

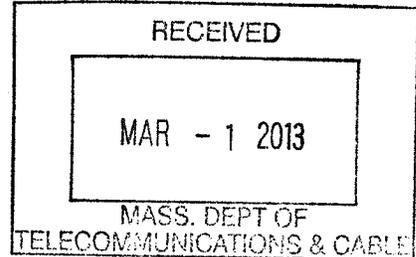


Comcast Cable
676 Island Pond Road
Manchester, NH 03109
www.comcast.com

Via United Parcel Service

February 28, 2013

Ms. Catrice Williams
Secretary of the Cable Television Division
Massachusetts Department of Telecommunications and Cable
Cable Television Division
1000 Washington Street, 8th Floor, Suite 820
Boston, MA 02118-6500



RE: Comcast Cable Communications, LLC
Docket No. D.T.C. 12-2
FCC Forms 1240 and 1205
Response to Rate Order

APPROVED
Conroy

Date: 3/27/13

Dear Ms. Williams:

On January 30, 2013, the Massachusetts Department of Telecommunications and Cable ("DTC") issued their rate order resulting from their review of Comcast's FCC Form 1240 and FCC Form 1205.

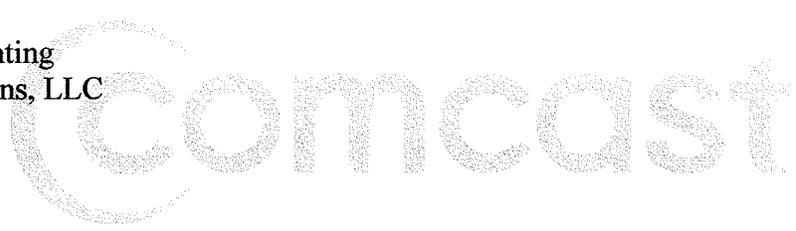
Enclosed are an original and three (3) copies of Comcast's plan to compensate subscribers for INet Maintenance overcharges as ordered in the Department's rate order.

If you have any questions regarding this information, please contact me at 603-695-1468.

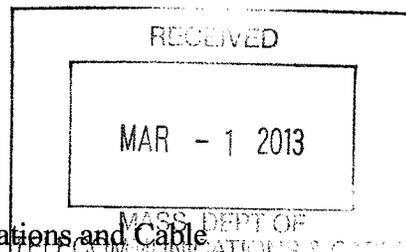
Sincerely,

Mark L. Renaud
Director of Regulatory Accounting
Comcast Cable Communications, LLC

/enclosures



**Department of Telecommunications and Cable
DTC 12-2 Rate Order
Comcast Cable Communications, LLC Response**



On January 30, 2013, the Massachusetts Department of Telecommunications and Cable (“DTC”) issued their rate order resulting from their review of Comcast’s FCC Form 1240 and FCC Form 1205.

The Rate Order directs Comcast to develop a plan to reconcile previous over-collections of I-Net Maintenance costs from customers against future FRC obligations. The plan should calculate the total amount over-collected by community, from the execution date of that community’s most recent license agreement. In the plan, Comcast was ordered to identify: (1) the change in network miles for each community; (2) the associated per-mile maintenance cost in each community, including a description of the type of physical facility maintained, and explanation of any change in its maintenance cost over the relevant period; and (3) a detailed summary of the total amount to be reconciled by community, including the timeframe for such reconciliation.

There are eight affected communities: Concord, Essex, Holyoke, Manchester By The Sea, New Bedford, Westfield, Amesbury and Merrimac.

Comcast does not agree that it should be required to provide credits related to prior rate periods, but appreciates that there were inadvertent errors in its own reporting to the Department. Accordingly, Comcast hereby waives any objections to the expansive temporal scope of the Order based on its expectation that the Department will accommodate Comcast’s proposed reconciliation plans. Although certain of these reconciliation plans encompass a considerable prospective time period, Comcast respectfully submits that the time period is appropriate given the extensive temporal reachback in the Department’s own Order.

Concord:

Comcast’s current license with the Town of Concord was effective on April 22, 2004. The network type that has been used in the FRC calculation since that time was a Hybrid Fiber Coax (“HFC”) network, which is a more expensive type of network to maintain. We learned through the audit that the network is actually a Point-To-Point (“PTP”) fiber network. The difference in the maintenance cost of between these two network types is \$736.40 per mile. Based on the effective date of the license, the period of overcollection was 9.25 years through July 1, 2013, when we propose changing the FRC and implementing a true-up through the FRC. The total overcollection is \$67,528 based on a 10 mile I-Net. Our recommendation is to implement a true-up credit in the new FRC that will be implemented in July. The payback period would be over a minimum of 10 years and would include interest, calculated at 11.25%. The monthly credit to customers would be approximately \$0.17. The current license expires on April 21, 2014. At that time, we will readjust any remaining amount so that the true-up amount will continue to run through the term of the renewal license as an offset to obligations in that license. Please see the attached proposed FRC in Exhibit 1.

**Department of Telecommunications and Cable
DTC 12-2 Rate Order
Comcast Cable Communications, LLC Response**

Essex:

Comcast's current license with the Town of Essex was effective on March 15, 2007. The network type that has been used in the FRC calculation since that time was a Broadband Fiber Network ("BFN") with a mileage of 25 miles. We learned through the audit that the network is actually comprised of 3 miles of coax and 6.5 miles of fiber. The difference in the maintenance cost between these network types equates to \$7,783.25 per year. Comcast implemented an FRC for the March 15, 2007 license in Essex on February 1, 2008. Prior to that date, there was no charge for I-Net maintenance costs. Based on the effective date of the first FRC for this license, the period of overcollection was 4.25 years through May 1, 2012, when the maintenance cost was changed in the FRC. The total overcollection was \$33,078.94. Our recommendation is to implement a true-up credit in the new FRC that will be implemented in July. The payback period would be over a minimum of 10 years and would include interest, calculated at 11.25%. The monthly credit to customers would be approximately \$0.41. The current license expires on March 14, 2017. At that time, we will readjust any remaining amount so that the true-up amount will continue to run through the term of the renewal license as an offset to obligations in that license. Please see the attached proposed FRC in Exhibit 2.

Holyoke:

Comcast's current license with the City of Holyoke was effective on October 28, 2003. The network type that has been used in the FRC calculation since that time is an HFC Network with a mileage of 27 miles. We learned through the audit that the I network is actually comprised of 3 miles of coax and 7.5 miles of fiber. The difference in the maintenance cost between these network types is \$23,079.99 per year. Based on the effective date of the license, the period of overcollection was 8.5 years through May 1, 2012, when the maintenance cost was changed in the FRC. The total overcollection was \$196,179.92. A true-up credit in the current FRC calculated with a payback period of 10 years that includes interest calculated at 11.25% would be approximately \$0.23 a month. The current license expires on October 27, 2013. The current FRC does not exceed the full \$0.23 credit. Therefore, Comcast proposes to reduce the existing FRC to zero in July. We will leave it at zero until the next scheduled price change in July of 2014. At that time, we will readjust the remaining credit amount so that the true-up amount will continue to run through the term of the renewal license as an offset to future obligations. Please see the attached proposed FRC in Exhibit 3.

Manchester By The Sea:

Comcast's current license with the Town of Manchester By The Sea was effective on September 4, 2007. The network type that has been used in the FRC calculation since that time was a BFN with a mileage of 30 miles. We learned through the audit that the network is actually comprised of 3 miles of coax and 6.5 miles of fiber. The difference in the maintenance cost between these network types is \$10,404.33 per year. Comcast implemented an FRC for the September 4, 2007 license in Manchester By The Sea on

Department of Telecommunications and Cable
DTC 12-2 Rate Order
Comcast Cable Communications, LLC Response

February 1, 2008. Prior to that time, there was no charge for I-Net maintenance costs. Based on the effective date of the first FRC for this license, the period of overcollection was 4.25 years through May 1, 2012, when the maintenance cost was changed in the FRC. The total overcollection was \$44,218.40. Our recommendation is to implement a true-up credit in the new FRC that will be implemented in July. The payback period would be over a minimum of 10 years and would include interest, calculated at 11.25%. The monthly credit to customers would be approximately \$0.35. The current license expires on September 3, 2017. At that time, we will readjust any remaining amount so that the true-up amount will continue to run through the term of the renewal license as an offset to obligations in that license. Please see the attached proposed FRC in Exhibit 4.

New Bedford:

Comcast began charging for I-Net maintenance cost in New Bedford through the FRC calculation with the first rate change after the license renewal, which was on May 1, 2010. That FRC calculation showed the New Bedford network is made up of two components, a BFN that is 27 miles long and a Point-To-Point fiber run back to the Headend that is 12 miles long. Through the audit, we discovered that the mileage for the Point-to-Point network is actually only 9 miles. We were, therefore, charging for 3 extra miles. The cost per mile for maintenance of this type of network is \$327.66 per year. Based on the effective date of the license, November 20, 2009 [MARK—Why isn't this calculation beginning on May 1, 2010?], the period of overcollection was 2.42 years, running to May 1, 2012, when the mileage was corrected. The total overcollection is \$2,378.81. Our recommendation is to implement a true-up credit in the new FRC that will be implemented in July. The payback period would be over 12 months and would include interest, calculated at 11.25%. There is no need to extend the payback period, because the monthly credit to customers over 12 months would be only about \$0.01. Please see the attached proposed FRC in Exhibit 5.

Westfield:

Comcast's current license with the City of Westfield was effective on March 30, 2004. The network type that was used in the FRC calculation for much of the license period was a 27 mile coax network. However, in early 2005, this network was replaced with a 6 mile fiber network. The FRC was never updated. The difference in the maintenance cost between these networks is \$23,571.88 per year. Based on a date of January 1, 2005 when this network was replaced, the period of overcollection was 7.33 years, through May 1, 2012, when the maintenance cost was changed in the FRC. The technical upgrade in the network was made to facilitate maintenance efforts in Westfield, because the previous network was very old and had many problems. In this case, we believe that the cost of building this new replacement network should be taken into account in calculating the "overcollection" for Westfield, as the replacement construction is what ultimately led to the maintenance savings at issue here. The cost of the new fiber network was \$38,000. Netted against the total maintenance overcollection, the net overcollection in Westfield was \$134,778.95. Our recommendation is to implement a true-up credit in the new FRC

Department of Telecommunications and Cable
DTC 12-2 Rate Order
Comcast Cable Communications, LLC Response

that will be implemented in July. The payback period would be over a minimum of 10 years and would include interest, calculated at 11.25%. The monthly credit to customers would be approximately \$0.14. The current license expires on March 29, 2014. At that time, we will readjust any remaining amount so that the true-up amount will continue to run through the term of the renewal license as an offset to future obligations. Please see the attached proposed FRC in Exhibit 6.

Amesbury:

Comcast's current license with the Town of Amesbury was effective on October 5, 2010. The network type is an HFC network. The mileage that has been used in the FRC calculation was 10.95 miles. We learned through the audit that the mileage actually should have been 6 miles. Comcast began charging the 10.95 mileage in the FRC in February, 2009. Previous to that time, all FRCs in Amesbury remained embedded in the base rate, since this community was acquired from Adelphia and that company had not previously broken out any FRC costs. At the time that Comcast removed the embedded costs from the base rate, we utilized the incorrect 10.95 mileage figure. Due to this situation, Comcast is not proposing a true-up similar to the communities listed above. The Amesbury customer has not, after all, really experienced a net overcollection, as the MPR (excluding FRC additions) would have been higher throughout this period if we had removed the correct (smaller) INet maintenance amount. To illustrate, Comcast has recalculated each FCC Form 1240 since the FRC was removed from the Form. The revised 1240 forms are included in Exhibit 7, along with a summary sheet of the MPRs as filed and as adjusted. Adjustments were made in the first year to Module D, Line D2 and to each month in Worksheet 8 in the amount of \$0.0609, which was the excess amount that was improperly removed from the filing based on the erroneous mileage assumption. In each subsequent year, each month in Worksheet 8 was adjusted by \$0.0609 on the premise that the rate charged would have been that much higher. Each year during the period, the value to the customer grows incrementally from \$0.0609 to \$0.0819. Comcast proposes that the customer already has been made whole – as any FRC excess must be balanced against the associated MPR deficiency, as described. Comcast is not asking to reintroduce that amount back into the FCC Form 1240. The revised forms were done simply to illustrate the net impact on Amesbury customers. Additionally, the Amesbury customer benefits prospectively as a result of, first, the reduction to the MPR (which, as just noted, Comcast is prepared to continue) and second, the new reduction to the FRC.

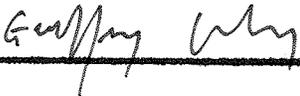
Merrimac

Comcast's current license with the Town of Merrimac was effective on December 8, 2007. The network type that Comcast previously listed was a 26.49 mile HFC network. As a result of the audit, we have realized that this network is actually a 6 mile Passive Coaxial Fiber ("PCF") network. Comcast actually began charging this mileage in the FRC in January, 2008. Previous to that time, all FRCs in Merrimac remained embedded in the base rate, since this community was acquired from Adelphia and that company had

Department of Telecommunications and Cable
DTC 12-2 Rate Order
Comcast Cable Communications, LLC Response

not previously broken out any FRC costs. In 2008, the adjustments made to pull the FRC costs out of the base rate were made to Module D Line D2. However, we added these costs to Exhibit 7 True-Up Period Lines 707 and 717 and Exhibit 7 – Projected Period Line 707. As a result, these FRCS were still effectively included as part of the MPR. The FRC was extracted from the Form 1240 filing entirely in 2009 to match the treatment of Comcast’s other Massachusetts communities. Unfortunately, at the time that Comcast removed the embedded FRC costs from the base rate, we utilized the incorrect mileage. Due to this situation, Comcast is not proposing a true-up similar to most the communities listed above and is instead recommending an approach similar to that proposed for Amesbury. The Merrimac customer has not experienced a net overcollection, as the MPR would have been higher throughout this period if we had removed the correct (smaller) INet maintenance amount. To illustrate, Comcast has recalculated each FCC Form 1240 since the FRC was removed from the Form 1240. The revised 1240 Forms are included in Exhibit 7, along with a summary sheet of the MPRs as filed and as adjusted. For 2008, adjustments were made in the first year to Module D, Line D2 and to Exhibit 7 – True-Up Period Lines 707 and 717 and to Exhibit 7 – Projected Period Line 707. In 2009, the FRC was completely removed from the Form and shown on the FRC attachment. At that time, an adjustment was made to each month in Worksheet 8 in the amount of \$0.7287, which was the excess amount that was removed from the filing. In each subsequent year, each month in Worksheet 8 was adjusted by \$0.7287, on the premise that the rate charged would have been that much higher. Each year during the period, the value to the customer grows incrementally from \$0.7287 to \$1.1396. Comcast proposes that the customer already has been made whole – as any FRC excess must be balanced against the associated MPR deficiency. Comcast is not asking to reintroduce that amount back into the FCC Form 1240. The revised forms were done simply to illustrate the net impact on Merrimac customers. Additionally, the Merrimac customers benefit prospectively as a result of, first, the reduction to the MPR (which, as just noted, Comcast is prepared to continue) and second, the new reduction to the FRC.

APPROVED



Date: 3/27/13