



February 11, 2003

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

Dear Mr. Horton:

I am in receipt of your letter dated February 5, 2003 regarding several issues that came up at a recent Town Council meeting. I will address each issue separately in the following paragraphs.

- **Customer Service:** It is Time Warner Cable's goal to provide quality customer service to every one of our customers. Although we feel that we have reached great strides in accomplishing this goal, we recognize that sometimes our customer service procedures do not always meet the customer's expectations.

In the case of Dr. Krasny, we have worked with him to ensure that we have met his needs and that he is currently satisfied with his service. Both Chris Van Name, Vice President and General Manager, and Virginia Yopp, Public Affairs Manager, have made personal contact with Dr. Krasny and have followed up with our Customer Operations group to find out where the internal miscommunications occurred. Please be assured that Time Warner Cable has an ongoing commitment to implement our procedures to assure quality customer service.

- **Tier Buy Through Requirement:** In a meeting following the ice storm in December with Time Warner Cable officials and the Town, you requested that Time Warner Cable notify Chapel Hill customers of the recent FCC ruling. The ruling prohibits a cable television operator from requiring that a Basic-only customer first purchase a tier of service, other than Basic Service, in order to purchase programming offered on a per channel (i.e. HBO, Showtime, etc.) basis or programming offered on a pay-per-view basis.

Beginning with the February 5, 2003 billing cycle, an insert in our Town of Chapel Hill customer's bills was included to inform them of this new option. These inserts will continue to be included in Chapel Hill customer's bills throughout the February billing cycle.

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- Pricing Trends: Time Warner Cable's prices reflect the cost of doing business and include programming costs, copyright fees and inflation. We take all of these factors into consideration when adjusting our prices, and believe that our prices continue to represent an excellent value to our customers.

We know that consumers today have many options for video services and broadband technologies, which is why we ensure that our pricing and program packaging are competitive with other providers such as DirecTV and The Dish Network.

- Durham County Residents: As you stated in your letter, there are approximately 30 Chapel Hill customers who currently receive the Durham cable channel line-up because of the existing infrastructure of our cable system in that area. After reviewing the technical requirements needed for these customers to receive the Chapel Hill access channels, we do not feel these changes are economically feasible or practical at this time. As the number of our Chapel Hill customers in this area continues to grow, we will review the feasibility of making these changes at that time.

I hope you feel I have adequately addressed each of these issues. Should you have any questions or concerns regarding my response, please do not hesitate to contact me at (919) 573-7041. Thank you.

Sincerely,



Tom Adams
Division President
Time Warner Cable