

**STATE OF NORTH CAROLINA
CHATHAM COUNTY**

BEFORE THE BOARD OF COUNTY COMMISSIONERS

IN THE MATTER OF:

Review of FCC 1205, 1235 & 1240
Annual Rate Adjustment Requests filed by
Time Warner Cable for Chatham, NC-
0468 and Chatham (Pittsboro ETJ) NC-
0468

) **ORDER FINDING TWC's 2000
CABLE SERVICE FCC1240/1235
RATE METHODOLOGY AS
REASONABLE AND ORDERING
A RATE TRUE-UP FOR 2001.**

BY THE BOARD OF COUNTY COMMISSIONERS:

WHEREAS, Time Warner Cable submitted three FCC 1240 Updating Annual Maximum Permitted Rates filings for Regulated Cable Services with the County. Time Warner's filing covers external costs, inflation, and cable system upgrade costs for the true up period of October 1998 through September 1999 and the projected period of January through December 2000;

WHEREAS, Time Warner Cable submitted an FCC 1235 Abbreviated cost of Service For Cable Network Upgrades with the County. Time Warner's filing covers capital expenses directly related to system infrastructure improvements prior to January 1, 2000;

WHEREAS, the County received a report stating that Time Warner's FCC 1205, 1235 and FCC1240 rate calculations comply with Federal Communications Commission rate making rules and that the requested maximum permitted Basic Service Tier rate is reasonable;

WHEREAS, the County received a report stating that Time Warner's FCC 1240 BST rate calculations comply with Federal Communications Commission rate making rules, and that the requested monthly maximum permitted Basic Service Tier rates are as follows: Chatham NC-0468 by \$.28 and Chatham (Pittsboro ETJ) by \$.03;

WHEREAS, FCC rules grant local franchise authorities an initial ninety (90) day review period, measured from the date of receipt of said filing by the franchise authority, with which to review the cable operator's FCC 1240 rate filing. If said ninety (90)-day review period expires before the rates go into effect, the franchise authority retains review and refund authority past the initial ninety (90) day review period as long as all inquiries from the cable operator regarding said review are responded to in writing within fifteen (15) days of said inquiry;

WHEREAS, Time Warner's rate filing includes cost estimates for the calendar year of 2000, and said estimates shall require adjustment (true up), due to changes in to the 2000 projected period's inflation factor effects the 2001 BST MPR in TWC's subsequent FCC 1240 rate filing for 2001; and

WHEREAS, the County is certified with the FCC to regulate basic service tier rates provided by Time Warner Cable.

IT IS A FINDING:

THAT Time Warner Cable's Basic Service Tier rate assessed subscribers within the County shall not exceed the maximum permitted rate, subject to modifications in subsequent findings by the cable operator or franchise authority, and Time Warner's FCC1240 **BST MPR** plus **Add-on** charges shall not exceed the **Combined MPR** stated below for each CUID during the 2000 calendar year;

Franchise Area (CUID)	BST MPR	Add-on	Combined MPR
Chatham, NC-0468	\$8.13	\$1.81	\$9.94
Chatham (Pittsboro), NC-0468	\$10.75	\$1.81	\$12.56

THAT Time Warner Cable may charge a Basic Service Tier rate below the approved **Maximum Permitted Rate**, but not above it;

THAT Time Warner may charge a Network Upgrade Charge rate below the approved **Maximum Permitted Rate**, but not above it;

THAT Time Warner Cable has by in large substantiated the other adjustments to its Cable Service rates based on past and estimated cost elements; and

THAT Time Warner has complied with FCC rate making rules, and its requested Maximum Permitted BST and COS "Add-on" rates are found to be reasonable and subject to any refund liability due to for the projected period's inflation factor adjustment at the time the FCC 1240 BST filing for 2001 is submitted.

IT IS THEREFORE ORDERED:

THAT Time Warner's FCC1240 **Combined MPR** for **BST** cable service during the 2000 calendar year, subject to subsequent findings by the County to the contrary, during the 2000 calendar year for each CUID shall not exceed the amounts stated herein;

Franchise Area (CUID)	Combined MPR
Chatham, NC-0468	\$9.94
Chatham (Pittsboro), NC-0468	\$12.56

THAT Time Warner may charge a Basic Service Tier rate below the approved **Maximum Permitted Rate**, but not above it;

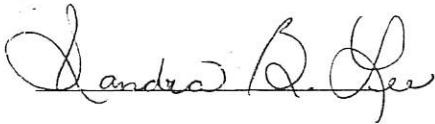
THAT the County retains its authority to issue refunds or rate roll backs after the initial ninety (90) day review period with respect to the restructured rate set out in the FCC 1240 or FCC1235 filings; and

THAT Time Warner must keep a full and accurate account of all revenues and costs associated with the aforementioned cable rate adjustment.

ISSUED BY ORDER OF THE BOARD OF COUNTY COMMISSIONERS

This the 7th day of February, 2000.

ATTEST:



Sandra B. Sepe

CHAIRMAN:



Rick Guin

Send Report and Order via Certified U.S. Mail to:
Copy to:

Time Warner Cable
R.F. Sepe @ the City of Raleigh