

STATE OF NORTH CAROLINA CHATHAM COUNTY, NC-0468

BEFORE THE COUNTY BOARD

IN THE MATTER OF:) The Review of FCC1240 Annual Rate) Adjustment Request, FCC1235) Abbreviated Cost of Service Rate Request,) and FCC1205 Equipment and Installation) Rate Request filed by Time Warner) Cable)	An Order Finding Time Warner Cable's 2004 FCC1240 Basic Service Tier and FCC1235 Cost of Service Rates are Reasonable and FCC1205 Installation Rates Comply with the FCC's Rules and are Subject to the Conditions Stated Herein and Subject to the Conditions Stated Herein.
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WHEREAS, in accordance with the provisions of the Cable Television Consumer Protection and Competition Act of 1992 (1992 Act), the Federal Telecommunications Act of 1996 (1996 Act), the Town Code, and regulations adopted pursuant to that Code, the Town Board is permitted to regulate rates for basic cable services and associated equipment;

WHEREAS, Time Warner Cable of Raleigh-Durham (Time Warner) submitted FCC1240 Updating Annual Maximum Permitted Rates filings for Regulated Cable Services with the Town. Time Warner's filings encompass external costs, inflation, and program costs for the True-up period of October 2002 through September 2003, and the projected period of January through December 2004;

WHEREAS, the County received a report from its Consultant stating that Time Warner submitted its FCC1240 before the FCC published its October 2003 updated inflation factors; Time Warner's FCC1240 rate calculations comply with the FCC's rate-making rules;

WHEREAS, Time Warner submitted a consolidated "Company" FCC1205 Determining Regulated Equipment and Installation Costs filing with the County to set the regulated rate for the Hourly Service Charge, Installation Services and Equipment rental rates;

WHEREAS, the County is certified with the FCC to regulate basic service tier rates provided by Time Warner in the Town;

NOW THEREFORE THE COUNTY BOARD MAKES THE FOLLOWING FINDINGS:

THAT Time Warner's Maximum Permitted \$12.24 Rate for Basic Tier Service for Chatham County is reasonable;

THAT Time Warner's Maximum Permitted \$15.12 Rate for Basic Tier Service for Chatham (Pittsboro ETJ) is reasonable;

THAT Time Warner's \$1.81 Add-on Rate for Basic Tier Service for Chatham County is reasonable;

THAT Time Warner's \$1.81 Add-on Rate for Basic Tier Service for Chatham (Pittsboro ETJ) is reasonable;

THAT Time Warner's National \$37.50 HSC complies with the FCC's rate regulation rules;

THAT Time Warner may charge a Basic Service Tier rate below the approved combined maximum permitted rate;

THAT Time Warner may base its installation rates on its 2004 FCC1205 HSC rate of \$37.50;

THAT Time Warner has substantiated adjustments to its FCC1205 equipment rates; and

THAT Time Warner has substantiated the other adjustments to its cable service rates based on past and estimated cost elements.

IT IS THEREFORE ORDERED:

THAT Time Warner's Maximum Permitted Rate for Basic Tier Service for Chatham County of \$12.24 and for Pittsboro ETJ of \$15.12 is reasonable, its \$1.81 FCC1235 "Add-on" is reasonable and that Time Warner may charge a combined "selected" BST rate below the approved maximum permitted rates, but not above it;

THAT the maximum permitted Basic Service Tier rate for Time Warner subscribers in The County for the projected period shall not exceed \$12.24 for Chatham County and \$15.12 for Pittsboro ETJ per month, subject to subsequent findings by the Board to the contrary;

THAT Time Warner's Equipment, Installation and HSC rates comply with the FCC's rate regulation rules;

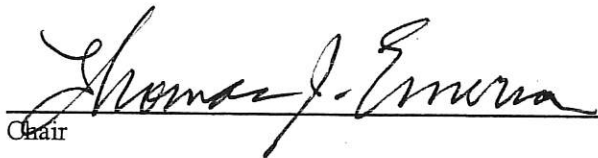
THAT the County reserves its right to revise this Rate Order subject to subsequent contrary findings by the Board, and

THAT this Order will be effective immediately, copies will be released to Time Warner and the public.

ISSUED BY ORDER OF THE CHATHAM COUNTY BOARD


This the 5th day of January 2004.

BY:


Chair

ATTEST:

seal


Clerk

Deliver Report and Executed Order via Certified U.S. Mail to: Paul Baccellieri, VP Finance, Time Warner Cable 101 Innovation AV., Suite 100, Morrisville, NC 27560.

Copy to: Action Audits, LLC., 101 Pocono LN., Cary, NC 27513.