

Lynch Walter
Form 4
January 25, 2013

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 *
Lynch Walter

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)
01/23/2013

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President, Regulated Operations

VOORHEES, NJ 08043

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

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---|
| | | | | (A) or (D) | Price | | | |
| | | | | Code | V | Amount | | |
| Common Stock | 01/23/2013 | 01/23/2013 | M | 19,249 | A | \$ 0 | 36,190 | D |
| Common Stock | 01/23/2013 | 01/23/2013 | M | 8,207 | A | \$ 0 | 44,397 | D |
| Common Stock | 01/23/2013 | 01/23/2013 | F | 13,031 | D | \$ 38.34 | 31,366 ⁽⁹⁾ | D |

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

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number.

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Performance Stock Unit | (1) | 01/23/2013 | 01/23/2013 | A | 8,249 | (2) 12/31/2012 | Common Stock 8 |
| Performance Stock Unit | (3) | 01/23/2013 | 01/23/2013 | M | 19,249 | (4) 12/31/2012 | Common Stock 19 |
| Performance Stock Unit | (5) | 01/23/2013 | 01/23/2013 | A | 8,207 | (6) 12/31/2012 | Common Stock 8 |
| Performance Stock Unit | (7) | 01/23/2013 | 01/23/2013 | M | 8,207 | (8) 12/31/2012 | Common Stock 8 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Lynch Walter 1025 LAUREL OAK ROAD VOORHEES, NJ 08043 | | | President, Regulated Operations | |

Signatures

/s/ Karen K. Pettiford-Wilson by Power of Attorney previously filed 01/25/2013

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) Each performance stock unit represented a contingent right to receive one share of American Water Works Company, Inc's (the "Company") common stock, based on the Company's annual total stockholder return ("TSR") relative to the performance of the other companies in the Dow Jones U.S. Utility Index over a three-year performance period, beginning on January 1, 2010 and ending December 31, 2012.

(2) Represents the above-target earned portion of the TSR performance stock units granted in 2010, which was based on the 20-day average stock price at the beginning of the performance period and at the end of the three year performance period (20 trading days before 12/31/09 and 20 trading days before 12/31/12).

(3)

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Each performance stock unit represented a contingent right to receive one share of American Water Works Company, Inc's (the "Company") common stock, based on the Company's annual total stockholder return ("TSR") relative to the performance of the other companies in the Dow Jones U.S. Utility Index over a three-year performance period, beginning on January 1, 2010 and ending December 31, 2012.

- (4) Represents the earned portion of the TSR performance stock units granted in 2010. The number of TSR performance stock units earned was 175 percent of the target.
- (5) Each performance stock unit represents a contingent right to receive one share of American Water Works Company, Inc's (the "Company") common stock, based on the Company's specified internal performance measures over a three-year performance period.
- (6) Represents the earned portion of the internal performance measure stock units granted in 2010. The number of internal performance stock units earned was 175 percent of the target.
- (7) Each performance stock unit represents a contingent right to receive one share of American Water Works Company, Inc's (the "Company") common stock, based on the Company's specified internal performance measures over a three-year performance period.
- (8) Represents the earned portion of the internal performance measure stock units granted in 2010. The number of internal performance stock units earned was 175 percent of the target.
- (9) Includes shares (4,535) acquired through the ESPP to date.

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

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