

CABLE DIVISION
COMMERCE AND
CONSUMER AFFAIRS

2011 DEC 29 A 11: 59

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SKALI'LS. LOPEZ
DIRECTOR

EVERETT S. KANESHIGE
DEPUTY DIRECTOR

December 28, 2011

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 2012 Access Operating Fees and Capital Fund
Payments to 'Ōlelo

In accordance with Decision and Order (“D&O”) Nos. 346, Time Warner Entertainment Company, L.P. (“TWE”) 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”).

TWE is also required to make capital contributions to ‘Ōlelo to acquire or purchase PEG access assets (i.e., facilities and equipment) pursuant to D&O No. 346.

DCCA and ‘Ōlelo subsequently agreed to extend its respective PEG access agreement for another six-month period from January 1, 2012 to June 30, 2012.

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

1. For the AOF calculation, the U.S. Department of Labor Consumer Price Index for Urban Honolulu is 241.902. For your convenience, here is the 2012 AOF calculation pursuant to D&O 346:

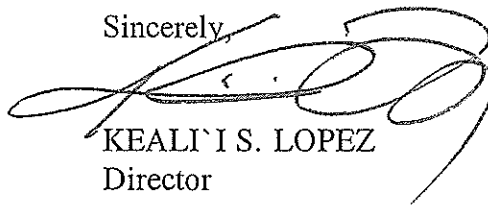
CPI for most current period	241.902
Less CPI for same period in prior year	233.822
Equals change in CPI	8.08
Change in CPI divided by CPI for same period in prior year	$1 + (8.08/233.822)$
Equals	1.034
Payments made in 2011	\$4,726,482
Payment for 2012 equals payment for 2011 x 1.034	$\$4,726,482 \times 1.034 =$
This calculation is to be compared with 3% of Gross Revenue from the prior year. The AOF to be paid on January 31, 2012 is the lesser amount.	\$4,887,182

2. Oceanic shall pay fifty percent (50%) of the respective 2012 Access Operating Fees, subject to the provisions in this Letter Order, to 'Ōlelo on or about January 31, 2012.
3. Oceanic shall maintain the remaining fifty (50%) balance of the 2012 Access Operating Fees in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
4. The amount of the capital fund payments due on January 31, 2012 is currently in arbitration, and DCCA therefore reserves the right to direct TWE to make payment of the 2012 capital fund payment at a later date.
5. TWE shall maintain separate accounting records for the 2012 Access Operating Fees to Olelo. Upon request from DCCA, TWE shall promptly provide DCCA with documentation of the bank account and accounting records regarding the 2012 Access Operating Fees.
6. Upon further direction by the Director, TWE shall disperse the remaining amounts of 2012 Access Operating Fees in the bank account to 'Ōlelo or to the Director's designee.
7. TWE may recover reasonable costs of administering the bank account, including the tax impact of any interest earned, from the interest on the account.
8. Any interest earned on the bank account shall be prorated and disbursed at a later date. TWE shall maintain separate accounting records for any interest earned on the 2012 Access Operating Fees.

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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 large, stylized flourish extending from the end of the signature.

KEALI'I S. LOPEZ
Director

c: Donn Yabusaki, CATV
Roy Amemiya, Olelo
Brian Kang, Esq.
Russell Saiki, TWE
Marlon Wedemeyer (HENC)