

PRESS RELEASECALIFORNIA
AMERICAN WATER

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Catherine Bowie
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Pacific Grove, CA (February 9, 2009) – California American Water will hold three meetings to present proposed changes to its customer rate design.

To encourage water conservation, California American Water customers are charged increasing block rates, meaning the more water you use, the more you pay per unit. As part of its 2009 General Rate Case filing, California American Water proposed to change the amount of water allowed in each block, as well as the relative difference in cost between the high and low block rates.

In late November 2008, a settlement was reached between California American Water and the Department of Ratepayer Advocates concerning these changes. The scheduled meetings will explain this settlement proposal, which is pending before the California Public Utilities Commission (CPUC). The CPUC is expected to make a decision concerning the rate design and the rates themselves in April 2009. At present, no settlement has been reached on the proposed rates – the revenue California American Water will be allowed to collect and the dollar amounts that will be charged to customers per unit of water.

A copy of the Rate Design Settlement Agreement is available on the California American Water website, www.californiaamwater.com. Look under the headings for Customer Service and Rates Information.

The meetings will be held as follows:

For residential customers in Carmel Highlands, Carmel Valley, Carmel, Pebble Beach, Pacific Grove, Monterey, Seaside, Del Rey Oaks and Sand City:

Monday, March 9th
6:00 – 8:00 p.m.
Monterey Conference Center, One Portola Plaza, Monterey

For commercial customers:

Tuesday, March 10th
6:00 – 8:00 p.m.
Rancho Canada, 4860 Carmel Valley Road, Carmel

For residential customers in Bishop and Hidden Hills:

Wednesday, March 11th
6:00 – 8:00 p.m.
Pasadera Country Club, 100 Pasadera Drive, Monterey

For more information, contact manager of external affairs, Catherine Bowie at (831) 646-3208 or catherine.bowie@amwater.com.

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California American Water, a wholly owned subsidiary of American Water (NYSE: AWK), provides high-quality and reliable water and/or wastewater services to more than 600,000 people.

Founded in 1886, American Water is the largest investor-owned U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs more than 7,000 dedicated professionals who provide drinking water, wastewater and other related services to approximately 15 million people in 32 states and Ontario, Canada. More information can be found by visiting www.amwater.com.