

A Check if: 1a Consolidated return (attach Form 851) <input checked="" type="checkbox"/> X b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input checked="" type="checkbox"/> X	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%; vertical-align: top;"> Use IRS label. Otherwise, print or type. </td> <td style="width:85%;"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:100%;">Name</td> <td>American Water Works Company, Inc & Subs</td> </tr> <tr> <td>Number, street, and room or suite no. If a P.O. box, see instructions.</td> <td>PO Box 5600, ATTN: Income Tax</td> </tr> <tr> <td>City or town, state, and ZIP code</td> <td>Cherry Hill, NJ 08003</td> </tr> </table> </td> </tr> </table>	Use IRS label. Otherwise, print or type.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:100%;">Name</td> <td>American Water Works Company, Inc & Subs</td> </tr> <tr> <td>Number, street, and room or suite no. If a P.O. box, see instructions.</td> <td>PO Box 5600, ATTN: Income Tax</td> </tr> <tr> <td>City or town, state, and ZIP code</td> <td>Cherry Hill, NJ 08003</td> </tr> </table>	Name	American Water Works Company, Inc & Subs	Number, street, and room or suite no. If a P.O. box, see instructions.	PO Box 5600, ATTN: Income Tax	City or town, state, and ZIP code	Cherry Hill, NJ 08003	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:100%;">B Employer identification number</td> <td>51-0063696</td> </tr> <tr> <td>C Date incorporated</td> <td>08/18/1936</td> </tr> <tr> <td>D Total assets (see instructions)</td> <td>\$ 13,295,500,963.</td> </tr> </table>	B Employer identification number	51-0063696	C Date incorporated	08/18/1936	D Total assets (see instructions)	\$ 13,295,500,963.
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E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change <input type="checkbox"/>

	1a Gross receipts or sales	2,365,988,316.	b Less returns and allowances		c Bal ▶		1c	2,365,988,316.
Income	2	Cost of goods sold (Schedule A, line 8)				2	670,344,550.	
	3	Gross profit. Subtract line 2 from line 1c				3	1,695,643,766.	
	4	Dividends (Schedule C, line 19)				4	1,131,981.	
	5	Interest	See Statement. 9			5	4,962,739.	
	6	Gross rents				6	4,202,007.	
	7	Gross royalties				7		
	8	Capital gain net income (attach Schedule D (Form 1120))				8	352,360.	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9	336,236.	
	10	Other income (see instructions - attach schedule)	See Statement. 17			10	49,498,762.	
	11	Total income. Add lines 3 through 10				11	1,756,127,851.	

Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)				12	3,882,773.
	13	Salaries and wages (less employment credits)				13	198,106,762.
	14	Repairs and maintenance	See Statement. 25			14	271,013,038.
	15	Bad debts				15	28,647,741.
	16	Rents				16	16,846,660.
	17	Taxes and licenses	See Statement. 35			17	181,135,230.
	18	Interest	See Statement. 52			18	303,517,664.
	19	Charitable contributions	See Statement. 60			19	NONE
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)				20	533,605,472.
	21	Depletion				21	
	22	Advertising	See Statement. 69			22	7,663,583.
23	Pension, profit-sharing, etc., plans	See Statement. 73			23	83,739,984.	
24	Employee benefit programs	See Statement. 78			24	102,859,956.	
25	Domestic production activities deduction (attach Form 8903)				25		
26	Other deductions (attach schedule)	See Statement. 91			26	267,825,377.	
27	Total deductions. Add lines 12 through 26				27	1,998,844,240.	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28	-242,716,389.	
29	Less: a Net operating loss deduction (see instructions)	29a	NONE				
	b Special deductions (Schedule C, line 20)	29b	44,389.	29c	44,389.		

Tax, Refundable Credits, and Payments	30	Taxable income. Subtract line 29c from line 28 (see instructions)				30	-242,760,778.
	31	Total tax (Schedule J, line 10)				31	NONE
	32a	2008 overpayment credited to 2009	32a				
	b	2009 estimated tax payments	32b				
	c	2009 refund applied for on Form 4466	32c				
	d	Tax deposited with Form 7004	d Bal ▶ 32d				
	e	Credits: (1) Form 2439 (2) Form 4136	32e				
	f	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32f				
	g	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g			32h	
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached				33	
	34	Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34	NONE
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35		
36	Enter amount from line 35 you want: Credited to 2010 estimated tax ▶ Refunded ▶				36		

Sign Here ▶	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of officer: <u><i>Michael</i></u> Date: <u>9-14-10</u> Title: <u>VP & Controller</u>	

Paid Preparer's Only	Preparer's signature: <u><i>[Signature]</i></u> Date: <u>9.14.2010</u>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN: <u>P00591723</u>
	Firm's name (or yours if self-employed), address, and ZIP code: <u>Ernst & Young U.S. LLP</u> <u>Two Commerce Square, STE 4000</u> <u>Philadelphia, PA 19103</u>	EIN: <u>34-6565596</u>	Phone no.: <u>215-448-5000</u>