

Schedule No. RSF
All Tariff Areas
Rate Support Fund

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The Rate Support Fund (RSF) Program provides credits on the bills of customers in the Kern River Valley District. It also provides subsidies of \$500,000 to the Selma District and of \$700,000 to the Willows District to reduce the revenue requirements for each of the three years in this rate case cycle (2026-2028).

The RSF Program is funded through surcharges on other customers as specified below.

I. RSF SURCHARGE

A. APPLICABILITY:

Applicable to all water service except that provided:

- (1) under Schedules OR-3M, OR-3M-I, and OR-2UL for raw water delivery along the Powers Canal and
- (2) for CAP customers.

B. TERRITORY:

All territories served.

C. SURCHARGE:

An RSF surcharge rate of **0.6896%** will be applied to the basic water charges (identified below) on a customer's bill.

"Basic water charges" as referenced in this Schedule consist of the service charge and quantity charges for a metered customer, the flat charge for flat-rate customers, and interim rate memorandum account true-up surcharges or credits (if applicable) after RSF credits are applied; they do not include any other fees, surcharges, or credits.

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II. RSF CREDIT

A. APPLICABILITY:

Applicable to all water service in the Kern River Valley District (the "RSF District"), except that provided for private fire protection services.

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(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2599</u>	<u>Greg Shimansky</u>	Date Filed _____
Decision	<u>Vice President</u>	Effective _____
	<u>Rates and Regulatory Affairs</u>	Resolution _____

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All Tariff Areas**Rate Support Fund**II. RSF CREDIT (continued)B. CREDIT AMOUNTS (continued):

- (2) For the three-year rate cycle beginning January 1, 2026, RSF subsidies shall be applied to reduce the quantity charges for all customers in the **Kern River Valley District** through a three-tier discount structure. Tiers 1 and 2 are based on the Residential Systemwide Average Rate.

The **Residential Systemwide Average Rate (RSAR)** is calculated by dividing the total adopted residential quantity revenues for all of the company's Class A ratemaking areas by the total adopted residential sales in those ratemaking areas, measured as of January 1, 2026.

Kern River Valley customers shall be billed at rates that are lowered by an RSF Discount. The **RSF-adjusted quantity rates** (quantity rates after an RSF Discount is applied) shall be equal to the following starting January 1, 2026:

- **0–6 CCF:** 100% of the RSAR, which is **\$5.2728 per CCF**
- **7–10 CCF:** 150% of the RSAR, which is **\$7.9100 per CCF**
- **Over 10 CCF:** The RSF-adjusted quantity for this usage will vary (see Schedule No. KRV-1) and will reflect an RSF Discount of -\$6.4737 per CCF.

SPECIAL CONDITIONS

1. The RSF Credits and Surcharges on this tariff shall be separately identified on customer bills.
2. In no instance should the total amount of the combined RSF Credit and CAP discount received by a customer in any month exceed that customer's water bill for service in that month.

(To be inserted by utility)

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Decision

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Greg MillemanVice PresidentRates and Regulatory Affairs

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