

RECEIVED DEC 18 2007



December 11, 2007

Mr. Roger Stancill
Town Manager
PO Box 8005
Chapel Hill, NC 27516

Dear Mr. Stancill:

I am writing to inform you of upcoming changes in pricing for your area. As you already know, according to federal law, Time Warner Cable, (TWC) is allowed to adjust rates only once a year. Typically this is done to coincide with the new calendar year with new rates being in effect by January.

This year Time Warner Cable added 27 channels including ESPNU, Sleuth, ESPN2 HD, TBS HD, Entertainment On Demand, Music On Demand, Fox Business Network and TV Aztecag, just to name a few. If you're a Road Runner customer, you can take advantage of Safe Storage where you have the ability to back up 500MB of your important files on your PC. Plus, we recently introduced Digital Phone International OnePrice, a new affordable calling plan for international calling.

Excellence in customer service has always been our goal. We strive to improve customer service, both in our telephone call center and our field technicians through more frequent and in-depth training. All TWC employees are equipped with the tools and technology they need to assist customers in any way. We realize that exemplary customer service is a journey, not a destination, and we will continue to listen to our customers in order to improve.

As many North Carolina companies have been impacted by the upward spiral of costs required to deliver products and services, so has the cable industry. The prices we pay for network programming have increased much faster than the rate of inflation. The cost of providing benefits, equipping and training employees has risen steadily. As I have often said before, we never like announcing changes in prices. We do all we can to hold those prices down. Beginning with customer's next billing cycle in January, they will see these changes in their rates.

Additionally, converter rates are decreasing as shown in the chart below.

For franchise #: 520

	Current	New Price
Basic Service	13.91	13.95
Standard Service	36.89	39.50
BST & CPST	50.80	53.45
Addressable Converter	7.64	7.21

For franchise #: 710

	Current	New Price
Basic Service	9.35	9.35
Standard Service	38.60	41.25
BST & CPST	47.95	50.60
Addressable Converter	7.64	7.21

It is a pleasure to serve the almost 750,000 customers in the East Carolina Division. We look forward to a great 2008 with a continued commitment to our customers and the communities we serve.

Best regards,



Brad Phillips
Vice President
Government and Public Affairs