

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 26, 2009

**Subject: California LifeLine Telephone Service¹ Flat Rate Cost Factor
Fiscal Year 2009-2010**

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 2009-2010 as below:

Effective CF for the FY 2009-2010 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.

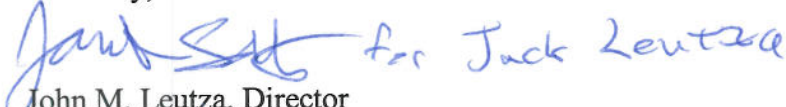
Notification to CD due by July 30, 2009

Pursuant to OP 6 of D.03-01-035, if you choose to receive your incremental operating expenses based on this CF for FY 2009-2010, you must send a notification to CD by July 30, 2009 via email nr1@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 nr1@cpuc.ca.gov.

Sincerely,


John M. Leutza, Director
Communications Division

¹ Formerly ULTS or Universal Lifeline Telephone Service