

June 08, 2012
For Immediate Release

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NEW RATES APPROVED FOR CALIFORNIA AMERICAN WATER CUSTOMERS IN VENTURA COUNTY

Decision provides for new infrastructure and conservation investment

NEWBURY PARK, Calif. (June 8, 2012) – On Thursday, the California Public Utilities Commission issued an order increasing revenues for California American Water in its Ventura County service district. The CPUC approved the increase to fund infrastructure improvements, operations and conservation programs in the company's Ventura County water supply systems through the end of 2014.

The CPUC approved the new rates after 18 months of comprehensive review, which included extensive evidentiary documents, testimony and public input. The approved decision by the CPUC increases California American Water's total annual revenue in Ventura County to approximately \$29.1 million and will increase rates by about 5.9 percent from current levels.

"We employ a systematic and prudent process when it comes to assessing and implementing our infrastructure maintenance and planning," said Todd Brown, California American Water's Southern Division manager. "This rate increase is necessary to pay for much-needed upgrades and infrastructure projects within our Ventura County service district that will enable us to continue to provide high-quality water service that meets our communities' needs. It's worth noting that despite this rate adjustment, our water is still a great value at about a penny a gallon."

A surcharge for the collection of under recovered 2011 revenues will go into effect while base rates will remain at their current levels until this fall when a new rates structure will be approved by the CPUC. Customers will be notified about the adjusted rates and when they will be implemented in the coming months.

The new rates will fund approximately \$8.2 million in infrastructure investments and other associated costs for the Ventura County service district including the replacing and installing new water lines, tank and reservoir rehabilitation, as well as making improvements to distribution facilities to enhance water service, reliability, efficiency and quality.

For low-income customers, the company proudly offers “H2O Help to Others,” a program designed to assist those experiencing financial difficulties in paying their water bill. This decision will also increase the benefits previously received. Customers who are enrolled in low income programs with any other utility automatically qualify for the “H2O Help to Others” program. Customers can obtain additional information by calling the company’s 24-hour customer service center at (888) 237-1333 or by visiting the company website at www.californiaamwater.com.

To help customers use water wisely, the company has received authorization to continue a variety of conservation programs and rebates. The program includes offering free WaterWise residential and non-residential surveys, water-efficient showerhead and hose nozzles, sink aerators, leak detection kits and many other types of water-saving devices to all customers free of charge. The company also offers sizeable rebates for qualified water-efficient appliances like clothes washers and low-flow toilets as well as water-efficient landscaping. California American Water customers can sign-up for these services by stopping by its local office located at 2439 West Hillcrest Drive, Newbury Park, between the hours of 8:30 a.m. and 4 p.m.

California American Water, a wholly owned subsidiary of American Water (NYSE: AWK), provides high-quality and reliable water and/or wastewater services to approximately 600,000 people. California American Water’s Ventura County service district includes approximately 20,000 households and businesses and serves a population of approximately 60,000 in the cities of Camarillo, Thousand Oaks, and the community of Newbury Park as well as unincorporated portions of Ventura County.

Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs approximately 7,000 dedicated professionals who provide drinking water, wastewater and other related services to an estimated 15 million people in more than 30 states and parts of Canada. More information can be found by visiting www.amwater.com.

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