



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Set Cable Television Rates Pursuant To FCC Form 1240	Executive Order No. 375-06	Subject Suffix
Originating Department DTS- Office of Cable and Communication Services	Department Number 346001	Effective Date 1/11/07

**ORDER OF THE COUNTY EXECUTIVE SETTING CABLE
TELEVISION RATES FOR THE BASIC SERVICE TIER PURSUANT TO
FCC FORM 1240 FILED APRIL 1, 2006**



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ATTACHMENT 1: REPORT OF ASHPAUGH & SCULCO, CPAs, PLC (without appendices)

ATTACHMENT 2: A&S RECOMPUTATION



MONTGOMERY COUNTY EXECUTIVE ORDER

COPY

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ORDER OF THE COUNTY EXECUTIVE SETTING CABLE TELEVISION RATES FOR THE BASIC SERVICE TIER PURSUANT TO FCC FORM 1240 FILED APRIL 1, 2006

I. BACKGROUND

1. Under Section 623 of the Cable Communications Policy Act of 1984, 47 U.S.C. § 543, as amended (“Cable Act”), and Montgomery County Executive Regulation No. 50-93AM (Oct. 12, 1993) (“Executive Regulation” or “ER”), Montgomery County, Maryland (“County”), is permitted to regulate rates for basic cable service and equipment (including installations).

2. The County initiated basic rate regulation on September 1, 1993.

3. On April 1, 2006, Comcast of Maryland, Inc. (“Comcast”), filed with the County FCC Form 1240, “Updating Maximum Permitted Rates for Regulated Cable Services” (“2006 Form 1240”), under a cover letter dated March 31, 2006, seeking the County’s approval of an increase in the maximum permitted rates for basic service.

4. The Office of Cable and Communication Services (the “Office”) received and preliminarily reviewed the 2006 Form 1240 and published notice that such filing was available for public review and comment.

5. The County’s financial consultant, Ashpaugh & Sculco, CPAs, PLC (“A&S”), reviewed Comcast’s 2006 Form 1240. In the course of the A&S review, the County submitted



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its initial request for information to Comcast on May 9, 2006. Comcast responded to that request by letter of May 29, 2006, with an amended Form 1240. Subsequent requests and responses provided further information, which is reflected in this Order and in a letter report from A&S dated August 10, 2006, appended as Attachment 1 ("A&S Report").

6. On November 20, 2006, the County delivered to Comcast for comment a courtesy draft of this rate order, including the A&S Report. Comcast submitted its comments on December 5, 2006, in the form of a letter from Joseph C. Lance to Jane Lawton, dated November 5 [sic], 2006 ("Comcast Comments").

7. After reviewing the Comcast Comments, A&S indicated that Comcast's comments on the three specific issues addressed herein essentially repeated the points made by Comcast in earlier years, but that Comcast had pointed out a computational correction that needed to be made. On December 20, 2006, A&S provided a recomputation of the Form 1240 rate, appended as Attachment 2 ("A&S Recomputation").

8. Federal Communications Commission ("FCC") rules place the burden on the cable operator to prove that its rates for basic service and equipment are reasonable under applicable federal law and regulations. 47 C.F.R. § 76.937(a). The County has given Comcast ample opportunity to provide the necessary support for its rates. Hence, to the extent Comcast has failed to carry its burden of proof, the County may establish Comcast's basic service tier



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("BST") rate based on the best information available and the conclusions reached thereon by the County as the finder of fact.¹

II. FINDINGS AND CONCLUSIONS

9. With respect to Comcast's 2006 Form 1240, the A&S Report concludes that certain adjustments are necessary in Comcast's Form 1240 pursuant to FCC regulations. In particular, the A&S Report adjusts the number of subscribers, the programming costs, and the franchise-related costs used in Comcast's calculation. A&S Report at 1-2.

10. The Comcast Comments raise a number of objections with respect to the subscriber count, programming costs, and franchise-related costs (together with a correction to the calculation of line F8, which has been included in the A&S Recomputation). These objections, however, contain no new issues, but rather restate Comcast's objections to the County's past rate orders, which have already been addressed therein. Thus, the Comcast Comments are not discussed in detail in this Order.

¹ See, e.g., *Comcast Cablevision of Tallahassee, Inc.: Appeal of Local Rate Order of City of Tallahassee, Fla.*, DA 95-1561, 10 FCC Rcd 7686 at ¶¶ 28-29, 37, 48-49, and 54 (1995).



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A. Number of Subscribers

11. As with Comcast's 2004 and 2005 filings, A&S found it necessary to adjust the company's subscriber count with respect to bulk subscriptions and subscribers who receive free service (for example, because they are employees, or for promotional reasons). See A&S Report at 2-3; Order of the County Executive Setting Cable Television Rates For Basic Service and Equipment Pursuant to FCC Forms 1240 and 1205 Filed April 3, 2003 (Jan. 23, 2004) ("2004 Rate Order") at ¶¶ 9-18.

12. For the same reasons set forth in the 2004 Rate Order, the County finds that the adjustment made by A&S is reasonable and appropriate under FCC regulations.

B. Programming Costs

13. The A&S Report makes adjustments to the programming costs filed by Comcast based on review of Comcast's supporting detail. A&S Report at 3.

14. The County finds that the adjustment made by A&S is reasonable and appropriate under FCC regulations.



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C. Franchise-Related Costs

15. Contrary to the County's agreement with the prior operator, Comcast has included interest for the True-up Period in Line 707 of that Worksheet 7.

16. The A&S Report corrects this error. A&S Report at 3. The A&S analysis supports the amounts shown in the 1240 and reconciles to the support provided by Comcast.

17. If Comcast itemizes franchise-related costs on subscriber's bills, the amount that should be shown is the amount on Line 707 for the Projected Period divided by the projected number of subscribers (shown on Line B3 of Form 1240), divided by 12. This calculation results in a monthly per-subscriber cost of \$1.5850, which appears on Line III of A&S's Form 1240.

18. The County finds that the adjustment made by A&S is reasonable and appropriate under FCC regulations.

D. Conclusion

19. In light of the above discussion, the County finds the A&S adjustments to the Form 1240 calculations to be reasonable and appropriate.

20. The County specifically reserves its right to review further all matters related to itemization on subscriber bills and to take any appropriate action on such matters. See A&S Report at 2 n.1.



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III. ORDERING CLAUSES

IT IS THEREFORE ORDERED THAT:

21. Comcast's maximum permitted rate for basic service (including the FCC regulatory fee) is hereby set at \$18.0818 excluding the franchise fee and any add-on amount pursuant to Form 1235, but including all other franchise-related costs and the FCC regulatory fee, in accordance with the calculations and rationales of the A&S Report. A&S Report at 2. The rates set herein will govern Comcast's basic service rates until Comcast implements a further rate change pursuant to applicable law.

22. As soon as possible, but in any event within sixty (60) days from the effective date of this Order, Comcast shall make any rate reductions and refunds that may be necessary based on the BST rate shown above, in accordance with 47 C.F.R. § 76.942(d), with interest computed at applicable rates published by the Internal Revenue Service for tax refunds and additional tax payments, pursuant to 47 C.F.R. § 76.942(e).

23. Pursuant to ER §§ 5.2 and 6.1(c), Comcast shall file with the County within ninety (90) days from the date of this Order a certification, signed by an authorized representative of Comcast, stating whether Comcast has complied fully with all provisions of this Order, describing in detail the precise measures taken to implement this Order.



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24. Comcast shall not charge any BST rate higher than the BST rate set herein, nor increase that rate, nor impose on subscribers any other charge for basic service not specified herein or in the County's previous rate orders, including but not limited to bulk and commercial rates (to the extent such limitation is permitted by applicable law), unless such charge is first filed with and approved by the County, in accordance with applicable law and regulations, including but not limited to the notice requirements imposed by 47 C.F.R. § 76.932, or as otherwise expressly permitted by applicable law and regulations.

25. Comcast may charge a rate less than the maximum rate indicated above for basic service, as long as such rate complies with applicable law and is applied in a uniform and nondiscriminatory manner, pursuant to federal, state, and local laws and regulations.

26. Pursuant to ER § 4.3, the BST rate set herein is subject to further reduction and refund to the extent permitted under applicable law and regulations, as the same may be amended.

27. The findings herein are based on the representations of Comcast. Should information come to the County's attention that these representations were inaccurate in any material way, the County reserves the right to take appropriate action. This Order is not to be construed as a finding that the County has accepted as correct any specific entry, explanation or argument made by Comcast not specifically addressed herein.



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28. The County reserves all of its rights with respect to rate regulation, including, but not limited to, any right it may have to reopen this rate proceeding based on new information or rulings by governing authority, if it appears that such new information or rulings could alter the reasonable rates prescribed by FCC regulations, pursuant to ER § 4.3, and any right it may have to “true up” overcharges or undercharges in connection with future rate filings pursuant to 47 C.F.R. § 76.922(e)(3).

29. This Order constitutes the written decision required by 47 C.F.R. § 76.936(a).



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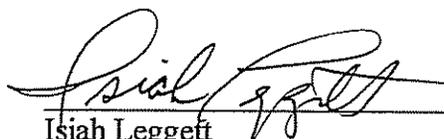
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30. To the extent that the Executive Regulation would impose deadlines or hearing requirements more stringent than those observed with respect to this process, and waiver of such requirements would be consistent with applicable FCC regulations and would not cause substantial harm to any party, the County Executive hereby waives such requirements, pursuant to ER § 6.1(c).

31. This Order shall be effective immediately upon its approval by the County Executive, pursuant to ER § 4.1.

32. This Order shall be released to the public and to Comcast, and a public notice shall be published stating that this Order has been issued and is available for review, pursuant to ER § 4.1 and 47 C.F.R. § 76.936(b).


Isiah Leggett
County Executive

Jan 11, 2006
Date

4257\03\00123220.DOC

**APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY**
BY: 
DATE: 12/21/06



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ATTACHMENT 1: REPORT OF ASHPAUGH & SCULCO, CPAs, PLC

Appendices to the original A&S Report are omitted, as they are replaced with the recomputed appendices in Attachment 2.



ASHPAUGH & SCULCO, CPAs, PLC
Certified Public Accountants and Consultants
August 10, 2006

AS1011-15

Frederick E. Ellrod III, Esquire
Miller & Van Eaton, P.L.L.C.
1155 Connecticut Avenue, N.W.
Suite 1000
Washington, DC 20036-4306

**SUBJECT: Review of the FCC Form 1240 of Comcast of Maryland, Inc. Filed with
Montgomery County, Maryland on or about April 1, 2006**

Dear Mr. Ellrod:

Ashpaugh & Sculco, CPAs, PLC ("A&S") were requested to assist Montgomery County ("County") with the review of the FCC Form 1240 filed by Comcast of Maryland, Inc. ("Comcast") on or about April 1, 2006. The County submitted its initial request for information to Comcast May 9, 2006. Comcast responded by letter of May 29, 2006. A&S reviewed and analyzed Comcast's supporting data and its responses and then recalculated Comcast's FCC Form 1240. This report discusses our findings and our recommended changes based on the issues we have identified in the Comcast filed FCC Form and supporting information. Attached to this letter report are:

- Appendix A - identifies the Basic Service Tier rate determined and recommended by A&S from our review of the filing;
- Appendix B - comparison of the recommended Basic Service Tier rate with the rate proposed by Comcast and the rate in effect at the time of the filing;
- Appendix C - A&S's recalculation of Comcast's FCC Form 1240;
- Appendix D - A&S's determination of programming costs and number of subscribers;
- Appendix E - A&S's determination of franchise-related costs; and,
- Appendix F - A&S's determination of interest on franchise-related costs.

SUMMARY

Our review of Comcast's filed FCC Form 1240 identified several areas of concern. Consistent with the treatment in prior years, we recalculated: the number of subscribers in the true-up period; programming cost of Comcast for the true-up period and the projected period; and franchise-related costs. As required under the FCC rules, we refreshed the inflation rates in Worksheet 1 and in Module C of the 1240. These changes, which will be discussed in detail below, impact the Maximum Permitted Rate ("MPR"), Line 19 of the 1240. Our changes decrease the MPR of Comcast's 1240 from the filed amount of \$18.1315 to

\$17.8953¹. Including the 5.0% franchise fee, A&S's maximum rate for the Basic Service Tier is \$18.84.

FCC FORM 1240

The first step in our review was to input the FCC Form filed by Comcast with the County into the FCC spreadsheet model to generate copies of the FCC's form. With these spreadsheet packages, we were able to duplicate Comcast's filing and the resulting rate. We verified that the rate and other components of the previous 1240 approved by the County were carried over to this filing.

INFLATION FACTOR

Since we were making other changes to the 1240, we were required under the FCC's rules to refresh and correct the inflation factors for October 2005 through February 2006 in Worksheet 1. Comcast's calculation showed 3.31% for each of these months. After Comcast's filing, the FCC published rates of 3.47% for October through December 2005 and 3.12% for January and February 2006. Reflecting these amounts increases the Average Inflation Factor for the True-Up Period 1, Line C3 of the 1240, from 1.0309 to 1.0310. Additionally, we refreshed the inflation rate on Line C5 of the 1240 from 1.0331 to the current published rate of 1.0312 to reflect the latest published rate. The FCC's rules state:

Line C5 Current FCC Inflation Factor. Enter the factor which will be used to calculate the inflation segment for the Projected Period. Multiply Line C2 by the quarterly inflation factor most recently released by the Commission. The quarterly inflation factor should be in the form of "1" plus the inflation figure. So, if the figure announced by the Commission is 3%, perform the multiplication with "1.03".

(Emphasis added)

NUMBER OF SUBSCRIBERS

Our review requested detailed support for the number of subscribers. Page 3 of Appendix D is our analysis of the support provided by Comcast. Only summary information is provided since Comcast has requested that the rates and numbers of subscribers be treated as confidential. In addition, Comcast provided support for the number of "Bulk" subscribers that was also included in this analysis. All subscribers receive the same programming and benefits of the franchise as all other subscribers, but some do not pay the monthly fee for a multitude of reasons. For example, some of the free subscribers are employees and some are given free service for marketing reasons. If they were not included in the count, all other subscribers would be required to subsidize Comcast's decision to provide free service. We

¹ The MPR as determined by A&S includes the pass-through of the FCC Regulatory Fee (annual amounts of \$.70 per subscriber for 2005 and \$.72 per subscriber for 2006) Comcast separately charges this fee on the subscriber's bill. The MPR also includes \$1.5850 of franchise-related costs, as shown on Line I11 of our 1240, Appendix C (\$1.67 including franchise fees) Comcast incorrectly identifies and itemizes an amount of \$1.50 on the subscriber's bill.

do not believe this is appropriate and have included employee subscribers and commercial subscribers receiving free service in the count.

Making the above changes to the subscriber count increases the number for the true-up period from 211,574 to 212,708 as shown on Line A1 of the 1240 (Appendix C). This has the effect of reducing the MPR.

CHANNEL MOVEMENT

In prior years, Comcast has moved channels between tiers in ways that have resulted in calculation differences in the 1240. For the 2006 filing, Comcast has not made any changes to the channel line-ups for the Basic Service Tier during either the True-Up Period or the Projected Period. Thus, there is no issue on channel movement for the 2006 filing.

PROGRAMMING EXPENSE

Pages 1 and 2 of Appendix D show our determination of programming expenses for the True-Up Period and the Projected Period.² In response to the information request, Comcast provided supporting detail for programming costs for the True-Up Period. Our analysis recalculates programming and reduces Comcast's determination of programming costs for the True-Up Period and the Projected Periods.

FRANCHISE-RELATED COSTS

Franchise-related costs ("FRC") are identified in the Form 1240 at Line 707 of Worksheet 7, Projected Period. These amounts are supported by Appendices E and F. Consistent with the agreement in 1999 with the then current operator, Prime Communications, Comcast's filing and our analysis have included carrying costs (interest) at 7.0% per year on the amortizable amounts. While we have included the interest in Line 707 for the Projected Period, we have input the interest for the True-Up Period on Line H12 to prevent the compounding of additional interest in the Form 1240 at 11.25%. Contrary to the County's agreement with the prior operator, Comcast has included interest for the True-up Period in Line 707 of that Worksheet 7. Our analysis supports the amounts shown in our 1240 and reconciles to the support provided by Comcast.

To calculate the amount of FRC per subscriber per month included in the MPR, one would need to take the amount on Line 707 for the Projected Period divided by the projected number of subscribers (shown on Line B3 of the 1240) divided by 12. This calculation determines a monthly per subscriber cost of \$1.5850 shown on Line I11 of our 1240. If Comcast itemizes FRC on subscriber's bills, this is the amount that should be shown.

² Comcast has requested that the specific cost information related to each channel be treated as confidential. For this reason, only the total cost is shown in our supporting documents. (See Lines 11 and 12 of Appendix D.) Should Comcast challenge our calculations and it become necessary to provide this detail, we will provide a confidential version of this Appendix

Frederick E. Ellrod III, Esquire
August 10, 2006
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CONCLUSION

As indicated above, the resulting MPR from our changes is \$17.8953, which rounds to \$17.90. This MPR includes the amount for franchise-related costs and the pass through of the FCC Regulatory Fee. We recommend the County: (i) reject the filing of Comcast; (ii) adopt A&S's 1240, which is attached as Appendix C to this letter report; and (iii) approve the MPR of \$17.8953 as recalculated by A&S. In the order, the County should state that if any information should become known in the future which would impact these rates, the County may revisit this decision. The County should further state that (1) this amount includes the FCC Regulatory Fee and (2) this is the maximum rate allowed for the Basic Service Tier under the FCC's rules. If you have any questions or require any further information, please let me know.

Very truly yours,

ASHPAUGH & SCULCO, CPAs, PLC



Garth T. Ashpaugh, CPA
President and Member

Cc: Jane Lawton, Cable Communications Administrator, Montgomery County, Maryland

Enclosure

2006 1240 Report



MONTGOMERY COUNTY EXECUTIVE ORDER

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ATTACHMENT 2: A&S RECOMPUTATION



ASHPAUGH & SCULCO, CPAs, PLC

Certified Public Accountants and Consultants

December 20, 2006

AS1011-15

Frederick E. Ellrod III, Esquire
Miller & Van Eaton, P.L.L.C.
1155 Connecticut Avenue, N.W., Suite 1000
Washington, D.C. 20036-4320

Subject: Reply to Comcast's Letter Dated November 5, 2006 Concerning the Report on the 2006 FCC Form 1240 Filed with Montgomery County, Maryland

Dear Mr. Ellrod:

Ashpaugh & Sculco, CPAs, PLC ("A&S") was provided a copy of Comcast's letter dated November 5, 2006 (the "Comments") to the County responding to the A&S report on the filed 2006 FCC Form 1240.¹ The following will address the points raised by Comcast.

SUBSCRIBER COUNT

As in prior years, Comcast takes issue with the determination of the number of subscribers by A&S. Comcast disputes the inclusion of subscribers that receive free service. Comcast's arguments are similar to prior years. Nothing persuasive has been provided which would cause A&S to change its calculations. This is not a new issue; the County approved this methodology in the prior order and that issue was not appealed by Comcast.

PROGRAMMING EXPENSE

Comcast also disputes the determination of programming fees. The dispute is related to the number of subscribers used by A&S, which is address above.

FRANCHISE-RELATED COSTS

Comcast disputes the treatment of interest on franchise-related costs of the True-Up Period. This has been an area of dispute with Comcast for many years. The treatment in this filing by A&S is consistent with the County's approved rate orders for over 5 years. Comcast has not provided any new information that would cause A&S to change the calculation.

TRUE-UP SEGMENT

Comcast identifies an error in the determination of Line F8. We agree and have corrected this in the attached 1240. This correction increases our determination of the Maximum Permitted Rate ("MPR") from \$17.8953 to \$18.0818 (\$19.03 including franchise fees).

¹ It should be noted that while the letter is dated November 5, 2006, it was received by overnight delivery to Ashpaugh & Sculco, CPAs, PLC from Comcast on December 6, 2006.

Frederick E. Ellrod III, Esquire
Miller & Van Eaton, P.L.L.C.
December 20, 2006
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CONCLUSION

We recommend the County approve the Maximum Permitted Rate of \$18.0818 determined from the recalculated Form 1240 attached to this letter. The County's order should state that if any information should become known to the County in the future which would impact this rate that the County can revisit this decision. The County should state that this is the maximum rate allowed for the Basic Service Tier under the FCC's rules. If you have any questions or require any further information, please let me know.

Very truly yours,

ASHPAUGH & SCULCO, CPAs, PLC

A handwritten signature in black ink, appearing to read "Garth Ashpaugh", with a long horizontal flourish extending to the right.

Garth T. Ashpaugh, CPA
President and Member

MONTGOMERY COUNTY, MARYLAND
 COMCAST OF MARYLAND, INC.
 REVIEW OF 2006 FCC FORM 1240
 RECOMMENDED MAXIMUM PERMITTED RATE

Line No.	Type of Service	Maximum Permitted Rate Recommended For Approval	Franchise Fees	Recommended Rates Including Franchise Fees of 5.00%
1	<u>Monthly Rate</u> Maximum Permitted Rate - Basic Tier [A]	\$18.08	\$0.95	\$19.03

[A] The rate shown includes franchise-related costs of \$1.55 per subscriber excluding franchise fees (\$1.67 including franchise fees). Comcast identifies and itemizes an amount of \$1.50 for this on the subscriber's bill

**FCC FORM 1240 DRAFT
UPDATING MAXIMUM PERMITTED RATES FOR REGULATED CABLE SERVICES**

Cable Operator:

Name of Cable Operator COMCAST OF POTOMAC, LLC		
Mailing Address of Cable Operator 20 WEST GUDE		
City ROCKVILLE	State MD	ZIP Code 20850

1. Does this filing involve a single franchise authority and a single community unit?	YES	NO
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If yes, complete the franchise authority information below and enter the associated CUID number here:

2. Does this filing involve a single franchise authority but multiple community units?	YES	NO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If yes, enter the associated CUIDs below and complete the franchise authority information at the bottom of this page:

MD0057, MD0223, MD0224, MD0225, MD0226, MD0227, MD0228, MD0229, MD0230, MD0231, MD0233, MD0234, MD0235, MD0236, MD0274, MD0275, MD0276, MD0277, MD0340, MD0341, MD0342, MD0343, MD0344, MD0345, MD0346, MD0347, MD0348 and MD0349
--

3. Does this filing involve multiple franchise authorities?	NO
---	-----------

If yes, attach a separate sheet for each franchise authority and include the following franchise authority information with its associated CUID(s):

Franchise Authority Information:

Name of Local Franchising Authority MONIGOMERY COUNTY CABLE OFFICE		
Mailing Address of Local Franchising Authority 100 MARYLAND AVENUE, 3RD FLOOR		
City ROCKVILLE	State MD	ZIP Code 20850
Telephone number (240) 777-3636	Fax Number (240) 777-3770	

4. For what purpose is this Form 1240 being filed? Please put an "X" in the appropriate box.	
a. Original Form 1240 for Basic Tier	<input checked="" type="checkbox"/>
b. Amended Form 1240 for Basic Tier	<input type="checkbox"/>
c. Original Form 1240 for CPS Tier	<input type="checkbox"/>
d. Amended Form 1240 for CPS Tier	<input type="checkbox"/>

5. Indicate the one year time period for which you are setting rates (the Projected Period).	TO	
	07/01/05	06/30/06 (mm/yy)

6. Indicate the time period for which you are performing a true-up.	TO	
	03/01/04	2/29/2005 (mm/yy)

7. Status of Previous Filing of FCC Form 1240 (enter an "x" in the appropriate box)	YES	NO
a. Is this the first FCC Form 1240 filed in any jurisdiction?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Has an FCC Form 1240 been filed previously with the FCC?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If yes, enter the date of the most recent filing: **11/20/98** (mm/dd/yy)

c. Has an FCC Form 1240 been filed previously with the Franchising Authority?	YES	NO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If yes, enter the date of the most recent filing: **04/01/04** (mm/dd/yy)

8. Status of Previous Filing of FCC Form 1210 (enter an "x" in the appropriate box)

a. Has an FCC Form 1210 been previously filed with the FCC?
 If yes, enter the date of the most recent filing:

YES	NO
X	

10/02/95	(mm/dd/yy)
----------	------------

b. Has an FCC Form 1210 been previously filed with the Franchising Authority?
 If yes, enter the date of the most recent filing:

YES	NO
X	

10/02/95	(mm/dd/yy)
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9. Status of FCC Form 1200 Filing (enter an "x" in the appropriate box)

a. Has an FCC Form 1200 been previously filed with the FCC?
 If yes, enter the date filed:

YES	NO
X	

09/06/94	(mm/dd/yy)
----------	------------

b. Has an FCC Form 1200 been previously filed with the Franchising Authority?
 If yes, enter the date filed:

YES	NO
X	

09/06/94	(mm/dd/yy)
----------	------------

10. Cable Programming Services Complaint Status (enter an "x" in the appropriate box)

a. Is this form being filed in response to an FCC Form 329 complaint?
 If yes, enter the date of the complaint:

YES	NO
	X

	(mm/dd/yy)
--	------------

11. Is FCC Form 1205 Being Included With This Filing

YES	NO
X	

12. Selection of "Going Forward" Channel Addition Methodology (enter an "x" in the appropriate box)

- Check here if you are using the original rules [MARKUP METHOD].
- Check here if you are using the new, alternative rules [CAPS METHOD].

If using the CAPS METHOD, have you elected to revise recovery for channels added during the period May 15, 1994 to Dec 31, 1994?

YES	NO
	X

13. Headend Upgrade Methodology

**NOTE Operators must certify to the Commission their eligibility to use this upgrade methodology and attach an equipment list and depreciation schedule*

Check here if you are a qualifying small system using the streamlined headend upgrade methodology

Part I: Preliminary Information

Module A: Maximum Permitted Rate From Previous Filing

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
A1	Current Maximum Permitted Rate	\$16.8365				

Module B: Subscribership

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
B1	Average Subscribership For True-Up Period 1	212,708				
B2	Average Subscribership For True-Up Period 2					
B3	Estimated Average Subscribership For Projected Period	211,615				

Module C: Inflation Information

Line	Line Description				
C1	Unclaimed Inflation: Operator Switching From 1210 To 1240				1.0000
C2	Unclaimed Inflation: Unregulated Operator Responding to Rate Complaint				1.0000
C3	Inflation Factor For True-Up Period 1 [Wks 1]				1.0310
C4	Inflation Factor For True-Up Period 2 [Wks 1]				
C5	Current FCC Inflation Factor				1.0312

Module D: Calculating the Base Rate

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
D1	Current Headend Upgrade Segment					
D2	Current External Costs Segment	\$2.3659				
D3	Current Caps Method Segment					
D4	Current Markup Method Segment	\$0.0700				
D5	Current Channel Movement and Deletion Segment	(\$1.5749)				
D6	Current True-Up Segment	\$0.1494				
D7	Current Inflation Segment	\$0.4588				
D8	Base Rate [A1-D1-D2-D3-D4-D5-D6-D7]	\$15.3672				

**Part II: True-Up Period
Module E: Timing Information**

Line	Line Description		
E1	What Type of True-Up Is Being Performed? (Answer "1", "2", or "3". See Instructions for a description of these types.) If "1", go to Module I. If "2", answer E2 and E3. If "3", answer E2, E3, E4, and E5.		2
E2	Number of Months in the True-Up Period 1		12
E3	Number of Months between the end of True-Up Period 1 and the end of the most recent Projected Period		4
E4	Number of Months in True-Up Period 2 Eligible for Interest		0
E5	Number of Months True-Up Period 2 Ineligible for Interest		0

Module F: Maximum Permitted Rate For True-Up Period 1

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
F1	Caps Method Segment For True-Up Period 1 [Wks 2]					
F2	Markup Method Segment For True-Up Period 1 [Wks 3]	\$0.0700				
F3	Chan Mvmnt Deletn Segment For True-Up Period 1 [Wks' 4/5]	(\$1.5749)				
F4	True-Up Period 1 Rate Eligible For Inflation [D8+F1+F2+F3]	\$13.8623				
F5	Inflation Segment for True-Up Period 1 [(F4*C3)-F4]	\$0.4295				
F6	Headend Upgrade Segment For True-Up Period 1 [Wks 6]					
F7	External Costs Segment For True-Up Period 1 [Wks 7]	\$2.3541				
F8	True-Up Segment For True-Up Period 1	\$0.1528				
F9	Max Perm Rate for True-Up Period 1 [F4+F5+F6+F7+F8]	\$16.7986				

Module G: Maximum Permitted Rate For True-Up Period 2

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
G1	Caps Method Segment For True-Up Period 2 [Wks 2]					
G2	Markup Method Segment For True-Up Period 2 [Wks 3]					
G3	Chan Mvmnt Deletn Segment For True-Up Period 2 [Wks' 4/5]					
G4	TU Period 2 Rate Eligible For Inflation [D8+F5+G1+G2+G3]					
G5	Inflation Segment for True-Up Period 2 [(G4*C4)-G4]					
G6	Headend Upgrade Segment For True-Up Period 2 [Wks 6]					
G7	External Costs Segment For True-Up Period 2 [Wks 7]					
G8	True-Up Segment For True-Up Period 2					
G9	Max Perm Rate for True-Up Period 2 [G4+G5+G6+G7+G8]					

Module H: True-Up Adjustment Calculation

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
Adjustment For True-Up Period 1						
H1	Revenue From Period 1	41,099,476.23				
H2	Revenue From Max Permitted Rate for Period 1	42,878,434.12				
H3	True-Up Period 1 Adjustment [H2-H1]	\$1,778,957.88				
H4	Interest on Period 1 Adjustment	\$170,529.79				
Adjustment For True-Up Period 2						
H5	Revenue From Period 2 Eligible for Interest					
H6	Revenue From Max Perm Rate for Period 2 Eligible For Interest					
H7	Period 2 Adjustment Eligible For Interest [H6-H5]					
H8	Interest on Period 2 Adjustment (See instructions for formula)					
H9	Revenue From Period 2 Ineligible for Interest					
H10	Revenue From Max Perm Rate for Period 2 Ineligible for Interest					
H11	Period 2 Adjustment Ineligible For Interest [H10-H9]					
Total True-Up Adjustment						
H12	Previous Remaining True-Up Adjustment	\$247,467.68				
H13	Total True-Up Adjustment [H3+H4+H7+H8+H11+H12]	\$2,196,955.36				
H14	Amount of True-Up Claimed For This Projected Period	\$2,196,955.36				
H15	Remaining True-Up Adjustment [H13-H14]	\$0.00				

Part III: Projected Period
Module I: New Maximum Permitted Rate

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
I1	Caps Method Segment For Projected Period [Wks 2]					
I2	Markup Method Segment For Projected Period [Wks 3]	\$0.0700				
I3	Chan Mvmt Deletn Segment For Projected Period [Wks 4/5]	(\$1.5749)				
I4	Proj. Period Rate Eligible For Inflation [D8+F5+G5+I1+I2+I3]	\$14.2918				
I5	Inflation Segment for Projected Period [(I4 * C5)-I4]	\$0.4459				
I6	Headend Upgrade Segment For Projected Period [Wks 6]					
I7	External Costs Segment For Projected Period [Wks 7]	\$2.4789				
I8	True-Up Segment For Projected Period	\$0.8652				
I9	Max Permitted Rate for Projected Period [I4+I5+I6+I7+I8]	\$18.0818	\$18.1315	(\$0.0497)		
I10	Operator Selected Rate For Projected Period	\$16.5000				
I11	Franchise-related Cost included in Line I10	\$1.5850				

Note: The maximum permitted rate figures do not take into account any refund liability you may have. If you have previously been ordered by the Commission or your local franchising authority to make refunds you are not relieved of your obligation to make such refunds even if the permitted rate is higher than the contested rate or your current rate.

Certification Statement

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE TITLE 18, SECTION 1001), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503)

I certify that the statements made in this form are true and correct to the best of my knowledge and belief, and are made in good faith.

Signature	Date
Filing Signed by Craig A. Schmid	3/30/2006
Name and Title of Person Completing this Form:	Craig A. Schmidt, Vice President of Regulatory Affairs for the Atlantic Division
Telephone number	Fax Number
(410) 931-4600	(410) 513-3330

Worksheet 1 - True-Up Period Inflation

For instructions, see Appendix A of Instructions For FCC Form 1240

Line	Period	FCC Inflation Factor
101	Month 1	2.89%
102	Month 2	2.57%
103	Month 3	2.57%
104	Month 4	2.57%
105	Month 5	3.31%
106	Month 6	3.31%
107	Month 7	3.31%
108	Month 8	3.47%
109	Month 9	3.47%
110	Month 10	3.47%
111	Month 11	3.12%
112	Month 12	3.12%
113	Average Inflation Factor for True-Up Period 1	1 0310
114	Month 13	
115	Month 14	
116	Month 15	
117	Month 16	
118	Month 17	
119	Month 18	
120	Month 19	
121	Month 20	
122	Month 21	
123	Month 22	
124	Month 23	
125	Month 24	
126	Average Inflation Factor for True-Up Period 2	

Worksheet 3 - Markup Method True-Up Period, Basic Tier

For instructions, see Appendix A of Instructions For FCC Form 1240

True-Up Period	Projected Period
X	

Question 1. Indicate the period for which this worksheet is being used (Put an "X" in the appropriate box)

Question 2. Indicate the tier for which this worksheet is being used (Put an "X" in the appropriate box)

Basic	Tier 2	Tier 3	Tier 4	Tier 5
X				

Question 3. How long is the first period, in months, for which rates are being set with this worksheet?

12
0

Question 4. How long is the second period, in months, for which rates are being set with this worksheet?

Line	Period	1 Sum of Previous Regulated Channels	2 Sum of Current Regulated Channel	3 Average Channels	4 Per Channel Adjustment	5 Channels Added	6 Total Adjustment	7 Cumulative Adjustment
301	Previous Month							0.0700
302	Month 1	35	35	35.0	\$0.01	0	\$0.00	0.0700
303	Month 2	35	35	35.0	\$0.01	0	\$0.00	0.0700
304	Month 3	35	35	35.0	\$0.01	0	\$0.00	0.0700
305	Month 4	35	35	35.0	\$0.01	0	\$0.00	0.0700
306	Month 5	35	35	35.0	\$0.01	0	\$0.00	0.0700
307	Month 6	35	35	35.0	\$0.01	0	\$0.00	0.0700
308	Month 7	35	35	35.0	\$0.01	0	\$0.00	0.0700
309	Month 8	35	35	35.0	\$0.01	0	\$0.00	0.0700
310	Month 9	35	35	35.0	\$0.01	0	\$0.00	0.0700
311	Month 10	35	35	35.0	\$0.01	0	\$0.00	0.0700
312	Month 11	35	35	35.0	\$0.01	0	\$0.00	0.0700
313	Month 12	35	35	35.0	\$0.01	0	\$0.00	0.0700
314	Average Period 1 Markup Method Adjustment							0.0700
315	Month 13							
316	Month 14							
317	Month 15							
318	Month 16							
319	Month 17							
320	Month 18							
321	Month 19							
322	Month 20							
323	Month 21							
324	Month 22							
325	Month 23							
326	Month 24							
327	Average Period 2 Caps Method Adjustment							

Worksheet 3 - Markup Method Projected Period, Basic Tier

For instructions, see Appendix A of Instructions For FCC Form 1240

True-Up Period	Projected Period
	X

Question 1 Indicate the period for which this worksheet is being used (Put an "X" in the appropriate box)

Question 2 Indicate the tier for which this worksheet is being used (Put an "X" in the appropriate box)

Basic	Tier 2	Tier 3	Tier 4	Tier 5
X				

Question 3 How long is the first period, in months, for which rates are being set with this worksheet?

12
0

Question 4 How long is the second period, in months, for which rates are being set with this worksheet?

Line	Period	1	2	3	4	5	6	7
		Sum of Previous Regulated Channels	Sum of Current Regulated Channel	Average Channels	Per Channel Adjustment	Channels Added	Total Adjustment	Cumulative Adjustment
301	Previous Month							\$0.07
302	Month 1	35	35	35.0	\$0.01	0	\$0.00	\$0.07
303	Month 2	35	35	35.0	\$0.01	0	\$0.00	\$0.07
304	Month 3	35	35	35.0	\$0.01	0	\$0.00	\$0.07
305	Month 4	35	35	35.0	\$0.01	0	\$0.00	\$0.07
306	Month 5	35	35	35.0	\$0.01	0	\$0.00	\$0.07
307	Month 6	35	35	35.0	\$0.01	0	\$0.00	\$0.07
308	Month 7	35	35	35.0	\$0.01	0	\$0.00	\$0.07
309	Month 8	35	35	35.0	\$0.01	0	\$0.00	\$0.07
310	Month 9	35	35	35.0	\$0.01	0	\$0.00	\$0.07
311	Month 10	35	35	35.0	\$0.01	0	\$0.00	\$0.07
312	Month 11	35	35	35.0	\$0.01	0	\$0.00	\$0.07
313	Month 12	35	35	35.0	\$0.01	0	\$0.00	\$0.07
314	Average Period 1 Markup Method Adjustment							\$0.0700

TABLE A.

NON-EXTERNAL COST ADJUSTMENT FOR
 CHANGES IN CHANNELS

Average Channels		Adjustment per channel
From:	To:	
7	7	\$0.52
7.5	7.5	\$0.45
8	8	\$0.40
8.5	8.5	\$0.36
9	9	\$0.33
9.5	9.5	\$0.29
10	10	\$0.27
10.5	10.5	\$0.24
11	11	\$0.22
11.5	11.5	\$0.20
12	12	\$0.19
12.5	12.5	\$0.17
13	13	\$0.16
13.5	13.5	\$0.15
14	14	\$0.14
14.5	14.5	\$0.13
15	15.5	\$0.12
16	16	\$0.11
16.5	17	\$0.10
17.5	18	\$0.09
18.5	19	\$0.08
19.5	21.5	\$0.07
22	23.5	\$0.06
24	26	\$0.05
26.5	29.5	\$0.04
30	35.5	\$0.03
36	46	\$0.02
46.5	99	\$0.01

Worksheet 4 - Residual True-Up Period

For instructions, see Appendix A of Instructions For FCC Form 1240

Question 1 Indicate the period for which this worksheet is being used (Put an "X" in the appropriate box)

True-Up Period	Projected Period
X	

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
Period One						
401	Average Permitted Charge	\$16.1017				
402	Average External Costs	\$2.3541				
403	Average Total Per Channel Adjustments after 5/14/94 for Channels Added Using Caps Method					
404	Average Tier Residual [401-402-403]	\$13.7476				
405	Average Channels per Regulated Tier	35.0000				
406	Average Caps Method Channels per Tier	0.0000				
407	Average Remaining Channels [405-406]	35.0000				
408	Average Period 1 Per Channel Residual [404/407]	\$0.3928				
Period Two						
409	Average Permitted Charge					
410	Average External Costs					
411	Average Total Per Channel Adjustments after 5/14/94 for Channels Added Using Caps Method					
412	Average Tier Residual [409-410-411]					
413	Average Channels per Regulated Tier					
414	Average Caps Method Channels per Tier					
415	Average Remaining Channels [413-414]					
416	Average Period 2 Per Channel Residual [412/415]					

Worksheet 4 - Residual Projected Period

Question 1 Indicate the period for which this worksheet is being used (Put an "X" in the appropriate box)

True-Up Period	Projected Period
	X

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
Period One						
401	Average Permitted Charge	\$16 8365				
402	Average External Costs	\$2 2518				
403	Average Total Per Channel Adjustments after 5/14/94 for Channels Added Using Caps Method					
404	Average Tier Residual [401-402-403]	\$14 5847				
405	Average Channels per Regulated Tier	35 0000				
406	Average Caps Method Channels per Tier	0 0000				
407	Average Remaining Channels [405-406]	35 0000				
408	Average Period 1 Per Channel Residual [404/407]	\$0 4167				

Worksheet 5 - Channel Movement and Deletion True-Up Period, Basic Tier

For instructions, see Appendix A of Instructions For FCC Form 1240

Question 1 Indicate the period for which this worksheet is being used (Put an "X" in the appropriate box.)

True-Up Period	Projected Period
X	

Question 2. Indicate the tier for which this worksheet is being used. (Put an "X" in the appropriate box.)

Basic	Tier 2	Tier 3	Tier 4	Tier 5
X				

Question 3 How long is the first period, in months, for which rates are being set with this worksheet?

12

Question 4 How long is the second period, in months, for which rates are being set with this worksheet?

Line	Period	1 Residual of Channels Deleted From Tier	2 Residual of Channels Moved (added) to Tier	3 Net Per-Channel Cost Adjustment [Column 2 - Column 1]	4 Cumulative Net Per- Channel Cost Adjustment
501	Previous Period				(\$1.5749)
502	Month 1			\$0.0000	(\$1.5749)
503	Month 2			\$0.0000	(\$1.5749)
504	Month 3			\$0.0000	(\$1.5749)
505	Month 4			\$0.0000	(\$1.5749)
506	Month 5			\$0.0000	(\$1.5749)
507	Month 6			\$0.0000	(\$1.5749)
508	Month 7			\$0.0000	(\$1.5749)
509	Month 8			\$0.0000	(\$1.5749)
510	Month 9			\$0.0000	(\$1.5749)
511	Month 10			\$0.0000	(\$1.5749)
512	Month 11			\$0.0000	(\$1.5749)
513	Month 12			\$0.0000	(\$1.5749)
514	Average Period 1 Channel Movement and Deletion Adjustment				(\$1.5749)
515	Month 13				
516	Month 14				
517	Month 15				
518	Month 16				
519	Month 17				
520	Month 18				
521	Month 19				
522	Month 20				
523	Month 21				
524	Month 22				
525	Month 23				
526	Month 24				
527	Average Period 2 Channel Movement and Deletion Adjustment				

Worksheet 5 - Channel Movement and Deletion Projected Period, Basic Tier

For instructions, see Appendix A of Instructions For FCC Form 1240

Question 1 Indicate the period for which this worksheet is being used (Put an "X" in the appropriate box.)

True-Up Period	Projected Period
	X

Question 2. Indicate the tier for which this worksheet is being used. (Put an "X" in the appropriate box.)

Basic	Tier 2	Tier 3	Tier 4	Tier 5
X				

Question 3 How long is the first period, in months, for which rates are being set with this worksheet?

12
0

Question 4 How long is the second period, in months, for which rates are being set with this worksheet?

Line	Period	1		2		3		4	
		Residual of Channels Deleted From Tier	Residual of Channels Moved (added) to Tier	Residual of Channels Deleted From Tier	Residual of Channels Moved (added) to Tier	Net Per-Channel Cost Adjustment [Column 2 - Column 1]	Net Per-Channel Cost Adjustment [Column 2 - Column 1]	Cumulative Net Per-Channel Cost Adjustment	Cumulative Net Per-Channel Cost Adjustment
501	Previous Period								(\$1.5749)
502	Month 1					\$0.0000			(\$1.5749)
503	Month 2					\$0.0000			(\$1.5749)
504	Month 3					\$0.0000			(\$1.5749)
505	Month 4					\$0.0000			(\$1.5749)
506	Month 5					\$0.0000			(\$1.5749)
507	Month 6					\$0.0000			(\$1.5749)
508	Month 7					\$0.0000			(\$1.5749)
509	Month 8					\$0.0000			(\$1.5749)
510	Month 9					\$0.0000			(\$1.5749)
511	Month 10					\$0.0000			(\$1.5749)
512	Month 11					\$0.0000			(\$1.5749)
513	Month 12					\$0.0000			(\$1.5749)
514	Average Period 1 Channel Movement and Deletion Adjustment								(\$1.5749)

Worksheet 7 - External Costs True-Up Period

For instructions, see Appendix A of Instructions For FCC Form 1240

True-Up Period	Projected Period
X	
	12

Question 1 For which time period are you filling out this worksheet? [Put an "X" in the appropriate box]

Question 2 How long is the first period, in months, for which rates are being set with this worksheet?

Question 3 How long is the second period, in months, for which rates are being set with this worksheet?

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
------	------------------	------------	-------------	-------------	-------------	-------------

Period 1						
External Costs Eligible for Markup						
701	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period	\$1,577,589.39				
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$359,927.78				
704	External Costs Eligible For 7.5% Markup	\$1,937,517.17				
705	Marked Up External Costs	\$2,082,830.96				
External Costs Not Eligible for Markup						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period	\$3,772,743.29				
708	Commission Regulatory Fees For Period	\$153,149.90				
709	Total External Costs For Period	\$6,008,724.14				
710	Monthly, Per-Subscriber External Costs For Period 1	\$2.3541				

Period 2						
External Costs Eligible for Markup						
711	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period					
712	Retransmission Consent Fees For Period					
713	Copyright Fees For Period					
714	External Costs Eligible For 7.5% Markup					
715	Marked Up External Costs					
External Costs Not Eligible for Markup						
716	Cable Specific Taxes For Period					
717	Franchise Related Costs For Period					
718	Commission Regulatory Fees For Period					
719	Total External Costs For Period					
720	Monthly, Per-Subscriber External Costs For Period 2					

Worksheet 7 - External Costs Projected Period

For instructions, see Appendix A of Instructions For FCC Form 1240

True-Up Period	Projected Period
	X
12	
0	

Question 1 For which time period are you filling out this worksheet? [Put an "X" in the appropriate box.]

Question 2 How long is the first period, in months, for which rates are being set with this worksheet?

Question 3 How long is the second period, in months, for which rates are being set with this worksheet?

Line	Line Description	a	b	c	d	e
		Basic	Tier 2	Tier 3	Tier 4	Tier 5
Period 1						
External Costs Eligible for Markup						
701	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period	\$1,611,819.01				
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$358,078.72				
704	External Costs Eligible For 7.5% Markup	\$1,969,897.74				
705	Marked Up External Costs	\$2,117,640.07				
External Costs Not Eligible for Markup						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period	\$4,025,002.23				
708	Commission Regulatory Fees For Period	\$152,363.12				
709	Total External Costs For Period	\$6,295,005.42				
710	Monthly, Per-Subscriber External Costs For Period 1	\$2,478.9				

Worksheet 8 - True-Up Rate Charged

For instructions, see Appendix A of Instructions For FCC Form 1240

Question 1. How long is the True-Up Period 1, in months?

12

Question 2. How long is the True-Up Period 2, in months?

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
801	Mai-05	\$16.0600				
802	Apr-05	\$16.0600				
803	May-05	\$16.0600				
804	Jun-05	\$16.0600				
805	Jul-05	\$16.0600				
806	Aug-05	\$16.0600				
807	Sep-05	\$16.0600				
808	Oct-05	\$16.0600				
809	Nov-05	\$16.0600				
810	Dec-05	\$16.0600				
811	Jan-06	\$16.3100				
812	Feb-06	\$16.3100				
813	Period 1 Average Rate	\$16.1017				

814						
815						
816						
817						
818						
819						
820						
821						
822						
823						
824						
825						
826	Period 2 Average Rate					