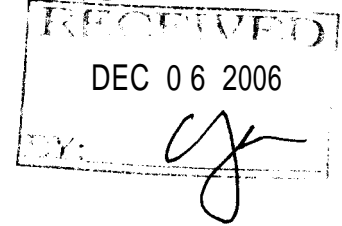


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ATTACHMENT 1



December 5, 2006

Mr. Roger Stancil
Town Manager
Town of Chapel Hill
405 Martin Luther King Jr. Blvd
Chapel Hill, NC 27516

Dear Mr. Stancil:

Time Warner Cable is committed to providing outstanding choice, convenience and value for our customers. We have developed a range of technologically advanced products and services aimed at keeping customers entertained, informed and in touch like never before.

This year, Time Warner Cable introduced Interactive Services to Digital Cable. Customers can now pay their bill, get instant news and weather, play solitaire, and more using their Time Warner Cable remote control. For Road Runner customers, PhotoShow Deluxe is now available at no additional charge. Thousands of customers use Digital Phone service to talk as long as they want across the U.S., Canada and Puerto Rico, for one low price. For your information, I have attached to this letter an updated channel lineup.

To enable us to continue adding programming and making investments in new technology, we will make adjustments to monthly prices beginning with our next billing statement. We understand the need to keep our prices competitive while offering the best possible choice, service and value. As required whenever our prices are adjusted, we have ensured that our new prices for regulated levels of service are in compliance with Federal Communication Commission rules. A chart with our basic price changes is listed below. Customers currently receiving a promotional discount will continue to receive that discounted price until the end of the promotional period.

Franchise #'s 520		
	Current Price	New Price
Basic Service	\$14.50	\$13.91
Standard Service	\$34.00	\$36.89
Addressable Equipment (Remote Control and Addressable Converter	\$7.95	\$7.95

Franchise #'s 710		
	Current Price	New Price
Basic Service	\$10.60	\$9.35
Standard Service	\$35.20	\$38.60
Addressable Equipment (Remote Control and Addressable Converter	\$7.95	\$7.95

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As always, please do not hesitate to call me directly at (919) 573-7040 if you have questions.

Best regards,

A handwritten signature in black ink, appearing to read 'BPH', with a long horizontal stroke extending to the right.

Brad Phillips
Vice President, Government and Public Affairs
Time Warner Cable-Raleigh Division

Durham/Chapel Hill Channel Lineup

Channel	Description	Channel	Description	Channel	Description	Channel	Description
0/98TV Guide Channel*		251	WRAX (FOX) D2	361	Fit TV	500	Answers On Demand
1 WNCN (NBC)		252	WRAX (FOX) Weather	362	La Familia	501	Movies On Demand
2 WRAL (CBS)		256	WRAL (CBS) 24 Hr. News	365	CNN-Headline News	504	Español On Demand
3 Educational Programming		257	WRAL (CBS) DT	366	The Weather Channel	505	International Movies On Demand
4 WRAY (IND)		310	Encore (East)	367	C-SPAN2	510	Here On Demand
5 WTVD (ABC)			High Definition**	368	C-SPAN3	800	Adult On Demand
6 WTVD (ABC)		201	UNC (PBS) HD		Nuestra Tele		Free On Demand
7 C-SPAN2		211	WTVD (ABC) HD	380	Discovery Español	503	Free Movies On Demand
8 Community Programming		217	WNCN (NBC) HD	381	CNN Español	902	Classic Country
9 WUNC (PBS)		250	WRAX (FOX) HD	382	Canal Sur	903	Bluegrass
10 WLFL (CW)		255	WRAL (CBS) HD	383	Cine Latino	904	R&B and Hip-Hop
11 WUNC (Univision)		280	Discovery HD Theater	384	Fox Sports World Español	905	Classic R&B
12 WRDC (My Network)		281	TNT in HD**	385	MTV Español	906	Smooth R&B
13 WRAX (FOX)		285/411	HBO HD**	386	TV Azteca	907	R&B Hits
14 News 14 Carolina		286/451	Showtime HD**	388	mun2	908	Rap
15 HSN			HD Suite*	389	Boomerang Español	909	Metal
16 QVC		290	ESPN HD	390	Galavisión	910	Rock
17 WUNC (Durham)/Gov. Access/		293	HDNet		Premium	911	Arena Rock
18 C-SPAN2 (Chapel Hill)		294	HDNet Movies	395	HBO Latino	912	Classic Rock
19 BET		295	Univision HD	400	HBO (East)	913	Alternative
20 Telefutura		299/502	HD Movies On Demand	401	HBO2 (East)	914	Retro-Active
21 WGN			Cinema Choice	402	HBO Family (East)	915	Electronica
22 WRPX (PAX)		300	Flix (East)	403	HBO Signature (East)	916	Dance
23 Triangle TV		301	Flix (West)	404	HBO Comedy	917	Adult Alternative
Standard		302	Sundance (East)	405	HBO Zone	918	Soft Rock
25 USA Network		303	Sundance (West)	407	HBO (West)	919	Hit List
26 TNT		304	Fox Movie Channel	409	HBO Family (West)	920	Party Favorites
27 A&E		305	IFC	410	HBO Signature (West)	921	90s
28 ABC Family			Encore Movie Pak	420	CineMAX (East)	922	80s
29 CNN		310	Encore (East)	421	MoreMAX (East)	923	70s
30 Discovery		311	Encore (West)	422	ActionMAX (East)	924	Solid Gold Oldies
31 ESPN		312	Encore Action	423	ThrillerMAX (East)	925	Singers and Standards
32 ESPN2		313	Encore Love	424	WMax	926	Big Band & Swing
33 Lifetime		314	Encore Mystery	425	@Max	927	Easy Listening
34 CBS		315	Encore Drama	426	5StarMax	928	Smooth Jazz
35 Discovery Health		316	Encore Westerns	427	OuterMax	929	Jazz
36 Comedy Central		317	Encore Wam!	428	CineMAX (West)	930	Blues
37 CNBC			Digital Sports and Games	429	MoreMAX (West)	931	Reggae
38 AMC		144	Fox Soccer Channel	430	ActionMAX (West)	932	Soundscapes
39 TLC		148	Speed Channel	431	ThrillerMAX (West)	933	Classical Masterpieces
40 Spike TV		180	Toon Disney	440	Showtime (East)	934	Opera
41 CNN Headline News		320	Fox College Sports Atlantic	441	Showtime Too (East)	935	Light Classical
42 Weather Channel		321	Fox College Sports Central	442	Showcase (East)	936	Show Tunes
43 Nickelodeon		322	Fox College Sports Pacific	443	Showtime Extreme	937	Contemporary Christian
44 Court TV		324	NBA TV	444	Showtime Beyond	938	Gospel
45 MSNBC		325	Tennis Channel	445	Showtime Next	939	Radio Disney
46 Animal Planet		326	Fuel	446	Showtime Women	940	Sounds of the Seasons
47 Lifetime Movie Network		327	CSTV	447	Showtime Zone	941	Musica Urbana
48 VH1		328	Outdoor Channel	448	Showtime (West)	942	Salsa y Merengue
49 Sci-Fi		329	GSN	449	Showtime Too (West)	943	Rock En Español
50 Fox Sports Net			Family Choice***	450	Showcase (West)	944	Pop Latino
51 The Golf Channel		350	Boomerang	461	TMC Xtra	945	Americana
52 MTV		351	Nick Games and Sports	470	Starz		
53 TV Land		352	Disney Channel	471	Starz Edge		
54 Oxygen		353	Toon Disney	472	StarzBlack		
55 History Channel		354	Discovery Kids	473	Starz Kids & Family		
56 Disney		355	The Science Channel	474	Starz Cinema		
57 Fox News		358	DIY				
58 C-SPAN (Chapel Hill only)		359	HGTV				
59 Food Network		360	Food Network				
60 Food Network							
61 Women's Entertainment							
62 E!							
63 SoapNet							
64 ShopNBC							
65 Versus							
66 ESPN Classic							

Basic service required to receive all other services. Digital, Premium, Pay-Per-View, and On Demand services are available only when subscribing to the corresponding Premium On Demand channel. Programming is subject to change.

Effective 1/23/07.
 **High Definition television and HD box required.
 ***Premium Service required.
 ****To receive Family Choice, Basic Cable service and base of Digital cable box are required and are an additional charge. Standard Cable service. Premium services, including pay-per-view, are not available with Family Choice. Other restrictions apply.
 *Channel varies depending on make/model of TV set.
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