

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6521

Petitions of The Helicon Group, L.P. , d/b/a Charter)
Communications, for renewal of its Certificates of Public)
Good for its cable systems located in the Towns of Barnet,)
Barre (City & Town), Berlin, Bradford, Burke, Cabot,)
Calais, Chelsea, Concord, Danville, East Montpelier,)
Groton, Kirby, Lyndon, Marshfield, Newbury, Orange,)
Peacham, Plainfield, Royalton, Ryegate, Sheffield, St.)
Johnsbury, Sutton, Tunbridge, Washington, Waterford,)
Wells River (Village), Wheelock, Williamstown,)
Woodbury, and Worcester, Vermont)

Order entered: 9/8/2003

RENEWED CERTIFICATE OF PUBLIC GOOD
ISSUED PURSUANT TO 30 V.S.A. §§ 231 AND 503

IT IS HEREBY CERTIFIED that the Public Service Board ("Board") of the State of Vermont on this date finds and adjudges that the issuance of a Renewed Certificate of Public Good ("Certificate") to The Helicon Group, L.P., d/b/a Charter Communications ("Charter" or "Company"), to serve the City of Barre and the Towns of Barnet, Barre, Berlin, Bradford, Burke, Cabot, Calais, Chelsea, Concord, Danville, East Montpelier, Groton, Kirby, Lyndon, Marshfield, Newbury, Orange, Passumpsic, Peacham, Plainfield, Royalton, Ryegate, Sheffield, St. Johnsbury, Sutton, Tunbridge, Washington, Waterford, Wheelock, Williamstown, Woodbury, and Worcester, and to extend service, if required under its line extension policy, into the Towns of Barnard, Corinth, Fairlee, Lunenburg, Pomfret, Sharon, Stannard, Strafford, Topsham, Vershire, Victory, Walden, and West Fairlee, and that the operation of a cable system in said City and Towns will promote the general good of the State of Vermont subject to compliance with the following conditions:

1. Charter shall file tariffs and all individual customer-service agreements to the extent required by Vermont law.

2. Charter shall not show gross operating revenue tax pursuant to 30 V.S.A. § 22 as a line item on customer bills.

3. a. For the purpose of calculating the gross operating revenue tax, Charter shall use the following definition of gross operating revenues: all cash, credit, property of any kind or nature or other consideration received directly or indirectly by Charter and derived from the operation of its cable systems including, but not limited to, monthly fees charged to subscribers for basic service; monthly fees charged to subscribers for any optional service; pay-television fees; pay-per-view fees; premium-service fees; monthly fees charged to subscribers for any tier of service other than basic service; installation, disconnection and reconnection fees; leased-channel fees; fees, payments or other consideration received from programmers; fees, payments or other consideration received from third parties for lease of space on either fiber or coaxial cable; converter rentals or sales; studio-rental, production-equipment and personnel fees; advertising revenues; revenues from home-shopping networks; and revenues from Internet-access service.

b. For purposes of calculating funding for Public, Educational, and Governmental ("PEG") access in the absence of an agreement otherwise, Charter shall use the definition of gross revenues in section 3a above, except that cable-modem and Internet revenues shall be excluded from the calculation unless and until Congress, the Federal Communications Commission, or a court of competent jurisdiction or governmental agency of competent jurisdiction issues a final ruling or order, not subject to appeal, that such revenues shall be included in such a calculation of gross cable-service revenues.

4. Charter shall at all times offer a reasonably broad range of programming, having regard to available technology, availability of such programming, the interests of subscribers, the revenues and potential revenues of the system, and costs.

5. The Board shall, to the extent permitted by law, retain jurisdiction to prescribe broad categories of programming.

6. Prices for services not subject to rate regulation by the Board shall at all times be reasonable, having regard to the costs of providing such service. Tariffs of current rates, terms and conditions for provision of service and any change thereto shall at all times be filed with the Clerk of the Board and the Department of Public Service ("Department").

7. Charter shall notify the Clerk of the Board and the Department forty-five (45) days prior to any changes in rates, terms or conditions of service; changes in channels offered; retiering of any channel; and any lien, mortgage, pledge or other encumbrance on assets in the Vermont territories served by Charter.

8. If Charter begins doing business in the State of Vermont under any name(s) other than the name(s) in use on the date of the final Order in this Docket, it shall file notice of the new trade name(s) with the Clerk of the Board and the Department at least fifteen (15) days prior to so doing.¹

9. At the time of filing its Annual Report pursuant to 30 V.S.A. § 22, Charter shall file with the Department and the Board the following:

a. A listing of services, the rates charged for each service as of the date of the filing of the report, a statement of any changes in any such rates from the preceding calendar year or period, and a statement of the revenue derived from each service during such calendar year or annual period;

b. A balance sheet, an income statement, a statement of changes in financial condition and a statement of assets used and useful for the provision of service in Vermont, all as of the close of the preceding calendar year or annual period;

c. A current copy of the System of Accounts for Charter's Vermont system;

d. A statement of any significant changes to Charter's business structure, operating procedures or services that were made during the preceding calendar year;

e. A statement of any significant changes to Charter's business structure, operating procedures or services that are planned for the current calendar year;

f. The Company's current Business Plan, which shall be provided to the Department as a confidential document under the Protective Agreement approved in this docket; and

g. A construction budget for the current calendar year, which shall separately identify each line extension and list the length and total estimated cost of each extension, and each extension shall be keyed to the appropriate area on the individual town's house-count survey map and the individual road-data sheets.

1. For a corporate name change, *see* 11 V.S.A. § 4.01 and 30 V.S.A. § 231. Petitioner may wish to contact the Clerk of the Board for assistance.

10. The Company shall file a line extension report with the Department by April 15 of each year that provides the following information relative to line extensions completed or qualifying for construction during the preceding calendar year:

- a. Location of line segment, including name of municipality and nearest road(s);
- b. Length of strand, in feet or miles;
- c. Number of dwellings and multiple-unit business establishments passed, without discounting seasonal dwellings or dwellings with a satellite dish;
- d. Number of seasonal dwellings;
- e. Number of dwellings with a satellite dish;
- f. Number of equivalent year-round residential and business units passed (i.e., with seasonal and "dish homes" discounted to equivalent units); and
- g. Date on which line placed in service.

If any qualifying line extensions remain uncompleted at the end of the calendar year, the Company shall file with the Department by January 15 of the subsequent year a report that includes all of the information described in the foregoing condition and the following additional information with respect to the uncompleted, qualifying line extensions:

- a. Brief explanation of reasons for delay; and
- b. Projected completion date.

11. Charter shall comply with all regulations of the Federal Communications Commission, including the regulations governing commercial leased access. Compliance with the commercial leased-access regulations requires Charter to provide non-discriminatory access to its facilities to all video programmers qualified by the leased-access regulations for such access.

12. This Certificate shall expire eleven years from the date of this Certificate.

13. This Certificate shall be subject to revocation upon good cause, including a substantial or continuous failure to abide by its material terms.

14. This Certificate may not be transferred without the consent of the Board, which shall not be unreasonably delayed or withheld.

15. Charter shall abide by Board rules or regulations, as amended from time to time. The foregoing shall not apply to any rule that is amended during the term of the franchise hereby granted and that imposes any new, material obligation altering any of the terms or conditions of the franchise that the Board, in accordance with the Cable Communications Policy Act of 1984 as amended, has the right to determine in connection with the initial authorization or renewal of a cable operator's franchise. For purposes of this condition, "obligation" means line extension policies, PEG-access obligations, requirements to construct or upgrade facilities used by Charter to provide cable services to its customers, cable services provided to customers, and other non-procedural terms and conditions that the Board has the right to impose on such a franchise. For purposes of this condition, "material" means any obligation that would increase Charter's costs, including lost-opportunity costs, individually or in aggregate by the amount of \$25,000 in any one year or by the amount of \$200,000 during the term of the franchise hereby granted.

16. Charter Communications shall provide two PEG-access plans, one for communities connected via the Barre hub and another for all other Vermont communities it serves ("PEG planning areas"). If Access Management Organizations ("AMOs") are formed to serve smaller or greater portions of the Charter system, the number of plans and PEG planning areas may be adjusted to match. The PEG-access plan shall describe the current PEG-access operations and forecast the state of PEG-access operations in the community over the next five years in order to meet community needs. The plans shall be completed within nine months of issuance of this Certificate and shall be revised not less often than every five years. Although Charter may delegate to one or more AMOs the task of preparing the PEG-access plans, Charter bears ultimate responsibility for PEG-access planning, consistent with the Board's rules and regulations.

17. In each PEG planning area, Charter may contract with one AMO, as defined in Condition No. 16, to prepare the plan from among the one or more AMOs with which Charter currently has a PEG-access contract and which AMO has volunteered a willingness to prepare the plan. Charter, or any AMO acting on its behalf, shall consult with all active AMOs in the PEG planning area in the preparation of the plan.

18. Each PEG-access plan shall include an assessment of the community's need for increased, unchanged, or decreased levels of cable-system capacity for PEG content. Each access plan shall evaluate and consider:

- a. Trends in the amount of PEG content produced and made available to subscribers over the cable system by local volunteers;
- b. Trends in the presentation of PEG content to be made available to subscribers over the cable system by individuals or organizations in the local community;
- c. The level of demand for PEG resources;
- d. The size of the community and the number of subscribers on the system;
- e. Commitments made by governmental and educational organizations to provide governmental or educational content or other assistance;
- f. Availability of funding to support PEG activities; and
- g. Demonstrable expressions of interest in PEG activities in the community.

The access plans shall include:

- h. A description of cable-system capacity assigned to PEG access (including PEG channels) and a projection of the future need for capacity over the next five years;
- i. A description of existing equipment and facilities;
- j. A plan for the activation or deactivation of remote feed drops;
- k. A plan for sharing of PEG content with other systems via interconnection;
- l. A capital budget and timetable for the purchase of new and replacement equipment and facilities;
- m. A current and projected operating budget;
- n. A clear statement as to whether the equipment and facilities are contributed to the AMOs or retained by Charter and made available to the AMO;
- o. A description of the current and planned management of PEG access;
- p. If more than one AMO exists, a plan for the division of revenues available from the cable operator among the entities;
- q. A clear statement of what equipment and facilities have been contributed to the AMO(s) and what equipment and facilities have been retained by the operator;
- r. A plan for performing community outreach in the service territory for the purpose of informing the public of the opportunity for access to the cable system;

s. Operating rules and procedures for the use of equipment and facilities as are necessary for the preservation of equipment and facilities, whether owned by an AMO or Charter; and

t. A plan for dividing PEG resources, including channel time among public, educational and governmental uses and ensuring proportional and adequate access for each type of user.

Where Charter has an agreement with an AMO for the provision of PEG access, such agreement shall require the AMO to furnish to Charter, in a timely manner, the information described in components e, f, h, and l immediately above.

19. At the time of filing its Annual Report pursuant to 30 V.S.A. § 22, Charter shall also file with the Department and Board, as a confidential document subject to the Protective Agreement approved in this docket, a map sufficiently outlining the service territory and describing its existing plant and any extensions and replacements planned for commencement or completion within one calendar year from the close of the preceding calendar year or annual period; the fiber runs and node locations shall be shown on the map. This map shall be filed in paper format and in electronic format. The electronic map shall be provided in one of the standard formats: ArcView shapefile (preferred); .E00 Arc/Info Export format; MapInfo interchange format; Microstation .DGN format; or AutoCAD .DWG, or .DXF format. The filing should identify the cartographic projection of the electronic map file or that it is in unprojected coordinates (i.e., latitude and longitude). The Board and Department shall treat the map as Confidential Information in accordance with and subject to the Protective Agreement approved by the Board's Order in this docket, which agreement and Order shall continue in effect after this docket's termination. The foregoing notwithstanding, Department personnel who execute Schedule IIa to the Protective Agreement will have the right to disclose to third persons whether Charter has capacity to provide data and other broadband services at a given location within the service territory served by Charter upon express request for such information, information about where cable service is available, and in what places, pursuant to the line extension policies established in accordance with the requirements of this Certificate, Charter intends to extend its plant in the next year.

20. Charter shall designate and administer channels for PEG access and use that meet the requirements of Board Rules 8.400 through 8.463.

21. Charter shall provide to AMOs an ability to originate as many simultaneous, live PEG programs on any part of its system as there are forward PEG channels on that part of the system; provided, however, that Charter shall not be obligated to originate more than one live broadcast from any one node or to originate any quantity of simultaneous, system-wide broadcasts that exceeds the number of forward PEG channels activated in that part of the system with the smallest quantity of activated forward PEG channels. The ability to originate additional simultaneous, live PEG programs from remote, non-studio locations (beyond four simultaneous remote originations) may be denied or withdrawn by Charter if the cable-system spectrum used to provide the reverse channels supporting the additional originations is required by Charter to provide other services over its system.

22. Charter shall provide fiber-optic or coaxial-cable drops to every school, library, and PEG-access studio and to at least one municipal building in every municipality in which it is obligated to provide cable service, upon request of the school, library, PEG entity, or municipal building. In addition, it shall provide a fiber-optic or coaxial-cable drop to the Fairbanks Museum and to the Barre Opera House upon request. This condition does not require Charter to provide drops to buildings that are neither passed by nor located within 500 feet of cable plant. Charter shall provide basic cable service at each coaxial drop, and each such drop must be capable of supporting live origination of PEG programming with provisioning of portable modulators, such provisioning to be paid by the AMO out of the revenue received from Charter in accordance with federal law under a PEG-access contract. The installations and basic service required by this Condition shall be without charge.

23. Subject to Condition No. 33, below, Charter, or its duly designated agent, shall develop and submit a proposal within 90 days in response to any qualified request for proposals ("RFP") issued by a state or local government agency, educational institution (accredited elementary schools, secondary schools, colleges and universities, and libraries open to the general public), or educational or governmental access entity ("institutions") seeking an institutional network for voice, video, or data within its franchised area. An RFP shall be deemed qualified if it contains the following information:

- a. the specific locations to be linked (which may include interconnection points with other cable systems or telecommunications providers to be determined later);
- b. the desired transmission capacity or amount of dark optical fiber;
- c. a description of the desired applications to be operated over the institutional network.

Charter or its duly authorized agent shall not be required to construct dedicated facilities for institutional networks, where facilities shared with other services and networks meet the requirements of the institutions. Fulfillment of an RFP involving dark fiber shall not require interconnection of that dark fiber with Charter's hybrid fiber-coaxial grid or with any of the Company's headends, nor shall the institution or the users have access to or rights in those headends. It is understood that Charter will, at most, lease dark fiber but not sell it. It is understood that Charter may not fulfill an RFP requiring dark fiber if the necessary labor and/or material is unavailable or is not available on customary and satisfactory terms.

24. Subject to Condition No. 33, below, Charter's, or its duly designated agent's, response to a qualified RFP shall include the terms and conditions, including but not limited to rates, tolls, or charges, under which it would make available the institutional network to the requesting entity. Charges for institutional networks shall not exceed Charter's, or its duly authorized agent's, fully-allocated costs to provide the network.

25. Subject to Condition No. 33, Charter, or its duly designated agent, shall not charge institutions for construction or extension of facilities used for institutional networks that are required to meet other obligations under its Certificate, or provide services to other customers, either directly or through an affiliate. Charter, or its duly authorized agent, may charge institutions a proportional share of line extensions not otherwise required that will be used for institutional networks but may also be used to serve cable customers.

26. Subject to Condition No. 33, Charter, or its duly designated agent, shall offer institutions on a fee-for-service basis the ability to create Wide-Area Networks (WANs) between points in Charter's franchise area whether or not the institutions utilize Charter or a Charter affiliate as an Internet Service Provider.

27. Subject to Condition No. 33, Charter, or its duly designated agent, shall offer Service Level Agreements (SLA) to institutions using institutional networks covering committed throughput rates, service availability, reliability, repair times, and other service-quality elements customarily offered for comparable services.

28. Subject to Condition No. 33, Charter, or its duly designated agent, shall respond 24 hours a day, 7 days per week to outages or degradation of service below contracted service for institutional networks. If a reported problem with an institutional network cannot be corrected immediately, Charter staff, or its duly designated agent's staff, shall promptly explain the status to the institution in person or via phone and provide the approximate time in which the problem will be resolved. A Charter representative, or its duly designated agent, will verify with the institution that services are working either in person or via telephone before the trouble call is closed out. Charter or its duly authorized agent shall provide institutions to which it provides institutional networks with a local manager to whom it can escalate unresolved problems.

29. Charter shall provide the ability, under the control of the PEG AMOs active on the Charter system, for live PEG-access programming originating on one part of its system to be shown on the PEG channel or channels on the other part of the systems.

30. Once the Board has designated an entity to act as a statewide PEG AMO, Charter shall, upon request of the AMO:

a. provide as minimum support for the statewide PEG network the capability of transmitting signals from the statewide network to any PEG forward channel and transmitting to the statewide network signals originating on any PEG reverse channel on the cable system;

b. interconnect, directly or indirectly, with Adelphia² or its successor, to provide transmission of PEG-access programming between the two companies' systems.

Charter shall negotiate in good faith with Adelphia or its successor and shall attempt to conclude an interconnection agreement within 120 days of the day when the requirement is triggered. Such an agreement shall include, but not necessarily be limited to, interconnection points, testing, repair and maintenance obligations, means of interconnection, and adherence to transmission

2. That is, with one of the eight operating companies doing business in Vermont as "Adelphia Cable Communications."

standards. If the cable operators cannot reach an interconnection agreement within 120 days, Charter shall submit all unresolved issues to the Board for resolution.

Such a request by the AMO for statewide PEG-network capability is to be made at least one year prior to activation of the statewide channel on a Charter system. Additionally, Charter is not obligated to pay for statewide PEG-programming content in addition to its PEG-access obligations.

31. Charter shall submit to the Board, with a copy to the Department, every second year (no later than January 15th of the year and under seal in accordance with the Protective Agreement approved in this docket), a business-case analysis for the roll-out of new services that have been offered by other Charter systems within its Northeast Division, of 15,000 subscribers or less and a density of 25 homes or less per mile passed, but have not yet been offered by Charter in Vermont. If the business-case analysis shows that Charter will recover the incremental capital-investment and operating costs of any such service within four years of completing the initial investment required to deploy the service, Charter shall be obligated to introduce that service no later than one year from the date that such analysis is submitted.

32. Subject to applicable law, including statutes governing or rules and regulations promulgated by the Federal Communications Commission, Charter shall respond to and negotiate with any digital-broadcast service broadcasting in Vermont, including but not limited to any service that provides High Definition TV or Standard Definition TV multicast services, commercially-reasonable terms for the carriage of such services on Charter's system. This condition requires Charter to use its best efforts to reach agreement on such terms but does not require that Charter reach agreement for such carriage.

33. Charter shall be obligated to offer service enabling, upon request, every school, library, and PEG-access studio, and at least one municipal building in every municipality in which Charter has an obligation to provide cable service, to have access to an institutional network or networking on a fee-for-service basis. If Charter decides to form a separate corporate entity to provide institutional network services, now sold by Charter under the name Charter Business Services, it shall cause such separate company to apply for a Certificate to provide telecommunications services in Vermont, which services shall include provision to each such

school, library, studio, or municipal building of access to an institutional network or networking, on the same basis as required here of Charter, during the term of the franchise granted by such a Certificate.

34. Charter must apprise and consult with relevant AMOs prior to any PEG-access-channel reassignment and shall pay the access entity's reasonable costs of such reassignment. Charter shall not reassign a PEG-access channel without advance warning and consultation with the access group.

35. At a minimum, Charter must provide the following PEG-access outreach:

- a. fund semi-annual, quarter-page advertising in local newspapers promoting PEG-access programming and functions;
- b. assist AMO access groups in placing their channel programming in the local newspaper's television-listing grid where such a listing is feasible;
- c. provide on-screen advertising and promotion of the PEG-access channel programming and facilities; and
- d. allow AMOs to access Charter's electronic-programming guide and pay any applicable fee so that the groups can have their schedules listed on that channel.

36. Charter shall negotiate with its AMOs a single, Charter-wide, mutually-agreeable procedure for handling issues, questions and complaints that arise from the AMOs and shall file the procedure with the Board no later than 120 days following the Board's final order in this docket. The procedure shall address the kinds of issues that may arise, means of communicating about and resolving those issues, and an escalation procedure.

37. Charter shall perform house-count surveys annually, and Charter shall be obligated to do a ride-out survey of its system at least every third year. In any year in which Charter does not conduct a ride-out survey, it shall perform the annual survey using E-911 maps. The first ride-out survey shall occur no later than 2005.

38. For the purposes of implementing Charter's line extension policy, the Company shall count homes and businesses in the following manner:

- a. Count a dwelling as a year-round residential unit if the subscriber is paying for year-round service, regardless of the period of actual occupancy;
- b. Count a subscriber as verified if the subscriber has entered into a contract for year-round service of two-years or longer;

c. Count seasonal dwellings or dwellings with a satellite dish as one-third of a year-round residential unit unless there is credible evidence that higher or lower percentages should be used;

d. Count all dwellings within 500 feet of the proposed extension (customers may be charged for the costs of providing a service connection that exceeds the cost of a standard, 300-foot drop);

e. Count multiple-unit business establishments, such as hospitals, homes for the elderly, and nursing homes, as one subscriber per room or apartment if the occupants can subscribe individually;

f. In multiple-unit business establishments, such as hospitals, homes for the elderly, nursing homes, hotels, motels and other lodging establishments (where the occupants of the units cannot subscribe as individuals but where there is cable service to a number of the rooms or apartments), count the units in a manner similar to seasonal residential dwellings: where the equivalent units equals the rate charged by the cable operator per room divided by the basic cable rate for a residential service times the number of rooms or apartments, plus one year-round subscriber for the business as a whole; and

g. Do not count that part of the house drop (the facilities located between the dwelling and the Company's distribution facilities generally located in the road right-of-way) constructed with coaxial cable as part of the line extension.

39. The Company shall complete all qualifying line extensions by the end of the next calendar following identification. In cases where construction is delayed due to circumstances beyond the Company's control and the Company anticipates that construction will not be complete prior to the end of the calendar year, the Company shall provide 60 days' advance notice of the delay to the Board and Department and shall request the Board to extend the required completion date.

40. Line extensions shall be built without customer contribution where:

a. the average density of equivalent year-round residential and business units passed per mile, starting at the nearest end of the existing trunk or distribution system, equals or exceeds "H"; or

b. the average number of verified year-round subscribers per mile along a potential extension equals or exceeds "H" multiplied by "P".

"H" and "P" shall be calculated in the manner described in Condition Nos. 41 through 47, below.

41. Simple Line Extensions. A simple line extension is an extension that does not require installation of amplifiers, power supplies, line extenders, nodes or fiber.

For simple line extensions, "H", the Equivalent Year-Round Homes Passed Per Mile, shall be calculated as follows, subject to the exception that "H" shall not be less than 11 or greater than 17:

$$H = (C \times ACC) / (12 \times AMR \times P), \text{ where:}$$

"C" = Average cost per mile of all simple line extensions completed in the calendar year preceding the most recent annual report to the Department.

"ACC", the Annual Carrying Charge, shall equal A&G + O&M + Taxes + Depreciation + Return. Values for Administrative and General costs ("A&G"), and Operations and Maintenance ("O&M"), "Taxes", and Depreciation are the amounts reported by the Company in its most recent annual report to the Department.

"Return" shall equal 11.25%.

"AMR", the Average Monthly Revenue Per Subscriber, shall equal:

Total Vermont Revenue \div 12 \div average number of subscribers, as reported by the Company in its most recent annual report to the Department.

"P," the Company's average, state-wide, cable-penetration rate of cable-service subscribers, shall equal the total number of equivalent subscribers divided by the total number of equivalent homes passed by the system, and shall be calculated using data reported by Charter in its most recent annual report to the Department.

42. Complex Line Extensions: A complex line extension is an extension that requires installation of amplifiers, power supplies, line extenders, nodes or fiber.

For complex line extensions, "H" shall be 23.

43. For application to possible extensions identified by the Company's 2002 house-count surveys (for construction in 2003), "C" for all simple line extensions is \$5,013.

44. For application to possible extensions identified by the Company's 2002 house-count surveys (for construction in 2003), "ACC" is 59.49%.

45. For application to possible extensions identified by the Company's 2002 house-count surveys (for construction in 2003), "AMR" is \$47.26.

46. For application to possible extensions identified by the Company's 2002 house-count surveys (for construction in 2003), "P" is 57.44%.

47. For application to possible extensions identified by the Company's 2002 house-count surveys (for construction in 2003), "H" for all simple line extensions is 11.

48. Charter shall fund the establishment of a cable advisory board in its territory in accordance with the guidelines contained in Exhibit DPS-DLF 1, which is attached as Attachment A to this Certificate. The advisory board shall meet for the first time no later than 120 days following the Board's final order in this docket.

49. On at least a bi-annual basis, Charter's senior management with responsibility for Vermont operations shall invite city and town government officials in each of Charter's cable systems to meet for the purpose of exchanging information about community needs and the Company's plans. These meetings shall be conducted on a system-wide basis.

50. Charter's deposit and disconnection policies shall at all times be consistent with Board Rules 3.200, 3.400, and 8.000, as they may be amended from time to time.

51. Charter shall respond in writing within fourteen calendar days to written inquiries from the Department regarding consumer complaints, the status of a line extension and construction progress. The fourteen-calendar-day period commences upon receipt by Charter of the Department's written notification of an inquiry or complaint. Written notification includes notification by electronic mail, facsimile, hand-delivery, or U.S. mail. In any case in which the Company is unable to respond fully, providing all information necessary to resolve the inquiry or complaint, within fourteen days, it must provide notice to the Department before the elapse of the initial fourteen days that an extension of time is required. Although the initial transmittal of the inquiry or complaint must be in writing, the Department and the Company are permitted to discuss the inquiry or complaint in person or by telephone.

52. Charter shall adhere to the customer service standards contained in 47 C.F.R. § 76.309.³ The Company must monitor its customer-service performance in relation to all FCC and Board customer-service standards on a monthly basis in accordance with the Service Quality Plan in Attachment B to this Certificate. Quarterly, beginning with the quarter following Board approval of this Certificate, the Company shall submit monitoring reports on its performance to

3. All references to sections of 47 C.F.R. are intended to refer to those sections as they shall be amended from time to time.

the Department and the Board. Where quarterly performance falls more than 10 percent below any standard, or where performance does not meet any standard for two consecutive quarters, the Company shall submit a corrective-action plan indicating how it will meet the failed standards.

53. Should consumer complaints to the Department concerning Charter exceed a rate of 2.5 escalations per 1000 customers, Charter must track and analyze consumer complaints in a manner that will enable their periodic analysis. ("Escalation" is a complaint to the Consumer Affairs and Public Information Division of the Department ("CAPI") in which, following investigation, CAPI staff determines reasonably there is something the Company could and should have done differently prior to the consumer having to contact Department for assistance.) Specifically, the Company must work with the Department to develop a complaint-tracking protocol that defines what is considered a complaint to the Company and complaint categories to be tracked. The system should permit customer-service and sales representatives to capture written, telephonic, e-mail and face-to-face complaints and to allow easy tabulation and analysis of those complaints by system and topic. If this provision is triggered, on an annual basis the Company must submit a report to the Department and the Board indicating the number and nature of complaints received, how they were analyzed by the Company, what systemic issues were identified, and what responses were implemented to address those systemic issues. Measurement of the consumer-complaint rate to determine whether this provision is triggered shall be calculated on a calendar year basis. If this provision is triggered, the requirements of this provision will continue for a period of the subsequent three years.

54. Charter shall treat all written complaints from subscribers in accordance with 47 C.F.R. § 76.1619(b) and Board Rule 8.345. Charter shall not limit such responses to those complaints that cannot be resolved by a customer-service representative.

55. Charter shall annually cause to be mailed to each of its subscribers a notice or notices, developed in consultation with the Department and approved by the Board, to the extent required by law that:

- a. state that the Board and the Department desire to hear the views of subscribers regarding the quality of services provided by the Company and as to the reasonableness of the terms upon which such services are provided;

- b. inform the subscribers how they may communicate their views to the Board, to the Department, and to the Company;
- c. notify subscribers of the complaint and appeal procedure for complaints against any PEG-access entity and complaints against the Company itself; and
- d. include the notices required by Board Rule 8.341 and 47 C.F.R. § 6.1602(b)–(c).

56. On or before January 30 of each year, Charter shall certify to the Board, under oath, that it has distributed the notice(s) required in Condition No. 55, above, during the previous calendar year.

57. Charter shall ensure that all customer notices are in plain English, at no greater than a sixth-grade reading level, and that type sizes and layouts are sufficient to render the notices readable to the average consumer. The Flesch-Kincaid Reading Level test, or equivalent instrument that may widely supercede it, shall be used to determine compliance with the grade-level requirement.

58. Charter shall provide customers at the time of any service order with a clear and understandable description of the terms, conditions, rates and charges for all requested services and appropriate alternatives, which shall include the least-cost alternatives to the requested service. The Company shall disclose, at a minimum, any non-recurring charges, such as for installation, the recurring charges for services, any charges that apply to a change in service or periods in which such charges are waived, and information about equipment, policies and procedures.

59. Charter shall not use the term "Basic," alone, in a phrase, or as an abbreviation, in reference to any service tier other than the lowest level of cable service that a subscriber can select.

60. Charter shall list the toll-free telephone number of the Department on its bills and in the "complaint procedures" section of its annual notices along with the following language: "You should first try to resolve any complaint or dispute directly with Charter. If you remain unsatisfied by Charter's response, you may request assistance from the Vermont Department of Public Service Consumer Hotline by calling 1-800-622-4496." The existing language in the

Company's disconnection notice concerning access to assistance from the Department shall be maintained.

61. Charter shall revise its "complaint procedure" and any other relevant sections of the annual notice provided to consumers in compliance with 47 C.F.R. § 76.102(b) to provide specific reference to the "Vermont Public Service Board" as the local-franchising authority for all Vermont systems. At no time shall Charter represent to customers, either in writing or orally, that the municipalities are the local-franchising authorities in Vermont.

62. Charter shall at all times ensure that its annual customer notice is specific and detailed with respect to Vermont policies and procedures and that all contents are consistent with the Company's Vermont tariff.

63. Charter shall provide all consumers at the time of installation with a clear, written notice complying with 47 C.F.R. §76.1618 that the basic tier of service is available, its cost per month, and a list of all services included in the basic tier.

64. Charter shall ensure compliance with 47 C.F.R. § 76.309(c)(3), which requires that refund checks due to customers shall be issued no later than (a) the earlier of the next billing cycle following resolution of the request or 30 days, or (b) the return of equipment supplied by the operator if service is terminated.

65. Charter shall during the term of this Certificate maintain its "knowledge management system" ("KMS") or other functionally equivalent capacity to accurately and comprehensively describe to customer-service representatives all Vermont-specific rules and requirements that are relevant to calls received by them. Charter shall submit current copies of the Vermont-specific information it includes in such system to the Department for review and comment. Charter shall initially implement such system or capacity by October 1, 2003.

66. Charter shall continue to maintain a discount for senior citizens for its Basic Tier service in the amount of \$2.00 per month or 10% of the Basic Tier charge per month, whichever is greater. The foregoing condition shall not require Charter to offer such a discount on the Basic Tier component of any package that includes both the Basic Tier service and any other tier or service.

67. If Charter decides to raise rates more than once in any calendar year, Charter shall include with its rate-change notice to the Board, and provide a copy to the Department of, a written explanation of the circumstances or other reasons that necessitate the Company's need to increase its rates, notwithstanding its good-faith representation to the Board that (in accordance with its past practice) it intends to adjust rates only once each calendar year.

68. Charter shall use its best efforts to negotiate with each AMO serving any municipality in which Charter provides cable service to carry Vermont Public Radio on at least one PEG-access channel, during hours of broadcast when the channel is not being used by the AMO to provide programming that requires other audio content.

69. If requested by an AMO, Charter shall provide the capital funding reasonably necessary to permit each administrative entity to purchase a digital video camera and an appropriately configured computer workstation, with appropriate up-to-date software, capable of digital non-linear, online video editing and encoding digital video into commonly-used streaming media formats. This does not require digital cablecast capability. Charter must negotiate in good faith with each AMO to determine, within the parameters just mentioned, exactly what equipment shall be purchased. The equipment described in this condition, if requested, shall be funded from or credited against the capital contribution required by Board Rule 8.451(B).

70. Charter and the AMOs shall reevaluate the equipment needs of public access in the years 2007 and 2010. At those times, Charter may be required to provide additional capital funding for equipment upgrades. If an agreement cannot be reached, the Board will exercise its authority under 30 V.S.A. § 509(a) and open an investigation to consider the necessity and amount of the interim upgrade payments.

71. Charter shall, at all times, take all prudent actions necessary to maintain an investment-grade rating on any long-term debt with which its Vermont cable operations are financed whether directly or indirectly.

72. Charter shall, no later than 60 days from the Board order in this docket, submit its disconnection notice to the Board for approval. Such notice shall conform to the requirements of Board Rule 3.403. Charter shall not disconnect any customer unless such customer receives a valid disconnection notice in a form that has been approved by the Board.

73. Charter shall provide outage credit and/or refunds to customers without the necessity of the customer contacting the Company in those instances in which the Company knows an outage has occurred and has affected a particular system or portion of a system. Charter's outage-credit policies and practices shall at all times be consistent with Board Rule 8.343.

74. Charter shall file with the Board and Department copies of all PEG-access contracts with AMOs, and any amendments thereto, within 30 days of execution.

Dated at Montpelier, Vermont, this 8th day of September, 2003.

s/Michael H. Dworkin)

) PUBLIC SERVICE

s/David C. Coen)

) BOARD

s/John D. Burke)

) OF VERMONT

OFFICE OF THE CLERK

FILED: September 8, 2003

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@Board.state.vt.us)