



FOR IMMEDIATE RELEASE
Oct. 27, 2008

CONTACT: John Dewey
(714) 535-7711 x291

Golden State Water Company Asks Customers to Voluntarily Reduce Water Usage

Prepares to implement tiered rates to encourage conservation

San Dimas, CA - Golden State Water Company (GSWC), a subsidiary of American States Water Company, (NYSE: AWR), is asking all of its customers to voluntarily reduce their water usage and is implementing conservation tiered rates in response to one of the driest periods in state history.

GSWC is targeting an overall 20 percent reduction companywide from these voluntary efforts. The company provides water service to a population exceeding one million people. Its service territory is within 75 communities throughout 10 counties in Northern, Coastal and Southern California.

"We all must play a role in responding to the drought," said GSWC President and CEO Floyd Wicks. "We recognize that many customers already have begun conservation efforts, and we applaud their efforts. We must now remain vigilant to minimize our water usage as much as possible. GSWC is committed to doing everything possible to help California get through this latest drought. We're investing to keep the water system in the best possible condition in order to provide the "best-in-class" customer service to help customers take action to conserve. And the tiered rates will provide a financial incentive to encourage conservation during these challenging times."

GSWC is offering all of its customers free conservation kits and tips (attached) to help them identify ways to reduce their usage. Customers can find out more about GSWC's conservation programs and how to obtain a free water conservation kit by calling a customer service representative at 1-800-999-4033. Representatives are available 24 hours a day and 7 days a week.

Additionally, GSWC recently received approval from the CPUC to implement new conservation tiered rates to encourage conservation and a lower monthly service charge in most of its Southern California service territories, beginning in November. The company also asked the CPUC to allow GSWC to implement tiered rates in its Northern California and Coastal districts and is expecting a decision in early 2009. The tiered rates will encourage conservation by charging incrementally higher rates as water usage increases.

"Golden State Water Company, working in collaboration with the California Public Utilities Commission, was a leader in the effort to get conservation tiered rates approved for investor-owned water utilities," Wicks said. "This is yet another way we are raising the awareness and helping to encourage water conservation during one of the driest periods in state history. Customers who truly conserve will pay less for water than those who do not."

GSWC will provide customers with ongoing updates about efforts to overcome the drought. More information about the tiered rates is available on GSWC's Web site at www.gswater.com.

-MORE-

Customers also will be receiving notices in their bills explaining the rates and the impact on their bills.

#

American States Water Company is the parent of Golden State 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 (approximately 255,000 customers) and to over 13,000 customers in the city of Fountain Hills, Arizona and a small portion of Scottsdale, Arizona. The Company also distributes electricity to over 23,000 customers in the Big Bear recreational area of California. Through its non-regulated subsidiary, American States Utility Services, Inc., the Company contracts with the U.S. Government and private entities to provide various services, including water marketing and operation and maintenance of water and wastewater systems.