PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division **RESOLUTION T-17321 (Rev. 1)**
Consumer Programs Branch **July 28, 2011**

R E S O L U T I O N

RESOLUTION T-17321 REVISES GENERAL ORDER 153 TO REFLECT REVISIONS TO THE CALIFORNIA LIFELINE TELEPHONE PROGRAM AS ADOPTED IN DECISION 10-11-033.

SUMMARY

In accordance with Decision (D.) 10-11-033, this Resolution revises General Order (GO) 153, Procedures for Administration of the Moore Universal Telephone Service Act, to incorporate changes necessary to implement the new Specific Support Amount (SSA) method of carrier reimbursement requirements. This Resolution also updates the California LifeLine program terminologies and includes other administrative changes, such as the removal of the claim form and Timeline for Processing California LifeLine Qualifications from GO 153. Going forward, the revised Claim Form and Timeline for Processing California LifeLine Qualifications, attached as Attachment B and C, will be maintained on the Commission's website. The revised GO 153 attached as Attachment A1 is adopted. The current GO 153, effective July 1, 2009 to present is included as Attachment A2.

The revised General Order 153 attached as Attachment A1 is effective December 1, 2011. The first month for claims under the new policy will begin on December 1, 2011. California LifeLine Service Providers will not be reimbursed for costs and lost revenues if they are not reported in the manner prescribed by the revised GO 153, as adopted herein.

BACKGROUND

In compliance with Ordering Paragraph (OP) 32 of D. 10-11-033, the Communications Division (CD) conducted workshops on February 17-18th, and April 7th to develop: (i) an understanding of the steps needed to implement the SSA process by July 1, 2011; and (ii) to identify the measures that need to be undertaken by stakeholders to implement the new SSA requirements. Over forty participants representing various local service providers, consumer advocates and community based organizations attended the workshops.

In D. 06-08-030, the Commission granted pricing flexibility for the Uniform Regulatory Framework (URF) carriers. However, in D. 08-09-042 (OPs 1-4), the Commission held that the pricing flexibility should be phased-in over a three year period. In 2009, the URF carriers (the

four largest Incumbent Local Exchange Carriers (ILECs))[1] were allowed to increase their basic rates by no more than $3.50, with one quarter (¼) of the increase they made to be applied to their California LifeLine rate. The same incremental increase was allowed in 2010. On January 1, 2011, the URF carriers were granted full pricing flexibility and were authorized to change their rates based on the market.

In 2010, the Commission adopted D. 10-11-033 and established a new California LifeLine subsidy methodology and claim system for California LifeLine Service Providers. Under the Decision, California LifeLine Service Providers receive up to an SSA for every subscriber reported by the California LifeLine Administrator. In addition, California LifeLine Service Providers continue to receive lost revenues and expenses for the following items:

- Non-Recurring Charges (connection and conversion of customer services as they relate to California LifeLine);
- One-Time Implementation Costs (if ordered by the Commission);
- Untimed Calls (for California LifeLine Measured Rate Service);
- Non-ETC Makeup (until December 31, 2012);
- Administrative Costs (limited to a set per-subscriber rate);
- Pass-Through Taxes/Surcharges;
- Toll Limitation Charges (until December 31, 2012);
- Bad Debt Costs (until eliminated); and
- Additional subsidy for Extended Area Service (EAS) (until December 31, 2012).

NOTICE

Notice of Resolution T-17321 revising GO 153 was published in the Commission Daily calendar on June 13, 2011 and mailed to the service list of Rulemaking (R.) 06-05-028 and R. 11-03-013, the LifeLine Administrative Committee, the LifeLine Working Group, and all telecommunications carriers in California.

DISCUSSION

Changes to GO 153

Based on the workshops, the following revisions to GO 153 are recommended and should be adopted:

Definitions

[1] ILECs consist of AT&T, Verizon, SureWest and Frontier and they collectively represent 1,626,852, or about 91% of the total California LifeLine subscribers as of October, 2010.

- "CertA" is changed to "California LifeLine Administrator"
- "Certification" is changed to "Application"
- "Verification" is changed to "Renewal"
- "Audit" is changed to "Renewal (Documentation Required)"
- "Customer" is changed in the following manner:
    - "Customer" is retained for those persons receiving basic service from a telephone company
    - "Applicant" is a customer in the process of applying for California LifeLine
    - "Subscriber" is a person receiving the California LifeLine discount
- Utility/Carrier is consolidated into a general term called "California LifeLine Service Provider." This encompasses both traditional wireline providers of California LifeLine and Non-Traditional Providers (such as wireless)
    - The terms "carrier" and "Non-Traditional Provider" are maintained to clarify instances where different rules apply
- Household/Residence is updated to reflect current practices
- The following definitions related to the claims process are updated to reflect current practices:
    - Service Connection Charge
    - Service Conversion Charge
    - Specific Support Amount (SSA)
    - Incremental Costs
    - Toll Blocking
    - Toll Control
- The California LifeLine definition for Basic Service is consolidated and the service elements are referenced in Appendix A
- The definition for Intrastate Telecommunications Service is consolidated
- Various Dates related to California LifeLine service are revised or added
    - Application Date – the date when a customer applies for California LifeLine
    - Service Start Date – the date when a customer initially signs up for basic service
    - Decision Date – differentiating the processes for new applicants and current subscribers
    - Denial Date – the date when a denial letter is sent to the applicant/subscriber
- Names of Forms are revised or added
    - Application Form
    - Renewal Form
    - Renewal (Documentation Required) Form
- The following definitions have been updated to reflect current practices:
    - Income Based Criterion
    - Program Based Criterion
- The following definitions are eliminated as being no longer used, relevant, or are consolidated with other terms:
    - Act
    - Customer Owned Pay Telephone
    - End User Intrastate Telecommunications Services

- Enrollment
- Exchange Area
- Local Call
- Qualifying Equipment
- Residential Local Service
- Service
- Telecommunications Carrier

Wireless (Non-Traditional Providers)

While D. 10-11-033 held that the participation of wireless carriers in California LifeLine is voluntary, it also held that if a wireless carrier chooses to participate in the California LifeLine program, then it must offer all of the Service Elements as defined in Appendix A of GO 153 and comply with the rules of GO 153, including the filing of a Schedule of Rates and Charges with the Commission. The new definition of "California LifeLine Service Provider" also includes wireless providers and wireline service providers offering California LifeLine.

Currently, there are no Non-Traditional Providers that offer California LifeLine service and receive subsidy from the California LifeLine program. However, two wireless carriers (Cricket and Nexus) have received an Eligible Telecommunications Carrier (ETC) designation from the CPUC (Resolution T-17266) and are currently offering a federal-only Lifeline service to their customers.

In accordance with D.10-11-033, wireless and the Deaf and Disabled Telephone Program - (DDTP) related implementation issues will be addressed in Phase II of the LifeLine Rulemaking proceeding (R.11-03-013), which will be conducted after the Basic Service Elements are updated in R. 09-03-019.

Notifications

D. 10-11-033 established a number of requirements regarding customer notifications. GO 153, Section 4.7 is updated to reflect these requirements. California LifeLine Service Providers are now required to give thirty (30) days notice in any of the following situations:

- California LifeLine rate increase
- Changes to the terms of its California LifeLine service
- Withdrawal of California LifeLine service (Non-Traditional Providers only)[2]

In addition, California LifeLine Service Providers are required to disclose the LifeLine credits on the subscriber's monthly bill as separate line items (Section 8.6).

All California LifeLine Service Providers are reminded that their customer service representatives should be prepared to respond to inquiries from callers using TTY and/or relay services.

[2] Traditional carriers must comply with General Order 96-B industry noticing requirements.

"Roommate Rule"

The definition for "household" and "residence" is updated for clarity. Currently, the California LifeLine program allows for multiple LifeLine accounts at the same physical address if California LifeLine participants meet the California LifeLine program eligibility requirements and maintain separate households. For example, three elderly individuals living in a Single Room Occupancy (SRO) assisted living dwelling, all with the same physical address, and each maintaining separate "households" would be eligible for California LifeLine if they each meet the income or program eligibility requirements. Additionally, an individual who is over 18, but not claimed as a dependent on his/her parent's income tax return and who maintains a separate "household" in his/her parent's house may be eligible for California LifeLine, even if the parents already have their own California LifeLine account. We are not making any changes to this "Roommate Rule" at this time. However, we note that the Federal Communications Commission (FCC) is currently re-examining its "a single line per residential address" rule in the Universal Service proceeding (WC Docket No. 11-42; CC Docket No. 96-45; WC Docket No. 03-109). We may revisit this issue in the future if the FCC makes changes to its rule.

California LifeLine Rates

Decision 10-11-033, while acknowledging the rate freedom of the URF ILECs, adopted a number of rate mechanisms for the California LifeLine service during the transition period which will begin December 1, 2011 and end on December 31, 2012.

The California LifeLine subscriber Flat Rate during the transition period is capped at $6.84 (D. 10-11-033, OP 5) and $3.66 for Measured Rate. During the transition period, the price floor is also set at $5.00 for Flat Rate and $2.50 for Measured Rate[3]. Beginning on January 1, 2013, the California LifeLine rates paid by subscribers will be capped at no more than half (½) of the carrier's basic rate (OP 8). This rate can only be changed once per year (OP 10) by the California LifeLine Service Providers.

Per D.10-11-033, the SSA is initially capped at $11.50 (OP 15). Carriers will be eligible to receive up to the SSA, after deducting the customer rate and the subsidy from the federal Lifeline program. The SSA will be recalculated as 55% of the highest reported URF ILEC rate each year (as of July 31st), and become effective on the subsequent January 1st (OP 6).

Claim Process - SSA

Decision 10-11-033 fundamentally changed the means by which carriers claim reimbursement from the California LifeLine Fund. Before the establishment of the SSA, ILECs were "made whole" because they were allowed to recover the lost revenues that they incurred for providing lower rates to their California LifeLine subscribers. CLECs were reimbursed up to the amount claimed by the underlying ILEC in their service territory. The new SSA subsidy methodology

[3] D. 10-11-033, pg. 56-57.

now puts a cap on "lost revenue" claims by the carriers and allows them to only recover up to the SSA amount.

Carrier's SSA claims (Flat Rate - GO 153, Sections 8.1.4, 8.5 and 9.3, Measured Rate – GO 153 Sections 8.1.5, 8.5, and 9.3) will be based on a weighted average subscriber count as supplied monthly by the California LifeLine Administrator (GO 153, Section 6.3.3). The subscriber count will be divided between Flat and Measured Rate subscribers, and further broken out by the rate group (to allow for accurate reporting of EAS rates). The report from the California LifeLine Administrator will also include the number of subscribers receiving dual-line Text-Telephone Device (TTY) (which is currently less than 40 subscribers in the entire state), and those receiving Enhanced (Tribal) LifeLine service.

To calculate the "lost revenue" part of the claim, carriers will take the basic rate for each rate group, deduct the rate paid by the subscriber, and deduct the payment from the federal Lifeline link-up program. The remaining amount will be paid by the California LifeLine program, up to the SSA (currently set at $11.50), multiplied by the number of subscribers in that rate group. The total amount will be reported on the first page of the claim form. Carriers offering LifeLine service in EAS areas can claim additional reimbursement from the LifeLine fund until December 31, 2012 (OPs 5 and 15). Carriers will also be able to claim the "lost revenue" (in addition to the SSA) and untimed calls from offering Measured Rate Service to their California LifeLine subscribers as before.

Claims Process – Administrative Costs

Administrative costs are capped on a per-subscriber basis (OP 18). California LifeLine providers may claim the lesser of the actual reported administrative expenses or (initially) $0.50 per subscriber (GO 153, Section 9.3.10). The addition of Section 9.3.13.5 clarifies the scope of reportable administrative costs. If no actual expenses are reported, the California LifeLine Service Provider is limited to a cap of $0.03 per subscriber. These rates may increase annually, but by no more than the Consumer Price Index (Urban) (OP 19).

Rate of Return ILECs may seek recovery of their California LifeLine administrative costs that are not reimbursed from the California LifeLine program from the California High Cost Fund A (CHCF-A) in their general rate cases (OP 21).

Claims Process - Other

Rules regarding non-recurring charges (Service Connection and Conversions) will not change. Carrier will be able to continue to claim these charges as before (COL 21, GO 153, Sections 8.1.1, 8.1.3, and 9.3).

Reasonable, one time incremental Implementation costs (if required by the Commission) may continue to be claimed (OP 17, GO 153 Section 9.3.13).

Pass-through taxes (local, federal excise tax) may be claimed if the amounts are remitted to the proper taxing authorities (OP 22, GO 153 Section 9.6).

Toll limitation and untimed calls (Measured Rate Service) may also continue to be claimed as before (GO 153, Sections 8.1.5, 8.5, and 9.3).

Carriers may claim lost revenue not recoverable from the federal Universal Service Fund (USF) for a second California LifeLine TTY line provided under GO 153 from the California LifeLine Fund (Section 4.2.3).

California LifeLine Service Providers that are not registered as ETCs may continue to claim from the California LifeLine fund amounts that are available to ETCs from the federal Lifeline program until December 31, 2012 (GO 153, Sections 8.1.7 and 9.3.4). Non-ETC CLECs's makeup claims will still be limited to the amounts claimed by the underlying ILECs (GO 153, Section 9.3.4). Beginning on January 1, 2013, the California LifeLine Fund will no longer pay for non-ETC makeup costs. The state program will assume that all California LifeLine Service Providers are claiming up to the full eligible amounts from the federal program.

Carrier claims for bad debts will cease on October 31, 2011 (Section 9.4.9). Carriers must submit claims for any bad debt by January 31, 2012 for the period up to October 31, 2011. Any claims made thereafter will be denied (OP 25).

Other Administrative Changes to GO 153

In addition, the revised GO 153 makes a number of corrections/revisions/modifications for process efficiency improvements and program clarifications:

- The income limitations are removed and replaced with a web-link.
- The Carrier Claim Form and the Timeline for Processing California LifeLine Qualifications are removed and replaced with a web-link. Copies of the revised documents are included in Attachments B and C. Whenever changes are made to these documents, California LifeLine stakeholders will be informed by Administrative Letter.
- The timing of the "Service Start Date" and "Application Date" is corrected to reflect current practices
- The term "California LifeLine" is now used consistently throughout the document, to differentiate the state program from the federal-only Lifeline offered (by wireless carriers)
- The requirements for disclosing subsidies on the customer's monthly bill is added to Section 8.6 (D. 10-11-033, OP 24)
- Important terms in GO 153 are capitalized consistently
- The terms "California LifeLine" and "California LifeLine Service Providers" are used consistently.

COMMENTS ON DRAFT RESOLUTION

In compliance with PU Code §311(g), copies of the draft resolution were mailed on June 13, 2011 to the parties of record in R. 06-05-0218, R. 11-03-013, the California LifeLine Administrative Committee, the California LifeLine Working Group, and all carriers providing telephone service in California. Parties submitted opening comments[4] on June 28, 2011, and reply comments[5] on July 5, 2011, in accordance with the Notice of Availability dated June 13, 2011.

Most of the opening comments were administrative in nature, and removed inconsistencies and added clarity to the GO. Most of these have been adopted.

There were two suggestions made by a number of parties that required additional clarification and guidance from this Resolution. OP 24 of Decision 10-11-033 stated that "all reductions" be shown as separate line items on the customer's monthly bill. We do not believe the intent of the Decision was to increase customer confusion to add a dozen lines to customer bills, showing each surcharge and then backing out the amount. We therefore have added language to Section 8.6 to clarify that only Lifeline related credits (California and federal) be shown as separate line items.

Some of the California LifeLine Service Providers have also sought clarity on the payment of administrative costs under the new claim system. While the Decision modified the payment method to be a set per-subscriber amount, CD believes there was no intent to modify or limit the types of administrative costs reported by the California LifeLine Service Providers. We therefore added verbiage to Sections 9.3.11.3, 9.3.11.4 and 9.4.10 to clarify that no changes are being made to the types of administrative costs that are considered acceptable for reporting expenses.

A number of parties commented on the definitions and rules regarding Non-Traditional Providers (such as wireless). While we acknowledge the parties' concerns, we cannot address these issues at this time because the Commission has not concluded its re-examination of Basic Service Elements in R. 09-06-019. Before GO 153 can be modified to reflect these changes, a Decision from R. 09-06-019 and R. 11-03-013 is required. CD understands that there remains some uncertainty regarding the inclusion of wireless carriers into the California LifeLine program. These issues will be resolved in R. 11-03-013.

The Greenlining Institute & the Disability Rights Advocates recommended a number of changes related to consumer protection. However, this Resolution is not the appropriate forum for adding requirements to the California LifeLine program. The purpose of Resolution T-17321 is to adopt

[4] Opening comments were submitted by AT&T, Verizon, the Small ILECs & SureWest, Cox, The Greenlining Institute & the Disability Rights Advocates, and The Utility Reform Network & the National Consumer Law Center (Filing as "Joint Consumers").
[5] Reply comments were submitted by AT&T, Verizon, Cox, and The Utility Reform Network, The Greenlining Institute & the National Consumer Law Center (Filing as "Joint Consumers").

those changes already mandated by D. 10-11-033, including those recommendations made during the implementation workshops earlier in the year.

As the issue of disconnection for non-payment was not addressed in the Decision, we cannot comment on it here. Likewise, in reference to their comments, California LifeLine is already accessible in seven non-English languages as well as large font and English Braille. It was not clear from the submitted comments what additional rules to improve accessibility are required. The request to require the Consumer Affairs Branch (CAB) to provide hard copies of sample forms on request was discussed during the workshops. Sample forms are available online at www.californialifeline.com. And as noted in "Other Administrative Changes" above, changes to the Administrator Timeline and the Claim Form will be noticed to all stakeholders via administrative letter.

FINDINGS

1. Decision 10-11-033 adopted the SSA claim process for California LifeLine Service Providers.
2. The current General Order 153, claim form and workpapers are not sufficient to meet the requirements of the new claim process, and must be updated.
3. Rulemaking R. 11-03-013 (OP 1) stated that changes to General Order 153 should be developed with a realistic implementation plan.

THEREFORE, IT IS ORDERED that:

1. The Commission adopts the revised General Order (GO) 153 included as Attachment A1.
2. California LifeLine Service Providers offering LifeLine in California should comply with policies and procedures set forth in the revised GO 153.
3. The revised General Order 153 is effective December 1, 2011
4. Carrier will be reimbursed using the new SSA policy beginning December 1, 2011.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 28, 2011. The following Commissioners approved it:

_____
PAUL CLANON
Executive Director

Attachment A1 – Revised General Order 153

GENERAL ORDER 153

Public Utilities Commission of the State of California
PROCEDURES FOR ADMINISTRATION OF
THE MOORE UNIVERSAL TELEPHONE SERVICE ACT
(CALIFORNIA LIFELINE PROGRAM)
GENERAL ORDER

1. GENERAL

1.1 Intent – The purpose of this General Order is to implement the Moore Universal Telephone Service Act [AB 1348, Ch. 1143, Stats. 1983, California Public Utilities Code §871 et seq.]. The Act is intended to provide low-income households with access to affordable basic residential telephone service.

1.2 Applicability – This General Order is applicable to all California LifeLine Service Providers operating in California and to residential customers eligible for California LifeLine furnished pursuant to the Moore Universal Telephone Service Act.

1.3 Participation in California LifeLine by Non-Traditional Providers (wireless, VoIP, etc.) is optional. However, any Non-Traditional Provider that offers LifeLine (either California LifeLine or federal-only Lifeline) in California must comply with the rules established in this General Order.

2. DEFINITIONS

2.1 "Anniversary Date" –The Anniversary Date falls on the one-year anniversary of the LifeLine subscriber's Application Date and annually thereafter.

2.2 "Annual LifeLine Notice" – The written notice that each California LifeLine Service Provider annually sends to all of its residential customers regarding the availability, terms, and conditions of California LifeLine.

2.3 "Applicant" – A new or existing voice service customer who has requested California LifeLine and is undergoing the Application Process.

2.4 "Application Date" – The date a new or existing customer calls his/her California LifeLine Service Provider and requests LifeLine service. The "Application Date" serves as the starting point for LifeLine discount back-credits once the California LifeLine Administrator determines eligibility and notifies the applicant's California LifeLine Service Provider.

2.5 "Application Form" – The document sent by the California LifeLine Administrator to applicants that they must fill out (either on paper or online) and return to the California LifeLine Administrator to be considered for California LifeLine eligibility.

2.6 "Application Process" – A process that an applicant must undergo when applying to enroll in California LifeLine.

2.7 "Basic Residential Telephone Service", "Basic Service", or "Service" – A class of local

telephone service, whose use is for domestic rather than business purposes, furnished to a customer at the customer's residence.

2.8 "Business Day" – Official business day of the State of California.

2.9 "California High Cost Fund B (CHCF-B)" – A fund established by the Commission in D. 96-10-066 for the purpose of subsidizing residential telephone service provided by Carriers of Last Resort (COLRs) in designated high-cost areas of the State.

2.10 "California LifeLine Administrator" – A third-party administrator designated by the Commission to qualify applicants and verify the continued eligibility of subscribers.

2.11 "California LifeLine Program" – A California public purpose program, which is sometimes referred to as "California LifeLine" or "LifeLine." California LifeLine is a class of local discounted Basic Residential Telephone Service designed to meet the minimum communication needs of low-income residential customers. California LifeLine includes all of the service elements set forth in Appendix A of this General Order. California LifeLine is funded by a surcharge on all end users of intrastate telecommunications services for discounted services to eligible customers and reimburses California LifeLine Service Providers that participate in the program, as set forth in this General Order.

2.12 "California LifeLine Service Provider" – A telecommunications carrier (or Non-Traditional Provider such as a wireless provider) that offers Basic Residential Telephone Service and that offers California LifeLine service as defined by this General Order.

2.13 "Carrier" – Any provider of end-user intrastate telecommunications services such as local exchange carriers, competitive local carriers, interexchange carriers, commercial mobile radio service carriers, and paging companies.

2.14 "Carrier of Last Resort (COLR)" – A carrier that is required by D. 96-10-066 to provide telephone service, upon request, to all residential and business customers within a designated geographic area. A COLR may be designated as such pursuant to D. 96-10-066, Appendix B, Rule 6.D.1, or voluntarily acquire such status pursuant to D. 96-10-066, Appendix B, Rule 6.D.4.

2.15 "Commission" – The California Public Utilities Commission.

2.16 "Communications Division (CD)" – An division within the Commission that is responsible for carrying out those duties and responsibilities related to California LifeLine that is set forth in this General Order.

2.17 "Customer" – An individual that is responsible for ordering, paying for, and making decisions regarding services purchased from a carrier or other service provider in California.

2. 18 "Deadline Date" – The date printed on the customer's Application or Renewal Form, by which the form and any supporting information must be received by the California LifeLine Administrator to avoid having the form rejected.

2.19 "Deaf and Disabled Telecommunications Program (DDTP)" – A public purpose program established pursuant to California Public Utilities Code §2881 et seq., to provide persons who are deaf, hard of hearing, or disabled with free telecommunications equipment and services for the purpose of enabling such customers to communicate over the public telephone network.

2.20 "Decision Date" – The date upon which the California LifeLine Administrator notifies California LifeLine Service Providers of its decision regarding an applicant's eligibility. For applicants, the Decision Date will be 1 day after the eligibility determination**.** For Renewal subscribers, the Decision Date will be 1 day before the subscriber's Anniversary Date.

2.21 "Denial Date" – During the Application and Renewal Processes, the date upon which the California LifeLine Administrator determines applicants or subscribers to be ineligible.

2.22 "Deposit" – Money charged to a customer as security to the serving carrier in order to establish or re-establish service as required by the carrier's applicable terms of service.

2.23 "Disabled Person" – A person who is qualified to obtain free telecommunications equipment and services through the DDTP pursuant to California Public Utilities Code §2881 et seq.

2.24 "Eligible Telecommunications Carrier (ETC)" – A common carrier designated by a state commission pursuant to Subpart C of Title 47 of the Code of Federal Regulation (47 C.F.R.) §54.201. An ETC is required to provide to qualified low-income customers, the services described in Subpart E of 47 C.F.R. §54.201, and to comply with additional conditions imposed by the Commission as part of the ETC approval process. The ETC is eligible to receive the federal financial support for the provision of such services.

2.25 "End-User Common Line (EUCL) Charge" – The Federal Communications Commission (FCC) mandated monthly charge assessed directly on end-users of telecommunications services to recover portion of a carrier's interstate-allocated cost of the access line, as defined by the FCC, between the carrier's central office and the end-user's premises. Also known as the Subscriber Line Charge (SLC).

2.26 Extended Area Service (EAS)" – An exchange service available to customers in a particular exchange or district area for communication throughout that exchange and other designated areas in accordance with the provisions of a carrier's exchange tariffs.

2.27 "Flat-Rate Service" – Local telephone service satisfying the requirements of Basic Residential Telephone Service for unlimited local calls without additional charges at a fixed monthly rate.

2.28 "Gross Revenues" – All revenues billed by a telecommunications carrier to end users for the provision of Intrastate Telecommunications Services, excluding all federal, state, and local taxes and all accounts that have been found to be worthless and written off for income tax purposes or, if the telecommunications carrier is not required to file income tax returns, written off in accordance with generally accepted accounting principles.

2.29 "Household" – Any individual or group of individuals who are living together as one economic unit in the same residence.

2.30 "Income-Based Criterion" – A means of determining eligibility for California LifeLine based on the number of members in the applicant's household and corresponding income limit established by the Commission for enrolling in California LifeLine.

2.31 "Incremental Costs" – Incremental Costs are defined as those costs that (i) are directly attributable to the California LifeLine program, (ii) would not be incurred in the absence of the California LifeLine program, and (iii) are not recovered elsewhere by the California LifeLine Service Provider.

2.32 “Incumbent Local Exchange Carrier (ILEC)” – The definition of ILEC is set forth in Section 251(h) of the Telecommunications Act of 1996. ILECs are each required to serve as a COLR, pursuant to D. 96-10-066, Appendix B, Rule 6.D.1.

2.33 “Intrastate Telecommunication Service” – Any telecommunications service that originates and terminates within the boundaries of the State of California.

2.34 “LifeLine Line” – A single subsidized telephone connection provided by a California LifeLine Service Provider under the California LifeLine Program to a qualifying household.

2.35 “Measured-Rate Service" – Local telephone service satisfying the requirements of Basic Residential Telephone Service for which there is a usage-based charge for some or all local calls.

2.36 “Medical Certificate” – A certificate signed by a medical professional which states that a designated telephone customer has a disability that qualifies the customer for specialized telecommunications equipment from the DDTP. Medical certificates must comply with California Public Utilities Code §2881 et seq.

2.37 “Non-Traditional Providers” – California LifeLine Service Providers that do not hold Certificates of Public Convenience and Necessity (CPCN) from the Commission, including but not limited to wireless and Voice over Internet Protocol (VoIP) services, and voluntarily elect to offer California LifeLine as set forth in this General Order.

2.38 “Pre-Qualification” – The process by which California LifeLine applicants apply for California LifeLine, but do not receive the California LifeLine discount until their applications have been received and approved by the California LifeLine Administrator.

2.39 “Program-Based Criterion” – An eligibility based on participation in various means-tested programs approved by the Commission.

2.40 “Public Advisor” – An organizational unit within the Commission that is responsible for carrying out those duties and responsibilities related to California LifeLine as set forth in this General Order.

2.41 “Regular Rates” – A carrier’s or Non-Traditional Provider’s undiscounted rates and charges for telephone services that are applicable to non-California LifeLine residential customers.

2.42 “Renewal Form” – A form sent by the California LifeLine Administrator to existing LifeLine subscribers as part of the Renewal Process that must be completed (either in writing or online) and returned to the California Lifeline Administrator in order to continue receiving their California LifeLine discounts.

2.43 “Renewal Form (Documentation Required)” – A form sent by the California LifeLine Administrator to existing California LifeLine subscribers as part of the Renewal Process that must be completed in writing (with proof of eligibility) and returned to the California Lifeline Administrator in order to continue receiving their California LifeLine discounts.

2.44 “Renewal Process” – A process that subscribers must undergo annually before their Anniversary Date to continue their enrollment in California LifeLine.

2.45 "Residence" – That portion of an individual house, building, flat, or apartment (a dwelling unit) occupied entirely by a single household as that term is defined by these rules. A room or

portion of a dwelling unit occupied exclusively by a household not sharing equally as a member of the domestic establishment may be considered a separate residence for the application of California LifeLine.

2.46 "Service Connection Charge" – A non-recurring charge, for the installation of Basic Residential Telephone Service or the non-regulated residential service provided by a Non-Traditional Provider, that is paid by the customer applying for such service.

2.47 "Service Conversion Charge" – A non-recurring charge, that may be applicable when a customer changes the class, type, or grade of service, such as changing from Measured Rate Service to Flat Rate Service.

2.48 "Service Start Date" – The date a new customer begins receiving phone service, and is billed for such service. Once the California LifeLine Administrator approves the Application Form, the subscriber receives California LifeLine discounts back to the Application Date.

2.49 "Specific Support Amount" (SSA) – A maximum support amount reimbursed to California LifeLine Service Providers for the monthly recurring charge of California LifeLine service to subscribers. The SSA may be adjusted annually by the Commission.

2.50 "Subscriber" – A person who is qualified for and receiving California LifeLine service, set forth in this General Order, at his or her principal place of residence.

2.51 "Surcharge" – The percentage increment, as determined by the Commission, which is applied to the end-user's Intrastate Telecommunications Services.

2.52 "Text-Telephone Device" – A device used by disabled persons to send and receive information over a telephone line in text and graphic forms. A text-telephone device is commonly referred to as a "TTY."

2.53 "Three-Month Commercial Paper Rate" – The Three-Month Commercial Paper Rate published in the Federal Reserve Statistical Release, G-13.

2.54 "Toll Blocking" – A service whereby the subscriber elects to prevent the completion of outgoing toll calls.

2.55 "Toll Control" – A service whereby the subscriber specifies a certain level of toll usage that may be incurred per month or per billing cycle.

2.56 "Toll Limitation Service" – A service that includes, but is not limited to, Toll Blocking or Toll Control.

2.57 "Total Household Income" – All revenues, from all members of a household, from whatever source derived, whether taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends, public assistance payments, social security and pensions, rental income, income from self-employment and cash payments from other sources, and all employment-related, non-cash income.

2.58 "Universal LifeLine Telephone Service (ULTS) Trust Administrative Committee (ULTS-AC)" – An advisory board that advises the Commission on the development, implementation, and administration of California LifeLine to ensure it is available to the people of the state, as provided by this General Order and the Moore Universal Telephone Service Act.

2.59 "Universal LifeLine Telephone Service (ULTS) Trust Administrative Committee Fund (LifeLine Fund)" – A repository of California LifeLine surcharge monies used to reimburse California LifeLine Service Providers and others as directed by the Commission for the costs associated with the provision and administration of the California LifeLine Program.

3. TARIFF FILINGS

3.1 Carriers that are required to file tariffs with the Commission shall include in their tariffs the requirement to collect the California LifeLine surcharge from their customers.

3.2 Carriers that are required to file tariffs for Basic Residential Telephone Service with the Commission shall include in their tariffs the requirement to offer California LifeLine to the public under terms and conditions that reflect the requirements of California Public Utilities Code §871 et seq., relevant Commission decisions, and this General Order.

3.3 All tariff filings pertaining to any aspect of California LifeLine and/or the California LifeLine surcharge shall be filed in accordance with California Public Utilities Code §489 and General Order 96-B. No tariff or Schedule of Rates and Charges shall substantially depart from the intent of this General Order.

3.4 Non-Traditional Providers not required to file tariffs shall file a schedule of California LifeLine rates and charges, updated annually, that reflect the requirements set forth in this General Order.

3.5 Non-Traditional Providers that voluntarily offer LifeLine service in California shall file with the Commission a schedule of LifeLine rates and charges, updated annually, that reflect the requirements set forth in this General Order.

4. NOTICES, ENROLLMENT, AND FORMS

4.1 Initial California LifeLine Notice.

4.1.1 California LifeLine Service Providers shall inform new residential customers calling to establish Basic Service or non-regulated residential service, as applicable, about the availability of California LifeLine, a discount program for customers with a household member currently enrolled in certain public assistance programs or customers with qualifying household income. If customers indicate that they are interested in applying for California LifeLine, California LifeLine Service Providers shall contact the California LifeLine Administrator to begin the California LifeLine Application Process for the customer in accordance with Section 4.2 of this General Order and the Timeline for Processing California LifeLine Qualifications (found at http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/FormNotices_Public+Program.htm)..

4.1.2 California LifeLine Service Providers shall not link the availability of discounted phone service under California LifeLine with the sale of non-California LifeLine services.

4.1.3 In accordance with the Timeline for Processing California LifeLine Qualifications (found at http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/FormNotices_

Public+Program.htm), California LifeLine Service Providers shall send a confirmation notice to all California LifeLine applicants informing them of the arrival of Application Forms from the California LifeLine Administrator and the requirement to return the completed forms with all required documentation. The notice shall also inform California LifeLine applicants that failure to return the forms and eligibility documentation by the Deadline Date will result in the denial of the application for discounted California LifeLine telephone service.

4.2 Enrollment

4.2.1 California LifeLine Service Providers shall ask the customer whether he/she is currently or within the last 30 days has been enrolled in California LifeLine by another California LifeLine Service Provider.

4.2.1.1 If yes, the California LifeLine Service Provider shall then contact the California LifeLine Administrator to validate the customer's approved status. The California LifeLine Service Provider shall inform the customer that the California LifeLine Administrator will notify the customer and the customer's current California LifeLine Service Provider once it determines whether or not the customer is currently or within the last 30 days has been enrolled in California LifeLine. If the California LifeLine Administrator cannot confirm the customer's continued eligibility, the customer will be treated as a new California LifeLine applicant and be subject to the Application Process.

4.2.1.2 If no, ask the customer if any member of his/her household is enrolled in a public assistance program.

4.2.1.2.1 If yes, read the means-tested programs listed in Section 5.1.5 of this General Order and ask the customer whether any household member is enrolled in any of these programs. California LifeLine Service Providers may use the step-down approach when reading the means-tested programs and stop when the customer confirms that a household member is enrolled in an approved program.

4.2.1.2.1.1 If the customer verbally indicates participation in an approved public program, immediately contact the California LifeLine Administrator to begin the Application Process and inform the customer that: (i) the customer will receive an Application Form in the mail; (ii) the Application Form must be completed and signed by the person whose name appears on the form and returned to the California LifeLine Administrator before the due date indicated on the form; and (iii) specify any deposits required; (iv) a payment plan is available for nonrecurring charges and deposits relating to basic service, and (v) the California LifeLine Administrator will notify the customer and the customer's California LifeLine Service Provider once it determines whether or not

the customer is eligible for California LifeLine.

4.2.1.2.2 If no, ask the customer about his/her household size and read the corresponding California LifeLine income limit information outlined in Section 5.1.4 of this General Order that the applicant must meet in order to qualify for California LifeLine.

4.2.1.2.2.1 If the customer verbally indicates that he/she is eligible under the income guidelines, immediately contact the California LifeLine Administrator to begin the California LifeLine Application Process for the customer. The California LifeLine Service Provider shall also inform the customer that he/she must also provide income document(s) substantiating the household income, and inform the customer that: (i) the customer will be receiving an Application Form in the; (ii) the Application Form must be completed and signed by the person whose name appears on the form, and returned to the California LifeLine Administrator before the due date indicated on the form; (iii) a copy of the supporting income document(s) that reflect total household income must be included with the Application Form; (iv) a payment plan is available for nonrecurring charges and deposits relating to basic service; and (v) the California LifeLine Administrator will notify the customer and the customer's California LifeLine Service Provider once it determines whether or not the customer is eligible for California LifeLine.

4.2.2 California LifeLine Service Providers must inform the applicant that he or she may opt to receive the instructions for the Application Form in Braille (English Only) or instructions and Application Form in large print.

4.2.3 California LifeLine Service Providers shall also inform the customer of the availability of two California LifeLine lines if a member of the household uses a TTY when making a call,

4.2.3.1 If the customer verbally certifies that he/she qualifies for two California LifeLine lines, the California LifeLine Service Provider shall immediately contact the California LifeLine Administrator to begin the California LifeLine Application Process for the second California LifeLine line and remind the customer that he/she must provide proof for the need of a TTY as outlined in Section 5.1.8 of this General Order.

4.2.4 California LifeLine Service Providers shall inform California LifeLine applicants that they will incur Basic Service rates and charges until approval of their California LifeLine Application Form. California LifeLine Service Providers shall offer

California LifeLine applicants a payment plan for the non-recurring charges and deposits for Basic Service, and shall inform applicants of the existence of such plans.

4.2.5 California LifeLine Service Providers shall inform California LifeLine applicants that once approved, they will receive a credit on their bill for California LifeLine discounts retroactive to their Application Date. If they have a net credit balance of at least $10.00 on their next bill, they may request a refund check for any such net credit balance from their respective California LifeLine Service Provider.

4.3 Annual California LifeLine Notice.

4.3.1 Every California LifeLine Service Provider offering California LifeLine shall annually send to all of its residential customers, other than customers of foreign exchange, or farmer lines, a notice that contains information about the availability, terms, and conditions of California LifeLine.

4.3.1.1 The annual notice shall include information about the availability, terms, and conditions of two California LifeLine lines for qualified disabled persons.

4.3.1.2 Every California LifeLine Service Provider shall submit its annual notice to the Commission Public Advisor (PA) for the PA's review and approval. Once approved, a California LifeLine Service Provider does not need to resubmit its annual notice to the PA unless there is a material change to the notice. A change to the annual notice to reflect the annual adjustment to California LifeLine income eligibility limits is not a material change to the notice.

4.4 Customer Application Form.

4.4.1 An Application Form must be completed when customers apply to enroll in California LifeLine.

4.4.1.1 A copy of the Application Form and associated instructions can be found at www.californialifeline.com.

4.4.1.1.1 The instructions must inform California LifeLine applicants that the Commission or the California LifeLine Administrator may audit the subscriber's eligibility to participate in California LifeLine. The instructions shall also state that if the audit established that the subscriber is ineligible, the subscriber will be removed from California LifeLine and billed for previous California LifeLine discounts that the subscriber should not have received plus interest at the Three-Month Commercial Paper Rate.

4.4.1.1.2 The instructions must inform California LifeLine applicants that submitted income and/or supporting documentation will not be returned.

4.4.1.2 The Application Form will be partially completed by the California LifeLine Administrator based on information provided by California LifeLine Service Providers.

4.5 Subscriber Renewal Form.

4.5.1 Subscribers must complete a Renewal Form annually prior to their Anniversary Date to verify continued eligibility in California LifeLine.

4.5.1.1 A copy of the Renewal Form and associated instructions can be found at www.californialifeline.com.

4.5.1.1.1 The instructions must inform California LifeLine subscribers that the Commission or the California LifeLine Administrator may audit the subscriber's eligibility to participate in California LifeLine. The instructions shall also state that if the audit established that the subscriber is ineligible, the subscriber will be removed from California LifeLine and billed for previous California LifeLine discounts that the subscriber should not have received plus interest at the Three-Month Commercial Paper Rate.

4.5.1.1.2 The instructions must inform LifeLine subscribers that submitted income and/or supporting documentation will not be returned.

4.5.1.2 The Renewal Forms will be partially completed by the California LifeLine Administrator based on information provided by California LifeLine Service Providers.

4.6 California LifeLine Notices, Forms and Instructions in the Language of Sale.

4.6.1 The languages currently supported by the California LifeLine program are found in Section 6.1.1.2.

4.6.2 With the exception of those sales where the applicant, subscriber or California LifeLine Service Provider requested the use of an outside translation service, any California LifeLine Service Provider that sells California LifeLine in a language other than English shall provide those subscribers to whom it sold California LifeLine in a language other than English with the following:

4.6.2.1 Commission-managed California LifeLine notices in the language in which the California LifeLine Service Provider originally sold California LifeLine to the subscriber.

4.6.2.2 Toll-free access to customer service representative who are fluent in the language in which the California LifeLine Service Provider originally sold California LifeLine to the subscriber.

4.6.2.3 California LifeLine Service forms and instructions in the language in which the California LifeLine Service Provider originally sold California LifeLine to the applicant and/or subscriber.

4.7 California LifeLine Service Providers making changes to their California LifeLine service offering and must give 30 days notice to their California LifeLine subscribers for any of the following reasons:

4.7.1 Increases to the California LifeLine rate pursuant to Section 8 and Public Utilities Code §874(a)

4.7.2 Changes to the terms of its California LifeLine service

4.7.3 Withdrawal of California LifeLine service participation (Non-Traditional Providers only). Traditional carriers must comply with General Order 96-B industry noticing requirements.

5. ELIGIBILITY CRITERIA FOR OBTAINING AND RETAINING CALIFORNIA LIFELINE

5.1 California LifeLine is available to any residential customer who meets all of the following eligibility requirements:

5.1.1 The residence at which the service is requested is the subscriber's principal place of residence. An applicant for California LifeLine service may report only one address in this state as his/her principal place of Residence.

5.1.2 The subscriber and members of the subscriber's household collectively have one discounted service from either the California LifeLine program or the federal Lifeline low income program (Non-Traditional Providers only), except as provided for in Section 4 of this General Order.

5.1.3 The customer's eligibility meets either the Income-Based Criterion or the Program-Based Criterion.

5.1.4 Income-Based Criterion allows an applicant to enroll in California LifeLine based on his/her Total Household Income, i.e. members of the applicant's household collectively earn no more than the mandated annual income limits[6].

5.1.4.1 The income used to determine eligibility for California LifeLine shall be based on the definition of "Total Household Income" as defined in Section 2.58, above.

5.1.4.2 For households with self-employed members, the "income from self-employment" shown on IRS Form 1040, Schedule C, line 29, shall be used to assist in the determination of whether a California LifeLine applicant is eligible to participate in California LifeLine.

5.1.4.3 Borrowed money shall not be considered as income when determining eligibility for California LifeLine.

5.1.4.4 Funds transferred from one account to another, such as from savings account to a checking account, shall not be considered as income when determining eligibility for California LifeLine, even if such funds are used for living expenses.

5.1.4.5 The customer must provide income documentation substantiating his/her Total Household Income. Acceptable income documents are:

5.1.4.5.1 Prior year's state, federal, or tribal tax return

5.1.4.5.2 Current income statement from an employer or paycheck stub for

[6] Income limits are updated and published annually on the Commission website at (http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/LifeLinedetails.htm#qualify), and notices sent to all carriers and Non-Traditional Carriers, per Section 5.2.1, below.

three consecutive month's worth of the same type of statements within the last 12 months.

5.1.4.5.3 Statement of benefits from Social Security, Veterans Administration

5.1.4.5.4 Statement of benefits from retirement/pension, Unemployment/ Workmen's Compensation

5.1.4.5.5 A divorce decree

5.1.4.5.6 Child support document

5.1.4.5.7 Other official documents

5.1.5 Program-Based Criterion allows a applicant to enroll in California LifeLine based on participation by the applicant or a member of the applicant's household in a means-tested programs approved by the Commission. Approved means-test programs are:

5.1.5.1 Medicaid or Medi-Cal

5.1.5.2 CalFresh Program, formerly known as "Food Stamps"

5.1.5.3 Supplemental Security Income

5.1.5.4 Federal Public Housing Assistance or Section 8

5.1.5.5 Low Income Home Energy Assistance Program (LIHEAP)

5.1.5.6 Temporary Assistance for Needy Families (TANF), known in California under the following names:

California Work Opportunity and Responsibility to Kids (CalWORKs)

Stanislaus County Work Opportunity and Responsibility to Kids (StanWORKs)

Welfare-To-Work (WTW)

Greater Avenues for Independence (GAIN)

5.1.5.7 National School Lunch Program (NSLP)

5.1.5.8 Tribal TANF

5.1.5.9 Bureau of Indian Affairs General Assistance

5.1.5.10 Head Start Income Eligible (Tribal Only)

5.1.5.11 Healthy Families Category A

5.1.5.12 Women, Infants and Children Program (WIC)

5.1.6 No customer who is claimed as a dependent on another person's income tax return shall be eligible for California LifeLine.

5.1.7 No member of a subscriber's family, residence or household who resides with the subscriber is eligible for California LifeLine, except as provided for in Sections 5.1.8 to 5.1.10 below.

5.1.8 A subscriber shall be eligible to receive two California LifeLine lines if: (i) the subscriber meets all California LifeLine eligibility criteria set forth above; (ii) a member of the subscriber's household is disabled and has immediate and continuous access within the household to a TTY; and (iii) the TTY is issued by DDTP or a medical certificate indicating the household member's need for a TTY is submitted.

5.1.9 All California LifeLine rules and regulations that apply to the one California LifeLine line shall apply equally to the second California LifeLine line provided to a subscriber.

5.1.10 An applicant whose California LifeLine application is rejected for not being a member of a means-tested program listed in Section 5.1.5, who can demonstrate membership by a member of the subscriber's household in a county-equivalent means-test program can appeal the decision of the California LifeLine Administrator with the Commission Consumer Affairs Branch (CAB).

5.2 The California LifeLine income limits will be adjusted each year for inflation based on the Federal Consumer Price Index - Urban Areas.

5.2.1 CD shall adjust California LifeLine income limits by April 15th of each year. CD shall notify California LifeLine Service Providers of the annual adjustment within five business days of the adjustment being made. All California LifeLine Service Providers shall implement the adjusted California LifeLine income limits by no later than June 1st of each year.

5.2.1.1 To implement the annual adjustment to California LifeLine income limits, California LifeLine Service Providers shall follow the following procedure:

5.2.1.1.1 (i) file revised tariffs or LifeLine Schedule of Rates and Charges, whichever is applicable, that reflect (a) the adjusted income limits, and (b) the instructions, if any, contained in the notice of the annual adjustment sent by CD; and (ii) revise their annual LifeLine notice to reflect the adjusted LifeLine income limits.

5.3 No California LifeLine Service Provider shall knowingly enroll into California LifeLine an applicant who does not meet the California LifeLine eligibility criteria. No California LifeLine Service Provider shall knowingly allow a subscriber to remain in California LifeLine who does not meet the California LifeLine eligibility criteria.

5.4 Each applicant enrolling in California LifeLine is subject to the Application Process described below:

5.4.1 Upon receiving the Application Form, the customer has the option of enrolling in California LifeLine under either: (i) the Program-Based Criterion, or (ii) the Income-Based Criterion.

5.4.1.1 If the applicant has a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer should enroll under the Program-Based Criterion and complete the section of the Application Form entitled "Method 1 Program-Based."

5.4.1.2 If the customer does not have a household member currently enrolled in any

of the means-tested programs listed in Section 5.1.5 of this General Order, the customer *must* enroll under the Income-Based Criterion listed in Section 5.1.4 of this General Order, and complete the section of the Application Form entitled "Method 2 Income-Based".

5.4.2 The Application Form shall be signed by the applicant whose name appears on the California LifeLine Service Provider's account, the customer's legal guardian or a person operating pursuant to a power of attorney for such customer.

5.4.2.1 By signing the form, the customer is certifying, under penalty of perjury, that the information contained in the completed form and submitted documents, if any, are true and correct.

5.4.3 The completed Application Form and supporting documents, if any, must be received by the California LifeLine Administrator on or before the deadline date specified in the Application Form.

5.4.4 Any applicant who fails to return the Application Form or otherwise fails to qualify for California LifeLine as specified on the Application Form by the deadline date shall have their application rejected.

5.4.5 A subscriber changing his/her California LifeLine Service Provider shall not be required to undergo the Application Process, provided that the subscriber initiates California LifeLine service with his/her new California LifeLine Service Provider within 30 days of disconnecting California LifeLine service with the previous California LifeLine Provider and the subscriber maintains eligibility in all other respects. If a subscriber changes his or her principal place of residence, while maintaining eligibility in all other respects, the subscriber shall not be required to go through the Application Process again.

5.4.6 Upon successful completion of the Application Process, the subscriber's Basic Service will be converted to California LifeLine service and the subscriber's account will be credited the difference between California LifeLine rates and charges and regular rates and charges, as outlined in Section 8.1 of this General Order, and any deposits related to basic service, as of the California LifeLine subscriber's Application Date. Subscribers with a net credit balance of at least $10.00 reflected on their next bill may request a refund check in the amount of such net credit balance from their California LifeLine Service Provider.

5.5 To remain in California LifeLine, each California LifeLine subscriber is subject to the annual Renewal Process described below:

5.5.1 Upon receiving the Renewal Form, the subscriber has the option of qualifying his/her continued eligibility under either: (i) the Program-Based Criterion, or (ii) the Income-Based Criterion.

5.5.1.1 If the subscriber has a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the subscriber should continue his/her California LifeLine enrollment under the Program-Based Criterion and complete the section of the Renewal Form

entitled "Method 1 Program-Based."

5.5.1.2 If the subscriber does not have a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the subscriber *must* continue his/her California LifeLine enrollment under the Income-Based Criterion listed in Section 5.1.4 of this General Order, and complete the section of the Renewal Form entitled "Method 2 Income-Based".

5.5.2 The Renewal Form shall be signed by the subscriber whose name appears on the California LifeLine Service Provider's account, the subscriber's legal guardian or a person operating pursuant to a power of attorney for the subscriber.

5.5.2.1 By signing the form, the subscriber is certifying, under penalty of perjury, that the information contained in the completed form and all submitted documents, if any, are true and correct.

5.5.3 The completed Renewal Form must be received by the California LifeLine Administrator on or before the due date specified on the Renewal Form.

5.5.3.1 If the subscriber receives a "Renewal Form (Documentation Required)," the completed form with all supporting documents must be received by the California LifeLine Administrator on or before the due date specified on the Renewal Form.

5.5.4 Any subscriber who fails to qualify for continued eligibility in California LifeLine shall be removed from the California LifeLine Program. Upon notification from the California LifeLine Administrator, the California LifeLine Service Provider shall convert the subscriber to Basic Residential Service starting with the Denial Date provided by the California LifeLine Administrator. No Service Conversion Charges shall be billed to the customer for this change in service.

5.5.5 Applicants who wish to re-establish California LifeLine service after removal from California LifeLine will be treated as a new applicant, subject to the Application Process pursuant to Section 4.2 and a Service Conversion Charge (once the applicant has successfully re-established California LifeLine service). The California LifeLine discount will be effective on the Application Date, and not be applied retroactively to the prior enrollment period.

5.6 California LifeLine subscribers must notify their California LifeLine Service Provider of any change that causes the California LifeLine subscriber to no longer qualify for (i) California LifeLine, or (ii) a second California LifeLine line. Upon receipt of notification, the California LifeLine Service Provider will change the subscriber's California LifeLine service to Basic Residential Telephone Service. No Service Conversion Charges shall be billed to the customer for this change in service.

5.6.1 The California LifeLine Service Provider may require a deposit, if applicable.

5.7 The Commission and/or the California LifeLine Administrator may audit and verify a subscriber's eligibility to participate in the California LifeLine Program.

5.7.1 Any California LifeLine subscriber who is found to be ineligible to participate in the California LifeLine Program shall be removed from California LifeLine.

5.7.1.1 Upon notification from the Commission or the California LifeLine Administrator, the California LifeLine Service Provider shall change the ineligible subscriber's California LifeLine account to Basic Service and apply regular rates. Such notification shall specify the effective date of the change, (based on the Denial Date). No Service Conversion Charges shall be billed to the subscriber for this change in service.

5.7.1.1.1 The California LifeLine Service Provider may require a deposit, if applicable.

5.7.2 The California LifeLine Service Provider may bill the ineligible subscriber for any California LifeLine discounts that the subscriber should not have received, plus interest determined in accordance with the Three-Month Commercial Paper Rate.

5.7.2.1 The Commission will inform the California LifeLine Service Provider that is also an ETC of the amount recovered from the ineligible subscriber and the applicable portion of this amount that should be returned to the federal Lifeline and/or Link-Up programs and the California LifeLine Fund.

5.7.2.2 The California LifeLine Service Provider will include in the California LifeLine claim the amount remitted to the federal Lifeline and/or Link-Up programs as directed by the Commission.

5.8 Customers may dispute the California LifeLine Administrator's finding of ineligibility by submitting an Informal Appeal to the Commission's Consumer Affairs Branch (CAB) in writing to "CPUC Informal Complaints", 505 Van Ness Ave., San Francisco, CA 94102; or on the internet/web at http://www.cpuc.ca.gov/PUC/aboutus/Divisions/CSID/Consumer+Affairs/.

5.8.1 If the California LifeLine Administrator's determination of ineligibility is overturned on appeal, Lifeline discounts shall be applied retroactive to the Application Date for a new subscriber or the Anniversary Date for a renewing subscriber.

5.9 A California Lifeline applicant whose appeal with the Commission's Consumer Affairs Branch is denied and who wishes to pursue the matter further, may file a formal complaint with the Commission. Information on the Consumer Affairs Branch and how to file a formal complaint shall be displayed at: http://www.cpuc.ca.gov/PUC/aboutus/Divisions/CSID/Consumer+Affairs/.

6. CALIFORNIA LIFELINE ADMINISTRATOR

6.1 The California LifeLine Administrator is a third-party administrator retained under contract by the Commission.

6.1.1 The role of the California LifeLine Administrator is to qualify new applicants and to verify the continued eligibility of existing California LifeLine subscribers.

6.1.1.1 The California LifeLine Administrator must furnish all California LifeLine

Forms (Application, Renewal, Renewal (Documentation Required)), instructions and letters to customers in their language of sale (if supported by the program), as that language preference is provided to the California LifeLine Administrator by the California LifeLine Service Providers.

6.1.1.2 The California LifeLine Program currently supports English, Spanish, Chinese (Mandarin and Cantonese), Korean, Vietnamese, Tagalog, Japanese, and English Braille. All supported languages (except for Braille) are available in Large Print.

6.1.2 The schedule that the California LifeLine Administrator must adhere to in evaluating an applicant's or existing subscriber's qualification can be found at http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/FormNotices_Public+Program.htm

6.2 All California LifeLine Service Providers must notify the California LifeLine Administrator before their initial offering of California LifeLine and arrange the two-way exchange of its California LifeLine subscriber data.

6.3 California LifeLine Service Providers shall provide California LifeLine subscriber data to the California LifeLine Administrator notwithstanding any tariff, contractual, or legal restrictions on limiting the disclosure of non-published customer information.

6.3.1 All California LifeLine Service Providers must provide the California LifeLine Administrator with their California LifeLine subscriber/applicant activities by the end of the next business day after the service order completion.

6.3.2 All California LifeLine Service Providers must provide the California LifeLine Administrator with all California LifeLine subscriber/applicant activities initiated by the California LifeLine Service Providers by the end of the next business day after the service order completion date.

6.3.3 The California LifeLine Administrator shall provide each California LifeLine Service Provider the following information on California LifeLine subscribers by the end of the next business day from the time of completion of the applicant's or subscriber's qualification review:

6.3.3.1 Newly enrolled subscribers who are found eligible to participate in California LifeLine during the Application Process.

6.3.3.2 Applicants who are found ineligible to participate in California LifeLine during the Application Process.

6.3.3.3 Existing LifeLine subscribers who are found eligible to remain in California LifeLine.

6.3.3.4 Existing California LifeLine subscribers who are found ineligible to remain in California LifeLine.

6.3.3.5 A daily weighted average California LifeLine subscriber count on a monthly basis.

6.4 On the Decision Date, the California LifeLine Administrator shall notify California LifeLine

applicants and subscribers in writing of the final decision of their California LifeLine eligibility, including the right to appeal the California LifeLine Administrator's findings.

7. SERVICE ELEMENTS, SERVICE DEPOSITS & SERVICE REQUIREMENTS OF CALIFORNIA LIFELINE

7.1 All California LifeLine Service Providers offering California LifeLine service shall offer their subscribers all of the service elements set forth in Appendix A of this General Order.

7.2 California LifeLine is restricted to residential customers who meet the criteria set forth in Section 5.1, above.

7.3 LifeLine is restricted to residential service. Foreign exchange, farmer lines, and other non-LifeLine services are excluded from this offering.

7.4 California LifeLine Service Providers may require customers to post a deposit upon service initiation. However, upon notification of California LifeLine eligibility from the California LifeLine Administrator, California LifeLine Service Providers must credit the deposit for Basic Service on the subscriber's bill statement (if applicable). California LifeLine Service Providers may require a deposit for other services ordered by the California LifeLine subscriber.

7.5 California LifeLine Service Providers may require a California LifeLine subscriber to pay any overdue California LifeLine rates and charges incurred by that subscriber, or make payment arrangements, before California LifeLine is reinstated at the same or new address.

7.6 Other than previously stated, California LifeLine is subject to the conditions of "Discontinuance and Restoration of Service" as set forth in the California LifeLine Service Provider's tariffs or Schedule of Rates and Charges related to service termination and reconnection.

7.7 If a subscriber is disconnected for nonpayment of toll charges, a California LifeLine Service Provider must provide California LifeLine to the subscriber if the subscriber elects to receive Toll Blocking.

8. CALIFORNIA LIFELINE RATES AND CHARGES

8.1 California LifeLine Service Providers shall offer California LifeLine priced at the following rates and charges:

8.1.1 Discounted nonrecurring Service Connection Charge for the initial installation or activation of a single telephone connection at the LifeLine subscriber's principal place residence.

8.1.1.1 The California LifeLine Service Connection Charge shall equal the lowest of (i) $10.00, or (ii) 50% of the California LifeLine Service Provider's Service Connection Charge.

8.1.1.2 The California LifeLine Service Connection Charge is applicable to each eligible household residing at the same principal place of residence.

8.1.1.3 The California LifeLine Service Connection Charge may be applicable any time a subscriber (i) establishes a new telephone connection (ii) re-establishes California LifeLine at the same principal place of residence at which California LifeLine was previously provided, (iii) establishes California LifeLine at a new principal place of residence, or (iv) switches California LifeLine from one California LifeLine Service Provider to another.

8.1.1.4 California LifeLine Service Providers may not impose a "central office charge" in addition to the California LifeLine Service Connection Charge when installing or activating California LifeLine.

8.1.1.5 Installation of a second and subsequent telephone service connection shall be subject to the California LifeLine Service Provider's Service Connection Charge at regular rates, except that subscribers with a disabled household member may qualify for California LifeLine Service Connection Charges on two residential telephone connections as per this General Order.

8.1.2 Deferred payment of the California LifeLine Service Connection Charge.

8.1.2.1 California LifeLine Service Providers shall offer California LifeLine subscribers the option of paying the California LifeLine Service Connection Charge in equal monthly installments with no interest for a period not to exceed 12 months.

8.1.2.2 California LifeLine Service Providers may charge a late-payment fee when California LifeLine subscribers fail to timely remit some or all of the California LifeLine Service Connection Charge under a deferred-payment schedule.

8.1.3 Discounted nonrecurring charge for Service Conversion Charge.

8.1.3.1 The California LifeLine Service Conversion Charge (if applicable) shall equal the lowest of (i) $10.00, (ii) 50% of the California LifeLine Service Provider's Service Connection Charge at regular rates for the initial connection of a single residential telephone line or (iii) the California LifeLine Service Provider's Service Conversion Charge.

8.1.3.2 The California LifeLine Service Conversion Charge is applicable each time a California LifeLine subscriber affects a change in the class, type, or grade of service, including requests to change from Foreign Exchange Service. There is no limit on the number of times a California LifeLine subscriber may pay the California LifeLine Service Conversion Charge when he or she initiates a change in the class, type, or grade of service.

8.1.3.3 No conversion charge may be assessed on an applicant or claimed from the California LifeLine fund if a California LifeLine applicant fails to qualify. No conversion charge shall be assessed on a subscriber or claimed from the California LifeLine fund if a subscriber is removed from California LifeLine (either voluntarily or involuntarily).

8.1.4 Discounted monthly California LifeLine rate for Flat Rate Service.

8.1.4.1 From the effective date of D. 10-11-033 until December 31, 2012, California LifeLine subscribers of LifeLine Flat-Rate Service pay no more than $6.84 per month, and no less than a price floor of $5.00, except in EAS exchanges wherein subscribers will pay no more than their California LifeLine rate as of November 19, 2010.

8.1.4.2 Beginning January 1, 2013, California LifeLine subscribers will pay no more than ½ their California LifeLine Service Provider's Flat Rate Service.

8.1.4.3 From the effective date of D. 10-11-033 until December 31, 2012, the California LifeLine Flat-Rate Service will have a price floor of $5.00.

8.1.4.4 Subscribers to California LifeLine Flat Rate Service shall receive unlimited local calling.

8.1.5 Discounted monthly California LifeLine Measured Rate Service.

8.1.5.1 From the effective date of D. 10-11-033 until December 31, 2012, California LifeLine subscribers of LifeLine measured rate service will pay no more than $3.66 per month, and no less than a price floor of $2.50, except in EAS exchanges wherein Subscribers will pay no more than their California LifeLine rate as of November 19, 2010.

8.1.5.2 Beginning January 1, 2013, California LifeLine subscribers will pay no more than ½ their California LifeLine Service Provider's Measured Rate Service rate

8.1.5.3 From the effective date of D. 10-11-033 until December 31, 2012, LifeLine Measured Rate Service will have a price floor of $2.50.

8.1.5.4 Subscribers of California LifeLine Measured-Rate Service shall receive 60 untimed local calls per month. The California LifeLine Service Provider shall charge $0.08 per call for each local call in excess of 60 calls per month.

8.1.6 Discounted monthly EAS rate.

8.1.6.1 In wireline exchanges with EAS, subscribers shall pay no more than 50% of the applicable EAS increment. Unlimited incoming calls shall apply.

8.1.7 Subscribes shall not be charged for the federal End User Common Line (EUCL) charge, also known as the Subscriber Line Charge (SLC).

8.1.8 Subscribers shall not be charged for Toll-Limitation Service (including, but not limited to, Toll Blocking or Toll Control).

8.1.9 There shall be no charge or related credits to California LifeLine subscribers' LifeLine service for surcharges including the following: California High Cost Fund A (CHCF-A) surcharge, California High Cost Fund B (CHCF-B) surcharge, California Teleconnect Fund (CTF) surcharge, California Relay Service and Communications Device Fund surcharge (DDTP), the California LifeLine (ULTS) surcharge, the California Advanced Services Fund (CASF) surcharge, and the CPUC User fee.

8.1.9.1 These surcharges will apply to any other intrastate telecommunications

services purchased by California LifeLine subscribers, as required by law.

8.1.9.2 California LifeLine Service Providers shall pay to the appropriate taxing authorities the applicable taxes, fees, and surcharges billed to California LifeLine subscribers and claimed against the California LifeLine Fund.

8.2 A California LifeLine Service Provider may require advance payments for California LifeLine service, not to exceed one month's rates and charges.

8.3 Optional service features, network services, and equipment that are not part of California LifeLine rates and charges, will be available to subscribers at the California LifeLine Service Provider's regular rates and charges.

8.3.1 Non-California LifeLine lines and services will be available to subscribers at the applicable regular rates and charges.

8.3.1.1 This General Order shall not apply to the purchase of any additional, non-California LifeLine lines, services, features, options, and network capabilities by California LifeLine subscribers.

8.4 Except as specifically modified by this General Order, all rules, regulations, rates and charges in conjunction with the California LifeLine Service Provider's tariffs or terms and conditions applicable to non-California LifeLine services are also applicable to the service provided under California LifeLine.

8.5 Uniform Regulatory Framework COLRs participating in California LifeLine are required to submit a rate sheet of all their basic flat and measured service rates effective July 31st of each year for the purposes of computing the SSA.

8.5.1 Until December 31, 2011, the SSA is set at $11.50.

8.5.2 CD will reset the SSA annually , effective January 1 of each year, at 55% of the highest reported URF COLR rate, rounded to the nearest $0.05.

8.5.2 CD will prepare a Resolution in 2011 to set the SSA rate to be effective January 1, 2012.

8.5.3 In subsequent years, the SSA will be set and reported to California LifeLine Service Providers via an Administrative Letter using the same computation methodology set forth in Section 8.5.2.

8.5.4 CD may update the administrative cost factor annually, by no greater than the CPI-U.

8.6 No later than January 1, 2012, California LifeLine Service Providers shall specifically show all Lifeline reductions, or their equivalent, on the California LifeLine subscriber's bill.

8.6.1 If reductions are not shown as separate line items, California LifeLine Service Providers shall provide a revised sample bill format to the Public Advisor that includes a section showing the discounts being provided to the customer by August 31, 2011.

8.6.2 California LifeLine Service Providers must, at a minimum, show the regular non-LifeLine rate, Federal support credits, and any California LifeLine support credits on subscriber's bills in a manner discernible by the public, which may include, but is not limited to, a bill message.

8.6.3 The requirement to show reductions under Section 8.6 does not apply to taxes and/or fees waived for subscribers with respect to California LifeLine

9. REPORTS AND CLAIMS FOR REIMBURSEMENT OF CALIFORNIA LIFELINE-RELATED COSTS

9.1 Eligible California LifeLine Service Providers.

9.1.1 Any California LifeLine Service Provider that provides California LifeLine may submit a claim for the reimbursement of its California LifeLine-related costs and lost revenues.

9.2 Recoverable California LifeLine Costs and Lost Revenues.

9.2.1 A California LifeLine Service Provider may recover from the California LifeLine Fund up to the SSA, California LifeLine non-recurring charges (Service Connection Charges, Service Conversion Charges, lost revenue from untimed calls associated with California LifeLine Measured Rate Service), applicable taxes/surcharges, interest (if applicable), one-time Implementation Costs, other amounts expressly delineated, and administrative expenses as set forth in Section 9.3.10, 9.3.12 and 9.3.13 of this General Order.

9.2.1.1 From the effective date of D. 10-11-033 and up until December 31, 2012, Non-ETCs may collect amounts as set forth in Sections 9.3.4, 9.3.5 and 9.3.11.

9.2.2 From the effective date of D. 10-11-033 until December 31, 2012, California LifeLine Providers may claim additional support to cover higher rates in Extended Area Service territories.

9.3 California LifeLine Service Providers may recover the following costs and lost revenues from the California LifeLine Fund:

9.3.1 Lost revenues caused by providing subscribers with (i) California LifeLine Service Connection Charges, (ii) California LifeLine Service Conversion Charges, (iii) untimed calls relating to California LifeLine Measure Rate Service, and (iv) California LifeLine service where there is more than one subscriber at a given physical address maintaining a separate household, and support for such additional subscribers is not recoverable from the federal Lifeline program.

9.3.2 Each California LifeLine Service Provider with eligible California LifeLine subscribers will be paid the portion of the SSA necessary to reimburse the carrier for discounts as specified in Section 8 of the GO provided to California LifeLine subscribers, whichever is lower and adjusted on its subscribers' bills on a per-subscriber basis based on the daily weighted-average customer counts supplied monthly by the California LifeLine Administrator.

9.3.2.1 The weighted average subscriber counts supplied to California LifeLine Service Providers will include prior month adjustments for pre-qualification back-credits and successful appeals.

9.3.2.2 Beginning January 1, 2013, there will be an assumed payment floor of $5.00

for California LifeLine Flat Rate Service and $2.50 for California LifeLine Measured Rate Service, in the calculation of the SSA recovery.

9.3.4 Until December 31, 2012, the federal EUCL charge (Tier 1) and the federal basic rate subsidy (Tiers 2-3) can be claimed by non-ETCs from the California LifeLine Fund. Except as set forth in Sections 9.3.1 and 9.3.4.1, California LifeLine Service Providers will not be able to claim these federal reimbursements from the California LifeLine Fund after December 31, 2012, pursuant to Section 9.4.11.

9.3.4.1 Beginning January 1, 2013, all California LifeLine Service Providers may recover the federal EUCL charge (Tier 1) from the California LifeLine Fund for the second line of subscribers who qualify for a second line under Section 4.2.3. California LifeLine Service Providers may not recover from the California LifeLine Fund for the federal EUCL charge for the first line of those subscribers.

9.3.5 The taxes, fees, and surcharges associated with the federal portion of the California LifeLine discount provided to California LifeLine subscribers.

9.3.6 The taxes, fees, and surcharges that a California LifeLine Service Provider pays on behalf of its California LifeLine subscribers.

9.3.6.1 The base for calculating the reimbursable amount of Federal Excise Tax (FET) shall include only the lost revenues from the following items: (a) Service Conversion Charges, (b) measured and/or flat rate service, (c) EUCL, (d) surcharges, and (e) allowable recovery of untimed calls. Service Connection Charges are exempted from the tax. The following table summarizes how the federal excise tax must be calculated and reported on the California LifeLine Claim Form:

Base for Federal Excise Tax
Service Conversion Charges
Measured Rate Service
Flat Rate Service
EUCL
Allowable Recovery Untimed Calls
Surcharges:
Bill & Keep/Other rate cases

9.3.6.2 California LifeLine Service Providers shall not be reimbursed for Federal Excise Taxes unless such taxes and fees are calculated and reported in accordance with the above instructions.

9.3.6.3 If a California LifeLine Service Provider's actual liability for the taxes, fees, and surcharges that it pays on behalf of its California LifeLine subscribers differs from the amount that was previously reimbursed by the California LifeLine Fund, the California LifeLine Service Provider shall report the

difference, whether positive or negative, as a true up on its California LifeLine Claim Form.

9.3.7 Interest and penalties assessed by taxing authorities that stem from the taxes, fees, and surcharges that the California LifeLine Service Providers pay on behalf of their California LifeLine subscribers.

9.3.7.1 Any interest and penalties that clearly stem from the negligence of the California LifeLine Service Provider shall not be reimbursed by the California LifeLine Fund.

9.3.7.2 CD may determine whether, and to what extent, the interest and penalties assessed by a taxing authority should be reimbursed by the California LifeLine Fund.

9.3.8 Administrative and interest costs incurred to provide deferred-payment schedules for California LifeLine Service Connection Charges. Reimbursement for interest costs shall be based on (i) the Three-Month Commercial Paper Rate, and (ii) the assumption that all deferred payment are made on time.

9.3.9 Through December 31, 2012, the incremental costs incurred by a non-ETC California LifeLine Service Provider that is not eligible to be designated as an ETC to provide toll-limitation free of charge to its California LifeLine subscribers to the extent that such costs are not recovered from the federal Lifeline program. All Non-ETC California LifeLine Service Providers shall determine their total incremental costs in the manner prescribed by the Federal Communications Commission.

9.3.9.1 The California LifeLine Fund shall not reimburse a California LifeLine Service Provider for the regular rates of its Toll Limitation services included in its tariff or California LifeLine Schedule of Rates and Charges, as applicable.

9.3.10 A per-subscriber administrative cost reimbursement based on the lesser of actual expenses incurred or the set administrative support amount (initially $0.50 per subscriber). This reimbursement rate is available to all California LifeLine Service Providers that provide their California LifeLine administrative cost information with their monthly claims. Those California LifeLine Service Providers that do not submit administrative cost information will be reimbursed at a rate of the California LifeLine Service Provider with the lowest submitted administrative costs (initially $0.03 per subscriber). These rates can be increased annually by no greater than the Consumer Price Index – Urban (CPI-U) rate.

9.3.11 The following costs shall be considered in calculating the California LifeLine Service Provider's actual expenses for California LifeLine administrative costs:

9.3.11.1 Demonstrably incremental costs should be reported as part of the claims disclosure. These include costs associated with the time spent by California LifeLine Service Provider representatives to (i) notify residential customers about the availability of California LifeLine, (ii) ask residential customers if they are eligible to participate in the California LifeLine program, (iii)

obtain verbal indication from residential customers regarding their eligibility to participate in the California LifeLine program, (iv) inform applicants that they must return the signed Application Form on or before the deadline date specified on the form, and (v) inform applicants of the yearly renewal requirement.

9.3.11.2 The incremental costs incurred by a California LifeLine Service Provider to develop, deploy, and operate systems and procedures associated with the provision of a second California LifeLine line to eligible households with a disabled member.

9.3.11.3 Costs associated with processing California LifeLine service orders and answering calls from subscribers regarding California LifeLine-related charges on their bill. These costs may be recovered (up to the administrative cost support cap) to the extent that a California LifeLine Service Provider can affirmatively demonstrate that such costs meet all the criteria in Section 9.2.1.

9.3.11.4 Incremental administrative expenses listed on Line 8 of the worksheet for the California LifeLine's Claim Form set forth in Rule 9.5.1 below.

9.3.12 Each California LifeLine Service Provider shall claim up to the SSA, adjusted on its subscribers' bills, and all eligible federal support available to a single California LifeLine Line, for a second California LifeLine Line on a per-subscriber basis, based on the daily weighted-average subscriber count provided by the California LifeLine Administrator.

9.3.13 The incremental costs incurred by a California LifeLine Service Provider to implement new reporting requirements ordered by the Commission in D. 05-04-026 and subsequent order(s).

9.4 California LifeLine Service Providers shall neither claim nor recover from the California LifeLine Fund any of the following costs and lost revenues:

9.4.1 Advertising, marketing, and outreach costs.

9.4.2 State 911 tax.

9.4.3 Costs associated with non-California LifeLine services and activities.

9.4.4 Costs caused by the failure of California LifeLine subscriber to timely remit deferred payments of the California LifeLine Service Connection Charge, including costs for collecting on delinquent accounts and the time value of money. California LifeLine Service Providers may recoup such cost via late-payment fees charged to California LifeLine subscribers who fail to timely remit deferred payments of the California LifeLine Service Connection Charge, but only to the extent that such costs are not recovered by California LifeLine Service Providers from other sources, such as the bad-debt costs built into a California LifeLine Service Provider's general rates.

9.4.5 Lost revenues caused by the failure of California LifeLine subscribers to pay late-payment fees that the California LifeLine Service Provider assesses when California

LifeLine subscribers fail to timely remit deferred payments of the California LifeLine Service Connection Charge.

9.4.6 Any costs or lost revenues associated with the provision of services that ETCs are required to provide under the federal Lifeline of Link-Up programs, but which California LifeLine Service Providers are not required to provide under California LifeLine.

9.4.7 Any costs or lost revenues that the California LifeLine Service Provider has recovered or will recover from other sources.

9.4.8 Any costs or lost revenues associated with the provision of non- LifeLine lines to California LifeLine subscribers.

9.4.9 Bad debt expenses (after October 31, 2011).

9.4.10 Administrative costs over and above those allowed under Section 9.3.11. California LifeLine Service Providers operating under rate-of-return regulation may seek recovery in their general rate cases any additional California LifeLine-related administrative costs not reimbursed through the process outlined in the sections referenced above.

9.4.11 After December 31, 2012, costs claimable from the federal Lifeline/Link-Up program.

9.4.12 Translation expenses (unless specified by a Commission Decision) are considered "Customer Notification" administrative expenses and are reimbursed as part of the administrative cost factor.

9.5 Schedule, Content, and Format of the California LifeLine Report and Claim Form.

9.5.1 California LifeLine Service Providers shall report and claim their California LifeLine-related costs and lost revenues by filing the California LifeLine Program Report and Claim Form ("California LifeLine Claim Form").found at http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/FormNotices_Public+Program.htm.

9.5.1.1 Claims must be accompanied by any supporting workpapers required by this General Order.

9.5.2 California LifeLine Service Providers with 100 or more subscribers shall file the California LifeLine Claim Form on a monthly basis no later than 60 days after the conclusion of the month during which service was provided.

9.5.3 Each California LifeLine Claim Form filed on a monthly basis shall be for a full month.

9.5.3.1 California LifeLine Service Providers that file California LifeLine Claim Forms on a monthly basis must also remit California LifeLine surcharge revenues on a monthly basis.

9.5.4 California LifeLine Service Providers with less than 100 subscribers may request permission from CD to file their California LifeLine Claim Forms on a biannual basis no later than six months after the conclusion of the month during which service was provide. The Commission and CD may specify and revise the conditions that carriers must meet in order to file their California LifeLine Claim Forms on a biannual basis.

9.5.4.1 California LifeLine Service Providers filing California LifeLine Claim Forms on a biannual basis must show a monthly breakdown of their claims on the California LifeLine Claim Form.

9.5.4.2 California LifeLine Service Providers shall not be paid interest on claims that are submitted on a biannual basis.

9.5.4.3 California LifeLine Service Providers that report and remit California LifeLine surcharges on a biannual basis must file California LifeLine Claim Forms on a biannual basis.

9.5.5 California LifeLine Service Providers with more than 100 subscribers must submit their California LifeLine Claim Forms to CD no later than 60 days after the close of the monthly period for which a claim is made.

9.5.6 California LifeLine Service Providers with less than 100 subscribers must submit their California LifeLine Claim Forms to CD no later than 180 days after the close of the monthly period for which a claim is made.

9.6 Accessibility of California LifeLine Claim Information to the Public.

9.6.1 Each California LifeLine Service Provider shall make available upon request in its main California office copies of all California LifeLine Report and Claim Statements filed with the Commission in compliance with these rules.

9.7 Review and Approval of Claims.

9.7.1 California LifeLine Service Providers shall submit California LifeLine claims to CD for review and determination of whether, and to what extent, California LifeLine claims should be paid. CD shall prepare payment letters for all approved claims.

9.7.1.1 Claims submitted without proper supporting workpapers will be rejected.

9.7.1.2 The California LifeLine Service Provider will be provided an explanation for the rejection of all or part of a claim.

9.7.1.3 Any uncontested portions of the claim will be authorized for payment. Should it later be determined that all or a part of the contested portion of a claim was valid, the valid portion of the claims shall be paid with interest at the Three-Month Commercial Paper Rate.

9.8 Payment of Claims.

9.8.1 Claims shall be paid in accordance with §270(c) of the Public Utilities Code and Section 9.7.1 of this General Order.

9.8.2 No payment of claims will be made for any claims received after the due date (see Sections 9.5.2 and 9.5.4).

9.8.3 No payment will be made to a California LifeLine Service Provider if there is not a sufficient amount in the California LifeLine Fund to pay approved claims.

9.8.4 No payment will be made to a California LifeLine Service Provider to pay approved claims if the appropriation in the State's Annual Budget Act for the California LifeLine

Fund is exhausted.

9.8.5 No payment will be made to a California LifeLine Service Provider that has not accurately reported or failed to report its California LifeLine surcharge revenues.

9.8.6 No payment will be made to a California LifeLine Service Provider until all California LifeLine surcharge revenues due from the California LifeLine Service Provider are remitted in full, along with interest on the late remittance based on an annual rate of 10%.

9.8.7 If CD determines there is an overpayment of California LifeLine claims, CD shall take all appropriate actions, which may include but is not limited to (i) adjusting the overpayment against the current claim, (ii) offsetting the overpayment against future California Lifeline claims; iii) making payment arrangements with the California LifeLine Service Provider, or (iv) any other reasonable arrangement with the California LifeLine Service Provider to ensure that the California LifeLine Service Provider properly reimburses the California LifeLine Fund for the overpayment of California LifeLine claims.

9.8.8 If a subscriber has his or her service disconnected or if a California LifeLine Service Provider is informed by the subscriber that the subscriber is no longer participating in California LifeLine and the California LifeLine Service Provider fails to remove the subscriber from California LifeLine and/or notify the California Lifeline Administrator, the Commission may reduce California LifeLine claim payments to the California LifeLine Service Provider attributed to that subscriber.

9.9 Interest on Claims.

9.9.1 The California LifeLine Fund shall pay interest to California LifeLine Service Providers on monthly California LifeLine claims that are both timely and legitimate if such claims are not paid 60 days after the due date for California LifeLine Service Providers to submit their claims. The interest paid to California LifeLine Service Providers shall be at the Three-Month Commercial Paper Rate.

9.9.1.1 Accrual of interest shall commence on the 60th day after the claim was due to be submitted and end on the date that payment is made to the California LifeLine Service Provider.

9.9.2 No interest shall be paid on (i) claims that are not submitted by the due date, (ii) claims that are incomplete or lack supporting documentation, (iii) claim payments that are withheld from a California LifeLine Service Provider due to a California LifeLine Service Provider's failure to timely report or remit California LifeLine surcharge revenues, (iv) claim payments that are withheld due to overpayment of California LifeLine claim, or (v) on amounts as directed by any court of competent jurisdiction.

9.10 Time Limits for Submitting Initial Claims and True-up Claims.

9.10.1 California LifeLine Service Providers shall not be reimbursed for California LifeLine claims that are filed after the due date (See Sections 9.5.2 and 9.5.4).

9.10.2 California LifeLine Service Providers that submit a timely claim shall have one year

from the deadline for submitting the initial claim to submit a true-up claim. True-up claims shall not be paid if they are submitted more than one year from the deadline for submitting initial claims.

9.10.3 Interest shall be paid to, or received from, California LifeLine Service Providers that submit timely true-up claims, from the date of the period being claimed. The rate of interest on true-up claims shall be based on the Three-Month Commercial Paper Rate.

9.10.3.1 Accrual of interest shall commence on the 60th day after the initial claim was due to be submitted and end on the date that the "true-up" payment is made to, or received from, the California LifeLine Service Provider.

9.11 Obligation to Support and Justify Claimed Costs and Lost Revenues.

9.11.1 California LifeLine Service Providers have the burden of supporting and justifying any costs and lost revenues that they seek to recover from the California LifeLine Fund.

9.11.2 CD may require California LifeLine Service Providers to submit workpapers, documents, and other information to support their California LifeLine claims. CD may promulgate standards regarding the format, content, and timing of workpapers in accordance with the procedures set forth in this General Order for promulgating administrative revisions to the California LifeLine Program.

9.11.3 California LifeLine Service Providers shall provide to the Commission or CD within 10 business days, upon request, documents, workpapers, records (to the extent that records exist) and other information regarding costs and lost revenues claimed by the California LifeLine Service Provider. Failure to provide information requested by the Commission or CD is reasonable grounds to deny costs and lost revenues claimed by the California LifeLine Service Provider.

9.12 Carriers of Last Resort (COLRs).

9.12.1 COLRs may draw financial support from the CHCF-B for a second California LifeLine line provided to low-income subscriber in designated high cost areas of the State. The amount that a COLR may draw from the CHCF-B for the second California LifeLine line provided to a particular California LifeLine subscriber shall be governed by the same terms and conditions that apply to the COLR's draws from the CHCF-B for the first California LifeLine line provided to the subscriber.

9.12.2 CD may require COLRs to submit workpapers and other information to support their CHCF-B claims for second LifeLine lines. Failure to provide information requested by CD is reasonable grounds to deny recovery from the CHCF-B of amounts claimed by the COLR.

10. CALIFORNIA LIFELINE SURCHARGE RATE & SURCHARGE BILLING BASE

10.1 All California LifeLine Service Providers and Non-Traditional Providers shall assess, collect, and remit public purpose program surcharge on revenues from end user Intrastate Telecommunications Services. For carriers required to file tariffs, they must include the requirement to collect the state surcharges in their tariffs.

10.2 The current California LifeLine surcharge rate is set forth in the Combined California PUC Telephone Surcharge Transmittal Form ("Surcharge Transmittal Form") that is available on the Commission's website (http://www.cpuc.ca.gov/PUC/telco/)

10.3 The Commission shall set the California LifeLine surcharge rate based on the forecast of revenues subject to the surcharge and the funding requirements for the provision of LifeLine to subscribers, including LifeLine marketing costs and program administrative costs.

10.3.1 Effective July 1, 2001, the California LifeLine surcharge rate will be annually revised, if necessary, on July 1st of each year.

10.4 Schedule for Filing Revenues and Expense Forecasts.

10.4.1 Each carrier shall annually submit to CD an estimate of the carrier's projected gross revenues subject to the California LifeLine surcharge for the following year.

10.4.2 Each California LifeLine Service Provider shall annually submit to CD a forecast of the California LifeLine Service Provider's California LifeLine claims for the following year.

10.4.3 On or before June 1 of each year, the ULTS-AC shall submit a proposed budget to CD. The proposed budget shall include estimated program expenditures and the Committee's projected expenses for the fiscal year (July 1 to June 30) that will commence thirteen (13) months thereafter.

10.4.4 CD's resolution adopting the revised California LifeLine surcharge rate may also adopt an annual budget for the California LifeLine Fund.

10.5 Surcharge Revenue Base.

10.5.1 All end-user intrastate telecommunications services, whether tariffed or not, are subject to the California LifeLine surcharge, except for the following services:

10.5.1.1 California LifeLine billings.

10.5.1.2 Charges to other certificated carriers or Non-Traditional Providers for services that are to be resold.

10.5.1.3 Coin sent paid telephone calls (coin in box) and debit card calls.

10.5.1.4 Usage charges for coin-operated pay telephones.

10.5.1.5 Customer-specific contracts effective before September 15, 1994.

10.5.1.6 Directory advertising.

10.5.1.7 One-way radio paging.

11. REPORTING AND REMITTANCE OF SURCHARGES

11.1 Surcharge Transmittal Form.

11.1.1 Every carrier shall report and remit California LifeLine surcharge revenues electronically at:
http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/Surcharge+Re

mittance.htm.

11.2 Surcharge Remittance Schedule and Procedures.

11.2.1 Carriers shall report and remit California LifeLine surcharge revenues on a monthly basis in accordance with the instructions attached to the Surcharge Transmittal Form (STF). A sample copy of the STF and the instructions attached to the STF are available as one document on the Commission's website: http://www.cpuc.ca.gov/puc/telco.

11.2.2 Carriers may seek authority to submit the STF and remit California LifeLine surcharge revenues on a biannual basis in accordance with the instructions attached to the STF. Entities that are granted such authority shall submit the STF and remit LifeLine surcharge revenues in accordance with the instructions in the STF.

11.3 Method for Remitting and Reporting Surcharge Revenues.

11.3.1 Carriers shall report and remit their California LifeLine surcharge revenues based on intrastate end-user billings less estimated uncollectible amounts. Carriers shall true-up their estimated California LifeLine surcharge uncollectible amounts with their actual uncollectible amounts.

11.4 Interests on Late Surcharge Remittances.

11.4.1 Carriers that are late in remitting their California LifeLine surcharge revenues shall pay interest on the late remittances equal to an interest rate of 10%. Interest shall accrue beginning on the date the remittance are due and ending on the date that the surcharge revenues are remitted.

11.5 Warning Notices on Late Surcharge Remittances.

11.5.1 CD shall send two written notices to any California LifeLine Service Provider that is late in remitting California LifeLine surcharge revenues. The notices shall warn the California LifeLine Service Provider that it will lose its Certificate of Public Convenience and Necessity if it fails to remit past-due surcharge revenues and associated interest.

11.6 Reporting of Surcharge Over/Under Collection or Remittance.

11.6.1 Each carrier shall report any under or over collection of the California LifeLine surcharge as soon as it becomes known to the carrier. Each carrier shall report any under or over remittance of California LifeLine surcharge monies as soon as it becomes known to the carrier.

11.7 Surcharge Workpapers.

11.7.1 CD may require carriers to submit workpapers, documents, and other information to support their surcharge remittances. CD may promulgate standards regarding the format, content, and timing of workpapers in accordance with the procedures set forth in this General Order for promulgating administrative revisions to the California LifeLine program.

11.7.2 Carriers shall provide to the Commission or CD, upon request, documents, workpapers, records (to the extent that records exist) and other information regarding their surcharge

remittances.

12. USE OF ELECTRONIC COMMUNICATIONS

12.1 The Commission's website may be used as a means to provide California LifeLine Service Providers, carriers, and other parties with access to information regarding California LifeLine. Such information may include: this General Order, Commission decisions, resolutions, rulings, staff reports, letters, and other documents pertinent to California LifeLine.

12.2 California LifeLine applicants and subscribers also have the option of completing their application (program-based only) or renewing their continued eligibility via the California LifeLine interactive website, which can be found at the following address: http://www.californialifeline.com Access requires a Personal Identification Number (PIN) found on the Application/Renewal Forms sent by the California LifeLine Administrator.

12.3 CD may provide notice to California LifeLine Service Providers, carriers, and other parties of important matters regarding California LifeLine by e-mail that (i) briefly describe the matter being noticed, (ii) provide information on how to obtain more detailed information and/or documents regarding the matter being noticed from the Commission's website, and (iii) the phone number of a contact person from whom the information and/or documents can be obtained.

12.3.1 When appropriate, notice of matters pertaining to California LifeLine may be combined with notices pertaining to other public programs, such as the CHCF-B and DDTP.

13. AUDITS AND RECORDS

13.1 The Commission, Commission staff, and agents of the Commission may audit carrier's remittance of California LifeLine surcharge revenues and California LifeLine Service Providers' California LifeLine claims.

13.2 The scope of audits shall be limited to five calendar years following the calendar year in which California LifeLine surcharge revenues are remitted or California LifeLine claims submitted, except in cases where there appears to be malfeasance, such as gross waste, fraud, or abuse. Where there is an indication of malfeasance, the scope of the audit will depend on the law and circumstances existing at that time.

13.3 CD shall authorize the LifeLine Fund to promptly reimburse a California LifeLine Service Provider for the underpayment of California LifeLine claims found by a Commission audit. Any underpayment of California LifeLine claims found by an audit shall accrue interest based on the Three-Month Commercial Paper Rate.

13.3.1 If the audited entity believes that the amount of reimbursement is too little, the California LifeLine Service Provider may file an application with the Commission to seek additional reimbursement. Any additional reimbursement awarded by the Commission shall accrue interest based on the Three-Month Commercial Paper Rate.

13.4 California LifeLine Service Providers that promptly reimburse the California LifeLine Fund

for an overpayment of California LifeLine claims found by a Commission audit shall pay interest on the amount of overpayment based on the Three-Month Commercial Paper Rate, unless there is malfeasance on the part of the such entity, in which case the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.

13.5 CD shall authorize the California LifeLine Fund to promptly reimburse a carrier for the over-remittance of California LifeLine surcharge revenues found by a Commission audit. Any over-remittance of California LifeLine surcharge revenues found by an audit shall accrue interest based on the Three-Month Commercial Paper Rate.

13.5.1 If the audited entity believes that the amount of reimbursement is too little, the carrier may file an application with the Commission to seek additional reimbursement. Any additional reimbursement awarded by the Commission shall accrue interest based on the Three-Month Commercial Paper Rate.

13.6 Any under-remittance of California LifeLine surcharge revenues found by a Commission audit shall accrue interest at a 10% annual rate, unless the under-remittance is due to the audited entity's malfeasance, in which case, the rate of interest shall depend on the law and circumstances existing at the time the malfeasance are discovered.

13.7 If a California LifeLine Service Provider does not promptly reimburse the California LifeLine Fund for an overpayment of California LifeLine claims or an under-remittance of California LifeLine surcharge revenues that is discovered by an audit, then the Commission’s Consumer Services and Information Division shall prepare an order instituting investigation (OII) on whether the entity should be required to reimburse the California LifeLine Fund for some or all of the amount identified in the audit.

13.7.1 Any amount that a California LifeLine Service Provider is found to owe to the California LifeLine Fund as a result of the OII shall accrue interest based on the Three-Month Commercial Paper Rate, unless the amount owed is due to negligence or malfeasance, in which case the rate of interest shall depend on (i) the circumstances, and (ii) the law existing at the time the negligence or malfeasance is discovered.

13.8 Carriers shall retain all records related to California LifeLine surcharge remittances for a period of five calendar years following the year in which the surcharges are remitted, unless all or part of such records must be kept for a longer period of time pursuant to requirements promulgated elsewhere (e.g., record-retention requirements set forth in the uniform system of accounts). The records that all carriers must retain for five calendar years include all records pertaining to intrastate billings and collections.

13.9 California LifeLine Service Providers shall retain all records related to a California LifeLine claim, including a true-up claim, for a period of five calendar years following the year in which the California LifeLine claim or true up claim is submitted, unless all or part of such records must be kept for a longer period of time pursuant to requirements promulgated elsewhere (e.g., record-retention requirements set forth in the uniform system of accounts). The records that California LifeLine Service Providers (or the California LifeLine Administrator) must retain for five calendar years include (i) Application and Renewal Forms, (ii) California LifeLine Claim Forms and workpapers supporting the claim forms, and (iii) other documents and information on which the California LifeLine Claim Forms and workpapers are based.

14. REQUESTS FOR WAIVER OF CALIFORNIA LIFELINE ADMINISTRATIVE REQUIREMENTS

14.1 California LifeLine Service Providers may request a waiver of any administrative requirement set forth in this General Order, including the administrative requirements pertaining to (i) the schedule, format, and content of workpapers that California LifeLine Service Providers must submit to support their California LifeLine claims, and (ii) the time limit for submitting California LifeLine claims.

14.2 California LifeLine Service Providers may request a waiver by submitting a written waiver request to the Director of the CD. The request must provide a thorough explanation for why the waiver is necessary.

14.3 CD may attach conditions when granting a waiver request.

14.4 If a waiver involves the payment of money to or from a California LifeLine Service Provider, CD may determine what rate of interest, if any, should apply to the payment(s) subject to the waiver.

15. FUTURE REVISIONS TO THIS GENERAL ORDER

This General Order shall be continuously updated and revised to reflect the future needs of, and changes to, California LifeLine in accordance with the Commission's orders and resolutions.

General Order 153
Appendix A
Service Elements of California LifeLine

California LifeLine is composed of the service elements set forth below. All California LifeLine subscribers are entitled to receive every one of the service elements of California LifeLine, and every California LifeLine Service Provider is required to offer all of the service elements of California LifeLine to each of its subscribers. The service elements of California LifeLine are as follows:

1 Access to (a) single party local exchange service, or (b) service that is equivalent, in all substantial respects, to single party local exchange service.

2 Access to all interexchange carriers offering service in the California LifeLine subscriber's local exchange.

3 Ability to place calls.

4 Ability to receive free unlimited incoming calls.

5 Free touch-tone dialing.

6 Free unlimited access to 911/E-911.

7 Access to local directory assistance (DA). Each California LifeLine Service Provider shall offer to its subscribers the same number of free DA calls that the California LifeLine Service Provider provides to its non- California LifeLine residential customers.

8 Access to foreign Numbering Plan Areas.

9 California LifeLine rates and charges.

10 Customer choice of local Flat-Rate Service or Measured-Rate Service. The 14 small ILECs identified in D. 96-10-066 do not have to offer subscribers the choice of local Flat or Measured-Rate Service, unless the small ILEC offers this option to its non- California LifeLine residential customers.

11 Free provision of one directory listing per year as provided for in D. 96-02-072.

12 Free white pages telephone directory.

13 Access to operator service.

14 Voice grade connection to the public switched telephone network.

15 Free access to 800 or 800-like toll-free services.

16 Access to telephone relay services as provided for in Public Utilities Code §2881 et seq.

17 Toll-free access to customer service for information about California LifeLine, service activation, service termination, service repair, and bill inquiries.

18 Toll-free access to customer service representatives fluent in the same language (English and non-English) in which California LifeLine was originally sold.

19 Free access to Toll-Blocking Service.

20 Free access to Toll-Control Service, but only if (i) the California LifeLine Service Provider is capable

of offering Toll-Control Service, and (ii) the California LifeLine subscriber has no unpaid bill for toll service.

21 Access to two residential telephone lines if a low-income household with a disabled person requires both lines to access California LifeLine.

22 Free access to the California Relay Service via the 711 abbreviated dialing code.

Attachment A2 – General Order 153 (Effective July 1, 2009)

GENERAL ORDER 153

Public Utilities Commission of the State of California
PROCEDURES FOR ADMINISTRATION OF
THE MOORE UNIVERSAL TELEPHONE SERVICE ACT
GENERAL ORDER

1. GENERAL

1.1 Intent – The purpose of this General Order is to implement the Moore Universal Telephone Service Act [California Public Utilities Code §871 et seq.]. The Act is intended to provide low-income households with access to affordable basic residential telephone service.

1.2 Applicability – This General Order is applicable to all telecommunications carriers operating in California and to residential customers eligible for Universal LifeLine Telephone Service furnished pursuant to the Moore Universal Telephone Service Act.

2. DEFINITIONS

2.1.1 "Act" – The Moore Universal Telephone Service Act, AB 1348, Ch. 1143, Stats. 1983 [California Public Utilities Code §871 et seq.], as amended.

2.1.2 "Annual LifeLine notice" – The written notice that each utility annually sends to all of its residential customers regarding the availability, terms, and conditions of LifeLine.

2.1.3 "Application Date" - The date an existing customer calls his/her carrier and requests LifeLine service. The "Application Date" serves as the "Service Start Date" for LifeLine discounts once the CertA determines eligibility and notifies the customer's carrier. The customer's enrollment in LifeLine is back-dated to the date of the customer's initial request to the carrier.

2.1.4 "Basic Residential Telephone Service" – A class of local telephone service designed to meet the minimum communication needs of residential customers. The elements of basic residential telephone service are set forth in Appendix A of this General Order. Basic residential telephone service is sometimes referred to as basic service.

2.1.5 "Business Day" – Official business day of the State of California.

2.1.6 "California High Cost Fund B (CHCF-B)" – A fund established by the Commission in D.96-10-066 for the purpose of subsidizing residential telephone service provided by COLRs in designated high-cost areas of the State.

2.1.7 "California LifeLine Telephone Program" – sometimes referred to as "California Lifeline" or "Lifeline service." - LifeLine is a class of subsidized local telephone service designed to meet the minimum communication needs of low-income residential customers. LifeLine includes all of the service elements set forth in Appendix A of this General Order. LifeLine is funded by a surcharge on all end users of intrastate telecommunications services for certain services set forth in this General Order.

2.1.8 "Carrier of Last Resort (COLR)" – A carrier that is required by D. 96-10-066 to

provide telephone service, upon request, to all residential and business customers within a designated geographic area. A COLR may be designated as such pursuant to D. 96-10-066, Appendix B, Rule 6.D.1, or voluntarily acquire such status pursuant to D. 96-10-066, Appendix B, Rule 6.D.4.

2.1.9 "Certification" – When a customer's application to enroll in LifeLine is approved.

2.1.10 "Certification Process" – A process that a customer must undergo when applying to enroll in LifeLine.

2.1.11 "Certifying Agent (CertA)" – A third-party administrator retained by the Commission to certify and verify the eligibility of LifeLine customers.

2.1.12 "Certification Date" – The date when the CertA determines eligibility and notifies the customer's carrier.

2.1.13 "Commission" – The California Public Utilities Commission.

2.1.14 "Communications Division (CD)" – An organization within the Commission that is responsible for carrying out those duties and responsibilities related to the LifeLine program that is set forth in this General Order.

2.1.15 "Customer-Owned Pay Telephone (COPT)" – A pay telephone (coin or coinless) owned by a person or a business other than a phone company for public or non-public use.

2.1.16 "Deadline Date" – The date printed on the customer's certification form, by which the application information must be received by the CertA to avoid having the application rejected.

2.1.17 "Deaf and Disabled Telecommunications Program (DDTP)" – A public program established pursuant to California Public Utilities Code §2881 et seq., to provide persons who are deaf, hard of hearing, or disabled with free telecommunications equipment and services for the purpose of enabling such customers to communicate over the public telephone network.

2.1.18 "Deposit" – Money paid by the customer as security to the serving utility in order to establish or re-establish service as required by the utility's tariffs.

2.1.19 "Disabled Person" – A person who is qualified to obtain free telecommunications equipment and services through the DDTP pursuant to California Public Utilities Code §2881 et seq.

2.1.20 "Eligible Telecommunications Carrier (ETC)" – A carrier designated by a state commission pursuant to Subpart C of Title 47 of the Code of Federal Regulation (47 C.F.R.) §54.201. An ETC is required to provide to qualified low-income customers, the services described in Subpart E of 47 C.F.R., and the ETC is eligible to receive the federal financial support for the provision of such services.

2.1.21 "End-user intrastate telecommunications services" – All telecommunications services that both originate and terminate within the State of California, whether tariffed or detariffed, that are used by, and billed to, the final user of the service.

2.1.22 "End-User Common Line (EUCL) Charge" – The federally mandated monthly charge assessed directly on end-users of telecommunications services to recover portion of a utility's interstate-allocated cost of the access line between the utility's central office and the end-user's premises.

2.1.23 "Enrollment" – When a customer begins to receive LifeLine discounts.

2.1.24 "Exchange Area" – An area shown on maps filed in a utility's tariff schedules within which the utility holds itself out to furnish exchange telephone service from one or more central offices serving that area.

2.1.25 Extended Area Service (EAS)" – An exchange service available to customers in a particular exchange or district area for communication throughout that exchange and other designated areas in accordance with the provisions of a carrier's exchange tariffs.

2.1.26 "Flat-Rate Local Service" – Local telephone service satisfying the requirements of basic residential telephone service which is furnished for a fixed periodic charge and provides unlimited local calls without additional charges.

2.1.27 "Gross revenues" – All revenues billed by a telecommunications carrier for the provision of intrastate telecommunications services, excluding all federal, state, and local taxes and all accounts that have been found to be worthless and written off for income tax purposes or, if the telecommunications carrier is not required to file income tax returns, written off in accordance with generally accepted accounting principles.

2.1.28 "Household" – A LifeLine customer and those persons, if any, living with the LifeLine customer in a single residence.

2.1.29 "Income-based criterion" – An eligibility based on the customer's household size and corresponding income limit established by the Commission.

2.1.30 "Incumbent Local Exchange Carrier (ILEC)" – The former monopoly provider of local exchange service in a given service area. ILECs are required to serve as a COLR, pursuant to D.96-10-066, Appendix B, Rule 6.D.1.

2.1.31 "Intrastate telecommunication service" – Means any of the following:

2.1.31.1 A telecommunication for which there is a toll charge that varies in amount with the distance and/or the elapsed transmission time of each individual communication, where the point of origin and the point of destination are located within this state.

2.1.31.2 A service that entitles the subscriber, upon payment of a periodic charge (determined as a flat amount or upon the basis of total elapsed transmission time), to the privilege of an unlimited number of telecommunications to or from persons having telephone, data, or radio telephone stations that are outside or within the exchange area in which the station provided with the service is located, where the point of origin and the point of destination are located within this state.

2.1.31.3 A service that entitles the subscriber, upon payment, to transfer or move information whether voice, data, digital, or video in nature where the point or points of origin and the point or points of destination of the service are located in this state.

2.1.32 "In This State" – Means within the interior limits of the State of California and includes all territory within those limits owned by or ceded to the United States of America.

2.1.33 "Local Call" – A completed call or telephonic communication between a calling station and any other station within the designated local exchange area plus any extended area service of the calling station.

2.1.34 “Measured-Rate Local Service" – A local telephone service satisfying the requirements of basic residential telephone service for which there is a usage-based charge for some or all local calls.

2.1.35 “Medical Certificate” – A certificate signed by a medical professional which states that a designated telephone customer has a disability that qualifies the customer for specialized telecommunications equipment from the DDTP. Medical certificates must comply with California Public Utilities Code §2881 et seq.

2.1.36 “Pre-qualification” – The process by which customers apply for the LifeLine program, but do not obtain the discounted service until their application has been received and approved by the CertA.

2.1.37 “Program-based Criterion” – An eligibility based on participation in various means-tested programs approved by the Commission.

2.1.38 “Qualifying Equipment” – Equipment that a household must possess in order to qualify for more than one LifeLine line.

2.1.39 “Qualifying Household” – A customer who is eligible to receive LifeLine.

2.1.40 “Public Advisor” – An organizational unit within the Commission that is responsible for carrying out those duties and responsibilities related to the LifeLine program that is set forth in this General Order.

2.1.41 “Re-certification” – For the purpose of this General Order, re-certification is synonymous with verification.

2.1.42 “Regular Tariff Rates” – A carrier’s or utility’s rates and charges for telecommunications services that are applicable to non-LifeLine residential customers.

2.1.43 "Residence" – That portion of an individual house, building, flat, or apartment (a dwelling unit) occupied entirely by a single family or individual functioning as one domestic establishment. A room or portion of a dwelling unit occupied exclusively by an individual not sharing equally as a member of the domestic establishment may be considered a separate residence for the application of Universal LifeLine Telephone Service.

2.1.44 "Residential Local Service" – Basic residential telephone service furnished to a customer at a residence or place of dwelling where the actual or obvious use is for domestic purposes and not for business purposes.

2.1.45 "Service" – Basic residential telephone service furnished to a customer at a residence or place of dwelling where the actual or obvious use is for domestic purposes and not for business purposes.

2.1.46 "Service Connection Charge" – A charge designed to recover in part certain expenses incident to the installation of telephone service.

2.1.47 "Service Conversion Charge" – A charge designed to recover certain expenses incident to changing the class, type, or grade of LifeLine, such as switching from measured-rate local service to flat-rate local service.

2.1.48 "Service Start Date" – The date a new customer begins receiving phone service. The customer is billed by the carrier from this date. For the purposes of LifeLine pre-qualification, once a new customer's application is approved, the customer receives LifeLine discounts back to the Service Start Date.

2.1.49 "Surcharge" – The percentage increment, as determined by the Commission, which is applied to the end-user's bill by the carrier for intrastate telecommunications services.

2.1.50 "Telecommunications Carrier" – Any provider of end-user intrastate telecommunications services such as local exchange carriers, competitive local carriers, interexchange carriers, commercial mobile radio service carriers, and paging companies. Pursuant to California Public Utilities Code §234(b), the definition of "telecommunications carrier" excludes providers of one-way paging service.

2.1.51 "Text-Telephone Device" – A device used by disabled persons to send and receive information over a telephone line in text and graphic forms. A text-telephone device is commonly referred to as a "TTY."

2.1.52 "Three-Month Commercial Paper Rate" – The 3-month commercial paper rate published in the Federal Reserve Statistical Release, G-13.

2.1.53 "Third-Party Administrator" – see definition of CertA.

2.1.54 "Toll Blocking" – A service provided by a carrier that lets consumers elect not to allow the completion of outgoing toll calls from their telecommunications channel.

2.1.55 "Toll Control" – A service provided by a carrier that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle.

2.1.56 "Toll Limitation Service" – A service that includes, but is not limited to, toll blocking or toll control service.

2.1.57 "Total Household Income" – All revenues, from all household members, from whatever source derived, whether taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends, public assistance payments, social security and pensions, rental income, income from self-employment and cash payments from other sources, and all employment-related, non-cash income.

2.1.58 "ULTS Trust Administrative Committee (ULTSAC)" – An advisory board that advises the Commission on the development, implementation, and administration of the LifeLine program to ensure LifeLine telephone service is available to the people of the state, as provided by the Act.

2.1.59 "LifeLine Trust Administrative Committee Fund (LifeLine Fund)" – A repository of LifeLine surcharge monies used to reimburse utilities and others as directed by the Commission for the costs associated with the provision and administration of the LifeLine program.

2.1.60 "LifeLine Line" – A single subsidized telephone connection provided by a utility under the LifeLine program to a qualifying household.

2.1.61 "Utility" – A telecommunications carrier that offers LifeLine as defined by this General Order. All telecommunications carriers that offer residential local exchange service are required to offer LifeLine.

2.1.62 "Verification Process" – A process that an existing LifeLine customer must undergo annually to remain on the LifeLine program.

2.1.63 "Verification date" – The deadline for a completed verification form and supporting documentation, if any, to be received by the CertA.

3. TARIFF FILINGS

3.1 Telecommunications carriers that are required to file tariffs with the Commission shall include in their tariffs the requirement to collect the LifeLine surcharge from their customers.

3.2 Utilities that are required to file tariffs with the Commission shall include in their tariffs the requirement to offer LifeLine to the public under the terms and conditions that reflect the requirements of California Public Utilities Code §871 et seq., relevant Commission decisions, and this General Order.

3.3 Any telecommunications carrier that offers LifeLine shall file tariffs regarding the provision of LifeLine that reflect the requirements of California Public Utilities Code §871 et seq., relevant Commission decisions, and this General Order.

3.4 All tariff filings pertaining to any aspect of the LifeLine program and/or the LifeLine surcharge shall be filed in accordance with California Public Utilities Code §489 and General Order 96B. No tariff shall substantially depart from the intent of this General Order.

4. NOTICES, ENROLLMENT, AND FORMS

4.1 Initial LifeLine Notice.

4.1.1 Utilities shall inform new customers calling to establish residential local exchange telephone service about the availability of LifeLine, a discount program for customers with a household member currently enrolled in certain public assistance programs or customers with low household income. If customers indicate that they are interested in subscribing to LifeLine, utilities shall contact the CertA to begin the LifeLine enrollment process for the customer in accordance with Section 4.2 of this General Order.

4.1.2 Utilities shall not link the availability of discounted phone service under the LifeLine program with the sale of non-LifeLine services.

4.1.3 Utilities shall send a confirmation notice to all new customers who desire to enroll in LifeLine informing them of the arrival of application forms from the California LifeLine program and the requirement to return the completed forms with all required documentation. The notice shall also inform LifeLine applicants that failure to return the forms and eligibility documentation by the deadline date will result in the denial of the application for discounted telephone service.

4.2 Enrollment

4.2.1 Utilities shall ask the customer whether he/she is currently or within the last 30 days has been enrolled in LifeLine by another utility.

4.2.1.1 If yes, the carrier shall then contact the CertA to validate the customer's certification status. The utility shall inform the customer that the CertA will notify the customer and the customer's carrier once it determines whether or not the customer is currently or within the last 30 days has been enrolled in LifeLine. If the CertA cannot confirm the customer's continued, the customer will be treated as a new LifeLine applicant and be subject to the certification process.

4.2.1.2 If no, ask the customer if any member of the household is enrolled in a public assistance program.

4.2.1.2.1 If yes, read the means-tested programs listed in Section 5.1.5 of this General Order and ask the customer whether the household member is enrolled in any of these programs. Utility may use the step-down approach when reading the means-tested programs and stop when the customer confirms that a household member is enrolled in an approved program.

4.2.1.2.1.1 If customer verbally indicates participation in an approved public program, immediately contact the CertA to begin the LifeLine application process for the customer and inform the customer that: (i) the customer will be receiving a certification form in the mail for completion and submission; (ii) the completed certification form must be completed on-line or filled in and returned to the CertA by the deadline date indicated on the form; and (iii) specify any deposits required; (iv) payment plan is available

for nonrecurring charges and deposits relating to basic service, and (v) the CertA will notify the customer and the customer's carrier once it determines whether or not the customer is eligible for LifeLine.

4.2.1.2.2 If no, ask the customer about his/her household size and read the corresponding LifeLine income limit that the customer must meet in order to qualify for LifeLine. The utility shall also inform the customer that he/she must also provide income document(s) substantiating the household income, and inform the customer that: (i) the customer will be receiving a certification form in the mail for completion and submission; (ii) the completed certification form and supporting income document(s) that reflect total household income must be returned and received by the CertA by the deadline date indicated in the form; and (iii) specify any deposits required, (iv) a payment plan is available for nonrecurring charges and deposits relating to basic service, and (v) the CertA will notify the customer and the customer's carrier once it determines whether or not the customer is eligible for LifeLine.

4.2.2 Utilities must inform the customer that he or she may opt to receive the instructions for the certification form in Braille (English Only) or instructions and certification form in large print

4.2.3 Utilities shall also inform the customer of the availability of two LifeLine lines if a member of the household uses a TTY when making a call.

4.2.3.1 If the customer verbally certifies that he/she qualifies for two LifeLine lines, the utility shall immediately contact the CertA to begin the LifeLine application process for the second LifeLine line and remind the customer that he/she must provide proof for the need of a TTY as outlined in Section 5.1.7 of this General Order.

4.2.4 Utilities shall inform LifeLine applicants that they will incur regular tariff rates and charges until completion of the certification process. Utilities shall offer LifeLine applicants a payment plan for the regular tariff non-recurring charges and deposits **for basic service**, and shall inform applicants of the existence of such plans.

4.2.5 Utilities shall inform LifeLine applicants that once certified, they will receive a credit on their bill for LifeLine discounts as of the Application Date and, if they have a net credit balance of at least $10.00 on their next bill, they may request a refund check for any such net credit balance.

4.3 Annual LifeLine Notice.

4.3.1 Every utility shall annually send to all of its residential customers, other than customers of foreign exchange, or farmer lines, a notice that contains information about the availability, terms, and conditions of LifeLine.

4.3.1.1 The annual notice shall include information about the availability, terms, and conditions of two LifeLine lines for qualified disabled persons.

4.3.1.2 Every utility shall submit its annual notice to the Commission Public Advisor (PA) for the PA's review and approval. Once approved, a utility does not need to resubmit its annual notice to the PA unless there is a material change to the notice. A change to the annual notice to reflect the annual adjustment to LifeLine income eligibility limits is not a material change to the notice.

4.4 Customer Certification Form.

4.4.1 A Certification Form is used when customers are applying to enroll in LifeLine.

4.4.1.1 A copy of the Certification form and associated instructions are attached to this General Order as Appendix B.

4.4.1.1.1 The instructions must inform LifeLine customers that the Commission or the Commission's agent may audit the customer's eligibility to participate in the LifeLine program. If the audit establishes that the customer is ineligible, the customer will be removed from the LifeLine program and billed for previous LifeLine discounts that the customer should not have received plus interest equal to the 3-month commercial paper rate.

4.4.1.1.2 The instructions must inform LifeLine customers that submitted income and/or supporting documentation will not be returned to the customers.

4.4.1.2 The Certification form mailed to customers for completion will be partially completed by the CertA based on information provided by utilities.

4.5 Customer Verification Form.

4.5.1 A Verification form is used annually to determine customers' continued eligibility in LifeLine. The "Certification Date" will be used as the annual anniversary date.

4.5.1.1 A copy of the Verification form and associated instructions are attached to this General Order as Appendix C.

4.5.1.1.1 The instructions must inform LifeLine customers that the Commission or the Commission's agent may audit the customer's eligibility to participate in the LifeLine program. If the audit establishes that the customer is ineligible, the customer will be removed from the LifeLine program and billed for previous LifeLine discounts that the customer should not have received plus interest equal to the 3-month commercial paper rate.

4.5.1.1.2 The instructions must inform LifeLine customers that submitted income and/or supporting documentation will not be returned to the customers.

4.5.1.2 The Verification forms mailed to customers for completion will be partially completed by the CertA based on information provided by utilities.

4.6 LifeLine Notices in the Language of Sale.

4.6.1 With the exception of those sales involving the use of an outside translation service, any utility that sells LifeLine in a language other than English shall provide those customers to whom it sold LifeLine in a language other than English with the following:

4.6.1.1 Commission-managed LifeLine notices in the language in which the utility originally sold LifeLine to the customer.

4.6.1.2 Toll-free access to customer service reps that are fluent in the language in which the utility originally sold LifeLine to the customer.

5. ELIGIBILITY CRITERIA FOR OBTAINING AND RETAINING LIFELINE

5.1 LifeLine is available to any residential customer who meets all of the following eligibility requirements:

5.1.1 The residence at which the service is requested is the customer's principal place of residence.

5.1.2 The customer and the members of the customer's household collectively have one, and only one, LifeLine line, except as provided for elsewhere in Section 5 of this General Order.

5.1.3 The customer's eligibility meets either the income-based criterion or the program-based criterion.

5.1.4 Income-based criterion allows a customer to enroll in LifeLine based on his/her household income, i.e. members of the customer's household collectively earn no more than the following amount of annual income[7]:

[7] Income limits were updated in a Notice to All Carriers, dated March 25, 2008, in conformance with Resolution T-17140. See Section 5.2.1.

Household Size	LifeLine Income Limits Effective 6/1/09 through 5/31/10
1-2 members	$24,000 per year
3 members	$28,200 per year
4 members	$34,000 per year
Each additional member	$5,800 per year

5.1.4.1 The income used to determine eligibility for the LifeLine program shall be based on the definition of "total household income" as defined in this General Order.

5.1.4.2 For households with self-employed members, the "income from self-employment" shown on IRS Form 1040, Schedule C, line 29, shall be used in the determination of whether a household is eligible to participate in the LifeLine program.

5.1.4.3 Borrowed money shall not be considered as income when determining eligibility for the LifeLine program.

5.1.4.4 Funds transferred from one account to another, such as from savings account to a checking account, shall not be considered as income when determining eligibility for the LifeLine program, even if such funds are used for living expenses.

5.1.4.5 The customer must provide income documentation substantiating his/her household income. Acceptable income documents are:

5.1.4.5.1 Prior year's state, federal, or tribal tax return

5.1.4.5.2 Current income statement from an employer or paycheck stub for three consecutive months worth of the same type of statements within the last 12 months.

5.1.4.5.3 Statement of benefits from Social Security, Veterans Administration

5.1.4.5.4 Statement of benefits from retirement/pension, Unemployment/ Workmen's Compensation

5.1.4.5.5 A divorce decree

5.1.4.5.6 Child support document

5.1.4.5.7 Other official documents

5.1.5 Program-based criterion allows a customer to enroll in LifeLine based on the customer's or a member of the customer household's participation in any of the means-tested programs approved by the Commission. Approved means-test programs are:

5.1.5.1 Medicaid or Medi-Cal

5.1.5.2 Supplemental Nutrition Assistance Program (SNAP), formally known as "Food Stamps"

5.1.5.3 Supplemental Security Income

5.1.5.4 Federal Public Housing Assistance (Section 8)

5.1.5.5 Low Income Home Energy Assistance Program (LIHEAP)

5.1.5.6 Temporary Assistance for Needy Families (TANF), known in California under the following names:

California Work Opportunity and Responsibility to Kids (CalWORKs)

Stanislaus County Work Opportunity and Responsibility to Kids (StanWORKs)

Welfare-To-Work (WTW)

Greater Avenues for Independence (GAIN)

5.1.5.7 National School Lunch's free lunch program (NSL)

5.1.5.8 Tribal TANF

5.1.5.9 Bureau of Indian Affairs General Assistance

5.1.5.10 Head Start Income Eligible (Tribal Only)

5.1.5.11 Healthy Families Category A

5.1.5.12 Women, Infants and Children (WIC)

5.1.6 No customer who is claimed as a dependent on another person's income tax return shall be eligible for LifeLine.

5.1.7 A household shall be eligible to receive two LifeLine lines if: (i) the household meets all LifeLine eligibility criteria set forth above; (ii) the household has a disabled member who has immediate and continuous access within the household to a TTY; and (iii) the TTY is issued by DDTP or a medical certificate indicating the household member's need for a TTY is submitted.

5.1.8 All LifeLine rules and regulations that apply to the one LifeLine line shall apply equally to the second LifeLine line provided to a household.

5.1.9 A customer denied LifeLine eligibility for not being a member of a program listed in section 5.1.5, who can demonstrate membership in a county-equivalent means-test program can appeal the denial decision with the Commission Consumer Affairs Branch (CAB).

5.2 The LifeLine income limits will be adjusted each year for inflation based on the Federal Consumer Price Index - Urban Areas.

5.2.1 CD shall adjust LifeLine income limits by April 15th of each year. CD shall notify utilities of the annual adjustment within five business days of the adjustment being made. Utilities shall implement the adjusted LifeLine income limits by no later than June 1st of each year.

5.2.1.1 To implement the annual adjustment to LifeLine income limits, utilities shall follow one of the following procedures:

5.2.1.1.1 (i) file revised tariffs that reflect (a) the adjusted income limits, and (b) the instructions, if any, contained in the notice of the annual adjustment sent by CD; and (ii) revise their annual LifeLine notice to reflect the adjusted LifeLine income limits.

5.2.1.1.2 (i) file revised tariffs once concurring with Pacific Bell (dba AT&T California) tariffs on the LifeLine income limits; and (ii) revise their annual LifeLine notice to reflect the adjusted LifeLine income limits. Any utility concurring with Pacific Bell (dba AT&T California) shall do so in accordance with the liability limitations set forth in Pacific Bell's (dba AT&T California) tariff.

5.3 No utility shall knowingly enroll into the LifeLine program a customer who does not meet the LifeLine eligibility criteria. No utility shall knowingly allow a customer to remain in the LifeLine program who does not meet the LifeLine eligibility criteria.

5.4 Each customer enrolling in the LifeLine program is subject to the certification process described below:

5.4.1 At Certification, the customer has the option of enrolling in LifeLine under either: (i) the program-based criterion, or (ii) the income-based criterion.

5.4.1.1 If the customer has a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer should enroll under the program-based criterion and complete the section of the certification form entitled "Method 1 Program-Based."

5.4.1.2 If the customer does not have a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer *must* enroll under the income-based criterion and complete the section of the certification form entitled "Method 2 Income-Based".

5.4.2 The Certification form shall be signed by the customer whose name appears on the utility's account, the customer's legal guardian or a person operating pursuant to a power of attorney for such customer.

5.4.2.1 By signing the form, the customer is self-certifying, under penalty of perjury, that the information contained in the completed form and submitted documents, if any, are true and correct.

5.4.3 The completed certification form and supporting documents, if any, must be received

by the CertA on or before the deadline date specified in the form.

5.4.4 Any customer who fails to return the form or otherwise qualify for LifeLine as specified on the certification form by the deadline date shall have their application rejected.

5.4.4.1 A utility may treat any unpaid LifeLine rates and charges as bad debt and seek reimbursement from the LifeLine program pursuant to Section 9.3.9 of this General Order.

5.4.5 If a Customer has previously been certified while participating in the program with another carrier and subsequently changes carriers, while maintaining eligibility in all other respects, the Customer shall not be required to go through the certification process. If a Customer changes his or her principle place of residence, while maintaining eligibility in all other respects, the Customer shall not be required to go through the certification process.

5.4.6 Upon successful completion of the certification process, the customer's basic service will be converted to LifeLine service and the customer's account credited the difference between LifeLine rates and charges and regular tariff rates and charges, as outlined in Section 8.1 of this General Order, and any deposits related to basic service, as of the Application Date. Customers with a net credit balance of at least $10.00 reflected on their next bill may request a refund check in the amount of such net credit balance.

5.5 To remain in LifeLine, each LifeLine customer is subject to the annual verification process described below:

5.5.1 At verification, the customer has the option of qualifying his or her continued eligibility under either: (i) the program-based criterion, or (ii) the income-based criterion.

5.5.1.1 If the customer has a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer should continue his/her LifeLine enrollment under the program-based criterion and complete the section of the verification form entitled "Method 1 Program-Based."

5.5.1.2 If the customer does not have a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer *must* continue his/her LifeLine enrollment under the income-based criterion and complete the section of the verification form entitled "Method 2 Income-Based".

5.5.2 The Verification form shall be signed by the customer whose name appears on the utility's account, the customer's legal guardian or a person operating pursuant to a power of attorney for such customer.

5.5.2.1 By signing the form, the customer is self-certifying, under penalty of perjury, that the information contained in the completed form and all submitted documents, if any, are true and correct.

5.5.3 The completed verification form and all supporting documents, if any, must be received by the CertA on or before the due date specified in the form.

5.5.4 Any customer who fails to qualify for continued eligibility to LifeLine shall be removed from the LifeLine program. Upon notification from the CertA, the utility shall convert the customer to regular residential service starting with the removal date provided by the CertA.

5.5.5 Customers who wish to re-establish LifeLine service after removal from the program will be treated as a new customer, subject to enrollment pursuant to Section 4.2 and a conversion charge. The LifeLine discount will not be applied retroactively to the date of removal.

5.6 LifeLine customers must notify the utility of any change that causes the LifeLine customers to no longer qualify for (i) LifeLine, or (ii) a second LifeLine line. Upon receipt of notification, the utility will change LifeLine to regular tariffed rates and charges for the services furnished. No service conversion charges shall be billed to the customer for this change in service.

5.6.1 The utility may require service deposits, if applicable.

5.7 The CPUC may reduce LifeLine claim payments to a utility by the amount of LifeLine discounts and interest that a utility fails to bill to an ineligible customer found to be participating in the LifeLine programs.

5.8 The Commission or the Commission's agents may audit and verify a customer's eligibility to participate in the LifeLine program.

5.8.1 Any LifeLine customer who is found to be ineligible to participate in the LifeLine program shall be removed from the LifeLine program.

5.8.1.1 Upon notification from the Commission or the Commission's agent, the utility shall change the ineligible customer's LifeLine to regular tariffed rates and charges for the services furnished. Such notification shall specify the effective date of the change. No service conversion charges shall be billed to the customer for this change in service.

5.8.1.1.1 The utility may require service deposits, if applicable.

5.8.2 The Commission or the Commission's agent may bill the ineligible customer for any LifeLine discounts that the customer should not have received, plus interest determined in accordance with the 3-month commercial paper rate.

5.8.2.1 The Commission or the Commission's agent will inform the utility that is also an ETC of the amount recovered from the ineligible customer and the applicable portion of this amount that should be returned to the federal Lifeline and/or Link-Up programs.

5.8.2.2 The utility will include in the LifeLine claim the amount remitted to the federal Lifeline and/or Link-Up programs as directed by the Commission or the Commission's agent.

6. CERTIFYING AGENT (CertA)

6.1 CertA is the third-party administrator retained by the CPUC.

6.1.1 The role of the CertA is to qualify new LifeLine customers and to verify the continued eligibility of existing LifeLine customers.

6.1.1.1 The CertA must furnish all LifeLine forms, instructions and letters to customers in their preferred language, as that language preference is provided to the CertA by the utilities.

6.1.2 The schedule that the CertA must adhere to in evaluating a customer's qualification is attached to this General Order as Appendix E.

6.2 All utilities must notify the CertA before their initial offering of LifeLine services and arrange the 2-way exchange of LifeLine customer data information.

6.3 Utilities shall provide LifeLine customer information to CertA notwithstanding restrictions in their tariffs limiting the disclosure of non-published customer information.

6.3.1 All utilities must provide the CertA with their LifeLine customer activities before the end of the next business day after the in-service date of the customer's service order.

6.3.2 All utilities must provide the CertA with their LifeLine customer activities initiated by the utilities before the end of the next business day from the time such actions were taken.

6.3.3 CertA shall provide each utility the following lists of LifeLine customers by the end of the next business day from the time of completion of customers' qualification review:

6.3.3.1 Newly enrolled customers that are found eligible to participate in LifeLine during the certification process.

6.3.3.2 Customers that are found ineligible to participate in LifeLine during the certification process.

6.3.3.3 Existing LifeLine customers that are found eligible to remain in LifeLine.

6.3.3.4 Existing LifeLine customers that are found ineligible to remain in LifeLine.

6.4 CertA shall notify customers in writing of the final decision of their LifeLine qualification including the right to challenge the CertA's findings.

6.4.1 Customers may dispute CertA's finding of ineligibility by submitting a formal or informal complaint to the Commission.

7. SERVICE ELEMENTS, SERVICE DEPOSITS & SERVICE REQUIREMENTS OF LIFELINE

7.1 Utilities shall offer to their LifeLine customers all of the service elements set forth in Appendix A of this General Order.

7.2 LifeLine is restricted to eligible low-income residential customers who subscribe to individual, two-party, four-party and suburban residential service.

7.3 LifeLine is restricted to residential service. Foreign exchange, farmer lines, and other non-LifeLine services are excluded from this offering.

7.4 Utilities shall not require customers to post a service deposit in order to initiate LifeLine.

7.5 Utilities may require a LifeLine customer to pay any overdue LifeLine rates and charges, or make payment arrangements, before LifeLine is reinstated at the same address or at a new address.

7.6 Other than previously stated, LifeLine is subject to the conditions of "Discontinuance and Restoration of Service" as set forth in the utility's tariffs.

7.7 If a customer is disconnected for nonpayment of toll charges, a utility must provide LifeLine to the customer if the customer elects to receive toll blocking.

9. LIFELINE RATES AND CHARGES

8.1 Utilities shall offer LifeLine priced at the following rates and charges:

8.1.1 Discounted nonrecurring service connection charge for the initial installation of a single telephone connection at the LifeLine subscriber's primary residence ("LifeLine connection charge").

8.1.1.1 The LifeLine connection charge shall equal the lower of (i) $10.00, or (ii) 50% of the utility's regular tariffed service connection charge for the initial installation of a single residential telephone connection.

8.1.1.2 The LifeLine connection charge is applicable to all qualifying households residing at the same address.

8.1.1.3 The LifeLine connection charge is applicable any time a qualifying household (i) establishes LifeLine, (ii) re-establishes LifeLine at the same residence at which LifeLine was previously provided, (iii) establishes LifeLine at a new residence, or (iv) switches LifeLine from one utility to another.

8.1.1.4 Utilities may not impose a "central office charge" in addition to the LifeLine connection charge when installing LifeLine.

8.1.1.5 Installation of a second and subsequent telephone service connection shall be subject to the utility's regular tariffed rates for these connections, except that low-income households with a disabled member may qualify for LifeLine connection charges on two residential telephone connections.

8.1.2 Deferred payment of the LifeLine connection charge.

8.1.2.1 Utilities shall offer LifeLine customers the option of paying the LifeLine connection charge in three equal monthly installments with no interest. Utilities may also offer LifeLine customers the option of paying the LifeLine connection charge in equal monthly installments with no interest for a period not to exceed 12 months.

8.1.2.2 Utilities may charge a late-payment fee when LifeLine customers fail to timely remit some or all of the LifeLine connection charge under a deferred-payment schedule.

8.1.3 Discounted nonrecurring charge for service conversion ("LifeLine conversion charge").

8.1.3.1 The LifeLine conversion charge shall equal the lowest of (i) $10.00, (ii) 50% of the utility's regular tariffed non-recurring charge for the initial connection of a single residential telephone line or (iii) the utility's regular tariffed non-recurring conversion charge.

8.1.3.2 The LifeLine conversion charge is applicable each time a LifeLine customer requests a change in the class, type, or grade of service, including requests to change from Foreign Exchange Service. There is no limit on the number of times a LifeLine customer may pay the LifeLine conversion charge to effect a change in the class, type, or grade of service.

8.1.3.3 No conversion charge may be assessed on an applicant or claimed from the LifeLine fund if a LifeLine applicant fails to qualify. No conversion charge can be assessed on a customer or claimed from the LifeLine fund if a customer is removed from the LifeLine program (either voluntarily or involuntarily).

8.1.4 Discounted monthly rate for flat-rate local service ("LifeLine flat-rate service").

8.1.4.1 The LifeLine flat-rate service shall be no lower than $5.47, unless 1/2 of carrier's basic residential flat-rate is lower than $5.47, and in that case, the lower rate applies

8.1.4.2 LifeLine customers subscribing to LifeLine flat-rate service shall receive unlimited local calling.

8.1.5 Discounted monthly LifeLine rate for measured-rate local service (LifeLine measured-rate service).

8.1.5.1 The LifeLine measured-rate service shall be no lower than $2.91, unless 1/2 of carrier's basic residential measured service rate is lower than $2.91, and in that case, the lower rate applies.

8.1.5.2 LifeLine customers subscribing to LifeLine measured-rate service shall receive 60 untimed local calls per month. The utility shall charge $0.08 per call for each local call in excess of 60 per month.

8.1.6 Discounted monthly EAS rate.

8.1.6.1 In exchanges with EAS, LifeLine customers shall pay 50% of the applicable EAS increment. Unlimited incoming calls shall apply.

8.1.7 No charge for the federal EUCL charge.

8.1.8 No charge for toll-limitation service (including, but not limited to, toll blocking or toll control).

8.1.9 No charge [to LifeLine customers' LifeLine billings] for surcharges including the following: California High Cost Fund (CHCF-A) A surcharge, CHCF-B surcharge, California Teleconnect Fund surcharge, California Relay Service and Communications Device Fund surcharge, and LifeLine surcharge.

8.1.9.1 Utilities shall pay to the appropriate taxing authorities the applicable taxes,

fees, and surcharges billed to LifeLine customers and the LifeLine Fund.

8.2 A utility may require advance payments for LifeLine rates and charges not to exceed one month's rates and charges.

8.3 Optional services and equipment are not included in LifeLine rates and charges, but will be available to LifeLine customers at the applicable regular tariffed rates and charges.

8.3.1 Each LifeLine customer shall be eligible for one or more LifeLine lines as set forth in this General Order, and LifeLine customers may subscribe to additional, non- LifeLine lines. Non- LifeLine lines will be available to LifeLine customers at the applicable regular tariffed rates and charges.

8.3.1.1 This General Order shall not apply to any additional, non- LifeLine lines that a LifeLine customer subscribes to.

8.4 Except as specifically modified by this General Order, all rules, regulations, charges and rates in conjunction with the services furnished elsewhere in a utility's tariffs are also applicable to the service provided under LifeLine.

8.5 CD shall notify utilities of any changes to the statewide LifeLine rates and charges set forth in this General Order, including changes to the statewide recurring monthly rates for LifeLine due to a change in Pacific Bell's (dba AT&T California) monthly rates for LifeLine. Such notice shall inform utilities of the new statewide rates and charges for LifeLine, and instruct utilities to file compliance tariffs, if necessary, to reflect the new statewide rates and charges. Upon receipt of such notice, utilities shall file tariffs, if necessary, to implement the new statewide LifeLine rates and changes.

9. REPORTS AND CLAIMS FOR REIMBURSEMENT OF LIFELINE-RELATED COSTS

9.1 Eligible Utilities.

9.1.1 Any utility that provides LifeLine may submit a claim for the reimbursement of its LifeLine -related costs and lost revenues.

9.2 Recoverable LifeLine Costs and Lost Revenues.

9.2.1 A utility, regardless of whether or not it is an ETC, may recover from the LifeLine Fund the reasonable costs and lost revenues that it incurs to provide LifeLine to the extent that such costs and lost revenues meet all of the following criteria: (i) directly attributable to the LifeLine program, (ii) would not otherwise be incurred in the absence of the LifeLine program, (iii) not recovered from other sources, such as the rates and charges paid by LifeLine customers, the utility's general rates, or subsidies from the federal Lifeline and Link Up programs, and (iv) specified in Sections 9.3 and 9.4 of this General Order.

9.3 Utilities may recover the following costs and lost revenues from the LifeLine Fund:

9.3.1 Lost revenues caused by providing LifeLine customers with (i) LifeLine connection charges, (ii) LifeLine conversion charges, (iii) discounted monthly rates for local service, and (iv) untimed local calls.

9.3.2 Each utility, on a per LifeLine customer basis, may collect from the LifeLine Fund an

amount of lost revenues equal to the difference between (a) LifeLine rates and charges, and (b) the lesser of the following: (i) the utility's regular tariffed rates and charges, or (ii) the regular tariffed rates and charges of the LifeLine customer's incumbent local exchange carrier.

9.3.3 The federal EUCL charge that the utility pays on behalf of its LifeLine customers is limited to the underlying ILEC's EUCL rates.

9.3.4 The taxes, fees, and surcharges associated with the federal portion of the LifeLine discount provided to LifeLine customers beginning January 1, 1998.

9.3.5 The taxes, fees, and surcharges that a utility pays on behalf of its LifeLine customers.

9.3.5.1 The base for calculating the reimbursable amount of federal Excise Tax shall include only the lost revenues from the following items: (a) conversion charges, (b) measured and/or flat rate service, (c) EUCL, (d) surcharges (including PUC user fee), and (e) allowable recovery of untimed calls. Service connection charges are exempted from the tax. The base for calculating the reimbursable amount of PUC user fee shall include only the lost revenues for the following items: (a) connection charges, (b) conversion charges, (c) measured and/or flat rate service, (d) surcharges claimed from the LifeLine fund, and (e) allowable recovery of untimed calls. The following table summarizes how the federal excise tax and PUC user fee must be calculated and reported on the LifeLine Claim Form:

Base for Federal Excise Tax	Base for PUC User Fee
Conversion charges	Connection charges
Measured	Conversion charges
Flat	Measured
EUCL	Flat
Allowable Recovery Untimed Calls	Allowable Recovery Untimed Calls
Surcharges:	Surcharges:
Bill & Keep/Other rate cases	Bill & Keep
PUC User Fee	Other rate cases

9.3.5.2 Utilities shall not be reimbursed for federal excise taxes and PUC user fees unless such taxes and fees are calculated and reported in accordance with the above instructions.

9.3.5.3 If a utility's actual liability for the taxes, fees, and surcharges that it pays on behalf of its LifeLine customers differs from the amount that was previously reimbursed by the LifeLine Fund, the utility shall report the difference, whether positive or negative, as a true up on its LifeLine Claim Form.

9.3.6 Interest and penalties assessed by taxing authorities that stem from the taxes, fees, and surcharges that utilities pay on behalf of their LifeLine customers.

9.3.6.1 Any interest and penalties that clearly stem from the negligence of the utility shall not be reimbursed by the LifeLine Fund.

9.3.6.2 CD may determine whether, and to what extent, the interest and penalties assessed by a taxing authority should be reimbursed by the LifeLine Fund.

9.3.7 Administrative and interest costs incurred to provide deferred-payment schedules for LifeLine connection charges. Reimbursement for interest costs shall be based on (i) the 3-month commercial paper rate, and (ii) the assumption that all deferred payment are made on time.

9.3.8 The incremental costs incurred by a utility to provide toll-limitation services free of charge to its LifeLine customers to the extent that such costs are not recovered from the federal Lifeline program. All utilities shall determine their total incremental costs in the manner prescribed by the Federal Communications Commission.

9.3.8.1 The LifeLine Fund shall not reimburse a utility for the regular tariffed rates and charges of its toll limitation services.

9.3.9 Bad-debt costs equal to the lowest of (i) the actual amount of the LifeLine rates and charges that a LifeLine customer fails to pay, plus the associated lost revenues that the utility may recover from the LifeLine Fund, (ii) the actual amount of the LifeLine rates and charges, or (iii) the deposit for local residential service, if any, that the utility normally requires from non-LifeLine customers.

9.3.9.1 Utilities must take reasonable steps to collect bad debt costs from LifeLine customers before they seek to recover these costs from the LifeLine Fund. A utility that disconnects a customer for non-payment of LifeLine rates and charges, pursuant to the applicable rules governing disconnection, shall be deemed to have undertaken reasonable collection efforts for the purposes of this section.

9.3.9.2 Bad-debt expenses are limited to actual LifeLine rates and charges; and do not include other expenses such as the lease of unbundled loops or non-LifeLine services or rates and charges incurred by LifeLine applicants who are found to be ineligible for LifeLine service.

9.3.10 The demonstrably incremental costs associated with the time spent by utility service reps to (i) notify residential customers about the availability of LifeLine, (ii) ask residential customers if they are eligible to participate in the LifeLine program, (iii) obtain verbal indication from residential customers regarding their eligibility to participate in the LifeLine program, (iv) inform applicants that they must return the signed certification form on or before the deadline date specified on the form, and (v) inform enrolled customers of the yearly verification requirement.

9.3.11 The incremental costs incurred by a utility to develop, deploy, and operate systems and procedures associated with the provision of two LifeLine lines to qualified low-income households with a disabled member.

9.3.12 The lost revenues associated with the provision of a second LifeLine line to a particular LifeLine customer, with lost revenues equal to the difference between (i) the LifeLine rates and charges paid by the customer, and (ii) the lower of (a) the utility's normal tariffed rates and charges for one residential line (i.e., the "first" residential line provided to the customer) plus the EUCL charge for the second line, or (b) the ILEC's regular tariffed rates and charges for one residential line (i.e., the first line) plus the EUCL charge for the second line.

9.3.13 The incremental costs incurred by a utility to implement new reporting requirements ordered by the Commission in D.05-04-026 and subsequent order(s).

9.4 Utilities shall neither claim nor recover from the LifeLine Fund any of the following costs and lost revenues:

9.4.1 Advertising, marketing, and outreach costs.

9.4.2 State 911 tax.

9.4.3 Costs associated with non- LifeLine services and activities, such as the costs associated with the sale of toll service, Caller ID, and voice mail to LifeLine customers.

9.4.4 Costs caused by the failure of LifeLine customers to timely remit deferred payments of the LifeLine connection charge, including costs for collecting on delinquent accounts and the time value of money. Utilities may recoup such cost via late-payment fees charged to LifeLine customers who fail to timely remit deferred payments of the LifeLine connection charge, but only to the extent that such costs are not recovered by utilities from other sources, such as the bad-debt costs built into a utility's general rates.

9.4.5 Lost revenues caused by the failure of LifeLine customers to pay late-payment fees that the utility assesses when LifeLine customers fail to timely remit deferred payments of the LifeLine connection charge.

9.4.6 Costs associated with (i) processing LifeLine service orders, and (ii) answering calls from LifeLine customers about their bills.

9.4.6.1 Costs associated with processing LifeLine service orders and answering calls from LifeLine customers regarding their bills may be recovered from the LifeLine Fund to the extent that a utility can affirmatively demonstrate that such costs meet all of the criteria in Section 9.2.1.

9.4.7 Any costs or lost revenues associated with the provision of services that ETCs are required to provide under the federal Lifeline of Link Up programs, but which utilities are not required to provide under the LifeLine program.

9.4.8 Any costs or lost revenues that the utility has recovered or will recover from other sources.

9.4.9 Any costs or lost revenues associated with the provision of non- LifeLine lines to LifeLine customers.

9.5 Schedule, Content, and Format of the LifeLine Report and Claim Form.

9.5.1 Utilities shall report and claim their LifeLine -related costs and lost revenues by filing the LifeLine Report and Claim Form ("LifeLine Claim Form") appended to this

General Order.

9.5.1.1 Claims must be accompanied by any supporting workpapers required by this General Order.

9.5.2 Utilities shall file the LifeLine Claim Form on a monthly basis unless a utility has obtained permission from CD to file the LifeLine Claim Form on a biannual basis.

9.5.3 Each LifeLine Claim Form filed on a monthly basis shall be for a full month.

9.5.3.1 Utilities that file LifeLine Claim Forms on a monthly must also remit LifeLine surcharge revenues on a monthly basis.

9.5.4 Utilities may request permission from CD to file their LifeLine Claim Forms on a biannual basis. The Commission and CD may specify and revise the conditions that utilities must meet in order to file their LifeLine Claim Forms on a biannual basis.

9.5.4.1 Utilities filing LifeLine Claim Forms on a biannual basis must show a monthly breakdown of their claims on the LifeLine Claim Form.

9.5.4.2 Utilities shall not be paid interest on claims that are submitted on a biannual basis.

9.5.4.3 Utilities that report and remit LifeLine surcharges on a biannual basis must file LifeLine Claim Forms on a biannual basis.

9.5.5 Utilities must submit their LifeLine Claim Forms to CD no later than 30 days after the close of the monthly or biannual period for which a claim is made.

9.6 Accessibility of LifeLine Claim Information to the Public.

9.6.1 Each utility shall make available upon request in its main California office copies of all LifeLine Report and Claim Statements filed with the Commission in compliance with these rules.

9.7 Review and Approval of Claims.

9.7.1 Utilities shall submit LifeLine claims to CD for review and determination of whether, and to what extent, LifeLine claims should be paid. CD shall prepare payment letters for all approved claims. CD shall forward the payment letters to the Information and Management Services Division (IMSD). IMSD shall make payments as required by all payment letters.

9.7.1.1 Claims submitted without proper supporting workpapers will be rejected.

9.7.1.2 The utility will be provided with an explanation for the rejection of all or part of a claim.

9.7.1.3 Any uncontested portions of the claim will be authorized for payment. Should it later be determined that all or a part of the contested portion of a claim was valid, the valid portion of the claims shall be paid with interest based on the three-month commercial paper rate.

9.8 Payment of Claims.

9.8.1 Claims shall be paid in accordance with § 270(c) of the Public Utilities Code and

Section 9.7.1 of this General Order.

9.8.2 No payment will be made to a utility if there is not a sufficient amount in the LifeLine Fund to pay approved claims.

9.8.3 No payment will be made to a utility to pay approved claims if the appropriation in the State's Annual Budget Act for the LifeLine Fund is exhausted.

9.8.4 No payment will be made to a utility that has not reported its LifeLine surcharge revenues.

9.8.5 No payment will be made to a utility until all LifeLine surcharge revenues due from the utility are remitted in full, along with interest on the late remittance based on an annual rate of 10%.

9.8.6 If CD determines there is an overpayment of LifeLine claims, CD shall take all appropriate actions, which may include but is not limited to (i) adjusting the overpayment against the current claim, (ii) offsetting the overpayment against future Lifeline claims; iii) making payment arrangements with the carrier or utility or (iv) any other reasonable arrangement with the carrier or utility to ensure that the carrier or utility properly reimburses the Lifeline Fund for the overpayment of Lifeline claims.

9.9 Interest on Claims.

9.9.1 The LifeLine Fund shall pay interest to utilities on monthly and biannual LifeLine claims that are both timely and legitimate if such claims are not paid 60 days after the due date for utilities to submit their claims. The interest paid to utilities shall be based on the 3-month commercial paper rate.

9.9.1.1 Accrual of interest shall commence on the 60th day after the claim was due to be submitted and end on the date that payment is made to the utility.

9.9.2 No interest shall be paid on (i) claims that are not submitted by the due date, (ii) claims that are incomplete or lack supporting documentation, (iii) claim payments that are withheld from a utility due to a utility's failure to timely report or remit LifeLine surcharge revenues, or (iv) claim payments that are withheld due to overpayment of LifeLine claim.

9.10 Time Limits for Submitting Initial Claims and True-up Claims.

9.10.1 Utilities shall not be reimbursed for LifeLine claims that are filed more than two years after the claims are due.

9.10.2 Utilities that submit a timely claim shall have two years from the deadline for submitting the initial claim to submit a true-up claim. True-up claims shall not be paid if they are submitted more than two years from the deadline for submitting initial claims.

9.10.3 Interest shall be paid to, or received from, utilities that submit timely true-up claims, from the date of the period being claimed. The rate of interest on true-up claims shall be based on the 3-month commercial paper rate.

9.10.3.1 Accrual of interest shall commence on the 60th day after the initial claim was due to be submitted and end on the date that the "true-up" payment is made to, or received from, the utility.

9.10.4 There is no time limit for utilities to submit true-up claims associated with taxes, fees, and surcharges.

9.11 Obligation to Support and Justify Claimed Costs and Lost Revenues.

9.11.1 Utilities have the burden of supporting and justifying any costs and lost revenues that they seek to recover from the LifeLine Fund.

9.11.2 CD may require utilities to submit workpapers, documents, and other information to support their LifeLine claims. CD may promulgate standards regarding the format, content, and timing of workpapers in accordance with the procedures set forth in this General Order for promulgating administrative revisions to the LifeLine program.

9.11.3 Utilities shall provide to the Commission or CD within 10 business days, upon request, documents, workpapers, records (to the extent that records exist) and other information regarding costs and lost revenues claimed by the utility. Failure to provide information requested by the Commission or CD is reasonable grounds to deny costs and lost revenues claimed by the utility.

9.12 Carriers of Last Resort (COLRs).

9.12.1 COLRs may draw financial support from the CHCF-B for two LifeLine lines provided to low-income households in designated high cost areas of the State. The amount that a COLR may draw from the CHCF-B for the second LifeLine line provided to a particular LifeLine customer shall be governed by the same terms and conditions that apply to the COLR's draws from the CHCF-B for the first LifeLine line provided to the LifeLine customer.

9.12.2 CD may require COLRs to submit workpapers and other information to support their CHCF-B claims for second LifeLine lines. Failure to provide information requested by CD is reasonable grounds to deny recovery from the CHCF-B of amounts claimed by the COLR.

9.13 For the recovery of incremental operating expenses, a competitive local exchange carrier (CLEC) has the option of receiving its reimbursement including data processing expense, customer notification expense, accounting expense, service representative costs, legal expenses, and administrative costs associated with the deferred payment plan based on a cost-factor developed by CD. Once this option is exercised, it shall remain in effect for the entire fiscal year (FY).

9.13.1 This cost-factor shall be determined by the average incremental operating expense per weighted average number of customers per month excluding any zero claims filed by the ILECs and approved by CD.

9.13.2 By April 15 of each year, CD shall adjust this cost-factor to be applied in the coming FY based on the incremental operating expenses claimed by the ILECs during the previous calendar year and the formula identified in Section 9.13.1 of this General Order.

9.13.3 Each CLEC must notify CD before the FY begins if it chooses to receive its incremental operating expenses based on this cost-factor.

10. LIFELINE SURCHARGE RATE & SURCHARGE BILLING BASE

10.1 All carriers shall assess, collect, and remit the LifeLine surcharge.

10.2 The current LifeLine surcharge rate is set forth in the Combined California PUC Telephone Surcharge Transmittal Form ("Surcharge Transmittal Form") that is available on the Commission's website (http://www.cpuc.ca.gov/PUC/telco/)

10.3 The Commission shall set the LifeLine surcharge rate based on the forecast of revenues subject to the surcharge and the funding requirements for the provision of LifeLine to eligible customers, including LifeLine marketing costs and program administrative costs.

10.3.1 Effective July 1, 2001, the LifeLine surcharge rate will be annually revised, if necessary, on July 1st of each year.

10.4 Schedule for Filing Revenues and Expense Forecasts.

10.4.1 Each telecommunications carrier shall annually submit to CD an estimate of the carrier's projected gross revenues subject to the LifeLine surcharge for the following year.

10.4.2 Each utility shall annually submit to CD a forecast of the utility's LifeLine claims for the following year.

10.4.3 On or before June 1 of each year, the ULTSAC shall submit a proposed budget to CD. The proposed budget shall include estimated program expenditures and the Committee's projected expenses for the fiscal year (July 1 to June 30) that will commence thirteen (13) months thereafter.

10.4.4 CD's resolution adopting the revised LifeLine surcharge rate may also adopt an annual budget for the LifeLine Fund.

10.5 Surcharge Revenue Base.

10.5.1 All end-user intrastate telecommunications services, whether tariffed or detariffed, are subject to the LifeLine surcharge, except for the following services:

10.5.1.1 LifeLine billings.

10.5.1.2 Charges to other certificated carriers for services that are to be resold.

10.5.1.3 Coin sent paid telephone calls (coin in box) and debit card calls.

10.5.1.4 Usage charges for coin-operated pay telephones.

10.5.1.5 Customer-specific contracts effective before September 15, 1994.

10.5.1.6 Directory advertising.

10.5.1.7 One-way radio paging.

11. REPORTING AND REMITTANCE OF SURCHARGES

11.1 Surcharge Transmittal Form.

11.1.1 Every carrier shall report and remit LifeLine surcharge revenues electronically at: http://www.cpuc.ca.gov/static/telco/consumer+information/surcharges.htm

11.2 Surcharge Remittance Schedule and Procedures.

11.2.1 Carriers shall report and remit LifeLine surcharge revenues on a monthly basis in accordance with the instructions attached to the Surcharge Transmittal Form (STF). A sample copy of the STF and the instructions attached to the STF are available as one document on the Commission's website:

http://www.cpuc.ca.gov/puc/telco

11.2.2 Carriers may seek authority to submit the STF and remit LifeLine surcharge revenues on a biannual basis in accordance with the instructions attached to the STF. Carriers that are granted such authority shall submit the STF and remit LifeLine surcharge revenues in accordance with the instructions in the STF.

11.3 Method for Remitting and Reporting Surcharge Revenues.

11.3.1 Carriers shall report and remit their LifeLine surcharge revenues based on intrastate end-user billings less estimated uncollectibles. Carriers shall true-up their estimated LifeLine surcharge uncollectibles with their actual uncollectibles.

11.4 Interests on Late Surcharge Remittances.

11.4.1 Carriers that are late in remitting their LifeLine surcharge revenues shall pay interest on the late remittances equal to an interest rate of 10%. Interest shall accrue beginning on the date the remittance are due and ending on the date that the surcharge revenues are remitted.

11.5 Warning Notices on Late Surcharge Remittances.

11.5.1 CD shall send two written notices to any carrier that is late in remitting LifeLine surcharge revenues. The notices shall warn the carrier that it will lose its Certificate of Public Convenience and Necessity if it fails to remit past-due surcharge revenues and associated interest.

11.6 Reporting of Surcharge Over/Under Collection or Remittance.

11.6.1 Each carrier shall report any under or over collection of the LifeLine surcharge as soon as it becomes known to the carrier. Each carrier shall report any under or over remittance of LifeLine surcharge monies as soon as it becomes known to the carrier.

11.7 Surcharge Workpapers.

11.7.1 CD may require carriers to submit workpapers, documents, and other information to support their surcharge remittances. CD may promulgate standards regarding the format, content, and timing of workpapers in accordance with the procedures set forth in this General Order for promulgating administrative revisions to the LifeLine program.

11.7.2 Carriers shall provide to the Commission or CD, upon request, documents, workpapers, records (to the extent that records exist) and other information regarding their surcharge remittances.

12. USE OF ELECTRONIC COMMUNICATIONS

12.1 The Commission's website may be used as a means to provide carriers, utilities, and other parties with access to information regarding the LifeLine program. Such information may include: this General Order, Commission decisions, resolutions, rulings, staff reports, letters, and other documents pertinent to the LifeLine program.

12.2 LifeLine applicants also have the option of certifying their eligibility (program-based only) or verifying their continued eligibility via the LifeLine interactive website, which can be found at the following address: http://www.californialifeline.com Access requires a Personal Identification Number (PIN) found on the application/renewal forms sent by the CertA.

12.3 CD may provide notice to carriers, utilities, and other parties of important matters regarding the LifeLine program by e-mail that (i) briefly describe the matter being noticed, (ii) provide information on how to obtain more detailed information and/or documents regarding the matter being noticed from the Commission's website, and (iii) the phone number of a contact person from whom the information and/or documents can be obtained.

12.3.1 When appropriate, notice of matters pertaining to the LifeLine program may be combined with notices pertaining to other public programs, such as the CHCF-B and DDTP.

13. AUDITS AND RECORDS

13.1 The Commission, Commission staff, and agents of the Commission may audit carrier's remittance of LifeLine surcharge revenues and utilities' LifeLine claims.

13.2 The scope of audits shall be limited to five calendar years following the calendar year in which LifeLine surcharge revenues are remitted or LifeLine claims submitted, except in cases where there appears to be malfeasance, such as gross waste, fraud, or abuse. Where there is an indication of malfeasance, the scope of the audit will depend on the law and circumstances existing at that time.

13.3 CD shall authorize the LifeLine Fund to promptly reimburse a utility for the underpayment of LifeLine claims found by a Commission audit. Any underpayment of LifeLine claims found by an audit shall accrue interest based on the 3-month commercial paper rate.

13.3.1 If a utility believes that the amount of reimbursement is too little, the utility may file an application with the Commission to seek additional reimbursement. Any additional reimbursement awarded by the Commission shall accrue interest based on the 3-month commercial paper rate.

13.4 Utilities that promptly reimburse the LifeLine Fund for an overpayment of LifeLine claims found by a Commission audit shall pay interest on the amount of overpayment based on the 3-month commercial paper rate, unless there is malfeasance on the part of the utility, in which case the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.

13.5 CD shall authorize the LifeLine Fund to promptly reimburse a carrier for the over-remittance of LifeLine surcharge revenues found by a Commission audit. Any over-remittance of LifeLine surcharge revenues found by an audit shall accrue interest based on the 3-month commercial paper rate.

13.5.1 If a carrier believes that the amount of reimbursement is too little, the carrier may file an application with the Commission to seek additional reimbursement. Any additional reimbursement awarded by the Commission shall accrue interest based on the 3-month commercial paper rate.

13.6 Any under-remittance of LifeLine surcharge revenues found by a Commission audit shall accrue interest at a 10% annual rate, unless the under-remittance is due to carrier malfeasance, in which case, the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.

13.7 If a carrier or utility does not promptly reimburse the LifeLine Fund for an overpayment of LifeLine claims or under-remittance of LifeLine surcharge revenues that is discovered by an audit, then the Commission's Consumer Services and Information Division shall prepare an order instituting investigation (OII) on whether the entity should be required to reimburse the LifeLine Fund for some or all of the amount identified in the audit.

13.7.1 Any amount that a carrier is found to owe to the LifeLine Fund as a result of the OII shall accrue interest at a 10% annual rate, unless the amount owed is due to malfeasance, in which case the rate of interest shall depend on the law and circumstances existing at the time the malfeasance are discovered.

13.7.2 Any amount that a utility is found to owe to the LifeLine Fund as a result of the OII shall accrue interest based on the 3-month commercial paper rate, unless the amount owed is due to negligence or malfeasance, in which case the rate of interest shall depend on (i) the circumstances, and (ii) the law existing at the time the negligence or malfeasance is discovered.

13.8 Carriers shall retain all records related to LifeLine surcharge remittances for a period of five calendar years following the year in which the surcharges are remitted, unless all or part of such records must be kept for a longer period of time pursuant to requirements promulgated elsewhere (e.g., record-retention requirements set forth in the uniform system of accounts). The records that carriers must retain for five calendar years include all records pertaining to intrastate billings and collections.

13.9 Utilities shall retain all records related to a LifeLine claim, including a true-up claim, for a period of five calendar years following the year in which the LifeLine claim or true up claim is submitted, unless all or part of such records must be kept for a longer period of time pursuant to requirements promulgated elsewhere (e.g., record-retention requirements set forth in the uniform system of accounts). The records that utilities must retain for five calendar years include (i) customer certification and verification forms, (ii) LifeLine Claim Forms and workpapers supporting the claim forms, and (iii) other documents and information on which the LifeLine Claim Forms and workpapers are based.

14. REQUESTS FOR WAIVER OF LIFELINE PROGRAM ADMINISTRATIVE REQUIREMENTS

14.1 Carriers and utilities may request a waiver of any administrative requirement set forth in this General Order, including the administrative requirements pertaining to (i) the schedule, format, and content of workpapers that utilities must submit to support their LifeLine claims, and (ii) the time limit for submitting LifeLine claims.

14.2 Carriers and utilities may request a waiver by submitting a written waiver request to the Director of the CD. The request must provide a thorough explanation for why the waiver is necessary.

14.3 CD may attach conditions when granting a waiver request.

14.4 If a waiver involves the payment of money to or from a carrier or utility, CD may determine what rate of interest, if any, should apply to the payment(s) subject to the waiver.

15. FUTURE REVISIONS TO THIS GENERAL ORDER

This General Order shall be continuously updated and revised to reflect the future needs of, and changes to, the LifeLine program in accordance with the Commission's orders and resolutions.

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Appendix A

Service Elements of LifeLine

Universal LifeLine Telephone Service is composed of the service elements set forth below. All LifeLine customers are entitled to receive every one of the service elements of LifeLine, and every utility is required to offer all of the service elements of LifeLine to each of its LifeLine customers. The service elements of LifeLine are as follows:

23 Access to (a) single party local exchange service, or (b) service that is equivalent, in all substantial respects, to single party local exchange service.

24 Access to all interexchange carriers offering service in the LifeLine customer's local exchange.

25 Ability to place calls.

26 Ability to receive free unlimited incoming calls.

27 Free touch-tone dialing.

28 Free unlimited access to 911/E-911.

29 Access to local directory assistance (DA). Each utility shall offer to its LifeLine customers the same number of free DA calls that the utility provides to its non- LifeLine residential customers.

30 Access to foreign Numbering Plan Areas.

31 LifeLine rates and charges.

32 Customer choice of flat-rate local service or measured-rate local service. The 17 smaller ILECs identified in D. 96-10-066 do not have to offer LifeLine customers the choice of flat or measured-rate local service, unless the smaller LEC offers this option to its non- LifeLine residential customers.

33 Free provision of one directory listing per year as provided for in D.96-02-072.

34 Free white pages telephone directory.

35 Access to operator service.

36 Voice grade connection to the public switched telephone network.

37 Free access to 800 or 800-like toll-free services.

38 Access to telephone relay services as provided for in Pub. Util. Code §2881 et seq.

39 Toll-free access to customer service for information about LifeLine, service activation, service termination, service repair, and bill inquiries.

40 Toll-free access to customer service representatives fluent in the same language (English and non-English) in which LifeLine was originally sold.

41 Free access to toll-blocking service.

42 Free access to toll-control service, but only if (i) the utility is capable of offering toll-control service,

and (ii) the LifeLine customer has no unpaid bill for toll service.

43 Access to two residential telephone lines if a low-income household with a disabled person requires both lines to access LifeLine.

44 Free access to the California Relay Service via the 711 abbreviated dialing code.

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Appendix B

CERTIFICATION FORMS AND INSTRUCTIONS

A sample copy is available at: www.CaliforniaLifeLine.com

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Appendix C

VERIFICATION FORMS AND INSTRUCTIONS

A sample copy is available at: www.CaliforniaLifeLine.com

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Appendix D
LifeLine Report and Claim Form

California LifeLine Telephone Program (LifeLine)
Report and Claim Form
For Period of _____, 200__

Carrier Name _____
CPCN # _____

LOST REVENUE RECOVERY.*

1. CONNECTION CHARGES (REGULAR CUSTOMERS). _____
2. CONVERSION CHARGES (REGULAR CUSTOMERS). _____
3. ALLOWABLE RECOVERY MEASURED SVC (REGULAR CUSTOMERS) _____
4. ALLOWABLE RECOVERY UNTIMED CALLS (REGULAR CUSTOMERS) _____
5. ALLOWABLE RECOVERY FLAT RATE SVC (REGULAR CUSTOMERS) _____
6. FCC END USER CHARGES (EUCL) (REGULAR CUSTOMERS) _____
7. CONNECTION CHARGES (DISABLED CUSTOMERS INCL.1ST AND 2ND LINES) _____
8. CONVERSION CHARGES (DISABLED CUSTOMERS INCL.1ST AND 2ND LINES) _____
9. ALLOWABLE RECOVERY MEASURED SVC (DISABLED CUSTOMERS INCL.1ST AND 2ND LINES) _____
10. ALLOWABLE RECOVERY UNTIMED CALLS (DISABLED CUSTOMERS INCL.1ST AND 2ND LINES) _____
11. ALLOWABLE RECOVERY FLAT RATE SVC (DISABLED CUSTOMERS INCL.1ST AND 2ND LINES) _____
12. END USER CARRIER LINE (EUCL) CHARGES (DISABLED CUSTOMERS INCL.1ST AND 2ND LINES) _____
13. SURCHARGES, TAXES & FEES:
    A. BILL AND KEEP/ALL OTHERS RATE CASE SURCHARGES _____
    B. PUC USER FEE _____
    C. FEDERAL EXCISE TAX. _____
    D. LOCAL TAX. _____
    E. TOTAL SURCHARGES, TAXES & FEES (SUM OF A TO D) _____
14. TRUE-UP OF FEDERAL SUPPORT. _____
15. TOTAL UNRECOVERED REVENUE. _____

OPERATING EXPENSE RECOVERY.

16. DATA PROCESSING EXPENSE. _____
17. CUSTOMER NOTIFICATION EXPENSE. _____
18. ACCOUNTING EXPENSE. _____
19. SERVICE REPRESENTATIVE COSTS _____
20. LEGAL EXPENSE. _____
21. TOLL LIMITATION EXPENSE. _____
22. DEFERRED PAYMENT SCHEDULE COSTS:
    A. INTEREST COSTS _____
    B. ADMINISTRATIVE COSTS _____
    C. TOTAL DEFERRED PAYMENT COSTS (A + B) _____
23. BAD DEBT COSTS. _____
24. OTHER EXPENSES, TRUE UPS, and CREDITS. _____
25. TOTAL OPERATING EXPENSES CLAIMED. _____

IMPLEMENTATION COSTS OF NEW REPORTING REQUIREMENTS (NON-RECURRING):
ORDERED BY COMMISSION ORDER: _____

26. DATA PROCESSING _____
27. CUSTOMER NOTIFICATION _____
28. ACCOUNTING _____
29. SERVICE REPRESENTATIVE COSTS _____
30. LEGAL _____
31. TOTAL IMPLEMENTATION COSTS (SUM OF LINES 26 THRU 30) _____
32. TOTAL CLAIMS (LNS 15+25+31).* _____

*Claimed amounts should be net of the subsidies, if any, which the LifeLine provider expects to receive from the federal Lifeline and Link-up programs.

California LifeLine Telephone Program (LifeLine)
Report and Claim Form
Page 2

NUMBER OF NEW LIFELINE SERVICE CONNECTIONS

	Current Month	Previous Months (true-up)	Total
FLAT RATE	_____	_____	_____
MEASURED	_____	_____	_____
GRAND TOTAL			_____

NUMBER OF LIFELINE SUBSCRIBERS (TOTAL WEIGHTED-AVERAGE FOR THE CLAIM PERIOD)

	Current Month	Previous Months (true-up)	Total
FLAT RATE	_____	_____	_____
MEASURED	_____	_____	_____
GRAND TOTAL			_____

NUMBER OF REGULAR LIFELINE SUBSCRIBERS (AS OF END OF THE CLAIM PERIOD):

Current Month	Previous Months (true-up)	Total
_____	_____	_____

NUMBER OF DISABLED CUSTOMERS SUBSCRIBING TO 2 LIFELINE LINES (AS OF END OF THE CLAIM PERIOD):

Current Month	Previous Months (true-up)	Total
_____	_____	_____

ETC ELIGIBLE TO RECEIVE FEDERAL LIFELINE AND LINK-UP SUPPORT:

YES_____ NO_____

I hereby certify under the penalty of perjury under the laws of the State of California that the foregoing claim, (including any accompanying schedules, statements, and workpapers) is true and has been examined by me and to the best of my knowledge and belief is a true, correct and complete claim.

Signature _____ Title _____
Preparer _____ Date _____
Address_____ Phone_____
_____

Send Completed LifeLine Claim Form to LifeLine Team, Communications Division
California Public Utilities Commission
505 Van Ness Avenue 3rd Floor
San Francisco, CA 94102

Or by email lifelineclaim@cpuc.ca.gov

Instructions for the California LifeLine Telephone (LifeLine) Report and Claim Form

1 Utilities shall submit the Report and Claim Form ("LifeLine Claim Form) no later than 30 days after the close of the monthly or biannual period for which a claim is made. If the 30th day falls on a weekend or holiday, the LifeLine Claim Form shall be submitted on the next business day. The LifeLine Claim Form must be submitted to the Communications Division. Any LifeLine Claim Forms received after the 30-day deadline will be processed during the next claim period.

2 Utilities have the burden of supporting and justifying any costs they claim. Workpapers should be provided for all claimed costs. Such workpapers, as identified in Paragraph 9 of these instructions, must be unambiguous and show how all claimed items on the Claim Form were derived. ETC carriers should include a copy of Federal Lifeline and Link-up Worksheet (Form 497). To facilitate timely process of the Claim Form, supporting documents should be made available to CD, upon request, within 5 business days. Failure to provide supporting workpapers for all claimed items will constitute reasonable grounds for rejection of such claims.

3. Utilities may only claim those costs and lost revenues identified in the body of General Order (GO) 153. Utilities shall not claim any costs or lost revenues that are prohibited by GO 153.

   a. Competitive local exchange carriers (CLECs) may opt-in to receive their reimbursement of incremental operating expenses, which include data processing (line 16), customer notification (17), accounting (18), service representative (19) legal (20) and administrative costs associated with the deferred payment plan (22.B), based on a cost-factor developed by CD. These costs should be claimed based on the same weighted average number of LifeLine customers reported for the month.

   b. For details of this cost-factor, please see General Order 153, Section 9.13.

4. Utilities must report costs and lost revenues that they seek to recover from LifeLine program in accordance with the instructions set forth in GO 153. Utilities shall not be reimbursed for costs and lost revenues that are not reported in the manner prescribed by GO 153.

5. Claims shall be reported to the nearest cent.

6. Utilities shall report on the LifeLine Claim Form the weighted-average number of LifeLine customers served by the utility during the period covered by the Claim Form. In calculating the weighted average, the "weight" of each LifeLine customer shall be based on the number of days the customer was billed for LifeLine during the period covered by the LifeLine Claim Form. The weighted-average number of LifeLine customers shall be broken down into measured-rate local service and flat-rate local service.

7. Utilities shall report on the LifeLine Claim Form the number of new LifeLine service connections for the period covered by the Claim Form, broken down into new connections for measured-rate local service and flat-rate local service.

8. The following table summarizes the proper assessment and billing of surcharges, taxes, and fees:

PROPER ASSESSMENT AND BILLING OF SURCHARGES/SURCREDITS, TAXES, AND FEES				
	Assess on LifeLine services billed to LifeLine customers	**Assess on LifeLine services billed to federal programs**	**Assess on LifeLine services billed to LifeLine Fund ***	**Assess on Other Elements**
ILEC's Bill & Keep / Rate Case Surcharge / Surcredit	Yes - Paid by Customers	Yes - Paid by LifeLine	Yes - Paid by LifeLine	None
Public Programs Surcharges **	No	No	No	None
PUC User Fee	Yes - Paid by Customers	Yes - Paid by LifeLine	Yes - Paid by LifeLine	ILEC's Bill & Keep/Rate Case Surcharge/Surcredit - Paid by LifeLine
Federal Excise Tax	Yes, except for new service connection charges - Paid by Customers	Yes, except for new service connection charges - Paid by LifeLine	Yes, except for new service connection charges - Paid by LifeLine	EUCL, ILEC's Bill & Keep/Rate Case Surcharge/Surcredit, PUC User Fee, and City & Local Taxes - Paid by LifeLine
911 Tax	No	No	No	None
City & Local Taxes	If LifeLine services are not exempted - Paid by Customers	If LifeLine services are not exempted – Paid by LifeLine	If LifeLine services are not exempted – Paid by LifeLine	None
* LifeLine services billed to the LifeLine Fund include (i) LifeLine connection charges, (ii) LifeLine conversion charges, (iii) discounted monthly rates for local service, and (iv) untimed local calls.				
** Public Program Surcharges include California High-Cost Fund-A, California High-Cost Fund-B, California Relay Service and Communications Device Fund, California Teleconnect Fund, and Universal LifeLine Telephone Service.				
Carriers should report and bill the LifeLine Fund for items identified as "Paid by LifeLine".				

9. All required workpapers as identified below should be provided in Microsoft's Excel format and stored in CD disc or any comparable electronic format accepted by staff.

Required workpapers for lost revenues reported in Lines 1 through 12 of the Claim Form:

Workpapers for Lost Revenues Reported in Line 1 thru 12 of the Claim Form									
(Col A)	(Col B)	(Col C)	(Col D)	(Col E)	(Col F)	(Col G)	(Col H)	(Col I)	(Col J)
				For Period _____					
Claim Form Line #	**Service Description**	**ILEC Territory**	**ILEC's Tariffed Rate Charge**	**Lower of Utility or ILEC's Rate**	**Quantity**	**Total Expected Revenue**	**Amount Billed to LifeLine Customers**	**Amount Billed to Federal USF**	**Amount Billed to Fund**
1	Connection Charges								
	True-up*								
	TOTAL LINE 1								
2	Conversion Charges								
	True-up*								
	TOTAL LINE 2								
3	(Measured Service)								
	True-up*								
	TOTAL LINE 3								
4	Untimed Calls								
	True-up*								
	TOTAL LINE 4								
5	Flat Rate Charges								
	True-up*								
	TOTAL LINE 5								
6	EUCL Charge								
	True-up*								
	TOTAL LINE 6								
7	Connection Charges (Disabled 1st & 2nd)								
	True-up*								
	TOTAL LINE 7								
8	Conversion Charges (Disabled 1st & 2nd)								
	True-up*								
	TOTAL LINE 8								

9	Measured Services (Dis 1st & 2nd)								
	True-up*								
	TOTAL LINE 9								
10	Measured Services (Dis 1st & 2nd)								
	True-up*								
	TOTAL LINE 10								
11	Flat Rate Svcs (Dis 1st & 2nd)								
	True-up*								
	TOTAL LINE 11								
12	EUCL Charge								
	(Dis 1st & 2nd)								
	True-up*								
	TOTAL LINE 12								
	GRAND TOTAL								

- If any line item (Col A) includes more than one service element, each service element should be separately identified.
- If any service or service element (Col B) has more than one regulatory treatment, each regulatory treatment for that service should be separately identified by providing additional description. For example, the federal Link-Up program is not available to the second LifeLine lines, therefore the connection charges for disabled customers (Line 7 of the Claim Form) should be further broken down by the 1st and the 2nd LifeLine lines.
- The quantity (Col F) for the discounted measured-rate and flat-rate local services should be the weighted-average number of customers as defined in Paragraph 6 of these instructions.
- Utility should include any true-up adjustments on each line item by month under Col A for LifeLine eligible customers submitted in previous month(s).
- For EUCL reimbursement on Line 6, CLECs should follow FCC rules which limit EUCL capped at the ILEC's rate.

Required Workpapers for the following operating costs (Lines 16 to 22) and implementation costs (Lines 26 to 30) on Claim Form

Workpapers for Lost Revenues Reported in Lines 16-22 and 26-30 of the Claim Form						
	(Col A)	(Col B)	(Col C)	(Col D)	(Col E)	(Col F)
Row 1	**Claim Form Line #**	**Cost Description**	**Direct Labor**	**Direct Material**	**Equipment or Depreciation Expense**	**Overhead Indirect or Shared Costs**

- The implementation costs for any line-item (Col A) may include methods and procedures development, training, special customer notification, system revision, etc.
- Carrier shall state whether the implementation costs are for one-time only or for a period of months with an estimated completion date.
- Utilities shall provide copies of invoices for any fess paid to third-party vendors, e.g., Direct Materials, Equipment, Direct Labor, etc.
- Utilities shall provide a description for internal Direct Labor cost, for example, three programmers working on billing system, totaling 200 hours.

Required Workpapers for the recovery of bad debt costs (Line 23)

Workpapers for the recovery of bad debt costs in Line 23 of the Claim Form									
	(Col A)	(Col B)	(Col C)	(Col D)	(Col E)	(Col F)	(Col G)	(Col H)	(Col I)
Row 1	**Claim Form Line #**	**Customer Info (Name, Tel. #, Address)**	**CertA Approval Date**	**Customer LifeLine Balance owed**	**Customer Service Disconnect Date**	**Bad Debts claim based on the lowest amount using either method below**		**Repayment of Previously Claimed Bad Debts**	**LifeLine Bad Debt billed or credit to Fund**
						Amount of Deposit	**Actual Unpaid LifeLine charges**		

- Enter the amount of unpaid LifeLine charges in Column D only. Exclude all other non-LifeLine charges, such as long distance charges, features, internet.
- GO 153 Section 9.3.9 limits the amount of bad debts claim to the lowest of (1) deposit amount for regular customer basic service, or (2) actual LifeLine rates and charges. If Column D is less than the deposit amount, then enter the amount in Column G; otherwise enter the deposit amount in Column F.
- Enter the bad debt amount in Column I from either Column F or G. If customer has made payments on previously claimed bad debt balance, enter the amount of bad debts collected from customers in Columns H and I.

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Appendix E

TIMELINE FOR PROCESSING CUSTOMER'S LIFELINE QUALIFICATION

QUALIFICATION PROCESS

New LifeLine Customers (Certification)

Form Mailing and Return

- 5 days from receipt of customer data records from carriers, CertA sends a partially completed Certification form to each LifeLine applicant and notifies the customer that the form has been sent.
- If Certification form is not returned within 21 days of mailing, CertA sends two reminders to the customer.
- 44 days for each customer to return the completed Certification form to the CertA.
- If the Certification form is not returned within 44 days, CertA allows an 8 day grace period for late receipt of the certification form.

Customer Response Processing

- 7 days for CertA to:
  - finalize review;
  - send letters of qualification or disqualification to customers; and
  - send list of qualified and disqualified customers to carriers for appropriate billing.
- 22 days for disqualified customers to respond to CertA.
- 15 days for CertA to:
  - finalize customers' appeals;
  - send letters of qualification or disqualification to customers;
  - send list of re-qualified customers to carriers for conversion back to LifeLine services from the original LifeLine service date.
- 15 days for disqualified customers to complain/appeal to the CPUC.

Existing LifeLine Customers (Verification)

Form Mailing and Return

- 104 days prior to each customer's re-certification date, CertA sends the LifeLine customer a Verification form and notifies the customer that the form has been sent.
- If Verification form is not returned within 21 days of mailing, CertA sends a reminder to the customer.
- A completed Verification form from each customer is due to CertA 44 days after the form was mailed to customers.
- If Verification form is not returned by the due date, CertA sends customer a soft denial letter and a 2nd

Verification form to customer.

- 21 days for the customer to return the 2nd Verification form to the CertA.

Customer Response Processing

- 7 days for CertA to:
  - finalize review;
  - send letters of qualification or disqualification to customers;
  - flag disqualified customers for possible 2nd review and final determination;
  - send list of qualified customers to carriers.
- 22 days for disqualified customers to respond to CertA.
- 7 days for CertA to:
  - finalize customers' appeals;
  - send letters of qualification or disqualification to customers; and
  - send list of qualified and disqualified customers to carriers for appropriate billing (after 2nd review).
  - For service re-grade, rate change should begin in the next bill rendered to customers after notification from CertA.
- 15 days for disqualified customers to complain/appeal to the CPUC.

Attachment B – Claim Form and Instructions

California LifeLine Report and Claim Form

For Period of _____

California LifeLine Service Provider _____
CPCN # _____

BASIC SERVICE RECOVERY

1. Allowable SSA for Flat Rate Service _____
   1.5Allowable SSA for Flat Rate Service (Disabled & Additional Households) _____

2. Allowable SSA for Measured Rate Service _____
   2.5 Allowable SSA for Measured Rate Service (Disabled & Additional Households) _____

3. Connection Charges _____
   3.5 Connection Charges (Disabled & Additional Households) _____

4. Conversion Charges _____
   4.5 Conversion Charges (Disabled & Additional Households) _____

5. Allowable Recovery – Untimed Calls _____
   5.5 Allowable Recovery – Untimed Calls (Disabled & Additional Households) _____

6. FCC End User Surcharges (EUCL) _____
   6.5 FCC End User Surcharge (EUCL) (Disabled & Additional Households) _____

7. Surcharges, Taxes & Fees _____

ADMINISTRATIVE EXPENSE RECOVERY

8. Incremental Administrative Expenses _____
9. Administrative Expense Cost Factor _____

Implementation Costs – New Reporting Requirements (Non-Recurring):
By Commission Order: _____

10. Implementation Costs _____

11. TOTAL CLAIMS* _____

I hereby certify under the penalty of perjury under the laws of the State of California that the foregoing claim, (including any accompanying schedules, statements, and workpapers) is true and has been examined by me and to the best of my knowledge and belief is a true, correct and complete claim.

Signature _____ Title _____
Preparer _____ Date _____
Address_____ Phone_____
_____ Email _____

*Claimed amounts should be net of the support, if any, which the California LifeLine Service Provider expects to receive from the federal Lifeline Universal Service Fund (USF)..

Send Completed California LifeLine Claim Form to
Communications Division
California Public Utilities Commission
505 Van Ness Avenue, 3rd Floor, San Francisco, CA 94102 Or by Email: lifelineclaim@cpuc.ca.gov

California LifeLine Report and Claim Form

Subscriber Statistics

Type of Subscriber Data	**Count**
New Connections	
New Conversion	
End-of-month Flat Rate subscribers	
End-of-month Measured Rate subscribers	
End-of-month Disabled subscribers with 2nd Lines	
End-of-month Total Subscribers	

Instructions for the California LifeLine Report and Claim Form

California LifeLine Service Providers may claim reimbursement for administrative costs and lost revenues from the California LifeLine Fund (Fund) consistent with General Order (GO) 153.

1. California LifeLine Service Providers with 100 or more California LifeLine subscribers shall submit the California LifeLine Report and Claim Form ("California LifeLine Claim Form") no later than 60 days after the conclusion of the month during which service was provided. If the 60th day falls on a weekend or holiday, the forms shall be submitted on the next business day. Administrative costs must be filed at least every three months. All late filed LifeLine Claims are deemed void and denied.
2. California LifeLine Service Providers with fewer than 100 California LifeLine subscribers must submit the California LifeLine Claim Form at least every six months. No claim form shall be accepted if it is for more than six months after service was provided, and any claim for California LifeLine Program reimbursement not timely submitted is deemed void and denied.
3. California LifeLine Service Providers have the burden of supporting and justifying any costs they claim. Workpapers should be provided for all claimed costs. Such workpapers, as identified in Paragraph 10 of these instructions, must be unambiguous and show how all claimed items on the Claim Form were derived. California LifeLine Service Providers must include a copy of Federal Lifeline and Link-Up Worksheet (FCC Form 497) if it claims federal Lifeline subsidies from the Universal Service Fund (USF). To facilitate timely process of the claims, supporting documents should be made available to CD, upon request, within 10 business days. Failure to provide supporting workpapers for all claimed items will constitute reasonable grounds for rejection of such claims.
4. California LifeLine Service Providers may only claim those costs and lost revenues identified in the body of GO 153. California LifeLine Service Providers shall not claim any costs or lost revenues that are prohibited by GO 153, and the Commission's rules and regulations.
    a. California LifeLine Service Providers will continue to report their administrative costs with their monthly claims, which may include data processing, subscriber notification, accounting, service representative, legal, and administrative costs associated with the deferred payment plan.
    b. Each California LifeLine subscriber shall be limited to one SSA per month. California LifeLine subscribers may receive an additional SSA if all conditions are met as set forth in GO 153 §5.1.8.
    c. After January 1, 2013, all California LifeLine Service Providers may not recover any available federal subsidies from the Fund.
5. California LifeLine Service Providers must report costs and lost revenues that they seek to recover from the Fund in accordance with the instructions set forth in GO 153. California LifeLine Service Providers shall not be reimbursed for costs and lost revenues that are not reported in the manner prescribed by GO 153.
6. Claims shall be reported to the nearest cent.
7. California LifeLine Service Providers shall report on the California LifeLine Claim Form the weighted-average number of California LifeLine subscribers provided by the California LifeLine

Administrator broken down into Measured- Rate Service and Flat-Rate Service identified by rate groups (if applicable) and any second California LifeLine lines, and California LifeLine subscribers that are not eligible to receive federal subsidies due to FCC's rules which limit one Lifeline subsidy per physical address.

8. California LifeLine Service Providers shall report the California LifeLine subscriber count statistics.

9. The following table summarizes the proper assessment and billing of surcharges, taxes, and fees:

PROPER ASSESSMENT AND BILLING OF SURCHARGES/SURCREDITS, TAXES, AND FEES				
	Assess on LifeLine services billed to LifeLine subscribers	**Assess on LifeLine services billed to federal programs**	**Assess on LifeLine services billed to LifeLine Fund ***	**Assess on Other Elements**
ILEC's Bill & Keep / Rate Case Surcharge / Surcredit	Yes - Paid by Subscriber	Yes - Paid by LifeLine	Yes - Paid by LifeLine	None
Public Programs Surcharges **	No	No	No	None
CPUC User Fee	No	No	No	None
Federal Excise Tax	Yes, except for new service connection charges - Paid by Subscriber	Yes, except for new service connection charges - Paid by LifeLine	Yes, except for new service connection charges - Paid by LifeLine	EUCL, ILEC's Bill & Keep/Rate Case Surcharge/Surcredit, PUC User Fee, and City & Local Taxes - Paid by LifeLine
911 Tax	No	No	No	None
City & Local Taxes	If LifeLine services are not exempted - Paid by Subscriber	If LifeLine services are not exempted – Paid by LifeLine	If LifeLine services are not exempted – Paid by LifeLine	None
* California LifeLine services billed to the California LifeLine Fund include (i) California LifeLine Service Connection Charges, (ii) California LifeLine Service Conversion Charges, (iii) discounted monthly rates for local service, and (iv) untimed local calls.				
** Public Program Surcharges include California High-Cost Fund-A, California High-Cost Fund-B, California Relay Service and Communications Device Fund, California Teleconnect Fund, the California Advanced Services Fund, and Universal LifeLine Telephone Service.				
California LifeLine Service Providers should report and bill the California LifeLine Fund for items identified as "Paid by California LifeLine".				

10. All required workpapers as identified below should be submitted electronically to CD in Microsoft's Excel format or any comparable electronic format accepted by staff.

Required workpapers for lost revenues reported in Lines 1 through 10 of the Claim Form:

1. SSA Calculation

- Until December 31, 2012, California LifeLine Flat Rate Service is capped at $6.84 and California LifeLine Measured Rate Service is capped at $3.66, except in EAS exchanges wherein the rate is capped at the California LifeLine rate effective on November 19, 2010.

- Until December 31, 2012, the California LifeLine Flat Rate Service will have a price floor of $5.00. Beginning January 1, 2013, there will be an assumed payment floor of $5.00 for California Lifeline Flat Rate.

- Until December 31, 2012, the California LifeLine Measured Rate Service price floor is $2.50. Beginning January 1, 2013, there will be an assumed payment floor of $2.50 for California Lifeline Measured Rate Service.

- For any rate changes, claims must be supported by a copy of the approved tariff or a copy of the California LifeLine Service Provider's schedule of rates and charges.

- LifeLine Rate shall be no more than 50% of California LifeLine Service Provider's regular Basic Service Rate.

Reimbursement for 1st LifeLine line (Figures shown to demonstrate calculation methodology only)

(Col A)	(Col B)	(Col C)	(Col D)	(Col E)	(Col F)	(Col G)	(Col H)	(Col I)	(Col J)
Type of Service	Regular Basic Service Rate	Rate Group	Lifeline Rate*	Federal Tiers 2 & 3	Lost Revenue (Col B-D-E)	Maximum SSA - $11.50	Amount of SSA Eligilble for Reimbursement (Lesser of Col F or G)	EAS Additional Support - If Lost Revenue is greater than Max SSA (Col F-G)	Total Reimburse-ment Amount (Col H+I)
Flat	$19.95	1	$6.84	$3.50	$9.61	$11.50	$9.61	$0.00	$9.61
Flat	$26.98	15	$10.36	$3.50	$13.12	$11.50	$11.50	$1.62	$13.12
Measured	$12.37	1	$3.66	$3.50	$5.21	$11.50	$5.21	$0.00	$5.21
Measured	$19.40	15	$7.17	$3.50	$8.73	$11.50	$8.73	$0.00	$8.73

SSA Calculation for 2nd Lifeline Line for TTY, or Add'l Household* **(Figures shown to demonstrate calculation methodology only)**

(Col A)	(Col B)	(Col C)	(Col D)	(Col E)	(Col F)	(Col G)	(Col H)	(Col I)	(Col J)
Type of Service	Regular Basic Service Rate	Rate Group	Lifeline Rate	Federal Tiers 2 & 3*	Lost Revenue (Col B-D-E)	Maximum SSA - $11.50	Amount of SSA Eligible for Reimbursement (Lesser of Col F or G)	EAS Additional Support - If Lost Revenue is greater than Max SSA (Col F-G)	State Reimbursement Amount (Col H+I)
Flat	$19.95	1	$6.84	$3.50	$9.61	$11.50	$9.61	$0.00	$9.61
Flat (for Disabled 2nd & Add'l Household)	$19.95	1	$6.84	$0	$13.11	$11.50	$13.11	$1.61	$13.11
Measured	$12.37	1	$3.66	$3.50	$5.21	$11.50	$5.21	$0.00	$5.21
Measured (for Disabled 2nd & Add'l Household)	$12.37	1	$3.66	$0	$8.71	$11.50	$8.71	$0.00	$8.71

*California LifeLine Service Providers may recover lost revenues not eligible for Federal USF support provided to Disabled subscribers and additional California LifeLine subscribers sharing same address with another California LifeLine subscriber (GO 153 §9.3.1).

2. Lines 1, 1.5, 2, and 2.5 for monthly recurring charges.

Claim Form Line #	Service Description	Rate Group	Reimbursement Amount Per Subscriber	Weighted Average Subscriber Count	Total (Reimbursement Amount X Weighted Average)
1	Flat Rate				
1.5	Flat Rate (Disabled 2nd & Add'l Household)				
2	Measured Rate				
2.5	Measured Rate (Disabled 2nd & Add'l Household)				

3. Lines 3, 3.5, 4, and 4.5 for non-recurring charges.

(Col A)	(Col B)	(Col C)	(Col D)	(Col E)	(Col F)	(Col G)	(Col H)	(Col I)	(Col J)	
Claim Form Line #	**Service Description**	**For non-ILEC (ILEC Service Territory)**	**ILEC Rate**	**CLEC Rate**	**For non-ILEC (Use the lesser of CLECor ILEC Rate)**	**Quantity**	**Total Expected Revenue (Col D or F x Col G)**	**Amount Billed to LifeLine Subscribers x Col G**	**Amount Billed to Federal USF (Form 497)**	**Amount Billed to Fund (Col H – Col G – Col J)**
3	Connection Charges									
3.5	Connection Charges (Disabled 2nd & Add'l Household Line)									
4	Conversion Charges									
4.5	Conversion Charges (Disabled 2nd & Add'l Household Line)									

4. Lines 5 and 5.5 for Untimed Calls (Figures shown to demonstrate calculation methodology only)

Allowable Recovery Untimed Calls			
Calls	Count	Rate	Amount
31-40	100,000	$0.10	$10,000.00
41-60	125,000	$0.15	$18,750.00
Total			$28,750.00

5. Lines 6 and 6.5 for EUCL charge

Claim Form Line #	Service Description	EUCL Rate	Number of Subscribers	Total (EUCL X No. of Subscribers)
6 (until 12/31/12)	EUCL Charge (subscriber with 1st Line)			
6.5	EUCL Charge (Disabled & Add'l Household 2nd Line)			

- Non-ILEC, California LifeLine Service Providers shall follow FCC's rules which limit EUCL reimbursement at the ILEC's rate.

6. Line 7 for Surcharges, Taxes and Fees

Claim Form Line #	Type of Expense	Amount Remitted to Taxing/Surcharge Authority
7	Bill and Keep / Rate Case Surcharge	
	Federal Excise Tax	
	Local Tax	
	Total	

7. Line 8 and 9 for Administrative Expense Recovery

All California LifeLine Service Providers, except Rate-of-Return ILECs, may opt to receive maximum administrative expense by filing incremental administrative expenses (Line 8) or by not filing any incremental administrative expenses to receive the lowest administrative cost (Line 9).

A. Line 8 - Incremental Administrative Expense

Type of Expense	**Amount**	**Description**
Data Processing		
Customer and Subscriber Notifications		
Accounting		
Service Representative Costs		
Legal		
Deferred Payment Schedule Costs A. Interest Costs B. Administrative Costs		
Total		

Administrative cost per subscriber = Total amount / Total weighted average subscriber count

- Rate-of-return ILECs must continue to report their LifeLine administrative costs
- Non-Rate-of-Return ILEC, California LifeLine Service Providers must complete workpapers for Line 12 when seeking the maximum administrative cost allowed ($0.50[8] per California LifeLine subscriber).

B. Line 9 – Administrative Expense Cost Factor

Administrative Expense = $0.03[1] x Weighted Average LifeLine subscriber count

- For California LifeLine Service Providers not reporting incremental cost, multiply Administrative Cost Factor ($0.03 per California LifeLine subscriber) by weighted average subscriber count.

[8] May be adjusted annually pursuant to GO. 153 §9.3.12.

8. Line 10 for Implementation costs

Type of Expense	**Amount**	**Description**
Data Processing		
Subscriber Notifications		
Accounting		
Service Representative Costs		
Legal		
Total		

- The implementation costs may include methods and procedures development, training, special subscriber notification, system revision, etc.
- California LifeLine Service Providers shall state whether the implementation costs are for one-time only or for a period of months with an estimated completion date.
- California LifeLine Service Providers shall provide copies of invoices for any fess paid to third-party vendors, e.g., Direct Materials, Equipment, Direct Labor, etc.
- California LifeLine Service Providers shall provide a description for internal Direct Labor cost, for example, three programmers working on billing system, totaling 200 hours.

9. ETC carrier eligible for Federal USF support?

YES_____ NO_____

Attachment C – Timeline for Processing California LifeLine Qualifications

TIMELINE FOR PROCESSING CALIFORNIA LIFELINE QUALIFICATIONS

QUALIFICATION PROCESS

New California LifeLine Applicants (Application)

Form Mailing and Return

- Within 5 days of receipt of applicant's data records from carriers, the California LifeLine Administrator sends a partially completed Application Form to the LifeLine applicant and notifies the customer that the form has been sent.
- If the Application Form is not returned within 21 days of mailing, the California LifeLine Administrator sends two separate reminders to the applicant.
- Applicant has 44 days to return the completed Application Form to the California LifeLine Administrator.
- If the Application Form is not returned within 44 days, the California LifeLine Administrator allows an 8 day grace period for late receipt of the Application Form.

Applicant Response Processing

- Once the completed application form is received, the California LifeLine Administrator has 7 days to:
    - finalize review;
    - send letters of qualification or disqualification to applicants; and
    - send list of qualified subscribers and disqualified applicants to carriers for appropriate billing.
- Disqualified customers have 21 days to respond to the California LifeLine Administrator if the initial denial is correctable.
- The California LifeLine Administrator has 7 days to:
    - finalize the processing of the correctible denials;
    - send letter of qualification or disqualification to the applicant;
    - send list of qualified and disqualified applicants to carriers.
- 15 days for disqualified applicants to appeal to the CPUC.

Existing LifeLine Subscribers (Renewal)

Form Mailing and Return

- 105 days prior to each subscriber's anniversary date, the California LifeLine Administrator sends the LifeLine subscriber a Renewal Form and notifies the subscriber that the form has been sent.

- If the Renewal Form is not returned within 21 days of mailing, the California LifeLine Administrator sends a reminder to the subscriber.
- A completed Renewal Form is due to the California LifeLine Administrator 44 days from the mailing of the form to the subscriber.
- If Renewal Form is not returned within 44 days, the California LifeLine Administrator sends the subscriber a "soft denial" letter and a 2nd Renewal Form.
- The subscriber has 21 days to return the 2nd Renewal Form to the California LifeLine Administrator.

Subscriber Response Processing

- Once the completed Renewal Form is received, the California LifeLine Administrator has 7 days to:
  - finalize review;
  - flag disqualified subscribers for possible 2nd review and final determination for approval;
- 21 days for disqualified subscribers to respond to the California LifeLine Administrator if the initial denial is correctable.
- 7 days for the California LifeLine Administrator to:
  - finalize the processing of correctible denials;
- 1 day prior to the California LifeLine subscriber's Anniversary Date the California LifeLine Administrator will:
  - Send letter of qualification or disqualification to subscribers, and;
  - Send list of qualified and disqualified subscribers to carriers (after the 2nd review)
- 15 days for disqualified subscribers to appeal to the CPUC.