

**STATE OF NORTH CAROLINA  
CHATHAM COUNTY, NC-0468**

**BEFORE CHATHAM COUNTY**

IN THE MATTER OF:	)	<b>ORDER FINDING FCC 1240</b>
Review of FCC 1240 Annual Basic	)	<b>BASIC SERVICE TIER</b>
Service Tier Rate Adjustment Request	)	<b>RATE ADJUSTMENT</b>
filed by Time Warner Cable for	)	<b>REQUEST TO BE</b>
<b>Chatham County, NC-0468.</b>	)	<b>IN COMPLIANCE</b>
	)	<b>WITH FCC RATE MAKING</b>
	)	<b>RULES AND TO BE</b>
	)	<b>REASONABLE</b>

**BY CHATHAM COUNTY:**

**WHEREAS**, on September 30, 1996, Time Warner Cable submitted to the County FCC 1240 Annual Basic Service Tier Rate Adjustment requests for setting Regulated Maximum Permitted Rates in Chatham County. The filings covers external costs, inflation, and cable system upgrade costs for the true-up period of January 1, 1996 through December 31, 1996, and the projected period of January 1, 1997 through December 31, 1997;

**WHEREAS**, Time Warner Cable is permitted, pursuant to the Social Contract and Thirteenth Order on Reconsideration, to estimate and recover inflation, external costs, and cable system upgrade costs for the period of January 1, 1997 through December 31, 1997;

**WHEREAS**, on January 15, 1997, the County received a report from its consultants stating that Time Warner's FCC 1240 rate calculations are **in compliance** with Federal Communications Commission rate making rules, and that the requested maximum permitted Basic Service Tier rate of **\$10.35** for the Pittsboro service area, and **\$7.48** for the Chapel Hill service area in franchise NC-0468 are **reasonable**;

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

**WHEREAS**, Time Warner revised information contained within its original 1995/1996 and 1996/1997 FCC 1240 rate filings with amended rate filings provided to the County and the consultants;

**WHEREAS**, Time Warner's 1996/1997 amended rate filing includes cost estimates for the calendar year of 1997, and said estimates may require adjustment (true up) in the cable operator's

subsequent FCC 1240 rate filing in 1998; and,

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

**IT IS A FINDING:**

**THAT** Time Warner Cable has substantiated the adjustment of its maximum permitted Basic Service Tier rates of **\$10.35** for the Pittsboro service area, and **\$7.48** for the Chapel Hill service area;

**THAT**, Time Warner has selected to charge the Basic Service Tier rate of **\$10.00** for the Pittsboro service area, and \$7.48 for the Chapel Hill service area during the 1997 calendar year in unincorporated Chatham County; and,

**THAT** Time Warner has complied with FCC rate making rules, and its requested maximum permitted BST rates are reasonable.

**IT IS THEREFORE ORDERED:**

**THAT** Time Warner Cable's maximum permitted Basic Service Tier rates in unincorporated Chatham County shall not exceed **\$10.35** in the Pittsboro service area, and **\$7.48** for the Chapel Hill service area, during 1997, exclusive of applicable taxes or franchise fees, and subject to subsequent findings by the franchise authority;

**THAT** the County is authorized to direct the cable operator to issue refunds or rate roll backs after the initial 90-day review period with respect to the rates set out in the FCC 1240 filing, subject to subsequent findings by the franchise authority; and,

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

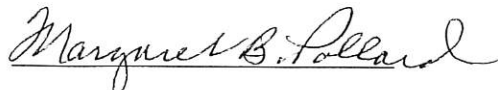
**ISSUED BY ORDER OF CHATHAM COUNTY**

This the 23th day of January, 1997.

ATTEST:



CHAIRMAN:



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

Time Warner Cable  
City of Raleigh/TJCOG