

AMERICAN WATER WORKS COMPANY

Taxable Income Calculation

	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>NON OPERATING COMPANIES</u>			
AMER. WATER WORKS CO., INC.	(\$25,623,391)	\$45,372,482	(\$119,514,060)
GREENWICH	(690)		
AWS CORP.			(96,734)
AMERICAN WATER CAPITAL CORP.			6,139,085
AWW SERVICE CO.	(1,632,593)	(171,974)	(2,451,571)
THAMES WATER AQUA US HOLDINGS, INC.			(60,519,073)
APPLIED WASTEWATER MANAGEMENT, INC.			(728,138)
APPLIED WASTEWATER SERVICES, INC.			18,902
AMERICAN ANGLIAN ENVIRONMENTAL	(14,889)	(29,703)	(77,299)
AMERICAN WATER SERVICES CDM, INC.		(20,932)	(38,263)
AMERICAN WATER RESOURCES	2,956,710	6,248,007	4,889,814
AMERICAN WATER SERVICES, INC.	(1,850,233)	(16,366,994)	(22,106,759)
AMERICAN WATER SERVICES (USA), INC.		(2,608,118)	(1,296,521)
AMERICAN WATER SERVICES ENG, INC.	(59,190)	(167,158)	(132,826)
AMERICAN WATER SERVICES INDUSTRIAL OPERATIONS	(187,301)	(932,497)	181,168
AMERICAN WATER SERVICES OPERATIONS &	305,671	(6,025,851)	(6,803,897)
AMERICAN WATER SERVICES RESIDUALS	(38,681)	(4,353,548)	(4,413,779)
AMERICAN WATER SERVICES UNDERGROUND INFRASTRUCTURE	607,211	2,317,753	2,056,991
AZURIX CMD, INC	22,124		
AZURIX INDUSTRIALS CORP	34,333		
AZURIX NORTH AMERICA (USA), INC.	(948,751)		
AZURIX NORTH AMERICA CORP.	(16,620)	(96,573)	
AWS INDUSTRIALS CORP		(39,004)	(4,035)
DITTMAN-MERKA ENTERPRISES, INC.	(5,778)	(34,666)	(34,938)
MAGNOLIA CONSTRUCTION COMPANY, INC.	(17,476)	(75,833)	(4,303)
MASSACHUSETTS RESORCE CO.	327,182	85,712	
APPLIED WATER MANAGEMENT, INC			1,433,896
PHILIP AUTOMATED MANAGEMENT CONTROLS, INC.	(111,029)	(633,779)	(1,118,450)
TRIMAX RESIDUALS MANAGEMENT (USA) INC.	240,154	1,684,863	159,730
ASHBROOK CORPORATION			1,637,395
E' TOWN CORPORATION			(19,601,116)
E' TOWN PROPERTIES INC			32,681
F B LEOPOLD COMPANY, INC.			1,704,833
HYDRO-AEROBICS, INC.			(354,560)
THAMES WATER HOLDINGS, INC.			1,554,959
THAMES WATER NORTH AMERICA, INC.			(12,534,224)
UESG HOLDINGS, INC.			(15,600,000)
EDISON WATER COMPANY			(507,096)
LIBERTY WATER COMPANY			1,835,276
U-LINER MID AMERICA, INC.		(521,586)	
UTILITY MANAGEMENT & ENGINEERING, INC.	(881)	(6,085)	(6,085)
ELIMINATION ENTRY	252,816	321,168	242,014
ADJUSTMENTS			(11,510,295)
TOTAL	<u>(25,761,302)</u>	<u>23,945,684</u>	<u>(257,567,278)</u>
<u>OPERATING COMPANIES</u>			
ELIZABETHTOWN WATER COMPANY			38,947,391
HAMPTON	768,177	(358,124)	
CONNECTICUT- AMERICAN	3,968,037	(688,132)	
MASSACHUSETTS AMERICAN - 1	320,537	(706,134)	
THE MOUNT HOLLY WATER COMPANY			636,395
SALISBURY	585,852	58,511	34,333
AMERICAN LAKE WATER COMPANY		1,013,557	1,617,479
PENNSYLVANIA - AMERICAN - 1	51,108,699	40,851,346	30,035,034
NEW YORK AMERICAN	988,200	(354,848)	
LONG ISLAND WATER	4,420,092	1,512,238	(2,717,531)
NEW JERSEY-AMERICAN	48,792,387	31,835,102	8,309,841
IOWA - AMERICAN	2,745,483	3,668,313	1,822,775
ILLINOIS - AMERICAN	19,553,270	10,124,499	6,641,332
INDIANA - AMERICAN	21,203,339	11,524,369	7,659,292
MISSOURI - AMERICAN	5,521,838	22,171,706	6,651,701
JEFFERSON CITY WATER WORKS CO.	1,330,133		
ST. LOUIS COUNTY	26,705,375		
OHIO - AMERICAN	505,609	192,528	(1,657,104)
MICHIGAN - AMERICAN	190,068	187,599	238,153
CALIFORNIA AMERICAN	7,505,015	2,823,799	(4,768,752)
ARIZONA - AMERICAN	18,928	(1,860,920)	(6,685,787)
NEW MEXICO - AMERICAN	1,077,920	1,578,661	1,532,611
SOUTHWEST UTILITIES, INC	9,585	167,065	(13,417)
HAWAII - AMERICAN	1,021,369	686,327	(18,875)
WALKER WATER WORKS, INC.	7,651	119,573	(45,499)
VIRGINIA - AMERICAN	3,025,831	3,100,291	1,372,692
UNITED WATER VIRGINIA	179,207	176,161	222,697
WEST VIRGINIA - AMERICAN	3,042,521	234,863	(1,086,571)
BLUEFIELD VALLEY	(35,332)	(53,064)	(74,850)
MARYLAND - AMERICAN	676,275	164,924	659,836
KENTUCKY - AMERICAN	6,072,890	4,337,965	1,951,765
TENNESSEE - AMERICAN	3,858,291	2,158,771	3,027,709
TOTAL	<u>215,167,247</u>	<u>134,666,946</u>	<u>94,292,650</u>
Consolidated Taxable Income	<u>189,405,945</u>	<u>158,612,630</u>	<u>(163,274,628)</u>
:: Federal Income Tax Rate (Effective Tax Rate)	35.00%	35.00%	35.00%