



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 FORMS 1240 AND 1205 FILED APRIL 2, 1999

February 2000

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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 FORMS 1240 AND 1205 FILED APRIL 2, 1999

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 2, 1999, Prime Communications Potomac, L.L.C., d/b/a Cable TV Montgomery ("CTM") filed with the County FCC Form 1240, "Updating Maximum Permitted Rates for Regulated Cable Services," dated March 31, 1999, with an accompanying FCC Form 1205, "Determining Regulated Equipment and Installation Costs, 'Equipment Form'" ("Form 1240 Filing"), under a cover letter dated April 1, 1999, seeking a rate increase with respect to basic service and equipment rates.

4. The Office of Cable Communications (the "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"), 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, 1999. CTM provided information in response to this request on April 30 and May 20, 1999. The County submitted further requests on May 25, and CTM responded with additional information on June 2, June 4, and June 11, 1999. Based on its analysis of the Form 1240 Filing and supplemental information, PRMG recalculated CTM's maximum permitted rates, providing copies of the recalculation to CTM. Subsequently, PRMG and the County discussed these recalculations with CTM in detail.<sup>1</sup>

6. PRMG's conclusions are contained in a letter report from Garth T. Ashpaugh dated July 14, 1999, 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 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.

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.

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

<sup>2</sup> See, e.g., *Comcast Cablevision of Tallahassee, Inc., Appeal of Local Rate Order of City of Tallahassee, Fla.*, DA 95-1561 at ¶¶ 28-29, 37, 48-49, and 54 (July 17, 1995) ("Comcast of Tallahassee").

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 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 the current year's external costs the total amount of certain franchise-related payments that will be made by CTM over the life of the franchise. 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. After discussion, PRMG and CTM agreed upon an amortization methodology set forth in the PRMG Report, including interest on funds assumed to be obtained through outside financing. PRMG corrected the calculation in accordance with this methodology.<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>

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

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

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 allocation factors of 10.84 percent for telephone equipment and 8.01 percent for computer equipment on Schedule A. PRMG determined from CTM's supporting documents that this equipment was used for activities other than those regulated pursuant to Form 1205, and thus that the cost of the equipment had to be allocated between regulated and unregulated activities before CTM's allocation factor could be applied. PRMG made this allocation in Appendix F of the PRMG Report.<sup>5</sup>

17. To arrive at an accurate total of the costs to be recovered for customer premises equipment, the operator must distinguish between activities inside the demarcation point (which are allocated to customer premises equipment) and activities outside that point (which are allocated to the distribution system and are not recovered through customer equipment charges). In entering the costs of materials and supplies, and of labor, on Schedule B, CTM did not reflect this distinction. Accordingly, PRMG allocated those costs based on supporting information provided by CTM.<sup>6</sup>

18. 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

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

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

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 and 1998 rate orders.<sup>7</sup> CTM should make this adjustment in future rate filings rather than requiring correction by the County upon review.

19. Further, the Form 1240 Filing included contractor labor costs for converter retrieval, but failed to include the corresponding labor hours. PRMG corrected these entries.<sup>8</sup>

20. As a result of the above changes, the Hourly Service Charge ("HSC") is decreased from \$25.23 to \$21.88, and installation and equipment rates are reduced accordingly.

21. The County finds PRMG's adjustments to Form 1205 to be reasonable and appropriate.

### C. Conclusions

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

## III. ORDERING CLAUSES

IT IS THEREFORE ORDERED THAT:

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

<sup>7</sup> PRMG Report at 3-4.

<sup>8</sup> PRMG Report at 4.

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

	Maximum Permitted Rates Filed by CTM	Maximum Permitted Rates Set By This Order
(a) Basic service tier	18.44	18.39
(b) Remote control	0.36	0.23
(c) Addressable converter	1.45	1.05
(d) Non-addressable converter	0.55	0.86
(e) Installation of unwired homes	53.49	41.23
(f) Installation of prewired homes	35.83	27.35
(g) Reconnection of service	32.81	25.98
(h) New outlet installation (unwired home)	20.95	18.16
(i) New outlet installation (prewired home)	14.39	12.47
(j) New outlet installation at time of reconnection	9.59	8.31
(k) New outlet installation (separate trip)	31.55	27.35
(l) Tier change with service call	25.23	16.41
(m) Tier change without service call	2.11	2.11
(n) Hourly Service Charge	25.23	21.88

(All rates include five percent franchise fee)

24. As soon as possible, but in any event within sixty days from the effective date of this Order, CTM shall make any rate reductions and refunds 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. To the extent that any refunds may be necessary, they shall be made in accordance with 47 C.F.R. § 76.942(d), and 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).

25. 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.



26. If any refunds are required pursuant based on ¶ 24 above, CTM shall file with the County within thirty days of the date of this Order materials sufficient to demonstrate its proposed methodology for making such refunds. 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 no refunds are due because the actual costs charged are less than or equal to the maximum permitted rates set herein, CTM shall support that conclusion by providing a rate card showing the actual costs charged during the period covered by the Form 1240 Filing. 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.

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

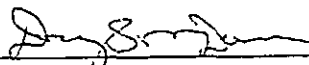
32. The County reserves all of its rights with respect to rate regulation, including, but not limited to, any right it may have to reopen this rate proceeding based on new information or rulings by governing authority, if it appears that such new information or rulings could alter the reasonable rates 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).

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

34. 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).

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

36. 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).

  
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Douglas M. Duncan  
County Executive

3/9/00  
Date

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

Frederick E. Ellrod III, Esquire

July 14, 1999

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- Appendix H - PRMG's recalculation of installation and maintenance hours;
- Appendix I - PRMG's determination of contractor converter retrieval labor hours;
- Appendix J - PRMG's determination of labor hours used in the computation of the average contractor labor rate;
- Appendix K - Copy of the FCC Inflation Updates as of July 1, 1999.
- Appendix L - PRMG's determination of franchise-related costs and interest

## SUMMARY

Our review of the 1240 identified 3 areas of concern. First we have recalculated the franchise-related costs in Worksheet 7 for the Basic Service Tier. Second, we have corrected the determination of interest cost on the franchise-related costs. Third, we refreshed the inflation rates in Worksheet 1 and in Module C of the 1240. 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 \$17.5144 to \$17.4741. Including the franchise fee, PRMG's MPR is \$18.39. CTM plans to implement its Operator Selected Rate of \$17.47 on all bills after August 15, 1999 (\$18.39 with the franchise fee).

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, we refreshed and corrected the inflation factors for October 1998 through January 1999 in Worksheet 1. CTM's calculation showed 1.00% for this period when the FCC's published rate is 0.78% for October through December and 1.06% for January. [See Appendix K to this letter report.] Correcting this item reduces the Average Inflation Factor for the True-Up Period from 1.0098 to 1.0097. Additionally, we refreshed the 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)

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 1.0106. [See Appendix K to this letter report.]

Frederick E. Ellrod III, Esquire

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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. These components have been paid periodically over the first year of the new franchise as shown in Appendix L. Our analysis reflects the actual payment of these items in determining franchise-related costs. If the costs were annual amounts, then the schedule recovers them over the applicable 12-month period. If the costs were one time franchise costs, then the schedule amortizes such amounts ratably over the life of the franchise agreement or 15 years. CTM initial filing incorrectly included all of these payments in the initial year of the new franchise. In subsequent discussions, CTM has agreed to the amortization methodology shown in Appendix L. Correcting this item reduces the external costs per subscriber computed on Worksheet 7 for the True-Up Period from \$1,7932 to \$1,7290 and for the Projected Period from \$2,9889 to \$2,9236.

As indicated above, the resulting MPR from our changes is \$17,4741, which rounds to \$17.47. 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; and (iii) approve the MPR of \$17,4741 as recalculated by PRMG. 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 have been adjusted in our analysis. The allocation factors applied to Maintenance Facilities has been corrected. CTM used a percentage of 10.84% for telephone equipment and 8.01% for computer equipment. Our analysis determined that this equipment was used for more than the 1205 regulated activities and therefore, first had to be allocated to those types of activities before CTM's allocation factors could be applied. As shown on Appendix F in the column labeled "1205 Percentage", each of the line items was allocated to the work order function and then further allocated to 1205 regulated activities. Making these corrections 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 allocate the usage of materials between activities within the residence and outside of the residence. As shown on Appendix G, PRMG allocated the usage of the material between usage within and outside of the subscriber's premises. This allocation is reflected in the reduced costs for each of the components. Additionally, CTM did not break down the category of Additional Outlets ("A/Os") into its different types of installs. Each type of install has its own costs. By breaking down A/Os into the different types, 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

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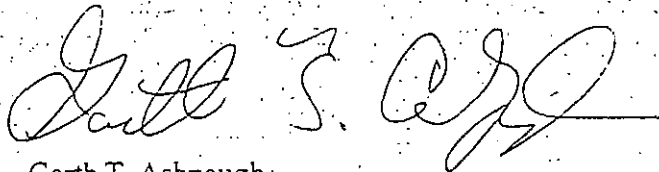
and 1998 rate reviews and adopted by the County. CTM provided by letter dated September 12, 1997 information to show the costs of materials and supplies for this break down of A/Os. As in the prior reviews, PRMG has utilized the material usage relationships shown in CTM's September 12 response to determine component costs for A/Os Prewired and A/Os Reconnect. 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 \$65,402.

The total of all of the above changes decreases the hourly service charge ("HSC") from CTM's \$23.426 to \$20.785. The labor hours used in this calculation are determined on Appendix H. As discussed in materials and supplies, our analysis allocated labor hours between the time incurred within the subscriber's premises and outside of the premises. The 1205 is to determine charges relative to activity only within the premises. Appendix H also reflects on Line 20 converter retrieval hours determined on Appendices I and J. CTM included contractor labor dollars for converter retrieval but failed to include the associated labor hours. Our analysis determines labor hours based on the average hourly rate of contractors. The labor hours are then reflected in the determination of the hourly service charge and in the maintenance component of the equipment rates. 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 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. 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

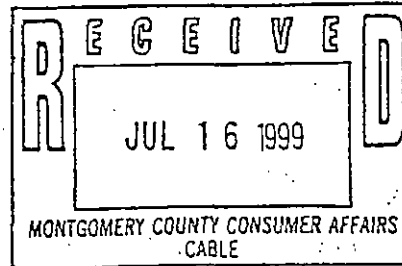
1999 1240 1205 Report of PRMG



**Public Resources Management Group, Inc.**

*Utility, Rate, Financial and Management Consultants*

July 14, 1999



PRMG #1070-04

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 Prime Communications Potomac, L.L.C., d/b/a Cable TV Montgomery Filed with Montgomery County, Maryland on March 31, 1999**

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 Prime Communications Potomac, L. L. C., d/b/a Cable TV Montgomery ("CTM") on March 31, 1999. 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, 1999. CTM provided its initial response April 30 and May 20. The County submitted a follow-up request on May 25 that CTM responded to with additional information on June 2, June 4, and June 11. PRMG provided CTM and the County draft copies of the recalculated FCC Forms 1240 and 1205. CTM reviewed PRMG's recalculated forms and provided comments back. This culminated a meeting in Washington, DC on June 25, 1999 at which these differences were discussed. It is my understanding that CTM and the County have agreed to the rates put forth in this report, which incorporate the changes based on our discussion of the issues identified in the rate filings. Attached to this letter report are:

- Appendix A - identifies the rates determined and recommended by PRMG from our review of these filings;
- Appendix B - a comparison of the current programming, equipment, and installation rates with those originally proposed by CTM and those recommended by PRMG in this report;
- 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 A

MONTGOMERY COUNTY, MARYLAND  
PRIME COMMUNICATIONS POTOMAC, L.L.C. d/b/a CABLE TV MONTGOMERY

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	\$17.47	\$18.39
2	Remote	\$0.22	\$0.23
3	Converter Type 1 - Addressable	\$1.00	\$1.05
4	Converter Type 2 - Non-addressable	\$0.82	\$0.86
	<u>Per Activity</u>		
5	Installation of Unwired Home	\$39.17	\$41.23
6	Installation of Prewired Home	\$25.99	\$27.35
7	Installation of Reconnect	\$24.68	\$25.98
8	Additional Connection @ Installation of Unwired Home	\$17.25	\$18.16
9	Additional Connection @ Installation of Prewired Home	\$11.85	\$12.47
10	Additional Connection @ Reconnect	\$7.90	\$8.31
11	Additional Connection Separate Trip	\$25.98	\$27.35
12	Tier Change with Service Call	\$15.59	\$16.41
13	Tier Change without Service Call	\$2.00	\$2.11

APPENDIX B

MONTGOMERY COUNTY, MARYLAND  
PRIME COMMUNICATIONS POTOMAC, L.L.C. d/b/a CABLE TV MONTGOMERY  
REVIEW OF 1999 FCC FORMS 1240 & 1205  
COMPARISON OF CURRENT AND PROPOSED RATES

Line No	Type of Service	Rates Excluding Franchise Fees					Rates Including Franchise Fees of 5%				
		Current Rates	CTM Rates Filed 3/31/99	PRMG Proposed Rates	Difference PRMG Adj. & Current Rates (c - a)	Difference PRMG Adj. & Filed Rates (c - b)	Current Rates	CTM Rates Filed 3/31/99	PRMG Proposed Rates	Difference PRMG Pro. & Current Rates (h - f)	Difference PRMG Pro. & Filed Rates (h - g)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	<b>Monthly Rate</b>										
1	Basic Tier	\$16.31	\$17.51	\$17.47	\$1.17	(\$0.04)	\$17.17	\$18.44	\$18.39	\$1.23	(\$0.04)
	Percentage Change				7.14%	-0.23%	\$0.00			7.14%	-0.23%
2	Remote	\$0.34	\$0.39	\$0.22	(\$0.12)	(\$0.17)	\$0.36	\$0.36	\$0.23	(\$0.13)	(\$0.13)
	Percentage Change				-35.95%	-44.16%	\$0.00			-35.95%	-35.95%
3	Converter Type 1 - Addressable	\$1.26	\$1.00	\$1.00	(\$0.26)	(\$0.00)	\$1.33	\$1.45	\$1.05	(\$0.28)	(\$0.40)
	Percentage Change				-20.94%	-0.38%	\$0.00			-20.94%	-27.81%
4	Converter Type 2 - Non-addressable	\$0.07	\$0.44	\$0.82	\$0.75	\$0.38	\$0.07	\$0.55	\$0.86	\$0.79	\$0.31
	Percentage Change				1066.80%	85.63%	\$0.00			1066.80%	57.07%
	<b>Per. Activity</b>						\$0.00				
5	Unwired Home Installation	\$47.53	\$49.66	\$39.17	(\$8.36)	(\$10.49)	\$50.03	\$53.49	\$41.23	(\$8.80)	(\$12.26)
	Percentage Change				-17.58%	-21.12%	\$0.00			-17.58%	-22.92%
6	Prewired Home Installation	\$31.83	\$33.26	\$25.99	(\$5.84)	(\$7.27)	\$33.51	\$35.83	\$27.35	(\$6.15)	(\$8.48)
	Percentage Change				-18.36%	-21.87%	\$0.00			-18.36%	-23.66%
7	Reconnection of Service	\$29.15	\$30.45	\$24.68	(\$4.47)	(\$5.77)	\$30.68	\$32.81	\$25.98	(\$4.71)	(\$6.83)
	Percentage Change				-15.34%	-18.95%	\$0.00			-15.34%	-20.82%
8	New Outlet Install / Unwired Home	\$18.61	\$19.44	\$17.25	(\$1.36)	(\$2.19)	\$19.59	\$20.95	\$18.16	(\$1.43)	(\$2.79)
	Percentage Change				-7.30%	-11.26%	\$0.00			-7.30%	-13.31%
9	New Outlet Install / Prewired Home	\$12.78	\$13.35	\$11.85	(\$0.93)	(\$1.50)	\$13.45	\$14.39	\$12.47	(\$0.98)	(\$1.92)
	Percentage Change				-7.30%	-11.25%	\$0.00			-7.30%	-13.33%
10	New Outlet Install / Reconnection	\$8.52	\$8.90	\$7.90	(\$0.62)	(\$1.00)	\$8.97	\$9.59	\$8.31	(\$0.65)	(\$1.28)
	Percentage Change				-7.30%	-11.25%	\$0.00			-7.30%	-13.30%
11	Install New Outlet / Separate Trip	\$28.03	\$29.28	\$25.98	(\$2.05)	(\$3.30)	\$29.51	\$31.55	\$27.35	(\$2.16)	(\$4.20)
	Percentage Change				-7.31%	-11.27%	\$0.00			-7.31%	-13.31%
12	Hourly Service Charge	\$22.42	\$23.97	\$20.79	(\$1.63)	(\$3.18)	\$23.60	\$25.23	\$21.88	(\$1.72)	(\$3.35)
	Percentage Change				-7.29%	-13.29%	\$0.00			-7.29%	-13.29%
13	Tier Change with Service Call	\$22.42	\$23.43	\$15.59	(\$6.83)	(\$7.84)	\$23.60	\$25.23	\$16.41	(\$7.19)	(\$8.82)
	Percentage Change				-30.47%	-33.47%	\$0.00			-30.47%	-34.97%
14	Tier Change without Service Call	\$2.00	\$2.00	\$2.00	\$0.00	\$0.00	\$2.11	\$2.11	\$2.11	\$0.00	\$0.00
	Percentage Change				0.00%	0.00%				0.00%	0.00%

APPENDIX C

FCC FORM 1240  
UPDATING MAXIMUM PERMITTED RATES FOR REGULATED CABLE SERVICES

Cable Operator:

Name of Cable Operator PRIME COMMUNICATIONS POTOMAC. L.L.C., 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

		X
--	--	---

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

X		
---	--	--

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	X
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	07/01/99		06/30/00	
(mm/yy)					

6. Indicate the time period for which you are performing a true-up.

	TO	02/01/98		01/31/99	
(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

		X
--	--	---

b. Has an FCC Form 1240 been filed previously with the FCC? YES NO

X		
---	--	--

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

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

X		
---	--	--

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

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	\$16,3089				

### 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	215,186				
B2	Average Subscribership For True-Up Period 2					
B3	Estimated Average Subscribership For Projected Period	223,765				

### 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]			1.0097
C4	Inflation Factor For True-Up Period 2 [Wks 1]			
C5	Current FCC Inflation Factor			1.0160

**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	\$1.9169				
D3	Current Caps Method Segment					
D4	Current Markup Method Segment	\$0.0000				
D5	Current Channel Movement and Deletion Segment					
D6	Current True-Up Segment	\$0.3838				
D7	Current Inflation Segment	\$0.1139				
D8	Base Rate {A1-D1-D2-D3-D4-D5-D6-D7}	\$13.8943				

**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]	\$0.0000				
F2	Markup Method Segment For True-Up Period 1 [Wks 3]	\$0.0050				
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]	\$13.8993				
F5	Inflation Segment for True-Up Period 1 [(F4*C3)-F4]	\$0.1353				
F6	Headend Upgrade Segment For True-Up Period 1 [Wks 6]					
F7	External Costs Segment For True-Up Period 1 [Wks 7]	\$1.729				
F8	True-Up Segment For True-Up Period 1	\$0.3977				
F9	Max Perm Rate for True-Up Period 1 [F4+F5+F6+F7+F8]	\$16.1613				

**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	41,111,364.90				
H2	Revenue From Max Permitted Rate for Period 1	41,732,203.89				
H3	True-Up Period 1 Adjustment (H2-H1)	5620,838.98				
H4	Interest on Period 1 Adjustment	\$65,661.00				
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 + Interest	\$27,583.88				
H13	Total True-Up Adjustment (H3+H4+H7+H8+H11+H12)	\$714,083.86				
H14	Amount of True-Up Claimed For This Projected Period	\$714,083.86				
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]	\$0.0000				
I2	Markup Method Segment For Projected Period [Wks 3]	\$0.0300				
I3	Chan Mvmt Deletn Segment For Projected Period [Wks 4/5]					
I4	Proj. Period Rate Eligible For Inflation [D3+F5+G5+I1+I2+I3]	\$14.0595				
I5	Inflation Segment for Projected Period [(I4*CS)-I4]	\$0.225				
I6	Headend Upgrade Segment For Projected Period [Wks 6]					
I7	External Costs Segment For Projected Period [Wks 7]	\$2.9236				
I7	External Costs Segment For Projected Period [Wks 7]					
I8	True-Up Segment For Projected Period	\$0.2659				
I9	Max Permitted Rate for Projected Period [I4+I5+I6+I7+I8]	\$17.4741		(\$0.0497)		
I10	Operator Selected Rate For Projected Period	\$17.5144	(\$0.0403)			

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 Dorothy Bryant	3/31/99
Name and Title of Person Completing this Form: Dorothy Bryant, Director of Regulatory Accounting	
Telephone number (512) 476-7888	Fax Number (512) 320-4059

## 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	1.14%
102	Month 2	1.14%
103	Month 3	0.82%
104	Month 4	0.82%
105	Month 5	0.82%
106	Month 6	1.00%
107	Month 7	1.00%
108	Month 8	1.00%
109	Month 9	0.78%
110	Month 10	0.78%
111	Month 11	0.78%
112	Month 12	1.60%
113	Average Inflation Factor for True-Up Period 1	1.0097
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

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							0.0000
302	Month 1	34	34	34.0	\$0.03	0	\$0.00	0.0000
303	Month 2	34	34	34.0	\$0.03	0	\$0.00	0.0000
304	Month 3	34	34	34.0	\$0.03	0	\$0.00	0.0000
305	Month 4	34	34	34.0	\$0.03	0	\$0.00	0.0000
306	Month 5	34	34	34.0	\$0.03	0	\$0.00	0.0000
307	Month 6	34	34	34.0	\$0.03	0	\$0.00	0.0000
308	Month 7	34	34	34.0	\$0.03	0	\$0.00	0.0000
309	Month 8	34	34	34.0	\$0.03	0	\$0.00	0.0000
310	Month 9	34	34	34.0	\$0.03	0	\$0.00	0.0000
311	Month 10	34	34	34.0	\$0.03	0	\$0.00	0.0000
312	Month 11	34	35	34.5	\$0.03	1	\$0.03	0.0300
313	Month 12	35	35	35.0	\$0.03	0	\$0.00	0.0300
314	Average Period 1 Markup Method Adjustment							0.0050
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							\$0.03
302	Month 1	35	35	35.0	\$0.03	0	\$0.00	\$0.03
303	Month 2	35	35	35.0	\$0.03	0	\$0.00	\$0.03
304	Month 3	35	35	35.0	\$0.03	0	\$0.00	\$0.03
305	Month 4	35	35	35.0	\$0.03	0	\$0.00	\$0.03
306	Month 5	35	35	35.0	\$0.03	0	\$0.00	\$0.03
307	Month 6	35	35	35.0	\$0.03	0	\$0.00	\$0.03
308	Month 7	35	35	35.0	\$0.03	0	\$0.00	\$0.03
309	Month 8	35	35	35.0	\$0.03	0	\$0.00	\$0.03
310	Month 9	35	35	35.0	\$0.03	0	\$0.00	\$0.03
311	Month 10	35	35	35.0	\$0.03	0	\$0.00	\$0.03
312	Month 11	35	35	35.0	\$0.03	0	\$0.00	\$0.03
313	Month 12	35	35	35.0	\$0.03	0	\$0.00	\$0.03
314	Average Period 1 Markup Method Adjustment							\$0.0300

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 7 - External Costs True-Up Period

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

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

True-Up Period	Projected Period
X	

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

12
0

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	\$2,820,350.58				
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$361,068.55				
704	External Costs Eligible For 7.5% Markup	\$3,181,419.13				
705	Marked Up External Costs	\$3,420,025.57				
External Costs Not Eligible for Markup						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period	\$936,716.49				
708	Commission Regulatory Fees For Period	\$107,994.17				
709	Total External Costs For Period	\$4,464,736.23				
710	Monthly, Per-Subscriber External Costs For Period 1	\$1.7290				

**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 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	\$3,494,747.16				
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$408,863.73				
704	External Costs Eligible For 7.5% Markup	\$3,903,610.89				
705	Marked Up External Costs	\$4,196,381.71				
<b>External Costs Not Eligible for Markup</b>						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period	\$3,551,754.91				
708	Commission Regulatory Fees For Period	\$102,322.93				
709	Total External Costs For Period	\$7,850,459.55				
710	Monthly, Per-Subscriber External Costs For Period 1	\$2.9236				

## 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?

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

12
0

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
801	Month 1	\$15.2500				
802	Month 2	\$15.2500				
803	Month 3	\$15.2500				
804	Month 4	\$15.2500				
805	Month 5	\$15.2500				
806	Month 6	\$16.4000				
807	Month 7	\$16.4000				
808	Month 8	\$16.4000				
809	Month 9	\$16.4000				
810	Month 10	\$16.4000				
811	Month 11	\$16.4000				
812	Month 12	\$16.4000				
813	Period 1 Average Rate	\$15.9208				

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 (denoted CUID) of cable system		Date of Form Submission	
MD		03/31/98	
Name of Cable Operator			
PRIME COMMUNICATIONS, L.L.C. d/b/a CABLE TV MONTGOMERY			
Mailing Address of Cable Operator			
70 WEST GUE			
City	State	ZIP Code	
ROCKVILLE	MD	20850	
Name and Title of person completing this form:			
DOROTHY BRYANT, DIRECTOR OF REGULATORY ACCOUNTING			
Telephonic number		Fax Number	
(512) 476-7385		(512) 370-4059	

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]

Limited Liability Company

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	\$641,166,983	\$104,261,108	\$667,752,68		
C	Accumulated Depreciation	\$579,008,3497	\$81,764,333	\$437,018,13		
D	Deferred Taxes					
E	Net Book Value [B-(C+D)]	\$62,158,6333	\$22,496,7729	\$210,734,54	\$0,00	\$0,00
F	Rate of Return	0.1125				
G	Calculation of Gross-up Rate					
G1	Federal Income Tax Rate	0.33				
G2	State Income Tax Rate	0.07				
G3	Net Total Income Tax Rate [(G1+G2)-(G1 x G2)]	0.3953				
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]	\$8,613,499.275				
G4d	Interest Deductibility Factor [G4a/G4c]	0.2766				
G5	Effective Tax Rate [G3 x (1-G4d)] [C-Corps skip to G7]	0.2361				
G6	Adjustments for Non-C Corporations					
G6a	Base Return on Investment Amount [G4c]	\$8,613,499.275				
G6b	Distributions	\$0.00				
G6c	Contributions (may not exceed G6b)	\$0.00				
G6d	Returns Subject to Income Tax [G6a-G6b+G6c]	\$8,613,499.275				
G6e	Returns Percentage Subject to Income Tax [G6d/G6a]	1				
G7	Gross-Up Rate [C-Corps: 1/(1-G3) Other: 1/(1-(G3 x G6e))]	1.6007				
H	Grossed-Up Rate of Return [F x G7]	0.1807				
I	Return on Investment Grossed-Up for Taxes[E x H]	\$9,795,1539	\$3,243,1133	\$33,208,22	\$0,00	\$0,00
J	Current Provision for Depreciation	\$80,645,4445	\$8,002,6834	\$90,583,80		
K	Annual Capital Costs [I+J]	\$90,440,6004	\$11,247,7967	\$123,794,03	\$0,00	\$0,00
L	GRAND TOTAL [sum of Line K entries]	\$22,784,72				

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.	\$770,778.40	\$532,052.36	\$0.00	\$97,129.34	\$63,733.16	\$1,391,347.73
B	GRAND TOTAL [sum of Line A entries]	\$3,057,040.99					

Box 2.

Specify: Other 1. Vehicle Maintenance, Gas & Oil \_\_\_\_\_

Specify: Other 2. Costs for Contract Labor \_\_\_\_\_

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)	7,079			42,511	61		
C	Total # of Units in Service	190,091			244,034	254		
D	Gross Book Value	\$2,193,238.00			\$29,499,353.00	\$1,943,144.00		
E	Accumulated Depreciation	\$1,921,178.67			\$28,250,142.33	\$1,943,144.00		
F	Deferred Taxes							
G	Net Book Value (D-(E+F))	\$272,059.33	\$0.00	\$0.00	\$1,249,410.67	\$0.00	\$0.00	\$0.00
H	Grossed-Up Rate of Return (From Sched. A, Line H)	0.1328						
I	Return on Investment Grossed-Up for Taxes (G x H)	\$42,871.98	\$0.00	\$0.00	\$196,186.04	\$0.00	\$0.00	\$0.00
J	Current Provision for Depreciation	\$306,776.25			\$1,834,673.42	\$1,227.02		
K	Annual Capital Costs ((I + J)	\$349,648.23	\$0.00	\$0.00	\$2,031,559.46	\$1,227.02	\$0.00	\$0.00
L	GRAND TOTAL (sum of Line K entries)	\$2,387,434.71						

Box 3.

SCHEDULE D: AVERAGE HOURS PER INSTALLATION		
A.	Average Hours per Unwired Home Installation (attach an explanation)	1.38
B.	Average Hours per Pre-Wired Home Installation (attach an explanation)	1.25
C.	Average Hours per Reconnect Home Installation (attach an explanation)	1.19
D.	Average Hours per Additional Connection @ Initial Installation Unwired (attach an explanation)	0.83
E. Other Installation (by Item Type):		
Item 1. (Specify:)	Additional Connection at Time of Initial Installation Provided	
	Average Hours per Installation (attach an explanation)	0.57
Item 2. (Specify:)	Additional Connection at Reconnection	
	Average Hours per Installation (attach an explanation)	0.38
Item 3. (Specify:)	Additional Connection Requiring Separate Trip	
	Average Hours per Installation (attach an explanation)	1.25

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)		\$725,782.42
2. Total Annual Operating Expenses for Installation and Maintenance (Schedule B, Box 2)		\$1,057,040.99
3. Total Capital Costs and Operating Expenses for Installation and Maintenance (Line 1 + Line 2)		\$1,782,823.42
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)		\$2,382,323.42
6. Total Labor Hours for Maintenance and Installation of Customer Equipment and Services (attach explanation)		157,941.61
7. Hourly Service Charge (HSC) (Line 5/Line 6)		\$20.7850

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)	\$20.785	
a2. Average Hours per Unwired Home Installation (Schedule D, Line A)	1.84	
a3. Charge per Unwired Home Installation (a1 x a2)		\$39,128
b. Pre-wired Home Installation		
b1. HSC (Line 7)	\$20.785	
b2. Average Hours per Pre-wired Home Installation (Schedule D, Line B)	1.24	
b3. Charge per Pre-wired Home Installation (b1 x b2)		\$25,987
c. Reconnect Installation		
c1. HSC (Line 7)	\$20.785	
c2. Average Hours per Additional Connection Installation at Time of Init. Install. (Schedule D, Line C)	1.19	
c3. Charge per Additional Connection Installation at Time of Initial Installation (c1 x c2)		\$24,649
d. Additional Connection @ Initial Installation Unwired		
d1. HSC (Line 7)	\$20.785	
d2. Avg. Hours per Additional Connection Installation Req. Sep. Install. (Schedule D, Line D)	0.83	
d3. Charge per Additional Connection Installation Requiring Separate Installation (d1 x d2)		\$17,316
e. Other Installations (As specified in Schedule D, Line E):		
e1. HSC (Line 7)	\$20.785	
e2. Average Hours per Installation of Item 1 (Schedule D, Line E, Item 1)	0.59	
e3. Charge per Installation of Item 1 (e1 x e2)		\$12,475
e4. HSC (Line 7)	\$20.785	
e5. Average Hours per Installation of Item 2 (Schedule D, Line E, Item 2)	0.38	
e6. Charge per Installation of Item 2 (e4 x e5)		\$7,998
e7. HSC (Line 7)	\$20.785	
e8. Average Hours per Installation of Item 3 (Schedule D, Line E, Item 3)	1.25	
e9. Charge per Installation of Item 3 (e7 x e8)		\$25,981

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]	7079.0663	0	0
11. HSC [Line 7]	\$20,785	\$20,785	\$20,785
12. Total Maintenance/Service Cost [Line 10 x Line 11]	\$147,138.71	\$0.00	\$0.00
13. Annual Capital Costs [Corresponding column from Schedule C, Line K]	\$29,648.23	\$0.00	\$0.00
14. Total Cost of Remote [Line 12 + Line 13]	\$176,786.94	\$0.00	\$0.00
15. Number of Units in Service [Corresponding column from Schedule C, Line C]	190095	0	0
16. Unit Cost [Line 14/Line 15]	\$2.6134	\$0.00	\$0.00
17. Rate per Month [Line 16/(12)]	\$0.2178	\$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]	32611.2503	60.739	0
19. HSC [Line 7]	\$20,785	\$20,785	\$20,785
20. Total Maintenance/Service Cost [Line 18 x Line 19]	\$685,676.73	\$1,262.46	\$0.00
21. Annual Capital Costs [Corresponding column from Schedule C, Line K]	\$2,031,359.46	\$1,227.02	\$0.00
22. Total Cost of Converter [Line 20 + Line 21]	\$2,917,236.19	\$2,489.48	\$0.00
23. Number of Units in Service [Corresponding column from Schedule C, Line C]	24034	254	0
24. Unit Cost [Line 22/Line 23]	\$119.542	\$9.801	\$0.00
25. Rate per Month [Line 24/(12)]	\$9.962	\$0.8168	\$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]	\$20,785
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	0
OR	
36. Average Charge for Changing Service Tiers	
36a. HSC [Line 7]	\$20,785
36b. Average Hours to Change Service Tiers	0.75
36c. Average Charge for Changing Service Tiers (Line 36a x Line 36b)	\$15,588.75

WORKSHEET FOR CALCULATING TOTAL EQUIPMENT AND INSTALLATION COSTS	
1. Total Capital Costs of Installation and Maintenance (Schedule A, Box 1)	\$25,782.42
2. Total Annual Operating Expenses for Installation and Maintenance (Schedule B, Box 2)	\$3,057,040.99
3. Total Annual Capital Costs of Installation and Maintenance (Line 1 + Line 2)	\$3,282,823.42
4. Customer Equipment and Installation Percentage (attach explanation)	1
5. Annual Customer Equipment Maintenance and Installation Costs, Excluding Costs of Leased Equipment (Line 3 x Line 4)	\$3,282,823.42
6. Total Capital Costs of Leased Customer Equipment (Schedule C, Box 3)	\$2,382,434.71
7. Annual Customer Equipment and Installation Costs (Line 5 + Line 6)	\$5,665,258.13
8. Percentage Allocation to Franchise Area (see instructions)	1
9. Allocated Annual Equipment and Installation Cost (Line 7 x Line 8)	\$5,665,258.13
10. Monthly Equipment and Installation Cost (Line 9 / (12))	\$472,104.8435
11. Number of Basic Subscribers in Franchise	215,186
12. Monthly Equipment and Installation Cost per Subscriber (Line 10 / Line 11)	\$2,1939
13. Inflation Adjustment Factor (See Instructions)	1
14. Adjusted Monthly Equipment and Installation Cost per Subscriber (Line 12 x Line 13)	\$2,1939

SUMMARY SCHEDULE

Current Equipment and Installation Rates	Permitted	Actual	CTM Proposed
<b>1. Charges for Cable Service Installations</b>			
a. Hourly Rate (Step A, Line 7)	N/A		
<b>b. Average Installation Charges:</b>			
1. Installation of Unwired Homes (Step B, Line 9a3)	\$39.17	\$47.53	\$49.66
2. Installation of Prewired Homes (Step B, Line 9b3)	\$25.99	\$31.83	\$33.26
3. Installation of Reconnect Homes (Step B, Line 9c3)	\$24.68	\$29.15	\$30.45
4. Installation of Additional Connections (a) Initial Install Unwired (Step B, Line 9d3)	\$17.25	\$18.61	\$19.44
5. Other Installations (specify) (Step B, Lines 9e3, 9e6, 9e9)			
a. Additional Connection at Time of Initial Installation Prewired	\$11.55	\$12.78	\$13.35
b. Additional Connection at Reconnection	\$7.90	\$8.52	\$8.90
c. Additional Connection Requiring Separate Trip	\$25.98	\$23.03	\$29.28
<b>2. Monthly Charge for Lease of Remote Controls (Step C, Line 17, columns a-c)</b>			
Remote Control Type 1:	\$0.22	\$0.34	\$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:	\$1.00	\$1.26	\$1.00
Converter Box Type 2:	\$0.82	\$0.07	\$0.44
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>			
	\$15.59	\$22.42	\$23.43

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 installation 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	Signature
PRIME COMMUNICATIONS - POTOMAC, L.L.C. 464 CABLE TV MONTGOMERY	FILING SIGNED BY DOROTHY BRYANT
Date	Title
03/31/99	DIRECTOR OF REGULATORY ACCOUNTING



APPENDIX E

MONTGOMERY COUNTY, MARYLAND  
 ANALYSIS OF THE CABLE RATES OF CABLE TV MONTGOMERY  
 Analysis of Plant & Depreciation of the 1999 FCC Form 1205

APPENDIX E

Line No.	Item/Vintage	As of December 31, 1997					Annualized Depreciation Expense	Depreciable Life in Years
		Plant/ Adds	Retirements	Gross Plant	Accumulated Depreciation	Net Plant		
<b>Vehicles</b>								
1	Bal. @ 12/31/92	2,282,519		2,282,519	2,282,519	0	0	4
2	1993	547,737	(521,275)	2,308,981	547,737	0	0	4
3	1994	567,050	(30,653)	2,845,378	567,050	0	0	4
3	1995	747,711	(327,532)	3,265,557	654,247	93,464	186,928	4
4	1996	658,027	(38,381)	3,885,203	411,267	246,760	164,507	4
5	1997	1,011,688	(73,024)	4,823,867	379,383	632,305	252,922	4
6	1998	651,319	(23,000)	5,452,186	81,415	569,904	81,415	4
	<b>Total</b>			5,452,186	4,923,618	1,542,433	685,771	
	Allocation to Sch. A			641,167	579,008	181,387	80,645	
<b>Tools</b>								
7	Bal. @ 12/31/92	430,558		430,558	430,558	0	0	5
8	1993	62,749	0	493,307	62,749	0	0	5
9	1994	104,559	0	597,866	94,103	10,456	20,912	5
10	1995	91,953	0	689,819	64,367	27,586	18,391	5
11	1996	28,441	0	718,260	14,221	14,221	5,688	5
12	1997	62,277	0	780,537	18,683	43,594	12,455	5
13	1998	106,051	0	836,588	10,605	95,446	10,605	5
	<b>Total</b>			886,588	695,286	191,302	68,051	
	Allocation to Sch. A			104,261	81,764	22,497	8,003	
<b>Maintenance Facilities</b>								
14	Bal. @ 12/31/92	2,240,544		2,240,544	2,240,544	0	0	5
15	1993	67,688	0	2,308,232	67,688	0	0	5
16	1994	2,205,292	0	4,513,524	1,984,763	220,529	441,058	5
17	1995	627,924	0	5,141,448	439,547	188,377	125,585	5
18	1996	833,113	0	5,974,561	416,557	416,557	166,623	5
19	1997	1,616,309	0	7,590,870	484,893	1,131,416	323,262	5
20	1998	750,679	0	8,341,549	75,068	675,611	75,068	5
	<b>Total</b>			8,341,549	5,709,059	2,632,490	1,131,596	
	Allocation to Sch. A			667,753	457,018	210,735	90,586	
	<b>Total to Sch. A</b>			1,413,181	1,117,791	414,619	179,234	
<b>Remotes</b>								
21	Bal. @ 12/31/92	1,027,317		1,027,317	1,027,317	0	0	5
22	1993	162,626	0	1,189,943	162,626	0	0	5
23	1994	280,456	0	1,470,399	280,456	0	0	3
24	1995	149,827	0	1,620,226	149,827	0	0	3
25	1996	206,753	0	1,826,979	172,294	34,459	68,918	3
26	1997	202,846	0	2,029,825	101,423	101,423	67,615	3
27	1998	-163,413	0	2,193,238	-27,236	136,178	27,236	3
	<b>Total</b>			2,193,238	1,921,179	272,059	163,769	
	Allocation to Sch. C			2,193,238	1,921,179	272,059	163,769	
<b>Addressable Converters</b>								
28	Bal. @ 12/31/92	20,501,985		20,501,985	20,501,985	0	0	5
29	1993	971,955	0	21,473,940	971,955	0	0	5
30	1994	3,044,346	0	24,518,286	3,044,346	0	0	3
31	1995	1,821,636	0	26,339,922	1,821,636	0	0	3
32	1996	1,467,304	0	27,807,226	1,222,753	244,551	489,101	3
33	1997	1,216,239	0	29,023,465	608,120	608,120	405,413	3
34	1998	476,088	0	29,499,553	79,348	396,740	79,348	3
	<b>Total</b>			29,499,553	28,250,143	1,249,410	973,862	
	Allocation to Sch. C			29,499,553	28,250,143	1,249,410	973,862	
<b>Non-addressable Converters</b>								
35	Bal. @ 12/31/92	1,943,144		1,943,144	1,943,144	0	0	5
36	1993	0	0	1,943,144	0	0	0	5
37	1994	0	0	1,943,144	0	0	0	3
38	1995	0	0	1,943,144	0	0	0	3
39	1996	0	0	1,943,144	0	0	0	3
40	1997	0	0	1,943,144	0	0	0	3
41	1998	0	0	1,943,144	0	0	0	3
	<b>Total</b>			1,943,144	1,943,144	0	0	
	Allocation to Sch. C			1,943,144	1,943,144	0	0	

APPENDIX F

**MONTGOMERY COUNTY, MARYLAND**  
 Review of 1999 FCC 1205 Filed by Cable TV Montgomery  
 Schedule A Maintenance Facilities

APPENDIX F

Line No.	GL Account	Description	Balance 12/31/98	1205 Percentage	Balance 12/31/98	Allocation Percentage	Allocated Balance
1	1605-0000	Telephone Equipment	313,353	34.00% (A)	106,540	10.74% (A)	11,440
2	1605-0100	Telephone Equipment	8,767	34.00% (A)	2,981	10.74% (A)	320
3	1605-0200	Telephone Equipment	42,688	50.00% (A)	21,344	10.74% (A)	2,292
4	1605-0300	Telephone Equipment	1,964	0.00% (A)	0	10.74% (A)	0
5	1605-0400	Telephone Equipment	488,274	0.00% (A)	0	10.74% (A)	0
6	1605-0403	Telephone Equipment	170,057	20.00% (A)	34,011	10.74% (A)	3,652
7	1605-0500	Telephone Equipment	1,144	20.00% (A)	229	10.74% (A)	25
8	1609-0000	Computer Equipment	792,190	33.33% (B)	264,037	8.01% (B)	21,137
9	1609-0100	Computer Equipment	285,991	33.33% (B)	95,321	8.01% (B)	7,631
10	1609-0200	Computer Equipment	20,842	33.33% (B)	6,947	8.01% (B)	556
11	1609-0205	Computer Equipment	518	90.00% (B)	466	8.01% (B)	37
12	1609-0300	Computer Equipment	108,750	0.00% (B)	0	8.01% (B)	0
13	1609-0400	Computer Equipment	147,658	0.00% (B)	0	8.01% (B)	0
14	1609-0403	Computer Equipment	88,204	60.00% (B)	52,922	8.01% (B)	4,237
15	1609-0408	Computer Equipment	112,975	50.00% (B)	56,488	8.01% (B)	4,522
16	1609-0500	Computer Equipment	75,769	60.00% (B)	45,461	8.01% (B)	3,639
17	1610-0000	Computer Equipment	344,633	75.00% (B)	258,475	8.01% (B)	20,691
18	1610-0100	Computer Equipment	26,537	33.33% (B)	8,845	8.01% (B)	708
19	1610-0300	Computer Equipment	12,633	0.00% (B)	0	8.01% (B)	0
20	1610-0400	Computer Equipment	45,558	0.00% (B)	0	8.01% (B)	0
21	1610-0500	Computer Equipment	496	60.00% (B)	298	8.01% (B)	24
22	1621-0100	Computer Equipment	1,412,214	75.00% (B)	1,059,161	8.01% (B)	84,787
23	1611-0100	Computer Equipment	1,113,247	75.00% (B)	834,935	8.01% (B)	66,838
24	1623-0103	Computer Equipment	2,326,610	75.00% (B)	1,744,958	8.01% (B)	139,686
25	1624-0100	Computer Equipment	63,198	0.00% (B)	0	8.01% (B)	0
26	1624-0103	Computer Equipment	41,839	0.00% (B)	0	8.01% (B)	0
		Total SBC Entires	8,046,109		4,593,417		372,220
27	14300-0310	Furniture & Fixtures (Telephone Equip.)	0	8.01%	0	8.01%	0
28	14320-0310	Computer Hardware	180,018	44.72%	80,512	8.01%	6,445
29	14330-0310	Computer Software	115,423	33.13%	38,242	8.01%	3,061
30	14360-0310	Capital Leased Equipment - Comp. HW	0	8.01%	0	8.01%	0
31		Total Prime Entires	295,441		118,754		9,506
32		Gross Book Maintenance Facilities	8,341,550		4,712,171		381,727
33		Accumulated Depreciation Equipment/Tool	5,709,059	56.49% (C)	3,225,068	8.10% (C)	261,259
34		Net Book Value	2,632,491		1,487,104		120,468
35		Depreciation Expense	1,131,596	56.49% (C)	639,242	8.10% (C)	51,784
<b>(A) Allocation of Telephone Equipment for installation/maintenance of customer equipment &amp; plant:</b>							
		Incoming phone stats:					
	(a)	Total Equipment & Installation Phone Calls			255,427	0.66667	170,285
	(b)	Total Phone Calls					1,585,916
	(c)	Allocation percentage [(a) / (b)]					10.74%
<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			4,712,171		381,727
	(b)	Gross Plant			3,341,550		4,712,171
	(c)	Allocation percentage [(a) / (b)]			56.49%		8.10%

APPENDIX G

MONTGOMERY COUNTY, MARYLAND  
Review of 1999 FCC 1205 Filed by Cable TV Montgomery  
Schedule B Installation Materials/Supplies

Line No.	Description	1205 %	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	90.00%	\$3.13	\$3.13	\$2.19	\$1.25	\$0.63	\$0.63	\$1.74	\$0.37	\$0.37	\$1.74
2	PPC Interconnections	50.00%	\$0.62	\$0.62	\$0.62	\$0.62	\$0.51	\$0.51	\$1.03	\$1.03	\$0.72	\$1.03
3	Ground Block	5.00%	\$0.02	\$0.02	\$0.02	\$0.02						
4	Ground Strap	10.00%	\$0.03	\$0.03	\$0.03	\$0.03						
5	Ground Wire	5.00%	\$0.02	\$0.02	\$0.02	\$0.02						
6	Ground Wire Clip	5.00%	\$0.00	\$0.00	\$0.00	\$0.00						
7	Sealant	0.00%	\$0.00	\$0.00	\$0.00	\$0.00			\$0.00			\$0.00
8	Matching Transformer	100.00%	\$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	50.00%	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.10	\$0.10	\$0.10	\$0.10
10	Feed thru Bushing	0.00%	\$0.00	\$0.00	\$0.00	\$0.00			\$0.03			\$0.03
11	Wall Plate	100.00%	\$0.30	\$0.30	\$0.30	\$0.30			\$0.30			\$0.30
12	1.25 Drive Pin	0.00%	\$0.00	\$0.00	\$0.00	\$0.00						
13	A/B Switch	100.00%	\$0.02	\$0.02	\$0.02	\$0.02						
14	Anchor & Screws	0.00%	\$0.00	\$0.00	\$0.00	\$0.00			\$0.10			\$0.10
15	Hook Clips	50.00%	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.49	\$0.15	\$0.15	\$0.49
16	Splitter	50.00%							\$3.20	\$3.20	\$3.20	\$3.20
17	Install Booklet	100.00%	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35				
18	Total Material Cost per Type		\$5,9262	\$5,9262	\$4,9872	\$4,0473	\$2,9230	\$2,9230	\$7,2235	\$5,0800	\$4,7750	\$7,2235
19	Installs in 1996		1,584	2,096	1,086	2,563	23,885	19,785	10,469	6,924	32,538	10,250
20	Supplies for Installations		\$9,387	\$12,421	\$5,416	\$10,373	\$69,816	\$57,832	\$75,624	\$35,172	\$155,369	\$74,041
21	Total Supplies		\$505,451									
22	Total Supplies per CTM		\$570,853									
23	Change in Supplies on Sch. B		(\$65,402)									

APPENDIX H

MONTGOMERY COUNTY, MARYLAND  
 Review of 1999 FCC 1205 Filed by Cable TV Montgomery  
 Installation/Maintenance Hours

Line No	Description	Number in 1998	% Inhouse	Amount Inhouse	Avg. Hours Per Task	1205 %	Inhouse Hours	Amount Contractor	Avg. Hours Per Task	1205 %	Contractor Hours	Total Hours	Weighted Times
<b>Installs by Type</b>													
<b>Unwired</b>													
1	Aerial	792.0	33.84%	268.0	2.50	70.00%	469.00	524.0	2.50	70.00%	917.00	1,386.00	1.88
2	Underground	1,047.5	10.41%	109.0	2.12	91.99%	212.57	938.5	2.12	91.99%	1,830.25	2,042.82	
3	Townhouse	326.0	10.43%	34.0	2.12	91.98%	66.30	292.0	2.12	91.98%	569.39	635.69	
4	Apartment	256.0	21.48%	55.0	2.12	91.98%	107.25	201.0	2.12	91.98%	391.95	499.19	
		2,421.5		466.0			855.12	1,955.5			3,708.59	4,563.71	
<b>Prewired</b>													
5	Aerial	792.0	33.84%	268.0	2.00	62.50%	335.00	524.0	2.00	62.50%	655.00	990.00	1.25
6	Underground	1,048.5	10.49%	110.0	1.42	88.05%	177.53	938.5	1.42	88.05%	1,173.42	1,310.95	
7	Townhouse	760.0	10.39%	79.0	1.42	88.05%	98.77	681.0	1.42	88.05%	851.46	950.24	
8	Apartment	2,307.0	21.37%	493.0	1.42	88.05%	616.40	1,814.0	1.42	88.05%	2,268.06	2,884.47	
		4,907.5		950.0			1,187.71	3,957.5			4,947.94	6,135.65	
9	Reconnect	19,785.0	12.20%	2,414.0	1.42	88.24%	3,024.76	17,371.0	1.42	88.24%	21,766.00	24,790.76	1.19
10	Reconnect	23,885.0	39.38%	9,406.0	1.30	87.15%	10,656.53	14,479.0	1.30	87.15%	16,403.98	27,060.51	
		43,670.0		11,820.0			13,681.29	31,850.0			38,169.99	51,851.27	
11	<b>Total Installs</b>	<b>50,999.0</b>		<b>13,236.0</b>			<b>15,724.12</b>	<b>37,763.0</b>			<b>46,826.51</b>	<b>62,550.63</b>	
<b>Additional Outlets</b>													
12	A/Os Unwired Install	10,469.2	80.99%	8,479.0	0.83	100.00%	7,037.57	1,990.2	0.83	100.00%	1,651.86	8,689.43	0.81
13	A/Os Prewired Install	6,923.7	41.83%	2,896.0	0.57	100.00%	1,650.72	4,027.7	0.57	100.00%	2,295.80	3,946.52	0.57
14	A/Os Reconnect Install	32,538.1	0.38%	123.0	0.38	100.00%	46.74	32,415.1	0.38	100.00%	12,317.73	12,364.47	0.38
15	A/Os After Initial Install	10,250.0	25.41%	2,605.0	1.25	100.00%	3,256.25	7,645.0	1.25	100.00%	9,556.25	12,812.50	1.25
16	<b>Total A/Os</b>	<b>60,181.0</b>		<b>14,103.0</b>			<b>11,991.28</b>	<b>46,078.0</b>			<b>25,821.64</b>	<b>37,812.92</b>	
<b>Tier Changes</b>													
17	To Basic	7,268.0		1,739.0	1.00	75.00%	1,304.25	5,529.0	1.00	75.00%	4,146.75	5,451.00	1.00
18	To CPS Tier	3,168.0	23.93%	758.0	1.00	75.00%	568.50	2,410.0	1.00	75.00%	1,807.50	2,376.00	
19	<b>Total Tier Changes</b>	<b>10,436.0</b>		<b>2,497.0</b>			<b>1,872.75</b>	<b>7,939.0</b>			<b>5,954.25</b>	<b>7,827.00</b>	
<b>Equipment Maintenance</b>													
19	Installers						7,824.09				0.00	7,824.09	1.00
20	Contract Labor Converter Retrieval						0.00				14,666.50	14,666.50	
21	Converter Control*						27,260.47				0.00	27,260.47	
22	<b>Total Equipment Maintenance</b>						<b>35,084.56</b>				<b>14,666.50</b>	<b>49,751.06</b>	
23	<b>Total</b>						<b>64,672.71</b>				<b>93,268.90</b>	<b>157,941.61</b>	
24	<b>Disconnects</b>				0.75		0.00		0.75		0.00	0.00	
<b>Determination of Percentage of Regulated Hours to Total Hours</b>													
(a)	# of Employees				33.65								
(b)	Productive Hours												
(b)	Annual hours			2,080.00									
(c)	Annual vacation hours			(80.00)									
(d)	Annual holiday hours			(64.00)									
(e)	Annual average personal leave hours			(35.00)									
(f)	Annual required training hours			(160.00)									
(g)	Net annual productive hours [Sum (b) - (f)]			1,741.00									
(h)	Total annual productive hours [(a) x (g)]			58,584.65									
(i)	Gross-up productive hours for overtime [(h) x 1.0789]			63,205.89									
(j)	Total inhouse hours [Line 23, column "Inhouse Hours"]			64,672.71									
(k)	Less: Converter Control [Line 21]			(27,260.47)									
(l)	Net Regulated Installation Department hours [Sum (j) - (k)]			37,412.24									
(m)	Percentage of Installers Regulated Hours to Total Hours [(l) / (i)]				59.19%								
<b>Remates Add. Conv. Non-Add. Total</b>													
	# of Units												
	Converter Control						190,095	244,034			254		
	Setup Time						6.00	14.00			14.00		
	Churn %						36.54%	35.60%			70.08%		
	Annual Hrs.						6,946	20,273			42		27,260
	Installers												
	Repl. Time						35	60			35		
	Failure Rate						0.12%	2.67%			2.67%		
	Annual Hrs.						133	7,687			4		7,824
	Converter Retrieval						0	14,651			15		14,666
	<b>Total Time</b>						<b>7,079</b>	<b>42,611</b>			<b>61</b>		<b>49,751</b>
<b>Total</b>													
	Installer Wages			1,023,215									
	Installer Overtime (Time + 1/2)			121,069	7.89%								
	<b>Total</b>			<b>1,144,284</b>									
	Total Operations Department Wages			2,373,876									
	Percentage				48.20%								
<b>Total w/o Overtime</b>													
	Installer Wages			1,023,215									
	Installer Overtime (Time + 1/2)			0									
	<b>Total</b>			<b>1,023,215</b>									
	Total Operations Department Wages w/o Overtime			2,204,551									
	Percentage				46.41%								

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APPENDIX I

MONTGOMERY COUNTY 1205 REVIEW

Cable TV Montgomery

Contract Labor Units

APPENDIX I

Code	Description	Wireless	Underground	Overhead	As Viewed	Unseen	Total	Percentage	Original
500	Aerial Install - Unwired	344	0	0	180	0	524	8.86%	1.39%
	Aerial Install - Prewired	344	0	0	180	0	524	8.86%	1.39%
520	Underground Install - Unwired	738	0	0	201	0	939	15.87%	2.49%
	Underground Install - Prewired	738	0	0	201	0	939	15.87%	2.49%
540	Townhouse Install - Unwired	217	0	0	75	0	292	4.94%	0.77%
	Townhouse Install - Prewired	507	0	0	174	0	681	11.52%	1.80%
560	Apartment Install - Unwired	164	0	0	37	0	201	3.40%	0.53%
	Apartment Install - Prewired	1,476	0	0	338	0	1,814	30.68%	4.80%
<b>TOTAL INSTALLS</b>							<b>1,911</b>	<b>100.00%</b>	
750	Reinstall Aerial	1,998	0	0	1,254	0	3,252	18.72%	
751	Reinstall Underground	1,119	0	0	553	0	1,672	9.63%	
752	Reinstall Townhouse	2,318	0	0	1,044	0	3,362	19.35%	
753	Reinstall Apartment	6,538	0	0	2,547	0	9,085	52.30%	
<b>TOTAL REINSTALLS</b>							<b>17,276</b>	<b>100.00%</b>	46.00%
<b>RECONNECTS</b>							<b>1,472</b>	<b>100.00%</b>	38.34%
580	Additional Outlets	26,178	0	0	10,444	0	36,622	67.80%	
581	A/O - Separate Trip	4,405	0	0	2,324	0	6,729	12.46%	
582	Change of Service	5,406	0	0	2,533	0	7,939	14.70%	
640	Relocate Outlet	620	0	0	296	0	916	1.70%	
710	Reconnect A/O	1,247	0	0	564	0	1,811	3.35%	
<b>TOTAL ADDITIONAL OUTLETS</b>							<b>47,142</b>	<b>100.00%</b>	100.00%

Code	Description	Wireless	Underground	Overhead	As Viewed	Unseen	Total	1205 %	1205 Charges
500	Aerial Install - Unwired	515,766	\$0	\$0	\$6,660	\$0	\$22,426	70.00%	15,698
	Aerial Install - Prewired	15,766	0	0	6,660	0	22,426	62.50%	14,016
520	Underground Install - Unwired	28,313	0	0	6,231	0	34,544	91.99%	31,777
	Underground Install - Prewired	28,313	0	0	6,231	0	34,544	88.05%	30,416
540	Townhouse Install - Unwired	7,523	0	0	2,100	0	9,623	91.98%	8,852
	Townhouse Install - Prewired	17,578	0	0	4,872	0	22,450	88.05%	19,767
560	Apartment Install - Unwired	4,266	0	0	777	0	5,043	91.98%	4,638
	Apartment Install - Prewired	38,391	0	0	7,098	0	45,489	88.05%	40,053
<b>TOTAL INSTALLS</b>							<b>196,511</b>		<b>165,216</b>
750	Reinstall Aerial	49,490	0	0	25,080	0	74,570	88.24%	65,801
751	Reinstall Underground	27,718	0	0	11,060	0	38,778	88.24%	34,217
752	Reinstall Townhouse	57,417	0	0	20,880	0	78,297	88.24%	69,039
753	Reinstall Apartment	161,946	0	0	50,940	0	212,886	88.24%	187,851
<b>TOTAL REINSTALLS</b>							<b>404,994</b>		<b>356,928</b>
<b>RECONNECTS</b>							<b>1,490</b>	87.15%	<b>1,315</b>
580	Additional Outlets	469,895	0	0	151,438	0	621,333	100.00%	621,333
581	A/O - Separate Trip	98,187	0	0	41,832	0	140,019	100.00%	140,019
582	Change of Service	53,573	0	0	20,264	0	73,837	75.00%	55,378
640	Relocate Outlet	13,820	0	0	5,328	0	19,148	100.00%	19,148
710	Reconnect A/O	16,223	0	0	5,922	0	22,145	100.00%	22,145
<b>TOTAL ADDITIONAL OUTLETS</b>							<b>876,483</b>		<b>858,024</b>
<b>TOTAL CONTRACT LABOR CHARGES</b>							<b>\$1,719,840</b>		<b>\$1,591,348</b>
<b>TOTAL CONTRACT LABOR HOURS</b>									<b>83,499</b>
<b>CONTRACT LABOR HOURLY RATE</b>									<b>\$19.0582</b>
<b>CONTRACT LABOR CONVERTER RETRIEVAL</b>									<b>\$279,517</b>
<b>CONTRACT LABOR CONVERTER RETRIEVAL LABOR HOURS</b>									<b>14,666</b>

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APPENDIX J

MONTGOMERY COUNTY 1205 REVIEW  
 Cable TV Montgomery  
 Contract Labor Hours

Code	Description	Vitek	Underground Systems	Lucas	Silver Bulb	Boycott	Total	1205 %	1205 Hours
500	Aerial Install - Unwired	860	0	0	450	0	1,310	70.00%	917
	Aerial Install - Prewired	688	0	0	360	0	1,048	62.50%	655
520	Underground Install - Unwired	1,566	0	0	427	0	1,992	91.99%	1,833
	Underground Install - Prewired	1,049	0	0	286	0	1,335	88.05%	1,176
540	Townhouse Install - Unwired	460	0	0	159	0	619	91.98%	569
	Townhouse Install - Prewired	721	0	0	248	0	969	88.05%	853
560	Apartment Install - Unwired	348	0	0	78	0	426	91.98%	392
	Apartment Install - Prewired	2,100	0	0	481	0	2,581	88.05%	2,273
	<b>TOTAL INSTALLED</b>	<b>7,798</b>	<b>0</b>	<b>0</b>	<b>2,789</b>	<b>0</b>	<b>10,587</b>		<b>8,568</b>
750	Reinstall Aerial	2,837	0	0	1,781	0	4,618	88.24%	4,075
751	Reinstall Underground	1,589	0	0	785	0	2,374	88.24%	2,095
752	Reinstall Townhouse	3,292	0	0	1,482	0	4,774	88.24%	4,213
753	Reinstall Apartment	9,284	0	0	3,617	0	12,901	88.24%	11,384
	<b>TOTAL REINSTALLED</b>	<b>17,002</b>	<b>0</b>	<b>0</b>	<b>7,665</b>	<b>0</b>	<b>24,667</b>		<b>21,766</b>
700	Reconnect	1,904	0	0	1,604	374	3,882	87.15%	3,404
580	Additional Outlets	14,660	0	0	5,849	0	20,508	100.00%	20,508
581	A/O Separate Trip	5,506	0	0	2,905	0	8,411	100.00%	8,411
582	Change of Service	5,406	0	0	2,533	0	7,939	75.00%	5,954
640	Relocate Outlet	744	0	0	355	0	1,099	100.00%	1,099
710	Reconnect A/O	474	0	0	214	0	688	100.00%	688
	<b>TOTAL ADDITIONAL OUTLETS</b>	<b>26,790</b>	<b>0</b>	<b>0</b>	<b>11,856</b>	<b>0</b>	<b>38,646</b>		<b>36,661</b>
	<b>TOTAL LABOR HOURS</b>	<b>76,788</b>	<b>0</b>	<b>0</b>	<b>28,054</b>	<b>374</b>	<b>102,216</b>		<b>83,499</b>

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APPENDIX K



**Cable Services Bureau**  
445 12th St., S.W., Room 3-C830  
Washington, D.C. 20554  
(202) 418-7200 [csbinfo@fcc.gov](mailto:csbinfo@fcc.gov)

**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 or Order 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>
July 1, 1998 - September 30, 1998	1.00%	<a href="#">da982634.txt</a>
October 1, 1998 - December 31, 1998	0.78%	<a href="#">da990640.txt</a>
January 1, 1999 - March 31, 1999	1.60%	<a href="#">da991272.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%.

Please send comments via "snail-mail" to the Federal Communications Commission, Cable Services Bureau, Office of Government and Public Outreach, Room 3-C830, 12th Street, S.W., Washington, D.C., 20554. Send e-mail to the Webmaster at: [awise@fcc.gov](mailto:awise@fcc.gov)



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APPENDIX L

MONTGOMERY COUNTY, MARYLAND  
Review of Franchise-Related Costs of CTM

Annual Interest Rate

7.00%

Line No.	Month	Description/Date	Balance	Payments	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
<b>Capital Grant (Sec. 7(b))</b>									
1	22-Sep-98	10/98 Payment	\$450,000	\$4,083.60	\$1,458.60	\$2,625.00	\$1,458.60	\$2,625.00	\$448,541.40
2	31-Oct-98		\$450,000	\$4,083.60	\$1,467.11	\$2,616.49	\$2,925.72	\$5,241.49	\$447,074.23
3	30-Nov-98		\$450,000	\$4,083.60	\$1,475.67	\$2,607.93	\$4,401.39	\$7,849.42	\$445,598.61
4	31-Dec-98	01/99 Payment	\$900,000	\$8,207.54	\$5,608.22	\$2,599.33	\$10,009.60	\$10,448.75	\$889,990.40
5	31-Jan-99		\$900,000	\$8,207.54	\$3,015.93	\$5,191.61	\$13,025.54	\$15,640.36	\$886,974.46
6	28-Feb-99		\$900,000	\$8,207.54	\$3,033.53	\$5,174.02	\$16,059.06	\$20,814.38	\$883,940.94
7	31-Mar-99	04/99 Payment	\$1,350,000	\$12,373.35	\$7,217.03	\$5,156.32	\$23,276.10	\$25,970.70	\$1,326,723.90
8	30-Apr-99		\$1,350,000	\$12,373.35	\$4,634.13	\$7,739.22	\$27,910.23	\$33,709.92	\$1,322,089.77
9	31-May-99		\$1,350,000	\$12,373.35	\$4,661.16	\$7,712.19	\$32,571.39	\$41,422.11	\$1,317,428.61
10	30-Jun-99	07/99 Payment	\$1,800,000	\$16,582.66	\$8,897.66	\$7,685.00	\$41,469.05	\$49,107.11	\$1,758,530.95
11	31-Jul-99		\$1,800,000	\$16,582.66	\$6,324.56	\$10,258.10	\$47,793.61	\$59,365.21	\$1,752,206.39
12	31-Aug-99		\$1,800,000	\$16,582.66	\$6,361.45	\$10,221.20	\$54,155.06	\$69,586.42	\$1,745,844.94
13	30-Sep-99	10/99 Payment	\$2,050,000	\$18,946.27	\$8,762.17	\$10,184.10	\$62,917.24	\$79,770.51	\$1,987,082.76
14	31-Oct-99		\$2,050,000	\$18,946.27	\$7,354.95	\$11,591.32	\$70,272.19	\$91,361.83	\$1,979,727.81
15	30-Nov-99		\$2,050,000	\$18,946.27	\$7,397.86	\$11,548.41	\$77,670.05	\$102,910.24	\$1,972,329.95
16	31-Dec-99	01/00 Payment	\$2,300,000	\$21,335.99	\$9,830.73	\$11,505.26	\$87,500.78	\$114,415.50	\$2,212,499.22
17	31-Jan-00		\$2,300,000	\$21,335.99	\$8,429.75	\$12,906.25	\$95,930.53	\$127,321.74	\$2,204,069.47
18	29-Feb-00		\$2,300,000	\$21,335.99	\$8,478.92	\$12,857.07	\$104,409.45	\$140,178.81	\$2,195,590.55
19	31-Mar-00	04/00 Payment	\$2,550,000	\$23,752.89	\$10,945.28	\$12,807.61	\$115,354.72	\$152,986.43	\$2,434,645.28
20	30-Apr-00		\$2,550,000	\$23,752.89	\$9,550.79	\$14,202.10	\$124,905.51	\$167,188.52	\$2,425,094.49
21	31-May-00		\$2,550,000	\$23,752.89	\$9,606.50	\$14,146.38	\$134,512.02	\$181,334.91	\$2,415,487.98
22	30-Jun-00	07/00 Payment	\$2,800,000	\$26,198.07	\$12,107.73	\$14,090.35	\$146,619.74	\$195,425.25	\$2,653,380.26
23	31-Jul-00		\$2,800,000	\$26,198.07	\$10,720.02	\$15,478.05	\$157,339.76	\$210,903.31	\$2,642,660.24
24	31-Aug-00		\$2,800,000	\$26,198.07	\$10,782.55	\$15,415.52	\$168,122.32	\$226,318.82	\$2,631,877.68
25		Interest 07/1/98 - 01/31/99				\$15,640.36			
26		Interest 07/1/99 - 06/30/2000				\$146,318.14			
<b>Institutional Network Capital Grant (Sec. 7(h)(3))</b>									
27	30-Sep-98	09/98 Payment	\$312,500	\$2,835.84	\$1,012.92	\$1,822.92	\$1,012.92	\$1,822.92	\$311,487.08
28	31-Oct-98		\$312,500	\$2,835.84	\$1,018.83	\$1,817.01	\$2,031.75	\$3,639.92	\$310,468.25
29	30-Nov-98		\$312,500	\$2,835.84	\$1,024.77	\$1,811.06	\$3,056.52	\$5,450.99	\$309,443.48
30	31-Dec-98	12/98 Payment	\$625,000	\$5,699.68	\$3,894.60	\$1,805.09	\$6,951.11	\$7,256.08	\$618,048.89
31	31-Jan-99		\$625,000	\$5,699.68	\$2,094.40	\$3,605.29	\$9,045.51	\$10,861.36	\$615,954.49
32	28-Feb-99		\$625,000	\$5,699.68	\$2,106.61	\$3,593.07	\$11,152.13	\$14,454.43	\$613,847.87
33	31-Mar-99	03/99 Payment	\$937,500	\$8,592.61	\$5,011.83	\$3,580.78	\$16,163.96	\$18,035.21	\$921,336.04
34	30-Apr-99		\$937,500	\$8,592.61	\$3,218.15	\$5,374.46	\$19,382.10	\$23,409.67	\$918,117.90
35	31-May-99		\$937,500	\$8,592.61	\$3,236.92	\$5,355.69	\$22,619.02	\$28,765.36	\$914,880.98
36	30-Jun-99	06/99 Payment	\$1,250,000	\$11,515.73	\$6,178.93	\$5,336.81	\$28,797.95	\$34,102.16	\$1,221,202.05
37	31-Jul-99		\$1,250,000	\$11,515.73	\$4,392.06	\$7,123.68	\$33,190.01	\$41,225.84	\$1,216,809.99
38	31-Aug-99		\$1,250,000	\$11,515.73	\$4,412.68	\$7,098.06	\$37,607.68	\$48,323.90	\$1,212,392.32
39	30-Sep-99	09/99 Payment	\$1,562,500	\$14,470.25	\$7,397.96	\$7,072.29	\$45,005.64	\$55,396.19	\$1,517,494.36
40	31-Oct-99		\$1,562,500	\$14,470.25	\$5,618.20	\$8,852.05	\$50,623.84	\$64,248.24	\$1,511,876.16
41	30-Nov-99		\$1,562,500	\$14,470.25	\$5,650.97	\$8,819.28	\$56,274.81	\$73,067.52	\$1,506,225.19
42	31-Dec-99	12/99 Payment	\$1,875,000	\$17,457.40	\$8,671.09	\$8,786.31	\$64,945.90	\$81,853.83	\$1,810,054.10
43	31-Jan-00		\$1,875,000	\$17,457.40	\$6,898.75	\$10,558.65	\$71,844.66	\$92,412.48	\$1,803,155.34
44	29-Feb-00		\$1,875,000	\$17,457.40	\$6,939.00	\$10,518.41	\$78,783.65	\$102,930.88	\$1,796,216.35
45	31-Mar-00	03/00 Payment	\$2,187,500	\$20,478.52	\$10,000.59	\$10,477.93	\$88,784.25	\$113,408.81	\$2,098,715.75
46	30-Apr-00		\$2,187,500	\$20,478.52	\$8,236.01	\$12,242.51	\$97,020.26	\$125,651.32	\$2,090,479.74
47	31-May-00		\$2,187,500	\$20,478.52	\$8,284.06	\$12,194.47	\$105,304.32	\$137,845.79	\$2,082,195.68
48	30-Jun-00	06/00 Payment	\$2,500,000	\$23,535.00	\$11,388.86	\$12,146.14	\$116,693.18	\$149,991.93	\$2,383,306.82
49	31-Jul-00		\$2,500,000	\$23,535.00	\$9,632.38	\$13,902.62	\$126,325.56	\$163,894.55	\$2,373,674.44
50	31-Aug-00		\$2,500,000	\$23,535.00	\$9,688.57	\$13,846.43	\$136,014.13	\$177,740.99	\$2,363,985.87
51		Interest 07/1/98 - 01/31/99				\$10,861.36			
52		Interest 07/1/99 - 06/30/2000				\$115,889.77			