

**STATE OF NORTH CAROLINA  
CHATHAM COUNTY**

**BEFORE THE BOARD OF COUNTY COMMISSIONERS**

IN THE MATTER OF: ) **Order Finding TWC's 1999**  
Review of FCC 1240 Annual Basic ) **Proposed Selected Basic**  
Service Tier Rate Adjustment Request ) **Service Tier Rates as**  
filed by Time Warner Cable for ) **Reasonable and Providing**  
NC-0468 ) **Conditional Approval.**

**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 January 1, 1998 through December 31, 1998, and the projected period of January 1, 1999 through December 31, 1999;

**WHEREAS**, Time Warner Cable is permitted, pursuant to the Social Contract and Thirteenth Order on Reconsideration, to estimate and recover anticipated inflation, external costs, and cable system upgrade costs for the period of January 1, 1999 through December 31, 1999;

**WHEREAS**, on January 3, 1999, the County received a report from its consultant stating that Time Warner's FCC 1240 BST rate calculations are in compliance with Federal Communications Commission rate making rules, and that the requested maximum permitted Basic Service Tier Selected rate was calculated in compliance with the FCC's rate making rules;

**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 1999, and said estimates shall require adjustment (true up), due to changes in the fourth quarter 1998 inflation factor which effected the 1999 BST MPR, in the cable operator's subsequent FCC 1240 rate filing for 2000; and

**WHEREAS**, the County is certified with the FCC to regulate basic service tier rates provided by Time Warner Cable in franchise NC-0468.

**IT IS A FINDING:**

**THAT** Time Warner Cable did structure its 1998 true-up charges for the fourth 1997 through third quarter 1998 on the FCC's published inflation factors (da980663, da981292).

**THAT** Time Warner Cable did base its BST (Basic Tier Service) projected 1999 rate, in part, upon an erroneous fourth quarter 1998 inflation factor FCC Cable Bureau (da981974);

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

**THAT** Time Warner has complied with FCC rate making rules, and its requested Maximum Permitted BST rate is found to be reasonable and subject to any refund liability due to the fourth quarter 1998 inflation factor at the time the FCC 1240 BST filing for 2000 is submitted.

**IT IS THEREFORE ORDERED:**

**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 for Basic Service Tier cable television programming during the 1999 calendar year;

**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 filing; 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 19<sup>th</sup> day of January, 1999.

ATTEST:



CHAIRMAN:



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

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