PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



March 30, 2010

Subject:

California LifeLine Telephone Service¹ Flat Rate Cost Factor Fiscal Year 2010-2011

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 2010-2011 as below:

Effective CF for the FY 2010-2011 shall be \$2.51 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 April 30, 2010

Pursuant to OP 6 of D.03-01-035, if you choose to receive your incremental operating expenses based on this CF for FY 2010-2011, you must send a notification to CD by April 30, 2010 via email nancy.rodriguez@cpuc.ca.gov or mail to:

Nancy Rodriguez
Public Utilities Regulatory Analyst
CPUC - Communications Division
505 Van Ness Avenue, 3rd Floor
San Francisco, CA 94102

If you have any questions related to this letter, you may contact Nancy Rodriguez at 415-703-5032, or e-mail her at nancy.rodriguez@cpuc.ca.gov.

Sincerely,

John M. Leutza, Director Communications Division

John m. Leuts

¹ Formerly ULTS or Universal Lifeline Telephone Service