
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 4, 2005

AMERICAN STATES WATER COMPANY

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

001-14431
(Commission File Number)

95-4676679
(I.R.S. Employer
Identification No.)

630 East Foothill Blvd.
San Dimas, California
(Address of principal
executive offices)

91773
(Zip Code)

Registrant's telephone number, including area code: (909) 394-3600

SOUTHERN CALIFORNIA WATER COMPANY

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

001-12008
(Commission File Number)

95-1243678
(I.R.S. Employer
Identification No.)

630 East Foothill Blvd.
San Dimas, California
(Address of principal
executive offices)

91773
(Zip Code)

Registrant's telephone number, including area code: (909) 394-3600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing requirement of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the exchange Act (17 CFR 14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 1-Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement

The Board approved an amendment to the form of the Company's three year dividend equivalent rights certificate to permit a grantee to continue to receive dividend equivalents after termination of employment, unless the grantee's employment is terminated for cause. A copy of the American States Water Company Three Year Dividend Equivalent Right Certificate and Statement of Terms and Conditions are attached hereto as Exhibit 9.01.

Section 2-Financial Information

Item 2.02. Results of Operations and Financial Condition

On August 4, 2005 American States Water Company released earnings for the three and six months ended June 30, 2005. A copy of the Company's press release is attached hereto as Exhibit 99.1.

This Form 8-K and the attached exhibits are furnished to, but not filed with, the Securities and Exchange Commission.

Section 9-Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

The following exhibit is filed hereunder:

Exhibit 9.01: Form of American States Water Company Three Year Dividend Equivalent Right Certificate, including Terms and Conditions

The following exhibit is furnished hereunder:

Exhibit 99.1: Press Release dated August 4, 2005

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN STATES WATER COMPANY

Date: August 4, 2005

/s/ Robert J. Spowls

Robert J. Spowls
Sr. Vice President, Chief Financial Officer, Treasurer and
Corporate Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
9.01	Form of American States Water Company Three Year Dividend Equivalent Right Certificate and Statement of Terms and Conditions
99.1	Press Release dated August 4, 2005

**AMERICAN STATES WATER COMPANY
THREE YEAR DIVIDEND EQUIVALENT RIGHT CERTIFICATE**

American States Water Company, a California corporation (“we” or the “Company”), has granted to you, the award recipient identified below, dividend equivalent rights on the terms and conditions set forth in the attached Statement of Terms and Conditions with respect to the stock option identified below (the “Corresponding Option”).

Award Recipient _____

Date of Grant of this Award _____

Corresponding Option Information — _____

Date of Grant _____

Number of Shares * _____

Your acceptance of this Certificate constitutes your acknowledgement of and agreement to be bound by the terms and conditions set forth herein and in the attached Statement of Terms and Conditions. The Statement of Terms and Conditions is incorporated herein by this reference. You are not required to accept this award. If you choose not to accept this award or if you do not agree to the terms and conditions of this award, you should, no later than ten business days after the date of grant of this award set forth above, notify the Company’s Chief Financial Officer at 630 East Foothill Boulevard, San Dimas, California 91773 (telephone number 909-394-3600) that you do not accept this award and return this Certificate to the Chief Financial Officer at that address. This award is granted as a matter of a separate incentive and is not in lieu of salary or any other compensation for services.

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute this Dividend Equivalent Right Certificate as of the date of grant of this award first set forth above.

AMERICAN STATES WATER COMPANY, a California corporation

By _____

Print Name Floyd E. Wicks

Its President and Chief Executive Officer

* Subject to adjustment for stock splits and similar events in accordance with the applicable award agreement and option plan.

**AMERICAN STATES WATER COMPANY
THREE YEAR DIVIDEND EQUIVALENT RIGHT CERTIFICATE
STATEMENT OF TERMS AND CONDITIONS**

- 1. Crediting of Dividend Equivalents.** We will maintain a bookkeeping account in your name (your “Account”). As of each date (after the date of grant of this award and in respect of applicable record dates occurring prior to the third anniversary of such grant date, unless your employment by us or one of our subsidiaries is terminated for cause as defined in the 2004 Stock Incentive Plan) that we pay a cash dividend or make a cash distribution on our common stock, we will credit your Account with a cash amount equal to the cash dividends or cash distribution that would be payable on that date on a number of shares of our common stock equal to the number of shares that were subject to the portion of your Corresponding Option that was outstanding and unexercised at the start of business on the corresponding record date for the dividend payment or other distribution. The cash amount so credited to your account is referred to as a “dividend equivalent.” No interest or other earnings will be credited with respect to your Account. No dividend equivalents will be credited: (1) with respect to any portion of the Corresponding Option that has been exercised, expired, or otherwise terminated; (2) if your employment by us or one of our subsidiaries terminates for cause as defined in the 2004 Stock Incentive Plan; (3) to the extent that such dividend equivalent would duplicate benefits conferred or preserved under the Corresponding Option by an adjustment in the number of shares or exercise price thereof or the property subject thereto made pursuant to the adjustment provisions set forth in the applicable option agreement or option plan; (4) with respect to any non-cash dividends or distributions on our common stock, or (5) in respect of dividend or distribution record dates occurring after the third anniversary of the date of grant of this award.
 - 2. Payment.** The dividend equivalents credited to your Account with respect to a share subject to the Corresponding Option will become payable (in an equal amount of cash) on the date that the cash dividend or distribution is paid on the class of shares corresponding to such share. We will reduce your Account by the amount of dividend equivalents that are paid. You may not elect any accelerated payments or other payment dates. No interest or other charge will accrue on amounts payable.

Notwithstanding the foregoing, if we determine in good faith that there is a reasonable likelihood that any benefits paid to you for a taxable year would not be deductible by us or one of our affiliates solely by reason of the limitation under Section 162(m) of the Internal Revenue Code of 1986, as amended, then to the extent reasonably deemed necessary by us to ensure that the entire amount of any payment to you pursuant to this agreement is deductible, we may defer all or any portion of a payment under this agreement. The amounts so deferred shall be paid (without interest) at the earliest possible date, as determined by us in good faith, on which the deductibility of compensation paid or payable to you for the taxable year in which the payment is made will not be limited by Section 162(m).
 - 3. No Employment/Service Commitment.** Nothing contained in this agreement constitutes an employment or service commitment by us or our affiliates, affects your status, if you are an employee, as an employee at will who is subject to termination without cause (subject to any express written employment agreement, other than this agreement, to the contrary), confers upon you any right to remain employed by or in service to us or our affiliates, interferes in any way with any right that we or our affiliates may have at any time to terminate your employment or service, or affects our right and our affiliates rights to increase or decrease your other compensation.
 - 4. Procedure for Exercise.** You should not have to take any affirmative steps to exercise this award – your dividend equivalents should be paid to you as described above in Section 2. However, if you believe that you have not received a payment to which you are entitled, you should promptly contact the Company’s Chief Financial Officer’s office at 630 East Foothill Boulevard, San Dimas, California 91773 (telephone number 909-394-3600).
 - 5. Tax Withholding.** You will be solely responsible for all income and employment taxes arising in connection with this agreement and the payment of benefits hereunder. We may satisfy any state or federal employment tax or income tax withholding obligation arising from the crediting of dividend equivalents and/or the payment of cash in respect of this agreement by deducting such amount(s) from any amount of compensation otherwise payable to you by us or any of our affiliates, by deducting such amount from your Account, and/or by deducting such amount(s) from any amount otherwise payable to you pursuant to this agreement.
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6. **Non-Transferability and Other Restrictions.** Your dividend equivalents and other benefits under this agreement are not assignable or transferable and any purported transfer, assignment, pledge or other encumbrance or attachment of any payments or benefits under this agreement, or any interest therein will not be permitted or recognized. Notwithstanding the foregoing, your benefits may be assigned, in full or in part, pursuant to a domestic relations order of a court of competent jurisdiction or, following your death, paid as described in Section 7.
7. **Payments in the Event of Your Death or Incapacity.** In the event of your death, any dividend equivalents that may become payable under this agreement upon or after your death will be paid to the duly appointed and currently acting personal representative of your estate. In any case where there is no such personal representative of your estate duly appointed and acting in that capacity within 90 days after your death (or such extended period as we may determine to be reasonably necessary to allow such personal representative to be appointed, but not to exceed 180 days after your death), then we will make payment to any person or persons who can verify by affidavit or court order to our satisfaction that they are legally entitled to receive the benefits specified hereunder. In the event any amount is payable under this agreement to a minor, payment will not be made to the minor, but instead be paid (a) to that person's living parent(s) to act as custodian, (b) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, or (c) if no parent of that person is then living, to a custodian selected by us to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and we decide not to select another custodian to hold the funds for the minor, then payment will be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within 60 days after the date the amount becomes payable, payment will be deposited with the court having jurisdiction over the estate of the minor. In the event that any amount becomes payable to a person who, in our sole judgment, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, we may make such payment to any person found by us, in our sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall constitute a full release and discharge of our obligations under this agreement with respect to the corresponding dividend equivalents.
8. **Adjustments.** We reserve the right to make adjustments to this award and the dividend equivalents credited or to be credited to your Account, in the event of any change in the outstanding shares of our common stock by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change.
9. **Compliance With Law; Governing Law.** This agreement and/or the payment of money under this agreement are subject to compliance with all applicable federal and state laws, rules and regulations. This agreement shall be construed, governed and administered in accordance with the laws of the State of California. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.
10. **Limited Rights.** Your Account will be a memorandum account on our books. Your dividend equivalents credited to your Account will not be treated as property or as a trust fund of any kind. You have no rights as a Company shareholder with respect to this award. Your rights with respect to this award are merely those of a general unsecured creditor of the Company to receive payment as described herein subject to the terms and conditions set forth herein. You and your heirs, successors, and assigns have no legal or equitable rights, claims, or interest in any specific property or assets of the Company or any of our affiliates. No assets of the Company or any of our affiliates will be held under any trust or held in any way as collateral security for the fulfilling our obligations under this agreement.



American States
WATER COMPANY

American States Water Company Announces Earnings for the Three and Six Months Ended June 30, 2005

San Dimas, California, August 4, 2005 . . . American States Water Company (NYSE:AWR) today reported basic and fully diluted earnings of \$0.34 per share for the quarter ended June 30, 2005 as compared to \$0.44 per share for the quarter ended June 30, 2004. Basic and fully diluted earnings are \$0.57 and \$0.56 per share, respectively, for the six months ended June 30, 2005 as compared to basic and fully diluted earnings of \$0.52 and \$0.51 per share, respectively, for the six months ended June 30, 2004.

Second Quarter 2005 Results - Total operating revenues of \$60.5 million for the second quarter of 2005 increased by \$1.2 million compared to revenues of \$59.3 million recorded in the second quarter of 2004. Water revenues reflect rate increases effective in 2004 and 2005 covering almost all water customers at AWR's subsidiary, Southern California Water Company ("SCW"). The effect of the rate increases, which contributed \$2.7 million in increased revenues, was offset by a decrease of 12.2% in billed water consumption resulting from extremely wet weather conditions in southern California during the winter and spring of 2005. The lower water consumption, as compared to the same period last year, negatively impacted earnings for the quarter by approximately \$0.07 per share. Electric revenues increased 11.8% to \$6.1 million due to rate increases related to the 8.4 MW generation facility and a 3.2% increase in consumption.

Other operating revenues increased by 167.7% to \$854,000 compared to \$319,000 for the quarter ended June 30, 2004 due primarily to additional revenues associated with the operation of the water and wastewater systems at Fort Bliss, located near El Paso, Texas that commenced on October 1, 2004.

Total operating expenses increased by 2.7% to \$50.0 million for the quarter ended June 30, 2005 as compared to the \$48.7 million recorded for the same period in 2004. The increase in operating expenses reflects: (i) a favorable decision by the California Public Utilities Commission ("CPUC") that resulted in a \$5.7 million pre-tax gain on sale of water rights during the second quarter of 2004 with no corresponding gain in 2005, (ii) increased groundwater assessments due to increased

assessment rates, (iii) increased administrative and general expenses due to increased pension and benefits, labor costs and various miscellaneous expenses, all of which are offset by a decrease in outside services costs related to new business development, and (iv) increased depreciation and amortization expense. These increases were partially offset primarily by decreases in: (i) purchased water due to a decline in customer demand, (ii) the provision for supply-cost balancing account as a result of the initial recording of the supply cost memorandum accounts in May 2004 and the recording of recently authorized under-collection in June 2005, and (iii) an unrealized gain on purchased power contracts.

Other income was a loss of \$52,000 as compared to income of \$538,000 for the three months ended June 30, 2004. The higher income for this period in 2004 was largely due to a reduction in SCW's estimate of customer refunds associated with lease revenues from the City of Folsom in June 2004.

Interest charges increased 6.8% to \$4.7 million compared to \$4.4 million for the quarter ended June 30, 2004 due primarily to increases in short-term borrowings and higher interest rates.

Year to Date 2005 Results — The increase in earnings for the first six months of 2005 in comparison to the prior year reflects the recognition of a pre-tax unrealized gain on purchased power contracts of \$3.5 million due to increasing energy prices. This unrealized gain added approximately \$0.12 per share to earnings for the six months ended June 30, 2005 compared to \$.02 per share for the prior year. Additionally, rate increases in most of SCW's service areas contributed to higher water revenues, offset by decreases in water consumption due to changes in weather. Lower water consumption due to more precipitation than last year negatively impacted earnings by approximately \$0.12 per share for the first six months of 2005.

Total operating revenues of \$110.3 million for the six months ended June 30, 2005 increased by \$4.3 million compared to operating revenues of \$106.0 million recorded for the six months ended June 30, 2004. Of the total increase in revenues, water revenues increased by 3% to \$95.0 million compared to \$92.3 million as of June 30, 2004 due to rate increases in most of SCW's customer service areas, offset by a 10% decrease in billed water consumption during the first half of 2005, as compared to the same period of 2004, due to near record rainfall in southern California. Electric revenues increased by 3.7% due to a slight increase in consumption and a rate increase related to the 8.4 MW natural gas-fueled generator facility. Other operating revenues increased by \$1.1 million due primarily to the additional revenues associated with the operation of the water and wastewater systems at Fort Bliss, located near El Paso, Texas that commenced on October 1, 2004.

Total operating expenses increased to \$91.3 million for the six months ended June 30, 2005 as compared to the \$89.8 million recorded for the same period in 2004, reflecting: (i) a \$5.7 million pre-tax gain on sale of water rights during the second quarter of 2004 with no corresponding gain in 2005, as discussed previously, (ii) an increase in administrative and general expenses resulting from increased outside services primarily related to Sarbanes-Oxley compliance requirements and increased labor, pension and benefit costs, (iii) higher depreciation costs, (iv) higher taxes on income, and (v) an increase in the groundwater production assessments. These increases were partially offset by: (i) a decrease in purchased water supply costs and the cost of power for pumping, both reflecting a reduction in consumption, (ii) a \$3.3 million decrease in the provision for supply-cost balancing accounts as discussed in the quarterly result, (iii) an increase of approximately \$3.0 million in the unrealized gain on purchased power contracts discussed

earlier, and (iv) a net gain of \$760,000 recorded in the first quarter of 2005 on a settlement reached for the removal of wells at the Chaparral City Water Company ("CCWC") subsidiary.

Other income was a loss of \$101,000 as compared to income of \$455,000 for the six months ended June 30, 2004. This was primarily due to a reduction in SCW's estimate of customer refunds associated with lease revenues from the City of Folsom in June 2004.

Interest charges increased to \$9.4 million for the six months ended June 30, 2005 as compared to \$8.7 million for the six months ended June 30, 2004. The increase is due primarily to increases in short-term borrowings and interest rate increases. In addition, during the first quarter of 2004, SCW recorded the recovery of carrying costs of approximately \$168,000 on the costs incurred in the water quality Order Instituting Investigation matter authorized by the CPUC in March 2004. There was no corresponding recovery in 2005.

Other - 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.

Q2 2005 Earnings Release Conference Call — The Company will host a conference call today, Thursday, August 4, 2005 at 10:00 a.m. Pacific Time ("PT"), during which management will be making a brief presentation focusing on the Company's second quarter results, strategies, and operating trends.

Interested parties can listen to the conference call over the Internet by logging on to www.aswater.com. The call will also be recorded and replayed beginning Thursday, August 4, 2005 at 1:00 p.m. PT and will run through Thursday, August 11, 2005. The dial-in number for the audio replay is (888) 203-1112, Passcode 4662163.

American States Water Company is the parent company of Southern California 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 and to approximately 12,780 customers in the city of Fountain Hills, Arizona and portions of Scottsdale, Arizona. The Company, through its Bear Valley Electric Division of SCW, distributes electricity to approximately 22,787 customers in the Big Bear recreational area of California. In addition, the Company contracts, either directly or through its wholly-owned subsidiary, American States Utility Services, Inc., with various municipalities, the U.S. Government and private entities to provide various water and wastewater services, including billing and meter reading, water marketing and operation and maintenance of water and wastewater systems.

CONTACT: Robert J. Sprowls
Chief Financial Officer and Treasurer
Telephone: (909) 394-3600, ext. 647

**American States Water Company
Consolidated**

Comparative Condensed Balance Sheets

(in thousands)	June 30, 2005	December 31, 2004
	(Unaudited)	
Assets		
Utility Plant-Net	\$ 687,424	\$ 664,165
Other Property and Investments	21,697	21,717
Current Assets	49,743	53,024
Regulatory and Other Assets	70,936	71,371
	\$ 829,800	\$ 810,277
Capitalization and Liabilities		
Capitalization	\$ 482,963	\$ 480,367
Current Liabilities	92,377	86,336
Other Credits	254,460	243,574
	\$ 829,800	\$ 810,277

Condensed Statements of Income

(in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(Unaudited)		(Unaudited)	
Operating Revenues	\$ 60,496	\$ 59,344	\$ 110,290	\$ 105,995
Operating Expenses:				
Operations	\$ 23,682	\$ 27,974	\$ 45,060	\$ 49,881
Unrealized (gain) loss on purchased power contracts	(459)	76	(3,474)	(481)
Gain on sale of water rights	—	(5,675)	—	(5,675)
Gain on settlement for removal of wells	—	—	(760)	—
Administrative and general expenses	11,495	11,497	21,624	20,576
Maintenance	2,522	2,609	4,988	4,936
Depreciation and amortization	5,696	5,073	11,331	10,250
Taxes on income	4,808	5,086	8,024	6,028
Property and other taxes	2,221	2,105	4,493	4,331
Total operating expenses	\$ 49,965	\$ 48,745	\$ 91,286	\$ 89,846
Net operating income	\$ 10,531	\$ 10,599	\$ 19,004	\$ 16,149
Other Income (Loss), net	(52)	538	(101)	455
Interest Charges	4,744	4,427	9,404	8,748
Net Income	\$ 5,735	\$ 6,710	\$ 9,499	\$ 7,856
Earnings Available for Common Shareholders	\$ 5,735	\$ 6,710	\$ 9,499	\$ 7,856
Weighted Average Shares Outstanding	16,773	15,248	16,769	15,236
Earnings Per Common Share	\$ 0.34	\$ 0.44	\$ 0.57	\$ 0.52
Weighted Average Diluted Shares	16,834	15,269	16,821	15,265
Earnings Per Diluted Share	\$ 0.34	\$ 0.44	\$ 0.56	\$ 0.51
Dividends Paid Per Common Share	\$ 0.225	\$ 0.221	\$ 0.450	\$ 0.442