



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

VIA EMAIL & U.S. MAIL

January 8, 2014

Mr. Bob Barlow
President
Time Warner Entertainment Company, L.P.
200 Akamainui Street
Mililani, HI 96789-3999

Dear Mr. Barlow:

Re: Letter Order — Payment of 2014 Access Operating Fees to 'Ōlelo

In accordance with Decision and Order ("D&O") No. 346, Oceanic Time Warner Cable LLC ("OTWC")¹ is required to pay an annual Access Operating Fee ("AOF") to the public, educational, and governmental ("PEG") access organization that the Department of Commerce and Consumer Affairs ("DCCA") contracted with to provide PEG access services to the public on Oahu. There is currently one (1) PEG access organization on Oahu: 'Ōlelo Community Media ("Ōlelo").

DCCA and 'Ōlelo subsequently agreed to extend its respective PEG access agreement for another six-month period from December 31, 2013 to June 30, 2014.

Accordingly, pursuant to Hawaii Revised Statutes section 440G-12 and Sections IV.I. and IV.J of D&O No. 346, DCCA hereby directs OTWC to:

1. Pay fifty percent (50%) of the respective 2014 AOF, subject to the provisions in this Letter Order, to 'Ōlelo on or about January 31, 2014.

¹ By Decision and Order No. 356, DCCA granted Time Warner Entertainment Company, L.P.'s ("TWE") request to transfer its Hawaii cable franchises to Oceanic Time Warner Cable LLC as part of an internal reorganization of parent Time Warner Cable. OTWC agreed to comply with the terms and conditions of TWE's Hawaii cable franchises and applicable State and federal law.

For the AOF calculation, the U.S. Department of Labor Consumer Price Index for Urban Honolulu is 253.202. For your convenience, here is the 2014 AOF calculation pursuant to D&O 346:

CPI for most current period	253.202
Less CPI for same period in prior year	248.646
Equals change in CPI	4.556
Change in CPI divided by CPI for same period in prior year	$1 + (4.556/248.646)$
Equals	1.018
Payments made in 2013	\$ 5,024,023
Payment for 2014 equals payment for 2013 x 1.018	$\$ 5,024,023 \times 1.018 =$ 5,114,455
Compared with 3% of Gross Revenue from the prior year. The 2014 AOF is the lesser amount.	\$ 5,114,455

2. On or about January 31, 2014, OTWC shall submit to the Director copies of the 2014 AOF Payments to 'Ōlelo and any other supporting documentation. OTWC shall provide a sworn statement as to the accuracy and completeness of these reports.
3. OTWC shall maintain the remaining fifty percent (50%) balance of the 2014 AOF in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
4. OTWC shall maintain separate accounting records for the 2014 AOF to 'Ōlelo. Upon request from DCCA, OTWC shall promptly provide DCCA with documentation of the bank account and accounting records regarding the 2014 AOF.
5. Upon further direction by the Director, OTWC shall disperse the remaining amounts of 2014 AOF in the bank account to 'Ōlelo or to the Director's designee.
6. OTWC may recover reasonable costs of administering the bank account, including the tax impact of any interest earned, from the interest on the account.

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7. Any interest earned on the bank account shall be prorated and disbursed at a later date. OTWC shall maintain separate accounting records for any interest earned on the 2014 AOF.

Thank you for your attention to and cooperation in this matter. Please call me if you have any questions. Thank you for your assistance and cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'KEALI'I S. LOPEZ', with a long horizontal flourish extending to the right.

KEALI'I S. LOPEZ
Director
Department of Commerce and
Consumer Affairs

c: Catherine Awakuni, CATV
Roy Amemiya, 'Ōlelo
Brian Kang, Esq.
Kurt Izawa, OWTC
Marlon Wedemeyer (HENC)