

RESOLUTION 94-58

**ADOPTING THE "PARTIAL, FINAL RATE ORDER"
REGARDING MAXIMUM INITIAL PERMITTED RATES OFFERED BY TCI
FOR BASIC CABLE SERVICE AND ASSOCIATED EQUIPMENT
USING THE REVISED COMPETITIVE DIFFERENTIAL (Form 1200, et al.)**

WHEREAS, on February 2, 1994 the Common Council approved Ordinance 94-08 which set forth procedures allowing the City to regulate subscriber rates charged by any cable franchisee for the basic service tier and associated equipment; and

WHEREAS, on May 17, 1994, the City notified TCI by certified mail, pursuant to 47 C.F.R. 76.910 and section 3.02.320(a) of the Bloomington Municipal Code (BMC) that it had been certified to regulate basic cable rates and adopted the required ordinances to begin the rate regulation process; and

WHEREAS, in July of this year TCI filed the forms used to determine initial regulated rates under new FCC benchmark rules and in September TCI filed revised forms that kept the same rate for installation and equipment, but changed the rate for basic service; and.

WHEREAS, TCI's filings and its explanation of later revisions have been reviewed by the City's cable rate regulation consultant and found to be "reasonable" according to the rules of the FCC; and

WHEREAS, the City has determined that the basic service rates charged to commercial establishments are in excess of permitted rates calculated on FCC Form 1200 and TCI has challenged the City's authority to regulate commercial rates; and

WHEREAS, on November 21, 1994, the Telecommunications Council for the City of Bloomington adopted a "Partial, Final Order" and forwarded it to the Board of Public Works; and

WHEREAS, the "Partial, Final Order" says in part:

...the City, hereby, finds that TCI's rates for basic service and related equipment and installation as calculated on its revised FCC Form 1200 are "reasonable" for residential subscribers. However, the City will hold in abeyance its determination as to the reasonableness of rates charged to commercial subscribers until the FCC has ruled on TCI's appeal now pending before the Commission;

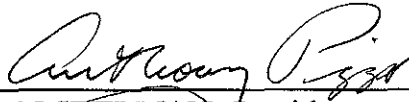
and

WHEREAS, on December 13, 1994 the Board of Public Works adopted the same order and, pursuant to BMC 3.02.340, has forwarded it to the Common Council for their action; and


NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

The Common Council adopts the "Partial, Final Order" which is attached and made a part of this resolution.

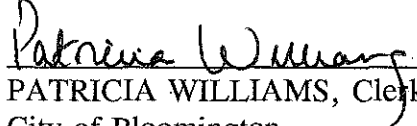
PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 14 day of December, 1994.


JIM SHERMAN, President
Bloomington Common Council

SIGNED and APPROVED by me upon this 15th day of December, 1994.


TOMILEA ALLISON, Mayor
City of Bloomington

ATTEST:


PATRICIA WILLIAMS, Clerk
City of Bloomington

SYNOPSIS

This resolution adopts a "Partial, Final Rate Order" regarding the maximum rates that the City's cable operator, TCI, may charge for basic cable services and associated equipment. The Order is based upon revised rate determination forms submitted by TCI and leaves the matter of regulating commercial rates in abeyance until there is action by the FCC on an appeal filed by TCI.

Signal copies to
TEC
Public Works
TCI
Legal Dept.
F.W.

City of Bloomington, Indiana

In the Matter of)
)
Determination of Maximum Initial)
Permitted Rates for Basic Cable)
Service and Associated Equipment) Revised Form 1200 and
Offered by TCI Using the Revised) Related Forms
Competitive Differential)

PARTIAL, FINAL RATE ORDER

Adopted November 21, 1994

By the Telecommunications Council

I. FCC Form 1200 and Related Forms

1. On May 17, 1994, TCI was notified by certified mail, pursuant to 47 C.F.R. 76.910 and section 3.02.320(a) of the Bloomington Municipal Code that the city had been certified to regulate basic cable rates and adopted the required ordinances to begin the rate regulation process.

2. On July 6, 1994, TCI filed Federal Communications Commission (FCC) Form 1200 and associated forms used to determine initial regulated rates under new FCC benchmark rules that became effective on May 15, 1994. That filing set the rate for basic cable service at \$8.82. (For equipment and installation rates see the attached letter from TCI to Pat Williams, City Clerk.)

3. On September 22, 1994, TCI filed a revised FCC Form 1200 that changed the rate for basic service to \$9.04. Rates for equipment and installation were unchanged.

4. TCI explained the need to revise its filing as follows:

On our initial 1200 filing, we indicated 20 expanded basic, non-broadcast channels. We subsequently discovered that we had, in fact, 19 expanded basic, non-broadcast channels. This amended filing reflects that difference. By changing the number of channels on expanded basic, it affected the proportional of the total service rate allocated to each tier, therefore, basic increases and expanded basic decreases. The net result is a decrease in the total service rate of \$.08 per month.

5. TCI's filings and its explanation of later revisions have been reviewed by the City's cable rate regulation consultant and found to be "reasonable" according to the rules of the FCC.

II. Commercial Rates

6. The FCC stated in its Second Order on Reconsideration, MM Docket 92-266 at paragraph 185:

We are not persuaded that the Commission should establish provisions authorizing special, presumably higher, rates for regulated cable services provided to commercial establishments....Accordingly, while we will not adopt regulations permitting special commercial rates at this time, we will consider, on a case-by-case basis, specific proposals that cable operators may want to make that would produce savings for [residential] consumers.

7. The FCC's order concerning commercial rates for regulated services makes it apparent that refund liability has accrued for special, higher, basic service rates charged to commercial establishments that are in excess of permitted rates calculated on FCC Form 1200.

8. However, TCI has challenged the City's determination concerning commercial rates charged in excess of those permitted for residential customers as calculated on FCC Form 393, covering the period from September 1, 1993 to July 14, 1994. An appeal concerning this issue is now pending before the FCC.

III. Determination

9. Therefore, the City, hereby, finds that TCI's rates for basic service and related equipment and installation as calculated on its revised FCC Form 1200 are "reasonable" for residential subscribers. However, the City will hold in abeyance its determination as to the reasonableness of rates charged to commercial subscribers until the FCC has ruled on TCI's appeal now pending before the Commission.

Bloomington Telecommunications Council.



TCI of Indiana, Inc.

June 8, 1994

Pat Williams, City Clerk
City of Bloomington
Bloomington, IN 47402

Dear Ms. Williams,

The 1992 Cable Act and the Federal Communications Commission created the regulations under which cable companies establish rates for certain services. On March 30, 1994 the FCC released additional rules and regulations ordering changes to existing regulated cable service rates.

In our ongoing compliance with the 1992 Cable Act, we will be implementing the required adjustments to the following regulated and unregulated rates to become effective on all bills sent out from July 14, 1994.

	<u>OLD</u>	<u>NEW</u>	<u>AMOUNT OF ADJUSTMENT</u>
Basic	10.42	8.82	(1.60)
Expanded Basic	11.07	11.03	(.04)
Standard Converter	.81	1.17	.36
Addressable Converter	1.38	1.80	.42
Remote Control	.12	.15	.03
Installation of unwired homes	34.86	28.11	(6.75)
Installation of prewired homes	17.43	14.06	(3.37)
Installation of additional connection at time of initial installation	5.81	4.69	(1.12)
Installation of additional connection requiring separate installation	17.43	14.06	(3.37)

P.O. Box 729
Bloomington, IN 47402-0729
(317) 332-9486
FAX (317) 332-0137

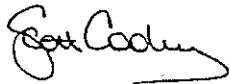
An Equal Opportunity Employer

Relocate outlet	17.43	14.06	(3.37)
Upgrade/Downgrade of optional services (non-addressable)	11.62	9.37	(2.25)
Connect VCR initial	5.81	4.69	(1.12)
Connect VCR separate	11.62	9.37	(2.25)
Install DMX initial	5.81	4.69	(1.12)
Install DMX separate	11.62	9.37	(2.25)
Install A/B switch initial	3.87	3.17	(.70)
Install A/B switch separate	11.62	9.37	(2.25)

All other rates previously disclosed on the Products and Services Price List remain unchanged. These rates are exclusive of franchise fees and taxes.

I have enclosed a copy of the notification sent to all our customers concerning these adjustments. As stated in our May letter, we will be providing the required rate justification forms to you no later than August 15, 1994. If you have any questions, or would like more information, please contact me at 332-0080. We look forward to working with you through what at times can be a confusing and burdensome process for all those involved.

Sincerely,



Scott Cooley
Area Manager

CHANGE IN CABLE TV RATES:

The 1992 Cable Act and the Federal Communications Commission created the regulations under which cable companies establish rates for certain services. On March 30, 1994 the FCC released additional rules and regulations ordering changes to existing regulated cable service rates.

In our ongoing compliance with the 1992 Cable Act, we will be implementing the following adjustments to our rate structure to become effective with billing cycle beginning July 11, 1994.

<u>REGULATED SERVICES</u>	<u>OLD</u>	<u>NEW</u>	<u>AMOUNT OF ADJUSTMENT</u>
Basic.....	\$10.42	\$8.82	(\$1.60)
Expanded Basic	\$11.07	\$11.03	(\$0.04)
Standard Converter	\$0.81	\$1.17	\$0.36
Addressable Converter.....	\$1.38	\$1.80	\$0.42
Remote Control	\$0.12	\$0.15	\$0.03
Installation of new customer.....	\$34.86	\$28.11	(\$6.75)
Installation of reconnect	\$17.43	\$14.06	(\$3.37)
Installation of additional connection at time of initial installation	\$5.81	\$4.69	(\$1.12)
Installation of additional connection requiring separate installation	\$17.43	\$14.06	(\$3.37)
Relocate outlet	\$17.43	\$14.06	(\$3.37)
Upgrade/Downgrade of optional services (non-addressable).....	\$11.62	\$9.37	(\$2.25)
<u>UNREGULATED SERVICES</u>			
Install DMX initial.....	\$5.81	\$4.69	(\$1.12)
Install DMX separate	\$11.62	\$9.37	(\$2.25)
Install A/B switch initial	\$3.87	\$3.17	(\$0.70)
Install A/B switch separate	\$11.62	\$9.37	(\$2.25)

All other rates previously disclosed on the Products and Services List remain unchanged. These rates are exclusive of local franchise fees and taxes.

In accordance with the FCC rules and regulations, a subscriber has the right to file a complaint with the FCC regarding any rate or service change on the expanded basic tier within 45 days from the time the change(s) appears on the customer's bill. Please refer to your bill for the address and phone number of the FCC and your local authority. If you have questions, please call:

TCI of Indiana, Inc.
(812) 332-9486

The FCC's address is:
Federal Communications Commission
Cable Service Bureau
Consumer Protection Division
1919 M Street, N.W.
Washington D.C. 20554
Phone: (202) 416-0856

bloom/23000
Fr #: 1, 2, 19

***** AMENDMENT FORM *****

RESOLUTION #: 94-58
AMENDMENT #: A
SUBMITTED BY: Council Office
COMMITTEE ACTION: None

PROPOSED AMENDMENT:

1. Amend the fifth "Whereas" clause by replacing the words "that determination" with the words "the City's authority to regulate commercial rates" so that the clause now reads:

WHEREAS, the City has determined that the basic service rates charged to commercial establishments are in excess of permitted rates calculated on FCC Form 1200 and TCI has challenged the City's authority to regulate commercial rates; and

SYNOPSIS

This amendment was suggested by Matt Pierce and more accurately states basis for TCI's challenge of the City's action regarding commercial rates..

Date	Basic	Expanded	Total
9/92	\$18.74	\$1.80	\$20.54 ¹
10/92	\$17.85	\$1.71	\$19.56
1/93	\$18.50	\$2.00	\$20.50
4/93	\$10.00	\$10.50	\$20.50
10/93	\$10.42	\$11.07	\$21.49
7/94	\$8.82	\$11.03	\$19.85
NEW	\$9.04	\$10.73	\$19.77
2/95 ²	\$9.04	\$11.14	\$20.18

1. Includes 3% franchise fee.

2. Anticipated inflation and external cost adjustment.

Equipment Item/Installation	Unregulated	1992	Current
Standard Converter Box	\$1.90	\$0.81	\$1.17
Remote Control	\$1.90	\$0.12	\$0.15
New Installation	\$60.00	\$34.86	\$28.11
Installation of Reconnect	\$35.00	\$17.43	\$14.06
Additional Outlet w/ Install	\$15.00	\$5.81	\$4.69
New Additional Outlet	\$35.00	\$17.43	\$14.06
Upgrade/Downgrade of Services	\$0.00	\$11.62	\$9.37