(R-96-39)

## RESOLUTION NUMBER R- 286077

ADOPTED ON JUL 17 1995

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO, CALIFORNIA, PURSUANT TO SECTIONS 76.933, 76.936, 76.937, 76.940, 76.941 AND 76.942 OF THE RULES AND REGULATIONS OF THE FEDERAL COMMUNICATIONS COMMISSION ("FCC") APPROVING THE RATES FOR EQUIPMENT AND INSTALLATION FOR COX COMMUNICATIONS ("COX") CONTAINED IN THE MARCH 1995 RATE FILING ("FORM 1205 FILING") AND DISAPPROVING CERTAIN EXISTING EQUIPMENT AND INSTALLATION CHARGES

WHEREAS, the City of San Diego (the "City") was certified by the Federal Communications Commission ("FCC") to regulate the Basic Service Tier, and associated equipment on November 11, 1993; and

WHEREAS, the City provided written notice of said certification to Cox Communications ("Cox") on November 22, 1993; and

WHEREAS, the City has adopted regulations with respect to the Basic Service Tier and associated equipment that are consistent with the regulations prescribed by the FCC; and

WHEREAS, the City has adopted procedural laws and regulations applicable to rate regulation proceedings which provide a reasonable opportunity for consideration of the views of interested parties; and

WHEREAS, on March 1, 1995, Cox filed with the City FCC Form 1205 ("Form 1205 Filing"); and

WHEREAS, Cox was ordered on June 8, 1995 to keep an accurate accounting of all amounts received related to rates contained in the Form 1205 Filing; and

WHEREAS, the City has reviewed all relevant information including, but not limited to, the FCC Form 1205 filed by Cox, the Auditor's Report of June 29, 1995, and other relevant written evidence; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of The City of San Diego, as follows:

- 1. That the City Council hereby finds and determines that the rates for the equipment and installation as identified in Cox's Form 1205 filed March 1, 1995 are reasonable because they are in compliance with the applicable FCC benchmark standards for the reasons, and on the grounds, contained in the Auditor's Report dated June 29, 1995, a copy of which is incorporated into this Resolution by reference as Enclosure (1) as if fully stated herein.
- 2. That certain of Cox's current equipment and installation charges exceed the maximum permitted rate allowed under FCC Rules and Regulations and Cox is hereby ordered to immediately implement the charges contained in Enclosure (1).

3. That this Resolution constitutes a written decision within the meaning of Section 76.936 of the FCC Rules and Regulations.

APPROVED: JOHN W. WITT, City Attorney

Ву

Deborah L. Berger Deputy City Attorney

DLB:cfk 07/07/95 Or.Dept:Mgr. R-96-39 001059



## SAN DIEGO AUDIT DIVISION

OFFICE OF THE CITY AUDITOR & COMPTROLLER



Audit Division Manager Eugene T. Ruzzini (619) 533-3180

## **AUDIT REPORT**

June 29, 1995

Coleman Conrad
Deputy City Manager

SUBJECT: Cox Communications

Federal Communications Commission (FCC) Form 1205

We have completed our review of the FCC Form 1205, "Equipment Form," filed by Cox Communications (Cox) for calendar year 1994. Form 1205 determines maximum permitted rates for equipment rentals and installation. Our review disclosed the equipment and installation rates calculated by Cox on Form 1205 are substantially correct. However, Cox's current monthly charges for certain items exceed maximum permitted rates (Table 1). All other rates charged for equipment and installation are below the maximum permitted by FCC regulations.

Table 1.

ltem	Current Rate Charged	Maximum Permitted Rate	Difference
Remote Control	\$0.45	\$0.35	\$0.10
Converter	\$1.61	\$1.51	\$0.10
Additional Outlet at initial install	\$36.50	\$30.97	\$5.53
Additional Outlet after initial install	\$40.50	\$35.74	\$4.76

Although the charges for the items noted above exceeded the maximum permitted rates, it is our understanding, based on FCC rules, that a refund is not in order for the excess. FCC rules allow for offset of other undercharges, and in the case of Cox, other equipment and installation charges are below the maximum to offset the differences noted in Table 1. Cox advised they will adjust the charges listed in Table 1 to be at or below maximum permitted rates in August, 1995.

We recommend you, in conjunction with the City Attorney, take appropriate actions deemed necessary in accordance with FCC regulations.

If you have any questions, please contact me.

Eugene T. Ruzzini

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cc: John W. Witt, City Attorney
Jack McGrory, City Manager
Patricia T. Frazier, Financial Management Director