AT&T hits online TV customers with second big price increase this year

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AT&T is rolling out another batch of price increases for AT&T TV Now, the online streaming service formerly known as DirecTV Now.

The AT&T TV Now “Plus” package that contains 45 channels and costs $50 a month will rise to $65, AT&T told Ars. Customers on some other plans will get a $10 increase, AT&T said. That means the “Max” plan with 60 channels will go from $70 to $80, but plans with more channels that range in price from $86 to $135 will stay at the current prices, AT&T told us.

Notices of the increases are being sent to existing customers, so the price hikes will affect both new and existing users.

And that’s not all. AT&T is also raising prices for the second time this year on customers who kept plans that are no longer offered to new customers. For example, customers with the old “Live a Little” plan that includes 65 channels had their monthly price raised from $40 to $50 in April and will now see the price raised from $50 to $60 in November. That’s a 50% increase in seven months.

A story by The Streamable says that a few other grandfathered

plans are getting $10 increases, with new prices ranging from $75 to $95.

In the email to customers that one customer shared with Ars, AT&T blamed the price increase on rising programming costs. Of course, AT&T itself is partly responsible for rising programming costs because it now owns Time Warner. AT&T told a federal judge last year that its acquisition of Time Warner would “enable the merged company to reduce prices,” but it’s been the opposite in reality.

“We’re adjusting our pricing to reflect the cost to deliver content to our customers,” AT&T said in a statement to Ars and other media outlets. “Customers can contact us at any time to review their plans or make account changes.”

The AT&T TV Now service is similar to traditional satellite TV but is delivered entirely over the Internet. The service’s subscriber base has dropped from 1.8 million customers to 1.3 million in the past year.

The rest of AT&T’s TV business is in big trouble, too, as the company says it will lose about 1.1 million TV customers from its DirecTV satellite and U-verse wireline TV services in the third quarter. Including all of its TV services, AT&T’s total number of video subscribers dropped from 25.4 million in Q2 2018 to 22.9 million in Q2 2019. AT&T has said it won’t sell its DirecTV division despite pressure from investors to divest the unit.

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