

## INSTRUCTIONS FOR FCC FORM 1210 UPDATING MAXIMUM PERMITTED RATES FOR REGULATED CABLE SERVICES

### "Update Form"

#### Purpose of This Form

On February 22, 1994, the Federal Communications Commission adopted rules that allow cable operators to adjust their permitted rates to account for the addition and deletion of channels from regulated program tiers. The Commission also revised its rules that allow operators to pass through to subscribers certain external costs and cost increases due to inflation. On November 10, 1994, the Commission further revised its rules in the "going forward" Order. The new rules permit operators to markup existing Cable Services Tier by a flat per channel markup subject to a cap through December 31, 1997 ("caps methodology") or using the existing 7.5% markup ("markup methodology").

Pursuant to the rules adopted February 22, 1994 as amended November 10, 1994, this Form 1210<sup>1</sup> should be used to adjust your maximum permitted rate, which was determined either by your Form 1200, a previously filed Form 1210, a cost-of-service showing, or election of a streamlined rate reduction for qualified systems: for the following reasons: increases or decreases in external costs; the addition and deletion of channels from regulated tiers; and inflation. **Please be sure to review all relevant FCC regulations and these instructions before completing this Form.**

#### Filing Instructions

- If you are justifying a rate change caused by a change in external costs, the addition or deletion of channels from regulated tiers, or inflation, you must file a Form 1210.<sup>2</sup> The Commission's rules recognize six categories of external costs: retransmission consent fees, programming costs, certain cable specific taxes, franchise-related costs, franchise fees and federal regulatory fees. You may adjust your maximum permitted rate for changes in these categories of costs except for franchise fees and federal regulatory fees, which are not included in your permitted rates but rather are simply added to them.
- Before you complete Form 1210, you must complete and file Form 1200 with the FCC or your local franchising authority if you have not previously done so. You will need to complete Form 1200 only once. If you have purchased an existing cable system from a previous franchisee, you must rely on the seller's Form 1200 to complete your Form 1210.
- Operators, except those subject to transition treatment under the Commission's rules,<sup>3</sup> may adjust their rates annually to reflect inflation through the period ending June 30. This adjustment may be made after September 30, but no later than August 31 of the next calendar year. If you do not make an annual filing for inflation in a particular year, you may not increase your rates later to reflect that inflation.
- You may adjust your maximum permitted rates to reflect changes in external costs once a quarter. When you do so, your filing of Form 1210 must reflect all changes in external costs and all channel additions and deletions that occurred during the same time period. (It must also include any changes in inflation if you are making your annual filing.) Moreover, if you experience a decrease in external cost that is not later reflected in another rate filing, you must submit this Form and reduce your rate no later than one year after the decrease occurred. You also must file Form 1210 and adjust your rates to reflect channel deletions in the quarter after the deletions occurred. All adjustments must be made using calendar-year quarters.
- The Form 1200 includes changes in external costs up through March 31, 1994 (the first quarter of 1994) that may be included in your maximum permitted rates. You may begin using Form 1210 on July 1, 1994 to update your rates to reflect changes that occurred between April 1, 1994 and June 30, 1994.

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<sup>1</sup> All references to forms are to official FCC forms, exact photocopies of such forms, or copies generated by Commission Software.

<sup>2</sup> Some small systems serving 1,000 or fewer subscribers are not required to complete FCC Form 1210 because they have chosen instead to use a streamlined rate reduction process.

<sup>3</sup> See FCC Form 1200 to determine whether you are entitled to transition relief.

- You must attach to this Form any rate cards and channel line-ups that reflect the rate and service adjustments that you are justifying in this Form. If there is any difference between the numbers on these documents and the numbers you enter on this Form, you must attach an explanation justifying the difference.
- Form 1210 must be filed with your local franchising authority at least 30 days before you plan to implement a change in your basic service rates if your local franchising authority is certified to regulate local rates. Form 1210 also must be filed within 30 days after a complaint about your rates for cable programming services has been filed with the Commission. Operators who do not believe that the maximum permitted rate calculated on Form 1210 is adequate may file a cost-of-service showing if they have not done so in the last two years. Operators seeking to justify rate changes through a cost-of-service showing must file Form 1210 in addition to the required forms relating to cost-of-service.
- If the Commission found your cable programming service rates to be unreasonable less than one year ago and you now wish to increase your rates, you must submit FCC Form 1210 to the Commission for its approval at least 30 days before raising your rates. If there has not been any such finding, and you raise your cable programming service rates while a complaint about those rates is pending before the Commission, you must submit FCC Form 1210 for notice purposes only; Commission approval is not required. Within 30 days after a valid complaint is filed with the Commission, however, you must justify your rates by sending an original and one copy of Form 1210 to: Federal Communications Commission, Form 1210, P.O. Box 18658, Washington, D.C. 20036. If you have not previously filed a Form 1200 with the FCC, a completed Form 1200 must accompany your Form 1210. You may furnish a copy of a completed Form 1200 previously filed with your local franchising authority.

## Overview

### **If You Are Not Entitled to Transition Treatment, or Your Full Reduction Rate is Higher than Your Transition Rate**

If you were not entitled to transition treatment based on your Form 1200, or you were entitled to transition treatment on your Form 1200, but on a subsequently filed 1210 your updated "full reduction rate" was higher than your updated "transition rate", then you will need to update only your "full reduction rate" on the Form 1210 that you are now completing. You may adjust your permitted rates quarterly to reflect changes in external costs and in the number of regulated channels you offer. You may also adjust your rates annually to reflect inflation.

If your rates were set through a cost-of-service showing, you should follow the instructions for updating full reduction rates.

If you are entitled to transition relief under the Commission's rules, and, as of the last time you calculated your transition rate and your full reduction rate, your transition rate was higher than your full reduction rate, you will have to update both your transition rate and your full reduction rate on the Form 1210 you are now completing.

As a cable operator entitled to transition relief, you may increase your regulated rates to reflect changes in external costs and in the number of regulated channels you offer. You may also adjust your rates to reflect inflation.

This is a revised version of the Form 1210. While both versions are substantially the same, this version offers greater flexibility and incorporates new rules. If you have filed a form 1210 before, some lines in this form will request information from the last May 1994 version of the Form 1210 you may have filed. In other cases the information will be requested from either the last March 1995 version of the Revised Form 1210 or the last May 1995 version of the Revised Form 1210. Finally in other cases the line will reference the last 1210 filed without regard to which version you filed.

The calculations in this form are broken down into "modules" that will walk you through discrete sets of computations. To adjust your rates properly, you will be required to complete Module A (which simply lists the rates you will be updating); Module B (which calculates the permissible cost pass throughs for small systems upgrades for qualifying small systems); Module C (which calculates the one time adjustment for previous external costs per subscriber); Module D (which calculates your current external cost per subscriber); Module E (which calculates your total increase in channels per regulated tier); Module F (which calculates your per channel adjustment for channel additions if you are electing to use the alternative or caps method); Module G (which calculates your per channel adjustment per tier for channel additions if you are electing to use the markup method); Module H (which calculates the transition rate and/or permitted charge residual for channel deletions and movement using the markup methodology); Module I (which updates the transition rates for inflation, changes in external costs and channels); Module J (which updates your permitted charge for inflation and changes in external costs and channels); and Module K (which compares your transition and permitted charge).

Since the information requested in Form 1210 builds on the figures from your previous filings, cross references to previous filings are provided where appropriate.

## General Instructions

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 programming or pay-per-program services. For the purposes of this form, Cable Programming Services do not include New Product Tiers ("NPTs").

In several places, this form will ask you to insert the number of channels or regulated channels. These terms are shorthand references to channels subject to regulation. Thus, in those entries insert the number of channels subject to regulation, i.e., those offered on basic or cable programming service tiers.

Except for Module B, Form 1210 asks you to enter monthly data. Throughout this filing, where "current" or "updated" figures are called for, use data from the last month of the calendar-year quarter that ended before you submit this Form 1210, unless that month was not representative of your cost and revenue experience during the period covered by this Form. For example, if you are filing this Form 1210 in July, you should use data from June unless June data would not be representative because, for instance, you had unusually high external costs in that month, such as a high or nonrecurring tax bill. If you are using a month other than the last one from the preceding quarter, identify the month and attach a sheet explaining why you have chosen that month. If you are filing this Form 1210 in response to a cable programming services rate complaint, your "current" figures must be based on data from the month in which the complaint was filed. **Information must be provided on a franchise-wide basis, unless the franchising authority or the FCC has agreed to accept system-wide information.**

### Precision of Calculation; Rounding

If you are performing the calculations required by this Form by hand, you must display at least four decimal places. If you are using a calculator or computer, you must carry out the calculation to the full precision afforded by your calculator or computer and display at least four decimal places. If you are using the spreadsheet version of this Form, the spreadsheet will round calculations for you; you do not need to display additional decimal places.

Do not round any of these figures in any of the lines except those figures in the final line of this Form, line K9, which must be rounded to the nearest cent.

You may submit a completed version of an official Form 1210, an exact photocopy of that form, or a copy generated by Commission software, provided that it has the appearance of an actual Form 1210.

**If You Need Help**

If you have any questions while completing this Form, please call the FCC's Media Bureau Regional Help Lines Monday through Friday, 9:00 a.m. to 5:30 Eastern Standard Time:

NORTHEAST 202-416-0859	SOUTHEAST 202-416-0860	CENTRAL 202-416-0876	WESTERN 202-416-0953
Connecticut D.C. Delaware Maine Maryland Massachusetts New Hampshire New Jersey New York Pennsylvania Rhode Island Vermont West Virginia	Alabama Arkansas Florida Georgia Kentucky Louisiana Mississippi North Carolina Puerto Rico South Carolina Tennessee Texas Virginia U.S. Virgin Islands	Illinois Indiana Iowa Kansas Michigan Minnesota Missouri Nebraska North Dakota Ohio Oklahoma South Dakota Wisconsin	Alaska Arizona California Colorado Guam Hawaii Idaho Marshall Islands Montana Nevada New Mexico Oregon Utah Washington Wyoming

**FCC NOTICE TO INDIVIDUALS REQUIRED BY THE PAPERWORK REDUCTION ACT**

We have estimated that each response to this collection of information will take 15 hours. Our estimate includes the time to read the instructions, look through existing records, gather and maintain the required data, and actually complete and review the form or response. If you have any comments on this burden estimate, or on how we can improve the collection and reduce the burden it causes you, please e-mail them to [pra@fcc.gov](mailto:pra@fcc.gov) or send them to the Federal Communications Commission, AMD-PERM, Paperwork Reduction Project (3060-0595), Washington, DC 20554. Please **DO NOT SEND COMPLETED APPLICATIONS TO THIS ADDRESS**. Remember – you are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0595.

**THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1980, 96-511, DECEMBER 11, 1980, 47 U.S.C. 3507.**

## INSTRUCTIONS FOR FORM 1210 COVER SHEET

### **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 at the bottom of the page.

### **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 at the bottom of the page.

### **Question 3.**

Indicate if this filing involves multiple franchise authorities. Provide the franchise authority information requested below, using a separate sheet for each additional franchise authority involved with their associated CUID(s).

### **Franchise Area**

Enter the requested information about your franchising area.

### **Question 4.**

Indicate the time period for which this form is being filed, i.e., the starting and ending date of the calendar-year quarter for which a rate increase is being requested.

### **Question 5.**

Question 5 asks whether you have previously filed a Form 1210 for this franchise area, and if so, with which agency or authority. Enter the date of your most recent Form 1210 filing. If your most recent filing of the Form 1210 was not with the FCC, include a copy of that filing.

### **Question 6.**

Question 6 asks whether you have previously filed a Form 1200 for this franchise area and if so, where, or if you are filing a Form 1200 concurrent with the filing of this Form 1210. Enter the date of your Form 1200 filing. A copy of your Form 1200 must either accompany your Form 1210 filing or have been previously submitted.

### **Question 7.**

Indicate whether this Form 1210 is being filed in response to a valid complaint about cable programming service rates (Form 329). Enter the date the complaint was served on you. Note: If this form is being filed in response to a complaint, the term "current rates" means the rates in place at the time of the complaint.

### **Question 8.**

Question 8 asks which "going forward" methodology you wish to use. Indicate which methodology you wish to use and whether you elect to update channel additions for the period between May 15, 1994, and December 31, 1994. Please note that if you elect to use the new methodology, you will be required to continue using this methodology in future filings until December 31, 1997.

### **Question 9.**

Indicate here if you are a qualifying system and will be using the streamlined headend upgrade methodology. A qualifying system is one which is either independently owned or owned by a small MSOs and incurs additional monthly per subscriber headend costs of one full cent or more for an additional channel or (b) is either independently owned or owned by small MSOs as defined in Section 76.922(5) of our rules. See Section 76.922(7).

### **REMINDER:**

- When responding to any requests in the Instructions for additional information or explanation, please remember to attach such information to the form itself.

**INSTRUCTIONS FOR MODULE A  
TRANSITION RATE AND PERMITTED CHARGE FROM PREVIOUS FILING OF  
FCC FORM 1200 OR FCC FORM 1210**

Module A asks you to enter your previous applicable permitted charges. These numbers should be copied from either your most recent filing of a Form 1210 or from your Form 1200 if this is your first time filing a Form 1210, a cost-of service showing or, a streamlined rate reduction for qualifying systems.

**Line A1**      **Transition Rate.** You must enter the figures from your most recent Form 1210 or your Form 1200. If you are completing Form 1210 for the first time, your transition rates are from line J3 of your Form 1200. If you have previously filed a Form 1210, enter the updated transition rate from line F3 from your most recently filed Form 1210 if that was the May 1994 version of the Form. If your most recent filing of the Form 1210 was either the March 1995 or May 1995 version, enter this information from line I8.

**Line A2**      **Permitted Charge.** You must enter the figures from your most recent Form 1210 or your Form 1200. If you are completing Form 1210 for the first time, enter the full reduction rates from line J6 of your Form 1200 or from your cost of service showing or from your streamlined rate reduction, whichever you filed last. If you have previously filed a Form 1210, enter the updated permitted charge from line F6 from your most recently filed Form 1210 if that was the May version of the Form. If your most recent filing of the Form 1210 was either the March 1995 or May 1995 version, enter this information from line J8. Systems eligible for Transition Relief should enter their Transition Rates if higher than their full Reduction Rate.

**INSTRUCTIONS FOR MODULE B  
HEADEND UPGRADES FOR QUALIFYING SYSTEMS**

Cable systems qualifying for this headend upgrade are systems that when adding channels to CPSTs and single-tier systems (a) are either independently owned or owned by small MSOs and incur additional monthly per subscriber headend costs of one full cent or more for an additional channel. See Section 76.922(7).

Note: This adjustment may be taken by qualifying systems to recover the actual cost of the headend equipment required to add up to seven channels to CPSTs and to single tier systems, not to exceed \$5,000 per additional channel. Rate increases pursuant to this provision may occur between January 1, 1995 and December 31, 1997 as a result of additional channels offered on those tiers after May 14, 1994.

Note: If you offer more than one tier of service, enter the figures for the CPSTs only. Enter the figures for the Basic tier only if you offer only a single tier of regulated service.

**Line B1**            **Original Cost of Headend Equipment.** Enter the lesser of the actual cost of the headend equipment or \$5000 for each channel added.

**Line B2**            **Original Cost of Equipment Less Depreciation.** Enter the depreciated value of your headend equipment at the time of this filing.

**Line B3**            **Computed Return on Equipment.** For each tier, multiply the amount on line B2 by .1125 and enter the result here.

**Line B4**            **Depreciation Expense.** Enter the amount of depreciation expense for the headend equipment on your books for this year. Depreciation expense is the amount of decrease in value that the equipment has sustained on your books.

**Line B5**            **Cost Adjustment.** For each tier, add the amounts in lines B3 and B4. Enter the results here.

**Line B6**            **Number of Channels Added per Tier.** For each tier, indicate the number of channels you have added as a result of the headend upgrade.

**Line B7**            **Per Channel Cost Adjustment.** For each tier, divide the figure in line B5 by the figure in line B6. Enter the result here.

**Line B8**            **Subscribers Per Tier.** Indicate the total number of subscribers for each tier.

**Line B9**            **Per Channel, Per Subscriber Cost Adjustment.** For each tier, divide the figure in line B3 by the respective figure in line B4.

**Line B10**          **Monthly Cost Adjustment.** For each tier, divide the amount in line B9 by 12 and enter the result here.

**INSTRUCTIONS FOR MODULE C**  
**CALCULATING ONE-TIME ADJUSTMENT TO PREVIOUS EXTERNAL COSTS**

Note: Lines C1-C4 calculate the one-time adjustment to remove the 7.5% margin and any non-external cost adjustment added using the markup methodology for those operators choosing to revise their channel addition methodology.

**Note: Operator may selectively elect to treat some channels introduced between May 15, 1994 and December 31, 1994 under the new going forward rules and continue to treat some under the old going forward rules.**

- Line C1**      **Cost Per Tier of Programming to be Revised from the Markup Method to the Caps Method.** For each tier, enter the cost of the programming you wish to convert from the markup methodology to the caps methodology.
- Line C2**      **Margin Taken on Above Programming.** For each tier, multiply the figures in Line C1 by .075. Enter the result in the respective columns.
- Line C3**      **Non-External Cost Adjustment Taken on Above Programming.** For each tier, report the external cost adjustments taken on the programming you wish to convert from the markup methodology to the caps methodology.
- Line C4**      **Subscribers Per Tier.** Enter this figure from the respective column on Line B9 of your May 1994 version of the Form 1210.
- Line C5**      **Margin Adjusted Programming Costs Per Subscriber.** Add the figures in Line C2 and C3 together and then divide by the respective figure in Line C4. Enter the result in the appropriate column.

Note: Lines C6-C9 calculate the one time adjustment of previous programming cost entered from the Form 1200. An additional profit is allowed only on the increase in programming cost or the cost of new programming. If you have previously filed a Form 1210 **do not complete** lines C6-C9 and go to line C10.

- Line C6**      **Cost of Programming per Tier.** Please enter this information from line B8 from your last Form 1200.
- Line C7**      **Margin on March 31, 1994 Programming Cost.** Multiply the entries for line C6 by .075. Enter the result here.
- Line C8**      **Subscribers Per Tier as of March 31, 1994.** For each tier, enter the number of subscribers as of March 31, 1994. This figure may be taken from line A2 of your Form 1200.
- Line C9**      **Margin Adjusted Programming Cost Per Subscriber.** For each tier, divide line C7 by respective figure in line C8. Enter the result in the appropriate column.

Lines C10-C13 calculate the amount of retransmission consent fees, including a 7.5 percent margin, to be compared with current retransmission consent costs. Complete these lines only in the 1210 you file **for a period including** October 6, 1994; **do not complete** these lines if you are filing this Form **for a period before** October 6, 1994, or if you have already filed a Form 1210 **for the period covering** October 6, 1994. If this Form is not for the period covering October 6, 1994, please go to line C14.

- Line C10**      **Consent Fees Per Tier.** Enter the current monthly amount of retransmission consent fees paid. Retransmission consent fees must be assigned to the tier with which they are associated.
- Line C11**      **Margin on Previous Consent Fees.** For each tier multiply the figure in line C10 by 1.075 and enter the results here.
- Line C12**      **Subscribers Per Tier.** For each tier, please enter the current subscribers per tier.
- Line C13**      **Margin Adjusted for Consent Fees per Subscriber.** For each tier, divide the figure in line C11 by the figure in line C12 and enter the result here.

Lines C14-C15 apply the adjustments made above to previous external Costs per subscriber.

- Line C14**      **Previous External Costs Per Tier Per Subscriber.** These figures may be found in your previous Form 1210 at line D10 if that filing was made using the revised Form 1210 or at line B10 if your previous filing was made using the May 1994 version of the form 1210. If you have never filed a Form 1210 from your Form 1200 at line B13. Enter the figure for each tier in the appropriate column.



**Line C15**      **Adjusted Previous External Costs.** For each tier add the figures from lines C9, C13 and C14. Subtract the figure from line C5. Enter the result for each tier.

## CALCULATION OF CURRENT EXTERNAL COSTS PER SUBSCRIBER

Under the FCC's rules, you are permitted to adjust your rates to reflect certain changes in external costs that you have incurred. Module D will assist you in identifying such changes. Certain of the figures in Module D will be carried forward from your latest Form 1210 filing, or if you have not previously filed a Form 1210, your Form 1200.

**Line D1**      **Current Programming Costs Prior to May 15, 1994 or Added After May 15, 1994 Using the Markup Methodology.** For each tier, please enter the current monthly cost of all programming that was on that tier prior to May 15, 1994 or added to the tier after May 15 using the markup methodology.

**Line D2**      **Current Retransmission Consent Fees.** Enter the current total monthly amount of retransmission consent fees paid. If you are filing for a period before October 6, 1994, enter zero. Retransmission consent fees must be assigned to the tier with which they are associated.

**Line D3**      **Margin Eligible Programming and Consent Fees.** For each tier, add lines D1 and D2. Enter the result here.

**Line D4**      **Margin Adjusted Programming and Consent Fees.** For each tier multiply line D3 by 1.075 and enter the amount.

Note: The costs in line D5 and D6 should be allocated among the regulated tiers, the equipment basket, and nonregulated service cost categories according to FCC cost allocation rules. See 47 C.F.R. § 76.924.

**Line D5**      **Taxes.** Enter amount of new monthly tax costs.

You should include on this line taxes imposed by state or local authorities on transactions between cable operators and cable subscribers. You should exclude assessments of general applicability imposed by a governmental entity applied against cable operators or cable subscribers. Thus, for example, federal or state income taxes must not be included here. Also, do not include franchise fees on this line. These costs should be assigned to the appropriate tier boxes on line D5 according to FCC cost allocation rules. See 47 C.F.R. § 76.924.

**Line D6**      **Franchise Related Costs.** Enter amount of new monthly franchise related costs.

Enter the costs associated with Public, Educational, or Governmental Access (PEG) channels in the tier on which the channels are carried. Assign other direct and verifiable costs of satisfying franchise requirements to the appropriate tier boxes on line D6 according to FCC cost allocation rules. See 47 C.F.R. § 76.924(g) and 76.925. Do not include franchise fees.

**Line D7**      **Total Current External Costs per Tier.** For each tier, enter the sum of lines D4, D5 and D6.

**Line D8**      **Current Subscribers.** Enter the number of subscribers currently receiving each tier.

**Line D9**      **Current External Costs per Subscriber.** For each tier, divide line D7 by line D8.

## INSTRUCTIONS FOR MODULE E

## CALCULATION OF TOTAL INCREASE IN CHANNELS PER REGULATED TIER

**Line E1**      **Previous Number of Channels per Regulated Tiers.** For each regulated tier, please enter the number of channels prior to the channel additions described in this filing. This figure can be found on fund line A1 of your Form 1200 if this is your first time filing a Form 1210. If you have previously filed a Form 1210, this figure may be taken from line C2 of your previous Form 1210 if your previous Form 1210 was the May 1994 version. If your previous 1210 was either the March 1995 or the May 1995 version, this figure can be found at line E2.

**Line E2**      **Current Number of Channels per Regulated Tier.** For each regulated tier enter the number of channels you currently offer.

**Line E3**      **Net Change in Channels per Regulated Tier.** For each regulated tier, please subtract the entry in line E1 from the entry in line E2. Enter the results here.

**Line E4**      **Total Increase in Channels.** Enter the sum of the amounts entered on Lines E3a-E3e.

**Note:** Generally only those operators increasing the total number of channels on their systems may take advantage of the going forward methodologies in order to increase their rates. However, if you are converting channels from the markup methodology to the caps methodology, any increase resulting from that conversion may be passed through.

**PER CHANNEL ADJUSTMENT FOR CHANNEL ADDITIONS USING THE ALTERNATIVE  
METHODOLOGY (THE CAPS METHOD)**

Lines F1-F9 calculate your total per channel adjustments and costs of programming applied against the license fee reserve. These adjustments are subject to a cap. Using this methodology you may add channels and charge up to an additional \$.20 for each channel for a total of \$1.20 from January 1, 1995 through December 31, 1996. You may also pass on up to \$.30 in licensing fees during the same period. You may pass on more \$.30 in licensing fee but if you do so that portion of the licensing fees must be deleted from the \$1.20 operator's cap. Thus you may not charge more than \$1.50 for the additional channels.

- Line F1**      **Previous Operator's Cap Remainder.** Please enter this figure from line F8 of the last Revised Form 1210 you filed. If this is the first Revised Form 1210 you have filed using the alternative methodology, please enter \$1.20.
- Line F2**      **Portion of Operator's Cap Used.** Subtract the figure in Line F1 from \$1.20. Enter the figure here.
- Line F3**      **Aggregate Per Channel Adjustment for Channel Additions and Cost Increases.** Indicate the total per channel adjustment taken. The markup may not exceed \$.20 per channel for channels added this filing or cost increases for previous additions.
- Line F4**      **Previous License Fee Reserve Remainder.** Enter this figure from line F9 of your previous Revised Form 1210. If this is your first time filing a Revised Form 1210 using the alternative methodology, enter .30.
- Line F5**      **Portion of License Fee Reserve Previously Used.** Enter the sum of all previous programming costs applied against the license fee reserve. If this is the first time you have filed a revised version of the Form 1210, enter 0.
- Line F6**      **Aggregate Cost of Programming Applied Against License Fee Reserve per Channel Added.** For each channel added, indicate the total amount of programming applied against the license fee reserve.
- Line F7**      **Total Amount Applied to Cap and License Fee Reserve.** Add the figures in lines F2, F3, F5 and F6. Please note that operators are allowed to apply more than .30 to programming cap; however any amount in excess of .30 must be deleted from the \$1.20 Operator's Cap. The figure in this line must be less than or equal to \$1.50.
- Line F8**      **Current Operators Cap Remainder.** Subtract the figures in line F3 from F1.
- Line F9**      **Remaining License Fee Reserve.** Subtract the figure in Line F6 from Line F4 and enter the result here.
- Line F10**     **Current per Channel Adjustment per Tier.** For each tier, enter the current per Channel Adjustment.
- Line F11**     **Current License Fee Reserve Amount per Tier.** For each tier, enter the amount of the license fee reserve currently allocated to that tier.

**PER CHANNEL ADJUSTMENT PER TIER FOR CHANNEL ADDITIONS  
(THE MARKUP METHODOLOGY)**

Module G will assist you in calculating the change in non-programming costs that results when channels are added or deleted from regulated tiers using the markup methodology. The non-programming costs for each tier will be adjusted up or down depending on the net channel change according to the formula provided below. This adjustment will be reflected in the new maximum permitted rate.

- Line G1**      **Previous Number of Regulated Channels per Tier.** For each tier, enter this figure from line E1 above.
- Line G2**      **Current Number of Regulated Channels per Tier.** For each tier, enter this figure from line E2 above.
- Line G3**      **Sum of Previous Channels.** Add columns a-e of line G1 and enter the result here.
- Line G4**      **Sum of Current Channels.** Add columns a-e of line G2 and enter the result here.
- Line G5**      **Average of Previous and New Channels.** Add lines G3 and G4 and divide by 2 and enter result here.
- Line G6**      **Adjustment Per Channel.** Enter from Table A (attached) the non-external cost adjustment per channel. Find the range in the first two columns of Table A, in which the figure in line G6 falls. Then select the corresponding figure from the third column and enter here. This is your allowed per channel adjustment for non-external costs.
- Line G7**      **Non-External Cost Adjustment per Tier.** For each tier, multiply the allowed Adjustment per Channel, line G6, by the number of channels added to that tier which represents a net increase in the total number of channels on your system. The result is the total permitted adjustment for that tier.

**CALCULATING RESIDUAL FOR CHANNEL DELETION AND MOVEMENT  
(MARKUP METHODOLOGY)**

In general, when dropping a channel from a BST or CPST, operators are required to make their rates reflect the net reduction in external costs. Operators are also to reduce the price of that tier by the "residual" associated with that channel. For channels that were on a BST or CPST on or before May 14, 1994 or channels added after that date pursuant to the markup rules, the per channel residual is the charge for the tier, minus the external costs for the tier, and any per channel adjustments made after that date, divided by number of channels on the tier. For channels added to a CPST on or after May 15, 1994 pursuant to the Caps rules, the residuals shall be the actual per channel adjustment taken for that channel when it was added to the tier plus any inflation adjustment since that time. The residual and programming cost shall be calculated as of the date the channel was dropped.

- Line H1**        **Transition Rate.** For each tier enter this rate from line A1.
- Line H2**        **Adjusted Previous External Costs.** For each tier, enter this figure from line C15.
- Line H3**        **Total Per Channel Adjustments after May 14, 1994 for Channels Added Using the Caps Method by Tier.** For each tier, enter the total per channel, per subscriber, adjustments made after May 14, 1994 using the Caps method. Include both the per channel markup and any amounts applied against the license fee reserve.
- Line H4**        **Residual Per Tier.** For each tier, subtract the figure in line H2 from the figures in line H1. From these results subtract the respective figures in line H3. [H4=H1-H2-H3] Enter the final results here.
- Line H5**        **Previous Channels per Regulated Tier.** For each tier, enter this figure from line E1.
- Line H6**        **Previous Caps Method Channels Per Tier.** For each tier, enter the number of channels previously added using the Caps method. This will require you to review all previously filed Revised Form 1210s and associated work papers. If this is the first time you have filed a Revised Form 1210, enter 0.
- Line H7**        **Remaining Channels.** Subtract the figures in line H6 from the figure in line H5. Enter the results here.
- Line H8**        **Per Channel Residual.** Divide the figures in line H4 by the respective figures in line H7. Enter the results in the appropriate column.
- Line H9**        **Residual of Channels Deleted From Tier.** For channels that were on the system prior to May 14, 1994 or were added on or after May 14, 1994 using the Markup methodology, multiply the residual from line H8 by the total number of channels being deleted from that tier. For Channels added on or after May 14, 1994 using the Caps methodology, use the actual per channel adjustment taken at the time the channel was added plus any inflation adjustments taken since that time. This calculation will require you to review all previously filed Revised Form 1210s and the associated work papers. These calculations will result in the residuals associated with both kinds of channels. For each tier add the residuals for all channels being deleted from that tier. Enter the result of this calculation here.
- Line H10**       **Residual of Channels Moved (Added) to Tiers.** For each channel being moved from one tier to another, multiply the residual from line H8 by the number of subscribers on the tier from which the channel is being removed. Divide this result by the number of subscribers on the tier to which the channel is being added. The result of this calculation is the Migrated Channel Residual. Repeat this calculation for each individual channel being moved between tiers. Then, for each tier add together all of the Migrated Channel Residuals for channels being added to that tier. Enter the result here for each tier. If you have not added any channels to a tier enter 0 for that tier.
- Line H11**       **Net per Channel Cost Adjustment per Tier.** For each tier, subtract the figures from line H9 from the respective figures in line H10. Enter the results here in the appropriate column.
- Line H12**       **Permitted Charge.** For each tier enter this rate from line A2.
- Line H13**       **Adjusted Previous External Costs.** For each tier, enter this figure from line C15.
- Line H14**       **Total Per Channel Adjustments after May 14, 1994 for Channels Added Using the Caps Method by Tier.** For each tier, enter the total per channel per subscriber adjustments made after May 14, 1994 using the Caps method.
- Line H15**       **Residual Per Tier.** For each tier, subtract H13 and H14 from H12. [H15=H12-H13-H14] Enter the results here.

- Line H16**      **Previous Channels per Regulated Tier.** For each tier, enter this figure from Line E1.
- Line H17**      **Previous Caps Method Channels Per Tier.** For each tier, enter the number of channels previously added using the Caps method. This will require you to review all previously filed Form 1210s and associated work papers. If this is the first time you have filed a Form 1210, enter 0.
- Line H18**      **Remaining Channels.** Subtract the figures in line H17 from the figure in line H16. Enter the results here.
- Line H19**      **Per Channel Residual.** Divide the figures in line H15 by the respective figures in line H18. Enter the results in the appropriate column.
- Line H20**      **Residual of Channels Deleted From Tier.** For channels that were on the system prior to May 14, 1994 or were added on or after May 14, 1994 using the Markup methodology, multiply the residual from line H8 by the total number of channels being deleted from that tier. For Channels added on or after May 14, 1994 using the Caps methodology, use the actual per channel adjustment taken at the time the channel was added plus any inflation adjustments taken since that time. This calculation will require you to review all previously filed Revised Form 1210s and the associated work papers. These calculations will result in the residuals associated with both kinds of channels. For each tier add the residuals for all channels being deleted from that tier. Enter the result of this calculation here.
- Line H21**      **Residual of Channels Moved (Added) to Tiers.** For each channel being moved from one tier to another, multiply the residual from line H19 by the number of subscribers on the tier from which the channel is being removed. Divide this result by the number of subscribers on the tier to which the channel is being added. The result of this calculation is the Migrated Channel Residual. Repeat this calculation for each individual channel being moved between tiers. Then, for each tier add together all of the Migrated Channel Residuals for channels being added to that tier. Enter the result here for each tier. If you have not added any channels to a tier enter 0 for that tier.
- Line H22**      **Net per Channel Cost Adjustment per Tier.** For each tier, subtract the figures from line H20 from the respective figures in line H21. Enter the results here in the appropriate column.

**INSTRUCTIONS FOR MODULE I  
UPDATING TRANSITION RATE FOR INFLATION, CHANGES IN EXTERNAL  
COSTS AND CHANNEL CHANGES**

Module I adjusts your previous transition rate to account for changes in external costs, changes in the total number of regulated channels offered, and inflation. The inflation adjustment may only be taken after September 30, but no later than August 31 of the next calendar year.

- Line I1**      **Transition Rate per Tier.** Enter the figures from line A1 above.
- Line I2**      **Per Channel Cost Adjustment.** For each tier, add the figure from lines B10 F10, F11, G7 and H11. Enter the results here.
- Line I3**      **Adjusted Previous External Cost per Subscriber.** Enter the non-external cost adjustment for each tier from line C15 above.
- Line I4**      **Portion of Rate Eligible for Adjustment.** For each tier, add the respective figures in for lines I1 and I2. From each result, subtract the respective figure from line I3. [4=I1+I2-I3] Enter the final results here.
- Line I5**      **Inflation Adjustment Factor.** If you are not taking an inflation adjustment in this filing, enter "1". If this filing is for the period between October 1, 1993 and June 30, 1994, you may take the inflation adjustment for this period at any time between October 1, 1994 and August 31, 1995. If you are electing to take the inflation adjustment for any other period the adjustment may be made after September 30, but no later than August 31 of the following year. The inflation adjustment factor will be published by the Commission annually, based on Department of Commerce GNP-PI data and will be available by calling the Commission's Cable Information Line at (202) 418-2225.
- Line I6**      **Rate Adjusted for Inflation.** For each tier, please multiply the amounts in line I4 by the respective amounts in line I5. Enter the results here.
- Line I7**      **Current External Costs per Subscriber.** For each tier, enter this figure from line D9 above.
- Line I8**      **Updated Transition Rate per Tier.** For each tier, enter the sum of lines I6 through I7.



**INSTRUCTIONS FOR MODULE J  
UPDATING PERMITTED CHARGE FOR INFLATION, CHANGES IN  
EXTERNAL COSTS, AND CHANNEL CHANGES**

Module J adjusts your permitted charge for inflation, changes in external costs and changes in the total number of channels. Inflation adjustments, however, may only be taken annually in your filings covering the third quarter.

- Line J1**        **Permitted Charge.** Enter the figures from line A2 above.
- Line J2**        **Per Channel Cost Adjustment.** For each tier, enter the sum of lines B10, F10, F11, G7, and H22.
- Line J3**        **Adjusted Previous External Costs per Tier per Subscriber.** Enter this figure from line C15 above for each tier.
- Line J4**        **Portion of Rate Eligible for Inflation Adjustment.** For each tier, add the full reduction rate (line J1) to the Per Channel Cost Adjustment (line J2) and subtract from that sum the Total Previous External Costs (line J3). [J4=J1+J2-J3] Enter the result on this line.
- Line J5**        **Inflation Adjustment Factor.** If you are not taking an inflation adjustment in this filing, enter "1". If this filing is for the period between October 1, 1993 and June 30, 1994, you may take the inflation adjustment for this period at any time between October 1, 1994 and August 31, 1995. If you are electing to take the inflation adjustment for any other period the adjustment may be made after September 30, but no later than August 31 of the following year. The inflation adjustment factor will be published by the Commission annually, based on Department of Commerce GNP-PI data and will be available by calling the Commission's Cable Information Line at (202) 418-2225.
- Line J6**        **Adjusted for Inflation.** For each tier, multiply line J4 by line J5 and enter the result on this line. This is your full reduction rate after adjustment for inflation.
- Line J7**        **Current External Costs per Subscriber.** For each tier, enter this figure from line D9 above.
- Line J8**        **Updated Permitted Charge.** For each tier, add lines J6 and J7 and enter result here.

**INSTRUCTIONS FOR MODULE K  
COMPARISON OF TRANSITION RATE AND PERMITTED CHARGE**

Module K calculates and compares an aggregate of your transition and permitted charge. You may charge the greater of the two.

- Line K1**      **Current Subscribers per Tier.** For each tier, enter the figure from line D8 above.
- Line K2**      **Weighting Factor.** For each tier, divide the figure in line K1 by the figure in K1 Column A and enter the result here.
- Line K3**      **Updated Transition Rate.** For each tier, enter the figure from line I8 above.
- Line K4**      **Weighted Transition Rate.** For each tier, multiply the figures in line K2 by the figures in line K3 and enter the result here.
- Line K5**      **Aggregate Transition Rate.** Add columns a-e in line K4 and enter the result here.
- Line K6**      **Updated Permitted Charge.** Enter the figure from line J8 above.
- Line K7**      **Weighted Permitted Charge.** Multiply the figure in line K2 by the figure in line K6 and enter result here.
- Line K8**      **Aggregate Permitted Charge.** Add the figures in columns a-e of line K7 and enter the result here.
- Line K9**      **Maximum Permitted Rate.** If line K5 is greater than line K8, enter the figures from line K3 above on this line. If line K5 is less than or equal to line K8, enter the figures from line K6 above on this line. This is your new maximum permitted rate for each tier.

**Exclusion of Franchise Fees.** Franchise fees have been excluded from this analysis in order to compare your monthly rate for the basic tier to the maximum permitted level. Whether you itemize or not, any franchise fees you pay for the basic service tier should be added to your monthly rate as part of the service when billing your subscribers.

**Relationship of Maximum Permitted Rates to Refund Liability.** The maximum permitted rate figure calculated on Form 1210 does not take into account any refund liability that you may have. If you previously have been ordered by the FCC or your local franchising authority to make refunds to subscribers, you are not relieved of your obligation to make such refunds, regardless of whether the maximum permitted rate may be higher than the contested rate that resulted in your refund liability or your current rate.

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