

Memo

To: Mayor Barrie P. Tilghman
From: J. H. Cawley
CC: Mr. John R. Pick, Executive Officer
Date: October 11, 2004
Re: Comcast Rate Filing

The City has completed its review of Forms 1240 and 1205 filed by Comcast calculating the new Maximum Permitted Rate for Limited Basic Service of \$17.88. This is a decrease of \$ 6.34 from the current Maximum Permitted Rate of \$ 24.22. It should be noted that Comcast plans to charge only \$17.15 for this service despite the fact that the new maximum permitted rate would allow them to charge up to \$17.88.

In addition to the rate for the limited basic service tier, the Comcast filing increases and decreases rates for equipment and installation. I met with Tom Worley (Area Director), Craig Schmidt (Comcast Regulatory Affairs) and Erika Forsythe and they provided the burden of proof that these rates have been calculated correctly.

The following are the maximum rates effective November 1, 2004:

<u>Rate</u>	<u>Curr Max</u>	<u>Curr Rate</u>	<u>New Max</u>
Limited Basic Service	\$24.22	\$17.15	\$17.88
<i>Equipment and Installation Charges:</i>			
Addressable Converter	2.81	2.81	4.83
Non-addressable Converter	0.36	0.34	1.30
Remote Control	0.34	0.34	
HDTV Converter	7.84	5.00	8.33
Hourly Service Charge	35.90	35.90	35.17

<u>Rate</u>	<u>Curr Max</u>	<u>Curr Rate</u>	<u>New Max</u>
Change of Service (w/truck)	35.90	14.36	35.17
Change of Service-w/o truck	1.99	1.99	1.99
Unwired Home Installation	\$43.08	\$43.08	\$52.23
Prewired Home Installation	28.72	28.72	31.40
Add'l Outlet Connection	14.36	14.36	17.15
Add'l Outlet Connection Separate trip	25.13	25.13	25.31
HDTV Installation	62.82	49.95	<u> *</u>

- This will be considered as standard installation and will not be a separate charge after 11/1/04.

Between now and November 1, 2004 Comcast will be issuing a revised rate schedule. Any current rates exceeding the new maximum will be adjusted downward.

Unless you or John Pick have any questions, please forward this memo and the attached Resolution to City Council.

RESOLUTION NO. 1159

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALISBURY TO APPROVE THE CALCULATION OF MAXIMUM PERMITTED RATES FOR LIMITED BASIC SERVICE AND REGULATED EQUIPMENT RATES AND INSTALLATION CHARGES AS SET FORTH IN COMCAST'S RATE FILING DATED JULY 29, 2004.

WHEREAS, pursuant to the regulations of the Federal Communications Commission, the City of Salisbury filed Form 328 with the FCC and adopted Ordinance No. 1582 establishing a procedure; and

WHEREAS, on July 29, 2004, Comcast Cablevision submitted FCC Form 1240 and FCC Form 1205, notifying the City of Salisbury of the calculation of Maximum permitted Rates for limited basic service and regulated equipment rates and installation charges; and

WHEREAS, upon receiving the filing, the City of Salisbury began to investigate the rate request and gave public notice of the filing; and

WHEREAS, the staff of the City's Finance Department has met with representatives of Comcast Cablevision, reviewed the rate filing, and is satisfied that the calculation of regulated rates for limited basic service and equipment and installation charges, as set forth in Comcast's rate filing dated July 29, 2004, is reasonable and is based upon a methodology consistent with FCC regulations; and

WHEREAS, at a public hearing on October 25, 2004, the City of Salisbury had an opportunity to hear public input.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, in regular session on the 25th day of October 2004, pursuant to proper authority granted it, as follows:

1. The City of Salisbury finds that the calculation of Maximum Permitted Rates for limited basic service, as set forth in Comcast's rate filing dated July 29, 2004, is reasonable and is based upon a methodology consistent with FCC regulations.
2. The City of Salisbury finds that the calculation of regulated rates for equipment and installation charges, as set forth in Comcast's rate filing dated July 29, 2004, is reasonable and is based upon a methodology consistent with FCC regulations.

3. The City of Salisbury finds that this Order is supported by the record before it, including comments received.

The above RESOLUTION was introduced and read and passed at the regular meeting of the City Council of the City of Salisbury held on this 25th day of October 2004.

Brenda J. Colegrove
City Clerk

Michael P. Dunn
President of the City
Council of the City
of Salisbury

Approved by me this
_____ day of _____, 2004

Barrie P. Tilghman
Mayor of the City of Salisbury