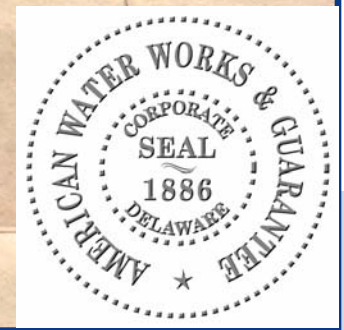
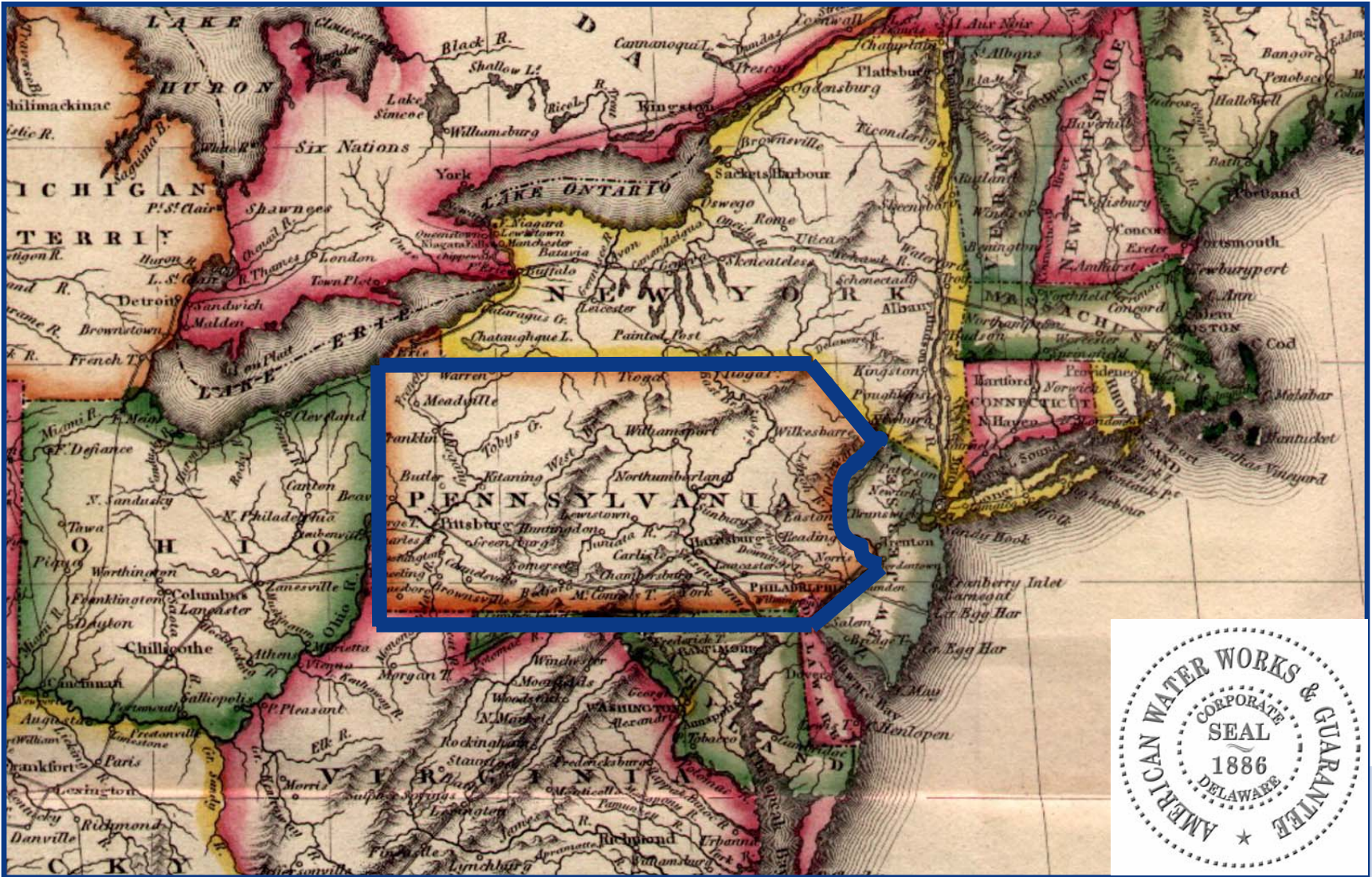


American Water Past, Present, Future

Donald L. Correll
President and Chief Executive Officer
NARUC Summer Committee Meetings
July 31, 2006

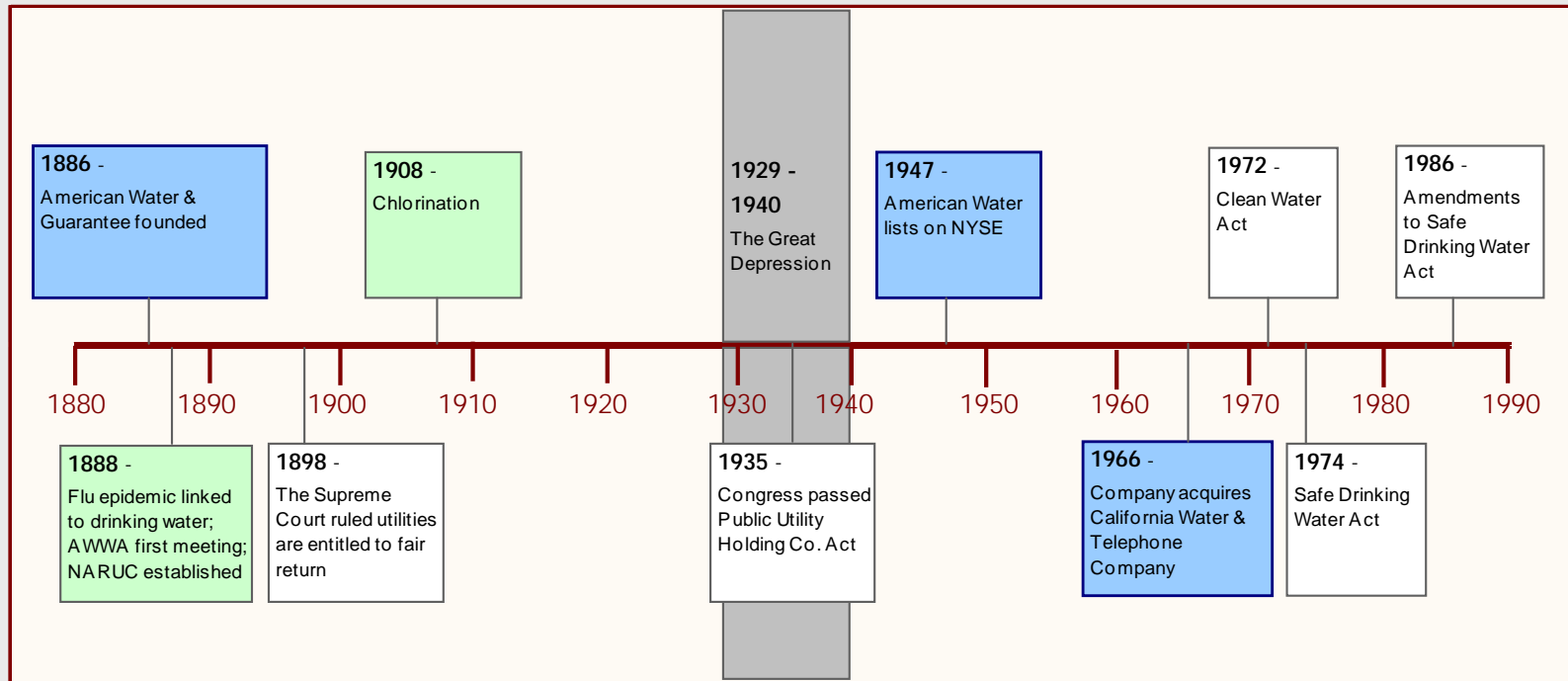
Forward Looking Statement

Certain matters discussed in this presentation are forward-looking statements. These forward-looking statements can generally be identified as such because the context of the statement will include words such as the Company "believes," "anticipates," "expects" or words of similar import. Similarly, statements that describe the Company's future plans, objectives, estimates or goals are also forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements.



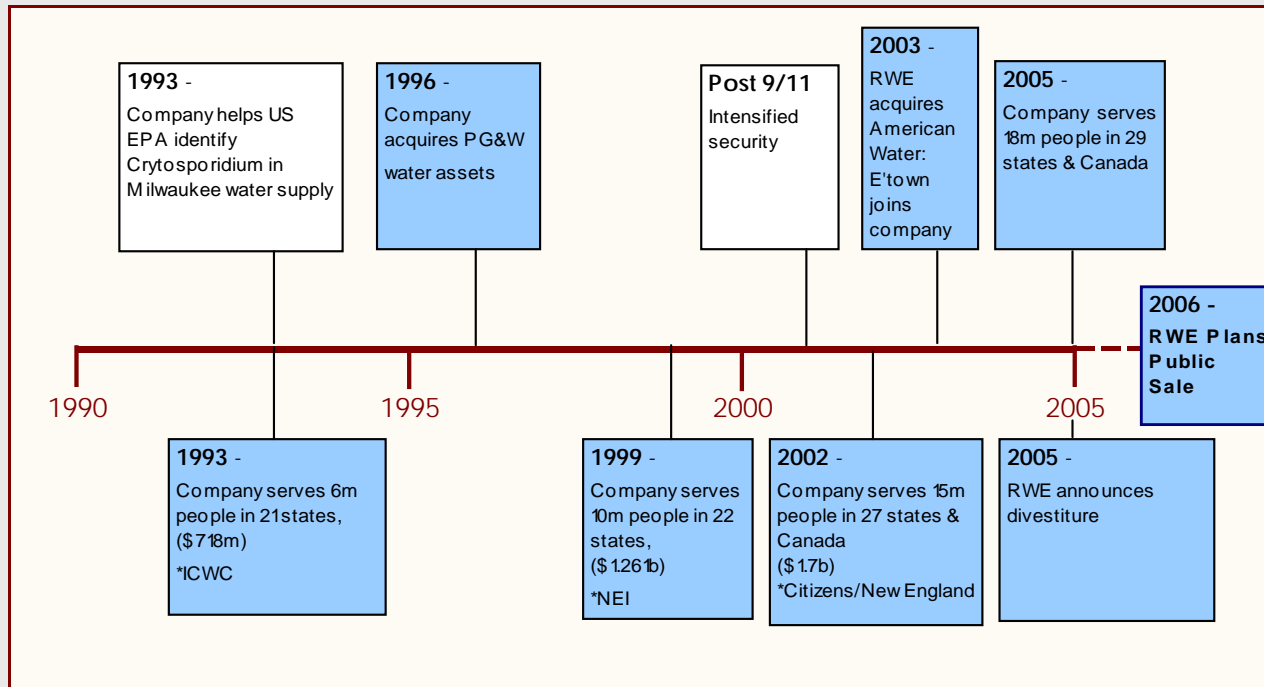
History At-A-Glance

Water Industry: Timeline



History At-A-Glance, continued

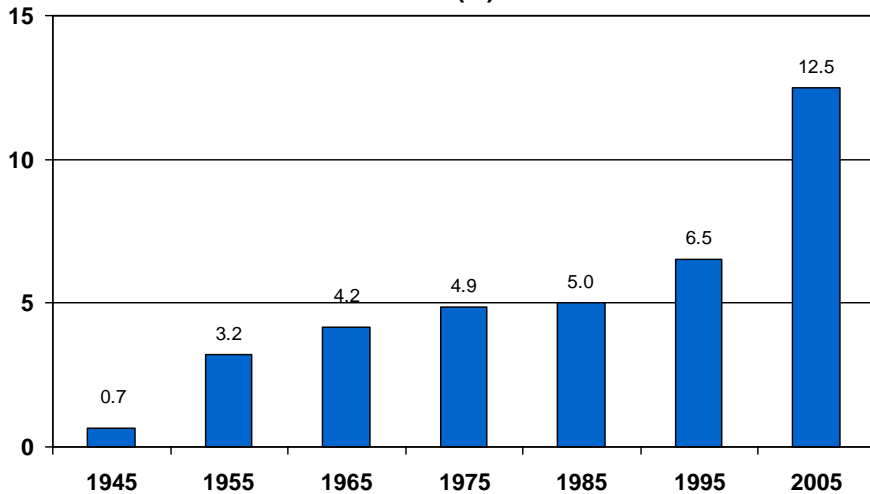
American Water: Industry Leader



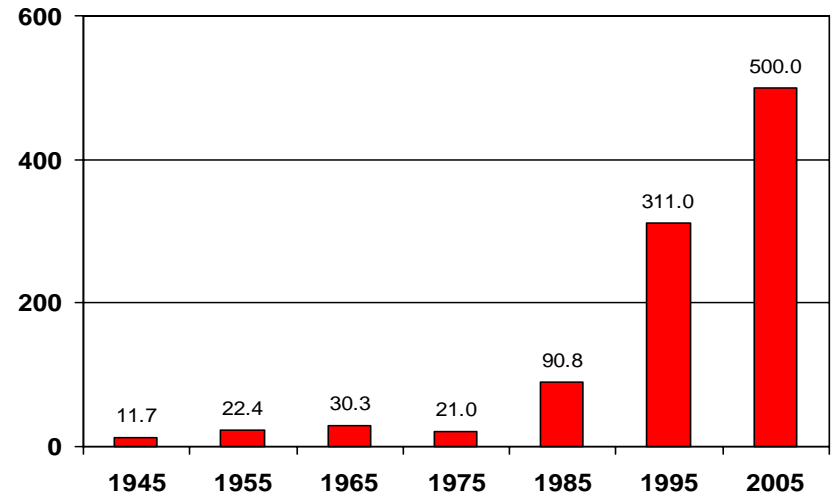
American Water

Regulated Utilities

Population Served
(M)

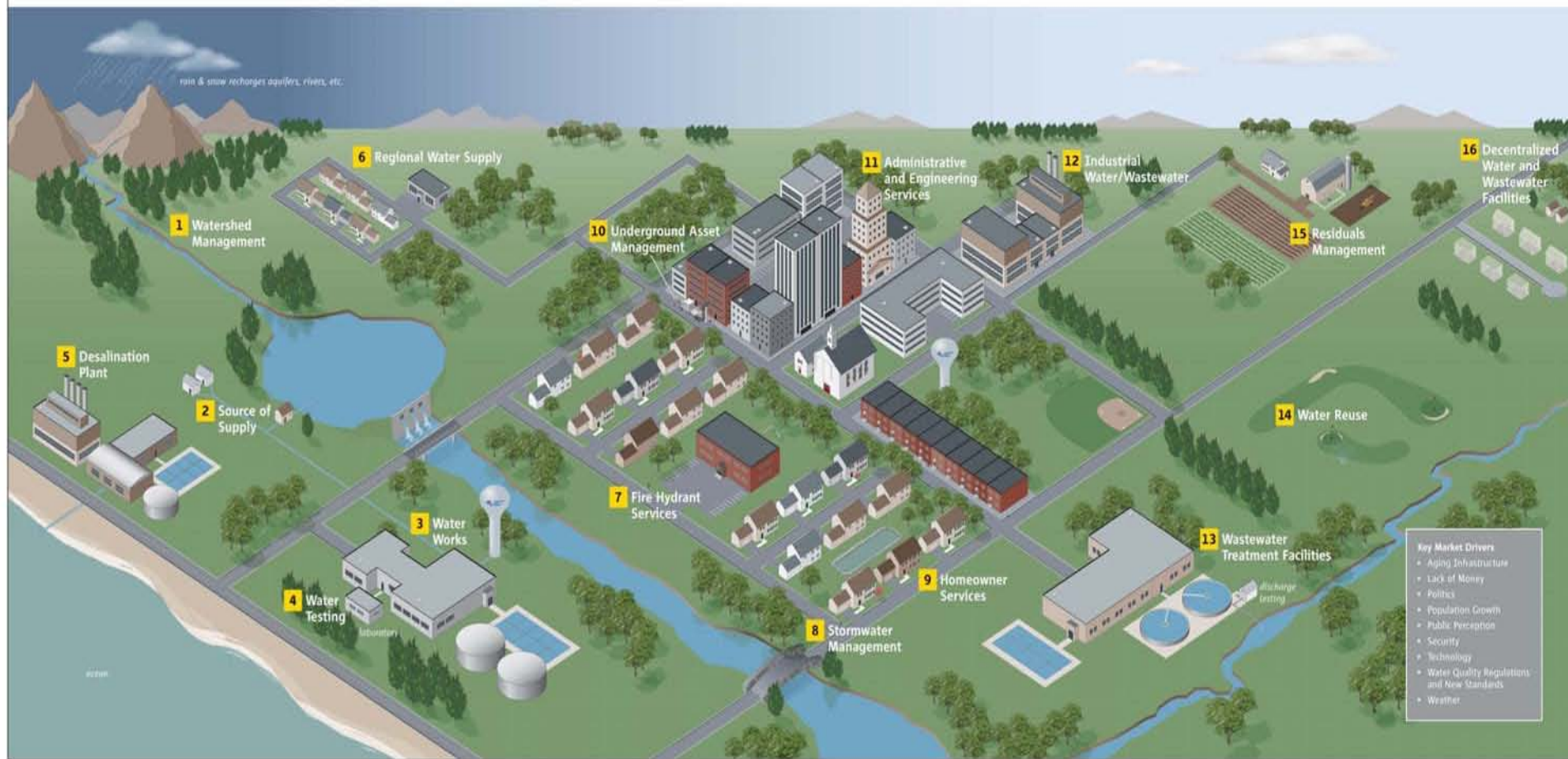


Net CapEx
(\$M)

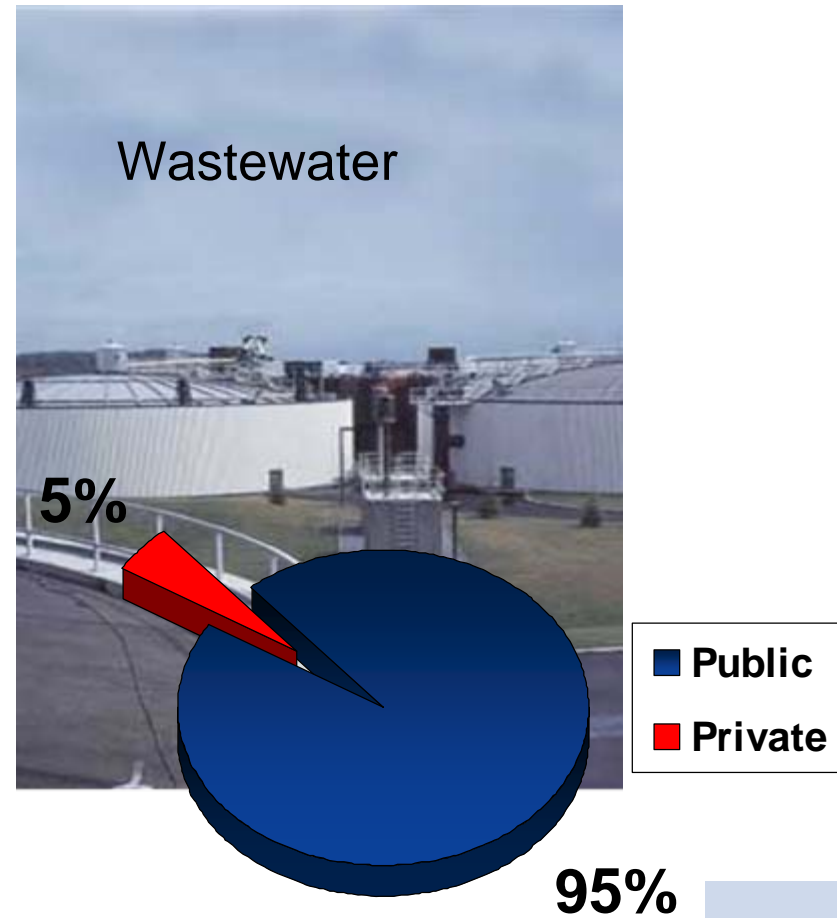
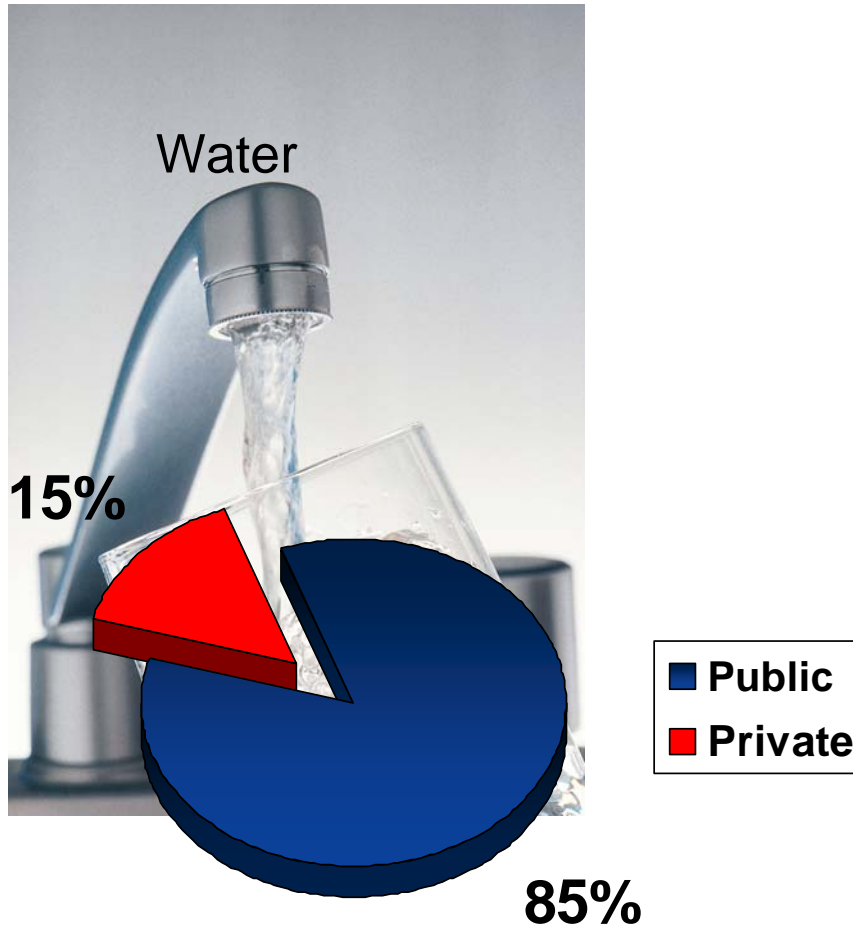


Integrated Water Cycle

Water and Wastewater Services

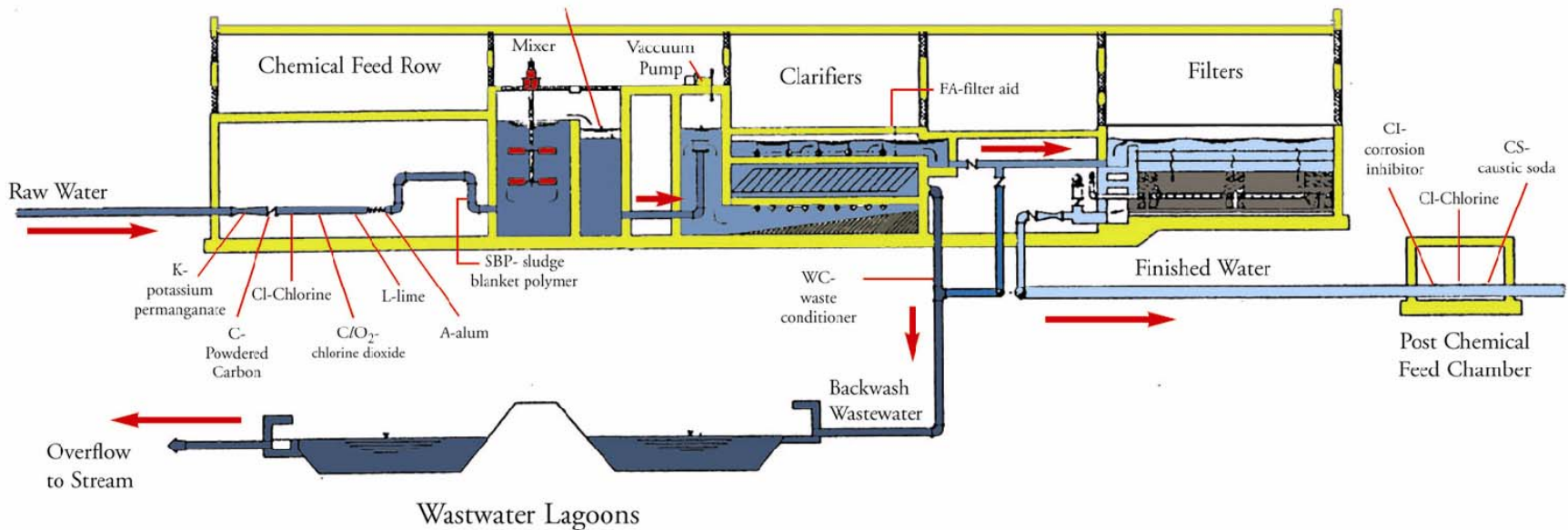


Public Sector vs. Private Sector



Water Treatment: How it works

American Water treats over 500 billion gallons of water each year



Capital Intensive Industry



- Planned investment of over \$600 million during 2006
- We own over 40,000 miles of distribution mains
- Nearly 300 water systems
- 25 wastewater systems
- More than 175,000 fire-hydrants
- 1,000 water tanks

Water Testing

- National Quality & Research Lab, Belleville, IL
- Over 1 million tests annually
- Recipient of nearly 100 awards
- ***2005 Drinking Water Compliance Level 99.996%***



Water Research



- 25 years with formal research program
- Invested \$50 million in water related research
- Over 150 projects completed and 300 publications
- Research focus on:
 - Protecting source water
 - Improving treatment & security
 - Protecting public health
 - Managing waste

Water Reuse

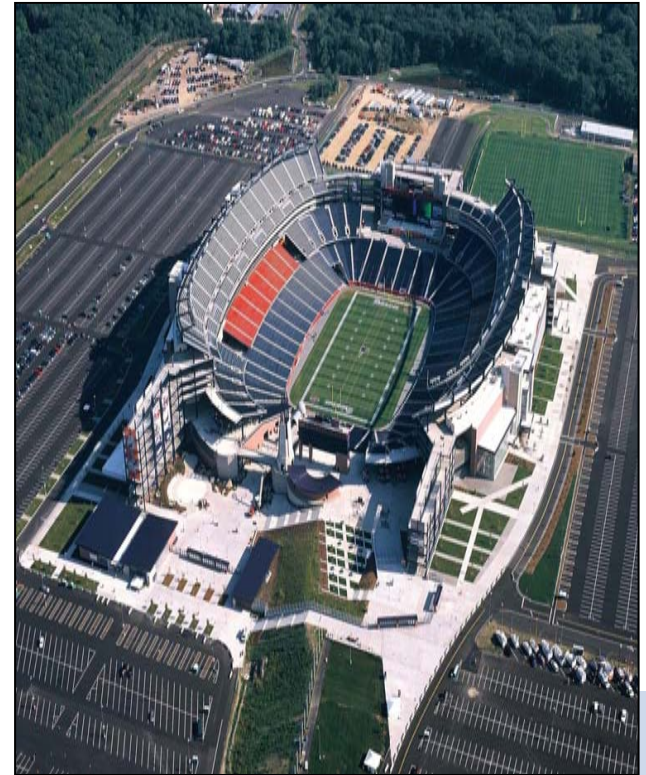
Hawke Pointe
Washington, NJ



The Solaire
Battery Park City (NYC)



Gillette Stadium,
Foxboro, MA



Desalination

- Viable solution for water supply deficits
- Growing supply demand in United States
- Tampa Bay (American Water)
 - Largest desal
 - 20-year contract



Back To The Future

- Continue investments
 - Planned 2006 capital investment over \$600 million
- Committed to water quality
 - Continue to invest in research & development
 - 2006: Recipient of 14 5-year Director's Awards
- Assist with industry consolidation
- Remain locally focused
- Integrated focus on water resource management
- Solutions provider to municipal markets and others
- A public company ... AGAIN!



BACK ← ||||
TO THE FUTURE



**American
Water®**



To be continued...