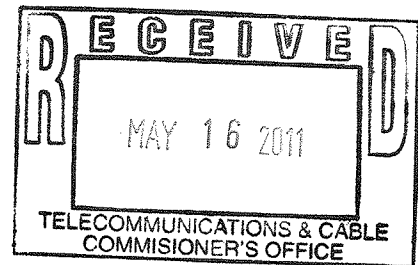




May 16, 2011



Catrice Williams, Secretary
Cable Television Division
Department of Telecommunications & Cable
1000 Washington Street, Suite 820
Boston, MA 02118-6500

Re: Charter Communications: Record Requests: Docket No. DTC 10-7

Dear Ms. Williams:

Enclosed please find Charter Communications' ("Charter") response to the Record Requests per the rate hearing held on May 3, 2011 concerning the FCC Form 1240 and FCC Form 1205 filings currently under review for 2011 rates.

If you have any further questions or comments please feel free to contact me at (972) 938-9288, x4.

Respectfully yours,

A handwritten signature in cursive script that reads 'Melissa Bennett'.

Melissa Bennett
Senior Regulatory Analyst

enclosures

cc: Vicki DeSantis
Tom C. Cohan
Lindsay DeRoche
Alison Lackey
Armine Simonyan
Michael Mael
Benedict Dobbs
Betsy Whittey
Robert Weitz

Massachusetts Department of Telecommunications and Energy
Cable Television Division
Record Requests
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FCC Forms 1205

- RR#1. A. In response to Information Request DTC 1-11 (a), Charter indicates that “capitalized labor was written to zero and included within the category of cost it represented.”
1. The FCC Form 1205, Schedule A category “Other 2”, which Charter identified as Capitalized Labor, lists a net book value of \$3,992,800. Why is this value not zero?
 2. Please explain why the Capitalized Labor category of \$3.9 million has a current depreciation of \$149,771,900.
- B. In response to Information Request DTC 1-11, Charter indicates that the increase in the value of tools was due to a third party estimate of the value due to the use of Fresh Start accounting. The increase in the net book value of tools (\$560 million) is greater than the prior gross book value for tools (\$490 million). Please indicate if there are any other factors aside from Fresh Start accounting and a redistribution of capitalized labor to explain the increase in net book value for tools from the prior to the current period.
- C. The support to the Form 10K schedule indicates that Charter’s Fresh Start accounting began on December 1, 2009. For purposes of its FCC Form 1205 how did Charter calculate both its accumulated and current provision for depreciation for FY 2009?

Person providing the response:

Jason Buscher, Senior Director, Corporate Accounting

Response:

- A. 1. Charter emerged from bankruptcy on 12/1/09. At that time, Capitalized Labor was written off and included in the fair value of the asset category it represented. Post emergence, Charter continued to book Capitalized Labor just as we had in the past. The balance of \$3.9 million represents the activity for the month of December 2009, which was booked at actual.
2. The balances related to Capitalized Labor were not written to zero until 12/1/09. From the period 1/1/09 through 11/30/09, Charter had balances for Capitalized Labor that depreciated. The \$149.8 million represented 11 months of depreciation expense on the old assets and one month of the new assets.
- B. There are no other factors.
- C. The accumulated balance represents only one month of depreciation post emergence, since everything was net booked and adjusted to fair value as of 12/1/09. Depreciation expense is for a full 12 months, which was calculated using 11 month of pre-emergence PP&E balances and one month of post emergence PP&E balances.

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FCC Forms 1205

RR#2. Explain the decline in the state tax rate for the state of Ohio from 2008 to 2009.

Person providing the response:

Melissa Bennett, Senior Regulatory Compliance Analyst

Response:

The decrease in the state tax rate for Ohio from 2008 to 2009 is the result of the state income tax being phased out, per the State Income Tax Rates of the Federation of Tax Administrators. The rate will be 0.00% in the 2010 Form 1205.

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FCC Forms 1240

- RR#3. A. Please submit the duplicated channels explanation, as was submitted with the prior year form.
- B. Provide a list of basic channels that require an additional device for Analog TV. Also, if a customer has a digital TV, do they need a device to see basic (digital only) channels? If they do not have a box, would the channels be scrambled?

Person providing the response:

Melissa Bennett, Senior Regulatory Compliance Analyst

Response:

- A. See chart below. The only channels added were Shop NBC and the Jewelry Channel. No other channels were added to the Basic Service Tier. I have included the duplicate channel as was requested.
- B. See Attachment A.

Lineups Effected	Channel Adds	In 1240	Duplicated Channels (Didn't count)
Auburn Boylston Douglas Dudley Grafton Holden Leicester Millbury Northboro Northbridge Oxford Paxton Southbridge Southboro Spencer Sturbridge Upton West Boylston West Brookfield Westboro Worcester	Shop NBC, Jewelry Channel	Shop NBC, Jewelry Channel	WGBH-DT PBS Boston, WGBX-DT PBS Boston, WYDN-DT IND Worcester, WMFP-DT IND Lawrence, WZMY-DT IND Derry, NH, Charter TV3 Worcester, and QVC
Ludlow Wilbraham Hampden East Longmeadow Easthampton Southampton Chicopee	Shop NBC, Jewelry Channel	Shop NBC, Jewelry Channel	QVC
Brimfield	Shop NBC, Jewelry Channel	Shop NBC, Jewelry Channel	Charter TV3 Worcester and QVC

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FCC Forms 1240

RR#4. Recalculate the franchise related costs and refile the Form 1240 for Southborough, as the franchise related costs have been changed by the new license, in regards to the annual operating expense.

Person providing the response:

Melissa Bennett, Senior Regulatory Compliance Analyst

Response:

Charter does not believe it appropriate to submit a replacement Form 1240 filing in this circumstance. The Company made a reasonable and historically-based estimate of FRCs in the current Form's projected period. This approach minimizes unnecessary rate swings as franchises expire and are renewed. As it turns out in the case of Southborough, certain franchise related costs were reduced when the actual franchise was adopted, but the adjustment for that reduction should occur in the next annual Form 1240, rather than through a replacement Form 1240 now. Indeed, that is precisely what the "true-up" mechanism in the Form 1240 is designed to address. Charter believes it would be bad precedent to file a replacement Form 1240 in this case, particularly when the total amount at issue (and the potential impact on subscribers) is quite small.

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FCC Forms 1240

RR#5. Submit a recalculation of the FRC for the new finalized agreement for Upton.

Person providing the response:

Melissa Bennett, Senior Regulatory Compliance Analyst

Response:

Projected Period Upton Calculation:

$(\$20,000 / 10 \text{ year amortization} / 12 \text{ months} * 6 \text{ months}) = \underline{\$1,000}$

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FCC Forms 1240

RR#6. Submit a list showing the depreciable lives being used for Schedule A & C assets in the Form 1205.

Person providing the response:

Jason Buscher, Senior Director, Corporate Accounting

Response:

	Before Bankruptcy	Fresh Start Assets (average)	New After Bankruptcy
<u>Sch A</u>			
Vehicles	5	3.4	5
Installation-(Materials & Labor)	5	5.1	8
Test Equipment and Tools	5	5.9	6
Capitalized Labor/OH	5		8
Land	-	-	-
Building	15	32.9	40
Leasehold Improvements	5	12.9	15
Office Machines	5	5.5	7
Office Furniture & Fixtures	10	7.0	10
<u>Sch C:</u>			
Analog Converters	5	1.0	5
Standard Digital	5	1.0	5
DVR only	5	1.0	5
HD/DVR Combo	5	3.0	5
HD only	5	3.1	5
Converters Refurbishment (CPE)	5	-	5
Cable Cards	5	3.0	5
Remotes	3	2.0	3

Attachment A

Charter Communications Basic (Digital only) Channels in MA

Central MA Line-Up

Auburn, Boylston, Douglas, Dudley, Grafton, Holden, Leicester, Millbury, Northborough, Northbridge, Oxford, Paxton, Southborough, Southbridge, Spencer, Sturbridge, Upton, West Boylston, West Brookfield, Westborough, Worcester

153	WGBX-DT PBS Kids Boston*
183	Shop NBC*
185	Jewelry Television*
220	WGBH-DT (2) PBS Boston*
221	WGBX-DT (44) PBS Boston*
222	WGBX-DT PBS World Boston*
223	WGBX-DT PBS Create Boston*
224	WYDN-DT (48) IND Worcester*
225	WMFP-DT (62) IND Lawrence*
226	WZMY-DT (50) MyTV Derry, NH*
297	C-SPAN 2* (Douglas/West Brookfield Only)
784	QVC*
790	Charter TV3 Worcester**

Western MA Line-Up

Ludlow, Wilbraham, Brimfield, Hampden, East Longmeadow, Easthampton, Southampton, Chicopee

153	WGBY-DT PBS Kids*
161	WTIC (61) FOX Hartford* (for all but Brimfield)
183	Shop NBC*
185	Jewelry Television*
190	Leased Access*
222	WGBY-DT PBS World*
223	WGBY-DT PBS Create*
230	WFSB-DT CBS News Hartford
261	WTIC (61) FOX Hartford* (Brimfield Only)
785	QVC*
790	Charter TV3 Worcester** (Brimfield Only)

The above digital channels are part of Charter's Basic Service.

* To receive these channels, a Basic customer requires either a box or must have a digital television.

** This channel is encrypted and requires a box.