The Rate Support Fund (RSF) Program provides credits on the bills of customers in the Kern River Valley District. It also provides a subsidy of $993,015 to reduce the revenue requirements of the service areas in the Redwood Valley District for each of the three years in this rate case cycle (2017-2019).

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

**RSF SURCHARGE**

**APPLICABILITY:**
Applicable to all water service except that provided for:
1. public and private fire protection services
2. under Schedules OR-3M, OR-3M-I, and OR-2UL for raw water delivery along the Powers Canal and
3. LIRA customers located in an RSF District (see Schedule LIRA).

**TERRITORY:**
All territories served.

**SURCHARGE:**
An RSF surcharge rate of **0.413%** 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, and the flat charge for flat-rate customers, after RSF credits are applied; they do not include any other fees, surcharges, or credits.

**RSF CREDIT**

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

**CREDIT AMOUNTS:**
A discounted quantity rate on the first units of water consumption per month up to the "RSF Usage Limit."

Discounted RSF quantity rate……………….. **$5.28** per 100 cubic feet (CCF)

The Discounted RSF Quantity Rates apply to monthly water consumption up to the following RSF Usage Limits:

| Kern River Valley District | First 10 CCF |

Additional units will be charged at the quantity rates described on the rate schedules for those service areas.

**SPECIAL CONDITIONS**
1. The RSF Credits and Surcharges on this tariff shall be separately identified on customer bills.
2. Customer bills in the former Redwood Valley District service areas (Coast Springs, Lucerne, and Unified) shall have a message indicating that their basic water rates (service charge and quantity rates) are lower due to a subsidy from the RSF program. This bill message will continue as long as the RSF subsidy continues.
3. In no instance should the total amount of the combined RSF Credit and and LIRA discount received by a customer in any month exceeds that customer's water bill for service in that month.