



COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**
Cable Television Division

To: All Parties to Docket CHA Y-00

Re: Charter Communications Entertainment I, L.L.C.

Date: March 3, 2004

NOTICE

In the matter docketed as CHA Y-00, the Cable Television Division ("Cable Division") of the Department of Telecommunications and Energy considered Charter Communications, Inc. ("Charter" or "Company") proposed rate adjustments presented on Federal Communications Commission ("FCC") Forms 1240 and 1205. In the course of the proceeding, the Cable Division directed the Company to submit for review an appropriate rate form to justify the rates charged in the communities of Brookfield, East Brookfield, North Brookfield, Charlton, Hinsdale, Lanesborough, and West Stockbridge (referred to as the former Pegasus communities). On November 30, 2000, the Cable Division issued a rate order on Charter's FCC Forms 1240 and 1205 proposed rates. Charter Communications Entertainment I, L.L.C., CHA Y-00 (Phase I) ("Phase I Order"). In the Phase I Order at 2, the Cable Division deferred its consideration of Charter's proposed basic service tier ("BST") rates in the former Pegasus communities.

The issue for the former Pegasus communities is the appropriate manner in which to calculate the rate applicable to the Company's restructured BST. In this proceeding, Charter announced its plan to restructure its programming tiers to create a distinct BST and cable programming services tier ("CPST"). In support of its proposed BST rates, the Company filed the previously approved FCC Form 1230s for these communities. See Pegasus Cable Television, Inc., Y-94 COS, Y-96 SMA (1996). See Pegasus Cable Television, Y-94 COS, Y-96 SMA (1996). At the time the Cable Division approved these rates, the cable operator qualified for regulatory treatment as a small system and therefore calculated its rates on the FCC Form 1230. At that time, the cable operator offered just one tier of service with either 30 or 51 channels, depending on the community.

Because the record in this proceeding may have become stale, we offer parties an opportunity to refresh the record with evidence and legal argument. Parties' briefs should address whether the Cable Division may appropriately accept the FCC Form 1230s in this

instance, the ratemaking consequences of the acquisition of a small system by a large cable operator, and any other relevant issue. Briefs should contain citation to appropriate legal authority. Briefs or comments shall be filed by April 9, 2004, with Andrea Nixon, Clerk, One South Station, Boston, MA 02110, and served on all other parties.

**By Order of the
Department of Telecommunications and Energy
Cable Television Division**

**/s/ Alicia C. Matthews
Alicia C. Matthews
Director**