



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 27, 1997

MARCH 27, 1998

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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 27, 1997

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 27, 1997, 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 "Office") received and preliminarily reviewed the Form 1240 Filing and published notice that such filing was available for public review and comment.

5. 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 Filing

6. The County's financial consultant, Public Resources Management Group, Inc. ("PRMG"), has reviewed CTM's Form 1240 Filing. PRMG's conclusions are contained in a letter report from Garth T. Ashpaugh dated October 9, 1997, appended as Attachment 1 ("PRMG Report").

7. The PRMG Report identifies no apparent errors in CTM's calculation of its maximum permitted basic service rate.¹

8. With respect to CTM's maximum permissible equipment and installation rates, however, the PRMG Report concludes that certain adjustments are necessary in CTM's Form 1205 pursuant to FCC regulations. The County discussed these adjustments with CTM, and CTM agreed to make these adjustments.

B. Form 1205: Maintenance Facilities Costs

9. The PRMG Report recalculates CTM's costs attributable to maintenance facilities. First, CTM utilized an allocation factor of 8.10% for computer equipment used for maintenance/installation purposes. CTM arrived at this factor, however, by rounding its calculation of the "percentage of installations requiring converters" to 75%. The PRMG Report corrects this problem by correcting this figure to 72.82%. This change reduces the allocation factor from 8.10% to 8.01%.²

10. In addition, CTM used the 8.10% allocation factor to calculate its accumulated

¹ PRMG Report at 1.

² PRMG Report at 2.

depreciation for equipment and tools. To calculate the correct allocation factor, PRMG allocated the total accumulated balance for equipment and tools as of December 31, 1996, based on the resulting allocation of gross investment. This approach was necessary because CTM did not supply a breakdown of accumulated depreciation between telephone equipment and computer equipment. Depreciation expenses were allocated in the same manner. PRMG's recalculation reduces the Schedule A revenue requirement pertaining to maintenance facilities by \$258.³

11. The County finds PRMG's adjustments to CTM's calculations for maintenance facilities, and the resulting change in maintenance facilities costs, to be reasonable and appropriate.

C. Form 1205: Costs of Materials and Supplies

12. In preparing its Form 1205, CTM did not appropriately categorize types of additional outlet activities. Each category has its own costs; in the case of downgrades, there are no materials costs. CTM's Form 1240 Filing, however, included downgrades in its total number of additional outlet activities, and improperly allocated materials costs to downgrades as if they were upgrades. The PRMG Report eliminates downgrades from the calculation of total materials costs. This adjustment reduces the amount of supplies in Schedule B of CTM's Form 1205 by \$16,375.⁴

13. Breaking down CTM's additional outlet entry into its component parts also eliminated the double counting of materials costs that resulted from CTM's use of a "separate trips" category for installation of additional outlets. The additional outlet categories used by PRMG, which are set forth in Appendix G of the PRMG Report, were derived from Attachment 15(a) of CTM's responses to the County's information requests.⁵

³ PRMG Report at 2.

⁴ PRMG Report at 2.

⁵ PRMG Report at 2.

14. PRMG found that the Form 1205 filed by CTM utilizes materials costs and installation activities as of the year ended December 31, 1996. CTM did not provide supporting information to show the costs of materials and supplies for each additional outlet category in 1996. However, CTM did provide such information with respect to current costs in a September 12, 1997, letter. Consequently, the PRMG Report utilizes the material usage relationships shown in the September 12, 1997, letter to determine component costs for additional outlet installations for prewired homes, and additional outlet reconnections. In recalculating CTM's materials costs, the PRMG Report uses CTM's formula for calculating such costs, multiplying the estimated cost of materials for each type of installation activity by the number of those activities performed in 1996. With respect to the additional outlet "Initial Install" and "Separate Trip" categories, the PRMG Report uses the materials costs filed by CTM for additional outlets. This adjustment lowers materials costs for additional outlets by approximately \$70,500.⁶

15. PRMG also found that CTM did not include the costs of additional outlet relocations in the total cost of additional outlets. In prior Form 1205 filings, CTM has included relocation costs in the "additional outlet" category. Thus, consistent with CTM's past practice, the PRMG Report includes the cost of additional outlet relocations in the determination of materials and supplies costs. This adjustment increases materials and supplies costs by \$5,442.⁷

16. The total adjustment with respect to costs of materials and supplies reduces CTM's costs by \$81,440.⁸ The County finds this recalculation to be reasonable and appropriate.

⁶ PRMG Report at 2-3.

⁷ PRMG Report at 3.

⁸ PRMG Report at 3.

D. Form 1205: Installation and Maintenance Labor Hours

17. Information provided by CTM indicates that the company's determination of contract labor hours in the Form 1240 Filing was incorrect. PRMG found that CTM's contractor installation statistics were not consistent with the number of installations identified on contractor invoices. These differences in the number of installations affect the determination of labor hours. Appendix H of the PRMG Report recalculates labor hours consistent with CTM's past practice, using information contained in CTM's Operations Activity Report to determine in-house and contractor activities. For two activities – additional outlets "Prewired Install" and "Reconnect Install" – the PRMG Report uses the same installation times as in previous Form 1205 reviews because CTM has not provided any documentation or explanation that would support a change in those times.⁹

18. PRMG's adjustments have two effects on CTM's Form 1205. First, they increase the number of labor hours used to calculate the Hourly Service Charge ("HSC") from 177,855 to 181,909.77. Second, the adjustments result in a lower number of in-house labor hours. This, in turn, decreases the percentage of in-house regulated hours to total hours from 89.90% to 84.06%. The change in the percentage decreases the allocation of costs to the regulatory component recovered in the HSC shown in Schedules A and B for vehicles, tools and maintenance facilities.¹⁰

19. The result of all the above changes is to decrease the HSC from \$21.8049 to \$20.9787.¹¹ The County finds this recalculation to be reasonable and appropriate.

E. Conclusions

20. The County finds PRMG's recalculation of CTM's maximum permitted rates to be

⁹ PRMG Report at 3.

¹⁰ PRMG Report at 3-4.

¹¹ PRMG Report at 4.

reasonable and appropriate.

III. ORDERING CLAUSES

IT IS THEREFORE ORDERED THAT:

21. CTM's maximum permitted rates for basic service and equipment, including any amount allocable to the 1.5 percent access fee and FCC regulatory fee, are hereby set in accordance with the rates calculated in the PRMG Report, as follows:

		Rate Excluding 5% Franchise Fee	Rate With 5% Franchise Fee
Monthly Rate			
(a)	Basic service tier	\$15.24	\$16.05
(b)	Remote control	\$0.33	\$0.35
(c)	Addressable converter	\$1.63	\$1.72
(d)	Non-Addressable Converter	\$0.48	\$0.50
Per Activity			
(e)	Installation of unwired homes	\$44.47	\$46.85
(f)	Installation of prewired homes	\$29.79	\$31.38
(g)	Reconnection of service	\$27.27	\$28.73
(h)	New outlet installation (separate trip)	\$26.22	\$27.62
(i)	New outlet installation (unwired home)	\$17.41	\$18.34
(j)	New outlet installation (prewired home)	\$11.96	\$12.60
(k)	New outlet installation at time of reconnection	\$7.97	\$8.40
(l)	Hourly Service Charge	\$20.98	\$22.10
(m)	Tier change with service call	\$20.98	\$22.10

22. 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.

23. Any charges for equipment, installation, or other services based on an hourly rate shall reflect an Hourly Service Charge ("HSC") no greater than the maximum permissible HSC shown above.

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.

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

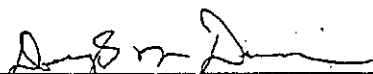
limited to, any right it may have to reopen this rate proceeding based on new information or rulings by governing authority, if it appears that such new information or rulings could alter the reasonable rates prescribed by FCC regulations, pursuant to ER § 4.3, and any right it may have to "true up" 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).

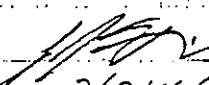
32. This Order shall be effective immediately upon its approval by the County Executive, pursuant to ER § 4.1.

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

3/27/98
Date

RECEIVED BY TELETYPE AND LOCALITY.
OFFICE OF THE COUNTY CLERK
BY 
DATE 3/24/98

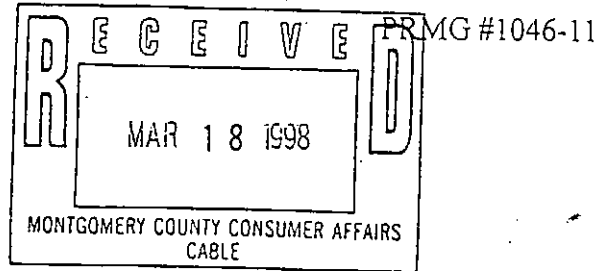


Public Resources Management Group, Inc.

Utility, Rate, Financial and Management Consultants

October 9, 1997

Frederick E. Ellrod, III, Esquire
Miller, Canfield, Paddock, and Stone
1225 19th Street, N.W.
Washington, DC 20036



**SUBJECT: Review of the FCC Forms 1240 and 1205 of SBC - Media Ventures, LP,
Filed with Montgomery County, Maryland on March 27, 1997**

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 ("SBC-MV") on March 27, 1997. This letter report will address the steps taken in the review and our findings. Attached to this letter report are:

- Appendix A - identifies the rates determined from these filings;
- Appendix B - a comparison of the programming, equipment, and installation rates proposed by SBC-MV and PRMG;
- Appendix C - a reconciliation of the change in programming rates from this 1240 filing;
- Appendix D - PRMG's FCC Form 1240;
- Appendix E - PRMG's FCC Form 1205;
- Appendix F - PRMG's recalculation of maintenance facilities costs;
- Appendix G - PRMG's recalculation of materials and supplies expense; and,
- Appendix H - PRMG's recalculation of installation and maintenance hours.

We have not identified any substantive changes required of SBC-MV's 1240 filing which would impact the "Operator Selected Rate" of \$15.24 per month for the Basic tier. We recommend the County approve the monthly programming rate for the basic tier as proposed by SBC-MV. The total operator selected rate for the basic tier inclusive of access fee, franchise fee, and the FCC's \$.05 fee is \$16.05 per month.

We have identified several changes to the 1205 filing and the resulting equipment and installation rates. Each of the proposed changes will be discussed below. In response to concerns identified by



us, CTM provided PRMG a new FCC Form 1205 on August 29, 1997. Our report addresses only the original 1205 filed by CTM with the County.

The first step in the review was to input SBC-MV's 1240 and 1205 filed with the County in the FCC spreadsheets which generate a copy of the FCC's forms. With these spreadsheet packages, we were able to duplicate SBC-MV's filing and the resulting rates. We verified that the rates and programming costs of the previous 1240 were carried over to this review. The cost increases for programming on the basic tier are shown on the reconciliation in Appendix C.

Regarding the 1205, we are recommending several changes to the amounts determined in the supporting documents of SBC-MV. As shown on Appendix F, we have recalculated the amount attributable to maintenance facilities which should be included in Schedule A. First, we have corrected the allocation percentage identified as "(B)" on the supporting worksheet. SBC-MV erred in the calculation of this allocation factor. SBC-MV rounded the component calculation of the "percentage of installations requiring converters" to 75%. We have corrected this calculation to 72.82%. This reduces the "(B)" allocation factor from 8.10% to 8.01%. Additionally, SBC-MV allocated Accumulated Depreciation Equipment/Tool using the "(B)" allocation factor. The appropriate allocation of accumulated depreciation is to allocate the accumulated depreciation balance for each line item in the same manner as the gross investment is allocated. Absent this detailed information, the next best methodology is to allocate accumulated depreciation based on the total resulting allocation of gross investment. Since PRMG did not have the breakdown of accumulated depreciation between telephone equipment and computer equipment, we have allocated the total accumulated balance based on the resulting allocation of gross investment. We have identified this allocation factor as "(C)" in Appendix F. Similarly, we have also allocated depreciation expense in the same manner. These changes reduce the revenue requirement in Schedule A pertaining to maintenance facilities by \$258.

PRMG proposes changes to the determination of materials and supplies. In its determination of materials and supplies in Schedule B, SBC-MV did not break down Additional Outlets ("A/Os") into its component parts. Each of the components has its own costs or, in the case of downgrades, has no materials cost. SBC-MV included downgrades in the total number of A/O activities and calculated material usage for downgrades the same as if it were an upgrade. We have eliminated downgrades from this calculation. This reduces the supplies in Schedule B \$16,375. By breaking down A/Os into its component parts, we have eliminated SBC-MV's double counting of the category of "Separate Trips" to install additional outlets. The response to the County's information request at Attachment 15(a) provides the CTM Operations Activity report for 1996. The information request responses of SBC-MV provided the detail to break down A/Os into the following categories that are shown on Appendix G - A/Os Initial Install, A/Os Prewired, A/Os Reconnect and A/Os Separate Trip. This 1205 utilizes the costs and activities of the year ended December 31, 1996. SBC-MV has not provided any information to show the costs of materials and supplies for this break down of A/Os relative to 1996 although such information was provided by

Frederick E. Ellrod, III, Esquire
October 9, 1997
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letter dated September 12, 1997 relative to its current cost. 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. In our recalculation, we have utilized SBC-MV's format of calculating materials and supplies used in installation activity by multiplying the estimated cost of materials for each type of activity by the number of those activities in 1996. For A/O Initial Install and A/O Separate Trip, we have utilized the same materials cost as filed by SBC-MV for A/Os. This recalculation lowers materials costs for A/Os approximately \$70,500. Finally, SBC-MV did not include "Relocates" in the total of additional outlets which in previous 1205s have been included in additional outlets. Consistent with our past practice and our understanding of this activity, we have included Relocates in A/Os for the determination of materials and supplies costs. This increases materials and supplies costs \$5,442. The total of the above adjustments decreases materials and supplies costs shown in Schedule B \$81,440.

The last change we propose to the 1205 is in regard to the determination of installation and maintenance labor hours. SBC-MV's determination of contractor labor hours is not consistent with the supporting documentation. The CTM Operations Activity report for 1996 shows 10,039 installs for contract labor while SBC-MV's contractor hours calculation only shows 6,074. The difference was explained by SBC-MV to be timing of the submittal of bills by contractors. SBC-MV's calculation is based on the billings from contractors. This is how we have determined contractor labor hours in the past. But in those instances, the number of contractor activities was compatible with the total number of activities shown on summary reports of SBC-MV. In the instant filing, SBC-MV's supporting data does not agree with the invoices of contractors. For example, SBC-MV's Attachment D, page 3 of 3, filed with the 1205 indicates contractors performed: 265 aerial unwired installs, 265 aerial prewired installs, 1,766 underground unwired installs, 1,766 underground prewired installs, 1,000 townhouse unwired installs, 1,499 townhouse prewired installs, 424 apartment unwired installs and 2,841 apartment prewired installs. The contractor invoices show the following: 764 aerial unwired installs, 764 aerial prewired installs, 887 underground unwired installs, 887 underground prewired installs, 396 townhouse unwired installs, 925 townhouse prewired installs, 212 apartment unwired installs and 1,906 apartment prewired installs. These differences are significant in the determination of labor hours. The difference in aerial unwired installs equates to 1,057.88 additional labor hours which decreases the HSC. As shown on Appendix H, we have recalculated labor hours consistent with the past practice and the split of contractor labor hours. In the instant case, we have used the information of the CTM Operations Activity report to determine in-house and contractor activities. The time for "Average Hours Per Task" in Appendix H is the same as used in SBC-MV's calculation except for A/Os Prewired Install and A/Os Reconnect Install. For these 2 activities, we have utilized the same component times as in previous 1205 reviews. SBC-MV has not provided any documentation or explanation for a change in this 1205 for the times for these tasks. PRMG's recalculation has two different impacts. First, it increases the number of labor hours (Step A, Line 6) used in determining the hourly service charge ("HSC") in the 1205 (Step A, Line 7) from 177,855 to 181,909.77.

Frederick E. Ellrod, III, Esquire
October 9, 1997
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Second, our calculation results in a lower amount of in-house hours which in turn lowers the percentage of in-house regulated hours to total hours from SBC-MV's calculation of 89.90% to 84.06% as shown in the calculation at the bottom of Appendix H. These impacts flow through to Schedules A and B. The change in the percentage decreases the allocation of costs to the regulatory component recovered in the HSC shown in Schedules A and B for vehicles, tools and maintenance facilities and on Line 4 of Step A of the 1205.

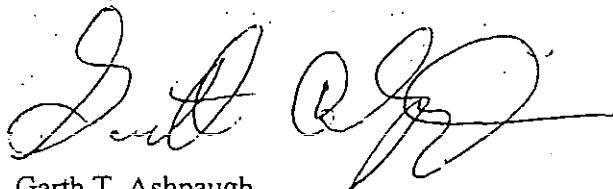
The total of all of the above changes decreases the HSC from SBC-MV's \$21.8049 to \$20.9787. This HSC includes the access fee. The change in the HSC is automatically flowed through to the installation charges and equipment rates in the 1205.

We recommend the County approve the proposed equipment rates and installation charges, as recalculated by PRMG, and the 1240 basic programming rate proposed by SBC-MV. 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 these services under the FCC's rules.

These reductions in rates would have the potential of requiring SBC-MV to refund the difference in rates from July 1, 1997 to the date the new rates are implemented. For equipment rates (remotes and converters) only, the approximate total potential refund assuming these rates are effective December 1 would be \$24,400.00. We do not have the necessary data to estimate the potential refund associated with installation charges. 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

APPENDIX A

MONTGOMERY COUNTY, MARYLAND
SBC MEDIA VENTURES, INC. 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	\$15.24	\$16.05
2	Cable Programming Service Tier #	\$17.41	\$18.34
3	Remote	\$0.33	\$0.35
4	Converter Type 1 - Addressable	\$1.63	\$1.72
5	Converter Type 2 - Non-addressable	\$0.48	\$0.50
<u>Per Activity</u>			
6	Installation of Unwired Home	\$44.47	\$46.85
7	Installation of Prewired Home	\$29.79	\$31.38
8	Installation of Additional Connection - Initial	\$27.27	\$28.73
9	Installation of Additional Connection - Separate	\$26.22	\$27.62
10	Additional Connection at Time of Installation of Unwired Home	\$17.41	\$18.34
11	Additional Connection at Time of Installation of Prewired Home	\$11.96	\$12.60
12	Additional Connection at Time of Initial Reconnect Installation	\$7.97	\$8.40

- 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 \$16.05

(6)

APPENDIX B

MONTGOMERY COUNTY, MARYLAND
 SBC MEDIA VENTURES, INC. d/b/a CABLE TV MONTGOMERY

COMPARISON OF CURRENT AND PROPOSED RATES

Line #	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 - i]	Difference Recommended & Proposed Rates [h - g]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	<u>Monthly Rate</u>										
1	Basic Tier	\$14.96	\$15.24	\$15.24	\$0.28	\$0.00	\$15.76	\$16.05	\$16.05	\$0.29	\$0.00
2	Cable Programming Service Tier #	\$14.85	\$17.41	\$17.41	\$2.56	\$0.00	\$15.64	\$18.34	\$18.34	\$2.70	\$0.00
3	Remote	\$0.31	\$0.33	\$0.33	\$0.02	\$0.00	\$0.33	\$0.34	\$0.35	\$0.02	\$0.01
4	Converter Type 1 - Addressable	\$1.60	\$1.67	\$1.63	\$0.03	(\$0.04)	\$1.69	\$1.75	\$1.72	\$0.03	(\$0.03)
5	Converter Type 2 - Non-addressable	\$0.51	\$0.49	\$0.48	(\$0.03)	(\$0.01)	\$0.54	\$0.51	\$0.50	(\$0.04)	(\$0.01)
	<u>Per Activity</u>										
6	Unwired Home Installation	\$44.72	\$46.23	\$44.47	(\$0.25)	(\$1.76)	\$47.11	\$48.70	\$46.85	(\$0.26)	(\$1.85)
7	Prewired Home Installation	\$29.95	\$30.96	\$29.79	(\$0.16)	(\$1.17)	\$31.55	\$32.62	\$31.38	(\$0.17)	(\$1.24)
8	Reconnection of Service	\$27.42	\$28.35	\$27.27	(\$0.15)	(\$1.08)	\$28.89	\$29.87	\$28.73	(\$0.16)	(\$1.14)
9	New Outlet Install / Unwired Home	\$17.51	\$18.10	\$17.41	(\$0.10)	(\$0.69)	\$18.45	\$19.07	\$18.34	(\$0.11)	(\$0.73)
10	New Outlet Install / Prewired Home	\$12.02	\$12.43	\$11.96	(\$0.06)	(\$0.47)	\$12.66	\$13.09	\$12.60	(\$0.06)	(\$0.49)
11	New Outlet Install / Reconnection	\$8.02	\$8.29	\$7.97	(\$0.05)	(\$0.32)	\$8.45	\$8.73	\$8.40	(\$0.05)	(\$0.33)
12	Install New Outlet / Separate Trip	\$26.37	\$27.26	\$26.22	(\$0.15)	(\$1.04)	\$27.78	\$28.72	\$27.62	(\$0.16)	(\$1.10)
13	Hourly Service Charge	\$21.09	\$21.80	\$20.98	(\$0.11)	(\$0.82)	\$22.22	\$22.97	\$22.10	(\$0.12)	(\$0.87)
14	Tier Change with Service Call	\$21.09	\$21.80	\$20.98	(\$0.11)	(\$0.82)	\$22.22	\$22.97	\$22.10	(\$0.12)	(\$0.87)

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

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APPENDIX C

MONTGOMERY COUNTY
Review of 3/27/97 Filed 1240 of Cable TV Montgomery
Reconciliation of Change in Rates

Line No.	Description	Basic	CPS
1	Selected Rates Effective 6/23/97 w/o Franchise Fees	\$15.2319	\$17.4051
2	Approved Rates from Previous 1240 w/o Franchise Fees	14.9624	14.8457
3	Change	\$0.2695	\$2.5594
4	Maximum Permitted Rates from March 27, 1997 Filed 1240, Line 19	\$15.5552	\$17.6856
5	Approved Rates from Previous 1240 w/o Franchise Fees	14.9624	14.8457
6	Change	\$0.5928	\$2.8399
	<u>Reconciliation of Change</u>		
7	Inflation for Projected Period of 6/23/97 thru 6/22/98	\$0.3049	\$0.2590
8	"Gap Period" Inflation [One Time Adjustment]	0.0046	0.0777
9	Change In True-Up Segment Claimed for Projected Period	0.1502	0.0628
10	Change In Caps Method Segment Costs	0.0000	2.2667
11	Projected Increase in External Costs + 7.5% FCC Markup	0.1330	0.1738
12	Total Change	\$0.5927	\$2.8400
	<u>Previous Rates in Total</u>		
13	Approved Rates from Previous 1240	\$14.9624	\$14.8457
14	Franchise Fee & Access Fee Adder (5% & 1.5%)	0.7900	0.8000
15	Total	\$15.7524	\$15.6457
16	Amount Shown on Subscriber Bill	\$15.7600	\$15.6400
	<u>Maximum Allowable Rates in Total</u>		
17	Maximum Allowable Rates from Filed 1240 + FCC Administration Fee	\$15.5552	\$17.6856
18	Franchise Fee & Access Fee Adder (5% & 1.5%)	0.8300	0.9500
19	Total Allowable Rate	\$16.3852	\$18.6356
20	Selected Rate Including All Fees	\$16.05	\$18.34
	<u>Change In Caps Method Segment Costs [Line 10 above]</u>		
21	Operator Cap		\$0.1217
22	History Channel		0.1442
23	Home Team Sports		1.2625
24	Disney		0.6500
25	America's Talking		0.0900
26	ESPN2		(0.0067)
27	Rounding		0.0050
28	Total		\$2.2667
29	<u>Estimate of Additional Revenue to CTM from Filed Increase</u>		
30	Subscribers per CTM's 1240 for Projected Period (1240, Line B3)	213,384	201,104
31	Estimated Annual Additional Revenue (L. 30 x L. 3 x gross-up factor)	\$727,018.81	\$6,508,270.67

APPENDIX D

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	State	ZIP Code
ROCKVILLE	MD	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	State	ZIP Code
ROCKVILLE	MD	20850
Telephone number	Fax Number	
(301) 217-1296	(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	X
d. Amended Form 1240 for CPS Tier	

5. Indicate the one year time period for which you are setting rates (the Projected Period).

TO			
	06/23/97	06/22/98	(mm/yy)

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

TO			
	02/01/96	01/31/97	(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?	X	X

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

05/15/96	
----------	--

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)

03/14/96	
----------	--

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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	\$14,9624	\$14,8457			

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	204,957	194,513			
B2	Average Subscribership For True-Up Period 2					
B3	Estimated Average Subscribership For Projected Period	213,384	201,104			

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]			1.0224
C4	Inflation Factor For True-Up Period 2 [Wks 1]			
C5	Current FCC Inflation Factor			1.0221

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	\$1.0005	\$5.0944			
D3	Current Caps Method Segment	\$0.0000	\$1.5783			
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	\$0.3033	\$0.1791			
D7	Current Inflation Segment	\$0.2966	\$0.2079			
D8	Base Rate (A1-D1-D2-D3-D4-D5-D6-D7)	\$13.3620	\$7.7859			

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

Line	Line Description		
E1	What Type of True-Up Is Being Performed? (Answer "1", "2", or "3". See Instructions for a description of these types.) If "1", go to Module I. If "2", answer E2 and E3. If "3", answer E2, E3, E4, and E5.		2
E2	Number of Months in the True-Up Period 1		12
E3	Number of Months between the end of True-Up Period 1 and the end of the most recent Projected Period		4
E4	Number of Months in True-Up Period 2 Eligible for Interest		
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	\$1.3625			
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]	\$13.362	\$9.1484			
F5	Inflation Segment for True-Up Period 1 [(F4*C3)-F4]	\$0.2996	\$0.2052			
F6	Headend Upgrade Segment For True-Up Period 1 [Wks 6]					
F7	External Costs Segment For True-Up Period 1 [Wks 7]	\$0.9341	\$4.8298			
F8	True-Up Segment For True-Up Period 1	\$0.3047	\$0.1788			
F9	Max Perm Rate for True-Up Period 1 [F4+F5+F6+F7+F8]	\$14.9005	\$14.3622			

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	\$35,588,019.74	\$33,003,001.26			
H2	Revenue From Max Permitted Rate for Period 1	\$36,647,448.96	\$33,523,642.59			
H3	True-Up Period 1 Adjustment [H2-H1]	\$1,059,429.22	\$520,641.34			
H4	Interest on Period 1 Adjustment	\$101,567.06	\$49,913.68			
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	\$0.0000	\$0.0000			
H13	Total True-Up Adjustment [H3+H4+H7+H8+H11+H12]	\$1,160,996.28	\$570,555.01			
H14	Amount of True-Up Claimed For This Projected Period	\$1,160,996.28	\$570,555.01			
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]	\$0.0000	\$3.8400			
I2	Markup Method Segment For Projected Period [Wks 3]	\$0.0000	\$0.0000			
I3	Chan Mvmt Deletn Segment For Projected Period [Wks 4/5]					
I4	Proj. Period Rate Eligible For Inflation [D8+F5+G5+I1+I2+I3]	\$13.6617	\$11.8311			
I5	Inflation Segment for Projected Period [(I4*CS)-I4]	\$0.3019	\$0.2615			
I6	Headend Upgrade Segment For Projected Period [Wks 6]					
I7	External Costs Segment For Projected Period [Wks 7]	\$1.1261	\$5.2682			
I8	True-Up Segment For Projected Period	\$0.4534	\$0.2364			
I9	Max Permitted Rate for Projected Period [I4+I5+I6+I7+I8]	\$15.5431	\$17.5972			
I10	Operator Selected Rate For Projected Period	\$15.24	\$17.41			

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
Name and Title of Person Completing this Form:	
Telephone number	Fax Number

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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	2.39%
102	Month 2	2.39%
103	Month 3	2.22%
104	Month 4	2.22%
105	Month 5	2.22%
106	Month 6	2.21%
107	Month 7	2.21%
108	Month 8	2.21%
109	Month 9	2.21%
110	Month 10	2.21%
111	Month 11	2.21%
112	Month 12	2.21%
113	Average Inflation Factor for True-Up Period 1	1.0224
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?

12

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	31	31	0				\$0.00	\$0.00	\$0.00
203	Month 2	31	31	0				\$0.00	\$0.00	\$0.00
204	Month 3	31	31	0				\$0.00	\$0.00	\$0.00
205	Month 4	31	31	0				\$0.00	\$0.00	\$0.00
206	Month 5	31	31	0				\$0.00	\$0.00	\$0.00
207	Month 6	31	31	0				\$0.00	\$0.00	\$0.00
208	Month 7	31	31	0				\$0.00	\$0.00	\$0.00
209	Month 8	31	31	0				\$0.00	\$0.00	\$0.00
210	Month 9	31	31	0				\$0.00	\$0.00	\$0.00
211	Month 10	31	31	0				\$0.00	\$0.00	\$0.00
212	Month 11	31	31	0				\$0.00	\$0.00	\$0.00
213	Month 12	31	31	0				\$0.00	\$0.00	\$0.00
214	Average Period 1 Caps Method Adjustment									\$0.0000

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									

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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							\$0.30	\$0.73	\$1.03
202	Month 1	29	29	0	\$0.00	\$0.00	\$0.02	\$0.32	\$0.73	\$1.05
203	Month 2	29	29	0	\$0.00	\$0.00	\$0.00	\$0.32	\$0.73	\$1.05
204	Month 3	29	29	0	\$0.00	\$0.00	\$0.00	\$0.32	\$0.73	\$1.05
205	Month 4	29	29	0	\$0.00	\$0.00	\$0.00	\$0.32	\$0.73	\$1.05
206	Month 5	29	31	2	\$0.40	\$0.00	\$0.00	\$0.32	\$1.13	\$1.45
207	Month 6	31	31	0	\$0.00	\$0.00	\$0.00	\$0.32	\$1.13	\$1.45
208	Month 7	31	31	0	\$0.00	\$0.00	(\$0.05)	\$0.27	\$1.13	\$1.40
209	Month 8	31	31	0	\$0.00	\$0.00	\$0.00	\$0.27	\$1.13	\$1.40
210	Month 9	31	31	0	\$0.00	\$0.00	\$0.00	\$0.27	\$1.13	\$1.40
211	Month 10	31	31	0	\$0.00	\$0.00	\$0.00	\$0.27	\$1.13	\$1.40
212	Month 11	31	31	0	\$0.00	\$0.00	\$0.00	\$0.27	\$1.13	\$1.40
213	Month 12	31	32	1	\$0.20	\$0.00	\$0.71	\$0.98	\$1.33	\$2.31
214	Average Period 1 Caps Method Adjustment									\$1,3625
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									

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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?

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							\$0.00	\$0.00	\$0.00
202	Month 1	31	31	0				\$0.00	\$0.00	\$0.00
203	Month 2	31	31	0				\$0.00	\$0.00	\$0.00
204	Month 3	31	31	0				\$0.00	\$0.00	\$0.00
205	Month 4	31	31	0				\$0.00	\$0.00	\$0.00
206	Month 5	31	31	0				\$0.00	\$0.00	\$0.00
207	Month 6	31	31	0				\$0.00	\$0.00	\$0.00
208	Month 7	31	31	0				\$0.00	\$0.00	\$0.00
209	Month 8	31	31	0				\$0.00	\$0.00	\$0.00
210	Month 9	31	31	0				\$0.00	\$0.00	\$0.00
211	Month 10	31	31	0				\$0.00	\$0.00	\$0.00
212	Month 11	31	31	0				\$0.00	\$0.00	\$0.00
213	Month 12	31	31	0				\$0.00	\$0.00	\$0.00
214	Average Period 1 Caps Method Adjustment									\$0.0000

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Worksheet 2 - Caps Method Projected Period, Tier 2

Truc-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	33	1	\$0.07	\$0.00	\$1.39	\$2.37	\$1.40	\$3.77
203	Month 2	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
204	Month 3	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
205	Month 4	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
206	Month 5	33	33	0	\$0.00	\$0.00	\$0.00	\$2.37	\$1.40	\$3.77
207	Month 6	33	33	0	\$0.00	\$0.00	\$0.00	\$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	\$0.18	\$2.55	\$1.40	\$3.95
210	Month 9	33	33	0	\$0.00	\$0.00	\$0.00	\$2.55	\$1.40	\$3.95
211	Month 10	33	33	0	\$0.00	\$0.00	\$0.00	\$2.55	\$1.40	\$3.95
212	Month 11	33	33	0	\$0.00	\$0.00	\$0.00	\$2.55	\$1.40	\$3.95
213	Month 12	33	33	0	\$0.00	\$0.00	\$0.00	\$2.55	\$1.40	\$3.95
214	Average Period 1 Caps Method Adjustment									\$3.8400

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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	\$14,4697	\$14,1392			
402	Average External Costs	\$0.9341	\$4.8298			
403	Average Total Per Channel Adjustments after 5/14/94 for Channels Added Using Caps Method	\$0.0000	\$1.3625			
404	Average Tier Residual [401-402-403]	\$13.5357	\$7.9468			
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]					

(2)

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	b	c	d	e
		Basic	Tier 2	Tier 3	Tier 4	Tier 5
. Period One						
401	Average Permitted Charge	\$14.9624	\$14.8457			
402	Average External Costs	\$1.1261	\$5.2682			
403	Average Total Per Channel Adjustments after 5/14/94 for Channels Added Using Caps Method	\$0.0000	\$3.8400			
404	Average Tier Residual [401-402-403]	\$13.8363	\$5.7375			
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]					

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Worksheet 7 - External Costs True-Up 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
0

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

Line	Line Description	Period 1				
		Basic	Tier 2	Tier 3	Tier 4	Tier 5

External Costs Eligible for Markup						
701	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period	\$1,559,962.56	\$10,487,077.00			
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$482,527.00				
704	External Costs Eligible For 7.5% Markup	\$2,042,489.56	\$10,487,077.00			
705	Marked Up External Costs	\$2,195,676.28	\$11,273,607.78			
External Costs Not Eligible for Markup						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period					
708	Commission Regulatory Fees For Period	\$101,652.08				
709	Total External Costs For Period	\$2,297,328.36	\$11,273,607.78			
710	Monthly, Per-Subscriber External Costs For Period 1	\$0.9341	\$4.8298			

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					

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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	Period 1				
		Basic	Tier 2	Tier 3	Tier 4	Tier 5
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	\$2,076,966.57	\$11,826,495.59			
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$501,622.00				
704	External Costs Eligible For 7.5% Markup	\$2,578,588.57	\$11,826,495.59			
705	Marked Up External Costs	\$2,771,982.71	\$12,713,482.76			
External Costs Not Eligible for Markup						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period					
708	Commission Regulatory Fees For Period	\$111,581.00				
709	Total External Costs For Period	\$2,883,563.71	\$12,713,482.76			
710	Monthly, Per-Subscriber External Costs For Period 1	\$1.1261	\$5.2682			

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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	\$13.2600	\$13.1500			
802	Month 2	\$13.9100	\$13.1500			
803	Month 3	\$13.9100	\$13.1500			
804	Month 4	\$13.9100	\$13.1500			
805	Month 5	\$13.9100	\$13.1500			
806	Month 6	\$14.9624	\$14.8457			
807	Month 7	\$14.9624	\$14.8457			
808	Month 8	\$14.9624	\$14.8457			
809	Month 9	\$14.9624	\$14.8457			
810	Month 10	\$14.9624	\$14.8457			
811	Month 11	\$14.9624	\$14.8457			
812	Month 12	\$14.9624	\$14.8457			
813	Period 1 Average Rate	\$14.4697	\$14.1392			

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					

(25)

APPENDIX E

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

Community Unit Identifier (CUI) of cable system MD		Date of Form Submission	
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	
Name and Title of person completing this form: GEORGE PSILLOS, VICE PRESIDENT FINANCE			
Telephone number (301) 294-7656		Fax Number (301) 762-0803	
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	

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	\$1,103,662,2713	\$204,035,3285	\$502,527,90		
C	Accumulated Depreciation	\$727,498,1444	\$158,281,3303	\$508,037,33		
D	Deferred Taxes					
E	Net Book Value [B-(C-D)]	\$376,164,1269	\$45,753,9982	\$194,490,57	\$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 [G4a 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]	0.2861				
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-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]	\$59,277,1443	\$7,210,061	\$30,648,44	\$0.00	\$0.00
J	Current Provision for Depreciation	\$179,000,1219	\$16,345,279	\$62,814,55		
K	Annual Capital Costs [I+J]	\$238,277,2662	\$23,555,3402	\$93,462,99	\$0.00	\$0.00
L	GRAND TOTAL [sum of Line K entries]	\$55,295,60				

Box 1.

Specify: Other 1. _____

Specify: Other 2. _____

SCHEDULE B: ANNUAL OPERATING EXPENSES FOR SERVICE INSTALLATION AND MAINTENANCE OF EQUIPMENT							
A		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.	\$1,134,720,5566	\$468,198,6282	\$0.00	\$252,276,0631	\$78,900,0193	\$1,470,173.00
B	GRAND TOTAL [sum of Line A entries]	\$3,404,268,29					

Box 2.

Specify: Other 1. _____

Specify: Other 2. _____

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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)	14990			18725	1913		
C	Total # of Units in Service	163471			212386	14014		
D	Gross Book Value	\$1,826,979.00			\$27,807,136.00	\$1,943,144.00		
E	Accumulated Depreciation	\$1,484,752.00			\$24,820,636.00	\$1,943,144.00		
F	Deferred Taxes							
G	Net Book Value [D-(E+F)]	\$342,227.00	\$0.00	\$0.00	\$2,986,500.00	\$0.00	\$0.00	\$0.00
H	Grossed-Up Rate of Return (From Sched. A, Line H)	0.1576						
I	Return on Investment Grossed-Up for Taxes [G x H]	\$53,929.22	\$0.00	\$0.00	\$470,822.21	\$0.00	\$0.00	\$0.00
J	Current Provision for Depreciation	\$282,717.00			\$2,881,526.00	\$40,253.00		
K	Annual Capital Costs [I + J]	\$336,646.22	\$0.00	\$0.00	\$3,352,148.21	\$40,253.00	\$0.00	\$0.00
L	GRAND TOTAL (sum of Line K entries)	\$3,729,047.43						

Box 3.

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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STEP C. Charges for leased Remotes (Calculate separately for each significantly different type)		a	b	c
		Remote 1	Remote 2	Remote 3
10.	Total Maintenance/Service Hours (Corresponding column from Schedule C, Line B)	14990	0	0
11.	HSC (Line 7) (Including Access Fee)	\$20,977.2	\$20,977.2	\$20,977.2
12.	Total Maintenance/Service Cost (Line 10 x Line 11) (Including Access Fee)	\$314,448.20	\$0.00	\$0.00
13.	Annual Capital Costs (Corresponding column from Schedule C, Line K) (Including Access Fee)	\$336,646.22	\$0.00	\$0.00
14.	Total Cost of Remote (Line 12 + Line 13) (Including Access Fee)	\$651,094.43	\$0.00	\$0.00
15.	Number of Units in Service (Corresponding column from Schedule C, Line C)	163471	0	0
16.	Unit Cost (Line 14/Line 15) (Including Access Fee)	\$3.9829	\$0.00	\$0.00
17.	Rate per Month (Line 16/(12)) (Including Access Fee)	\$0.3319	\$0.00	\$0.00

STEP D. Charges for leased Converter Boxes (Calculate separately for each significantly different type)		a	b	c
		Converter 1	Converter 2	Converter 3
18.	Total Maintenance/Service Hours (Corresponding column from Schedule C, Line B)	36725	1913	0
19.	HSC (Line 7) (Including Access Fee)	\$20,977.2	\$20,977.2	\$20,977.2
20.	Total Maintenance/Service Cost (Line 18 x 19) (Including Access Fee)	\$812,342.01	\$40,129.34	\$0.00
21.	Annual Capital Costs (Corresponding column from Schedule C, Line K) (Including Access Fee)	\$3,352,148.21	\$40,253.00	\$0.00
22.	Total Cost of Converter (Line 20+ Line 21) (Including Access Fee)	\$4,164,490.22	\$80,382.34	\$0.00
23.	Number of Units in Service (Corresponding column from Schedule C, Line C)	212346	14014	0
24.	Unit Cost (Line 22/Line 23) (Including Access Fee)	\$19.6081	\$5.7359	\$0.00
25.	Rate per Month (Line 24/(12)) (Including Access Fee)	\$1.634	\$0.478	\$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) (Including Access Fee)	\$20,977.2
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)	\$20,977.2
36b.	Average Hours to Change Service Tiers	1
36c.	Average Charge for Changing Service Tiers (Line 36a x Line 36b)	\$20,977.2

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WORKSHEET FOR CALCULATING TOTAL EQUIPMENT AND INSTALLATION COSTS	
1. Total Capital Costs of Installation and Maintenance (Schedule A, Box 1)	\$360,625.03
2. Total Annual Operating Expenses for Installation and Maintenance (Schedule B, Box 2)	\$1,455,332.31
3. Total Annual Capital Costs of Installation and Maintenance (Line 1 + Line 2)	\$1,815,957.34
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)	\$3,729,047.43
7. Annual Customer Equipment and Installation Costs (Line 5 + Line 6)	\$3,729,047.43
8. Percentage Allocation to Franchise Area (see instructions)	
9. Allocated Annual Equipment and Installation Costs (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	211157
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	Including Access Fee		Excluding Access Fee	
	Permitted	Actual	Permitted	Actual
I. Charges for Cable Service Installations				
a. Hourly Rate [Step A, Line 7]		n/a		n/a
b. Average Installation Charges:				
1. Installation of Unwired Homes [Step B, Line 9a3]		\$44.47		\$43.81
2. Installation of Prewired Homes [Step B, Line 9b3]		\$29.79		\$29.35
3. Installation of Reconnect Homes [Step B, Line 9c3]		\$27.27		\$26.87
4. Installation of Additional Connections Requiring Separate Install [Step B, Line 9d3]		\$26.22		\$25.83
5. Other Installations (specify) [Step B, Lines 9e3, 9e6, 9e9]				
a. Additional Connection at Time of Initial Unwired Installation		\$17.41		\$17.15
b. Additional Connection at Time of Initial Prewired Installation		\$11.96		\$11.78
c. Additional Connection at Time of Initial Reconnect Installation		\$7.97		\$7.85
2. Monthly Charge for Lease of Remote Controls [Step C, Line 17, columns a-c]				
Remote Control Type 1:		\$0.33		\$0.33
Remote Control Type 2:		\$0.00		\$0.00
Remote Control Type 3:		\$0.00		\$0.00
3. Monthly Charge for Lease of Converter Boxes [Step D, Line 23, columns a-c]				
Converter Box Type 1:		\$1.63		\$1.61
Converter Box Type 2:		\$0.48		\$0.47
Converter Box Type 3:		\$0.00		\$0.00
4. Monthly Charge for Lease of Other Equipment [Step E, Line 33]				
Other Equipment (Specify)		\$0.00		\$0.00
5. Charge for Changing Tiers (if any) [Step F, Line 34, 35 or 36c]		\$20.98		\$0.00

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	Signature
SBC MEDIA VENTURES (CABLE TV MONTGOMERY)	
Date	Title
03/31/97	VP FINANCE

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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	10.38% (A)	32,513
2	1605-0100	Telephone Equipment	8,767	10.38% (A)	910
3	1605-0200	Telephone Equipment	42,688	10.38% (A)	4,429
4	1605-0300	Telephone Equipment	1,964	10.38% (A)	204
5	1605-0400	Telephone Equipment	485,142	10.38% (A)	50,338
6	1605-0403	Telephone Equipment	170,057	10.38% (A)	17,645
7	1605-0500	Telephone Equipment	1,144	10.38% (A)	119
8	1609-0000	Computer Equipment	792,190	8.01% (B)	63,416
9	1609-0100	Computer Equipment	276,350	8.01% (B)	22,122
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	118,982	8.01% (B)	9,525
14	1609-0403	Computer Equipment	72,125	8.01% (B)	5,774
15	1609-0408	Computer Equipment	84,592	8.01% (B)	6,772
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	354,709	8.01% (B)	28,395
25	1624-0100	Computer Equipment	63,198	8.01% (B)	5,059
26	1624-0103	Computer Equipment	28,103	8.01% (B)	2,250
27		Gross Book Maintenance Facilities	5,974,561		502,528
28		Accumulated Depreciation Equipment/Tool	3,662,260	8.41% (C)	308,037
29		Net Book Value	2,312,301		194,491
30		Depreciation Expense	746,803	8.41% (C)	62,815
(A) Allocation of Telephone Equipment for installation/maintenance of customer equipment & plant.					
		Incoming phone stats:			
	(a)	Appointment confirmation		1.55%	
	(b)	General information		8.83%	
	(c)	Allocation percentage [(a) + (b)]		10.38%	
(B) Allocation of Computer Equipment for installation/maintenance.					
	(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%	
(C) Allocation factor based on ratio of allocated gross plant to gross plant.					
	(a)	Allocated Plant		502,528	
	(b)	Gross Plant		5,974,561	
	(c)	Allocation percentage [(a) / (b)]		8.41%	

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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	P/C 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	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
9	F-81 Splice Barrel	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
10	Feed thru Bushing	\$0.03	\$0.03	\$0.03	\$0.03			\$0.03			\$0.03
11	Wall Plate	\$0.07	\$0.07	\$0.07	\$0.07			\$0.07			\$0.07
12	1.25 Drive Pin	\$0.42	\$0.42	\$0.42							
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	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15
16	Splitter							\$1.35	\$1.35	\$1.35	\$1.35
17	Install Booklet	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35				
18	Total Material Cost per Type	\$8.35	\$8.35	\$7.31	\$5.75	\$3.33	\$3.33	\$4.57	\$2.59	\$2.59	\$4.57
19	Installs in 1996	1,696	2,888	2,109	3,147	27,952	18,849	2,182	4,265	32,566	16,186
20	Supplies for Installations	\$14,169	\$24,128	\$15,420	\$18,086	\$92,940	\$62,673	\$9,969	\$11,026	\$84,184	\$73,945
21	Total Supplies	\$406,540									

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APPENDIX H

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
<u>Installs by Type</u>										
<u>Unwired</u>										
1	Aerial	848.0	9.91%	84	2.12	178.08	764	2.12	1,619.68	1,797.76
2	Underground	1,444.0	38.57%	557	2.12	1,180.84	887	2.12	1,880.44	3,061.28
3	Townhouse	711.0	44.30%	315	2.12	667.80	396	2.12	839.52	1,507.32
4	Apartment	346.0	38.73%	134	2.12	284.08	212	2.12	449.44	733.52
		3,349.0		1,090.0		2,310.8	2,259.0		4,789.1	7,099.9
<u>Prewired</u>										
5	Aerial	848.0	9.91%	84	1.42	119.28	764	1.42	1,084.88	1,204.16
6	Underground	1,444.0	38.57%	557	1.42	790.94	887	1.42	1,259.54	2,050.48
7	Townhouse	1,398.0	33.83%	473	1.42	671.66	925	1.42	1,313.50	1,985.16
8	Apartment	2,801.0	31.95%	895	1.42	1,270.90	1,906	1.42	2,706.52	3,977.42
		6,491.0		2,009.0		2,852.8	4,482.0		6,364.4	9,217.2
<u>Reconnect</u>										
9	Re-install	18,849.0	0.00%	0	1.30	0.00	18,849	1.30	24,503.70	24,503.70
10	Reconnect	27,952.0	33.55%	9,379	1.30	12,192.70	18,573	1.30	24,144.90	36,337.60
		46,801.0		9,379.0		12,192.7	37,422.0		48,648.6	60,841.3
11	Total Installs	56,641.0		12,478.0		17,356.3	44,163.0		59,802.1	77,158.4
<u>Additional Outlets</u>										
12	A/Os Unwired Install	2,182.0	20.62%	450	0.83	373.50	1,732.0	0.83	1,437.59	1,811.09
13	A/Os Prewired Install	4,265.5	19.44%	829	0.38	315.02	3,436.5	0.38	1,305.86	1,620.88
14	A/Os Reconnect Install	32,566.5	11.90%	3,874	0.57	2,208.18	28,692.5	0.57	16,354.72	18,562.90
15	A/Os After Initial Install	16,186.0	58.90%	9,534	1.25	11,917.50	6,652	1.25	8,315.00	20,232.50
16	Total A/Os	55,200.0		14,687		14,814	40,513		27,413	42,227
<u>Tier Changes</u>										
17	To Basic	3,767.0	10.22%	385	1.00	385.00	3,382	1.00	3,382.00	3,767.00
18	To CPS Tier	3,129.0	10.00%	313	1.00	313.00	2,816	1.00	2,816.00	3,129.00
19	Total Tier Changes	6,896.0		698.0		698.0	6,198.0		6,198.0	6,896.0
<u>Equipment Maintenance</u>										
19	Installers					36,618.00				36,618.00
20	Converter Control					19,010.00				19,010.00
21	Total Equipment Maintenance					55,628.0				55,628.0
22	Total					88,496.48			93,413.29	181,909.77
23	Disconnects	46,706.0	2.29%	1,070	0.75	802.50	45,636	0.75	34,227.00	35,029.50
<u>Determination of Percentage of Regulated Hours to Total Hours</u>										
(a)	# of Employees					46.00				
	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			(104.00)						
(g)	Net annual productive hours [Sum (b) - (f)]					1,797.00				
(h)	Total annual productive hours [(a) x (g)]					82,662.00				
(i)	Total Inhouse hours [Line 26, column "Inhouse Hours"]			88,496.48						
(j)	Less: Converter Control			(19,010.00)						
(k)	Net Regulated Installation Department hours [Sum (i) - (j)]					69,486.48				
(l)	Percentage of Installers Regulated Hours to Total Hours [(k)/(h)]									84.06%