STATE OF CALIFORNIA ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

March 25, 2008

NOTICE TO ALL CARRIERS PROVIDING
CALIFORNIA LIFELINE TELEPHONE SERVICE (ULTS)

The Communications Division (CD) is issuing this notice to establish the Household Income Limitation (HIL) requirement for the Universal LifeLine Telephone Service (LifeLine) for 2008-2009. Section 5.2.1 of General Order (GO) 153, adopted by Resolution T-16591 dated February 21, 2002 requires CD to adjust the HIL requirement for LifeLine annually to reflect inflation based on changes in the Federal Consumer Price Index – Urban Area (CPI-U) by April 15, 2008. Further, Section 5.2.1 of GO 153 orders the Director of the CD to communicate new income levels to carriers in a letter within 5 business days of the adjustments being made. The Commission further directs the CD to order carriers to file revised tariffs effective June 1 of each year reflecting the new income levels.

The calculation to determine the change in the income limitation for LifeLine is set forth in Appendix A of this letter. Following this process, CD determined the revised income limits to be as follows:

Household Size	**Income Limitation**
1-2	**$22,900**
3	**$26,900**
4	**$32,400**
Each Additional Member	**$5,500**

These income limits are effective from June 1, 2008 to May 31, 2009.

Pursuant to Section 5.2.1 of GO 153, please file revised tariffs with the Communications Division reflecting the income levels noted above **by May 20, 2008, specifying that tariffs will become effective June 1, 2008**.

If you have any questions regarding this notice, please contact **Cherrie Conner at (415) 703-2767, (chr@cpuc.ca.gov)**.

Sincerely,

Jack Leutza

Jack Leutza, Director
Communications Division

Appendix A

Method of Computing Revised Income Eligibility Levels for LifeLine for 2008-09

	A	B	C	D
Household Members	**Factor**	**Old Level**	**Raw**	**Income Limitation** (rounded)**
1 or 2	1.04	$22,000	$22,880	$22,900
3	1.04	$25,900	$26,936	$26,900
4	1.04	$31,200	$32,448	$32,400
Each Additional Member				$5,500

** - New levels have been rounded to the nearest $100.

Rules for Computing Income Levels
(As set forth in Resolution T-16010, dated June 11, 1997)

1. The prior period income levels are multiplied by a factor of one plus the inflation factor derived from the February 2008 issue for the "U.S. Economic Outlook." (Col. A x B = C). The inflation factor to be used is the "final" CPI-U for the prior year.

2. All income level amounts are rounded to the nearest $100. If the raw number ends in 50 or greater, it should be rounded to the next higher $100. Examples: 17,509 = 17,500; 17,569 = 17,600.

3. The percentage increase factor is three digits to the right of the decimal. Examples: 2.0% = 0.020; 8.5% = 0.085.

4. The amount for "Each Additional Member" should be rounded to the difference between 3 and 4 household members. If the rounding differs, the amount for "Each Additional member" should be set to the difference between 3 and 4 household members.