ORDINANCE NO. 2219

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, ESTABLISHING RATES FOR CABLE TELEVISION SERVICE IN THE CITY OF MESQUITE AND FOR MODIFICATION OF SERVICE AND PROVIDING THE EFFECTIVE DATE OF SUCH RATE MODIFICATION.

WHEREAS, Heritage Communication Inc., has submitted a proposed modification of service and rates for cable television service; and

WHEREAS, a public hearing has been conducted as provided by law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the proposed modification of rates and service for cable television service in the City of Mesquite submitted by Heritage Communications, Inc. and attached hereto is hereby approved and rates shall be as follows:

Basic Service

\$12.95 per month

The effective date of this rate modification shall be on the <a href="Little-li

DULY PASSED by the City Council of the City of Mesquite, Texas on first reading on the 19th day of August , 1985.

DULY PASSED on second reading on the 16th day of September 1985.

Mrs. Brunhilde Nystrom
Mayor

ATTEST:

APPROVED AS TO FORM:

Lynn Prugel City Secretary Elland Archer City Attorney REQUEST FOR INFORMATION

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3. What are your plans as to the restructuring of rates and tiers?

Response

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Our plane include the following steps:

- Heritage plans to retain the current programming line-up and will continue to operate the dual cables of the present system.
- 2. Heritage plans to invest in the first year of operation in state-of-the-art, customer friendly addressable converters, which will be substituted for the Qube converters currently in use. Our new converters are attractive and relatively maintenance free and will be provided to all subscribers who purchase at least one pay service. These converters are easy for subscribers to handle and use in selecting programming. Additionally, they will substantially reduce the need for service calls to the homes of subscribers who request a programming change, by permitting changes to be handled by computer at the system's headend.
- 3. Heritage plans to offer one tier of service, including all basic channels, to replace the present three tiers. The new single tier will be priced at \$12.95, which is the current cost of QUBE service. We believe a single tier will simplify the choices faced by potential subscribers, enhance their understanding of what cable television has to offer and will enable us to provide the best possible service package at the most affordable price. It will also simplify the billing procedure and provide customers with a clearer understanding of rates.
- 4. Heritage plans to introduce a hand-held wireless remote control converter free of charge to customers subscribing to two pay services. For those who do not subscribe to two pay services, the cost of the remote control unit will be \$2.95 per month. Customers and potential subscribers have expressed dissatisfaction with the cords on the present converters and we believe the new model will be an important selling tool in our drive to improve penetration levels.
- 5. Beritage plans to offer HBO, Showtime, the Movie Channel and Home Sports Entertainment at \$11.95 per month, Cinemax at \$10.95, The Disney Channel at \$6.95, Galavision at \$6.95 and Home Theatre Network at \$5.95. Combination packages also will be offered at discounts ranging from \$3.00 to \$11.00.
- 6. We also intend to continue to offer impulse pay-per-view service. While we still are formulating our plans for this service, we anticipate a subscriber charge of approximately \$3.50 for each pay-per-view movie.

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