

AMERICAN STATES WATER CO  
 Form 4  
 May 18, 2006

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 SPROWLS ROBERT J

2. Issuer Name and Ticker or Trading Symbol  
 AMERICAN STATES WATER CO  
 [AWR]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 630 E FOOTHILL BLVD  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/16/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Sr. Vice President Finance

SAN DIMAS, CA 91773  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |       |   |  |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-------|---|--|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |       |   |  |
| Common Stock                    | 05/16/2006                           |  | M                              |   | 3,985   | A  | \$ 23.24                          | 5,467 | D |  |
| Common Stock                    | 05/16/2006                           |  | S                              |   | 3,985   | D  | \$ 40.1572                        | 1,482 | D |  |
| Common Stock                    | 05/16/2006                           |  | M                              |   | 3,985   | A  | \$ 25.92                          | 5,467 | D |  |
| Common Stock                    | 05/16/2006                           |  | S                              |   | 3,985   | D  | \$ 40.1572                        | 1,482 | D |  |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (right to buy)       | \$ 23.24   | 05/16/2006                           |  | M                              | 3,985   | <u>(1)</u> 06/29/2014                                    | Common Stock  | 3,985                         |
| Employee Stock Option (right to buy)       | \$ 25.92   | 05/16/2006                           |  | M                              | 3,985   | <u>(2)</u> 01/02/2015                                    | Common Stock  | 3,985                         |

## Reporting Owners

| Reporting Owner Name / Address                                 | Relationships  |
|--|--|
| SPROWLS ROBERT J<br>630 E FOOTHILL BLVD<br>SAN DIMAS, CA 91773 | Director 10% Owner Officer Other<br>Sr. Vice President Finance |

## Signatures

/s/ Robert J. Sprowls 05/17/2006

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Option became exercisable as to 3,985 of the 12,075 total number of shares subject to the option on June 29, 2005. The option will become exercisable as to an additional 3,985 shares on June 29, 2006 and an additional 4,105 shares on June 29, 2007.
- (2) The Option became exercisable as to 3,985 of the 12,075 total number of shares subject to the option on January 1, 2006. The option will become exercisable as to an additional 3,985 shares on January 2, 2007 and an additional 4,105 shares on January 2, 2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.