

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 1, 2018

To: California LifeLine Service Providers

SUBJECT: NOTICE OF SPECIFIC SUPPORT CALCULATION FOR 2019

This letter is to inform all California LifeLine Service Providers of the new Specific Support Amount, effective January 1, 2019.

Background

In Decision (D.) 10-11-033, adopted November 19, 2010, the California Public Utilities Commission (Commission) established a new California LifeLine subsidy methodology and claim system for California LifeLine service providers. Resolution T-17321, issued September 22, 2011, revised General Order 153 (effective December 1, 2011) to incorporate changes necessary to implement the SSA methodology adopted by D.10-11-033. For every subscriber reported by the California LifeLine administrator, each California LifeLine service provider receives a subsidy up to the Specific Support Amount (SSA).

D.10-11-033, Ordering Paragraph (OP) 6, provides the California LifeLine SSA calculation methodology. The SSA is calculated by taking 55% of the highest basic flat rate of the four Carriers of Last Resort (COLRs) as reported to the Commission on August 1st of the previous year. The SSA rates would go into effect January 1st of the following year.

Calculation

The four largest Uniform Regulatory Framework (URF) COLRs reported their highest basic flat service rates effective July 31, 2018, as follows:

AT&T California	\$27.00
Frontier California Inc.	\$22.00
Frontier Communications of the Southwest Inc.	\$22.00
Consolidated Communications of California Company	\$21.99

Of the four, AT&T's rate of \$27.00 represented the highest basic flat rate service amount. Therefore, using the formula given in D.10-11-033 and GO 153, the SSA is computed as follows:

$$\$27.00 \times 55\% = \$14.850, \text{ rounded to } \underline{\$14.85} \text{ (the nearest } \$0.05)$$

As a result, for 2019, the SSA will increase from \$14.30 to \$14.85. This change is effective for service provider claims for reimbursement for California LifeLine program participants receiving

service from their service providers starting January 1, 2019. As set forth in D.10-11-033, OP 24, service providers are required to reduce customer bills by the total reimbursement amount they receive from the California LifeLine Program. In addition, Carriers are required to specifically show all reductions as a separate line item or its equivalent, on customers bills.

Service Providers must file an advice letter if the new SSA impacts either the California LifeLine service provider's tariffs or schedule of rates and charges. Should the new SSA change result in a rate increase for customers, a customer notice is required, in accordance with disclosure requirements set forth in General Order 153, Section 4.7. California LifeLine service providers should submit a draft notice to the Commission's Public Advisor's Office for review at public.advisor@cpuc.ca.gov with a copy to Anna Jew at anna.jew@cpuc.ca.gov.

If you have any questions regarding this matter, please contact Anna Jew by phone at (415) 703-3087 or via e-mail at anna.jew@cpuc.ca.gov.

Sincerely,



Cynthia Walker
Director, Communications Division