Announces Regulatory Approval of the Sale of Its Arizona Utility**

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SAN DIMAS, Calif., Apr 05, 2011 (BUSINESS WIRE) --

American States Water Company (NYSE:AWR) today reported that on March 30, 2011 the Arizona Corporation Commission ("ACC") approved the sale of AWR's wholly-owned subsidiary in Arizona, Chaparral City Water Company ("CCWC"). On June 7, 2010, AWR entered into a stock purchase agreement with EPCOR Water (USA) Inc. ("EPCOR") to sell all of the common stock of CCWC for a total purchase price of \$35 million, including the assumption of approximately \$6 million of long-term debt. The purchase price is subject to certain adjustments for changes in retained earnings. The consummation of the transaction contemplated by the agreement is subject to customary conditions. The transaction is expected to be completed during the second quarter of 2011.

On March 30, 2011, the ACC also approved a decision allowing CCWC to retain 50% of the \$1,520,000 total proceeds received from a settlement agreement reached in 2005 with the Fountain Hills Sanitary District. On October 8, 2009, the ACC, in connection with the final decision in CCWC's general rate case, ordered CCWC to allocate the entire proceeds to customers so that CCWC's customers would receive the full benefit of the settlement. In November 2009, CCWC filed an application for rehearing on several issues including the treatment of the settlement proceeds. On March 30, 2011, the ACC reversed its October 2009 decision and allowed CCWC to retain 50% of the \$1,520,000 settlement proceeds.

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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