

BEFORE THE
DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS
OF THE STATE OF HAWAII

In the Matter of Time Warner)
Entertainment Company, L.P. dba)
Kamehameha Cablevision (N. Kohala))
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)
)
Updating of Basic Service Rate)
(FCC Form 1240))

AMENDMENT TO
DECISION AND ORDER NO. 199
(Amended Rate Order)

WHEREAS, by Decision and Order No. 199 issued on January 28, 1997, the State established the Maximum Permitted Rate for Projected Period at \$9.26 per month for Kamehameha Cablevision's basic service tier as of January 1, 1996 and continuing up to the effective date of Kamehameha Cablevision's subsequent adjustment implemented in accordance with FCC Rules; and

WHEREAS, as stated in said Decision and Order No. 199, Kamehameha Cablevision ("Company") did not carry its burden of proof with respect to its inflation adjustment factor claimed in its FCC Form 1240; and

WHEREAS, the Company's inflation adjustment factor reported on Line C1 of its FCC Form 1240 was inconsistent with the Company's inflation adjustment factor of 2.96% stated in the Company's supporting document attached to its FCC Form 1240; and

WHEREAS, because the Company did not adequately explain or clarify this inconsistency,¹ the State adjusted Line C1 of the Company's FCC Form 1240 to reflect the 2.96% inflation adjustment factor, which adjustment decreased the Company's proposed Maximum Permitted Rate for Projected Period by \$.10 or from \$9.36 to \$9.26; and

WHEREAS, pursuant to paragraph 4 of said Decision and Order No. 199, the State provided the Company the opportunity to submit its calculation and other information used in deriving its claimed inflation adjustment factor within 15 days from the effective date of that order (effective date is January 28, 1997); and

¹See footnote 10 of said Decision and Order No. 198.

WHEREAS, on February 11, 1997, the Company submitted its calculation for its inflation adjustment factor of 4.10% as reported on Line C1 of its FCC Form 1240 filing; and


WHEREAS, after reviewing the Company's calculation and FCC's instructions regarding Line C1 of FCC Form 1240, the Company's inflation adjustment factor of 4.10% is reasonable; and

WHEREAS, adjusting Line C1 of the Company's FCC Form 1240 to reflect the 4.10% inflation adjustment factor, eliminates the \$.10 downward adjustment to the Company's proposed Maximum Permitted Rate for Projected Period ordered in said Decision and Order No. 199; and

WHEREAS, pursuant to paragraph 9 of said Decision and Order No. 199, the State may modify said Decision and Order accordingly;

NOW, THEREFORE, pursuant to paragraph 9 of Decision and Order No. 199, paragraph 2 of said Decision and Order is hereby amended by establishing the Company's Maximum Permitted Rate for Projected Period for the basic service tier (assuming a 11-channel basic service tier), at \$9.36 per month (exclusive of franchise fees and taxes) as of January 1, 1996 and continuing up to the effective date of the Company's subsequent adjustment implemented in accordance with FCC Rules. Except as amended herein, Decision and Order No. 199 and the provisions stated therein are hereby ratified and shall remain in full force and effect.

Dated: Honolulu, Hawaii March 10, 1997.


Kathryn S. Matayoshi
Director of Commerce and
Consumer Affairs
State of Hawaii

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing AMENDMENT TO DECISION AND ORDER NO. 199 was served upon the following parties at the address shown below by mailing the same, postage prepaid, on this 10th day of March, 1997.

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