

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	CUID No. GA9369 (Cumming)
)	CSR No. 4350-R
Prestige Cable TV, Inc.)	
)	
Cost of Service Showing in Support)	
Basic Service Tier Rate)	

ORDER

Adopted: February 14, 2001

Released: February 16, 2001

By the Acting Chief, Financial Analysis and Compliance Division, Cable Services Bureau:

1. The above-referenced operator ("Operator")¹ filed a cost of service FCC Form 1220 with the local franchising authority ("LFA") for the above-referenced communities to justify its rate for its basic service tier ("BST") in the communities referenced above. On September 13, 1994, the LFA filed a petition for special relief ("Petition") with the Federal Communications Commission ("Commission"), pursuant to the Commission's rules,² requesting that the Commission review the BST cost of service filing. Operator's Petition was granted on February 10, 1995.³ This Order addresses only the reasonableness of Operator's BST rate of \$8.27, effective May 15, 1994.

2. To justify rates for the period beginning May 15, 1994, operators must use the FCC Form 1200 series.⁴ Cable operators attempting to justify their rates through a cost of service showing must complete and file FCC Form 1220.⁵ In reviewing an operator's FCC Form 1220 cost of service showing, we evaluate the operator's rate base and expense elements to determine whether the operator should be permitted to recover those items. Where a certain rate base or expense element is not justified under our

¹ On July 6, 2000, the Federal Communications Commission received notification, pursuant to 47 C.F.R. § 76.400, of a change of ownership to Highland Prestige of Georgia, Inc.

² 47 C.F.R. §76.933(d).

³ See Letter dated February 10, 1995 from Jacqueline Spindler, Deputy Chief, Consumer Protection Division, Cable Services Bureau.

⁴ See Section 76.922 of the Commission's Rules, 47 C.F.R. §76.922.

⁵ See Section 76.922(l) of the Commission's Rules, 47 C.F.R. §76.922(l). See also, Second Report and Order, First Order on Reconsideration, and Further Notice of Proposed Rulemaking, MM Docket No. 93-215 and CS Docket No. 94-28, FCC 95-502, 11 FCC Rcd 2220 (1996) ("Final Cost Order").

rules, such cost is disallowed in whole or in part.⁶ Where reported costs are disallowed, we make appropriate adjustments.

3. Upon review of Operator's FCC Form 1220, we find Operator's actual BST rate of \$8.27 effective May 15, 1994, to be reasonable.⁷

4. Accordingly, IT IS ORDERED, pursuant to Sections 0.321 and 76.933(d) of the Commission's rules, 47 C.F.R. § 0.321 and § 76.933(d), that the BST rate of \$8.27 charged by Operator in the franchise areas referenced above, effective May 15, 1994, IS REASONABLE.

5. IT IS FURTHER ORDERED pursuant to Sections 0.321 and 76.933(d) of the Commission's rules, 47 C.F.R. § 0.321 and § 76.933(d), that this Order is binding on the community referenced above and Operator.

FEDERAL COMMUNICATIONS COMMISSION

Kathleen F. Costello, Acting Chief
Financial Analysis and Compliance Division
Cable Services Bureau

⁶ The Commission made clear that the fact that an operator has incurred costs does not necessarily establish its right to recover those costs from subscribers. *See* Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992: Rate Regulation, MM Docket No. 92-266, Report and Order and Further Notice of Proposed Rulemaking, 8 FCC Rcd 5631, 5794 at n. 619 (1993) ("Rate Order").

⁷ This finding is based solely on the representations of Operator. Should information come to our attention that these representations were materially inaccurate, we reserve the right to take appropriate action. This Order is not to be construed as a finding that we have accepted as correct any specific entry, explanation or argument made by any party to this proceeding not specifically addressed herein.