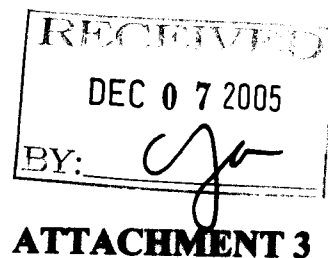


(B)



December 5, 2005

Mr. Cal Horton  
Town Manager  
Town of Chapel Hill  
405 Martin Luther King Jr. Blvd.  
Chapel Hill, NC 27614

Re: FCC Form 1240

On October 13<sup>th</sup>, 2005 we mailed you copies of FCC Form 1240 and FCC Form 1205 which are used in the calculation of the Basic Service Tier "BST" rates, and equipment and installation charges scheduled to become effective on February 1, 2006. Unfortunately, we inadvertently mailed you a copy of an unsigned FCC Form 1240. To that effect, we are here mailing you a signed copy of the FCC Form 1240 as well as a copy of the Exhibit 1. Please notice that the data reflected in both the signed copy of the FCC Form 1240 and that of Exhibit 1 is exactly the same as that forwarded on to you on our original submission.

Very truly yours,

A handwritten signature in cursive script that reads "Paul Baccellieri".

Paul Baccellieri  
Vice President, Finance  
Time Warner Cable – Raleigh Division

Enclosures:  
1240 FCC Form  
Exhibit 1



19

TIME WARNER CABLE - RALEIGH DIVISION  
SUMMARY OF 2006 BST RATE CHANGES  
EXHIBIT 1

OCTOBER 13, 2005

CUID #: NC-0234  
COMMUNITY: Chapel Hill

Below is a brief summary of your franchise BST rate as computed using FCC Forms 1240 and 1235 Cost of Service Filing.

MPR PER FCC FORM 1240	COST OF SERVICE FILING (FORM 1235)	TOTAL MAXIMUM BST RATE	TWC 2006 BST RATE SELECTED
\$13.33	\$ 2.11	\$15.44	\$14.50

ENCLOSURES:

FCC Form 1240 with Channel Lineups  
520  
NC-0234

NOTE: Please note that an FCC Form 1235 was previously filed upon completion of the cable system upgrade. The computed rate per the FCC Form 1235 is indicated above and will remain in effect for 2006.

FCC FORM 1240  
UPDATING MAXIMUM PERMITTED RATES FOR REGULATED CABLE SERVICES

**Cable Operator:**

Name of Cable Operator <b>TIME WARNER CABLE</b>		
Mailing Address of Cable Operator <b>101 Innovation Ave., Suite 100</b>		
City <b>Morrisville</b>	State <b>NC</b>	ZIP Code <b>27560</b>

1. Does this filing involve a single franchise authority and a single community unit?

YES	NO
<b>X</b>	

If yes, complete the franchise authority information below and enter the associated CUID number here:

NC-0234
---------

2. Does this filing involve a single franchise authority but multiple community units?

YES	NO
	<b>X</b>

If yes, enter the associated CUIDs below and complete the franchise authority information at the bottom of this page:

--

3. Does this filing involve multiple franchise authorities?

If yes, attach a separate sheet for each franchise authority and include the following franchise authority information with its associated CUID(s):

**Franchise Authority Information:**

Name of Local Franchising Authority <b>TOWN OF CHAPEL HILL</b>		
Mailing Address of Local Franchising Authority <b>306 N. COLUMBIA STREET</b>		
City <b>CHAPEL HILL</b>	State <b>NC</b>	ZIP Code <b>27516</b>
Telephone number	Fax Number	

4. For what purpose is this Form 1240 being filed? Please put an "X" in the appropriate box.

- a. Original Form 1240 for Basic Tier
- b. Amended Form 1240 for Basic Tier
- c. Original Form 1240 for CPS Tier
- d. Amended Form 1240 for CPS Tier

<b>X</b>

5. Indicate the one year time period for which you are setting rates (the Projected Period).

TO	
<b>02/06</b>	<b>12/06</b>

(mm/yy)

6. Indicate the time period for which you are performing a true-up.

TO	
<b>10/04</b>	<b>09/05</b>

(mm/yy)

7. Status of Previous Filing of FCC Form 1240 (enter an "x" in the appropriate box)

- a. Is this the first FCC Form 1240 filed in any jurisdiction?
- b. Has an FCC Form 1240 been filed previously with the FCC?

YES	NO
	<b>X</b>
	<b>X</b>

If yes, enter the date of the most recent filing:

	(mm/dd/yy)
--	------------

c. Has an FCC Form 1240 been filed previously with the Franchising Authority?

YES	NO
<b>X</b>	

If yes, enter the date of the most recent filing:

<b>09/30/04</b>	(mm/dd/yy)
-----------------	------------

8. Status of Previous Filing of FCC Form 1210 (enter an "x" in the appropriate box)

YES NO

a. Has an FCC Form 1210 been previously filed with the FCC?  YES  NO  
 If yes, enter the date of the most recent filing:  (mm/dd/yy)

b. Has an FCC Form 1210 been previously filed with the Franchising Authority?  YES  NO  
 If yes, enter the date of the most recent filing:  (mm/dd/yy)

**9. Status of FCC Form 1200 Filing (enter an "x" in the appropriate box)**

a. Has an FCC Form 1200 been previously filed with the FCC?  YES  NO  
 If yes, enter the date filed:  (mm/dd/yy)

b. Has an FCC Form 1200 been previously filed with the Franchising Authority?  YES  NO  
 If yes, enter the date filed:  (mm/dd/yy)

**10. Cable Programming Services Complaint Status (enter an "x" in the appropriate box)**

a. Is this form being filed in response to an FCC Form 329 complaint?  YES  NO  
 If yes, enter the date of the complaint:  (mm/dd/yy)

**11. Is FCC Form 1205 Being Included With This Filing**

YES  NO

**12. Selection of "Going Forward" Channel Addition Methodology (enter an "x" in the appropriate box)**

- Check here if you are using the original rules [MARKUP METHOD].
- Check here if you are using the new, alternative rules [CAPS METHOD].

If using the CAPS METHOD, have you elected to revise recovery for channels added during the period May 15, 1994 to Dec. 31, 1994?

YES  NO

**13. Headend Upgrade Methodology**

\*NOTE: Operators must certify to the Commission their eligibility to use this upgrade methodology and attach an equipment list and depreciation schedule.

Check here if you are a qualifying small system using the streamlined headend upgrade methodology.

**Part I: Preliminary Information**

**Module A: Maximum Permitted Rate From Previous Filing**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
A1	Current Maximum Permitted Rate	\$12.7965				

**Module B: Subscribership**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
B1	Average Subscribership For True-Up Period 1	376				
B2	Average Subscribership For True-Up Period 2					
B3	Estimated Average Subscribership For Projected Period	382				

**Module C: Inflation Information**

Line	Line Description		
C1	Unclaimed Inflation: Operator Switching From 1210 To 1240		1.0000
C2	Unclaimed Inflation: Unregulated Operator Responding to Rate Complaint		1.0000
C3	Inflation Factor For True-Up Period 1 [Wks 1]		1.0265
C4	Inflation Factor For True-Up Period 2 [Wks 1]		
C5	Current FCC Inflation Factor		1.0257

**Module D: Calculating the Base Rate**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
D1	Current Headend Upgrade Segment					
D2	Current External Costs Segment	\$1.2099				
D3	Current Caps Method Segment					
D4	Current Markup Method Segment					
D5	Current Channel Movement and Deletion Segment					
D6	Current True-Up Segment	\$0.5331				
D7	Current Inflation Segment	\$0.3052				
D8	Base Rate [A1-D1-D2-D3-D4-D5-D6-D7]	\$10.7482				

**Part II: True-Up Period  
Module E: Timing Information**

Line	Line Description		
E1	What Type of True-Up Is Being Performed? (Answer "1", "2", or "3". See Instructions for a description of these types.) If "1", go to Module I. If "2", answer E2 and E3. If "3", answer E2, E3, E4, and E5.		2
E2	Number of Months in the True-Up Period 1		12
E3	Number of Months between the end of True-Up Period 1 and the end of the most recent Projected Period		3
E4	Number of Months in True-Up Period 2 Eligible for Interest		
E5	Number of Months True-Up Period 2 Ineligible for Interest		

**Module F: Maximum Permitted Rate For True-Up Period 1**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
F1	Caps Method Segment For True-Up Period 1 [Wks 2]					
F2	Markup Method Segment For True-Up Period 1 [Wks 3]					
F3	Chan Mvmnt Deletn Segment For True-Up Period 1 [Wks' 4/5]					
F4	True-Up Period 1 Rate Eligible For Inflation [D8+F1+F2+F3]	\$10.7482				
F5	Inflation Segment for True-Up Period 1 [(F4*C3)-F4]	\$0.2851				
F6	Headend Upgrade Segment For True-Up Period 1 [Wks 6]					
F7	External Costs Segment For True-Up Period 1 [Wks 7]	\$1.3605				
F8	True-Up Segment For True-Up Period 1	\$0.5307				
F9	Max Perm Rate for True-Up Period 1 [F4+F5+F6+F7+F8]	\$12.9245				

**Module G: Maximum Permitted Rate For True-Up Period 2**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
G1	Caps Method Segment For True-Up Period 2 [Wks 2]					
G2	Markup Method Segment For True-Up Period 2 [Wks 3]					
G3	Chan Mvmnt Deletn Segment For True-Up Period 2 [Wks' 4/5]					
G4	TU Period 2 Rate Eligible For Inflation [D8+F5+G1+G2+G3]					
G5	Inflation Segment for True-Up Period 2 [(G4*C4)-G4]					
G6	Headend Upgrade Segment For True-Up Period 2 [Wks 6]					
G7	External Costs Segment For True-Up Period 2 [Wks 7]					
G8	True-Up Segment For True-Up Period 2					
G9	Max Perm Rate for True-Up Period 2 [G4+G5+G6+G7+G8]					

**Module H: True-Up Adjustment Calculation**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
<b>Adjustment For True-Up Period 1</b>						
H1	Revenue From Period 1	\$55,702.6589				
H2	Revenue From Max Permitted Rate for Period 1	\$58,340.9196				
H3	True-Up Period 1 Adjustment [H2-H1]	\$2,638.2607				
H4	Interest on Period 1 Adjustment	\$226.7771				
<b>Adjustment For True-Up Period 2</b>						
H5	Revenue From Period 2 Eligible for Interest					
H6	Revenue From Max Perm Rate for Period 2 Eligible For Interest					
H7	Period 2 Adjustment Eligible For Interest [H6-H5]					
H8	Interest on Period 2 Adjustment (See instructions for formula)					
H9	Revenue From Period 2 Ineligible for Interest					
H10	Revenue From Max Perm Rate for Period 2 Ineligible for Interest					
H11	Period 2 Adjustment Ineligible For Interest [H10-H9]					
<b>Total True-Up Adjustment</b>						
H12	Previous Remaining True-Up Adjustment					
H13	Total True-Up Adjustment [H3+H4+H7+H8+H11+H12]	\$2,865.0377				
H14	Amount of True-Up Claimed For This Projected Period	\$2,865.0377				
H15	Remaining True-Up Adjustment [H13-H14]	\$0.0000				

**Part III: Projected Period**  
**Module I: New Maximum Permitted Rate**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
I1	Caps Method Segment For Projected Period [Wks 2]					
I2	Markup Method Segment For Projected Period [Wks 3]					
I3	Chan Mvmnt Deletn Segment For Projected Period [Wks 4/5]					
I4	Proj. Period Rate Eligible For Inflation [D8+F5+G5+I1+I2+I3]	\$11.0333				
I5	Inflation Segment for Projected Period [(I4*C5)-I4]	\$0.2836				
I6	Headend Upgrade Segment For Projected Period [Wks 6]					
I7	External Costs Segment For Projected Period [Wks 7]	\$1.3894				
I8	True-Up Segment For Projected Period	\$0.6253				
I9	Max Permitted Rate for Projected Period [I4+I5+I6+I7+I8]	\$13.3316				
I10	Operator Selected Rate For Projected Period	\$12.39				

*Note: The maximum permitted rate figures do not take into account any refund liability you may have. If you have previously been ordered by the Commission or your local franchising authority to make refunds, you are not relieved of your obligation to make such refunds even if the permitted rate is higher than the contested rate or your current rate.*

**Certification Statement**

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE TITLE 18, SECTION 1001), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

I certify that the statements made in this form are true and correct to the best of my knowledge and belief, and are made in good faith.

Signature <i>Paul Baccellieri</i>	Date 12/5/05
Name and Title of Person Completing this Form: Paul Baccellieri, Raleigh Division Vice President of Finance	
Telephone number (919) 573-7115	Fax Number (919) 573-7042



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## Worksheet 1 - True-Up Period Inflation

For instructions, see Appendix A of Instructions For FCC Form 1240

Line	Period	FCC Inflation Factor
101	Month 1	2.26%
102	Month 2	2.26%
103	Month 3	2.26%
104	Month 4	2.89%
105	Month 5	2.89%
106	Month 6	2.89%
107	Month 7	2.89%
108	Month 8	2.89%
109	Month 9	2.89%
110	Month 10	2.57%
111	Month 11	2.57%
112	Month 12	2.57%
113	Average Inflation Factor for True-Up Period 1	1.0265
114	Month 13	
115	Month 14	
116	Month 15	
117	Month 16	
118	Month 17	
119	Month 18	
120	Month 19	
121	Month 20	
122	Month 21	
123	Month 22	
124	Month 23	
125	Month 24	
126	Average Inflation Factor for True-Up Period 2	

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## Worksheet 7 - External Costs True-Up Period

For instructions, see Appendix A of Instructions For FCC Form 1240

True-Up Period	Projected Period
X	
	12

Question 1. For which time period are you filling out this worksheet? [Put an "X" in the appropriate box.]

Question 2. How long is the first period, in months, for which rates are being set with this worksheet?

Question 3. How long is the second period, in months, for which rates are being set with this worksheet?

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
------	------------------	------------	-------------	-------------	-------------	-------------

### Period 1

External Costs Eligible for Markup						
701	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period	\$5,213.28				
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$499.44				
704	External Costs Eligible For 7.5% Markup	\$5,712.72				
705	Marked Up External Costs	\$6,141.1741				
External Costs Not Eligible for Markup						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period					
708	Commission Regulatory Fees For Period					
709	Total External Costs For Period	\$6,141.1741				
710	Monthly, Per-Subscriber External Costs For Period 1	\$1.3605				

### Period 2

External Costs Eligible for Markup						
711	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period					
712	Retransmission Consent Fees For Period					
713	Copyright Fees For Period					
714	External Costs Eligible For 7.5% Markup					
715	Marked Up External Costs					
External Costs Not Eligible for Markup						
716	Cable Specific Taxes For Period					
717	Franchise Related Costs For Period					
718	Commission Regulatory Fees For Period					
719	Total External Costs For Period					
720	Monthly, Per-Subscriber External Costs For Period 2					

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## Worksheet 7 - External Costs Projected Period

For instructions, see Appendix A of Instructions For FCC Form 1240

True-Up Period	Projected Period
	X
	12
	0

Question 1. For which time period are you filling out this worksheet? [Put an "X" in the appropriate box.]

Question 2. How long is the first period, in months, for which rates are being set with this worksheet?

Question 3. How long is the second period, in months, for which rates are being set with this worksheet?

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
<b>Period 1</b>						
<b>External Costs Eligible for Markup</b>						
701	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period	\$5,414.88				
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$506.93				
704	External Costs Eligible For 7.5% Markup	\$5,921.81				
705	Marked Up External Costs	\$6,365.9475				
<b>External Costs Not Eligible for Markup</b>						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period					
708	Commission Regulatory Fees For Period					
709	Total External Costs For Period	\$6,365.9475				
710	Monthly, Per-Subscriber External Costs For Period 1	\$1.3894				



## Worksheet 8 - True-Up Rate Charged

For instructions, see Appendix A of Instructions For FCC Form 1240

Question 1. How long is the True-Up Period 1, in months?  
 Question 2. How long is the True-Up Period 2, in months?

12

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
801	Month 1	\$12.1900				
802	Month 2	\$12.1900				
803	Month 3	\$12.1900				
804	Month 4	\$12.3900				
805	Month 5	\$12.3900				
806	Month 6	\$12.3900				
807	Month 7	\$12.3900				
808	Month 8	\$12.3900				
809	Month 9	\$12.3900				
810	Month 10	\$12.3900				
811	Month 11	\$12.3900				
812	Month 12	\$12.3900				
813	Period 1 Average Rate	\$12.3400				

814	Month 13					
815	Month 14					
816	Month 15					
817	Month 16					
818	Month 17					
819	Month 18					
820	Month 19					
821	Month 20					
822	Month 21					
823	Month 22					
824	Month 23					
825	Month 24					
826	Period 2 Average Rate					

**Time Warner Cable - Raleigh Division**

**FCC 1240 - Basic Tier Service (BST) Lineup**

**System: Chapel Hill, Orange Cnty, Granville Cnty, Durham Cnty, Chatham County, Pittsboro, Carrboro, Hillsborough**

**2005 True-up  
Channel Lineups  
per 2006 FCC 1240**

10/04-03/05

0	TV Guide Channel
2	WNCN-TV(NBC)
3	WRAL-TV (CBS)
4	Educational Programming
5	WRAY-TV (IND)
6	WTVD-TV (ABC)
7	Home Buyers Channel
8	Community Programming
9	WUNC-TV (PBS)
10	WLFL-TV (WB)
11	WUVC-TV (UNI)
12	WRDC-TV (UPN)
13	WRAZ-TV (FOX)
14	NEWS-14
15	HSN
16	QVC
18	Gov. Access/C-SPAN2
19	BET
21	WGN
22	WRPX-TV (PAX)
24	Triangle TV

**2006 Projected  
Channel Lineups  
per 2006 FCC 1240**

04/05-09/05

0	TV Guide Channel
2	WNCN NBC
3	WRAL CBS
4	Educational Access
5	WRAY IND
6	WTVD ABC
7	Home Buyers Channel
8	Community Programming
9	UNC PBS
10	WLFL WB
11	WUVC UNIVISION
12	WRDC UPN
13	WRAZ FOX
14	News 14 Carolina
15	Home Shopping Network
16	QVC
18	C-SPAN 2
19	BET
20	Telefutura
21	WGN
22	WRPX i
24	Triangle TV

10/05-9/06

0	TV Guide Channel
2	WNCN NBC
3	WRAL CBS
4	Educational Access
5	WRAY IND
6	WTVD ABC
7	Home Buyers Channel
8	Community Programming
9	UNC PBS
10	WLFL WB
11	WUVC UNIVISION
12	WRDC UPN
13	WRAZ FOX
14	News 14 Carolina
15	Home Shopping Network
16	QVC
18	C-SPAN 2
19	BET
20	Telefutura
21	WGN
22	WRPX i
24	Triangle TV

TIME WARNER CABLE - RALEIGH DIVISION  
SUMMARY OF 2006 BST RATE CHANGES  
EXHIBIT 1

OCTOBER 13, 2005

CUID #: NC-0234  
COMMUNITY: Chapel Hill

Below is a brief summary of your franchise BST rate as computed using FCC Forms 1240 and 1235 Cost of Service Filing.

MPR PER FCC FORM 1240	COST OF SERVICE FILING (FORM 1235)	TOTAL MAXIMUM BST RATE	TWC 2006 BST RATE SELECTED
\$9.08	\$ 1.81	\$10.89	\$10.60

ENCLOSURES:

FCC Form 1240 with Channel Lineups  
710  
NC-0234

NOTE: Please note that an FCC Form 1235 was previously filed upon completion of the cable system upgrade. The computed rate per the FCC Form 1235 is indicated above and will remain in effect for 2006.

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FCC FORM 1240

UPDATING MAXIMUM PERMITTED RATES FOR REGULATED CABLE SERVICES

**Cable Operator:**

Name of Cable Operator <b>TIME WARNER CABLE</b>		
Mailing Address of Cable Operator <b>101 Innovation Ave., Suite 100</b>		
City <b>Morrisville</b>	State <b>NC</b>	ZIP Code <b>27560</b>

1. Does this filing involve a single franchise authority and a single community unit?

YES	NO
<b>X</b>	

If yes, complete the franchise authority information below and enter the associated CUID number here:

<b>NC-0234</b>
----------------

2. Does this filing involve a single franchise authority but multiple community units?

YES	NO
	<b>X</b>

If yes, enter the associated CUIDs below and complete the franchise authority information at the bottom of this page:

--

3. Does this filing involve multiple franchise authorities?

If yes, attach a separate sheet for each franchise authority and include the following franchise authority information with its associated CUID(s):

**Franchise Authority Information:**

Name of Local Franchising Authority <b>TOWN OF CHAPEL HILL</b>		
Mailing Address of Local Franchising Authority <b>306 N. COLUMBIA STREET</b>		
City <b>CHAPEL HILL</b>	State <b>NC</b>	ZIP Code <b>27516</b>
Telephone number	Fax Number	

4. For what purpose is this Form 1240 being filed? Please put an "X" in the appropriate box.

- a. Original Form 1240 for Basic Tier
- b. Amended Form 1240 for Basic Tier
- c. Original Form 1240 for CPS Tier
- d. Amended Form 1240 for CPS Tier

<b>X</b>

5. Indicate the one year time period for which you are setting rates (the Projected Period).

TO	
<b>02/06</b>	<b>12/06</b>

(mm/yy)

6. Indicate the time period for which you are performing a true-up.

TO	
<b>10/04</b>	<b>09/05</b>

(mm/yy)

7. Status of Previous Filing of FCC Form 1240 (enter an "x" in the appropriate box)

- a. Is this the first FCC Form 1240 filed in any jurisdiction?
- b. Has an FCC Form 1240 been filed previously with the FCC?

YES	NO
	<b>X</b>
	<b>X</b>

If yes, enter the date of the most recent filing:

	(mm/dd/yy)
--	------------

c. Has an FCC Form 1240 been filed previously with the Franchising Authority?

YES	NO
<b>X</b>	

If yes, enter the date of the most recent filing:

<b>09/30/04</b>	(mm/dd/yy)
-----------------	------------

8. Status of Previous Filing of FCC Form 1210 (enter an "x" in the appropriate box)

YES NO

a. Has an FCC Form 1210 been previously filed with the FCC?

X	
---	--

If yes, enter the date of the most recent filing:

05/25/95	(mm/dd/yy)
----------	------------

YES	NO
-----	----

b. Has an FCC Form 1210 been previously filed with the Franchising Authority?

X	
---	--

If yes, enter the date of the most recent filing:

05/25/95	(mm/dd/yy)
----------	------------

**9. Status of FCC Form 1200 Filing (enter an "x" in the appropriate box)**

a. Has an FCC Form 1200 been previously filed with the FCC?

X	
---	--

If yes, enter the date filed:

08/11/94	(mm/dd/yy)
----------	------------

YES	NO
-----	----

b. Has an FCC Form 1200 been previously filed with the Franchising Authority?

X	
---	--

If yes, enter the date filed:

08/11/94	(mm/dd/yy)
----------	------------

**10. Cable Programming Services Complaint Status (enter an "x" in the appropriate box)**

a. Is this form being filed in response to an FCC Form 329 complaint?

	X
--	---

If yes, enter the date of the complaint:

	(mm/dd/yy)
--	------------

YES	NO
-----	----

**11. Is FCC Form 1205 Being Included With This Filing**

X	
---	--

**12. Selection of "Going Forward" Channel Addition Methodology (enter an "x" in the appropriate box)**

Check here if you are using the original rules [MARKUP METHOD].

Check here if you are using the new, alternative rules [CAPS METHOD].

If using the CAPS METHOD, have you elected to revise recovery for channels added during the period May 15, 1994 to Dec. 31, 1994?

YES	NO
-----	----

--	--

**13. Headend Upgrade Methodology**

*\*NOTE: Operators must certify to the Commission their eligibility to use this upgrade methodology and attach an equipment list and depreciation schedule.*

Check here if you are a qualifying small system using the streamlined headend upgrade methodology.

**Part I: Preliminary Information**

**Module A: Maximum Permitted Rate From Previous Filing**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
A1	Current Maximum Permitted Rate	\$8.803				

**Module B: Subscribership**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
B1	Average Subscribership For True-Up Period 1	13,234				
B2	Average Subscribership For True-Up Period 2					
B3	Estimated Average Subscribership For Projected Period	13,433				



**Module C: Inflation Information**

Line	Line Description		
C1	Unclaimed Inflation: Operator Switching From 1210 To 1240		1.0000
C2	Unclaimed Inflation: Unregulated Operator Responding to Rate Complaint		1.0000
C3	Inflation Factor For True-Up Period 1 [Wks 1]		1.0265
C4	Inflation Factor For True-Up Period 2 [Wks 1]		
C5	Current FCC Inflation Factor		1.0257

**Module D: Calculating the Base Rate**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
D1	Current Headend Upgrade Segment					
D2	Current External Costs Segment	\$1.1835				
D3	Current Caps Method Segment					
D4	Current Markup Method Segment					
D5	Current Channel Movement and Deletion Segment					
D6	Current True-Up Segment	\$0.0474				
D7	Current Inflation Segment	\$0.2091				
D8	Base Rate [A1-D1-D2-D3-D4-D5-D6-D7]	\$7.3630				

**Part II: True-Up Period  
Module E: Timing Information**

Line	Line Description		
E1	What Type of True-Up Is Being Performed? (Answer "1", "2", or "3". See Instructions for a description of these types.) If "1", go to Module I. If "2", answer E2 and E3. If "3", answer E2, E3, E4, and E5.		2
E2	Number of Months in the True-Up Period 1		12
E3	Number of Months between the end of True-Up Period 1 and the end of the most recent Projected Period		3
E4	Number of Months in True-Up Period 2 Eligible for Interest		
E5	Number of Months True-Up Period 2 Ineligible for Interest		

**Module F: Maximum Permitted Rate For True-Up Period 1**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
F1	Caps Method Segment For True-Up Period 1 [Wks 2]					
F2	Markup Method Segment For True-Up Period 1 [Wks 3]					
F3	Chan Mvmnt Deletn Segment For True-Up Period 1 [Wks' 4/5]					
F4	True-Up Period 1 Rate Eligible For Inflation [D8+F1+F2+F3]	\$7.363				
F5	Inflation Segment for True-Up Period 1 [(F4*C3)-F4]	\$0.1953				
F6	Headend Upgrade Segment For True-Up Period 1 [Wks 6]					
F7	External Costs Segment For True-Up Period 1 [Wks 7]	\$1.3259				
F8	True-Up Segment For True-Up Period 1	\$0.0472				
F9	Max Perm Rate for True-Up Period 1 [F4+F5+F6+F7+F8]	\$8.9315				

**Module G: Maximum Permitted Rate For True-Up Period 2**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
G1	Caps Method Segment For True-Up Period 2 [Wks 2]					
G2	Markup Method Segment For True-Up Period 2 [Wks 3]					
G3	Chan Mvmnt Deletn Segment For True-Up Period 2 [Wks' 4/5]					
G4	TU Period 2 Rate Eligible For Inflation [D8+F5+G1+G2+G3]					
G5	Inflation Segment for True-Up Period 2 [(G4*C4)-G4]					
G6	Headend Upgrade Segment For True-Up Period 2 [Wks 6]					
G7	External Costs Segment For True-Up Period 2 [Wks 7]					
G8	True-Up Segment For True-Up Period 2					
G9	Max Perm Rate for True-Up Period 2 [G4+G5+G6+G7+G8]					

**Module H: True-Up Adjustment Calculation**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
<b>Adjustment For True-Up Period 1</b>						
H1	Revenue From Period 1	\$1,422,108.7236				
H2	Revenue From Max Permitted Rate for Period 1	\$1,418,416.024				
H3	True-Up Period 1 Adjustment [H2-H1]	(\$3,692.6995)				
H4	Interest on Period 1 Adjustment	(\$317.4135)				
<b>Adjustment For True-Up Period 2</b>						
H5	Revenue From Period 2 Eligible for Interest					
H6	Revenue From Max Perm Rate for Period 2 Eligible For Interest					
H7	Period 2 Adjustment Eligible For Interest [H6-H5]					
H8	Interest on Period 2 Adjustment (See instructions for formula)					
H9	Revenue From Period 2 Ineligible for Interest					
H10	Revenue From Max Perm Rate for Period 2 Ineligible for Interest					
H11	Period 2 Adjustment Ineligible For Interest [H10-H9]					
<b>Total True-Up Adjustment</b>						
H12	Previous Remaining True-Up Adjustment					
H13	Total True-Up Adjustment [H3+H4+H7+H8+H11+H12]	(\$4,010.1130)				
H14	Amount of True-Up Claimed For This Projected Period	(\$4,010.1130)				
H15	Remaining True-Up Adjustment [H13-H14]	\$0.0000				

**Part III: Projected Period**  
**Module I: New Maximum Permitted Rate**

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
I1	Caps Method Segment For Projected Period [Wks 2]					
I2	Markup Method Segment For Projected Period [Wks 3]					
I3	Chan Mvmnt Deletn Segment For Projected Period [Wks 4/5]					
I4	Proj. Period Rate Eligible For Inflation [D8+F5+G5+I1+I2+I3]	\$7.5583				
I5	Inflation Segment for Projected Period [(I4*C5)-I4]	\$0.1942				
I6	Headend Upgrade Segment For Projected Period [Wks 6]					
I7	External Costs Segment For Projected Period [Wks 7]	\$1.3549				
I8	True-Up Segment For Projected Period	(\$0.0249)				
I9	Max Permitted Rate for Projected Period [I4+I5+I6+I7+I8]	\$9.0826				
I10	Operator Selected Rate For Projected Period	\$8.79				

*Note: The maximum permitted rate figures do not take into account any refund liability you may have. If you have previously been ordered by the Commission or your local franchising authority to make refunds, you are not relieved of your obligation to make such refunds even if the permitted rate is higher than the contested rate or your current rate.*

**Certification Statement**

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE TITLE 18, SECTION 1001), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

I certify that the statements made in this form are true and correct to the best of my knowledge and belief, and are made in good faith.

Signature <i>Paul Baccellieri</i>	Date <i>12/5/05</i>
Name and Title of Person Completing this Form: Paul Baccellieri, Raleigh Division Vice President of Finance	
Telephone number <b>(919) 573-7115</b>	Fax Number <b>(919) 573-7042</b>

## Worksheet 1 - True-Up Period Inflation

For instructions, see Appendix A of Instructions For FCC Form 1240

Line	Period	FCC Inflation Factor
101	Month 1	2.26%
102	Month 2	2.26%
103	Month 3	2.26%
104	Month 4	2.89%
105	Month 5	2.89%
106	Month 6	2.89%
107	Month 7	2.89%
108	Month 8	2.89%
109	Month 9	2.89%
110	Month 10	2.57%
111	Month 11	2.57%
112	Month 12	2.57%
113	Average Inflation Factor for True-Up Period 1	1.0265
114	Month 13	
115	Month 14	
116	Month 15	
117	Month 16	
118	Month 17	
119	Month 18	
120	Month 19	
121	Month 20	
122	Month 21	
123	Month 22	
124	Month 23	
125	Month 24	
126	Average Inflation Factor for True-Up Period 2	

## Worksheet 7 - External Costs True-Up Period

For instructions, see Appendix A of Instructions For FCC Form 1240

True-Up Period	Projected Period
X	
	12

Question 1. For which time period are you filling out this worksheet? [Put an "X" in the appropriate box.]

Question 2. How long is the first period, in months, for which rates are being set with this worksheet?

Question 3. How long is the second period, in months, for which rates are being set with this worksheet?

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
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### Period 1

<b>External Costs Eligible for Markup</b>						
701	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period	\$183,413.16				
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$12,470.03				
704	External Costs Eligible For 7.5% Markup	\$195,883.20				
705	Marked Up External Costs	\$210,574.4355				
<b>External Costs Not Eligible for Markup</b>						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period					
708	Commission Regulatory Fees For Period					
709	Total External Costs For Period	\$210,574.4355				
710	Monthly, Per-Subscriber External Costs For Period 1	\$1.3259				

### Period 2

<b>External Costs Eligible for Markup</b>						
711	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period					
712	Retransmission Consent Fees For Period					
713	Copyright Fees For Period					
714	External Costs Eligible For 7.5% Markup					
715	Marked Up External Costs					
<b>External Costs Not Eligible for Markup</b>						
716	Cable Specific Taxes For Period					
717	Franchise Related Costs For Period					
718	Commission Regulatory Fees For Period					
719	Total External Costs For Period					
720	Monthly, Per-Subscriber External Costs For Period 2					

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## Worksheet 7 - External Costs Projected Period

For instructions, see Appendix A of Instructions For FCC Form 1240

True-Up Period	Projected Period
	X
	12
	0

Question 1. For which time period are you filling out this worksheet? [Put an "X" in the appropriate box.]

Question 2. How long is the first period, in months, for which rates are being set with this worksheet?

Question 3. How long is the second period, in months, for which rates are being set with this worksheet?

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
<b>Period 1</b>						
<b>External Costs Eligible for Markup</b>						
701	Cost of Programming For Channels Added Prior to 5/15/94 or After 5/15/94 Using Markup Method For Period	\$190,505.83				
702	Retransmission Consent Fees For Period					
703	Copyright Fees For Period	\$12,657.08				
704	External Costs Eligible For 7.5% Markup	<b>\$203,162.92</b>				
705	Marked Up External Costs	<b>\$218,400.1342</b>				
<b>External Costs Not Eligible for Markup</b>						
706	Cable Specific Taxes For Period					
707	Franchise Related Costs For Period					
708	Commission Regulatory Fees For Period					
709	Total External Costs For Period	<b>\$218,400.1342</b>				
710	Monthly, Per-Subscriber External Costs For Period 1	<b>\$1.3549</b>				

### Worksheet 8 - True-Up Rate Charged

For instructions, see Appendix A of Instructions For FCC Form 1240

Question 1. How long is the True-Up Period 1, in months?

12

Question 2. How long is the True-Up Period 2, in months?

Line	Line Description	a Basic	b Tier 2	c Tier 3	d Tier 4	e Tier 5
801	Month 1	\$9.4400				
802	Month 2	\$9.4400				
803	Month 3	\$9.4400				
804	Month 4	\$8.7930				
805	Month 5	\$8.7930				
806	Month 6	\$8.7930				
807	Month 7	\$8.7930				
808	Month 8	\$8.7930				
809	Month 9	\$8.7930				
810	Month 10	\$8.7930				
811	Month 11	\$8.7930				
812	Month 12	\$8.7930				
813	Period 1 Average Rate	\$8.9547				

814	Month 13					
815	Month 14					
816	Month 15					
817	Month 16					
818	Month 17					
819	Month 18					
820	Month 19					
821	Month 20					
822	Month 21					
823	Month 22					
824	Month 23					
825	Month 24					
826	Period 2 Average Rate					

**Time Warner Cable - Raleigh Division**

**FCC 1240 - Basic Tier Service (BST) Lineup**

**System: Chapel Hill, Orange Cnty, Granville Cnty, Durham Cnty,  
Chatham County, Pittsboro, Carrboro, Hillsborough**

**2005 True-up  
Channel Lineups  
per 2006 FCC 1240**

**10/04-03/05**

0	TV Guide Channel
2	WNCN-TV(NBC)
3	WRAL-TV (CBS)
4	Educational Programming
5	WRAY-TV (IND)
6	WTVD-TV (ABC)
7	Home Buyers Channel
8	Community Programming
9	WUNC-TV (PBS)
10	WLFL-TV (WB)
11	WUVC-TV (UNI)
12	WRDC-TV (UPN)
13	WRAZ-TV (FOX)
14	NEWS-14
15	HSN
16	QVC
18	Gov. Access/C-SPAN2
19	BET
21	WGN
22	WRPX-TV (PAX)
24	Triangle TV

**2006 Projected  
Channel Lineups  
per 2006 FCC 1240**

**04/05-09/05**

0	TV Guide Channel
2	WNCN NBC
3	WRAL CBS
4	Educational Access
5	WRAY IND
6	WTVD ABC
7	Home Buyers Channel
8	Community Programming
9	UNC PBS
10	WLFL WB
11	WUVC UNIVISION
12	WRDC UPN
13	WRAZ FOX
14	News 14 Carolina
15	Home Shopping Network
16	QVC
18	C-SPAN 2
19	BET
20	Telefutura
21	WGN
22	WRPX i
24	Triangle TV

**10/05-9/06**

0	TV Guide Channel
2	WNCN NBC
3	WRAL CBS
4	Educational Access
5	WRAY IND
6	WTVD ABC
7	Home Buyers Channel
8	Community Programming
9	UNC PBS
10	WLFL WB
11	WUVC UNIVISION
12	WRDC UPN
13	WRAZ FOX
14	News 14 Carolina
15	Home Shopping Network
16	QVC
18	C-SPAN 2
19	BET
20	Telefutura
21	WGN
22	WRPX i
24	Triangle TV