

Lynch Walter
Form 4
March 14, 2012

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)
03/12/2012

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount Price | | | |
| Common Stock | 03/12/2012 | 03/12/2012 | M | 10,000 A \$ 21.5 | 26,356 | D | |
| Common Stock | 03/13/2012 | 03/13/2012 | M | 2,229 A \$ 21.5 | 28,585 | D | |
| Common Stock | 03/12/2012 | 03/12/2012 | S | 10,000 D \$ 34.1 | 18,585 | D | |
| Common Stock | 03/13/2012 | 03/13/2012 | S | 2,229 D \$ 34.39 | 16,356 | D | |

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

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(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) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Option (right to buy) | \$ 21.5 | 03/12/2012 | 03/12/2012 | M | 10,000 | <u>(1)</u> 12/31/2013 | Common Stock | 10,000 | |
| Employee Stock Option (right to buy) | \$ 21.5 | 03/13/2012 | 03/13/2012 | M | 2,229 | <u>(1)</u> 12/31/2013 | Common Stock | 2,229 | |

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 03/14/2012

_____*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 Award granted on April 22, 2008, representing a right to purchase a total of 18,552 shares at \$21.50, became exercisable on January 1, 2010.

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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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