

**Adelphia**

- Original in Mayor's office -

October 10, 2005

HAND DELIVERED

Honorable James Kalb  
Mayor  
City of Portsmouth  
728 Second Street  
Portsmouth, Ohio 45662

RECEIVED  
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CITY CLERK'S OFFICE

RE: Additional Community Institutional Network Connections

Dear Mayor Kalb:

I am pleased with the progress we have made on the settlement negotiations. I understand that we are close to a resolution with one outstanding major material term to be resolved. This letter is an attempt to resolve that issue.

Per the City of Portsmouth's request, Adelphia hereby agrees to make the following additional Municipal connections to the Community Institutional Network at no cost to the City within sixty (60) days upon both parties executing an agreement regarding the FCC Form 1235:

1. Fire Station located at 830 Hardin Avenue
2. Police Station located at 807 Washington Street

Adelphia further agrees to connect, upon execution by both parties of an agreement regarding FCC Form 1235, the unidentified location of the new Municipal Office Building within sixty (60) days of written notice being delivered to Adelphia. The notice providing the exact location of the new Municipal Office Building shall be delivered to Adelphia no later than December 31, 2005.

I look forward to working directly with you to resolve this matter in a timely, informal and customer-friendly matter. Please do not hesitate to call if you have any questions. I can be reached directly at 740-649-8211.

Sincerely,

  
Mark Ganley  
General Manger

CC: City Council

*AGREEMENT*

**THIS AGREEMENT** is made effective as of the 10<sup>th</sup> day of October, 2005, by and between **Century Ohio Cable Television Corp., I/k/a Adelphia Cable Communications**, whose mailing address is 675 Peter Jefferson Parkway, Charlottesville, Virginia 22911 and the **City of Portsmouth, Ohio**, whose mailing address is Municipal Building, 725 Second Street, Portsmouth, Ohio 45662.

RECITALS

**WHEREAS**, an Adelphia entity, Century Ohio Cable Television Corp., I/k/a Adelphia Cable Communications, a Delaware corporation, (collectively, "Adelphia"), has the right to own, operate and maintain a cable system (the "Cable Franchise") within the City of Portsmouth, Ohio (the "City"), pursuant to a franchise agreement dated as of November 1, 1999 (the "Franchise Agreement");

**WHEREAS**, disputes have arisen between Adelphia and the City regarding certain cable television subscriber rates, a surcharge to subscriber rates proposed by Adelphia, and an appeal by Adelphia to the Federal Communications Commission ("FCC") contesting a City rate order ordinance (Ordinance No. 2004-71) related to the surcharge, and there is also pending before the City a request by Adelphia and Time Warner NY Cable LLC ("TWN") to assign the Franchise Agreement to TWNY;

**WHEREAS**, more specifically, Adelphia has filed an FCC Form 1235 proposing a maximum permitted network upgrade surcharge of \$2.62 per month per subscriber to be assessed against basic service tier subscribers within the City and to recover the costs over twelve years, plus a rate of return, related to the network upgrade of the Adelphia cable system (the "FCC Form 1235");

**WHEREAS**, the Council of the City on November 21, 2004, enacted Ordinance No. 2004-71 disapproving Adelphia's proposed monthly network upgrade surcharge reserving the right to reconsider the Ordinance for the purpose of further reducing rates should new information be submitted by Adelphia;

**WHEREAS**, Adelphia has appealed to the FCC the City's decision contained in Ordinance No. 2004-71;

**WHEREAS**, the City has performed the annual basic service tier cable rate review in response to Adelphia's submission to the City of an FCC Form 1240 for the rates in effect from March 1, 2005 through February 28, 2006 and the city has determined that the FCC regulation authorizes a maximum permitted monthly basic tier rate of \$14.65 which is \$0.32 less than the actual basic service tier rate being charged by Adelphia of \$14.97 per month since March 1, 2005.

**WHEREAS**, the City has been prepared to disapprove Adelphia's actual basic tier rate of \$14.97 per month pursuant to an ordinance of City Council;

**WHEREAS**, on June 15, 2005, Adelphia and TWNY submitted to the City an FCC Form 394 :Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise” (the FCC Form 394) with related documentation; the City requested additional information necessary for its due diligence review and TWNY responded to that request; and the City is now in a position to act upon the request for consent to the assignment based upon its review of the legal, technical and financial ability of TWNY to perform the Franchise Agreement’s obligations and the compliance review of Adelphia’s performance under the Franchise Agreement; and

**WHEREAS**, Adelphia and the City desire to resolve these disputes and the pending request for assignment amicably by entering into this Agreement as hereinafter provided;

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Network Upgrade Surcharge.

a. The parties agree that Adelphia’s current charge to subscribers for the Basic Service Tier (“BST”) is \$14.97 per month, which consists of the FCC Form 1240 Maximum Permitted BST Rate of \$14.65 (for the period March 1, 2005 through February 28, 2006) and \$0.32 of the Network Upgrade Surcharge proposed in Adelphia’s FCC Form 1235 which is the subject of the City’s Rate Order, Ordinance No. 2004-71, currently on appeal with the FCC.

b. The parties agree that the maximum FCC Form 1235 Network Upgrade Surcharge Rate pass-through amount (added to the Maximum Permitted BST Rate) shall not exceed \$0.32 per month for the period March 1, 2005 through February 28, 2006.

c. The parties agree that the City will issue a rate order prior to December 1, 2005, by ordinance of City Council, that confirms and reflects the substance of the parties’ agreements in paragraphs a and b above.

d. The parties agree that the maximum FCC Form 1235 Network Upgrade Surcharge Rate (which may be added to the Maximum Permitted BST Rate) shall not exceed \$2.15 per month beginning March 1, 2006.

e. Although the FCC Form 1235 permits Adelphia to recover its rebuild costs based on a 12-year useful life, Adelphia agrees to limit its recovery period to 10 years which 10-year period shall start on March 1, 2005, the date it first implemented the Network Upgrade Surcharge, and shall end no later than February 28, 2015.

f. Adelphia shall not amend or re-file its FCC Form 1235 that is the subject of Ordinance No. 2004-71.

g. Upon the effective date of this Agreement, Adelphia agrees to immediately withdraw its pending appeal to the FCC of the City's Rate Order, Ordinance No. 2004-71.

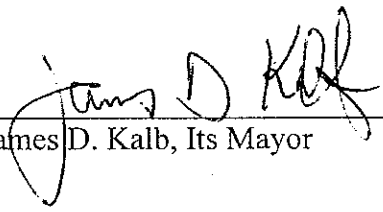
2. Adelphia agrees to remove the City's telephone number from subscriber billings and to place the telephone number of the cable operator on subscriber billings.
3. The City agrees to approve the pending FCC Form 394 request by Adelphia and TWNY, submitted to the City on June 15, 2005, to assign the Franchise Agreement to TWNY. The proposed ordinance to be passed by City Council to approve the assignment with conditions is attached hereto as Exhibit A.
4. The validity, construction and enforceability of this Agreement will be governed in all respects by the internal laws of the State of Ohio.

**IN WITNESS WHEREOF**, the City and Adelphia have caused this Agreement to be signed by their duly authorized officials and/or officers as of the effective date.

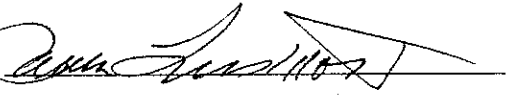
*City of Portsmouth, Ohio*

*Century Ohio Cable Television Corp.  
V/k/a Adelphia Communications*


By:

  
James D. Kalb, Its Mayor

By:

  
Title: Senior Vice President - Operations  
ADELPHIA COMMUNICATIONS CORPORATION

Approved as to form:

  
David W. Kuhn  
City Solicitor

Authorized by Ordinance No.