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Special Communications and
Intellectual Property Counsel
to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT NEW YORK

In re

Adelphia Communications Corporation, et al.,

Debtors.

)
) Chapter 11 Cases

)
) Case No. 02-41729 (REG)

)
) Jointly Administered
)

**FINAL APPLICATION OF DAVIS WRIGHT TREMAINE LLP, AS SPECIAL
TELECOMMUNICATIONS AND INTELLECTUAL PROPERTY COUNSEL FOR THE
DEBTORS AND DEBTORS IN POSSESSION FOR INTERIM ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED FROM
JUNE 1, 2003 THROUGH FEBRUARY 13, 2007**

TO THE HONORABLE ROBERT E. GERBER,
UNITED STATES BANKRUPTCY JUDGE

Name of Applicant:	Davis Wright Tremaine LLP
Authorized Professional Services:	Special Communications and Intellectual Property Counsel to the Debtors and Debtors in Possession.
Date of Retention Order:	September 16, 2003
Period for Which Compensation and Reimbursement Is Sought (the "Final Application Period"):	June 1, 2003 through February 13, 2007
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$ 2,658,979.41
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$ 90,540.41

This is a final application

In accordance with the Administrative Orders, dated June 24, 1991, and April 19, 1995, governing fees and disbursements for professionals in Southern District of New York bankruptcy cases (collectively, the "Administrative Order"), this Court's order, dated August 9, 2002, establishing interim compensation procedures for these cases (the "Interim Compensation Order"), and the Final Compensation procedures of the fee Committee of Adelphia Communications Corporation, et al. ("Final Compensation Procedures"), Davis Wright Tremaine LLP ("DWT"), special telecommunications and intellectual property counsel for the Debtors and Debtors in Possession (collectively, the Debtors") hereby requests that this Court authorize: (a) allowance of compensation in full for professional services DWT rendered to the Debtors during the period between June 1, 2003 and February 13, 2007 ("Final Application Period") in the amount of \$2,658,979.41 and (b) the reimbursement of actual and necessary expenses DWT incurred during the Final Application Period in connection with the rendering of such professional services in the amount of \$90,540.41.

1. On June 25, 2002 (the “Petition Date”), each of the debtors and debtors in possession in the above-captioned case (the “Debtors”) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Each of the Debtors continues to operate its business and manage its properties as a debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Debtor’s Chapter 11 cases have been consolidated for procedural purposes and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. Adelphia Communications Corporation (“ACC” or “Parent”), a Delaware corporation and the ultimate parent Debtor, owns all of the issued and outstanding shares of ACC Investment Holdings, Inc., a Delaware corporation, and ACC Operations, Inc. (“HoldCo”), a Delaware corporation. HoldCo, in turn, directly or indirectly owns, controls, or holds interests in virtually all of the remaining Debtors.

4. Together with its direct and indirect subsidiaries (collectively “Adelphia”), Adelphia is the sixth largest operator of cable television systems in the United States. The Debtors’ cable systems are located in 29 states and Puerto Rico and are organized into six (6) strategic clusters; Los Angeles; “PONY” (Western Pennsylvania, Ohio and Western New York); New England; Florida; Virginia; and Colorado Springs. Such cable systems are located primarily in suburban areas of large and medium-sized cities within the 50 largest television markets.

5. By this Court’s order dated September 16, 2003, the Debtor was authorized to retain DWT as Special Communications and Intellectual Property Counsel in these Chapter 11 cases. The Retention Order authorizes the Debtors to compensate DWT at DWT’s hourly rates

charged for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses that it incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Interim Compensation Order and all applicable local rules and orders of this Court.

6. DWT filed the Affidavit of Daniel Waggoner in Support of the Application for Order Authorizing Employment and Retention of DWT as Special Communications and Intellectual Property Counsel (the “Waggoner Affidavit”). Except as disclosed in the Waggoner Affidavit, DWT does not hold or represent any interest adverse to the Debtor’s estate. As stated in the Waggoner Affidavit, DWT is a disinterested person as that term is defined in Section 101(14) of the Bankruptcy Code as modified by Section 1107(b) of the Bankruptcy Code.

7. DWT may have in the past represented, may currently represent, and likely in the future will represent parties-in-interest in connection with matters unrelated to Adelphia Communications Corporation and this case. DWT has disclosed in the Waggoner Affidavit its connections to parties-in-interest that it has been able to ascertain using its reasonable efforts. DWT will update the Waggoner Affidavit when necessary and when DWT becomes aware of material new information.

8. This Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995, Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on June 10, 1991 (collectively, the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11

U.S.C. § 330 adopted on January 30, 1996 (the “UST Guidelines” and, collectively with the Local Guidelines, the “Guidelines”), and the Final Compensation Procedures.

9. On April 1, 2005, DWT submitted to this Court its request for interim allowance of compensation for professional services rendered to the Debtors from June 1, 2003, through April 30, 2004 (the “First Interim Application”), in the amount of \$587,832.93 and the reimbursement of actual and necessary expenses incurred by DWT in connection with the rendering of such professional services in the amount of \$20,824.66.

10. On April 27, 2005, DWT submitted to this Court its request for interim allowance of compensation for professional services rendered to the Debtors from May 1, 2004, through October 31, 2004 (the “Second Interim Application”), in the amount of \$450,167.35 and the reimbursement of actual and necessary expenses incurred by DWT in connection with the rendering of such professional services in the amount of \$15,781.07.

11. On September 21, 2005, DWT submitted to this Court its request for interim allowance of compensation for professional services rendered to the Debtors from November 1, 2004, through February 28, 2005 (the “Third Interim Application”), in the amount of \$225,791.25 and the reimbursement of actual and necessary expenses incurred by DWT in connection with the rendering of such professional services in the amount of \$2,852.57.

12. On February 17, 2006, DWT submitted to this Court its request for interim allowance of compensation for professional services rendered to the Debtors from March 1, 2005 through August 31, 2005 (the “Fourth Interim Application”), in the amount of \$627,849.80 and the reimbursement of actual and necessary expenses incurred by DWT in connection with the rendering of such professional services in the amount of \$12,143.47.

13. On June 16, 2006, DWT submitted to this Court its request for interim allowance of compensation for professional services rendered to the Debtors from September 1, 2005 through February 28, 2006 (the "Fifth Interim Application"), in the amount of \$458,347.73 and the reimbursement of actual and necessary expenses incurred by DWT in connection with the rendering of such professional services in the amount of \$12,031.05.

14. On October 12, 2006, DWT submitted to this Court its request for interim allowance of compensation for professional services rendered to the Debtors from March 1, 2006 through August 31, 2006 (the "Sixth Interim Application"), in the amount of \$297,710.67 and the reimbursement of actual and necessary expenses incurred by DWT in connection with the rendering of such professional services in the amount of \$24,963.77.

15. On March 29, 2007, DWT submitted to this Court its request for interim allowance of compensation for professional services rendered to the Debtors from September 1, 2006 through February 13, 2007 (the "Seventh Interim Application"), in the amount of \$11,279.68 and the reimbursement of actual and necessary expenses incurred by DWT in connection with the rendering of such professional services in the amount of \$ \$1,943.82.

16. A schedule setting forth the number of hours expended by each of the partners, associates, and paraprofessionals of DWT who rendered services to the Debtors, their respective hourly rates, and the year of bar admission for each DWT attorney is attached to each Interim Application as Exhibit A. In addition, a comprehensive schedule setting forth the total number of hours expended by each of the partners, associates, and paraprofessionals of DWT who rendered services to the Debtors during the Final Application Period, their respective hourly rates, and the year of bar admission for each DWT attorney is attached hereto as Exhibit A.

17. A schedule specifying the categories of expenses for which DWT is seeking reimbursement and the total amount for each such expense category is attached to each Interim Application as Exhibit B. Copies of these previously-filed schedules are attached hereto as Exhibit B. In addition, a comprehensive schedule specifying the categories of expenses for which DWT is seeking reimbursement and the total amount for each such expense category during the Final Application Period is attached hereto as Exhibit B.

18. Pursuant to the UST Guidelines, a schedule setting forth a description of the project categories utilized in this case and the aggregate fees and disbursements associated with each project category, is attached to each Interim Application as Exhibit C. A Comprehensive schedule setting forth a description of the project categories utilized in this case and the aggregate fees and disbursements associated with each project category during the Final Application Period is attached hereto as Exhibit C.

19. DWT maintains computerized records of the time spent by all DWT professionals in connection with its representation of the Debtors. Copies of these computerized records, including the number of hours expended by the partners, associates, and paraprofessionals of DWT by project category, have previously been provided to Legal Cost Control (“LCC”) in conjunction with DWT’s submittal of invoices. Accordingly, such daily time records are not being filed herewith.

20. The rates described in Exhibit A are (or were) DWT’s normal hourly rates for services of this type.¹ Based on these rates and the services performed by each individual, the reasonable value of such services is \$2,658,979.41. DWT professionals and paraprofessionals expended a total of 10,470.58 hours in their representation of the Debtors during the Final

¹ The majority of the hourly rates reflected and billed by the Partners of DWT in the schedules attached Exhibit A are discounted hourly rates.

Application Period. In accordance with the factors enumerated in Section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of these cases; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services and (e) the costs of comparable services other than in a case under the Bankruptcy Code.

21. As more fully described below, in its role as Special Communications and Intellectual Property Counsel, DWT has rendered professional services concerning a wide variety of matters and issues. In the course of providing services, DWT has been mindful of the importance of keeping its fees and expenses as low as reasonably possible, in order to minimize the financial burden on the Debtors' estates, in addition to DWT's obligation to provide the Debtors with proper legal representation. DWT believes it has succeeded in achieving these goals. DWT services in these cases have been substantial, necessary and beneficial, both to the Debtors and their estates and to the Debtors' unsecured creditors.

22. The professional services that DWT rendered during the Final Application Period are set forth in detail in the Interim Applications previously filed by DWT, all of which are incorporated herein by reference. Detailed reiteration of the services provided by DWT during the Final Application Period herein would be duplicative and burdensome to the Court.

(a) **Fee Committee Criteria**

1. **The Final Applicant's role, objectives, and accomplishments in the Adelpia Case.** The role of DWT in the Adelpia bankruptcy fell into the following main areas:

(A) Assisting on various telecommunications contracts and advice related thereto whereby Adelpia sold, leased or obtained

telecommunications services (including Adelphia's planned offering and trials of Voice Over Internet Protocol ("VoIP") services);

(B) Adelphia's acquisition, licensing or use of various information technology services such as software, equipment and related services (including billing and back office functions);

(C) Assisting Adelphia in transferring the hundreds of municipal and state franchises that had to be conveyed from Adelphia to Comcast and Time Warner or other purchasers; and

(D) On a few occasions, assisting Adelphia with labor and employment matters that were related to other matters.

By doing these tasks, DWT helped Adelphia maintain and improve its business during the pendency of the bankruptcy and also helped Adelphia with the sale of assets to Comcast, Time Warner and other purchasers. Without DWT's assistance, neither objective would have been accomplished as successfully or as rapidly as occurred.

2. **The time billed for the services and the billing rates.** As discussed above, the time billed by DWT was necessary to accomplish these desired results and the billing rates were reasonable. DWT also carefully managed its provision of services to Adelphia to ensure the most effective use of attorney time in coordination with in-house attorneys and personnel at Adelphia as well as other professionals retained by Adelphia.

3. **Steps taken by the Final Applicant to provide services solely within their scope of employment, as prescribed by their respective retention orders.** DWT was retained to provide legal services relating to telecommunications, regulatory

and information technology matters. DWT was careful to stay within the scope of that work. At times, the matters and transactions on which DWT provided services involved other specialized issues such as state and local tax. In each of those instances, DWT either worked with Adelphia in-house counsel who provided the necessary expertise, worked with other law firms retained by Adelphia, or if directed by Adelphia, provided the specialized services itself.

4. Coordination of the Final Applicant's services with those of other professionals in the Adelphia Case to limit or prevent duplication of work being done. DWT worked closely with Maria Arias, Greg Cannon, Andy Elson and their teams of attorneys and regulatory personnel to ensure that Adelphia stayed apprised of the tasks undertaken by DWT and to ensure that tasks were not duplicated. Through regular communication with Ms. Arias, Mr. Cannon and Mr. Elson, and their teams, DWT was able to prevent any significant duplication of effort and to accomplish tasks in the most efficient manner possible.

5. Whether the services were necessary to the administration of, or beneficial at the time at which the services were rendered. The services provided by DWT allowed Adelphia to continue with its normal course of business during the pendency of the bankruptcy, including improving and maintaining its infrastructure necessary for provision of services, maintaining or selling assets, and avoiding regulatory issues during the pendency of the bankruptcy. DWT's activities with regard to the transfer of cable television franchises and telecommunications regulatory authorizations and contracts as well as related sales of assets were beneficial in that they raised funds with which to pay creditors. Ultimately, the transfer of cable television franchises and

telecommunications authorizations was an integral part of the asset sale to Comcast and Time Warner.

6. Whether the services were performed within a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue or task addressed. DWT provided timely service on all matters for which it was engaged. During the pendency of the bankruptcy, DWT, working closely with Adelphia in-house staff, made sure that the legal services provided were only those necessary for the maintenance and improvement of Adelphia's assets. During the process of selling assets, including the sale of assets to Comcast and Time Warner, DWT worked within tight time frames to ensure the transfer of cable franchise and other assets.

7. The opposition encountered and the problems that arose.

During the period prior to sale of assets, the biggest problems encountered by DWT related to investigating and documenting many transactions that had not been adequately documented prior to the bankruptcy. Furthermore, DWT was called upon in many instances to assist with transactions necessary to maintain and improve Adelphia's assets during expedited time frames.

DWT also encountered significant obstacles in addressing regulatory compliance issues with regard to the telecommunications and other assets of Adelphia. In some instances, regulatory filings had not been made or properly maintained and such issues had to be addressed on an expedited basis to avoid penalties or to allow the sale of assets.

Finally, during the asset sale process, including in particular the sale to Comcast and Time Warner, various franchising and other governmental authorities raised issues

and DWT worked with Adelpia's in-house team in addressing and solving those issues so that the assets could be sold within a compressed time schedule.

8. **Compliance with Fee Committee Memorandum.** DWT has made a diligent attempt to comply with the Fee Committee Memorandums and, when requested, made necessary changes or corrections to comply.

9. **Any amounts by which the fees of the Final Applicant have been reduced voluntarily, with respect to an Interim Application or otherwise, prior to their submission to or review by the Fee Committee identified by work code, or, if not, by description.** During the Final Application Period, DWT voluntarily reduced its fees by the total amount of \$42,091.89. See Exhibit D hereto.

10. **Any amounts by which the fees of the Final Applicant have been reduced at the recommendation of the Fee Committee, which respect to an Interim Application or otherwise, identified by work code or, if none, by description.** The Fee Committee made certain minor recommendations with regard to reducing DWT's fees with respect to Interim Applications and after negotiation the Fee Committee and DWT reached a reasonable accommodation on those recommendations. During the Final Application Period, DWT reduced its fees by a total of \$22,874.00 at the recommendation of the Fee Committee. See Exhibit D hereto.

11. **Any amounts by which the expenses of the Final Applicant have been reduced voluntarily, with respect to an Interim Application or otherwise, prior to their submission to or review by the Fee Committee identified by expense category.** During the Final Application Period, DWT voluntarily reduced its expenses by the total amount of \$691.04. See Exhibit D hereto.

12. **Any amounts by which the expenses of the Final Applicant have been reduced at the recommendation of the Fee Committee, with respect to an Interim Application or otherwise, identified by expense category.** DWT is not aware of any recommendations by the Fee Committee for reductions of its expenses during the Final Application period. See Exhibit D hereto.

13. **Any other matters that the Fee Committee believes should be considered by the Bankruptcy Court in its final determination of compensation and expense reimbursement for the Final Applicant.** DWT believes that Adelphia received excellent value for the services provided by DWT. Services were provided efficiently and on an expedited basis and the fees were reasonable.

(b) Summary of Interim Applications

Interim Period	Total Fees and Disbursements for Interim Period	Amount Paid After Holdback	Holdback Amount or Amount Payable
Sixth (DWT's 1st Application) (6/1/2003 - 4/30/2004)	\$ 608,657.59	\$ 548,335.26	\$ 60,325.78
Seventh (5/1/2004 - 10/31/2004) including 3/2004 invoices not previously submitted	\$ 465,948.42	\$ 340,823.32	\$ 125,125.10
Eighth (11/1/2004 - 2/28/2005)	\$ 228,643.82	\$ 204,605.56	\$ 24,048.26
Ninth (3/1/2005 - 8/31/2005)	\$ 639,993.27	\$ 514,423.30	\$ 125,569.97
Tenth (9/1/2005 - 2/28/2006)	\$ 470,378.78	\$ 378,709.27	\$ 91,669.51
Eleventh (3/1/2006 - 8/31/2006)	\$ 322,674.44	\$ 263,132.31	\$ 59,542.13
Twelfth (9/1/2006 - 2/13/2007)	\$ 13,223.50	\$ 3,954.04	\$ 9,269.46
Total	\$2,749,519.82	\$2,253,983.06	\$ 495,550.21

(c) **Disbursements Incurred**

It is DWT's policy to charge its clients in all areas of practice for identifiable non-overhead expenses incurred in connection with the client's case that would have not have been incurred except for the representation of that particular client. It is DWT's policy to charge its clients only the amount actually incurred by DWT in connection with such items. All of these disbursements comprise the sum requested for DWT's out-of-pocket expenses, totaling \$90,540.41. A summary of the disbursements of DWT for the Final Application Period is set forth in Exhibit B.

(d) **Total Fees and Expenses Sought for the Final Application Period**

The total amounts sought for fees for professional services rendered and reimbursement of disbursements incurred for the Final Application Period are as follows:

Total Fees	\$2,658,979.41
Total Disbursements	\$90,540.41
Total	\$2,749,519.82

23. This Fee Application is a final application submitted pursuant to the Final Compensation Procedures, covering the period from June 1, 2003, through February 13, 2007.

24. The compensation requested by DWT is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

25. DWT performed the services for which it is seeking compensation on behalf of or for the benefit of the Debtors.

26. Other than the amounts requested and paid under monthly fee statements, DWT has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases.

27. No agreement or understanding exists between DWT and any other person for a sharing of compensation received or to be received for services rendered in connection with these Chapter 11 cases, nor shall DWT share or agree to share the compensation paid or allowed from the Debtor's estate for such services with any other person. The foregoing constitutes the statement of DWT pursuant to Section 504 of the Bankruptcy Code and Bankruptcy Rule 2016(a).

28. The hours expended by DWT were necessary. The allowance of interim compensation for services rendered and reimbursement of expenses incurred in bankruptcy cases is expressly provided for in Section 331 of the Bankruptcy Code:

[A]ny professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

29. Concerning the level of compensation, Section 330(a)(1) of the Bankruptcy Code provides, in relevant part, that the court may award to a professional person "reasonable compensation for actual, necessary services" rendered by the professional person. 11 U.S.C. § 330.

30. DWT submits that its request for final allowance of compensation is reasonable. The services rendered by DWT, as discussed in brief above, required substantial time and effort, often under substantial pressure.

31. The services rendered by DWT during the Final Application Period were performed efficiently. DWT made efforts to limit the number of professionals present at hearings, on teleconferences, and at in-person meetings and, wherever possible, delegated tasks to lower-cost junior attorneys.

32. During the Final Application Period, the issues confronted by DWT were complex and sometimes novel legal issues, sometimes requiring extensive research and drafting. DWT utilized its legal experience to bear on these issues and rendered appropriate advice to the Debtors regarding same.

33. In accordance with the Final Compensation Procedures, notice of this Application has been given to (i) the United States Trustee, (ii) counsel to the Debtors, and (iii) the Debtors.

In summary, DWT respectfully requests that this Court enter an order awarding DWT:

(a) compensation from the Debtors for services rendered from June 1, 2003 through February 13, 2007 inclusive, in the amount of \$2,658,979.41;

(b) the reimbursement of actual and necessary expenses DWT incurred in connection with the rendering of such professional services in the amount of \$90,540.41; and

(c) such other and further relief as may be just.

DATED: March ^{28th}20, 2007.

Respectfully submitted,

DAVIS WRIGHT TREMAINE LLP

By: 

Daniel Waggoner (WSBA #09439)

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Property Counsel for the Debtors and
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