

Monica Laura L.
Form 4
February 23, 2010

FORM 4

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

OMB APPROVAL

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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 *
Monica Laura L.

2. Issuer Name and Ticker or Trading Symbol
American Water Works Company, Inc. [AWK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1025 LAUREL OAK ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/19/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SVP, Corp. Communications

VOORHEES, NJ 08043
(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 (D) Price | | | |
| Common Stock | 02/19/2010 | 02/19/2010 | A | 1,990 (1) A \$ 0 | 11,712 | 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)

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| 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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Option (right to buy) | \$ 21.5 | 02/19/2010 | 02/19/2010 | A | 15,140 (2) | 01/01/2011 | 12/31/2014 | Common Stock | 15,140 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Monica Laura L. 1025 LAUREL OAK ROAD VOORHEES, NJ 08043 | | | SVP, Corp. Communications | |

Signatures

/s/ Karen K. Pettiford-Wilson by Power of Attorney previously filed 02/23/2010

__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) Represents the earned portion of performance-based restricted stock units awarded in connection with the Issuer's initial public offering. The number of restricted stock units earned was determined based upon a comparison of (a) the sum of American Water's actual audited net income for 2008 (as adjusted) and American Water's actual audited net income for 2009 (as adjusted) to (b) the sum of American Water's target net income for 2008 (as adjusted) and American Water's target net income for 2009 (as adjusted) at the time of the initial public offering. The number of restricted stock units earned equaled 43.13% of the units initially granted (which would have been fully earned if maximum performance metrics were achieved) and was based on the amount referenced in (a) above equaling 93.46% of the amount referenced in (b) above. The earned restricted stock units will vest on January 1, 2011.
 - (2) Represents the earned portion of performance-based nonqualified stock options awarded in connection with the Issuer's initial public offering. The number of shares underlying the earned portion of the nonqualified stock options equaled 43.13% of the shares underlying the nonqualified stock options initially granted and was determined based upon the formula described in footnote 1 above.

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.