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RESOLUTION NO. T-11009

EVALUATION AND COMPLIANCE  
DIVISION

DATE: February 20, 1986

RESOLUTION

\_\_\_\_ Director  
\_\_\_\_ Numerical File  
\_\_\_\_ Alphabetical File  
\_\_\_\_ Accounting Officer

**SUBJECT:** All local exchange telecommunications utilities and intrastate telecommunications service suppliers that provide intrastate interLATA telecommunications and/or intrastate telecommunications services not defined by LATA boundaries. Order requiring revised tariff schedules to reflect increased total household income limitation of \$11,900 applicable to Universal Lifeline Telephone Service provided pursuant to the Moore Universal Telephone Service Act and to adjust the said income limitation to reflect the needs of households with 3 or more persons. Resolution No. T-11009.

**WHEREAS:** On November 7, 1984 the Commission adopted General Order (G.O.) 153, Procedure for Administration of the Moore Universal Telephone Service Act, and;

**WHEREAS:** Section 3.1.1.1 of G.O. 153 requires that the Commission annually adjust by February 15 of each year using the 1984 base limit of \$11,000 the income limitation applicable to Universal Lifeline Telephone Service to reflect inflation based on the Federal Consumer Price Index (CPI), and;

**WHEREAS:** The said income limitation applicable to Universal Lifeline Telephone Service was adjusted from \$11,000 in 1984 to \$11,500 in 1985, and;

**WHEREAS:** Final data applicable to the 1985 Federal CPI was released by the U.S. Department of Labor, Bureau of Labor Statistics on January 23, 1986, and;

**WHEREAS:** The percent change in 1985 calendar year average CPI-U over 1984 calendar year average CPI-U was 3.6%, and;

**WHEREAS:** Application of the change in CPI-U of 1985 over 1984 would increase the household income limitation applicable to Universal Lifeline Telephone Service from \$11,500 to \$11,900, and;

**WHEREAS:** Under D.86-02-021, dated February 5, 1986, all households with incomes less than or equal to the said income limitation of \$11,900 may receive Universal Lifeline Telephone Service, and;

WHEREAS: The Commission, in D.86-02-021, recognizes that the said income limitation is based on 150% of the federal poverty income guidelines for a household size of 2.3 persons, and is therefore not sensitive to household sizes of 3 or more persons, and;

WHEREAS: The Commission, in D.86-02-021, is required to adjust the income eligibility requirements applicable to Universal Lifeline Service for households of 3 or more persons, and;

WHEREAS: The Commission in D.86-02-021, finds that it is reasonable to use 150% of the federal poverty income guidelines for different household sizes of 3 or more persons, and;

WHEREAS: The Commission finds that the 1985 base limit income for a household size of 3 persons is \$13,300, and \$2,700 is subsequently added for the fourth and each additional household member, and;

WHEREAS: Additionally D.86-02-021, requires the Commission to annually adjust by February 15 of each year the said household income guidelines sensitive to different household sizes of 3 or more persons to reflect inflation based on the Federal Consumer Price Index (CPI), and;

WHEREAS: Application of the change in CPI-U of 1985 over 1984 would increase the household income limitation applicable to Universal Lifeline Telephone Service for a household of 3 persons from \$13,300 to \$13,800 and from \$2,700 to \$2,800 for each additional household member thereafter, and;

WHEREAS: D.86-02-021 ordered an increase from 30 to 60 untimed calls per month and it is necessary to have each utility file tariffs to effect this change.

WHEREAS: Pursuant to Public Utilities Code Section 786(a) all exchange and interexchange carriers are required to provide customers each year a listing of all available residential telephone services and the rates applicable to those services, and;

WHEREAS: All local exchange telecommunications utilities offering Universal Lifeline Telephone Service are required pursuant to Section 3.13 of G.O 153 to notify all residential customers annually by mail of the availability and self-certification requirements applicable to Universal Lifeline Telephone Service, and;

WHEREAS: The Moore Universal Telephone Service Act requires the Commission to determine annually, on or before May 1, a tax rate that it estimates will produce sufficient revenue to fund the Universal Telephone Service Fund requirements for the period from July 1, 1986 to June 30, 1987, and;

WHEREAS: The said tax rate will be set by a separate resolution on or before May 1, 1986, pending Decision No. D.86-02-021 and other additional data requirements.

The Commission finds that:

(1) The household income limitation applicable to Universal Lifeline Telephone Service during 1986 should be increased to \$11,900.

(2) For households with 3 or more persons, the income limitations applicable to Universal Lifeline Telephone Service during 1986 should be the following:

<u>Household Size</u>	<u>Income Limitation</u>
3	\$13,800
4	16,600
5	19,400
6	22,200
7	25,000
8	27,800
9	30,600
10	33,400

Each additional number 2,800

(3) The income limitations claimed by Lifeline customers in applications for service as specified in (1) and (2) above are subject to verification at any time by the serving telephone utilities and/or by the Commission and its staff. If it is found that a Lifeline customer actually exceeds the income limitation, back billing at full tariff rates will be assessed.

(4) The increase in household income limitation and the income limitations for households of 3 or more persons applicable to Universal Lifeline Telephone Service during 1986 should be effective on March 8, 1986 in order that local exchange telecommunications utilities may inform their customers of the increase in household income limitation in written notices mailed pursuant to Public Utilities Code Section 786(a) and Section 3.13 of G.O 153.

(5) All local exchange telecommunications utilities offering Universal Lifeline Telephone Service pursuant to the requirements of the Moore Universal Telephone Service Act and G.O. 153 should be required to revise their tariff schedules within 10 days after the effective date of this Resolution to reflect the increase in the household income limitation and the income limitations for households of 3 or more persons.

(6) The Commission will, by separate resolution on or before May 1, 1986, determine annually a tax rate that it estimates will produce sufficient revenue to fund the Universal Telephone Service Fund requirements for the period from July 1, 1986 to June 30, 1987; therefore good cause appearing,

IT IS ORDERED that:

(1) All local exchange telecommunications utilities providing Universal Lifeline Telephone Service file revised tariff schedules to increase the household income limitation applicable to Universal Lifeline Telephone Service to \$11,900 and to adopt the income limitations applicable to Universal Lifeline Telephone Service for households of 3 or more persons as set forth in this resolution; such revised tariff schedules shall be filed in accordance with the provisions of G.O. 96-A within 10 days after the effective date of this Resolution and shall become effective on March 8, 1986.

(2) Exchange telephone utilities offering residence measured local service shall file tariffs to increase the allowance from 30 to 60 untimed local messages per month to coincide with the tariff schedules to increase the household income limitation applicable to Universal Lifeline Telephone Service.

(3) All tariff sheets filed under the authority granted by this Resolution and in accordance with D.86-02-021 shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California No. T-11009.

(4) The tax rate required to produce sufficient revenue to fund the Universal Telephone Service Fund requirements for the period from July 1, 1986 to June 30, 1987 will be determined by resolution on or before May 1, 1986.

The Commission finds that the rates, charges and conditions authorized in this Resolution are just and reasonable and present rates, charges and conditions, as they differ from the rates, charges and conditions authorized in this Resolution are for the future unjust and unreasonable; and good cause appearing,

The effective date of this Resolution is today.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Public Utilities Commission of the State of California, held on February 20, 1986, the following Commissioners voting favorably thereon:

- DONALD VIAL  
President
- VICTOR CALVO
- WILLIAM T. EAGLEY
- FREDERICK R. DUDA  
Commissioners

I abstain.

PRISCILLA O. CREW, Commissioner

*Joseph E. Bodin*  
Executive Director