



THE COMMONWEALTH OF MASSACHUSETTS

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

ORDER ON COMPLIANCE FILING

CTV 05-3

Petition of Comcast Cable Communications, Inc. to establish and adjust the basic service tier programming and equipment rates for the communities currently served by Comcast that are subject to rate regulation.

APPEARANCES:

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I. INTRODUCTION

On September 26, 2006, the Cable Television Division (“Cable Division”) of the Department of Communications and Energy issued its Rate Order concerning Comcast Cable Communications, Inc.’s (“Comcast” or “the Company”) proposed Federal Communications Commission (“FCC”) Forms 1240 and 1205 for its regulated Massachusetts communities. Comcast Cable Communications, Inc., CTV 05-3 (2006). In the Rate Order, the Cable Division directed the Company to make modifications to the FCC Form 1240 for several communities and to file the revised forms with the Cable Division. Comcast submitted its Compliance Filing on October 10, 2006.

II. ANALYSIS AND FINDINGS

In the Rate Order, we directed Comcast to pay refunds to subscribers in 31 communities, where the proposed combined basic service tier (“BST”) maximum permitted rate (“MPR”) and franchise related cost (“FRC”) rate for the projected period commencing on January 1, 2006, was less than the combined rate for the previous rate period.¹ CTV 05-3 at 8, 26-27. Because Comcast delayed implementing its proposed rates until February 1, 2006, the actual rates in effect in these communities during January 2006 exceeded the Company’s proposed rates. Id. at 6. The refunds were necessary because Comcast had not reduced its BST rates after twelve months, in order to reflect decreases in external costs.

¹ These 31 communities are Ashburnham, Ayer, Bedford, Belmont, Bernardston, Boxborough, Braintree, Brockton, Carlisle, Concord, Dighton, Everett, Holbrook, Hudson, Leominster, Lincoln, Malden, Middleborough, New Bedford, Northfield, Provincetown, Randolph, Saugus, Sharon, Springfield, Townsend, Truro, Wayland, Westford, Westwood, and Whitman.

Id. at 7, citing 47 C.F.R. § 76.922(e)(2)(ii)(B). In its Compliance Filing, Comcast presented a plan that refunded to subscribers in 31 communities the overcharges they had paid during January 2006 (Compliance Filing at Attachment 1). We find that Comcast has accurately calculated the amount that it is refunding to subscribers in each community. We therefore conclude that Comcast's refund plans for these 31 communities comply with our Rate Order, with applicable law, and that the refunds to be paid thereunder are reasonable.

In the Rate Order, we also directed Comcast to pay an additional refund to subscribers in Carlisle. CTV 05-3, at 17. This refund would return to Carlisle subscribers the excessive FRCs that they paid during 2005, because the Company had inadvertently charged the incorrect FRC amount. Id. at 14-17. We find that the revised FCC Form 1240 Comcast filed for Carlisle appropriately adjusts the rate in that town. We conclude that the refund plan with respect to Carlisle complies with our Rate Order, with applicable law, and that the refunds to be paid thereunder are reasonable.

Further, we directed Comcast to resubmit its FCC Form 1240 for Medway, with a revised FRC Worksheet that accurately amortized the Company's public, educational and government ("PEG") capital costs. Id. at 18-19, 26. We also directed Comcast to explain how it intended to make Medway subscribers whole for any FRC overcharges. Id. at 19. For Medway, Comcast submitted a revised FCC Form 1240, that includes an FRC Worksheet with its PEG access costs amortized over the remaining term of the license (Compliance Filing at Attachment 2). Comcast also submitted a proposed plan that compensated subscribers for any overcharges, by reducing the FRCs the subscribers would pay over the remaining

12 months of the license (id. at Attachment 4). The Company calculated that if it had correctly amortized its capital expenses over 26 months instead of 14 months, the total amount collected from subscribers would have been \$54,028 (id.). Comcast then reduced this total by \$45,901, the amount of capital expenses it expects to recover from January 1, 2006, through the beginning of the next projected period on February 1, 2007 (id.). This would leave Comcast with only \$8,127 in remaining capital expenses to recover from subscribers during the final year of the Medway license (id.). Comcast indicated that under its proposal, its monthly FRCs in Medway would decrease from \$1.32 currently to \$0.53 after February 1, 2007, a decrease of \$0.79 (id.). We conclude that this adjustment will effectively return to subscribers Comcast's FRC overcharges in Medway, through lower FRC charges during the next rate period. The Cable Division finds that Comcast's proposed plan to adjust its FRCs in Medway is reasonable and in compliance with applicable law.

Finally, in our Rate Order, we directed Comcast to submit for Westhampton an FCC Form 1240 that includes no FRCs, in order to reflect the lack of any public access provisions in the renewal license. CTV 05-3, at 22-23, 26. We also directed the Company to provide evidence that no FRCs had been charged in Westhampton since the renewal license had become effective, or if FRCs were charged, whether refunds have been paid to subscribers. Id. at 23. For Westhampton, Comcast submitted a revised FCC Form 1240, that includes an FRC Worksheet showing no PEG access costs (Compliance Filing at Attachment 3). The Company explained that on its February 2005 bill statements, it had applied a credit of \$0.88 to subscribers' bills, in order to reimburse subscribers for any FRCs

charged after October 16, 2004, the effective date of the new license (id. at Cover Letter, at 2; see CTV 05-3, at 22). The Company also submitted copies of subscribers' bills for January, February, and March, 2005, which show the application of this \$0.88 credit on the February 2005 bills, and which also show that no FRCs were charged subscribers during these months (Compliance Filing at Attachment 5). The Cable Division accepts Comcast's confirmation that it returned FRCs that had been collected from subscribers after the effective date of the Westhampton renewal license, and also that Comcast has ceased collecting FRCs from Westhampton subscribers. We find that the revised FCC Form 1240 for Westhampton calculates a rate that is reasonable and in compliance with applicable law.

III. CONCLUSION AND ORDER

After review and consideration, the Cable Division hereby accepts, as reasonable, Comcast's FCC Forms 1240 as submitted on October 10, 2006, for Medway and Westhampton.

Further, after review and consideration, the Cable Division hereby accepts, as reasonable and in compliance with applicable law, Comcast's refund plans, as submitted on October 10, 2006, for Ashburnham, Ayer, Bedford, Belmont, Bernardston, Boxborough, Braintree, Brockton, Carlisle, Concord, Dighton, Everett, Holbrook, Hudson, Leominster, Lincoln, Malden, Middleborough, New Bedford, Northfield, Provincetown, Randolph, Saugus, Sharon, Springfield, Townsend, Truro, Wayland, Westford, Westwood, and Whitman. The Cable Division directs Comcast to file, within 30 days of the payments of its

refunds, a report that describes: (1) the amount of the refund credited to each subscriber's bill;
(2) the total amount of the refunds paid in each community.

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

/S/Alicia C. Matthews
Alicia C. Matthews
Director

Issued: October 25, 2006