



OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Douglas M. Duncan  
*County Executive*

ORDER OF THE COUNTY EXECUTIVE  
SETTING CABLE TELEVISION RATES FOR BASIC SERVICE AND EQUIPMENT  
PURSUANT TO FCC FORM 1240 FILED MARCH 31, 1998

February 1999

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ATTACHMENT 1: REPORT OF PUBLIC RESOURCES MANAGEMENT GROUP

ORDER OF THE COUNTY EXECUTIVE  
SETTING CABLE TELEVISION RATES FOR BASIC SERVICE AND EQUIPMENT  
PURSUANT TO FCC FORM 1240 FILED MARCH 31, 1998

**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 March 31, 1998, SBC Media Ventures, L.P., d/b/a Cable TV Montgomery ("CTM") filed with the County FCC Form 1240, "Updating Maximum Permitted Rates for Regulated Cable Services," with an accompanying FCC Form 1205, "Determining Regulated Equipment and Installation Costs, 'Equipment Form'" ("Form 1240 Filing"), seeking a rate increase with respect to basic service and equipment rates.
4. The Office of Cable Communications (the "Cable Office") received and preliminarily reviewed the Form 1240 Filing and published notice that such filing was available for public review and comment.
5. The County's financial consultant, Public Resources Management Group, Inc. ("PRMG"), has reviewed CTM's Form 1240 Filing. In the course of PRMG's review, the County submitted a request for information to CTM on April 15, 1998. CTM provided information in response to this request on May 1, June 16, July 6, and July 21, 1998. Based on its analysis of the Form 1240 Filing, PRMG recalculated CTM's maximum permitted rates, providing copies of the recalculation to CTM on July 22, 1998. Subsequently, PRMG and the County discussed these recalculations with CTM in detail, during the period August through November, 1998.<sup>1</sup>
6. PRMG's conclusions are contained in a letter report from Garth T. Ashpaugh dated December 4, 1998, appended as Attachment 1 ("PRMG Report").
7. FCC rules place the burden on the cable operator to prove that its existing rates for basic service and equipment are reasonable under applicable federal law and regulations. 47 C.F.R. § 76.937(a). The County has provided CTM with ample opportunity to provide

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<sup>1</sup> See PRMG Report at 1

the necessary support for its rates. Hence, to the extent CTM has failed to carry its burden of proof, the County may order CTM to reduce its rates and provide refunds based on the information submitted by CTM and conclusions reached thereon by the County.<sup>2</sup>

8. The County has discussed the conclusions of this Order extensively with CTM, provided CTM with a draft of this Order, and reviewed CTM's comments on that draft.
9. The conclusions reached by the Office and by CTM with regard to the maximum permissible rates under the Form 1240 Filing, exclusive of franchise fees, are largely in agreement. To the extent that these calculations are in agreement, the County finds that they are reasonable and correct. Remaining issues are discussed below.
10. The rates set herein will govern CTM's basic service rates until CTM lawfully implements a further rate change pursuant to applicable FCC regulations.

## II. FINDINGS AND CONCLUSIONS

### A. Form 1240

11. With respect to CTM's calculation of its maximum permitted monthly basic service rate, the PRMG Report concludes that certain adjustments are necessary in CTM's Form 1240 pursuant to FCC regulations.
12. The Form 1240 Filing included in external costs certain up-front payments by CTM in connection with the recent renewal of CTM's franchise by the County. Such payments should be amortized over the life of the franchise term. The Form 1240 Filing, however, included all of these payments in the initial year of the new franchise in calculating the maximum permitted rate. PRMG corrected this entry.<sup>3</sup>
13. In recalculating CTM's rates, PRMG used the most current inflation data as of the time of the recalculation, pursuant to FCC rules.<sup>4</sup>

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<sup>2</sup> See e.g., Comcast Cablevision of Tallahassee Inc., Appeal of Local Rate Order of City of Tallahassee, Fla., DA 95-156 at ¶¶ 28-29, 37, 48-49, and 54 (July 17, 1995) ("Comcast of Tallahassee").

<sup>3</sup> PRMG Report at 3

CTM has stated that in choosing its Operator Selected Rate - the rate it actually charges to subscribers, which must be less than or equal to the maximum permitted rate - CTM recognized the appropriate amortized payments. The Operator selected Rate, however, is selected by the operator and is not reviewed or validated by the County. The calculations on the FCC's forms, which are reviewed by the County pursuant to FCC regulations, determine the maximum permitted rate rather than the Operator Selected Rate. Thus this Order does not address the means by which CTM has determined its Operator Selected Rate, as long as that rate is less than or equal to the maximum permitted rate.

<sup>4</sup> PRMG Report at 2

14. The County finds the PRMG Report's adjustments to the Form 1240 calculations to be reasonable and appropriate.

#### B. Form 1205

15. With respect to CTM's maximum permissible equipment and installation rates, the PRMG Report concludes that certain adjustments are necessary in CTM's Form 1205 pursuant to FCC regulations.
16. CTM used an allocation factor of 10.84% for telephone equipment. PRMG determined from CTM's supporting documents that the allocation factor should be 6.86%.<sup>5</sup>
17. In addition, CTM did not appropriately categorize types of additional outlet activities. Each category has its own costs. The PRMG Report breaks down the additional outlet costs in detail, based on information provided by CTM, and thus eliminates CTM's double-counting of materials costs. This is the same adjustment required in the County's 1997 rate order.<sup>6</sup>
18. As a result of the above changes, the Hourly Service Charge ("HSC") is decreased from \$23.974 to \$22.4171, and installation and equipment rates are reduced accordingly. The County finds PRMG's adjustments to Form 1205 to be reasonable and appropriate.

#### C. Conclusions

19. The County finds PRMG's recalculation of CTM's maximum permitted rates to be reasonable and appropriate.

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<sup>5</sup>PRMG Report at 3

<sup>6</sup>PRMG Report at 3-4

### III. ORDERING CLAUSES

#### IT IS THEREFORE ORDERED THAT:

20. CTM's maximum permitted rates for basic service and equipment, including the FCC regulatory fee, are hereby set in accordance with the rates calculated in the PRMG Report, as follows:

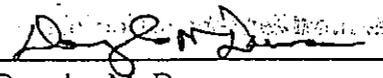
	CTM Filed rate including 5% Franchise Fee		County Ordered rate including 5% Franchise Fee
(a) Basic service tier	\$17.26		\$17.17
(b) Remote control	\$0.36		\$0.41
(c) Addressable converter	\$1.45		\$1.36
(d) Non-addressable converter	\$0.55		\$0.40
(e) Installation of unwired homes	\$53.49		\$50.03
(f) Installation of prewired homes	\$35.83		\$33.51
(g) Reconnection of service	\$32.81		\$30.68
(h) New outlet installation (unwired home)	\$20.95		\$19.59
(i) New outlet installation (prewired home)	\$14.39		\$13.45
(j) New outlet installation / reconnection	\$9.59		\$8.97
(k) New outlet installation / separate trip	\$31.55		\$29.50
(l) Hourly Service Charge	\$25.23		\$23.60
(m) Tier change with service call	\$25.23		\$23.60

21. As soon as possible, but in any event within sixty days from the effective date of this Order, CTM shall make any rate reductions that are necessary based on the rates shown above. CTM shall refund any amounts charged to subscribers for service or equipment that exceed the maximum permitted amounts specified herein. Refunds shall include 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).

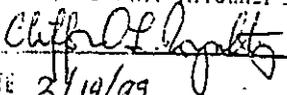
22. Any charges for equipment, installation, or other services based on an hourly rate shall reflect an HSC no greater than the maximum permissible HSC shown above.
23. CTM shall file with the County within thirty days of the date of this Order materials sufficient to demonstrate its proposed methodology for making any refunds required herein. Such materials shall include, without limitation, a narrative explanation in detail of the methods used to calculate all refunds, including how the refund amount was determined and how interest was calculated on a per-subscriber basis, both for any refunds previously made and for any refunds required by this Order; the aggregate amounts of any refunds to be made for each affected rate, including separate itemization of the amounts attributable to interest; and specific examples (from which any individual identifying information may be redacted) of sample calculations of all refunds for representative classes of subscribers. If CTM claims that no refunds are due, CTM shall provide a complete explanation including sample calculations as described above. The materials provided should be sufficient to permit the County to verify whether CTM's refunds comply with the requirements of this Order and applicable law.
24. Pursuant to ER § 5.2, CTM shall file with the County within ninety days from the date of this Order a certification, signed by an authorized representative of CTM, stating whether CTM has complied fully with all provisions of this Order, describing in detail the precise measures taken to implement this Order, and showing how any refunds (including interest) were calculated and implemented.
25. CTM shall not charge any rate higher than the rate set herein, nor increase that rate, nor impose on subscribers any other charge for basic service or equipment 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 under applicable law and regulations.
26. CTM may charge rates less than the maximum rates indicated above for basic service and equipment, as long as such rates are applied in a uniform and nondiscriminatory way, pursuant to applicable federal, state, and local laws and regulations.
27. Pursuant to ER § 4.3, the rates set herein are subject to further reduction and refund to the extent permitted under applicable law and regulations, as the same may be amended from time to time.
28. The findings herein are based on the representations of CTM. 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 CTM not specifically addressed herein.

29. 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).
30. This Order constitutes the written decision required by 47 C.F.R. § 76.936(a).
31. 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).
32. This Order shall be effective immediately upon its approval by the County Executive, pursuant to ER § 4.1.
33. This Order shall be released to the public and to CTM, 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).

  
\_\_\_\_\_  
Douglas M. Duncan  
County Executive

2/27/99  
Date

APPROVED AS TO FORM AND LEGALITY.  
OFFICE OF COUNTY ATTORNEY  
BY   
\_\_\_\_\_  
DATE 2/19/99

ATTACHMENT 1: REPORT OF PUBLIC RESOURCES MANAGEMENT GROUP, INC.



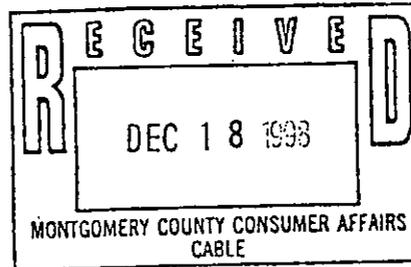
**Public Resources Management Group, Inc.**

*Utility, Rate, Financial and Management Consultants*

December 17, 1998

PRMG #1070-02

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 Forms 1240 and 1205 of SBC - Media Ventures, LP,  
Filed with Montgomery County, Maryland on March 31, 1998**

Dear Mr. Ellrod:

Public Resources Management Group, Inc. ("PRMG") was requested to assist Montgomery County ("County") with the review of the FCC Forms 1240 and 1205 filed by SBC - Media Ventures, LP d/b/a Cable TV Montgomery ("CTM") on March 31, 1998. This letter report will address the steps taken in the review and our findings.

The County submitted a request for information to CTM April 15, 1998. CTM provided its initial response May 1 with additional information on June 16, July 6, and July 21. PRMG provided CTM and the County draft copies of the recalculated FCC Forms 1240 and 1205 on July 22, 1998. CTM initiated discussions on these draft forms August 26, 1998 which has continued through the month of November. The attached forms and recommended rates of PRMG incorporate changes from these discussions. Attached to this letter report are:

- Appendix A - identifies the rates determined by PRMG from our review of these filings;
- Appendix B - a comparison of the programming, equipment, and installation rates proposed by CTM and PRMG;
- Appendix C - PRMG's recalculation of CTM's FCC Form 1240;
- Appendix D - PRMG's recalculation of CTM's FCC Form 1205;
- Appendix E - PRMG's Analysis of Plant and Depreciation;
- Appendix F - PRMG's recalculation of maintenance facilities costs;
- Appendix G - PRMG's recalculation of materials and supplies expense;
- Appendix H - PRMG's recalculation of installation and maintenance hours; and,
- Appendix I - Copy of the FCC Inflation Updates as of November 30, 1998.

## SUMMARY

Our review of the 1240 identified 2 areas of concern. First, CTM did not use the correct inflation rates in Worksheet 1 and in Module C of the 1240. Second, we have recalculated the franchise-related costs in Worksheet 7 for the Basic Service Tier. These changes, which will be discussed in detail below, reduce the Maximum Permitted Rate ("MPR"), Line I9 of the 1240, from CTM's filed amount of \$17.4645 to \$16.3089. Including the franchise fee, PRMG's MPR is \$17.17. CTM implemented its Operator Selected Rate of \$16.40 on all bills after July 1, 1998 (\$17.26 with the franchise fee). If the County adopts the MPR determined by PRMG, CTM would be required to refund to Basic Service Tier subscribers \$.09 per month for each month the higher rate was charged.

We have identified several changes to CTM's 1205 filing and the resulting equipment and installation rates.

## FCC FORM 1240

The first step in our review was to input CTM's 1240 and 1205 filed with the County into the FCC spreadsheets to generate a copy of the FCC's forms. With these spreadsheet packages, we were able to duplicate CTM's filing and the resulting rates. We verified that the rates and other components of the previous 1240 approved by the County were carried over to this filing.

During the review, it was noted that CTM had used the wrong inflation factor for January 1998 in Worksheet 1. CTM's calculation showed 1.43% for January when the FCC's published rate is 1.14%. [See Appendix H to this letter report.] Correcting this item reduces the Average Inflation Factor for the True-Up Period from 1.0173 to 1.0170. Additionally, CTM used the wrong inflation rate on Line C5 of the 1240. 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)

As such, CTM should have used 1.0114. Since we are making other changes and corrections to the 1240, we need to update this factor to the FCC's most recently published factor of 1.0082. [See Appendix I to this letter report.]

It should be noted that the FCC's rules regarding a True-Up period require that all information for the true-up period be available. CTM chose the true-up period of February 1, 1997 through January 31, 1998 for its March 31, 1998 filing even though the FCC's inflation rate was yet to be published for January 1998. At a minimum, CTM should have amended its filing to correct this item when the rate was published.

Frederick E. Ellrod, III, Esquire

December 17, 1998

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Our review also noted a correction necessary in CTM's calculation of Franchise-Related Costs for the Projected Period. (Line 707 of Worksheet 7 – External Costs Projected Period) The recently approved renewal of CTM's franchise with the County included costs that are reflected in this component of the 1240. Two of these components, Capital Grant for Access Equipment and Institutional Network Capital, are up front payments by CTM which should be amortized over the 15 years of the new franchise. CTM incorrectly included all of these payments in the initial year of the new franchise. Correcting this item reduces the external costs per subscriber computed on Worksheet 7 from \$2.9808 to \$1.9169.

As indicated above, the resulting MPR from our changes is \$16.3089, which rounds to \$16.31. We recommend the County: (i) reject the filing of CTM; (ii) adopt PRMG's 1240 which is attached as Appendix C to this letter report; (iii) approve the MPR of \$16.3089 as recalculated by PRMG; and, (iv) require CTM to make refunds to subscribers within 60 days of the County's order. The County should also require CTM to provide the County the calculation of the refund for its review and approval prior to reflecting the refund on bills. In the order, the County should state that if any information should become known in the future which would impact these rates, the County can revisit this decision. The County should further state that this is the maximum rate allowed for the Basic Service Tier under the FCC's rules.

#### FCC FORM 1205

Regarding the 1205, we are recommending several changes to the amounts determined in the supporting documents of CTM. CTM's determination of the amounts in Schedule A has been adjusted in our analysis. The allocation factor applied to the telephone equipment component of Maintenance Facilities has been corrected. CTM's support showed the allocation factor should be 6.86% although CTM used a percentage of 10.84%. Correcting this factor reduces the Gross Book Value, Accumulated Depreciation and Depreciation Expense associated with Maintenance Facilities. Depreciation expense has been recalculated for each group of assets in Schedules A and C. Appendix E attached to this letter report supports our recalculation of depreciation. Appendix F supports the reallocation of Maintenance Facilities.

PRMG proposes changes to the determination of materials and supplies. In its determination of materials and supplies in Schedule B, CTM did not break down Additional Outlets ("A/Os") into its component parts. Each of the components has its own costs. By breaking down A/Os into its component parts, we have eliminated CTM's double counting of the category of "Separate Trips" to install additional outlets. This is the same adjustment proposed by PRMG in the 1997 rate review and adopted by the County. CTM provided by letter dated September 12, 1997 information to show the costs of materials and supplies for this break down of A/Os. As in the 1997 review, PRMG has utilized the material usage relationships shown in the September 12 response to determine component costs for A/Os Prewired and A/Os Reconnect. For A/O Initial Install and A/O Separate Trip, we have utilized the same materials cost as filed by CTM for A/Os except for wall plate. CTM included the cost of 3 wall plates at \$.30 each (or \$.90) for each A/O.

Frederick E. Ellrod, III, Esquire  
December 17, 1998  
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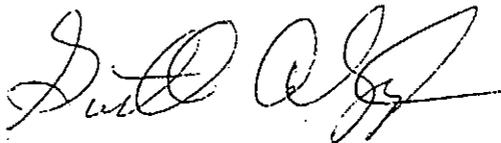
We have reduced this to one reflecting only \$.30. As shown in Appendix G, the total of the above adjustments results in a decrease to materials and supplies costs shown in Schedule B of \$140,188.

The total of all of the above changes decreases the hourly service charge ("HSC") from CTM's \$23.974 to \$22.4171. The labor hours used in this calculation are determined on Appendix H. The change in the HSC is automatically flowed through to the installation charges and equipment rates in the 1205.

We recommend the County approve the proposed equipment rates and installation charges, as recalculated by PRMG and set forth in Appendix A. As with the 1240 discussed above, the County should order CTM to make refunds to subscribers for any overcharges. The County should also state that if any information should become known in the future which would impact these rates, the County can revisit this decision. The County should further state that these are the maximum rates allowed for equipment rates and installation charges under the FCC's rules. These reductions in rates would have the potential of requiring CTM to refund the difference in rates from July 1, 1998 to the date the new rates are implemented. If you have any questions or require any further information, please let me know.

Very truly yours,

**PUBLIC RESOURCES MANAGEMENT GROUP, INC.**



Garth T. Ashpaugh  
Executive Consultant

Enclosure

1998 1240 1205 Report of PRMG

APPENDIX A

**MONTGOMERY COUNTY, MARYLAND**  
**SBC MEDIA VENTURES, INC. d/b/a CABLE TV MONTGOMERY**  
**REVIEW OF THE 1998 FCC FORMS 1240 & 1205**  
**RECOMMENDED RATES**

Line No.	Type of Service	Rates Recommended For Approval	Recommended Rates Including Franchise Fees of 5.00%
<u>Monthly Rate</u>			
1	Basic Tier	\$16.31	\$17.17
2	Cable Programming Service Tier #	\$18.50	\$19.47
3	Remote	\$0.39	\$0.41
4	Converter Type 1 - Addressable	\$1.29	\$1.36
5	Converter Type 2 - Non-addressable	\$0.38	\$0.40
<u>Per Activity</u>			
6	Unwired Home Installation	\$47.52	\$50.03
7	Prewired Home Installation	\$31.83	\$33.51
8	Reconnection of Service	\$29.14	\$30.68
9	New Outlet Install / Unwired Home	\$18.61	\$19.59
10	New Outlet Install / Prewired Home	\$12.78	\$13.45
11	New Outlet Install / Reconnection	\$8.52	\$8.97
12	Install New Outlet / Separate Trip	\$28.02	\$29.50
13	Hourly Service Charge	\$22.42	\$23.60
14	Tier Change with Service Call	\$22.42	\$23.60
15	Tier Change without Service Call	\$2.00	\$2.11

# - Rate regulated by the FCC. Not a locally regulated rate.

**NOTE**

When SBC-MV describes its basic service rate to subscribers that rate must include franchise fees. Hence, for example, the actual approved rate for basic service to subscribers would be \$17.17

APPENDIX B

**MONTGOMERY COUNTY, MARYLAND**  
**SBC MEDIA VENTURES, INC. d/b/a CABLE TV MONTGOMERY**  
**REVIEW OF 1998 FCC FORMS 1240 & 1205**  
**COMPARISON OF CURRENT AND PROPOSED RATES**

APPENDIX B

Line No.	Type of Service	Rates Excluding Franchise Fees					Rates Including Franchise Fees of 5%				
		Current Rates	SBC-MV Proposed Rates	Rates Recommended For Approval	Difference Recommended & Current Rates [c - a]	Difference Recommended & Proposed Rates [c - b]	Current Rates	SBC-MV Proposed Rates	Rates Recommended For Approval	Difference Recommended & Current Rates [h - f]	Difference Recommended & Proposed Rates [h - g]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	<b>Monthly Rate</b>										
1	Basic Tier	\$16.05	\$16.40	\$16.31	\$0.26	(\$0.09)	\$16.91	\$17.26	\$17.17	\$0.25	(\$0.10)
2	Cable Programming Service Tier #	\$18.34	n/s	\$18.50	\$0.16	n/a	\$19.32	n/s	\$19.47	\$0.15	n/a
3	Remote	\$0.35	\$0.34	\$0.39	\$0.04	\$0.05	\$0.37	\$0.36	\$0.41	\$0.04	\$0.05
4	Converter Type 1 - Addressable	\$1.72	\$1.38	\$1.29	(\$0.43)	(\$0.09)	\$1.81	\$1.45	\$1.36	(\$0.45)	(\$0.09)
5	Converter Type 2 - Non-addressable	\$0.50	\$0.52	\$0.38	(\$0.12)	(\$0.14)	\$0.53	\$0.55	\$0.40	(\$0.12)	(\$0.14)
	<b>Per Activity</b>										
6	Unwired Home Installation	\$46.85	\$50.82	\$47.52	\$0.67	(\$1.30)	\$49.36	\$53.49	\$50.03	\$0.67	(\$3.47)
7	Prewired Home Installation	\$31.38	\$34.04	\$31.83	\$0.45	(\$2.21)	\$33.06	\$35.83	\$33.51	\$0.45	(\$2.32)
8	Reconnection of Service	\$28.73	\$31.17	\$29.14	\$0.41	(\$2.03)	\$30.27	\$32.81	\$30.68	\$0.41	(\$2.13)
9	New Outlet Install / Unwired Home	\$18.34	\$19.90	\$18.61	\$0.27	(\$1.29)	\$19.32	\$20.95	\$19.59	\$0.26	(\$1.36)
10	New Outlet Install / Prewired Home	\$12.60	\$13.67	\$12.78	\$0.18	(\$0.89)	\$13.27	\$14.39	\$13.45	\$0.18	(\$0.94)
11	New Outlet Install / Reconnection	\$8.40	\$9.11	\$8.52	\$0.12	(\$0.59)	\$8.85	\$9.59	\$8.97	\$0.12	(\$0.62)
12	Install New Outlet / Separate Trip	\$27.62	\$29.97	\$28.02	\$0.40	(\$1.95)	\$29.10	\$31.55	\$29.50	\$0.40	(\$2.05)
13	Hourly Service Charge	\$22.10	\$23.97	\$22.42	\$0.32	(\$1.55)	\$23.28	\$25.23	\$23.60	\$0.32	(\$1.63)
14	Tier Change with Service Call	\$22.97	\$23.97	\$22.42	(\$0.55)	(\$1.55)	\$24.20	\$25.23	\$23.60	(\$0.60)	(\$1.63)
	Tier Change without Service Call	\$2.14	\$2.00	\$2.00	(\$0.14)	\$0.00	\$2.25	\$2.11	\$2.11	(\$0.15)	\$0.00

# - Rate regulated by the FCC. Not a locally regulated rate.

8

APPENDIX C

FCC FORM 1240  
UPDATING MAXIMUM PERMITTED RATES FOR REGULATED CABLE SERVICES

Cable Operator:

Name of Cable Operator SBC MEDIA VENTURES, LP, d/b/a CABLE TV MONTGOMERY		
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

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

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

3. Does this filing involve multiple franchise authorities?

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 MONTGOMERY COUNTY CABLE OFFICE		
Mailing Address of Local Franchising Authority 100 MARYLAND AVENUE, 3RD FLOOR		
City ROCKVILLE	State MD	ZIP Code 20850
Telephone number (301) 217-1296	Fax Number (301) 217-7367	

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   
 b. Amended Form 1240 for Basic Tier   
 c. Original Form 1240 for CPS Tier   
 d. Amended Form 1240 for CPS Tier

5. Indicate the one year time period for which you are setting rates (the Projected Period). TO  
07/01/98 06/30/99 (mm/yy)

6. Indicate the time period for which you are performing a true-up. TO  
02/01/97 01/31/98 (mm/yy)

7. Status of Previous Filing of FCC Form 1240 (enter an "x" in the appropriate box)

a. Is this the first FCC Form 1240 filed in any jurisdiction? YES NO  
   
 b. Has an FCC Form 1240 been filed previously with the FCC?

If yes, enter the date of the most recent filing: 05/15/97 (mm/dd/yy)

c. Has an FCC Form 1240 been filed previously with the Franchising Authority? YES NO

If yes, enter the date of the most recent filing: 03/14/97 (mm/dd/yy)

10

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?

YES	NO
X	

If yes, enter the date of the most recent filing:

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

b. Has an FCC Form 1210 been previously filed with the Franchising Authority?

YES	NO
X	

If yes, enter the date of the most recent filing:

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

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?

YES	NO
X	

If yes, enter the date filed:

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

b. Has an FCC Form 1200 been previously filed with the Franchising Authority?

YES	NO
X	

If yes, enter the date filed:

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?

YES	NO
	X

If yes, enter the date of the complaint:

	(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	\$15,5431	\$17,6829			

### 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	213,625	201,275			
B2	Average Subscribership For True-Up Period 2					
B3	Estimated Average Subscribership For Projected Period	222,965	208,449			

### 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]	1.0170
C4	Inflation Factor For True-Up Period 2 [Wks 1]	
C5	Current FCC Inflation Factor	1.0082



**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	\$0.0000	\$0.0000			
D2	Current External Costs Segment	\$1.1261	\$5.2682			
D3	Current Caps Method Segment	\$0.0000	\$3.8450			
D4	Current Markup Method Segment	\$0.0000	\$0.0000			
D5	Current Channel Movement and Deletion Segment	\$0.0000	\$0.0000			
D6	Current True-Up Segment	\$0.4534	\$0.2392			
D7	Current Inflation Segment	\$0.3019	\$0.2616			
D8	Base Rate [A1-D1-D2-D3-D4-D5-D6-D7]	\$13.6617	\$8.0689			

**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		5
E4	Number of Months in True-Up Period 2 Eligible for Interest		
E5	Number of Months True-Up Period 2 Ineligible for Interest		

**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]		\$3.2017			
F2	Markup Method Segment For True-Up Period 1 [Wks 3]	\$0.0000	\$0.0000			
F3	Chan Mvmnt Deletn Segment For True-Up Period 1 [Wks 4/5]					
F4	True-Up Period 1 Rate Eligible For Inflation [D8+F1+F2+F3]	\$13.6617	\$11.2706			
F5	Inflation Segment for True-Up Period 1 [(F4*C3)-F4]	\$0.2326	\$0.1946			
F6	Headend Upgrade Segment For True-Up Period 1 [Wks 6]					
F7	External Costs Segment For True-Up Period 1 [Wks 7]	\$1.1385	\$5.16			
F8	True-Up Segment For True-Up Period 1 [Wks 7]	\$0.4529	\$0.2390			
F9	Max Perm Rate for True-Up Period 1 [F4+F5+F6+F7+F8]	\$15.4856	\$16.8642			

**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
<b>Adjustment For True-Up Period 1</b>						
H1	Revenue From Period 1	\$38,768,846.48	\$39,474,053.00			
H2	Revenue From Max Permitted Rate for Period 1	\$39,697,568.21	\$40,732,084.20			
H3	True-Up Period 1 Adjustment (H2-H1)	\$928,721.73	\$1,258,031.20			
H4	Interest on Period 1 Adjustment	\$98,223.21	\$133,051.54			
<b>Adjustment For True-Up Period 2</b>						
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)					
<b>Total True-Up Adjustment</b>						
H12	Previous Remaining True-Up Adjustment	\$0.0000	\$0.0000			
H13	Total True-Up Adjustment (H3+H4+H7+H8+H11+H12)	\$1,026,944.93	\$1,391,082.74			
H14	Amount of True-Up Claimed For This Projected Period	\$1,026,944.93	\$1,391,082.74			
H15	Remaining True-Up Adjustment (H13-H14)	\$0.0000	\$0.0000			

**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]		\$4.0538			
I2	Markup Method Segment For Projected Period [Wks 3]	\$0.0000				
I3	Chan Mvmt Deletn Segment For Projected Period [Wks 4/5]					
I4	Proj. Period Rate Eligible For Inflation [I4=I1+I2+I3]	\$13.8943	\$12.3173			
I5	Inflation Segment for Projected Period [(I4*C5)-I4]	\$0.1139	0.1010			
I6	Headend Upgrade Segment For Projected Period [Wks 6]					
I7	External Costs Segment For Projected Period [Wks 7]	\$1.9169	\$5.5257			
I8	True-Up Segment For Projected Period	\$0.3838	\$0.5561			
I9	Max Permitted Rate for Projected Period [I4+I5+I6+I7+I8]	\$16.3089	\$18.5001			
I10	Operator Selected Rate For Projected Period	16.40	18.58			

*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 3/31/98
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Name and Title of Person Completing this Form: CTM's Filing Signed by George Psillos, VP Finance

Telephone number (301) 294-7656	Fax Number (301) 762-0803
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## 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	2.70%
102	Month 2	2.70%
103	Month 3	1.77%
104	Month 4	1.77%
105	Month 5	1.77%
106	Month 6	1.43%
107	Month 7	1.43%
108	Month 8	1.43%
109	Month 9	1.43%
110	Month 10	1.43%
111	Month 11	1.43%
112	Month 12	1.14%
113	Average Inflation Factor for True-Up Period 1	1.0170
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	

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## Worksheet 2 - Caps 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?

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	8	9
		Previous Regulated Channels	Current Regulated Channels	Net Change	Operators Cap For Channels Added	Operator's Cap For License Fees	License Fee Reserve Used	Total License Fee Reserve Used	Total Operators Cap Used	Total Caps Adjustment
201	Previous Month							\$0.00	\$0.00	\$0.00
202	Month 1									
203	Month 2									
204	Month 3									
205	Month 4									
206	Month 5									
207	Month 6									
208	Month 7									
209	Month 8									
210	Month 9									
211	Month 10									
212	Month 11									
213	Month 12									
214	Average Period 1 Caps Method Adjustment									
215	Month 13									
216	Month 14									
217	Month 15									
218	Month 16									
219	Month 17									
220	Month 18									
221	Month 19									
222	Month 20									
223	Month 21									
224	Month 22									
225	Month 23									
226	Month 24									
227	Average Period 2 Caps Method Adjustment									

## Worksheet 2 - Caps Method True-Up Period, Tier 2

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	8	9
		Previous Regulated Channels	Current Regulated Channels	Net Change	Operators Cap For Channels Added	Operator's Cap For License Fees	License Fee Reserve Used	Total License Fee Reserve Used	Total Operators Cap Used	Total Caps Adjustment
201	Previous Month							\$0.98	\$1.33	\$2.31
202	Month 1	32	32	0	\$0.00	\$0.00	(\$0.08)	\$0.90	\$1.33	\$2.23
203	Month 2	32	32	0	\$0.00	\$0.00	\$0.00	\$0.90	\$1.33	\$2.23
204	Month 3	32	32	0	\$0.00	\$0.00	\$0.22	\$1.12	\$1.33	\$2.45
205	Month 4	32	32	0	\$0.00	\$0.00	\$0.00	\$1.12	\$1.33	\$2.45
206	Month 5	32	32	0	\$0.00	\$0.00	\$0.03	\$1.15	\$1.33	\$2.48
207	Month 6	32	33	1	\$0.07	\$0.00	\$1.22	\$2.37	\$1.40	\$3.77
208	Month 7	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
209	Month 8	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
210	Month 9	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
211	Month 10	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
212	Month 11	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
213	Month 12	33	33	0	\$0.00	\$0.00	\$0.19	\$2.56	\$1.40	\$3.96
214	Average Period 1 Caps Method Adjustment									\$3.2017

215	Month 13									
216	Month 14									
217	Month 15									
218	Month 16									
219	Month 17									
220	Month 18									
221	Month 19									
222	Month 20									
223	Month 21									
224	Month 22									
225	Month 23									
226	Month 24									
227	Average Period 2 Caps Method Adjustment									

## Worksheet 2 - Caps 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?

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

0

Line	Period	1	2	3	4	5	6	7	8	9
		Previous Regulated Channels	Current Regulated Channels	Net Change	Operators Cap For Channels Added	Operator's Cap For License Fees	License Fee Reserve Used	Total License Fee Reserve Used	Total Operators Cap Used	Total Caps Adjustment
201	Previous Month							\$0.00	\$0.00	\$0.00
202	Month 1									
203	Month 2									
204	Month 3									
205	Month 4									
206	Month 5									
207	Month 6									
208	Month 7									
209	Month 8									
210	Month 9									
211	Month 10									
212	Month 11									
213	Month 12									
214	Average Period 1 Caps Method Adjustment									

(17)

## Worksheet 2 - Caps Method Projected Period, Tier 2

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	8	9
		Previous Regulated Channels	Current Regulated Channels	Net Change	Operators Cap For Channels Added	Operator's Cap For License Fees	License Fee Reserve Used	Total License Fee Reserve Used	Total Operators Cap Used	Total Caps Adjustment
201	Previous Month							\$2.56	\$1.40	\$3.96
202	Month 1	33	33	0	\$0.00	\$0.00	\$0.00	\$2.56	\$1.40	\$3.96
203	Month 2	33	33	0	\$0.00	\$0.00	\$0.00	\$2.56	\$1.40	\$3.96
204	Month 3	33	33	0	\$0.00	\$0.00	\$0.00	\$2.56	\$1.40	\$3.96
205	Month 4	33	33	0	\$0.00	\$0.00	\$0.00	\$2.56	\$1.40	\$3.96
206	Month 5	33	33	0	\$0.00	\$0.00	\$0.00	\$2.56	\$1.40	\$3.96
207	Month 6	33	33	0	\$0.00	\$0.00	\$0.00	\$2.56	\$1.40	\$3.96
208	Month 7	33	33	0	(\$0.00)	\$0.00	\$0.19	\$2.75	\$1.40	\$4.15
209	Month 8	33	33	0	\$0.00	\$0.00	\$0.00	\$2.75	\$1.40	\$4.15
210	Month 9	33	33	0	\$0.00	\$0.00	\$0.00	\$2.75	\$1.40	\$4.15
211	Month 10	33	33	0	\$0.00	\$0.00	\$0.00	\$2.75	\$1.40	\$4.15
212	Month 11	33	33	0	\$0.00	\$0.00	\$0.00	\$2.75	\$1.40	\$4.15
213	Month 12	33	33	0	\$0.00	\$0.00	\$0.00	\$2.75	\$1.40	\$4.15
214	Average Period 1 Caps Method Adjustment									\$4.0538

## 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	\$15.1233	\$16.3433			
402	Average External Costs	\$1.1385	\$5.1600			
403	Average Total Per Channel Adjustments after 5/14/94 for Channels Added Using Caps Method		\$3.2017			
404	Average Tier Residual [401-402-403]	\$13.9849	\$7.9816			
405	Average Channels per Regulated Tier					
406	Average Caps Method Channels per Tier					
407	Average Remaining Channels [405-406]					
408	Average Period 1 Per Channel Residual [404/407]					
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]					

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## 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	\$15.5431	\$17.6829			
402	Average External Costs	\$1.9169	\$5.5257			
403	Average Total Per Channel Adjustments after 5/14/94 for Channels Added Using Caps Method		\$4.0538			
404	Average Tier Residual [401-402-403]	\$13.6263	\$8.1034			
405	Average Channels per Regulated Tier					
406	Average Caps Method Channels per Tier					
407	Average Remaining Channels [405-406]					
408	Average Period I Per Channel Residual [404/407]					

## 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
	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	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	\$2,066,823.13	\$11,593,432.18			
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$540,512.49				
704	External Costs Eligible For 7.5% Markup	\$2,607,335.62	\$11,593,432.18			
705	Marked Up External Costs	\$2,802,885.79	\$12,462,939.59			
External Costs Not Eligible for Markup						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period					
708	Commission Regulatory Fees For Period	\$115,585.44				
709	Total External Costs For Period	\$2,918,471.23	\$12,462,939.59			
710	Monthly, Per-Subscriber External Costs For Period 1	\$1.1385	\$5.1600			

**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

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?

12
----

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

0
---

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
<b>Period 1</b>						
<b>External Costs Eligible for Markup</b>						
701	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period	\$2,994,388.78	\$13,368,325.39			
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$392,194.19				
704	External Costs Eligible For 7.5% Markup	\$3,386,582.97	\$13,368,325.39			
705	Marked Up External Costs	\$3,640,576.69	\$14,370,949.79			
<b>External Costs Not Eligible for Markup</b>						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period	\$1,367,582.36	(\$548,997.69)			
708	Commission Regulatory Fees For Period	\$120,543.84				
709	Total External Costs For Period	\$5,128,702.89	\$13,821,952.10			
710	Monthly, Per-Subscriber External Costs For Period 1	\$1.9169	\$5.5257			

### 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?

0

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
801	Month 1	\$14.9600	\$14.8500			
802	Month 2	\$14.9600	\$14.8500			
803	Month 3	\$14.9600	\$14.8500			
804	Month 4	\$14.9600	\$14.8500			
805	Month 5	\$14.9600	\$14.8500			
806	Month 6	\$15.2400	\$17.4100			
807	Month 7	\$15.2400	\$17.4100			
808	Month 8	\$15.2400	\$17.4100			
809	Month 9	\$15.2400	\$17.4100			
810	Month 10	\$15.2400	\$17.4100			
811	Month 11	\$15.2400	\$17.4100			
812	Month 12	\$15.2400	\$17.4100			
813	Period 1 Average Rate	\$15.1233	\$16.3433			

814	Month 13					
815	Month 14					
816	Month 15					
817	Month 16					
818	Month 17					
819	Month 18					
820	Month 19					
821	Month 20					
822	Month 21					
823	Month 22					
824	Month 23					
825	Month 24					
826	Period 2 Average Rate					

APPENDIX D

**FORM 1205**  
**DETERMINING REGULATED EQUIPMENT AND INSTALLATION COSTS**  
**"EQUIPMENT FORM"**

Community Unit Identifier (CUI) of cable system		Date of Form Submission	
MD		03/31/98	
Name of Cable Operator			
SBC MEDIA VENTURES, LP, d/b/a CABLE TV MONTGOMERY			
Mailing Address of Cable Operator			
20 WEST GUDE			
City	State	ZIP Code	
ROCKVILLE	MD	20850	
Name and Title of person completing this form:			
GEORGE PSILLOS, VICE PRESIDENT FINANCE			
Telephone number		Fax Number	
(301) 294-7656		(301) 762-0803	

Name of Local Franchising Authority		
MONTGOMERY COUNTY CABLE OFFICE		
Mailing Address of Local Franchising Authority		
100 MARYLAND AVENUE, 3RD FLOOR		
City	State	ZIP Code
ROCKVILLE	MD	20850

1. This form is being filed: [Enter an "x" in the appropriate box]

In conjunction with FCC Form 1200, FCC Form 1220, or FCC Form 1225.  
Attach the completed FCC Form 1200, FCC Form 1220, or FCC Form 1225 to the front of this form.  
OR

In order to fulfill FCC rules requiring an annual filing of this form  
Enter the date on which you last filed this form  (mm/dd/yy)

Note: This should be the date on which the rates last justified, by using either FCC Form 393 or the prior filing of this form, were in effect.

2. Enter the date on which you closed your books for the fiscal year reflected in this form:

(mm/dd/yy)

Note: This will indicate the end of the 12-month fiscal year for which you are filing this form.

3. Indicate the corporate status of your cable system [Enter an "x" in the correct box]

- C-Corporation
- Subchapter S corporation
- Partnership
- Sole Proprietorship
- Other (Please explain below)

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SCHEDULE A: CAPITAL COSTS OF SERVICE INSTALLATION AND MAINTENANCE OF EQUIPMENT AND PLANT						
A	Equipment and Plant	Vehicles	Tools	Maintenance Facilities	Other 1. (Specify below)	Other 2. (Specify below)
B	Gross Book Value	\$1,285,595,9995	\$208,018,8456	\$395,935.69		
C	Accumulated Depreciation	\$846,454.0533	\$163,490.3759	\$338,831.06		
D	Deferred Taxes					
E	Net Book Value [B-(C+D)]	\$439,141,9461	\$42,528,4697	\$237,104.63	\$0.00	\$0.00
F	Rate of Return	0.1125				
G	Calculation of Gross-up Rate					
G1	Federal Income Tax Rate	0.35				
G2	State Income Tax Rate	0.07				
G3	Net Total Income Tax Rate [(G1+G2)-(G1 x G2)]	0.3955				
G4	Adjustment to Reflect Interest Deductibility					
G4a	Actual Interest Amount	\$2,382,784.00				
G4b	Total Net Assets	\$76,564,438.00				
G4c	Base Return on Investment Amount [G4b x F]	\$8,613,499.273				
G4d	Interest Deductibility Factor [G4a/G4c]	0.2766				
G5	Effective Tax Rate [G3 x (1-G4d)] [C-Corps skip to G7]	0.2861				
G6	Adjustments for Non-C Corporations					
G6a	Base Return on Investment Amount [G4c]	\$8,613,499.273				
G6b	Distributions	\$0.00				
G6c	Contributions (may not exceed G6b)	\$0.00				
G6d	Returns Subject to Income Tax [G6a-G6b+G6c]	\$8,613,499.273				
G6e	Returns Percentage Subject to Income Tax [G6d/G6a]	1				
G7	Gross-Up Rate [C-Corps: 1/(1-G5) Other: 1/(1-(G5 x G6e))]	1.4007				
H	Grossed-Up Rate of Return [F x G7]	0.1576				
I	Return on Investment Grossed-Up for Taxes [E x H]	\$69,201,390.1	\$6,701,772	\$37,363.70	\$0.00	\$0.00
J	Current Provision for Depreciation	\$183,390,5018	\$16,994,8004	\$71,318.40		
K	Annual Capital Costs [I+J]	\$252,591,8919	\$23,696,5723	\$109,682.10	\$0.00	\$0.00
L	GRAND TOTAL [sum of Line K entries]	\$84,870.57				

Box 1.

Specify: Other 1. \_\_\_\_\_

Specify: Other 2. \_\_\_\_\_

SCHEDULE B: ANNUAL OPERATING EXPENSES FOR SERVICE INSTALLATION AND MAINTENANCE OF EQUIPMENT							
		Salaries & Benefits	Supplies	Utilities	Other Taxes	Other 1. (Specify below)	Other 2. (Specify below)
A	Annual Op. Expenses for Svc. Install. and Maint. of Equip.	\$1,231,156.11	\$685,281.08	\$0.00	\$185,208.59	\$84,423.97	\$1,645,270.00
B	GRAND TOTAL [sum of Line A entries]	\$3,831,339.76					

Box 2.

Specify: Other 1. \_\_\_\_\_

Specify: Other 2. \_\_\_\_\_

SCHEDULE C: CAPITAL COSTS OF LEASED CUSTOMER EQUIPMENT								
A	Equipment	Remote 1	Remote 2	Remote 3	Converter 1	Converter 2	Converter 3	Other Equip.
B	Total Maintenance/Service Hours (Attach Explanation)	15,358			45,454	33		
C	Total # of Units in Service	169,896			149,293	241	241	
D	Gross Book Value	\$2,029,825.00			\$29,023,375.00	\$1,943,144.00		
E	Accumulated Depreciation	\$1,716,176.40			\$26,875,389.00	\$1,943,144.00		
F	Deferred Taxes							
G	Net Book Value (D-(E+F))	\$313,648.60	\$0.00	\$0.00	\$2,147,986.00	\$0.00	\$0.00	\$0.00
H	Grossed-Up Rate of Return (From Sched. A, Line H)	0.1376						
I	Return on Investment Grossed-Up for Taxes (G x H)	\$49,425.73	\$0.00	\$0.00	\$318,486.49	\$0.00	\$0.00	\$0.00
J	Current Provision for Depreciation	\$404,253.80			\$2,510,801.76	\$369.10		
K	Annual Capital Costs (I + J)	\$453,679.53	\$0.00	\$0.00	\$2,849,288.26	\$369.10	\$0.00	\$0.00
L	GRAND TOTAL (sum of Line K entries)	\$3,303,336.91						

Box J.

SCHEDULE D: AVERAGE HOURS PER INSTALLATION	
A. Average Hours per Unwired Home Installation (attach an explanation)	2.12
B. Average Hours per Pre-Wired Home Installation (attach an explanation)	1.42
C. Average Hours per Reconnect Home Installation (attach an explanation)	1.30
D. Average Hours per Additional Connection Installation Requiring Separate Installation (attach an explanation)	1.25
E. Other Installation (by Item Type):	
Item 1. (Specify): Additional Connection at Time of Initial Unwired Installation	
Average Hours per Installation (attach an explanation)	0.83
Item 2. (Specify): Additional Connection at Time of Initial Prewired Installation	
Average Hours per Installation (attach an explanation)	0.57
Item 3. (Specify): Additional Connection at Time of Initial Reconnect Installation	
Average Hours per Installation (attach an explanation)	0.38

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WORKSHEET FOR CALCULATING PERMITTED EQUIPMENT AND INSTALLATION CHARGES		
STEP A. Hourly Service Charge		
1. Total Capital Costs of Installation and Maintenance [Schedule A, Box 1]		\$384,970.57
2. Total Annual Operating Expenses for Installation and Maintenance [Schedule B, Box 2]		\$7,831,339.76
3. Total Capital Costs and Operating Expenses for Installation and Maintenance [Line 1 + Line 2]		\$4,216,310.33
4. Customer Equipment and Installation Percentage (attach an explanation)		1.
5. Annual Customer Equipment Maintenance and Installation Costs, Excluding Costs of Leased Equipment [Line 3 x Line 4]		\$4,216,310.33
6. Total Labor Hours for Maintenance and Installation of Customer Equipment and Services (attach explanation)		188,084.51
7. Hourly Service Charge (HSC) (Line 5/Line 6)		\$22.4171

METHOD OF BILLING FOR INSTALLATIONS (place an "x" in the appropriate box)

Installations billed by the hour based on the HSC calculated in Line 7.

Installations billed as a standard charge.

STEP B. Installation Charge		
8. Uniform HSC for all installations (From Step A, line 7)		n/a
OR		
9. Average Charge for Installation Types		
a. Unwired Home Installation		
a1. HSC [Line 7]	\$22.4171	
a2. Average Hours per Unwired Home Installation (Schedule D, Line A)	2.12	
a3. Charge per Unwired Home Installation (a1 x a2)		\$47,524.3
b. Pre-wired Home Installation		
b1. HSC [Line 7]	\$22.4171	
b2. Average Hours per Pre-wired Home Installation (Schedule D, Line B)	1.42	
b3. Charge per Pre-wired Home Installation (b1 x b2)		\$31,832.3
c. Reconnect Installation		
c1. HSC [Line 7]	\$22.4171	
c2. Average Hours per Additional Connection Installation at Time of Init. Install. (Schedule D, Line C)	1.30	
c3. Charge per Additional Connection Installation at Time of Initial Installation (c1 x c2)		\$29,142.2
d. Additional Connection Installation Requiring Separate Installation		
d1. HSC [Line 7]	\$22.4171	
d2. Avg. Hours per Additional Connection Installation Req. Sep. Install. (Schedule D, Line D)	1.25	
d3. Charge per Additional Connection Installation Requiring Separate Installation (d1 x d2)		\$28,021.4
e. Other Installations (As specified in Schedule D, Line E):		
e1. HSC [Line 7]	\$22.4171	
e2. Average Hours per Installation of Item 1 [Schedule D, Line E, Item 1]	0.83	
e3. Charge per Installation of Item 1 (e1 x e2)		\$18,604.2
e4. HSC [Line 7]	\$22.4171	
e5. Average Hours per Installation of Item 2 [Schedule D, Line E, Item 2]	0.37	
e6. Charge per Installation of Item 2 (e4 x e5)		\$8,297.78
e7. HSC [Line 7]	\$22.4171	
e8. Average Hours per Installation of Item 3 [Schedule D, Line E, Item 3]	0.38	
e9. Charge per Installation of Item 3 (e7 x e8)		\$8,518.5

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STEP C. Charges for leased Remotes (Calculate separately for each significantly different type)			
	a Remote 1	b Remote 2	c Remote 3
10. Total Maintenance/Service Hours (Corresponding column from Schedule C, Line B)	15358.0887	0	0
11. HSC (Line 7)	\$22,4171	\$22,4171	\$22,4171
12. Total Maintenance/Service Cost (Line 10 x Line 11)	\$344,283.90	\$0.00	\$0.00
13. Annual Capital Costs (Corresponding column from Schedule C, Line K)	\$453,679.53	\$0.00	\$0.00
14. Total Cost of Remote (Line 12 + Line 13)	\$797,963.43	\$0.00	\$0.00
15. Number of Units in Service (Corresponding column from Schedule C, Line C)	169196	0	0
16. Unit Cost (Line 14/Line 15)	\$4.6968	\$0.00	\$0.00
17. Rate per Month (Line 16/(12))	\$0.3914	\$0.00	\$0.00

STEP D. Charges for leased Converter Boxes (Calculate separately for each significantly different type)			
	a Converter 1	b Converter 2	c Converter 3
18. Total Maintenance/Service Hours (Corresponding column from Schedule C, Line B)	45454.4237	32.8965	0
19. HSC (Line 7)	\$22,4171	\$22,4171	\$22,4171
20. Total Maintenance/Service Cost (Line 18 x 19)	\$1,018,956.62	\$713.44	\$0.00
21. Annual Capital Costs (Corresponding column from Schedule C, Line K)	\$2,849,288.26	\$269.10	\$0.00
22. Total Cost of Converter (Line 20 + Line 21)	\$3,868,244.88	\$1,006.54	\$0.00
23. Number of Units in Service (Corresponding column from Schedule C, Line C)	249293	241	241
24. Unit Cost (Line 22/Line 23)	\$15.5169	\$4.1913	\$0.00
25. Rate per Month (Line 24/(12))	\$1.2931	\$0.3826	\$0.00

STEP E. Charges for Other Leased Equipment	
26. Total Maintenance/Service Hours (Corresponding column from Schedule C, Line B)	0
27. HSC (Line 7)	\$22,4171
28. Total Maintenance/Service Cost (Line 26 x Line 27)	\$0.00
29. Annual Capital Costs (Corresponding column from Schedule C, Line K)	\$0.00
30. Total Cost of Equipment (Line 28 + Line 29)	\$0.00
31. Number of Units in Service (Corresponding column from Schedule C, Line C)	0
32. Unit Cost (Line 30/Line 31)	\$0.00
33. Rate per Month (Line 32/(12))	\$0.00

METHOD OF BILLING FOR CHANGING SERVICE TIERS OR EQUIPMENT (place an "x" in the appropriate box)

as a Nominal Charge (Enter the nominal charge in Line 34)

as a Uniform Hourly Service Charge

as an Average Charge (Enter the Average Hours for Changing Service Tiers in Line 36b.)

STEP F. Charges for Changing Service Tiers or Equipment	
34. Nominal Charge for Changing Service Tiers	
If you use an escalating scale of charges, place an "x" in the box at the right.	
OR	
35. Uniform Hourly Service Charge	\$/s
OR	
36. Average Charge for Changing Service Tiers	
36a. HSC (Line 7)	\$22,4171
36b. Average Hours to Change Service Tiers	1
36c. Average Charge for Changing Service Tiers (Line 36a x Line 36b)	\$22,4171

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WORKSHEET FOR CALCULATING TOTAL EQUIPMENT AND INSTALLATION COSTS	
1. Total Capital Costs of Installation and Maintenance (Schedule A, Box 1)	\$390,745.13
2. Total Annual Operating Expenses for Installation and Maintenance (Schedule B, Box 2)	\$1,888,809.85
3. Total Annual Capital Costs of Installation and Maintenance (Line 1 + Line 2)	\$4,279,554.98
4. Customer Equipment and Installation Percentage (attach explanation)	
5. Annual Customer Equipment Maintenance and Installation Costs, Excluding Costs of Leased Equipment (Line 3 x Line 4)	\$0.00
6. Total Capital Costs of Leased Customer Equipment (Schedule C, Box 3)	\$3,303,336.91
7. Annual Customer Equipment and Installation Costs (Line 5 + Line 6)	\$3,303,336.91
8. Percentage Allocation to Franchise Area (see instructions)	
9. Allocated Annual Equipment and Installation Cost (Line 7 x Line 8)	\$0.00
10. Monthly Equipment and Installation Cost (Line 9 / (12))	\$0.00
11. Number of Basic Subscribers in Franchise	219708
12. Monthly Equipment and Installation Cost per Subscriber (Line 10 / Line 11)	\$0.00
13. Inflation Adjustment Factor (See Instructions)	
14. Adjusted Monthly Equipment and Installation Cost per Subscriber (Line 12 x Line 13)	\$0.00

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SUMMARY SCHEDULE

Current Equipment and Installation Rates	Permitted	Actual
<b>1. Charges for Cable Service Installations</b>		
<b>a. Hourly Rate (Step A, Line 7)</b>		
		na
<b>b. Average Installation Charges:</b>		
1. Installation of Unwired Homes (Step B, Line 9a3)		\$47.52
2. Installation of Prewired Homes (Step B, Line 9b3)		\$31.83
3. Installation of Reconnect Homes (Step B, Line 9c3)		\$29.24
4. Installation of Additional Connections Requiring Separate Install (Step B, Line 9d3)		\$28.02
<b>5. Other Installations (specify) (Step B, Lines 9e3, 9e6, 9e9)</b>		
a. Additional Connection at Time of Initial Unwired Installation		\$18.61
b. Additional Connection at Time of Initial Prewired Installation		\$12.78
c. Additional Connection at Time of Initial Reconnect Installation		\$8.52
<b>2. Monthly Charge for Lease of Remote Controls (Step C, Line 17, columns a-c)</b>		
Remote Control Type 1:		\$0.39
Remote Control Type 2:		\$0.00
Remote Control Type 3:		\$0.00
<b>3. Monthly Charge for Lease of Converter Boxes (Step D, Line 25, columns a-c)</b>		
Converter Box Type 1:		\$1.29
Converter Box Type 2:		\$0.38
Converter Box Type 3:		\$0.00
<b>4. Monthly Charge for Lease of Other Equipment (Step E, Line 33)</b>		
Other Equipment (Specify)		\$0.00
<b>5. Charge for Changing Tiers (if any) (Step F, Line 34, 35 or 36c)</b>		
		\$22.42

LABOR COST AND POLICY CHANGES

Indicate your answer to the following three questions by placing an "x" in the appropriate box

1. Have you included the labor costs associated with subscriber cable drops in your charges for initial installation?

YES  
 NO

2. Have you capitalized the labor costs associated with subscriber cable drops?

YES  
 NO

3. If you have filed this form before, have you changed any policy, e.g., cost accounting or cost allocation that causes an increase in the costs included in the computation of equipment and installations charges?

YES (You must attach a full explanation)  
 NO

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.

Name of the Cable Operator SBC MEDIA VENTURES (CABLE TV MONTGOMERY)	Signature
Date 03/21/97	Title VP FINANCE

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APPENDIX E

MONTGOMERY COUNTY, MARYLAND  
 ANALYSIS OF THE CABLE RATES OF CABLE TV MONTGOMERY  
 Analysis of Plant & Depreciation of the 1998 FCC Form 1205

APPENDIX E

Line No.	Item/Vintage	As of December 31, 1997			Annualized Depreciation Expense	Depreciable Life in Years
		Gross Plant	Accumulated Depreciation	Net Plant		
<b>Vehicles</b>						
1	Bal. @ 12/31/92	1,291,654	1,291,654	0	0	4
2	1993	547,737	547,737	0	68,467	4
3	1994	567,050	496,169	70,881	141,763	4
3	1995	747,711	467,319	280,392	186,928	4
4	1996	658,027	246,760	411,267	164,507	4
5	1997	1,011,688	126,461	885,227	126,461	4
6	Total	4,823,867	3,176,100	1,647,767	688,126	
7	Allocation to Sch. A	1,285,596	846,454	439,142	183,391	
<b>Tools</b>						
8	Bal. @ 12/31/92	430,558	430,558	0	0	5
9	1993	62,749	56,474	6,275	12,550	5
10	1994	104,559	73,191	31,368	20,912	5
11	1995	91,953	45,977	45,977	18,391	5
12	1996	28,441	8,532	19,909	5,688	5
13	1997	62,277	6,228	56,049	6,228	5
14	Total	780,537	620,960	159,577	63,769	
15	Allocation to Sch. A	208,019	165,490	42,528	16,995	
<b>Maintenance Facilities</b>						
16	Bal. @ 12/31/92	2,240,544	2,240,544	0	0	5
17	1993	67,688	60,919	6,769	13,538	5
18	1994	2,205,292	1,543,704	661,588	441,058	5
19	1995	627,924	313,962	313,962	125,585	5
20	1996	833,113	249,934	583,179	166,623	5
21	1997	1,616,309	161,631	1,454,678	161,631	5
22	Total	7,590,870	4,570,694	3,020,176	908,435	
23	Allocation to Sch. A	595,936	358,831	237,105	71,318	
24	Total to Sch. A	2,089,551	1,370,775	718,775	271,704	
<b>Remotes</b>						
25	Bal. @ 12/31/92	1,027,317	1,027,317	0	0	5
26	1993	162,626	146,363	16,263	32,525	5
27	1994	280,456	280,456	0	46,743	3
28	1995	149,827	124,856	24,971	49,942	3
29	1996	206,753	103,377	103,377	68,918	3
30	1997	202,846	33,808	169,038	33,808	3
31	Total	2,029,825	1,716,176	313,649	231,936	
32	Allocation to Sch. C	2,029,825	1,716,176	313,649	231,936	
<b>Addressable Converters</b>						
33	Bal. @ 12/31/92	20,501,895	20,501,895	0	0	5
34	1993	971,955	874,760	97,196	194,391	5
35	1994	3,044,346	3,044,346	0	507,391	3
36	1995	1,821,636	1,518,030	303,606	607,212	3
37	1996	1,467,304	733,652	733,652	489,101	3
38	1997	1,216,239	202,707	1,013,533	202,707	3
39	Total	29,023,375	26,875,389	2,147,986	2,000,802	
40	Allocation to Sch. C	29,023,375	26,875,389	2,147,986	2,000,802	
<b>Non-addressable Converters</b>						
41	Bal. @ 12/31/92	1,943,144	1,943,144	0	0	5
42	1993	0	0	0	0	5
43	1994	0	0	0	0	3
44	1995	0	0	0	0	3
45	1996	0	0	0	0	3
46	1997	0	0	0	0	3
47	Total	1,943,144	1,943,144	0	0	
48	Allocation to Sch. C	1,943,144	1,943,144	0	0	

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APPENDIX F

**MONTGOMERY COUNTY, MARYLAND**  
 Review of 1997 FCC 1205 Filed by Cable TV Montgomery  
 Schedule A Maintenance Facilities

APPENDIX F

Line No.	G/L Account	Description	Balance 12/31/96	Allocation Percentage	Allocated Balance
1	1605-0000	Telephone Equipment	313,353	6.86% (A)	21,496
2	1605-0100	Telephone Equipment	8,767	6.86% (A)	601
3	1605-0200	Telephone Equipment	42,688	6.86% (A)	2,928
4	1605-0300	Telephone Equipment	1,964	6.86% (A)	135
5	1605-0400	Telephone Equipment	485,840	6.86% (A)	33,329
6	1605-0403	Telephone Equipment	170,057	6.86% (A)	11,666
7	1605-0500	Telephone Equipment	1,144	6.86% (A)	78
8	1609-0000	Computer Equipment	792,190	8.01% (B)	63,416
9	1609-0100	Computer Equipment	283,246	8.01% (B)	22,674
10	1609-0200	Computer Equipment	20,842	8.01% (B)	1,668
11	1609-0205	Computer Equipment	518	8.01% (B)	41
12	1609-0300	Computer Equipment	108,750	8.01% (B)	8,706
13	1609-0400	Computer Equipment	140,856	8.01% (B)	11,276
14	1609-0403	Computer Equipment	73,020	8.01% (B)	5,845
15	1609-0408	Computer Equipment	96,415	8.01% (B)	7,718
16	1609-0500	Computer Equipment	75,769	8.01% (B)	6,065
17	1610-0000	Computer Equipment	344,633	8.01% (B)	27,588
18	1610-0100	Computer Equipment	26,537	8.01% (B)	2,124
19	1610-0300	Computer Equipment	12,633	8.01% (B)	1,011
20	1610-0400	Computer Equipment	45,558	8.01% (B)	3,647
21	1610-0500	Computer Equipment	496	8.01% (B)	40
22	1621-0100	Computer Equipment	1,412,214	8.01% (B)	113,050
23	1611-0100	Computer Equipment	1,113,247	8.01% (B)	89,117
24	1623-0103	Computer Equipment	1,928,636	8.01% (B)	154,390
25	1624-0100	Computer Equipment	63,198	8.01% (B)	5,059
26	1624-0103	Computer Equipment	28,300	8.01% (B)	2,265
27		Gross Book Maintenance Facilities	7,590,871		595,936
28		Accumulated Depreciation Equipment/Tool	4,570,694	7.85% (C)	358,831
29		Net Book Value	3,020,177		237,105
30		Depreciation Expense	908,435	7.85% (C)	71,318
<b>(A) Allocation of Telephone Equipment for installation/maintenance of customer equipment &amp; plant</b>					
		Incoming phone stats:			
	(a)	Appointment confirmation		0.53%	
	(b)	General information		6.33%	
	(c)	Allocation percentage [(a) + (b)]		6.86%	
<b>(B) Allocation of Computer Equipment for installation/maintenance</b>					
	(a)	Computer generated work orders per day		230	
	(b)	Computer time required for printing in minutes		60	
	(c)	Minutes per day of computer operation		1440	
	(d)	Percentage of time for work order printouts [(b) / (c)]		4.17%	
	(e)	Installation workorders per day		230	
	(f)	Percentage of installations requiring converter		72.82%	
	(g)	Converters prepared for installations [(e) x (f)]		167	
	(h)	Time required to process box prep. in minutes		0.33	
	(i)	Minutes required to process box prep. [(g) / (h)]		55.27	
	(j)	Minutes per day of computer operation		1440	
	(k)	Percentage of computer for box preparation [(i) / (j)]		3.84%	
	(l)	Allocation percentage [(d) + (k)]		8.01%	
<b>(C) Allocation factor based on ratio of allocated gross plant to gross plant</b>					
	(a)	Allocated Plant		595,936	
	(b)	Gross Plant		7,590,871	
	(c)	Allocation percentage [(a) / (b)]		7.85%	

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APPENDIX G

**MONTGOMERY COUNTY, MARYLAND**  
 Review of 1997 FCC 1205 Filed by Cable TV Montgomery  
 Schedule B Installation Materials/Supplies

Line No.	Description	Aerial	S/F U/G	Townhouse	Apartment	Reconnects		A/Os Initial Install	A/Os Prewired	A/Os Reconnect	A/Os Separate Trip
						Reconnect	Re-Install				
1	Interior RG-6	\$3.48	\$3.48	\$2.44	\$1.39	\$0.70	\$0.70	\$1.74	\$0.37	\$0.37	\$1.74
2	PPC Interconnections	\$1.23	\$1.23	\$1.23	\$1.23	\$1.03	\$1.03	\$1.03	\$0.62	\$0.62	\$1.03
3	Ground Block	\$0.49	\$0.49	\$0.49	\$0.49						
4	Ground Strap	\$0.30	\$0.30	\$0.30	\$0.30						
5	Ground Wire	\$0.35	\$0.35	\$0.35	\$0.35						
6	Ground Wire Clip,	\$0.05	\$0.05	\$0.05	\$0.05						
7	Sealant	\$0.21	\$0.21	\$0.21	\$0.21						
8	Matching Transformer	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24
9	F-81 Splice Barrel	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
10	Feed thru Bushing	\$0.03	\$0.03	\$0.03	\$0.03			\$0.03			\$0.03
11	Wall Plate	\$0.30	\$0.30	\$0.30	\$0.30			\$0.30			\$0.30
12	1.25 Drive Pin	\$0.13	\$0.13	\$0.13							
13	A/B Switch	\$0.02	\$0.02	\$0.02	\$0.02						
14	Anchor & Screws	\$0.10	\$0.10	\$0.10				\$0.10			\$0.10
15	Roka Clips	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.49	\$0.30	\$0.30	\$0.49
16	Splitter							\$3.20	\$3.20	\$3.20	\$3.20
17	Install Booklet	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35				
18	Total Material Cost per Type	\$8.67	\$8.67	\$7.63	\$6.36	\$3.71	\$3.71	\$7.22	\$4.82	\$4.82	\$7.22
19	Installs in 1996	1,612	3,524	1,909	2,878	30,297	18,733	2,925	5,444	42,928	14,812
20	Supplies for Installations	\$13,983	\$30,569	\$14,568	\$18,295	\$112,250	\$69,406	\$21,126	\$26,241	\$206,914	\$106,994
21	Total Supplies	\$620,347									
22	Total Supplies per CTM	\$760,535									
23	Change in Supplies on Sch. B	(\$140,188)									

MONTGOMERY COUNTY, MARYLAND

Review of 1997 FCC 1205 Filed by Cable TV Montgomery

Installation/Maintenance Hours

Line No.	Description	Number in 1996	% Inhouse	Amount Inhouse	Avg. Hours Per Task	Inhouse Hours	Amount Contractor	Avg. Hours Per Task	Contractor Hours	Total Hours
<b>Installs by Type</b>										
<b>Unwired</b>										
1	Aerial	806.0	18.36%	148	2.12	313.76	658	2.12	1,394.96	1,708.72
2	Underground	1,762.0	43.70%	770	2.12	1,632.40	992	2.12	2,103.04	3,735.44
3	Townhouse	641.0	42.90%	275	2.12	583.00	366	2.12	775.92	1,358.92
4	Apartment	316.0	38.92%	123	2.12	260.76	193	2.12	409.16	669.92
		3,525.0		1,316.0		2,789.9	2,209.0		4,683.1	7,473.0
<b>Prewired</b>										
5	Aerial	806.0	18.36%	148	1.42	210.16	658	1.42	934.36	1,144.52
6	Underground	1,762.0	43.70%	770	1.42	1,093.40	992	1.42	1,408.64	2,502.04
7	Townhouse	1,268.0	32.57%	413	1.42	586.46	855	1.42	1,214.10	1,800.56
8	Apartment	2,562.0	32.16%	824	1.42	1,170.08	1,738	1.42	2,467.96	3,638.04
		6,398.0		2,155.0		3,060.1	4,243.0		6,025.1	9,085.2
<b>Reconnect</b>										
9	Re-install	18,733.0	0.00%	0	1.30	0.00	18,733	1.30	24,352.90	24,352.90
10	Reconnect	30,297.0	47.62%	14,426	1.30	18,753.80	15,871	1.30	20,632.30	39,386.10
		49,030.0		14,426.0		18,753.8	34,604.0		44,985.2	63,739.0
11	<b>Total Installs</b>	<b>58,953.0</b>		<b>17,897.0</b>		<b>24,603.8</b>	<b>41,056.0</b>		<b>55,693.3</b>	<b>80,297.2</b>
<b>Additional Outlets</b>										
12	A/Os Unwired Install	2,924.6	20.99%	614	0.83	509.62	2,310.6	0.83	1,917.83	2,427.45
13	A/Os Prewired Install	5,444.2	18.48%	1,006	0.57	573.42	4,438.2	0.57	2,529.79	3,103.21
14	A/Os Reconnect Install	42,928.1	15.68%	6,732	0.38	2,558.16	36,196.1	0.38	13,754.53	16,312.69
15	A/Os After Initial Install	14,812.0	48.88%	7,240	1.25	9,050.00	7,572	1.25	9,465.00	18,515.00
16	<b>Total A/Os</b>	<b>66,109.0</b>		<b>15,592</b>		<b>12,691</b>	<b>50,517</b>		<b>27,667</b>	<b>40,358</b>
<b>Tier Changes</b>										
17	To Basic	0.0		0	1.00	0.00	0	1.00	0.00	0.00
18	To CPS Tier	10,570.0	23.08%	2,440	1.00	2,440.00	8,130	1.00	8,130.00	10,570.00
19	<b>Total Tier Changes</b>	<b>10,570.0</b>		<b>2,440.0</b>		<b>2,440.0</b>	<b>8,130.0</b>		<b>8,130.0</b>	<b>10,570.0</b>
<b>Equipment Maintenance</b>										
19	Installers					37,849.00				37,849.00
20	Converter Control					19,010.00				19,010.00
21	<b>Total Equipment Maintenance</b>					<b>56,859.0</b>				<b>56,859.0</b>
22	<b>Total</b>					<b>96,594.02</b>			<b>91,490.49</b>	<b>188,084.51</b>
23	Disconnects	46,706.0	2.29%	1,070	0.75	802.50	45,636	0.75	34,227.00	35,029.50
<b>Determination of Percentage of Regulated Hours to Total Hours</b>										
(a)	# of Employees				48.00					
(b)	Productive Hours									
(c)	Annual hours			2,080.00						
(d)	Annual vacation hours			(80.00)						
(e)	Annual holiday hours			(64.00)						
(f)	Annual average personal leave hours			(35.00)						
(g)	Annual required training hours			(104.00)						
(h)	Net annual productive hours [Sum (b) - (f)]				1,797.00					
(i)	Total annual productive hours [(a) x (g)]				86,256.00					
(j)	Total Inhouse hours [Line 22, column "Inhouse Hours"]			96,594.02						
(k)	Less: Converter Control			(19,010.00)						
(l)	Net Regulated Installation Department hours [Sum (i) - (j)]				77,584.02					
(m)	Percentage of Installers Regulated Hours to Total Hours [(k)/(h)]				89.95%					
<b>Equipment Hours</b>										
							Remotes	Add Conv.	Non-Add	Total
	# of Units						169,896	249,293	241	
	Setup Time						6	14.00	14.00	
	Churn %						20.397%	31.000%	31.000%	
	Annual Hrs.						3,465	18,032	17	21,515
	Repl. Time						35	60	35	
	Failure Rate						12.000%	11.000%	11.000%	
	Annual Hrs.						11,893	27,422	15	39,330
	Total Time						15,358	45,454	33	60,845

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APPENDIX I

APPENDIX H



## Federal Communications Commission

# Inflation Updates for Forms 1210 and 1240

The following figures come from the Department of Commerce's Gross National Product Price Index. The instructions for the respective forms contain directions on how to use the figures. Clicking on the file name in the third column allows you to view the Press Release which announced the inflation number.

### 1210 Inflation Adjustments

Period	Inflation Adjustment	Press Release
October 1, 1992 - September 30, 1993	3.00%	Not Available
October 1, 1993 - June 30, 1994	2.15%	<a href="#">fcc95043.txt (para. 12)</a>
July 1, 1994 - June 30, 1995	2.96%	<a href="#">da952086.txt</a>
July 1, 1995 - June 30, 1996	2.14%	<a href="#">da961986.txt</a>
July 1, 1996 - June 30, 1997	2.18%	<a href="#">da972180.txt</a>
July 1, 1997 - June 30, 1998	1.01%	<a href="#">da981974.txt</a>

### 1240 Inflation Adjustments

Period	Inflation Adjustment	Press Release
July 1, 1995 - September 30, 1995	2.22%	<a href="#">da960311.txt</a>
October 1, 1995 - December 31, 1995	2.22%	<a href="#">da961217.txt</a>
January 1, 1996 - March 31, 1996	2.39%	<a href="#">da961217.txt</a>
April 1, 1996 - June 30, 1996	2.22%	<a href="#">da961986.txt</a>
July 1, 1996 to September 30, 1996	2.21%	<a href="#">da970130.txt</a>
October 1, 1996 to December 31, 1996	1.83%	<a href="#">da970692.txt</a>
January 1, 1997 to March 31, 1997	2.70%	<a href="#">nrcb7011.txt</a>
April 1, 1997 - June 30, 1997	1.77%	<a href="#">da972180.txt</a>
July 1, 1997 - September 30, 1997	1.43%	<a href="#">da980013.txt</a>
October 1, 1997 - December 31, 1997	1.43%	<a href="#">da980663.txt</a>
January 1, 1998 - March 31, 1998	1.14%	<a href="#">da981292.txt</a>
April 1, 1998 - June 30, 1998	0.82%	<a href="#">da981974.txt</a>

Note: Prior to February 1995, transition systems were not allowed to take inflation adjustments. The inflation adjustment for transition systems for the period from October 1, 1992 to June 30, 1994 is 5.21%.



[Return to The Federal Communications Commission's Home Page](#)

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Z 450 580 777

US Postal Service  
Receipt for Certified Mail

No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to <b>Jerold C. Lambert</b>	
Street & Number <b>Prime Cable</b>	
Post Office, State, & ZIP Code <b>One American Ctr, 3000 Austin, TX 78701</b>	
Postage	\$
Certified Fee	XX
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TAL Postage & Fees	\$
Remark or Date	

Fold at line over top of envelope to the right of the return address

mailed 3/1/99

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

Is your RETURN ADDRESS completed on the reverse side?

3. Article Addressed to:  
 Mr. Jerold C. Lambert  
 Prime Cable  
 One American Center, Suite 3000  
 600 Congress  
 Austin, TX 78701

4a. Article Number	Z 450 580 777
4b. Service Type	<input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
7. Date of Delivery	

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Z. 450 580 776

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to	
Mr. Bill Hysell	
Street & Number Cable TV Montgomery	
20 West Gude Drive	
Post Office, State, & ZIP Code	
Rockville, MD 20850	
Postage	\$
Certified Fee	XX
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Fold at line over top of envelope to the right of the return address

mailed 3/1/99

Completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
  - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Mr. Bill Hysell  
Vice President and General Manager  
Cable TV Montgomery  
20 West Gude Drive  
Rockville, MD 20850-1150

4a. Article Number  
Z 450 580 776

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

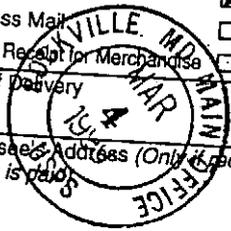
7. Date of Delivery  
MAR 1 1999

8. Addressee's Address (Only if requested and fee is paid)

5. Received By (Print Name)

6. Signature (Addressee or Agent)

X



Thank you for using Return Receipt Service.