

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

In the Matter of)	
)	
Suburban Cable TV Company, Inc.)	CUID No. PA1790 (West Whiteland)
)	
)	
Complaint Regarding)	
Cable Programming Services Tier Rate)	

ORDER

Adopted: December 2, 1997

Released: December 4, 1997

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

1. In this Order we consider a complaint concerning the rates of the above-captioned operator ("Operator") for its cable programming services tier ("CPST") in the community referenced above.¹ Operator's response includes benchmark justifications filed on FCC Forms 1200, 1210, and 1240. This Order addresses the reasonableness of Operator's rates for the period after May 14, 1994, as justified on Operator's FCC Forms 1200, 1210 and 1240.

2. The Communications Act² authorizes the Federal Communications Commission ("Commission") to review the CPST rates of cable systems not subject to effective competition to ensure that rates charged are not unreasonable. The Cable Television Consumer Protection and Competition Act of 1992³ ("1992 Cable Act") required the Commission to review CPST rates upon the filing of a valid complaint by a subscriber. If the Commission finds rates to be unreasonable, it shall determine correct rates and any refund liability.

3. The Commission's original rate regulations became effective on September 1, 1993.⁴ The Commission revised its rate regulations effective May 15, 1994.⁵ Operators must use the FCC Form 1200

¹ The first valid complaint for the community referenced above was filed on March 17, 1995.

² Communications Act, Section 623(c), *as amended*, 47 U.S.C. Section 543(c)(3) (1996).

³ Pub. L. No. 102-385, 106 Stat. 1460 (1992).

⁴ Order in MM Docket No. 92-266, Implementation of Sections of the Cable Consumer Protection and Competition Act of 1992: Rate Regulation, FCC 93-372, 58 Fed. Reg. 41042 (Aug. 2, 1993).

⁵ 47 C.F.R. Section 76.922(b); *see also* Second Order on Reconsideration, Fourth Report and Order, and Fifth Notice of Proposed Rulemaking, MM Docket No. 92-266, FCC 94-38, 9 FCC Rcd 4119, 4190 (1994) ("*Second Order on Reconsideration*").

series to justify their rates for the period beginning May 15, 1994 through a benchmark showing.⁶ Cable operators may file a FCC Form 1210 to justify rate increases based on the addition and deletion of channels, changes in certain external costs, and inflation.⁷ The Operator must file FCC Form 1210, at least 30 days before new rates are scheduled to go into effect, where the Commission has found the cable programming service rate to be unreasonable less than one year prior to the filing, or where there is a pending complaint against the CPST rate.⁸ Operators may justify adjustments to their rates on an annual basis using FCC Form 1240 to reflect reasonably certain and quantifiable changes in external costs, inflation, and the number of regulated channels that are projected for the twelve months following the rate change.⁹ Any incurred cost that is not projected may be accrued with interest and added to rates at a later time.¹⁰ If actual and projected costs are different during the rate year a "true-up" mechanism is available to correct estimated costs with actual cost changes.¹¹ The "true-up" requires operators to decrease their rates or alternatively permits them to increase their rates to make an adjustment for over or under estimations of these cost changes.

4. Upon review of Operator's FCC Forms 1200, 1210 and 1210 we have made certain adjustments.¹² Despite our adjustments we find the Operator has justified its CPST rates effective February 15, 1995 to March 31, 1997.¹³ Upon review of Operator's FCC Form 1240 for the projected period April 1, 1997 to March 31, 1998, we find that Operator has justified its CPST rate of \$16.95 effective April 1, 1997.

5. Accordingly, IT IS ORDERED, pursuant to Section 0.321 of the Commission's Rules, 47 C.F.R. § 0.321, that the monthly CPST rates charged by Operator in the community referenced above,

⁶ 47 C.F.R. Section 76.922(b)(6); see *Second Order on Reconsideration, supra at 4183, paras. 135-138; supra at 4190, n.136; see also* Public Notice "Questions and Answers on Cable Television Rate Regulation" (April 26, 1994).

⁷ 47 C.F.R. Section 76.922(d).

⁸ 47 C.F.R. Section 76.960.

⁹ See In the Matter of Sections of the Cable Television Consumer Protection and Competition Act of 1992: Rate Regulation, MM Docket No. 92-266, Thirteenth Order on Reconsideration ("*Thirteenth Reconsideration Order*"), 11 FCC Rcd 388, 391 (1996).

¹⁰ *Id.* at 392.

¹¹ *Id.*

¹² Information regarding the specific adjustments made to Operator's FCC Forms can be found in the public files for the above-referenced communities which are available in the Cable Services Bureau's public reference room, or through the Commission's copy contractor, International Transcription Services (ITS), 1221 20th Street N.W., Washington, DC, 20554, or by calling ITS at (202) 857-3800.

¹³ 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.

from February 15, 1995 to March 31, 1997 ARE NOT UNREASONABLE.

6. IT IS FURTHER ORDERED, pursuant to Section 0.321 of the Commission's rules, 47 C.F.R. § 0.321, that the monthly CPST rate of \$16.95 charged by Operator in the community referenced above, effective April 1, 1997 IS NOT UNREASONABLE.

7. IT IS FURTHER ORDERED, pursuant to Section 0.321 of the Commission's rules, 47 C.F.R. § 0.321, that the complaint referenced herein against the CPST rates charged by Operator in the community referenced above ARE DENIED.

FEDERAL COMMUNICATIONS COMMISSION

Elizabeth W. Beaty
Chief, Financial Analysis and Compliance Division
Cable Services Bureau