

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
MEDIACOM DELAWARE, LLC, FOR A CHANGE)
IN ITS BASIC SERVICE RATE AND) PSC DOCKET NO. 05-183
NECESSARY EQUIPMENT AND INSTALLATION)
CHARGES (FILED MAY 27, 2005))

ORDER NO. 6696

This 23rd day of August, 2005, the Commission determines and Orders the following:

1. Mediacom Delaware, LLC ("Mediacom"), operates, under a franchise granted by this Commission, a cable system which provides cable television service to the unincorporated areas of southern Sussex County. As the "local franchising authority," this Commission regulates, under rules and formulas adopted by the Federal Communications Commission ("FCC"), the maximum permitted rates ("MPR") that Mediacom may charge its subscribers for its basic service tier programming ("BST") and for leased equipment and installation services.

2. On May 27, 2005, Mediacom filed an application, accompanied by an FCC Form 1240, seeking to adjust, under the FCC's annual adjustment "price-cap" methodology (47 C.F.R. § 76.922(e)) its MPR for its BST service. Under such methodology, the cable operator may adjust its BST rate to reflect changes in external costs (such as programming costs and inflation) that have been both actually incurred during one or more earlier "true-up" periods and expected to be incurred during a subsequent 12-month "projected period." Mediacom's

May 27th application proposes a new maximum permitted BST rate of \$53.15. Mediacom's proposed "operator-selected," or actual, rate to be charged during this projected period is \$47.95.¹ At the same time, Mediacom also filed an FCC Form 1205 to justify proposed adjustments to its MPRs for the charges it levies for leasing regulated equipment and for performing regulated installation services. See 47 C.F.R. § 76.923.

3. Staff reports that due to some misunderstanding, the public notice normally given in this type of cable rate adjustment proceeding has not yet been published. Such public notice normally announces the cable operator's proposed MPR adjustments, seeks comments from subscribers, and announces the time and date of a public hearing during which the Commission will consider the proposed rate adjustments. Now, time does not permit the Commission to hold a hearing on the proposed adjustments - after publication of an appropriate timely notice - prior to the September 1, 2005 implementation date of the proposed rates. See 47 C.F.R. § 76.933(g) (local franchising authority has 90 days to act upon FCC Form 1240 BST rate filing).

4. In light of this glitch, the Commission will now invoke the procedures allowed by 47 C.F.R. § 76.933(g)(2). It will allow the maximum permitted rates for BST, equipment, and installation services rates that Mediacom proposed in its filing of May 27, 2005, to go into effect, subject to a prospective rate reduction and refunds if the

¹The projected period during which Mediacom's proposed MPRs and operator-selected rates would be effective would be September 1, 2005 through August 30, 2006.

Commission might subsequently determine that the proposed MPRs, in whole or in part, are not consistent with the FCC's rate regulation rules. By this Order, Mediacom is put on notice of this procedure, and the possibility of future rate reductions and refund liabilities.

5. Under the procedure set forth in 47 C.F.R. § 76.933(g)(2), the Commission must - to preserve its review authority for these particular rates - issue a written decision by September 1, 2006. However, the Commission expects that the appropriate public notice will be promptly published as directed by Staff so that the Commission may hold its traditional "hearing" on the proposed rate adjustments at its public meetings in either late September or October 2005.

Now, therefore, **IT IS ORDERED:**

1. That, pursuant to 47 C.F.R. § 76.933(g)(2), the maximum permitted basic service tier rate and maximum permitted equipment and installation charges as proposed in the application (and accompanying FCC Forms 1240 and 1205) filed by Mediacom Delaware, LLC, on May 27, 2005, shall be allowed to go into effect on September 1, 2005. Such rates shall be subject to reduction, and Mediacom Delaware, LLC, shall be liable for refunds, as permitted under 47 C.F.R. § 76.922(g), if the Commission shall subsequently determine that such rates, all or in part, are not permissible under the governing rate regulations promulgated by the Federal Communications Commission.

2. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

Vice Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

ATTEST:

/s/ Norma J. Sherwood
Acting Secretary