

D.T.C. 14-7: Petition of Time Warner Cable for Review of FCC Forms 1240 and Form 1205 for the Great Barrington, North Adams, and Pittsfield Systems

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D.T.C. 1-1      Please confirm that the Projected Period for Time Warner Cable's Form 1240s ends on February 28, 2016, and not February 29, 2016.

Response:      The Projected Period for Time Warner Cable's Form 1240s should end on February 29, 2016.

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D.T.C. 1-2      Please provide detailed documentation explaining the decrease in the total Capital Cost of Service Installation and Maintenance of Equipment and Plant (Schedule A, Line L) from the previous year's Form 1205 to this year's Form 1205.

Response:      The 34% decrease in the total Capital Cost of Service Installation and Maintenance of Equipment and Plant (Schedule A, Line L) to \$41,173,283 from the previous year's Form 1205 amount of \$62,548,383 is attributable to the 40% year over year decrease in the number of Time Warner Cable's regulated subscribers, offset by an upward adjustment in the current depreciation as reported on the current year's form. This adjustment reflects the fact that the current depreciation reported on the prior year's form inadvertently excluded the current depreciation associated with transferred assets.

Please refer to Exhibit 1 for detail and support for Schedule A of Form 1205.

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D.T.C. 1-3      Please provide detailed documentation explaining the decrease in the total Annual Operating Expenses for Service Installation and Maintenance of Equipment (Schedule B, Line B) from the previous year's Form 1205 to this year's Form 1205.

Response:      The 40% decrease in the total Annual Operating Expenses for Service Installation and Maintenance of Equipment (Schedule B, Line B) to \$70,824,027 from the previous year's Form 1205 of \$117,286,195 is attributable to the 40% year over year decrease in the number of Time Warner Cable's regulated subscribers.

Please refer to Exhibit 2 for detail and support for Schedule B of Form 1205.

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D.T.C. 1-4      Please provide detailed documentation explaining the decrease in the total Number of Units in Service for Converter 3, and Other Equipment (Schedule C, Line C) from the previous year's Form 1205 to this year's Form 1205.

Response:      The decrease in the number of units in service for Converter 3 reported on the current year's Form 1205 compared to the prior year's Form 1205 is the result of a 40% year over year decrease in the regulated subscribers, offset by an increase in the number of DTA units deployed. The decrease in the number of units in service for the Other Equipment category is the result of the year over year 40% decrease in regulated subscribers, offset by an increase in the number of Cable Cards deployed.

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D.T.C. 1-5      Please provide detailed documentation explaining the decrease in the total Capital Cost of Leased Customer Equipment (Schedule C, Line L) from the previous year's Form 1205 to this year's Form 1205.

Response:      The 29% decrease in the total Capital Cost of Leased Customer Equipment (Schedule C, Line L) to \$48,443,409 in the current year's Form 1205 from \$68,534,401 as reported on the prior year's Form 1205 is attributable to the 40% year over year decrease in the number of Time Warner Cable's regulated subscribers, offset by the upward adjustment in current depreciation to account for the inadvertent exclusion from the prior year's form of current depreciation associated with transferred equipment.

Please refer to Exhibit 3 for detail and support for Schedule C of Form 1205.

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D.T.C. 1-6      Please justify Time Warner Cable's proposed Hourly Service Charge of \$103.44 (Step A, Line 7) on this year's Form 1205, as filed on August 31, 2015, including detailed documentation explaining the increase of the surcharge from the previous year's Form 1205 to this year's Form 1205.

Response:      A combination of factors explain the 5.7% increase in Time Warner Cable's Hourly Service Charge from \$97.90 on last year's Form 1205 to \$103.44 on this year's Form 1205. Specifically, the "Total Labor Hours" (Step A, Line 6), which is the denominator in the calculation, decreased significantly as a result in the 40% year over year reduction in regulated subscribers. The reduction in regulated subscribers also caused the cost and expense amounts in Lines 1 and 2 (which, when combined, are the numerator in the HSC calculation) to decrease, but that decrease was less than 40% because of increases in certain categories of costs and the upward adjustment in the current depreciation to include the current depreciation associated with transferred assets that was inadvertently excluded from the prior year's Form 1205 calculations.

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D.T.C. 1-7      Please provide detailed documentation reconciling the 25% decrease in the Total Cost of Converter 2 (Step D, Line 22, Column b) with the 42% decrease in the Number of Converter 2 Units in Service (Schedule C, Line C) from the previous year's Form 1205 to this year's Form 1205, as filed on August 31, 2015.

Response:      The 42% decrease in the Number of Converter 2 Units in Service reported on the current year's Form 1205 compared with the prior year's Form 1205 is primarily due to the 40% year over year decrease in the number of Time Warner Cable's regulated subscribers. The 25% decrease in the Total Cost of Converter 2 is due to the 40% year over year decrease in the number of Time Warner Cable's regulated subscribers, offset by a 9.5% increase in the average price of the Converter 2 Units and the adjustment in the current depreciation to reflect the inadvertent exclusion on the prior year's form of current depreciation associated with transferred equipment.

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D.T.C. 1-8      Please provide detailed documentation explaining the basis for the Current Provision for Depreciation (Line J) amounts for each asset in both Schedule A and Schedule C on this year's Form 1205, as filed on August 31, 2015.

Response:      See the responses to D.T.C. 1-2 and D.T.C. 1-5 and Exhibits 1 and 3 for the detailed numbers for the Current Provision for Depreciation (Line J) for Schedule A and Schedule C. The basis for the numbers is the depreciation expense taken in the current year for each type of asset. The numbers increased in this year's revised Form 1205, as filed on August 31, 2015 due to the inadvertent exclusion of the current depreciation expense for transferred assets.