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OFFICE OF THE CITY MANAGER

**Continental
Cablevision®**

May 18, 1994

Robert Healy
City Manager
City of Cambridge
795 Massachusetts Avenue
Cambridge, MA 02139

Dear Mr. Healy:

I am writing to update you on the Federal Communications Commission's second set of rate regulations, and respond to City Council Order No. 15 regarding where Continental Cablevision stands in this regulatory process. Continental is currently computing the rates for regulated services for all of our systems. We anticipate that it will be several more weeks before we will be able to complete this process.

Although the FCC's new rate regulations become "effective" May 15, the Commission has acknowledged the complexity of the task required to implement these new regulations and has given cable companies additional time to complete this process. As a result, our rates will remain frozen until this process is completed.

To comply with the new rate regulations, cable companies will be required to adopt one of two systems for determining rates for regulated cable services. Cable companies may use a system based on the FCC's rate formulas or they have the option of proving the reasonableness of current rates based on their costs by presenting a utility-like "cost of service" justification.

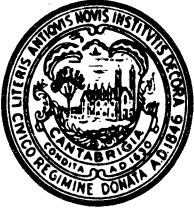
We are doing our best to work our way through the 800 pages of federal regulations, forms and formulas, and as you can see from the attached formula, this is a very complicated process. Until that work is completed, we simply do not know what effect the regulations will have on our rates. We will be sure to inform you and our customers at the earliest possible convenience any changes in our rates.

Please feel free to contact me should you have any further questions.

Sincerely,

Joyce Conroy Hillcoat
General Manager

c: City Council Members
Ned Casey, Office of Cable TV



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

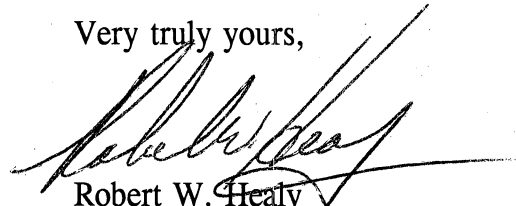
RICHARD C. ROSSI
Deputy City Manager

June 6, 1994

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 30, regarding the cost of increases or decreases as a result of the revised FCC regulations, received from Joyce Conroy Hillcoat, General Manager of Continental Cablevision.

Very truly yours,



Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 5

S-273
Response to Awaiting Report Item
Number Thirty regarding the cost
of increases ~~or~~ decreases as a
result of the revised FCC
regulations.

*For original order see
1994 City Manager Request
158.*

In City Council,

June 6, 1994

Placed on file