

Form No. 17  
Income Tax Component Of Contribution Agreement

This AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, ("Government Agency") and Golden State Water Company ("Utility"), in accordance with the terms and conditions of the Utility's filed tariffs and California Public Utilities Commission Decision No. 87-09-026, dated September 10, 1987, as modified by Decision 88-07-020, dated July 8, 1988.

1. Government Agency declares that it is a federal, state, county or local government agency which has made a payment to Utility for the purpose of having Utility install water system facilities (the "Project") described as follows \_\_\_\_\_.
2. Government Agency understands that, except for payments for water system facilities installed for the reasons set forth in paragraph 3, payments made to Utility for installation of water system facilities similar to the Project are taxable to Utility and for that reason are subject to the Income Tax Component of Contribution ("ITCC") set forth in the Utility's Rule 15 and Rule 16 of its tariffs, copies of which are available on its website at [www.gswater.com](http://www.gswater.com).
3. Government Agency declares that:
  - a) The project, for which Government Agency makes the payment referred to above, primarily benefits the public as a whole, or (T)
  - b) The payment for the Project results from condemnation of Utility's property, or the threat of imminence thereof, as supported by evidence furnished by Government Agency which is acceptable to Utility.
4. In Consideration of Utility not requiring as of the date of this Agreement payment by Government Agency of the federal and California components of the ITCC, which are, or may be, attributable to the Project, Government Agency hereby promises and agrees to indemnify and defend Utility and hold it harmless from and against any and all claims, costs, liabilities and expenses relating to any federal or California income tax liability including, but not limited to, the full amount of any income tax, penalty, and interest, which utility pays or is required to pay to the Internal Revenue Service ("IRS") or the California Franchise Tax Board ("FTB"), and any attorneys' fees, litigation costs or fees, associated therewith, arising from any payment for the Project received by Utility from Government Agency. Government Agency further promises and agrees, upon demand by Utility, to pay to Utility the amount of any expense incurred by Utility in collecting any sum due Utility hereunder, including attorneys' fees, litigation costs or fees, and interest, at the highest rate permitted by law, on any monies advanced or expended by Utility pursuant to this Agreement. (T)

(Continued)

(To be inserted by utility)	<i>Issued By</i>	(To be inserted by P.U.C.)
Advice Letter No. <u>1886-W</u>	<b>R. J. Sprowls</b>	Date Filed <u>September 9, 2022</u>
Decision No. _____	<b>President</b>	Effective <u>January 1, 2021</u>
		Resolution No. _____

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5. Government Agency and Utility agree that if the IRS and the FTB issues a determination acceptable to Utility that the payment for the Project is not taxable, this agreement shall terminate. If either the IRS or the FTB, or both, make a determination that the payment for the Project (or a payment of that type) is taxable, Government Agency shall forthwith pay the Utility the applicable taxes and other costs determined as set forth in paragraph 4 above, upon demand by Utility. (T) (T)
6. This agreement shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction.
7. This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

IN WITNESS WHEREOF, Government Agency and Utility have executed this Agreement by their duly authorized officers or agents as of the date first set forth above.

GOVERNMENT AGENCY

GOLDEN STATE WATER COMPANY

Name: \_\_\_\_\_

By: \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_

Title

Title

\_\_\_\_\_

\_\_\_\_\_

Address

Address

\_\_\_\_\_

\_\_\_\_\_

Telephone Number

Telephone Number

(To be inserted by utility)

Advice Letter No. 1886-W  
Decision No. \_\_\_\_\_

Issued By  
**R. J. Sprowls**  
President

(To be inserted by P.U.C.)

Date Filed September 9, 2022  
Effective January 1, 2021  
Resolution No. \_\_\_\_\_