

**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

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Comcast Cable I-Net Fund Balance 2016							
	Pre-2016	Q1	Q2	Q3	Q4	2016 Total	Total
<b>I-Net Fund</b>							
Beginning Balance	-	4,108,543	4,108,543	4,108,543	4,108,543	4,108,543	-
Capital Fund Regular Income	14,866,495	-	-	-	-	-	14,866,495
Advances/Repayments (Principal)	-	-	-	-	-	-	-
Interest Payments	(892,775)	-	-	-	-	-	(892,775)
Capital Fund Regular Expenditures	(9,306,951)	-	-	-	-	-	(9,306,951)
Special Expenditures	(569,717)	-	-	-	-	-	(569,717)
Adjustments	7,693	-	-	-	-	-	7,693
2006 Audit Findings I-Net Adjustment	3,798	-	-	-	-	-	3,798
Ending Balance	4,108,543	4,108,543	4,108,543	4,108,543	4,108,543	4,108,543	4,108,543

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	
<b>TOTAL BILLING</b>	<b>\$ 1,205,409.00</b>