

INSTRUCTIONS FOR FCC FORM 1230

ESTABLISHING MAXIMUM PERMITTED RATES FOR REGULATED CABLE SERVICES ON SMALL CABLE SYSTEMS

Purpose of This Form

On May 5, 1995, the Federal Communications Commission adopted rules that allow a small cable system owned by a small cable company to use a simplified cost-of-service procedure to set its maximum permitted rate. Pursuant to the rules adopted May 5, 1995, a system is eligible to set its maximum permitted rate by using Form 1230 if it is a system with 15,000 or fewer subscribers, and it is not owned by a cable company with more than 400,000 subscribers. Please review all relevant FCC regulations (particularly 47 C.F.R Part 76) and these instructions before completing this Form.

The instructions below are divided into two sections. Part I provides general instructions. Part II provides a line by line description of the form.

PART I: GENERAL INSTRUCTIONS

Tier and Channel Definitions

Basic Service refers to the lowest level of cable service you offer, and is the package of channels (or "tier") that includes signals from local television stations (such as ABC, NBC, and CBS affiliates and independent television stations) and Public, Educational, and Governmental channels (PEG channels).

Cable Programming Service includes all program channels offered in your cable franchise area that are not included in basic service and are not separately offered as pay-per-channel or pay-per-program services. For the purposes of this form, Cable Programming Services do not include New Product Tiers ("NPTs").

The term "channel" refers to a unit of channel capacity on the system. Two programmers who each use one unit of channel capacity for half of the day count only as one channel. The term "regulated channel" refers to any channel found on a basic or cable programming service tier. The term "regulated tier" refers to either the basic tier or the cable programming service tier(s).

Channels should be classified according to their preponderance of use. Thus, a channel that carries a regulated service more than half the time should be considered a regulated channel.

Precision of Calculation

All of the calculations required in this form should be rounded to the nearest whole cent.

If You Need Help

If you have any questions while completing this Form, please call the FCC's Media Bureau at (202) 416-2120, Monday through Friday, 9:00 a.m. to 5:30 p.m. Washington, D.C. time.

How to File

You may submit a completed version of an official Form 1230 or an exact photocopy of that form.

Whenever you are filing this form, mail it to the franchising authority or authorities you identify on the form.

PART II: INSTRUCTIONS FOR FORM 1230 -- OPERATOR INFORMATION SECTION

Operator Identification

Enter the requested information about your system.

Question 1. Indicate if this filing involves only a single local franchise authority and only a single community unit. Enter the community unit identification number and complete the franchise authority information section.

Question 2. Indicate if this filing involves a single franchise authority but multiple community units. If yes, enter the associated CUIDs and complete the franchise authority information section.

Question 3. If this filing involves multiple franchise authorities, provide the requested franchise authority information, using a separate sheet for each franchise authority with its associated CUID(s).

MODULE A: SYSTEM INFORMATION

Line A1 Total Regulated Channels. Enter the total number of regulated channels on your system.

Line A2 Total Subscribers. Enter the total number of basic subscribers on your system.

Line A3 Rate of Return. Enter the rate of return you earn on your net rate base. This may include a provision for your income tax expenses.

Line A4 Annual Operating Expenses (Programming). Enter the combined operating expenses for your system's regulated tiers (excluding the expenses associated with customer premises equipment as identified in line A7).

Line A5 Net Rate Base (Programming). Enter the combined net rate base for your system's regulated tiers (excluding the portion associated with customer premises equipment as identified in line A8).

Line A6 Per Subscriber, Per Channel Monthly Programming Costs. Calculate your per subscriber, per channel monthly programming costs and enter the result here. This can be done by using the following formula,

$$[((A3*A5)+A4)/A2/A1/12]$$

or by following these steps:

- Step 1 Multiply Line A3 by Line A5:
- Step 2 Add the result of Step 1 to Line A4:
- Step 3 Divide the result of Step 2 by Line A2:
- Step 4 Divide the result of Step 3 by Line A1:
- Step 5 Divide the result of Step 4 by 12:
- Step 6 Enter the result of Step 5 on Line A6

Line A7 Annual Operating Expenses (Equipment). Enter your system's combined operating expenses associated with the installation and maintenance of customer premises equipment.

Line A8 Net Rate Base (Equipment). Enter the combined net rate base associated with the installation and maintenance of customer premises equipment for your system.

Line A9 Per Subscriber, Per Channel Monthly Equipment Costs. Calculate your per subscriber, per channel monthly equipment costs and enter the result here. This can be done by using the following formula,

$$[(A3*A8)+A7]/A2/A1/12]$$

or by following these steps:

- Step 1 Multiply Line A3 by Line A8:
- Step 2 Add the result of Step 1 to Line A7:
- Step 3 Divide the result of Step 2 by Line A2:
- Step 4 Divide the result of Step 3 by Line A1
- Step 5 Divide the result of Step 4 by 12:
- Step 6 Enter the result of Step 5 on Line A9

Line A10 Maximum Permitted Rate (Bundled Programming and Equipment Costs). Add A6 to A9 and enter the result here. This is the maximum per subscriber, per channel amount your costs allow you to charge.

Line A11 Operator Selected Per Subscriber Monthly Programming Charges and Per Channel Rate. For each regulated tier, enter the monthly charge you are selecting. Combine the charges for all of the regulated tiers and divide that total by the number of regulated channels on your system (Line A1). Enter the result in the "Per Channel Rate" column. This number cannot be greater than the rate calculated in Line A6.

Certification

Enter the signature of the person responsible for certifying the accuracy of this filing and the date this form is certified. Enter the requested information for the person completing this form.

This form does not display an OMB control number since 10 or more entities will not file the form annually and thus will not be impacted by the collection of information (FCC Form 1230). Therefore, FCC Form 1230 is not subject to the Paperwork Reduction Act (PRA).