

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)
COMCAST OF NEW CASTLE COUNTY, LLC,)
FOR AN ADJUSTMENT TO ITS MAXIMUM) PSC DOCKET NO. 07-272
PERMITTED BASIC CABLE RATES AND)
REGULATED EQUIPMENT AND INSTALLATION)
COSTS (FILED OCTOBER 1, 2007))

ORDER NO. 7347

AND NOW, to-wit, this 8th day of January, A.D. 2008;

WHEREAS, the Commission having, on January 8, 2008, conducted a public evidentiary hearing on the application filed by Comcast of New Castle County, LLC ("Comcast"), seeking approval to make changes in the maximum permitted rates for basic cable television service and equipment and installation charges governing service provided by Comcast in the unincorporated areas within Community Unit Identification Number DE 0011 (New Castle County).

WHEREAS, based on the evidence so presented, the Commission having determined that Comcast's proposed rate adjustments, as they appear on its FCC Forms 1240 and 1205, have been calculated in accordance with the rules and regulations of the Federal Communications Commission and, hence, should be approved for service on and after January 1, 2008; now, therefore,

IT IS ORDERED:

1. That the Commission hereby approves the maximum permitted rates for basic cable service and equipment and installation charges as set forth below for services offered by Comcast of New Castle County, LLC, in the areas within Community Unit Identification Number

DE 0011, with such maximum permitted rates to be effective for service after January 1, 2008.

BASIC SERVICE TIER RATES

COMCAST SYSTEM	CURRENT MONTHLY MAXIMUM PERMITTED RATE	CURRENT COMPANY SELECTED RATE	COMPANY PROPOSED RATE (TO BE EFFECTIVE JAN. 1, 2008)	FCC FORM 1240 MAXIMUM PERMITTED RATE (TO BE EFFECTIVE JAN. 1, 2008)
New Castle County CUID Number DE 0011	\$10.19	\$10.01	\$12.01	\$13.08

**Maximum Permitted Rates for Equipment and Installation Per FCC Form 1205
(Costs Aggregated on Regional Basis)
Applicable For New Castle County - CUID No. DE 0011**

	MAXIMUM PERMITTED RATES (TO BE EFFECTIVE JAN. 1, 2008)	NEW OPERATOR-SELECTED RATES (TO BE EFFECTIVE JAN. 1, 2008)
Hourly Service Charge	\$35.18	\$35.15
Install Unwired Home	\$47.10	\$47.10
Install Pre-wired Home	\$32.58	\$32.55
Install Additional Outlet - Initial	\$17.64	\$17.60
Install Additional Outlet - Separate	\$27.10	\$27.10
Relocate Outlet (Same Trip)	\$21.36	\$21.35
Relocate Outlet (Separate Trip)	\$21.36	\$21.35
Other Install - Upgrade (non-addressable)	\$17.97	\$17.95
Other Install - Downgrade (non-addressable)	\$14.74	\$14.70
Upgrade/Downgrade (addressable)	\$1.99	\$1.99
Connect VCR - Connect Initial	\$7.66	\$7.65
Connect VCR - Connect Separate	\$14.84	\$14.80
Customer Trouble Call	\$28.91	\$28.90
Remote Control	\$0.25	\$0.25

Basic-Only Converter	\$1.13	\$1.10
Digital Addressable Converter	\$3.74	\$3.70
HDTV, DVR & HDDVR Converter	\$9.99	\$9.95
CableCARD	\$2.06	\$2.00

2. That the Commission will enter formal findings and an opinion at a later date.

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

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

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PERMITTED BASIC CABLE RATES AND)
REGULATED EQUIPMENT AND INSTALLATION)
COSTS (FILED OCTOBER 1, 2007))

FINDINGS AND OPINION TO ACCOMPANY PSC ORDER NO. 7347

APPEARANCES:

On behalf of the Applicant, Comcast of New Castle County, LLC:

MORRIS, NICHOLS, ARSHT & TUNNELL
BY: GEOFFERY A. SAWYER, III, ESQUIRE

On behalf of the Staff:

WILLIAM F. O'BRIEN, RATE COUNSEL,
DEPUTY ATTORNEY GENERAL

I. BACKGROUND

1. Comcast of New Castle County, LLC ("Comcast"), holds a franchise granted by this Commission ("the Commission" or the "PSC") to operate a cable television system in the unincorporated areas of northern New Castle County. The Commission regulates the maximum permitted rates that Comcast may charge its subscribers for its basic service tier ("BST") and related equipment rentals and installation services. In doing so, the Commission applies the rate regulation rules and methodologies adopted by the Federal Communications Commission ("FCC"). See 47 U.S.C. § 543(a)(2)(A), (b); 26 Del. C. § 605(6).

2. On October 1, 2007, Comcast filed an FCC Form 1240 seeking to gain the Commission's approval to adjust its maximum permitted BST monthly rate for the then upcoming January 1, 2008 to December 31,

2008 projected period. See 47 C.F.R. § 76.922(e) (annual rate adjustment methodology). With that Form 1240, Comcast also submitted another form, FCC Form 1205, to make changes to the maximum permitted rates for its equipment and installation charges during the same period. See 47 C.F.R. § 76.923.

3. At the direction of Staff, Comcast published notices of these proposed adjustments to its regulated rates in The News Journal and Delaware State News newspapers on December 21, 2007. The notices (Exhs. 1A and 1B) solicited comments and announced that the Commission would hold a hearing on the proposed rate adjustments at its meeting on January 8, 2008. No one submitted comments and no member of the public appeared at the hearing. After considering the evidence presented by Staff and Comcast at that January 8th hearing, the Commission approved the proposed adjustments to Comcast's maximum permitted rates for regulated BST service and equipment and installation charges. PSC Order No. 7347 (Jan. 8, 2008). These are the findings in support of that earlier Order. They are based on a record of five exhibits and ten pages of transcribed proceedings.

II. SUMMARY OF EVIDENCE

4. As noted, Comcast filed its FCC Form 1240 in order to obtain the Commission's approval for a proposed decrease in its maximum permitted rate for its "limited" basic cable ("BST") service. Under the proposal, that maximum monthly rate for BST would move, after considering inflation, changed programming costs, and "true-up" (under-collection) calculations, from the previously approved maximum of \$10.19 to a new maximum permitted rate for the projected period of \$13.08. Exh. 2A. With its BST form, Comcast also filed its FCC Form

1205 to justify changes (based on its prior year's actual costs) to its maximum permitted rates for equipment and installation charges. Exh. 2B.¹

5. In his pre-filed testimony (Exh. 3), James G. Strong, Staff Analyst, testified that Staff had verified the financial data and calculations used by Comcast in its FCC Forms 1240 and 1205. Exh. 3 at 2. He reported (in both his pre-filed and later oral testimony) that, in Staff's view, Comcast's proposed maximum permitted BST rate and its proposed maximum permitted equipment and installation charges had been appropriately calculated utilizing the FCC's annual rate adjustment and equipment charge methodologies. Accordingly, Mr. Strong recommended that the proposed changes to Comcast's maximum permitted rates be approved. Exh. 3 at 3-4. A chart attached to Mr. Strong's testimony also reflects that the operator-selected rate for BST service will increase by \$2.00 (from \$10.01 to \$12.01). On the equipment rental and installation services side, some operator-selected charges will go down; in other instances, those operator-chosen rates will hold steady, or go up. In all instances, the new operator-selected rates will remain at or below the new maximum permitted rates for the equipment or service. Exh. 3, Sch. 1.

6. At the evidentiary hearing, Comcast presented the oral testimony of Thomas Worley, Comcast's area director of government affairs. He indicated that Comcast had, in his view, calculated the proposed rate adjustments in a complete and accurate manner utilizing the FCC's forms and corresponding rules. Tr. 6. Given that, Mr. Worley testified that the cable company agreed with the conclusion reached by Mr. Strong in his pre-filed testimony. Tr. 6.

¹These charges were calculated on a company-wide basis.

7. At the hearing, Mr. Strong reiterated Staff's investigatory efforts and re-affirmed Staff's recommendation that the new maximum permitted rates and charges be approved. Tr. 9-10.

III. DISCUSSION AND CONCLUSIONS

8. The Commission has jurisdiction over this matter. Section 605(6) of Title 26 of the Delaware Code grants this Commission the authority to implement any federal regulations or legislation governing the provision of cable television service. Since 1993, the PSC has acted as the local franchising authority for this franchise (CUID DE0011) and, hence, has regulated (under the rules adopted by the FCC) the maximum rates the cable operator may charge for BST, related equipment rentals, and related installation services. Over the last several years, Comcast has used the FCC's annual rate adjustment methodology to adjust its BST rate. 47 C.F.R. § 76.922(e). Under this methodology, the maximum permitted BST rate can be adjusted annually (subject to a subsequent year "true-up") to reflect inflation, projected changes in external costs (including programming costs), and projected channel additions and deletions. 47 C.F.R. § 76.922(e)(1). At the same time, the maximum permitted charges for equipment and installation services are also adjusted on an annual basis to reflect the operator's preceding year's actual costs in providing equipment and performing services. 47 C.F.R. § 76.923(a)(2).²

9. As noted above, in this matter, Comcast has filed FCC Forms 1205 and 1240 to reflect adjustments to the maximum permitted rates

²In setting rates for equipment and installation, a cable operator may aggregate its equipment costs on a franchise, system, regional, or company level. See 47 C.F.R. § 76.923(c)(1), (3). For its northern New Castle County franchise, Comcast has chosen to set its equipment and installation charges on the basis of costs calculated at a company level.

for its BST service, related equipment, and installation charges for the New Castle County franchise area. Based on the evidence presented, the Commission finds that the submitted Form 1240 reflects permissible adjustments to Comcast's maximum permitted rate for BST service. Accordingly, the Commission approves the maximum permitted rate (\$13.08) set forth in the FCC Form 1240 applicable to this franchise area.

10. Furthermore, based on the evidence presented, the Commission finds that the maximum permitted equipment and installation rates set forth in the submitted FCC Form 1205 have been appropriately calculated. Accordingly, the Commission approves the maximum permitted rates set forth in the FCC Form 1205.

NOW, THEREFORE, it is directed this 18th day of March, 2008, that these Findings and Opinion shall be filed with PSC Order No. 7347 (Jan. 8, 2008).

BY THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

Findings and Opinion to Accompany
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/s/ Jeffrey J. Clark
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