COVER SHEET - AGENDA ITEM #R1
For Commission Meeting: May 22, 2017

“Comcast’s Annual I-Net End-Fund Report.”

Recommendation
Staff recommends the Commission accept Comcast’s 2016 I-Net End-Fund Report.

Background
Under a Franchise Side Letter Agreement, Comcast retained the funds remaining in the I-Net Fund at the conclusion of the prior cable franchise. Under the renewed franchise, the MHCRC collects and administers all PEG/I-Net funds received going forward. The I-Net Fund retained by Comcast is now referred to as the I-Net End-Fund; any expenditures from the End-Fund continue to be subject to ongoing oversight and approval by the Commission.

Overview
Staff reviewed and verified the numbers in Comcast’s 2016 I-Net End-Fund Report. Below is a brief explanation of the line items in the report.

Under the report section titled “I-Net Fund Beginning Balance”:
- The carry-over fund balance from 2015 was $4,108,543.
- Capital Fund Regular Expenditures: There were no expenditures in 2016.
- Ending Balance is $4,108,543.

Under a Franchise Side Letter Agreement, I-Net End-Funds may be used to offset construction costs of line extensions that exceed the Standard Installation formula. As a result of this type of funding, small/emerging businesses in areas not currently accessible, such as the City of Portland’s downtown core, can have access to services that would otherwise be cost-prohibitive to serve. The decision to construct a site is at Comcast’s discretion, however staff continues to provide oversight and approval of expenditures, much like with I-Net stakeholder site construction expenditures.

The total amount Comcast received in 2016 to provide transport services for the I-Net was $1,205,409, up from $1,128,288 last year (see section below titled “Quarterly Billing”.

Attachments: Comcast 2016 I-Net End-Fund Report

Prepared by:
Julie S. Omelchuck
### Comcast Cable I-Net Fund Balance 2016

<table>
<thead>
<tr>
<th>I-Net Fund</th>
<th>Pre-2016</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2016 Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Fund Regular Income</td>
<td>14,866,495</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,866,495</td>
<td>-</td>
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<tr>
<td>Advances/Repayments (Principal)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Interest Payments</td>
<td>(892,775)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(892,775)</td>
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<tr>
<td>Capital Fund Regular Expenditures</td>
<td>(9,306,951)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(9,306,951)</td>
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<tr>
<td>Special Expenditures</td>
<td>(569,717)</td>
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<td>-</td>
<td>-</td>
<td>(569,717)</td>
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<tr>
<td>Adjustments</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>2006 Audit Findings I-Net Adjustment</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>3,798</td>
<td>-</td>
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</tbody>
</table>

**Quarterly Billing**

- Monthly billing for Consolidated INET Sites 1st Qtr 2016: $336,188.75
- Monthly billing for Consolidated INET Sites 2nd Qtr 2016: $288,632.13
- Monthly billing for Consolidated INET Sites 3rd Qtr 2016: $289,650.06
- Monthly billing for Consolidated INET Sites 4th Qtr 2016: $290,938.06

(1) Note change in reporting effective Q3 2008 inclusive of all INET sites

**TOTAL BILLING** $1,205,409.00