



CENTURY
COMMUNICATIONS
CORPORATION

50 Locust Avenue
New Canaan, CT 06840
203-972-2000

RECEIVED
FEDERAL COMMUNICATIONS
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0320-FILE-CITY

1999 JAN 29 AM 11:53

January 28, 1999

Mr. John C. Crary
NYS Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

C.99-V-0205 (Rates)
C.99-V-0206 (Equipment)

Orig.- Files

Copies: J. Grow-13
K. Hillegas-4
A. Dalton-3

Dear Mr. Crary:

In accordance with Federal Communications Commission regulations, Century Communications ("Century") hereby submits the attached FCC Form 1240 "Updating Maximum Permitted Rates for Regulated Cable Services" with all attachments and FCC Form 1205. This filing is made pursuant to 47 CFR 76.922 (e).

These rates are scheduled to take effect on May 1, 1999.

If you have any questions, please contact me at (203) 972-2221.

Sincerely,

Richard W. Sander, Jr.
Group Vice President
Financial Operations

RWS/lt
Enclosure

cc: General Manager
Regional Vice President (w/o filing)

FORM 1205
DETERMINING REGULATED EQUIPMENT AND INSTALLATION COSTS
"EQUIPMENT FORM"

Community Unit Identifier (CUI) of cable system NY0256		Date of Form Submission	
Name of Cable Operator VALLEY VIDEO, INC.			
Mailing Address of Cable Operator P.O. BOX 551 POLKVILLE RT. 2			
City NORWICH		State NY	ZIP Code 13815
Name and Title of person completing this form: RICHARD W. SANDER, JR. - GROUP VICE PRESIDENT, FINANCIAL OPERATIONS			
Telephone number (203) 972-2000		Fax Number (203) 972-2912	
Name of Local Franchising Authority CITY OF NORWICH			
Mailing Address of Local Franchising Authority 31 EAST MAIN STREET			
City NORWICH		State NY	ZIP Code 13815

1. This form is being filed: [Enter an "x" in the appropriate box]

- ☐ In conjunction with FCC Form 1200, FCC Form 1220, or FCC Form 1225.
Attach the completed FCC Form 1200, FCC Form 1220, or FCC Form 1225 to the front of this form.
OR
☒ In order to fulfill FCC rules requiring an annual filing of this form
Enter the date on which you last filed this form (mm/dd/yy)
Note: This should be the date on which the rates last justified, by using either FCC Form 393 or the prior filing of this form, were in effect.

2. Enter the date on which you closed your books for the fiscal year reflected in this form:

Note: This will indicate the end of the 12-month fiscal year for which you are filing this form.

(mm/dd/yy)

3. Indicate the corporate status of your cable system [Enter an "x" in the correct box]

- ☒ C-Corporation
☐ Subchapter S corporation
☐ Partnership
☐ Trust
☐ Other (Please explain below)

SCHEDULE A: CAPITAL COSTS OF SERVICE INSTALLATION AND MAINTENANCE OF EQUIPMENT AND PLANT

A	Equipment and Plant	Vehicles	Tools	Maintenance Facilities	Other 1. (Specify below)	Other 2. (Specify below)
B	Gross Book Value	\$145,459.00	\$68,111.00	\$574.90	\$0.00	\$0.00
C	Accumulated Depreciation	\$45,468.00	\$17,818.00	\$100.65	\$0.00	\$0.00
D	Deferred Taxes	\$1,700.18	\$7,330.94	(\$17.26)	\$0.00	\$0.00
E	Net Book Value [B-(C+D)]	\$98,290.82	\$42,962.06	\$491.51	\$0.00	\$0.00
F	Rate of Return	0.1125				
G	Calculation of Gross-up Rate					
G1	Federal Income Tax Rate	0.35				
G2	State Income Tax Rate	0.09				
G3	Net Total Income Tax Rate [(G1+G2)-(G1 x G2)]	0.4085				
G4	Adjustment to Reflect Interest Deductibility					
G4a	Actual Interest Amount	\$0.00				
G4b	Total Net Assets	\$5,661,710.47				
G4c	Base Return on Investment Amount [G4b x F]	\$636,942.4279				
G4d	Interest Deductibility Factor [G4a/G4c]	0.				
G5	Effective Tax Rate [G3 x (1-G4d)] [C-Corps skip to G7]	0.4085				
G6	Adjustments for Non-C Corporations					
G6a	Base Return on Investment Amount [G4c]	n/a				
G6b	Distributions	\$0.00				
G6c	Contributions (may not exceed G6b)	\$0.00				
G6d	Returns Subject to Income Tax [G6a-G6b+G6c]	n/a				
G6e	Returns Percentage Subject to Income Tax [G6d/G6a]	n/a				
G7	Gross-Up Rate [C-Corps: 1/(1-G5) Other: 1/(1-(G5 x G6e))]	1.6906				
H	Grossed-Up Rate of Return [F x G7]	0.1902				
I	Return on Investment Grossed-Up for Taxes [E x H]	\$18,694.3656	\$8,171.1441	\$93.4825	\$0.00	\$0.00
J	Current Provision for Depreciation	\$20,556.00	\$5,426.00	\$28.75	\$0.00	\$0.00
K	Annual Capital Costs [I+J]	\$39,250.3656	\$13,597.1441	\$122.2325	\$0.00	\$0.00
L	GRAND TOTAL [sum of Line K entries]	\$52,969.7422				

Box 1.

Specify: Other 1. _____

Specify: Other 2. _____

SCHEDULE B: ANNUAL OPERATING EXPENSES FOR SERVICE INSTALLATION AND MAINTENANCE OF EQUIPMENT

	Salaries & Benefits	Supplies	Utilities	Other Taxes	Other 1. (Specify below)	Other 2. (Specify below)
A	Annual Op. Expenses for Svc. Install. and Maint. of Equip.	\$0.00	\$0.00	\$0.00	\$0.00	\$45,468.4987
B	GRAND TOTAL [sum of Line A entries]	\$45,468.4987				

Box 2.

Specify: Other 1. See Attached Schedule

Specify: Other 2. _____

SCHEDULE C: CAPITAL COSTS OF LEASED CUSTOMER EQUIPMENT								
A	Equipment	Remote 1	Remote 2	Remote 3	Converter 1	Converter 2	Converter 3	Other Equip.
B	Total Maintenance/Service Hours (Attach Explanation)	36.	50.	0.	22.	17.	0.	0.
C	Total # of Units in Service	1428.	200.	0.	869.	673.	0.	0.
D	Gross Book Value	\$8,788.75	\$2,648.00	\$0.00	\$49,597.03	\$154,491.52	\$0.00	\$0.00
E	Accumulated Depreciation	\$8,728.58	\$2,648.00	\$0.00	\$25,345.28	\$53,986.19	\$0.00	\$0.00
F	Deferred Taxes	\$24.58	\$0.00	\$0.00	\$483.23	\$9,451.44	\$0.00	\$0.00
G	Net Book Value [D-(E+F)]	\$35.59	\$0.00	\$0.00	\$23,768.52	\$91,053.89	\$0.00	\$0.00
H	Grossed-Up Rate of Return (From Sched. A, Line H)	0.1902						
I	Return on Investment Grossed-Up for Taxes [G x H]	\$6,769.	\$0.00	\$0.00	\$4,520.6399	\$17,317.9419	\$0.00	\$0.00
J	Current Provision for Depreciation	\$332.83	\$0.00	\$0.00	\$4,022.30	\$15,449.15	\$0.00	\$0.00
K	Annual Capital Costs [I + J]	\$339,599.	\$0.00	\$0.00	\$8,542.9399	\$32,767.0919	\$0.00	\$0.00
L	GRAND TOTAL (sum of Line K entries)	\$41,649.6308						

Box 3.

SCHEDULE D: AVERAGE HOURS PER INSTALLATION		
A.	Average Hours per Unwired Home Installation (attach an explanation)	1.56
B.	Average Hours per Pre-Wired Home Installation (attach an explanation)	0.92
C.	Average Hours per Additional Connection Installation at Time of Initial Installation (attach an explanation)	0.55
D.	Average Hours per Additional Connection Installation Requiring Separate Installation (attach an explanation)	0.88
E.	Other Installation (by Item Type):	
Item 1. (Specify:)		
	Average Hours per Installation (attach an explanation)	0.
Item 2. (Specify:)		
	Average Hours per Installation (attach an explanation)	0.
Item 3. (Specify:)		
	Average Hours per Installation (attach an explanation)	0.

WORKSHEET FOR CALCULATING PERMITTED EQUIPMENT AND INSTALLATION CHARGES			
STEP A. Hourly Service Charge			
1.	Total Capital Costs of Installation and Maintenance [Schedule A, Box 1]		
2.	Total Annual Operating Expenses for Installation and Maintenance [Schedule B, Box 2]		
3.	Total Capital Costs and Operating Expenses for Installation and Maintenance [Line 1 + Line 2]		
4.	Customer Equipment and Installation Percentage (attach an explanation)		
5.	Annual Customer Equipment Maintenance and Installation Costs, Excluding Costs of Leased Equipment [Line 3 x Line 4]	\$50,934.9761	(1)
6.	Total Labor Hours for Maintenance and Installation of Customer Equipment and Services (attach explanation)	3363.2222	(2)
7.	Hourly Service Charge (HSC) (Line 5/Line 6)	\$15.1447	

METHOD OF BILLING FOR INSTALLATIONS (place an "x" in the appropriate box)	
<input type="checkbox"/>	Installations billed by the hour based on the HSC calculated in Line 7.
<input checked="" type="checkbox"/>	Installations billed as a standard charge.

STEP B. Installation Charge			
8.	Uniform HSC for all installations (From Step A, line 7)		n/a
OR			
9.	Average Charge for Installation Types		
a. Unwired Home Installation			
a1.	HSC [Line 7]	\$15.1447	
a2.	Average Hours per Unwired Home Installation (Schedule D, Line A)	1.56	
a3.	Charge per Unwired Home Installation [a1 x a2]	\$23.6257	
b. Pre-wired Home Installation			
b1.	HSC [Line 7]	\$15.1447	
b2.	Average Hours per Pre-wired Home Installation (Schedule D, Line B)	0.92	
b3.	Charge per Pre-wired Home Installation [b1 x b2]	\$13.9331	
c. Additional Connection Installation at Time of Initial Installation			
c1.	HSC [Line 7]	\$15.1447	
c2.	Average Hours per Additional Connection Installation at Time of Init. Install. [Schedule D, Line C]	0.55	
c3.	Charge per Additional Connection Installation at Time of Initial Installation [c1 x c2]	\$8.3296	
d. Additional Connection Installation Requiring Separate Installation			
d1.	HSC [Line 7]	\$15.1447	
d2.	Avg. Hours per Additional Connection Installation Req. Sep. Install. [Schedule D, Line D]	0.88	
d3.	Charge per Additional Connection Installation Requiring Separate Installation [d1 x d2]	\$13.3273	
e. Other Installations (As specified in Schedule D, Line E):			
e1.	HSC [Line 7]	\$15.1447	
e2.	Average Hours per Installation of Item 1 [Schedule D, Line E, Item 1]	0.	
e3.	Charge per Installation of Item 1 [e1 x e2]	\$0.00	
e4.	HSC [Line 7]	\$15.1447	
e5.	Average Hours per Installation of Item 2 [Schedule D, Line E, Item 2]	0.	
e6.	Charge per Installation of Item 2 [e4 x e5]	\$0.00	
e7.	HSC [Line 7]	\$15.1447	
e8.	Average Hours per Installation of Item 3 [Schedule D, Line E, Item 3]	0.	
e9.	Charge per Installation of Item 3 [e7 x e8]	\$0.00	

(1) Refer to attached schedule "Form 1205, Step A, Line 5"

(2) Refer to attached schedule "Form 1205, Step A, Line 6"

STEP C. Charges for leased Remotes (Calculate separately for each significantly different type)			
	a Remote 1	b Remote 2	c Remote 3
10. Total Maintenance/Service Hours [Corresponding column from Schedule C, Line B]	36	50	0
11. HSC [Line 7]	\$15,144.7	\$15,144.7	\$15,144.7
12. Total Maintenance/Service Cost [Line 10 x Line 11]	\$545,209	\$757,234.8	\$0.00
13. Annual Capital Costs [Corresponding column from Schedule C, Line K]	\$339,599	\$0.00	\$0.00
14. Total Cost of Remote [Line 12 + Line 13]	\$884,808.1	\$757,234.8	\$0.00
15. Number of Units in Service [Corresponding column from Schedule C, Line C]	1428	200	0
16. Unit Cost [Line 14/Line 15]	\$0.6196	\$3.7862	\$0.00
17. Rate per Month [Line 16/(12)]	\$0.0516	\$0.3155	\$0.00

STEP D. Charges for leased Converter Boxes (Calculate separately for each significantly different type)			
	a Converter 1	b Converter 2	c Converter 3
18. Total Maintenance/Service Hours [Corresponding column from Schedule C, Line B]	22	17	0
19. HSC [Line 7]	\$15,144.7	\$15,144.7	\$15,144.7
20. Total Maintenance/Service Cost [Line 18 x Line 19]	\$333,183.3	\$257,459.8	\$0.00
21. Annual Capital Costs [Corresponding column from Schedule C, Line K]	\$8,542,939.9	\$32,767,091.9	\$0.00
22. Total Cost of Converter [Line 20 + Line 21]	\$8,876,123.2	\$33,024,551.7	\$0.00
23. Number of Units in Service [Corresponding column from Schedule C, Line C]	869	673	0
24. Unit Cost [Line 22/Line 23]	\$10,214.2	\$49,070.7	\$0.00
25. Rate per Month [Line 24/(12)]	\$0.8512	\$4.0892	\$0.00

STEP E. Charges for Other Leased Equipment	
26. Total Maintenance/Service Hours [Corresponding column from Schedule C, Line B]	0
27. HSC [Line 7]	\$15,144.7
28. Total Maintenance/Service Cost [Line 26 x Line 27]	\$0.00
29. Annual Capital Costs [Corresponding column from Schedule C, Line K]	\$0.00
30. Total Cost of Equipment [Line 28 + Line 29]	\$0.00
31. Number of Units in Service [Corresponding column from Schedule C, Line C]	0
32. Unit Cost [Line 30/Line 31]	\$0.00
33. Rate per Month [Line 32/(12)]	\$0.00

METHOD OF BILLING FOR CHANGING SERVICE TIERS OR EQUIPMENT [place an "x" in the appropriate box]	
<input checked="" type="checkbox"/>	as a Nominal Charge (Enter the nominal charge in Line 34)
<input type="checkbox"/>	as a Uniform Hourly Service Charge
<input type="checkbox"/>	as an Average Charge (Enter the Average Hours for Changing Service Tiers in Line 36b.)

STEP F. Charges for Changing Service Tiers or Equipment	
34. Nominal Charge for Changing Service Tiers	\$1.99
If you use an escalating scale of charges, place an "x" in the box at the right.	
OR	
35. Uniform Hourly Service Charge	n/a
OR	
36. Average Charge for Changing Service Tiers	
36a. HSC [Line 7]	\$15,144.7
36b. Average Hours to Change Service Tiers	
36c. Average Charge for Changing Service Tiers [Line 36a x Line 36b]	n/a

WORKSHEET FOR CALCULATING TOTAL EQUIPMENT AND INSTALLATION COSTS	
1. Total Capital Costs of Installation and Maintenance [Schedule A, Box 1]	
2. Total Annual Operating Expenses for Installation and Maintenance [Schedule B, Box 2]	
3. Total Annual Capital Costs of Installation and Maintenance [Line 1 + Line 2]	
4. Customer Equipment and Installation Percentage (attach explanation)	0.
5. Annual Customer Equipment Maintenance and Installation Costs, Excluding Costs of Leased Equipment [Line 3 x Line 4]	\$50,934,976 ⁽¹⁾
6. Total Capital Costs of Leased Customer Equipment [Schedule C, Box 3]	\$41,649,630 ⁽¹⁾
7. Annual Customer Equipment and Installation Costs [Line 5 + Line 6]	\$92,584,606 ⁽¹⁾
8. Percentage Allocation to Franchise Area (see instructions)	0.60
9. Allocated Annual Equipment and Installation Cost [Line 7 x Line 8]	\$55,550,764 ⁽¹⁾
10. Monthly Equipment and Installation Cost [Line 9 / (12)]	\$4,629,230 ⁽¹⁾
11. Number of Basic Subscribers in Franchise	2609
12. Monthly Equipment and Installation Cost per Subscriber [Line 10 / Line 11]	\$1,774 ⁽¹⁾
13. Inflation Adjustment Factor [See Instructions]	1.
14. Adjusted Monthly Equipment and Installation Cost per Subscriber [Line 12 x Line 13]	\$1,774 ⁽¹⁾

(1) From 1205 Step A, Line 5

SUMMARY SCHEDULE

Current Equipment and Installation Rates	Permitted	Actual
1. Charges for Cable Service Installations		
a. Hourly Rate [Step A, Line 7]	n/a	
b. Average Installation Charges:		
1. Installation of Unwired Homes [Step B, Line 9a3]	\$23.63	\$23.17
2. Installation of Prewired Homes [Step B, Line 9b3]	\$13.93	\$13.67
3. Installation of Additional Connections at Time of Initial Installation [Step B, Line 9c3]	\$8.33	\$8.17
4. Installation of Additional Connections Requiring Separate Install [Step B, Line 9d3]	\$13.33	\$13.07
5. Other Installations (specify) [Step B, Lines 9e3, 9e6, 9e9]		
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
2. Monthly Charge for Lease of Remote Controls [Step C, Line 17, columns a-c]		
Remote Control Type 1:	\$0.05	\$0.20
Remote Control Type 2:	\$0.32	\$0.00
Remote Control Type 3:	\$0.00	\$0.00
3. Monthly Charge for Lease of Converter Boxes [Step D, Line 25, columns a-c]		
Converter Box Type 1:	\$0.85	\$0.91
Converter Box Type 2:	\$4.09	\$4.42
Converter Box Type 3:	\$0.00	\$0.00
4. Charge for Lease of Other Equipment [Step E, Line 33]		
Equipment (Specify)	\$0.00	\$0.00
5. Charge for Changing Tiers (if any) [Step F, Line 34, 35 or 36c]	\$1.99	\$1.99

LABOR COST AND POLICY CHANGES

Indicate your answer to the following three questions by placing an "x" in the appropriate box

1. Have you included the labor costs associated with subscriber cable drops in your charges for initial installation?

☐ YES
☒ NO

2. Have you capitalized the labor costs associated with subscriber cable drops?

☒ YES
☐ NO

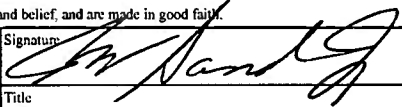
3. If you have filed this form before, have you changed any policy, e.g., cost accounting or cost allocation that causes an increase in the costs included in the computation of equipment and installations charges?

☐ YES (You must attach a full explanation)
☒ NO

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.

Name of the Cable Operator VALLEY VIDEO, INC.	Signature 
Date 1/2/99	Title RICHARD W. SANDER, JR. - GROUP VICE PRESIDENT, FINANCIAL OPERATIONS

Schedule B

Annual Operating Expenses for Service Installation and Maintenance of Equipment

Name of Cable Operator

VALLEY VIDEO, INC.

Labor Costs and Related Benefits:

501000	Wages	\$0.00
501500	Wages	93,556.64
503000	Taxes	8,308.51
504000	Insurance	2,343.75
504100	Workers Compensation	6,141.00
Labor Cost Total		\$110,349.90
Installation Labor Percentage		52.17% (1)
Gross Installation Labor Dollars		57,569.54
Less: Labor Capitalized for New Drops		1,292.00
Adjusted Installation Labor		56,277.54
Regulated Labor Percentage		65.00% (1)

Sub-Total	\$36,580.40 (A)
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Related Expenses:

502500	Contract Labor	\$2,503.80
506000	Repairs and Maintenance	3,025.03
509000	Vehicle Expense	11,425.18
510000	Utilities	52,054.95
521000	Property Taxes	17,116.00
Related Expenses Total		\$86,124.96

Customer Equipment Percentage	10.32% (1)
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Sub-Total	\$8,888.10 (B)
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Total Schedule B Box 2	\$45,468.50 (A) + (B)
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(1) Refer to Attached Explanations

Schedule of "Form 1205, Step A, Line 5"

Name of Cable Operator

VALLEY VIDEO, INC.

Box 1 of Schedule A (Gross)	\$52,969.74
Customer Equipment Percentage	10.32% (1)
Allocated Cost	5,466.48
Schedule B, Box 2	45,468.50
Total (to Step A, Line 5)	\$50,934.98

(1) Refer to Attached Explanations

Schedule of "Form 1205, Step A, Line 6"

Name of Cable Operator

VALLEY VIDEO, INC.

Service and Installation Employees	2.50
Standard Hours (Annual) ×	2,080
Total Technical Hours	5,200
Regulated Labor Percentage	65%
Regulated Equipment Hours	3380
Less: Hours Capitalized for New Drops	41
Plus: Contractor Converter Repair Hours	16 (1)
Plus: Contractor Labor Hours	9 (2)
Total	3,363

(1) Refer to attached schedule "Calculation of Contractor Converter Repair Labor Hours"

(2) Refer to attached schedule "Calculation of Contract Labor Hours"

Calculation of Contract Labor Hours

Name of Cable Operator

VALLEY VIDEO, INC.

5025 Contract Labor	\$2,503.80
Customer Equipment Percentage	10.32%
Balance Attributable to Contract Labor	258.39
Estimated Standard Hourly Rate	30.00
Contract Labor Hours	8.61

Note: The Company uses contract labor to perform a variety of functions including but not limited to; plant maintenance, installation of new drops, converter repair, and plant construction. The charges incurred for these services are expensed or capitalized in accordance with GAAP (Generally Accepted Accounting Principles) and the Company's accounting policies. The schedule above provides the total amount of contract labor charges incurred by the Company and an estimation of 1) the amount of such charges attributable to contract labor and 2) an estimate of the hours incurred by the vendor in performing this service.

Calculation of Contractor Converter Repair Labor Hours

Name of Cable Operator

VALLEY VIDEO, INC.

5060 Repair & Maintenance	\$3,025.03
Customer Equipment Percentage	10.32%
Balance Attributable to Converter Repair	312.18
Estimated Standard Hourly Rate	20.00
Contractor Converter Repair Hours	15.61

Note: The Company uses contract labor to perform a variety of functions including but not limited to; plant maintenance, installation of new drops, converter repair, and plant construction. The charges incurred for these services are expensed or capitalized in accordance with GAAP (Generally Accepted Accounting Principles) and the Company's accounting policies. The schedule above provides the total amount of repair and maintenance charges incurred by the Company and an estimation of 1) the amount of such charges attributable to converter repairs and 2) an estimate of the hours incurred by the vendor in performing this service.

CENTURY COMMUNICATIONS CORP.
FCC FORM 1205
EXPLANATION TO: SCHEDULE A.

The gross fixed asset balances and related depreciation per the 5/31/98 fixed asset registers for the following categories were included on Schedule A.

Vehicles-(A/C 1655) Represents all vehicles owned by the system. Vehicles are used for cable plant construction and maintenance, travel to customers' homes to perform installations and repairs and maintenance, recovering company property, making collection calls, performing security checks, etc.

Tools-(A/C 1645) Includes tools used to perform all of the activities listed above.

Maintenance Facility-(A/C 1620) Includes 5% of all buildings owned by the system. The 5% represents the allocation of space used to maintain and repair customer equipment.

The remaining fixed assets were not included on Schedule A as they are not capital assets associated with the maintenance of customer equipment and the installation of service. They are as follows: Land; Office Furniture & Fixtures; Head End Building and Equipment; Land and Leasehold Improvements; and Origination Equipment. Customer premises equipment such as Subscriber Devices were not included in Schedule A as their costs are included on Schedule C.

CENTURY COMMUNICATIONS CORP.
FCC FORM 1205
EXPLANATION TO: SCHEDULE B.

Schedule B requires the Company to list annual operating expenses associated with the maintenance and installation of cable facilities and service, excluding depreciation. In preparing this schedule the Company segregated labor costs and related benefits from plant maintenance costs. These two categories of expenses are adjusted using allocation percentages to arrive at "costs associated with maintenance and installation of cable facilities and service".

"Labor Cost Total"

"Labor Cost Total" represents the total labor charges and related benefits incurred by the Company for all personnel classified as "operating" by the Company. Operating personnel are those individuals who construct and maintain the cable system plant and personnel who perform customer related installation and service. Wages and benefits associated with the installation and maintenance of customer equipment must be allocated from the total of this category.

"Installation Labor Percentage"

Total system operating wages are allocated between plant costs and customer installation and maintenance costs based on head count. The installation labor percentage applied to total labor cost represents the ratio of installer wages to total operating wages for the fiscal year ended May 31, 1998.

"Labor Capitalized for New Drops"

The Company capitalizes in accordance with Generally Accepted Accounting Principles, "GAAP", the cost of connections for new cable television subscribers at standard per subscriber rates for labor, materials and overhead. The FCC has clarified that such costs represent cable distribution plant up to the point of demarcation (as defined) and do not represent a recoverable cost of the "customer equipment basket" (as defined). The Company removed from its recoverable cost equipment basket the labor capitalized for new drops.

"Regulated Labor Percentage"

Installer wages determined by multiplying total operating wages by the install labor percentage noted above ("Installation Labor Percentage"), are then multiplied by the percentage developed in the explanation to "Regulated Labor Percentage", Line 6 of Step A (the 65% utilization rate).

"Related Expenses Total"

Similar to the labor cost total noted above ("Labor Cost Total"), the costs of plant maintenance and repairs recorded by the Company in its general ledger cover all operating costs of the entire cable system plant. A percentage of these costs relate to customer installation and maintenance.

"Customer Equipment Percentage"

The percentage applied to "Related Expenses" is the same as the percentage applied to Schedule A, Box 1.

• CENTURY COMMUNICATIONS CORP.

FCC FORM 1205

EXPLANATION TO: SCHEDULE C, LINE B AND LINE 18 OF STEP D.

Total maintenance/service hours were calculated in 2 steps as follows:

- 1 -- The total number of converters in service(Schedule C, Line C) is multiplied by 5%.(5 percent of all converters in service require maintenance/repair during the year.)
- 2 -- The result from step 1 is multiplied by .5 (1/2 hr). (One half an hour to maintain/repair each converter.)

CENTURY COMMUNICATIONS CORP.

FCC FORM 1205

EXPLANATION TO: SCHEDULE C, LINE B AND LINE 10 OF STEP C.

Total maintenance/service hours were calculated in 2 steps as follows:

- 1 -- The total number of remotes in service(Schedule C, Line C) is multiplied by 5%.(5 percent of all remotes in service require maintenance/repair during the year.)
- 2 -- The result from step 1 is multiplied by .5 (1/2 hr). (One half an hour to maintain/repair each remote.)

• CENTURY COMMUNICATIONS CORP.

FCC FORM 1205

EXPLANATION TO: SCHEDULE D, LINE A, LINE B, LINE C AND LINE D.

Schedule D allows the Company to establish average rates for regulated installations by listing the average hours for four categories of installations.

The information utilized in this module was obtained from the attached database project conducted by the National Association of Telecommunications Officers and Advisors (NATOA).

The company used the data represented in the "Average" column of page three of the study to define the four categories of installations.

CENTURY COMMUNICATIONS CORP.

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EXPLANATION TO: SCHEDULE D, LINE E, ITEM 1.

Schedule D allows the Company to establish average rates for regulated installations by listing the average time per installation.

The Company anticipates the digital installation to consume four hours.

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EXPLANATION TO: LINES 1,2, AND 3 OF STEP A.

Step A., Lines 1 and 2 of FORM 1205 require that the Company combine certain capital costs of Schedule A (Gross) with certain operating expenses of Schedule B (Gross) and then apply an allocation percentage to the sum of the two categories to arrive at costs specific to "customer equipment maintenance and installation costs". Line 4 of Step A instructs the Company to attach an explanation of the percentage used.

In preparation of Step A, Lines 1 and 2, the Company determined Schedule A capital costs and Schedule B operating expenses were most appropriately allocated with percentages specific to those particular activities. The percentage applied to each cost or expense of Schedules A and B was determined as follows.

Percentage applied to Schedule A, Box 1 "Capital Costs":

Note: This percentage appears on the schedule "Form 1205, Step A, Line 5" on the line "Customer Equipment Percentage".

Capital costs related to customer equipment include all those capital assets used to store, repair, deliver, and install customer equipment. These capital assets include buildings, fixtures, vehicles, and tools.

The assets listed on Schedule A are used primarily for the construction and maintenance of the cable system plant and with respect to buildings, primarily for administrative employees and their activities. In developing a percentage to apply to these assets the Company considered the uses of such assets (plant construction and maintenance, administrative functions, regulated customer activity and non-regulated customer activity) and the relative costs associated with each activity.

The primary cost of the Company's fixed assets relate to the cable plant; other costs include land, customer equipment, towers, buildings, headend equipment and administrative facilities. An allocation based upon the relative cost of each asset was determined to be the most reasonable method in determining a percentage to apply to the total of "Box 1" on "Schedule A". This percentage was determined as follows: $(\text{Cost of Customer Equipment})/(\text{Total Cost of Fixed Assets})$.

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EXPLANATION TO SCHEDULE: "FORM 1205, STEP A, LINE 6.

Regulated equipment hours were calculated as follows:

The head count for installers for the system for FY 5/31/98 was multiplied by 2,080 hours (52 weeks worked per year at 40 hours per week). 65% of these hours represent the total labor hours for maintenance and installation of customer equipment estimating that approximately 65% of each installer's time is spent on maintaining and installing customer equipment. A minimum of 35% of gross hours involves activities unrelated to maintenance and installation of customer equipment. Such activities include; vacation, sick days, training days, paid holidays, personal days, down time for breaks, office meetings, and scheduling. Installers also must perform a number of activities unrelated to the installation and maintenance of customer equipment and service. These activities include collection calls, recovery of equipment security checks, plant maintenance, and installation and service of non-regulated activities such as FM reception and "Pay Channels". The Company believes that the allocations used to develop the HSC are reasonable.

Regulated equipment hours are then adjusted for labor hours capitalized for new drops, and the Company's estimate of contractor converter repair hours and the Company's estimate of contractor labor hours.

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EXPLANATION TO: REGULATED LABOR PERCENTAGE ON SCHEDULE "FORM 1205,
STEP A, LINE 6".

Total hours worked per year 2,080 hrs.

Less: 2 weeks vacation	80 hrs.
7 sick days	56 hrs.
5 training days	40 hrs.
12 paid holidays	96 hrs.
2 personal days	16 hrs.
10 % down time	208 hrs.
11% travel time	229 hrs.

Total time not spent on maintaining
and installing customer equipment 725 hrs.

Remaining hours spent on maintaining
and installing customer equipment 1,355 hrs.

Percent of total hours spent on maintaining
and installing customer equipment 65.14%

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EXPLANATION TO: STEP B, LINE a3, LINE b3, LINE c3 AND LINE d3.

The charge per respective installation is derived by multiplying the HSC by the applicable average per category.

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EXPLANATION TO: STEP B, LINE e3.

The charge per digital installation is derived by multiplying the HSC by
four hours.

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EXPLANATION TO: LINE 8 OF WORKSHEET FOR CALCULATING TOTAL EQUIPMENT
AND INSTALLATION COSTS.

Allocation of line 7 to franchise area level was done by taking a ratio of the
number of subscribers in the franchise area to the total number of subscribers
in the system and multiplying the result by the total of line 7.

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EXPLANATION TO SCHEDULE: "FORM 1205, STEP A, LINE 6.

Regulated equipment hours were calculated as follows:

The head count for installers for the system for FY 5/31/98 was multiplied by 2,080 hours (52 weeks worked per year at 40 hours per week). 65% of these hours represent the total labor hours for maintenance and installation of customer equipment estimating that approximately 65% of each installer's time is spent on maintaining and installing customer equipment. A minimum of 35% of gross hours involves activities unrelated to maintenance and installation of customer equipment. Such activities include; vacation, sick days, training days, paid holidays, personal days, down time for breaks, office meetings, and scheduling. Installers also must perform a number of activities unrelated to the installation and maintenance of customer equipment and service. These activities include collection calls, recovery of equipment security checks, plant maintenance, and installation and service of non-regulated activities such as FM reception and "Pay Channels". The Company believes that the allocations used to develop the HSC are reasonable.

Regulated equipment hours are then adjusted for labor hours capitalized for new drops, and the Company's estimate of contractor converter repair hours and the Company's estimate of contractor labor hours.

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EXPLANATION TO: SCHEDULE C, LINE B AND LINE 10 OF STEP C (REMOTE 2).

Total maintenance/service hours was calculated as follows:

- 1 -- The total number of remotes in service(Schedule C, Line C) is multiplied by .25 (1/4 hr). This represents the company's cost to receive,store,program,distribute and maintain each remote and has been estimated to consume a total of 15 minutes per remote.