

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 10, 2007

**Subject: California LifeLine Telephone Service<sup>1</sup> Flat Rate Cost Factor  
Fiscal Year 2007-08**

**To: Competitive Local Exchange Carriers**

Pursuant to Ordering Paragraph (OP) 5 of the California Public Utilities Commission Decision (D) 03-01-035, Communications Division (CD) is informing you of the California LifeLine cost factor (CF) for FY 2007-08 as below:

**Effective CF for the FY 2007-08 shall be \$1.33 per customer per month.**

This CF may be utilized in lieu of the incremental cost approach for reimbursement of the operating expenses including data processing expense, customer notification expense, accounting expense, service representative costs, legal expenses, and administrative costs associated with the deferred payment plan.

**Notification to CD due by June 30, 2007**

Pursuant to OP 6 of D. 03-01-035, if you choose to receive your incremental operating expenses based on this CF for FY 2007-08, you must send a notification to CD by June 30, 2007 to:

Katherine Morehouse  
Public Utilities Regulatory Analyst  
CPUC - Communications Division  
505 Van Ness Avenue, 3<sup>rd</sup> Floor  
San Francisco, CA 94102

If you have any questions related to this letter, you may contact Katherine Morehouse at 415-703-5331, or e-mail her at [ksm@cpuc.ca.gov](mailto:ksm@cpuc.ca.gov).

Sincerely,

John M. Leutza, Director  
Communications Division

<sup>1</sup> Formerly ULTS or Universal Lifeline Telephone Service  
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