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Legal

January 9, 2015

Sara J. Clark
Department Secretary
Department of Telecommunications and Cable
1000 Washington Street, Suite 820
Boston, MA 02118-6500

Subject: D.T.C. 13-10: Petition of Time Warner Cable for Review of FCC Form 1240 and Form 1205 for the Great Barrington, North Adams, and Pittsfield Systems – Contingent Refund Compliance Plan

Dear Ms. Clark:

Enclosed please find the Contingent Refund Compliance Plan of Time Warner Cable Inc. (TWC), submitted with respect to the Department's November 26, 2014 Rate Order in the above-referenced proceeding.

As indicated therein, TWC has estimated the amount of refunds due based on the information available to it at this time. TWC continues to review its records and will update the estimated refunds due as needed.

TWC would be pleased to meet with the Department staff for a Technical Session reviewing the refund plan if the staff believes that would be helpful.

Very truly yours,



John E. Fogarty

JEF/srh

cc: Sean Carroll
Kalun Lee
Karlen Reed
Michael Mael
Armine Simonyan

D.T.C. 13-10

Petition of Time Warner Cable Inc. for Review of FCC Forms 1240 and Form 1205 for the Great Barrington, North Adams, and Pittsfield Systems

CONTINGENT REFUND COMPLIANCE PLAN

Time Warner Cable Inc. (“TWC” or the “Company”) hereby submits its Contingent Refund Compliance Plan with respect to the Rate Order dated November 26, 2014 adopted by the Department of Telecommunications and Cable of the Commonwealth of Massachusetts (“DTC”) in the above-referenced proceeding.

TWC has filed an appeal with the Federal Communications Commission (“FCC”) challenging the Rate Order.¹ TWC’s implementation of the refunds and prospective rate adjustments as described herein is contingent on the outcome of that appeal. Thus, the refund amounts shown below have been computed for the period March 1, 2014 through November 30, 2014. In the event the FCC denies TWC’s appeal in whole or in part, TWC will timely adjust the refund calculation (including interest and franchise fee reimbursement) through the end of the current rate year (March 31, 2015). In addition, at such time as refunds are made, TWC will request that the amount of franchise fees refunded to subscribers (plus interest on those fees) be returned to TWC by the local franchising authorities in accordance with Section 76.942(f) of the FCC’s rules.

TWC emphasizes that the submission of this Contingent Refund Compliance Plan should not be construed as an admission of any liability on the part of TWC or as a concession on the part of TWC regarding the validity of the Rate Order in whole or in part.

Hourly Service Charge and Related Equipment and Installation Rates

The Rate Order rejected TWC’s Form 1205 Hourly Service Charge (“HSC”) calculation and prescribed a reduced HSC in its place. The Rate Order directed that TWC resubmit its Form 1205 using the HSC prescribed by the DTC and submit a refund plan reflecting the resulting changes in TWC’s maximum permitted regulated equipment and installation charges. A copy of the revised Form 1205 is attached hereto.² The chart that follows this paragraph summarizes the Operator Selected Rates and Maximum Permitted Rates for regulated equipment and installations from TWC’s Form 1205 as originally submitted, the actual rate billed to subscribers starting March 1, 2014, and the revised Maximum Permitted Rates calculated on TWC’s revised Form 1205 (copy attached).

¹ In addition, TWC has pending before the FCC a petition (filed March 27, 2013) seeking a declaration that effective competition exists in the communities served by TWC’s North Adams cable system. Grant of the appeal and/or the effective competition petition in whole or in part could nullify or require adjustments to the instant Contingent Refund Compliance Plan. TWC notes further that it has petitioned the FCC to stay the enforcement of the Rate Order pending resolution of its appeal and/or effective competition petition.

² TWC has not attempted to modify individual entries on the Schedules to its previously filed Form 1205; rather, the Company simply has modified Form 1205 Step A, Line 7 to reflect the DTC’s prescribed HSC of \$60.32 and carried forward that revised HSC in computing installation and equipment charges in Steps B through F.

<u>Device/Install Type</u>	<u>Original MPR</u>	<u>OSR</u>	<u>Revised MPR</u>	<u>Actual Rate</u>
Remote Control	0.33	0.33	0.25	0.33
Converter #2 (set-top)	6.98	6.98	5.58	6.65
Converter #3 (DTA)	2.11	2.11	1.98	1.50
Other Equipment (CableCARD)	3.49	3.49	3.29	2.50
Install (Unwired)	101.82	101.82	62.73	47.99
Install (Prewired)	81.26	81.26	50.07	47.99
Install (Add. Connection)	32.38	32.38	19.95	24.99
Install (Add. Connection Trip)	81.34	81.34	50.11	39.99

The total amount of overcharges for the period March 1, 2014 through November 30, 2014 (*i.e.*, the amount actually collected during that period for regulated equipment and installation in excess of the amount permitted to be collected based on the revised MPRs) is estimated at \$329,460.05.³ In the event TWC's appeal is denied, TWC will adjust this amount upward to reflect any additional equipment and installation overcharges collected through February 28, 2015. TWC will further adjust this amount upward to include franchise fees on such overcharges collected on such overcharges and interest calculated in accordance with Section 76.942(e) of the FCC's rules (currently 2%). Refunds will be distributed in equal shares in the form of one-time credits on the bills of the class of subscribers leasing a set-top box at the time refunds are made.

Navigator Charge and A/O Service Fees

The Rate Order disallowed in their entirety TWC's Navigator service charge and A/O Service Fees and directed TWC to refund such charges and fees. The total amount of Navigator service charges and/or A/O Service Fees collected from the class of basic-only video service subscribers (*i.e.*, subscribers not receiving any video services other than the basic service tier) for the period March 1, 2014 through November 30, 2014 is \$2,558.58. In the event TWC's appeal is denied, TWC will adjust this amount upward to reflect any additional Navigator service and/or A/O Service Fee overcharges collected through February 28, 2015. TWC will further adjust this amount upward to include franchise fees collected from subscribers on such overcharges and interest calculated in accordance with Section 76.942(e) of the FCC's rules (currently 2%). Refunds will be distributed in equal shares in the form of one-time credits on the bills of the class of basic-only video subscribers being charged for Navigator service and/or an A/O Service Fee at the time refunds are made.

³ Charges for installing additional outlets are sometimes waived or discounted. TWC is continuing to review billing records to identify those instances, if any, in which a subscriber was charged more than \$19.95 for an additional outlet installation. If such review identifies any such instances, TWC will update this refund plan accordingly.