



## **American States Water Company Announces Approval of Price Redeterminations and Additional Construction Projects at ASUS**

October 5, 2015

SAN DIMAS, Calif.--(BUSINESS WIRE)--Oct. 5, 2015-- American States Water Company (NYSE:AWR) announced today that its American States Utility Services, Inc. ("ASUS") subsidiary has received approval from the U.S. government of various price redeterminations and contract modifications for additional construction projects at the military bases it serves. ASUS currently provides water and/or wastewater services, including construction management, to nine military installations throughout the country under 50-year contracts. The contract price for each of these contracts is subject to redetermination every three years.

In September 2015, ASUS received successful resolution to its price redeterminations related to the contracts at Fort Jackson in South Carolina and the military bases it serves in Virginia, as well as an asset transfer at two of the Virginia bases. The approval of these filings will provide ASUS with additional revenues and the opportunity to continue generating positive earnings. These modifications issued by the U.S. government also provided for retroactive increases in management fees through June 30, 2015 totaling approximately \$3.4 million on a pretax basis, of which \$2.9 million is for periods prior to 2015. These retroactive amounts will be reflected in our 2015 third quarter results. The receipt of the modifications for the redeterminations and the asset transfer at this level had been anticipated in prior communications with the financial community when discussing 2015 expectations for ASUS.

Furthermore, in addition to the renewal and replacement capital work which is included in the 50-year contracts, ASUS continues to receive contract modifications from the U.S. government for new construction projects at the military bases it serves. During the third quarter of 2015, the U.S. government awarded ASUS approximately \$50 million for new construction projects, the majority of which are expected to be completed during the next twelve months. Earnings and cash flows from contract modifications to the original 50-year contracts with the U.S. government for additional construction projects may or may not continue in future periods.

"We are pleased with the U.S. government's approval of our price redeterminations, the asset transfer, and additional construction work at the military bases we serve. We are proud to provide water and wastewater services to the men and women of our nation's military and look forward to serving them for many more years to come," said Robert J. Sprowls, President and CEO of American States Water Company.

### **Forward-Looking Statements**

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 most recent Form 10-Q and Form 10-K filed with the Securities and Exchange Commission.

### **About American States Water Company**

American States Water Company is the parent of Golden State Water Company and American States Utility Services, Inc. Through its utility subsidiary, Golden State Water Company, AWR provides water service to approximately 258,000 customers located within 75 communities throughout 10 counties in Northern, Coastal and Southern California. The Company also distributes electricity to approximately 24,000 customers in the City of Big Bear and surrounding areas in San Bernardino County, 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 through 50-year privatization contracts with the U.S. government.

AWR has a long history of returning value to shareholders and since 1931 has paid dividends to shareholders every year, increasing the dividends received by shareholders each calendar year since 1954.

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