

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

In the Matter of TCI OF HAWAII, INC.)
)
)
)
 Updating of Equipment and)
 Installation Rates)
)
 (FCC Form 1205))

DECISION AND ORDER NO. 254
(Rate Order)

WHEREAS, the Cable Television Division, Department of Commerce and Consumer Affairs of the State of Hawaii (the "State") became certified to regulate basic cable service rates and associated charges as of May 12, 1994, and has followed regulations prescribed by the Federal Communications Commission (the "FCC"), 47 C.F.R. Part 76, Subpart N ("FCC Rules"), and by the State's Department of Commerce and Consumer Affairs, sections 16-133-40 to 53 of the Hawaii Administrative Rules (the "Department Rules"), for the regulation of the basic service tier and associated equipment, installations, services and charges; and

WHEREAS, by letter dated May 12, 1994, the State notified The Chronicle Publishing Company dba Chronicle Cablevision of Hawaii¹ that its rates for the basic service tier and associated charges for equipment and installation for its cable system were subject to regulation by the State; and

WHEREAS, in connection with justifying the Company's rate adjustment for regulated equipment and installations, the Company submitted its FCC Form 1205 company-wide filing ("Rate Filing") to the State on March 12, 1999, for the period April 1, 1999 through March 31, 2000;² and

¹By Decision and Order No. 187 issued March 22, 1996, the State approved the transfer of the cable franchise held by Chronicle Cablevision of Hawaii to TCI of Hawaii, Inc. ("Company"), and by Decision and Order No. 239 the State approved the transfer of control from Tele-Communications, Inc. to AT&T Corp. for the franchise held by the Company.

WHEREAS, the State retained a financial consultant to assist it in the streamlined rate review process; and

WHEREAS, the State prepared a proposed rate order, a copy of which was provided to the Company prior to the issuance of this Rate Order; and

WHEREAS, the Company has the burden of proving that its proposed adjustment is in conformance with the FCC Rules;³ and

WHEREAS, an operator may use the FCC Form 1205 to update its charges for equipment and installation services on an annual basis, and it is the official form used by regulators to determine whether an operator's regulated rates for equipment and installations are reasonable under FCC rules; and

WHEREAS, in its Rate Filing the Company seeks to justify adjustments to the maximum permitted rates for its regulated equipment and installations from the rates set forth in Decision and Order No. 232; and

WHEREAS, after review of the Company's Rate Filing there were no adjustments necessary to the Company's proposed maximum permitted rates:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

(1) The Company's proposed maximum permitted rates for regulated equipment and installations are approved. The Company's maximum permitted rates, exclusive of franchise and regulatory fees and taxes, for regulated equipment and

² The Rate Filing submitted by the Company covers Community Unit Identification numbers for its Maui system CUID HI0033, HI0034, HI0035, HI0037, HI0087, HI0089, and HI0100; Lanai/Molokai systems CUID HI0073, HI0074, and HI0107; Hawaii Kai system CUID HI0003; and Ka'u system CUID HI0020.

³See 47 C.F.R. Section 76.937(a), and Section 16-133-46 of the Department's Rules.

installation as of April 1, 1999 and continuing up to the effective date of the Company's subsequent adjustment implemented in accordance the FCC rules, shall be as follows:⁴

	<u>Maximum Permitted Rate</u>
<u>Installation</u>	
Unwired Homes	\$41.38
Prewired Homes	22.37
Add.Conn. (initial)	14.68
Add.Conn. (separate)	21.08
Service Reconnection	22.37
Upgrade Non-addressable	33.04
Downgrade Non-addressable	9.48
Relocate Outlet	20.82
Upgrade/Downgrade of Optional Services	1.99
<u>Equipment</u>	
Converter (nonaddressable)	3.56
Converter (addressable)	4.55
Remote	.41

2. The Company may not made adjustments or increase its rates, institute new charges for any other types of service, equipment or installation associated with the basic service tier, without first complying with all applicable laws or regulations, including but not limited to FCC rules, regulations, and orders.

3. The Company may charge rates less than the maximum permitted rate indicated herein, as long as such rates are applied in a uniform and nondiscriminatory way, pursuant to applicable federal, state, and local laws and regulations.

⁴ According to the Company's tariff on file with the State, the Company's actual current charges (exclusive of franchise and regulatory fees and taxes) for the following installations and equipment are as follows: Unwired Homes \$41.38; Prewired Homes \$22.37; Add.Conn. (initial) \$14.68; Add.Conn. (separate) \$21.08; Service Reconnection \$22.37; Upgrade Non-addressable \$33.04; Downgrade Non-addressable \$9.48; Relocate Outlet \$20.82; Upgrade/Downgrade of Optional Services (no separate trip required) \$1.99; Converter (nonaddressable) \$1.55; Converter (addressable) \$3.10; Remote \$.30.


4. This Rate Order is not be construed as a finding that the State has accepted as correct any specific entry, explanation or argument made by the Company not specifically addressed herein.

5. The State reserves the right to modify this Rate Order if, at any time, it determines that information the Company provided to the State is incorrect or misleading in any material manner, or that the Company is not in compliance with this Rate Order.

6. The State reserves all rights it has under FCC Rules including the right to review any pending rate filing submitted by the Company, and to establish reasonable rates for the basic service tier and associated equipment and installation charges, in the event the State determines that the proposed rates or charges are unreasonable under FCC Rules, including any modifications or amendments to such rules.

7. This Rate Order is issued and is effective as of the date hereof.

DATED: Honolulu, Hawaii May 19, 1999.


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

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing DECISION AND ORDER NO. 254 was served upon the following parties at the address shown below by mailing the same, postage prepaid, on May 19, 1999.

MS. STACIE O. KELLEY
TCI Cablevision of California, Inc.
12647 Alcosta Blvd., STE 200
San Ramona, CA 94583

For TCI of Hawaii, Inc.

Patti K. Kodama

Patti K. Kodama
Secretary