

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

\_\_\_\_\_)  
In re: )  
Adelphia Communications Corporation et al, )  
 )  
Debtors. )  
\_\_\_\_\_)

Chapter 11 Case  
Case No. 02-41729 (REG)

**SECOND AND FINAL FEE APPLICATION OF ERNST & YOUNG LLP, TAX  
ADVISORS, FOR ALLOWANCE OF COMPENSATION  
FOR SERVICES RENDERED DURING THE PERIOD  
FROM SEPTEMBER 12, 2003 THROUGH DECEMBER 20, 2005**

Name of Applicant: Ernst & Young LLP  
Authorized to Provide Professional Services to: Adelphia Communications Corporation et al.  
Date of Retention Order: January 13, 2004, *nunc pro tunc* to September 12, 2003  
Period for Which Final Compensation and Reimbursement is Sought: September 12, 2003 through December 20, 2005  
Final Amount of Compensation Sought as Actual, Reasonable and Necessary: \$73,129  
Final Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: \$6,033  
Less: Aggregate Amounts Paid to Date: \$73,975  
Amount of Final Compensation Requested for Payment: \$5,187  
Voluntary Reductions: None  
This is a(n) \_\_\_ Interim X Final Application

Prior Applications Filed:

Date Filed	Period Covered	Fees	Expenses	Status
7/14/2004 (First Interim Application)	9/12/2003 to 2/29/2004	\$88,000 <sup>1</sup>	\$4,408	Pending

<sup>1</sup> As noted in E&Y's first interim fee application, in accordance with the engagement letter between E&Y and the Debtors and as further described below, the amount of fees payable to E&Y was subject to increase or decrease after the filing of the first interim fee application based upon the actual amount of tax savings returned to the Debtors in connection with E&Y's work. The amount of fees due to E&Y in accordance with the engagement letter has in fact decreased nominally since the filing of the first interim fee application, as described herein, such that the amount of compensation owed to E&Y for fees on a final basis is actually lower than the amount requested on an interim basis. E&Y incurred an additional \$1,625 in expenses beyond those listed in the first interim fee application.

Ernst & Young LLP (“E&Y”), tax advisors for the above-captioned debtors in the case (the “Debtors”), in support of its second and final application (this “Application”) for allowance of compensation for professional services rendered and expenses incurred during the period from September 12, 2003 through December 20, 2005 (the “Application Period”), respectfully represents:

### STATEMENT

1. By this Application and in accordance with this court’s Order under Local Rule 2016-1 and 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and Committee Members entered on August 9, 2002 (the “Compensation Order”), E&Y hereby requests that this Court grant final allowance and approval of compensation for professional services that E&Y rendered to the Debtors during the Application Period in the amount of \$73,127 and reimbursement of expenses incurred by E&Y during the Application Period in the amount of \$6,033. E&Y files this application in accordance with an extension of time granted by the Debtors, the Creditors’ Committee and the Fee Committee.

2. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334 and the “Standing Order of Referral of Cases to Bankruptcy Judges,” dated July 10, 1984, of District Court Judge Robert T. Ward. Venue of these cases and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 330 and 331 of chapter 11 of the Bankruptcy Code and Rule 2016 of the Bankruptcy Rules.

3. No agreement or understanding exists between E&Y and any other entity for the sharing of compensation to be received for services rendered in or in connection with this case. See Affidavit of Eugene P. Gramza, Jr., annexed hereto as Appendix 1.

4. As stated in E&Y's first interim fee application dated July 16, 2004 (the "First Interim Fee Application") for the period from September 12, 2003 through February 29, 2004 (the "First Interim Fee Period"), E&Y has received \$70,400 in payments for services rendered and \$3,575 for expenses incurred in connection with the rendering of its professional services in these cases. As also stated in the First Interim Fee Application, this amount constituted payment of 80% of fees for services rendered, and 100% of expenses, due to E&Y as described in the March 15, 2004 fee statement delivered to the Debtors and certain other notice parties for the period September 12, 2003 through December 31, 2003. From January 1, 2004 through February 29, 2004, E&Y incurred \$833 in additional expenses for which it sought reimbursement in the First Interim Fee Application.

5. E&Y's request reflects the requisite time, skill and effort E&Y expended towards inter alia:

- a. Reviewing property tax assessments of various state and local taxing authorities;
- b. Advising the Debtors as to whether such assessments should be challenged as excessive; and
- c. Assisting with appeals of excessive property tax assessments, including, but not limited to, assistance with discussions, negotiations or informal hearings with assessment officials.

## E&Y'S SERVICES AND FEES AND EXPENSES

6. E&Y's services have been performed at the request of the Debtors and have been substantial, necessary, and beneficial to the Debtors and to their estates, creditors, and other parties in interest. E&Y submits that this request for final allowance of compensation is reasonable.

7. E&Y maintains written records of the time expended by its professionals and paraprofessionals in rendering professional services to the Debtors.

8. E&Y's work primarily consisted of filing and assisting the Debtors with managing and pursuing property tax assessment appeals in the following jurisdictions:

Florida

Martin County  
Miami-Dade County  
Okeechobee County  
Orange County  
Palm Beach County

California

Los Angeles County  
Mendocino County  
Orange County  
Riverside County  
San Bernardino County  
San Diego County  
Ventura County

9. Pursuant to the engagement letter dated as of September 4, 2003 (the "Engagement Letter") between the parties, E&Y is entitled to fee compensation equal to forty percent (40%) of the total property tax savings recouped by the Debtors as a result of E&Y's appeal efforts with respect to a particular year's assessment. E&Y's fees are not determined on an hourly rate basis, but rather are based solely on the success or failure of achieving tax savings for the Debtors. In addition, E&Y is entitled to reimbursement for all reasonable out-of-pocket expenses, including travel and lodging expenses (limited to \$1,000 per trip), data processing and communications charges, courier services and other appropriate expenditures. E&Y maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the



12. E&Y stated in the First Interim Fee Application that to the extent the First Installment exceeded the amount of the tax savings ultimately achieved, the First Installment would either be returned to the Debtors or credited against outstanding fees owed to E&Y for other appeal filings.

13. E&Y's tax appeal work on behalf of the Debtors has concluded. The final tax savings to the Debtors and the amount of E&Y's fees, are set forth below.

<u>County</u>	<u>Tax Savings</u>	<u>E&amp;Y Fees at 40% of Tax Savings</u>
Okeechobee County, FL	\$13,603	\$5,441
Martin County, FL	\$74,595	\$29,838
Miami-Dade, FL	\$94,626	\$37,850
	<b><u>TOTAL FEES (rounded down to nearest dollar):</u></b>	\$73,129.00

14. Therefore, E&Y requests final allowance of a total of \$73,129.00 in fees incurred during the Application Period. The details for time spent on professional services that E&Y performed as described herein are annexed hereto as Appendix 2. For the convenience of the Court and parties-in-interest, Appendix 2 includes a list of professionals and paraprofessionals who have worked for the Debtors during the Application Period, with the aggregate time expended by each individual. As stated herein, the time entries are irrelevant considering the fixed fee nature of the compensation due to E&Y, which is directly related to the tax reductions obtained through E&Y's services.

15. E&Y also requests final allowance of total expenses of \$6,033 incurred during the Application Period. Detailed descriptions of expenses incurred during the Application Period are annexed hereto as Appendix 3.

## THE REQUESTED COMPENSATION SHOULD BE ALLOWED

16. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code “reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1). Section 330(a)(3) further provides that in determining the amount of reasonable compensation to be awarded,

[T]he court shall consider the nature and extent, and the value of such services, taking into account all relevant factors, including –

(A) the time spent on such services;

(B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title; and

(E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

17. In light of the foregoing, Applicant respectfully submits that the services for which compensation is sought were necessary and beneficial to the estate and that the compensation sought is reasonable in light of the nature, extent and value of such services.

## PROCEDURE

18. E&Y has provided notice of this Application to: (i) the Office of the United States Trustee; (ii) counsel to the agents for the Debtors’ prepetition and post-petition bank lenders; (iii) counsel to the Committees; (iv) the Debtors; (v) the Fee Committee; and (vi) other parties that have filed a notice of appearance in these cases prior to the date hereof.

19. No previous application for the relief sought herein has been made to this or any other court.

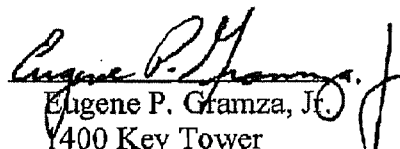
**CONCLUSION**

WHEREFORE, E&Y respectfully requests that this Court enter an order awarding E&Y:

- a. Final allowance of compensation in the amount of \$73,129 for fees for services rendered during the Application and in the amount of \$6,033 for expenses incurred during the Application Period; and
- b. such other and further relief as may be just.

Date: April 6, 2007

ERNST & YOUNG LLP

By:   
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