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American Water President and Chief Executive Officer Jeff Sterba Plans May 2014 Retirement; Chief Financial Officer Susan N. Story to Become CEO May 2014

VOORHEES, N.J.--(BUSINESS WIRE)-- American Water Works Company Inc. (NYSE: AWK), the largest publicly traded U.S. water and wastewater utility company, has announced that Jeff Sterba will retire from his role as president and chief executive officer of American Water at the Company's annual meeting, scheduled for May 9, 2014. At that time, American Water's current senior vice president and chief financial officer Susan N. Story will succeed Sterba as president and CEO. Sterba will stay on as an advisor to Story to ensure a smooth transition until January 1, 2015.



"I am so proud of what the American Water employees have achieved in the past few years," said Jeff Sterba, president and CEO of American Water. "With a clear and well established vision, we have and will continue to execute our strategy. The leadership team at American Water has created a company where continuous improvement is fully ingrained into our culture, customers are at the center of our actions and increasing shareholder value has and will be the result. While I will miss the committed and dedicated people of American Water, I know I will leave the company in incredibly capable hands, ensuring a pathway for sustainable and profitable growth."

Sterba joined American Water as CEO in 2010. Under his leadership, the company delivered solid earnings per share growth more than doubling its equity share price and market capitalization, while strengthening its balance sheet with increases in revenues, net margin, and cash flow. At the same time, the company achieved its O&M efficiency rate goal through effective cost management and increased efficiencies. American Water also established its portfolio optimization strategy and grew both its regulated and market-based businesses. During Sterba's tenure, American Water became the first U.S. water utility named to the Dow Jones Sustainability North America Index.

Beyond his achievements at American Water, Sterba also became a thought leader in the water industry, testifying before Congress numerous times as well as helping to launch the Value of Water Coalition, a coalition made up of both public and private members of the water industry working to educate the public on the importance of clean, safe, and reliable water.

"Jeff has been a consummate leader since taking over the helm at American Water in 2010," said George MacKenzie, Chairman of American Water's Board of Directors. "Under his direction, the company has achieved year-over-year growth, expanded its services and territories, become more efficient and effective, and, most importantly, delivered excellent service to customers. The entire board thanks him for positioning American Water for long-term success."

American Water President and CEO Jeff Sterba will retire from his position in May 2014. (Photo: Business Wire)

"The Board is also very pleased that Susan Story will become American Water's next leader," MacKenzie continued. "Susan has more than 30 years of utility experience and knowledge and we are confident that under her direction, American Water will continue to deliver the solid performance its customers, employees and shareholders have come to expect."

Story is currently American Water's senior vice president and chief financial officer. American Water expects to name Story's CFO successor prior to May 2014.

"American Water is a remarkable company. Our employees are dedicated to providing clean, safe, reliable and affordable water; to the highest levels of customer service; and to the effective stewardship of our environment. Our company is built on integrity and committed to financial fundamentals that serve the best interest of our customers, employees, shareholders and

communities," said Story. "It is an honor and a privilege to be part of this top-notch leadership team and these highly committed employees. We look forward to carrying on the tradition of excellence and outstanding performance that Jeff Sterba established during his time leading this great company."

Before joining American Water, Story served as executive vice president of Southern Company, one of America's largest generators of electricity serving both regulated and competitive markets across the southeastern United States. In that role she was also president and CEO of Southern Company Services, providing a wide array of shared services across the company's geographic footprint.

A seasoned utility executive, Story also served as president and CEO of Gulf Power Company, a Florida subsidiary of Southern Company, and as Southern Company's executive vice president of Engineering and Construction Services. Story began her career at Southern Company as a nuclear power plant engineer and had increasing executive and leadership responsibilities in both power plant and T&D operations, marketing, customer service, human resources, corporate real estate and supply chain management.

Story has a history of active involvement in community, industry, education and economic development efforts. She currently serves on the Bipartisan Policy Center Board of Directors in Washington, D.C. and as a member of the Moffitt Cancer Center Board of Advisors in Tampa, Fla. She was recently the national chairman for the Center for Energy Workforce Development (CEWD) and served on the boards of the National Renewable Energy Laboratory (NREL) and the Alliance to Save Energy (ASE). In her time in Florida, she was a member of the Florida Board of Education, appointed to the Federal Judicial Nominating Commission, appointed chair of the state's economic development public-private partnership, and was an appointee to the Tax and Budget Reform Commission, required every 20 years by the Florida Constitution.

Story is an independent director of Raymond James Financial (RJF), having served on the board since 2008.

She attended executive education programs at Duke University and Oxford University, and completed international business studies at Cambridge University and leadership studies at Harvard. She earned a bachelor's degree in industrial engineering from Auburn University and an MBA from the University of Alabama in Birmingham. She completed additional post-graduate coursework in the Master of Finance program at the University of Alabama focusing in financial derivatives, and at the Birmingham School of Law focusing on torts and contracts.

About American Water

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 6,700 dedicated professionals who provide drinking water, wastewater and other related services to an estimated 14 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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American Water Works Company, Inc.
Edward Vallejo
Vice President, Investor Relations
856-566-4005
edward.vallejo@amwater.com

or
Maureen Duffy
Vice President, Communications
856-309-4546
maureen.duffy@amwater.com

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