



March 31, 2005

Mr. W. Calvin Horton
Town Manager
Town of Chapel Hill
306 N. Columbia Street
Chapel Hill, NC 27516-2124

Subject: Annual report of CATV system performance

Dear Mr. Horton:

The current franchise agreement between the Town of Chapel Hill and Time Warner Cable under section 10-107 requires that Time Warner Cable provide certification of performance of the cable television system.

The Plant Department of Time Warner Cable performs regular tests on the cable system at designated test locations to assure delivery of quality, service to our customers. The testing is done in conformance with generally accepted testing procedures. The items tested are similar to those listed in section 10-100 of the franchise under the heading of Technical Performance Goals. In addition, Time Warner Cable is also required to provide certification to the Federal Communications Commission that the system meets the requirements of the FCC as related to cumulative leakage, and other technical requirements related to signal off-sets, and carrier frequency specifications.

A recent review of the test data (copy attached) and filings with the FCC indicate that Time Warner Cable is meeting the technical performance standards required by the Federal Communications Commission and the Franchise Agreement with the Town of Chapel Hill.

Sincerely,

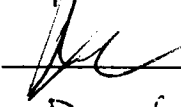
A handwritten signature in black ink, appearing to read 'KRD'.

Kim Reid
Senior Director of Engineering
Time Warner Cable

SYSTEM: **Durham**
PSID#: **007239**
Included are the former systems of:
Henderson/Oxford (PSID# 000847)
Warren (PSID# 005029)
Louisburg (PSID# 012670)
Chape Hill (PSID# 001313)

COMMUNITY UNIT NUMBERS: NC0087, NC0343, NC1004, NC0263,
NC0305, NC0306, NC0131, NC0987,
NC0132, NC0988, NC0989, NC0990,
NC0133, NC0169, NC0986, NC0318,
NC0317, NC0316, NC0844, NC0845,
NC0234, NC0276, NC0468, NC0997
NC0649, NC0650, NC0936, NC0470
NC0130, NC0068, NC0256

The Principal Headend for this PSID is: 924 Ellis Road, Durham, NC 27703
Latitude: 35-57-43N
Longitude 78-52-17W

NUMBER OF SUBSCRIBERS: 105,316
TEST DATES: 1/23/04 - 2/29/04
TEST CERTIFIED BY: 
TITLE: Dir of Plant Maint

INTRODUCTION AND OUTLINE

This document is intended to serve as a record that the above named cable system, serving the above named community unit(s), meet or surpassed the performance and testing requirements set out by the Federal Communications Commission (FCC) for cable television systems having 1,000 or more subscribers. These performance and testing requirements are specified in Part 76 of Chapter I of Title 47 of the Code of Federal Regulations. Primarily Part 76.601 and 76.605.

This document includes a "Specifications Page" that summarizes the FCC requirement, references the rule for each requirement, and specifies what test results were used to "Proof" the requirement. This document also includes a page listing the system test points used and information on how the system test points were selected. Each set of test results includes a summary of how the test was conducted, a listing of the equipment used, including serial numbers of the equipment, and the names of the employees who conducted the test.