UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	)	Chapter 11 Cases
Adelphia Communications Corp., et al.,	)	Case No. 02-41729 (REG)
Debtors.	)	Jointly Administered

FINAL FEE APPLICATION OF PRICEWATERHOUSECOOPERS LLP FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES AS ACCOUNTANTS AND FINANCIAL ADVISORS FOR THE DEBTORS PURSUANT TO SECTIONS 330 AND 331 OF THE BANKRUPTCY CODE FOR THE PERIOD JUNE 26, 2002 THROUGH FEBRUARY 13, 2007

PricewaterhouseCoopers LLP, (hereinafter referred to as "PwC, " "PricewaterhouseCoopers" or the "Final Applicant") moves pursuant to Sections 330 and 331 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the 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, dated August 9, 2002 (the "Interim Compensation Order"), and the Final Compensation Procedures of the Fee Committee of Adelphia Communications Corporation, et al. (the "Final Compensation Procedures"), for an Order authorizing the final allowance of compensation for professional services rendered as Accountants and Financial Advisors Pursuant to Sections 330 and 331 of the Bankruptcy Code for Adelphia Communications Corporation and its affiliated debtors, as debtors and debtors in possession herein (collectively, the "Debtors" or the "Company") in the amount of $156,553,011.35 together with reimbursement for actual and necessary expenses in the amount of $7,696,607.64 for the period June 26, 2002 through February 13, 2007 (the "Final Fee

Period"). To date, the Debtors have paid the Final Applicant $132,459,881.37 for fees and expenses related to the previously filed interim fee applications for June 26, 2002 through February 13, 2007.

In support of this Final Application, the Final Applicant represents as follows:[1]

INTRODUCTION

1. On June 10, 2002, Century Communications Corporation ("CCC") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. On June 25, 2002, Adelphia Communications Corporation and certain of its subsidiaries and affiliates (collectively, "ACC") commenced cases under Chapter 11 of the Bankruptcy Code (the "Petition Date"). The Chapter 11 cases of CCC and ACC have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of this Court entered on June 26, 2002.

2. On January 3, 2007, the Court issued its Bench Decision on Confirmation, and on January 5, 2007, the Court entered the Order Confirming First Modified Fifth Amended Joint Chapter 11 Plan (the "Plan"). The Plan went effective on February 13, 2007 (the "Effective Date").

3. PwC's engagements with respect to the Company spanned more than four and a half years, and included providing audit services, forensic accounting services, tax services, and due diligence services. PwC's services were vital to the Company's reorganization and emergence from bankruptcy.

4. Auditing the Company's financial statements was an extraordinary

challenge. The complexity of the Company's accounting systems, combined with a weak control environment and the significant and pervasive fraud that had been perpetuated at the Company, resulted in a massive restatement effort by management covering a number of audit years. The audit effort required by PwC was equally massive. Completing PwC's multiple audit engagements in an effective and timely manner required relentless commitment and dedication and extraordinary efforts by PwC's engagement teams. Without corrected financial statements, completed on a timely basis, the Company may not have been able to sell its assets or realize the full $17.6 billion sale price.

5. Moreover, PwC's forensic accounting services were provided to support the Company and its counsel in the investigation and analysis of the Company's books and records related to various alleged wrongdoings committed by the Rigas Family. At the direction of the Company and its counsel, PwC's forensic accounting services later were used for the benefit of and in cooperation with various governmental authorities including the Department of Justice, the Securities Exchange Commission, and the Internal Revenue Service.

6. Finally, PwC's tax services were utilized to assist the Company in significant ways, including preserving billions of dollars in tax benefits for the benefit of the bankruptcy Estate.

7. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

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[1] Attached hereto as **Attachment A** is the Affidavit Under Federal Rule of Bankruptcy Procedure 2016 and Guidelines for Fees and Disbursements for Professionals.

8. The statutory predicates for the relief requested herein are Sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016.

BACKGROUND

9. Headquartered in Coudersport, Pennsylvania, prior to filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, the Company was the fifth-largest cable company in the United States.

10. Founded by John Rigas in 1952, the Company was closely held until 1986, when it became a publicly traded company. At that point in time, the Company's executive positions were filled by John Rigas and his sons, Timothy, Michael and James, and members of the Rigas family owned a majority of the voting shares of the Company and controlled a majority of the seats on the Board.

11. The Rigas family, through a number of privately held entities (collectively, the "Rigas Entities"), owned cable companies as well, which were managed by the Company.

12. In the fall of 1999, the Company grew dramatically, both in terms of subscriber numbers and revenue, as the result of its acquisition of three large cable companies.

13. By March 27, 2002, significant questions had emerged regarding the Company's disclosure and reporting of certain debt obligations that had been borrowed by certain Rigas Entities.

14. These borrowings were made pursuant to co-borrowing agreements that rendered Adelphia's subsidiaries jointly and severally liable for the debt but had not been disclosed on the Company's consolidated balance sheet.

15. Shortly thereafter, the Securities and Exchange Commission (the "SEC")

opened an investigation on the Company.

16. In response, the Company retained the law firm of Fried, Frank, Harris, Shriver & Jacobson ("Fried Frank") to represent the Company with respect to the SEC's investigation. The law firm of Boies, Schiller & Flexner LLP was later retained as counsel to the Company. Additionally, the law firm of Covington & Burling was engaged by a Special Committee appointed by the Company's Board of Directors (the "Board") to review and make recommendations to the Board concerning certain financial arrangements or agreements.

17. On April 5, 2002, the Final Applicant was retained by Fried Frank to assist the law firm and the Company.

18. Additionally, on June 13, 2002, the Final Applicant was engaged as the independent accountants of the Company.

19. The Company filed a voluntary petition with this Court for relief under Chapter 11 of the Bankruptcy Code on June 10, 2002 and June 25, 2002, as applicable.

20. On August 28, 2002, the Debtors filed the Debtors' Application for Order Authorizing Retention of PricewaterhouseCoopers LLP as Accountants and Financial Advisors Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code.

21. On September 27, 2002, the Court entered an Order Authorizing Debtors to Retain and Employ PricewaterhouseCoopers LLP as Accountants & Financial Advisors Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code (the "Retention Order").

22. The Retention Order authorizes the retention of PwC to render to the Debtors the following essential services, which include, but are not limited to, the following:

1) forensic accounting services; and

2) auditing services relating to the Debtors' financial statements and performance of other tax and tax-related consulting services in connection therewith, including:

   a. consult with the Debtors regarding any accounting and financial reporting matters and provide related assistance with any regulatory investigations and/or litigation;

   b. audit the consolidated financial statements of the Debtors as of December 31, 2001, 2000 and 1999 and for each of the three years in the period ending December 31, 2001 or such other periods as the Debtors may deem appropriate or necessary and warranted under the circumstances;

   c. consult with the Debtors' management in connection with operational, financial and other business matters relating to accounting, auditing and general tax matters as the same pertains to ongoing activities; and

   d. consult with the Debtors regarding financial reporting controls and procedures; and, consistent with the above, provide such other accounting, tax and consulting services as may be requested by the Debtors.

23. PwC, at the request of the Debtors, has also provided additional accounting and financial advisory services deemed appropriate and necessary to the benefit of the Debtors' estates. For example, since the entry of the Retention Order, PwC has been engaged to audit the consolidated financial statements of the Debtors as of December 31, 2002 and 2003, in addition to the financial period listed above.

24. In July 2004, the Debtors requested PricewaterhouseCoopers' assistance with the audit of certain cable entities that are owned by the Rigas Family and managed by Adelphia, known as the "Managed Cable Entities." On, February 7, 2005, the Court approved the expansion of PwC's retention, *nunc pro tunc* to October 1, 2004, to include the following services:

   a. auditing the consolidated financial statements of the Managed Entities as of December 31, 2003 for the year then ended;

   b. providing the Debtors with an audit report on the financial statements of the Managed Entities;

   c. consulting with the Debtors regarding financial reporting controls and procedures relative to the Managed Entities; and

d. providing such other accounting, tax and consulting services as may be requested by the Debtors with respect to the Managed Entities.

25. In December 2004, the Debtors asked PwC to provide due diligence services associated with the potential acquisition of the Debtors. On March 8, 2005, the Court approved the expansion of the scope of PwC's retention, *nunc pro tunc* to December 1, 2004, to include due diligence services related to a bidder.

26. During 2005, the Debtors requested PricewaterhouseCoopers' assistance to expand the current services to include the audit of the consolidated financial statements of the Debtors as of December 31, 2004, as well as some tax advisory services impacted by some restatement issues. On September 7, 2005, PricewaterhouseCoopers filed the Fourth Supplemental Affidavit in support of these additional services and provided the engagement letters to the Court, detailing the services to be provided and the applicable billing rates for each type of service.

27. On March 31, 2006, PricewaterhouseCoopers filed its Fifth Supplemental Affidavit in support of additional services requested by the Debtors which were not the subject to the previous engagement letters. These services included:

a. Review Adelphia's quarterly financial statements for the first three quarters in the year ending December 31, 2005;

b. Audit the financial statements of Adelphia and other specified businesses at December 31, 2005 and for the year then ended; and

c. Audit the financial statements of certain specified businesses at December 31, 2004 and 2003 and for the periods ending December 31, 2004 and 2003.

28. On January 3, 2007, the Court issued its Bench Decision on Confirmation. On January 5, 2007, the Court entered the Order Confirming First Modified Fifth Amended Joint Chapter 11 Plan (the "Plan") for Adelphia Communications Corporation and Certain of its

Affiliated Debtors. On February 13, 2007, the Effective Date occurred with respect to the Plan.

APPLICATION

29. This Final Application addresses the respective factors the Fee Committee requested within the Final Compensation Procedures for determining whether fees and reimbursement of expenses sought in the Final Applications are reasonable. The Final Applicant makes this Final Application for approval and allowance of final compensation of $156,553,011.35 for actual, reasonable and necessary professional services rendered, and reimbursement of $7,696,607.64 for actual, reasonable and necessary expenses incurred during the Final Application Period pursuant to Sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016, in accordance with all applicable orders of this Court.

30. Prior to the submission of this Final Application, PwC filed twelve (12) interim fee applications for approval and allowance of compensation for PwC’s services and reimbursement of PwC’s expenses.

A. On November 25, 2002, PricewaterhouseCoopers filed its First Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period June 26, 2002 through September 30, 2002 [*Docket No. 1161*] (the "First Interim Fee Application"). In the First Interim Fee Application, PwC sought compensation in the amount of $6,656,628.30 and reimbursement of expenses in the amount of $385,223.25. PricewaterhouseCoopers has received payment of $5,710,525.89 (representing 80% of the fees, $5,325,302.64 and 100% of the expenses, $385,223.25).

B. On April 23, 2003, PricewaterhouseCoopers filed its Second Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period October 1, 2002 through February 28, 2003 [*Docket No. 1634*] (the "Second Interim Fee Application"). In the Second Interim Fee Application, PwC sought compensation in the amount of

$5,078,962.40 and reimbursement of expenses in the amount of $222,018.36. PricewaterhouseCoopers has received payment of $4,285,188.28 (representing 80% of the fees, $4,063,169.92 and 100% of the expenses, $222,018.36).

C. On September 19, 2003, PricewaterhouseCoopers filed its Third Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period March 1, 2003 through June 30, 2003 [*Docket No. 2439*] (the "Third Interim Fee Application"). In the Third Interim Fee Application, PwC sought compensation in the amount of $4,976,397.10 and reimbursement of expenses in the amount of $214,759.03. PricewaterhouseCoopers has received payment of $4,195,876.71 (representing 80% of the fees, $3,981,117.68 and 100% of the expenses, $214,759.03).

D. On May 4, 2004, PricewaterhouseCoopers filed its Fourth Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period July 1, 2003 through October 31, 2003 [*Docket No. 4847*] (the "Fourth Interim Fee Application"). In the Fourth Interim Fee Application, PwC sought compensation in the amount of $10,001,884.05 and reimbursement of expenses in the amount of $541,747.39. PricewaterhouseCoopers has received payment of $8,543,254.63 (representing 80% of the fees, $8,001,507.24 and 100% of the expenses, $541,747.39).

E. On July 16, 2004, PricewaterhouseCoopers filed its Fifth Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period November 1, 2003 through February 29, 2004 [*Docket No. 5565*] (the "Fifth Interim Fee Application"). In the Fifth Interim Fee Application, PwC sought compensation in the amount of $11,962,722.60 and reimbursement of expenses in the amount of $607,930.64. PricewaterhouseCoopers has received payment of $10,178,108.72 (representing 80% of the fees, $9,570,178.08 and 100% of the expenses, $607,930.64).

F. On December 13, 2004, PricewaterhouseCoopers filed its Sixth Interim Fee Application for Compensation of Services Rendered and Reimbursement of

Actual and Necessary Expenses Incurred for the Period March 1, 2004 through June 30, 2004 [*Docket No. 6618*] (the "Sixth Interim Fee Application"). In the Sixth Interim Fee Application, PwC sought compensation in the amount of $26,832,338.00 and reimbursement of expenses in the amount of $1,344,967.31. PricewaterhouseCoopers has received payment of $22,810,837.71 (representing 80% of the fees, $21,465,870.40 and 100% of the expenses, $1,344,967.31).

G. On May 5, 2005, PricewaterhouseCoopers filed its Seventh Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period July 1, 2004 through December 31, 2004 [*Docket No. 7435, 7436, 7438, 7439 and 7440*] (the "Seventh Interim Fee Application"). In the Seventh Interim Fee Application, PwC sought compensation in the amount of $31,670,980.60 and reimbursement of expenses in the amount of $998,480.22. PricewaterhouseCoopers has received payment of $26,335,264.70 (representing 80% of the fees, $25,336,784.48 and 100% of the expenses, $998,480.22).

H. On February 17, 2006, PricewaterhouseCoopers filed its Eighth Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period January 1, 2005 through February 28, 2005 [*Docket No. 9746*] (the " Eighth Interim Fee Application"). In the Eighth Interim Fee Application, PwC sought compensation in the amount of $2,721,919.10 and reimbursement of expenses in the amount of $91,814.16. PricewaterhouseCoopers has received payment of $2,269,349.44 (representing 80% of the fees, $2,177,535.28 and 100% of the expenses, $91,814.16).

I. On January 8, 2007, PricewaterhouseCoopers filed its Ninth Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period March 1, 2005 through August 31, 2005 [*Docket No. 12957*] (the "Ninth Interim Fee Application"). In the Ninth Interim Fee Application, PwC sought compensation in the amount of $14,595,891.90 and reimbursement of expenses in the amount of $764,940.94.

PricewaterhouseCoopers has received payment of $12,441,654.46 (representing 80% of the fees, $11,676,713.52 and 100% of the expenses, $764,940.94).

J. On January 9, 2007, PricewaterhouseCoopers filed its Tenth Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period September 1, 2005 through February 28, 2006 [*Docket No. 12983*] (the "Tenth Interim Fee Application"). In the Tenth Interim Fee Application, PwC sought compensation in the amount of $17,944,987.80 and reimbursement of expenses in the amount of $1,265,228.65. PricewaterhouseCoopers has received payment of $15,621,218.98 (representing 80% of the fees, $14,355,990.24 and 100% of the expenses, $1,265,228.65).

K. On January 12, 2007, PricewaterhouseCoopers filed its Eleventh Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period March 1, 2006 through August 31, 2006 [*Docket No. 13061*] (the "Eleventh Interim Fee Application"). In the Eleventh Interim Fee Application, PwC sought compensation in the amount of $17,233,434.10 and reimbursement of expenses in the amount of $774,805.79. PricewaterhouseCoopers has received payment of $14,561,553.07 (representing 80% of the fees, $13,786,747.28 and 100% of the expenses, $774,805.79).

L. On March 30, 2007, PricewaterhouseCoopers filed its Twelfth Interim Fee Application for Compensation of Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred for the Period September 1, 2006 through February 13, 2007 [*Docket No. TBD*] (the "Twelfth Interim Fee Application"). In the Twelfth Interim Fee Application, PwC sought compensation in the amount of $6,876,865.40 and reimbursement of expenses in the amount of $484,691.90. As of the date herein, PricewaterhouseCoopers has received payment of $5,507,048.87 for fees and expenses related to the Twelfth Interim Fee Period – September 1, 2006 through February 13, 2007.

FEE COMMITTEE FACTORS FOR DETERMINING WHETHER FEES AND REIMBURSEMENT OF EXPENSES SOUGHT IN FINAL APPLICATION ARE REASONABLE

31. The Final Applicant has provided responses to the factors identified by the Fee Committee in the Final Compensation Procedures for their consideration:

BILLED FEES AND EXPENSES:

	FEES	EXPENSES	TOTAL
TOTAL FEES AND EXPENSES REQUESTED IN INTERIM APPLICATIONS:	**$156,553,011.35**	**$7,696,607.64**	**$164,249,618.99**

VOLUNTARY REDUCTIONS AND FEE SETTLEMENTS:

	FEES	EXPENSES	TOTAL
FEES AND EXPENSES VOLUNTARILY REDUCED WITHIN INTERIM FEE APPLICATIONS:[1]	**$22,298,345.87**	**$4,482,090.42**	**$26,780,436.29**
REDUCTIONS PER FEE COMMITTEE RECOMMENDATIONS	**$9,379,888.21**	**$82,125.09**	**$9,462,013.30**
TOTAL VOLUNTARY REDUCTIONS AND FEE SETTLEMENTS::	**$31,678,234.08**	**$4,564,215.51**	**$36,242,449.59**

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1. The Final Applicant's role, objectives, and accomplishments in the Adelphia Case;

32. As described in detail below, PwC was engaged as the Company’s independent registered public accounting firm to provide audit services, forensic accounting services, tax services, and due diligence services, which were vital to the Company’s reorganization and ultimate emergence from bankruptcy.

[1] These adjustments are fees and expenses not billed by PricewaterhouseCoopers' in their monthly fee applications. The amounts are provided for informational purposes only, indicating additional fees and expenses not billed to the Debtors.

Audit Team

33. PwC's role as the Company's independent registered public accounting firm was to audit the consolidated financial statements of the Company and for certain of its subsidiaries for multiple years.

34. Audits for the years ended 2003, 2002, 2001, 2000, and 1999 (including the balance sheet for 1998) were covered by three separate engagement letters dated January 9, 2004, December 23, 2003, and June 13, 2002, as of and for the years ended, December 31, 2003, December 31, 2002, and December 31, 2001 (including 2000 and 1999 and the opening balance sheet for 1999), respectively. PwC was engaged to perform more than 50 separate audits, as follows:

Entity	**Audit Periods**
ANNUAL REPORT ON FORM 10-K:	
Arahova Communications, Inc.	1999, 2000, 2001, 2002, 2003
FrontierVision Holdings, L.P.	1999, 2000, 2001, 2002, 2003
FrontierVision Holdings Capital Corporation	1999, 2000, 2001, 2002, 2003
FrontierVision Holdings Capital II Corporation	1999, 2000, 2001, 2002, 2003
FrontierVision Operating Partners, L.P.	1999, 2000, 2001, 2002, 2003
FrontierVision Capital Corporation	1999, 2000, 2001, 2002, 2003
Olympus Communications, L.P	1999, 2000, 2001, 2002, 2003
Olympus Capital Corporation	1999, 2000, 2001, 2002, 2003
BORROWING GROUP FINANCIAL STATEMENTS - POST-PETITION:	
Century	December 31, 2001 (balance sheet only), 2002, 2003
Century-TCI	December 31, 2001 (balance sheet only), 2002, 2003
UCA	December 31, 2001 (balance sheet only), 2002, 2003
Parnassos	December 31, 2001 (balance sheet only), 2002, 2003
FrontierVision	December 31, 2001 (balance sheet only), 2002, 2003
Olympus	December 31, 2001 (balance sheet only), 2002, 2003
7A – Other Entities, 7B – Arahova Sub Group and 7C – Olympus Sub Group	December 31, 2001 (balance sheet only), 2002, and 2003 for Audited Consolidated Statement of 7A, 7B and 7C with Company Provided Unaudited Consolidating Statements
JOINT VENTURES:	
Century TCI California Communications, L.P. and Subsidiaries	1999, 2000, 2001, 2002, and 2003
Century TCI California, L.P.	1999, 2000, 2001, 2002, and 2003

Entity	Audit Periods
Parnassos Communications, L.P. and Subsidiaries	1999, 2000, 2001, 2002, and 2003
Parnassos L.P.	1999, 2000, 2001, 2002, and 2002

35. PwC was also engaged, per the above mentioned engagement letters, to perform reviews of the Company's consolidated financial statements for each of the quarters in the years ended December 31, 2003, 2002, 2001, 2000, and 1999 in accordance with the standards established by the American Institute of Certified Public Accountants, which is substantially less in scope than an audit. Additionally, we were engaged to perform reviews of the certain other entities of the Company as listed in the above schedule under the caption "Annual Report on Form 10-K" for each of the quarters in the years ended December 31, 2003, 2002, 2001, 2000, and 1999 in accordance with the standards established by the American Institute of Certified Public Accountants.

36. The objective of the audit of financial statements by the independent auditor is the expression of an opinion on the fairness with which they present, in all material respects, financial position, results of operations, and its cash flows in conformity with generally accepted accounting principles (of the United States of America) ("GAAP"). The auditor's report is the medium through which he expresses his opinion or, if circumstances require, disclaims an opinion. In either case, the auditor states whether he performed the audit in accordance with generally accepted auditing standards (of the United States of America). These standards require the auditor to state whether, in his opinion, the financial statements are presented in conformity with generally accepted accounting principles and to identify those circumstances in which such

principles have not been consistently observed in the preparation of the financial statements of the current period in relation to those of the preceding period.[1]

37. The objective of a review of interim financial information is to provide the accountant with a basis for communicating whether he or she is aware of any material modifications that should be made to the interim financial information for it to conform with generally accepted accounting principles. The objective of a review of interim financial information differs significantly from that of an audit conducted in accordance with generally accepted auditing standards. A review of interim financial information does not provide a basis for expressing an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles.[2]

38. The audit of the Company's consolidated financial statements as of and for the years December 31, 2003, 2002 and 2001 were completed and the Form 10-K was filed with the SEC on December 23, 2004. The Company's management determined, after significant effort, that they were unable to complete the restatement of the Company's consolidated financial statements with respect to the years ended December 31, 2000 and 1999 in accordance with GAAP as they were unable to locate appropriate supporting documentation with respect to certain amounts or account balances that were material to these years. Accordingly, after significant effort and incurrence of related fees and expenses with respect to the audits of the years ended December 31, 2000 and 1999, PwC did not complete the audits. Additionally,

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[1] Statement of Auditing Standards ("SAS") No. 1, Section 110.
[2] SAS No. 100.

although the Company initially intended to complete and prepare financial statements for certain of its subsidiary entities for the respective years identified above, in late 2004, the Company determined that it could not do so in compliance with GAAP. After much effort "management learned of possible fraudulent conveyances associated with the prior movement of subsidiaries among various Debtors during the Rigas era."[1] Accordingly, upon notification by the Company, PwC discontinued and did not complete its audits of these entities. Fees and expenses had been incurred as the Company had requested that PwC continue auditing (until notified otherwise) as they concurrently attempted to resolve the fraudulent conveyance issues.

39. On January 24, 2005, PwC was engaged to audit the consolidated financial statements of the Company at December 31, 2004 and for the year then ending as well as the audit of the Company's internal controls over financial reporting as of December 31, 2004.

40. The auditor's objective in an audit of internal control over financial reporting is to express an opinion on management's assessment of the effectiveness of the company's internal control over financial reporting. To form a basis for expressing such an opinion, the auditor must plan and perform the audit to obtain reasonable assurance about whether the company maintained, in all material respects, effective internal control over financial reporting as of the date specified in management's assessment. The auditor also must audit the company's financial statements as of the date specified in management's assessment because the information the auditor obtains during a financial statement audit is relevant to the auditor's

[1] Bench Decision on Confirmation, January 3, 2007, Dkt. No. 12920 at p. 7.

conclusion about the effectiveness of the company's internal control over financial reporting. Maintaining effective internal control over financial reporting means that no material weaknesses exist; therefore, the objective of the audit of internal control over financial reporting is to obtain reasonable assurance that no material weaknesses exist as of the date specified in management's assessment.[1]

41. The audit of the Company's consolidated financial statements as of and for the years December 31, 2004 was substantially complete by June 30, 2005 but was pending resolution of recently received comments raised by the SEC with respect to the December 31, 2003 Form 10-K. PwC assisted management in preparing responses to these comments raised by the SEC. Upon satisfactory resolution the Form 10-K was filed with the SEC on October 6, 2005.

42. Upon substantial completion of the audit of the Company's consolidated financial statements as of and for the year December 31, 2004, the PwC team quickly moved to completing the reviews of consolidated interim financial statements for 2004. These reviews were completed and the respective Form 10-Q's were filed with the SEC on October 7, 2005.

43. On June 2, 2005, PwC was engaged to audit the consolidated financial statements of Century / ML Cable Venture and its subsidiary, which was a 50% owned joint venture of the Company, for the years ended 2004, 2003, 2002, and 2001.

44. Upon completion of the audit of the Company's consolidated financial

[1] PCAOB Auditing Standard (AS) No. 2.

statements as of and for the year December 31, 2004 and the reviews of the respective interim financial statements, the team then turned its attention to the completion the Century / ML Cable Venture audits, which included auditing restated financial statements for certain years. Audited financial statements were a closing condition to the sale of the joint venture and were required to be completed by August 31, 2005. Similar to the Adelphia audits, the accounting records had to be reconstructed by the Company and the control environment was weak. Additionally, the Company and its joint venture partner were in significant litigation with each other which made timely completion of the audit a challenge. Often times PwC and the audit were the driving force that brought the parties together to resolve differences on accounting and reporting matters. The engagement team worked tirelessly with great personal sacrifice for numerous consecutive weekends in Coudersport, PA in an effort to complete the audits by the closing date. PwC completed its audits of these financial statements timely to allow for the closing of the transaction. As a result, the joint venture was sold for approximately $520 million, which brought in approximately $260 million to the Company.

45. On September 28, 2005, PwC was engaged to audit the consolidated financial statements of the Company at December 31, 2005 and for the year then ending, as well as audit the Company's internal controls over financial reporting as of December 31, 2005. PwC was also engaged to audit the financial statements of certain Specified Businesses ("Carve-out"), as defined in the Asset Purchase Agreements (as defined below), of the Company at December 31, 2005, December 31, 2004 and December 31, 2003 (including the opening balance sheet at January 1, 2003) and for each of the three years in the period ending December 31, 2005 pursuant to sections 3.7(c) and 5.11 of the Asset Purchase Agreement between the Company and Time Warner NY Cable LLC ("Time Warner") and sections 3.7(c) and 5.9 of the Asset Purchase

Agreement between the Company and Comcast Corporation ("Comcast") (together, the "Asset Purchase Agreements"). In addition, PwC was engaged to perform reviews of the Company's consolidated financial statements for each of the quarters in the years ended December 31, 2005.

46. On September 11, 2006, PwC was engaged to audit the consolidated financial statements of the Company at December 31, 2006 and for the year then ending.

47. Upon completion of the Century ML / Cable Venture audits, the PwC engagement team turned its full attention and commitment toward the completion of the interim reviews for the year ended December 31, 2005. Once again the team worked extreme hours to complete the reviews of the Company's consolidated interim financial statements in an effort to restore the Company to be current in its filings with the SEC. PwC completed its reviews and the Company filed its Form 10-Q's for the quarterly periods ended June 30, 2005 and March 31, 2005, simultaneously on November 4, 2005 followed shortly by its Form 10-Q for the quarterly period ended September 30, 2005 on November 17, 2005. With this latest filing, PwC assisted the Company in achieving a significant milestone - for the first time since late in 2001, the Company had filed its quarterly consolidated financial statements timely with the SEC and was current on its required filings for the consolidated Company.

48. Upon completion of PwC’s reviews of the interim financial statements for 2005, PwC began working in earnest on the audit of the Company's consolidated financial statements as of and for the year ended December 31, 2005 as well as the audit of the Company's internal controls over financial reporting as of December 31, 2005. Late in December 2005, new rules were passed by the SEC that eliminated the requirement for PwC to report on management's assessment and effectiveness of controls over financial reporting. PwC agreed

with management's recommendation to the Company's Audit Committee that the audit of the Company's internal controls over financial reporting be discontinued as it would result in considerable savings to the Company. The Company instructed PwC to cease the audit of the Company's internal controls over financial reporting on January 11, 2006. Substantial fees and expenses had been incurred by PwC with respect to the audit of the Company's internal controls over financial reporting prior to the release of the SEC guidance. The audit of the Company's consolidated financial statements as of and for the year ended December 31, 2005 was completed and the Form 10-K was filed timely with the SEC on March 29, 2006.

49. Next, the PwC engagement team moved immediately into completing the audits of the Carve-out financial statements, which were a closing condition of the Asset Purchase Agreements. The deadline for the closing was July 31, 2006, after which time the parties could terminate the transaction. These Carve-out audits involved highly complex accounting issues and required significant substantive audit procedures due to the weak control environment and the fact that financial and accounting information had not previously been accumulated, compiled, or maintained by the Company at the Carve-out entity level. This required a relentless effort by PwC's engagement team for many consecutive weeks including significant overtime and personal sacrifice out of town in Coudersport, PA. While executing the Carve-out audit procedures, the PwC engagement team also completed its review of the Company's Form 10-Q for the quarterly period ended March 31, 2006, which was filed timely on May 15, 2006. The Carve-out audits were also completed timely to allow for the scheduled closing of Asset Purchase Agreements on July 31, 2006, which resulted in proceeds to the Company of $17.6 billion.

50. Following the completion of the Carve-out audits, the PwC engagement

team was again challenged to complete its review of the Company's Form 10-Q for the quarterly period ended June 30, 2006 in order for the Company to timely file its Form 10-Q by August 14, 2006. PwC completed its review and the Form 10-Q was filed timely with the SEC.

51. The review of the Company's Form 10-Q for the quarterly period ended September 30, 2006 proved to be the most complicated and complex Form 10-Q's filed by the Company. There were a number of complex transactions and accounting issues that needed to be addressed in the quarter including, but not limited to, the following:

- the gain on the sale of substantially all of the Company's assets;
- the adoption of liquidation basis of accounting;
- the recognition of compensation related charges in connection with the Sale Transaction;
- the impairment of long-lived assets; and
- the valuation of Time Warner Cable common stock.

52. The number and complexity of the issues identified above created a significant challenge for PwC to completing a quality review of the Form10-Q for the quarterly period ended September 30, 2006 in a timely manner. Once again the PwC engagement team demonstrated the highest level of commitment and dedication to the Company and completed its review in a timely manner. The Form 10-Q was filed timely with the SEC on November 14, 2006.

53. Although it was possible that emergence might occur before the date at which the Company was required to file its Form 10-K containing its audited financial statements as of and for the year ended December 31, 2006 (March 31, 2007), the Company and the Company's Audit Committee instructed PwC to continue with the audit until the Debtors' plan of reorganization went effective. Accordingly, PwC continued to work toward the timely

completion of the audit of the Company's consolidated financial statements as of and for the year ended December 31, 2006, including completing audit procedures related to the complex transactions identified above, until the Effective Date on February 13, 2007.

54. During the term of PwC’s engagement as the Company's independent registered public accounting firm, PwC performed other services related to its audits including providing its consent for the inclusion of its audit report on the Company's consolidated financial statements included in certain filings and registration statements by Time Warner. As a significant shareholder in Time Warner, these filing were important to the Company and its creditors as they included the registration of Time Warner Cable, Inc. common stock.

55. Ultimately, PwC's role and objectives were to ensure that the Company's financial statements were reliable to the investing public so that the creditors and other constituencies could rely on them. PwC has accomplished this objective. As the Court stated in its Bench Order on Confirmation, "so far as I can tell (based on evidence I saw in the record of these cases going over 4-1/2 years, including the detailed examination of the Restatement effort that took place . . .) Adelphia and its outside consultants . . ., and its outside auditor PwC, which opined on the consolidated . . . financials, did a first-rate job.”[1]

Forensic Accountants

56. PwC also conducted extensive analyses of the Debtors’ books and records as the forensic accountants. PwC conducted these analyses at the direction of, or pursuant to,

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[1] Bench Decision on Confirmation at pp. 8-9.

specific requests made by various parties, including the Debtors, counsel, and other third parties. Specific roles, objectives, and accomplishments of the forensic accountants are noted in the following statements.

57. *Cash Analyses:* PwC analyzed the flow of funds that were transacted in various financial accounts held or managed by the Debtors. As part of this process, PwC reviewed and analyzed numerous disbursements from the Debtors' accounts payable system, including the identification of disbursements to or for the benefit of various persons and entities, the collection and review of supporting documents such as payroll reports, invoices, and cancelled checks, the analysis of the amounts and journal entries recording the expenditures, and the preparation of disbursement reports and exhibits presenting PwC's findings.

58. In addition to analyzing transactions that originated from accounts payable, PwC also identified, reviewed, and analyzed transactions that were initiated or controlled by the Debtors' treasury department. These activities included the identification and analysis of various bank transfers, cash inflows, wire payments, and other cash activity and the substantiation of these transactions against bank statements and other third party information. As part of the procedures, PwC interviewed various members of the Debtors, gathered, reviewed, and analyzed underlying supporting data, and prepared various exhibits and schedules summarizing and reporting the results of the analyses.

59. *Operations and Accounting Analyses:* PwC was requested by counsel to review and analyze various agreements and contracts with certain service providers of the Debtors. PwC also analyzed and prepared detailed schedules that calculated and reported the amount of the transactions and their impact on the Debtors' books and records. PwC also

conducted certain industry analyses and reviewed and analyzed various historical financial documents and other related reports that had been publicly filed by the Debtors as part of its investigation procedures with respect to related party transactions and other significant items. PwC also reviewed the Debtors' supporting work papers and other accounting documents related to these public filings.

60. In performing these activities, PwC also obtained an understanding of the Debtors' accounting and financial operations and procedures. Through various inquiries with the Debtors' management and employees, reviews of numerous Company documents, and information obtained from the Debtors' financial systems, PwC explored and investigated operational issues that included, but were not limited to, the Debtors' subscriber counts, their cash management system and related cash receipts and disbursement processes, their payroll procedures and related reporting, their historical acquisitions and business combinations, selected valuation reports, and the mechanisms of certain components of the Debtors' accounting systems.

61. Finally, after considering the procedures noted above, PwC conducted a series of activities designed to identify, review, and analyze certain transactions that impacted the Debtors' historical results of operations as reported in their profit and loss statements. These transactions included, but were not limited to, issues related to certain payroll and compensation activities, post-closing adjustments, marketing support, management and affiliate fees, bad debt expenses, programming liabilities, capitalization, deferred billing, dividends, interest, borrowing group activities, and other accounting adjustments.

62. *Related Party Transactions Analyses:* The Debtors' operations and

practices resulted in significant related party transactions. PwC prepared intercompany analyses of certain cost centers that were affiliated with the Debtors in order to understand, calculate, and report the nature and extent of the transactions with respect to certain entities owned or controlled by John Rigas or any member of the Rigas family or the Rigas Entities. The results of these activities were discussed and presented to counsel and other parties along with the related exhibits and memoranda.

63. A significant component of the related party transactions pertained to debt related activities. PwC reviewed debt compliance work papers, identified and reviewed certain bank borrowings and repayments, analyzed and summarized the Debtors' journal entries and cash transactions with respect to co-borrowing debt, and evaluated documents related to public debt.

64. Finally, PwC also expended time and resources to identify, review, and analyze real estate and other property transactions affecting the Debtors and the Rigas Entities. PwC's efforts in this area included assisting other parties in preparing and reviewing certain property schedules, investigating the transactions and activities related to these properties, identifying and reviewing the Debtors' recording and accounting for these activities, identifying and analyzing related payments, insurance, and property tax matters, and gathering the underlying supporting documents related to these properties and transactions. Counsel to the Debtors used information obtained from these activities in its various motions and pleadings to obtain a temporary restraining order against the Rigas Entities to the benefit of the Estate.

65. *Computer Forensics Analysis:* One of the elements of PwC's forensic investigation involved the retrieval, preservation, and analysis of electronic information. PwC

restored, reviewed, and analyzed internal communication logs and electronic mail for selected key personnel pursuant to requests made by counsel and other parties. In addition, PwC preserved images and created back up copies of numerous computer hard drives. These images were later restored to extract various information relevant to the investigation that was provided to counsel and other requesting parties. Other activities in this category included the analysis of data records from the Debtors' bank transaction database and accounts payable system and the review of various documents and indices related to this engagement.

66. *Presentations & Meetings:* PwC prepared numerous analyses, exhibits, and presentation materials while providing professional services. At the direction and authorization of counsel, these reports and work product were disseminated to the Debtors, counsel, and other parties. These other parties include various government agencies, including the Department of Justice, the Securities and Exchange Commission, and the Internal Revenue Service, as well as accounting and consulting professionals that were either retained by the Debtors or its creditors. In addition, PwC prepared for and conducted numerous telephone conferences, meetings, and presentations to the Debtors, counsel and other parties to communicate the results and status of its investigation.

Tax Consultants

67. PwC provided tax services to the Company in the following principal areas:

- Assistance with monitoring of the transfer of common stock of the Company so as to avoid the triggering of a limitation under Internal Revenue Code Section 382; this limitation could apply to the Company's carryforwards for net operating losses, general business credits and alternative minimum tax credits. If triggered, this limitation would have adversely impacted the Company's ability to structure a sale of its assets in a tax effective manner.

- Assistance with federal and state accounting method changes and strategies for reporting such changes to the taxing jurisdictions. The numerous financial statement restatement entries required the Company to analyze each change to determine the federal and state income tax impact of the entries. PwC consulted with management of the Company on their approach and analyses.
- Assistance with analysis of the gain on the sale of operating assets and the application of the federal alternative minimum tax to this gain. PwC discussed various technical issues with Company management including application of the tax benefit rule to reduce the alternative minimum tax due. PwC assisted the Company in developing an appropriate filing strategy for the alternative minimum tax. This tax liability represents a substantial outlay of cash by the Company and it is important to the Company that the amount paid is accurate.
- Assistance with routine tax matters. PwC responded to questions raised by the Company relating to technical tax compliance matters.

Due Diligence

68. In April 2004, the Board decided to embark upon a dual-track emergence strategy and pursue both a stand-alone plan of reorganization and a sale of the Company. After initiating the sale process, the Company received a number of initial indications of interest in either parts of or the whole company, including the bid submitted by Time Warner and Comcast. The Company wished to consider further the bid, and, to determine whether the transaction would be beneficial to the Company. To do so, the Company required the services of consultants to

engage in the necessary due diligence to evaluate and investigate the bid. In November 2004, the Company requested that PwC submit a proposal for a possible engagement to assist the Company in its due diligence investigation. Shortly thereafter, in December 2004, PwC was engaged to provide the due diligence services. The results of PwC's work in this regard assisted management in its decision to sell substantially all of its assets to Time Warner and Comcast and ultimately realize $17.6 billion of sales proceeds.

2. The time billed for the services and the billing rates;

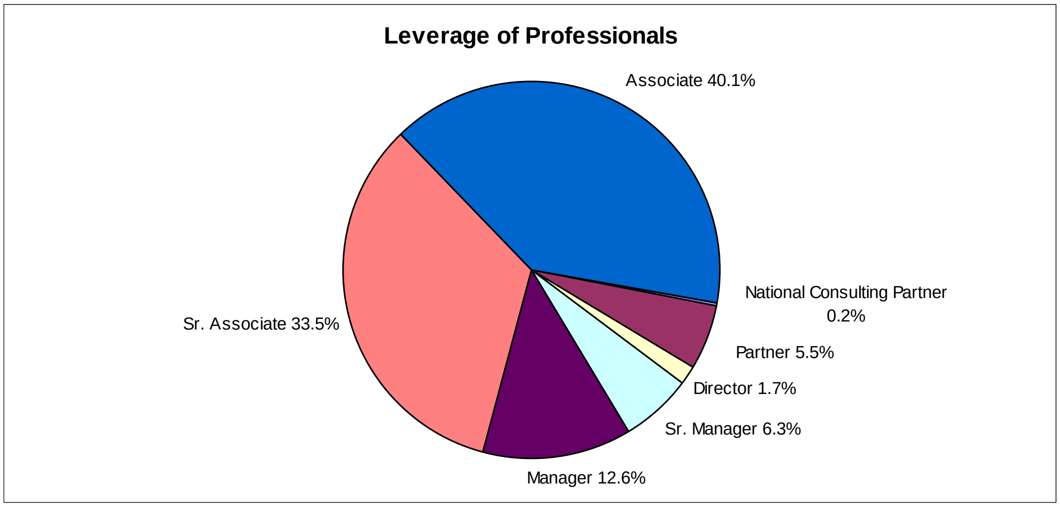
69. During the Final Fee Period, PwC's professionals incurred 426,795.3 hours, totaling $156,553,011.35 in fees with a blended hourly rate of $366.81 (net of a voluntary reduction during the 11IFA for the Carve-out audit services, ($616,422.10)).

70. PwC's professionals reported their services, within each previously filed monthly and interim application, by task code. During each interim fee application, PwC provided a narrative supporting the services provided within the projects for review, analysis and reasonableness by the Debtors, its Fee Committee and the Fee Examiner. Attached herein as **Exhibit A** is a summary of the Final Compensation by Task Code.

Bill Category	Cumulative Fees
Audit Team	$150,743,055.15
Forensic Accountants	$3,972,559.00
Tax Consultants	$1,082,210.70
Due Diligence Team	$755,186.50
Total	**$156,553,011.35**

71. PwC properly leveraged its internal professionals among its respective billing classification or position (*i.e.*, Partner, Director, Manager, etc.) throughout the respective interim fee applications periods. Approximately 73.6% of the total hours were incurred at the associate level. Approximately 26.4% of the hours were incurred by managers or above. The

leverage (ratio of partner and manager hour to staff hours) for this engagement is appropriate and commensurate with the size and complexity of the engagement.



72. During the Final Fee Period, PwC increased its billing rates during the third and sixth interim periods, which increases were associated with the expansion of services and natural increase in billing rates for such services. Attached herein as **Exhibit B**, the billed hours and fees are organized by position for each of the interim fee periods. PwC did not adjust its billing rate ranges for audits of the consolidated financial statements as of and for the years ended December 31, 2005 and 2006 from those of the audit of the consolidated financial statements for the years ended December 31, 2004 for inflation factors even as PwC experienced significant increases in professional staff costs and other operating costs.

Billing Rate by Position:

Position	Minimum Rate	Maximum Rate
National Consulting Partner	$800.00	$950.00
Partner	$650.00	$860.00
Director	$569.00	$750.00
Sr. Manager	$516.00	$750.00
Manager	$320.00	$575.00
Sr. Associate	$232.00	$413.00
Associate	$108.00	$392.00
Executive Assistant	$90.00	$150.00

73. PwC has attached a Summary of Professional Fees (**Exhibit C**), which lists the respective professionals who performed the services, the number of hours spent, each professional's billing rate, and the total fees for such services during each interim fee period. As shown in **Exhibit D**, attached herein, each professional has been organized to depict the minimum billing rate, maximum billing rate, corresponding positions, hours and total fees throughout the Final Fee Period.

74. The interim fee applications blended hourly rate ranged from $323.31 during the Eleventh Interim Fee Period to $417.33 during the Eighth Interim Fee Period.

Interim	Hours	Fees Earned	Blended Rate
First	18,863.2	$6,656,628.30	$352.89
Second	14,418.0	$5,078,962.40	$352.27
Third	13,129.4	$4,976,397.10	$379.03
Fourth	27,638.7	$10,001,884.05	$361.88
Fifth	34,466.6	$11,962,722.60	$347.08
Sixth	73,322.0	$26,832,338.00	$365.95
Seventh	77,219.8	$31,670,980.60	$410.14
Eighth	6,522.2	$2,721,919.10	$417.33
Ninth	39,257.7	$14,595,891.90	$371.80
Tenth	50,177.5	$17,944,987.80	$357.63
Eleventh	53,303.1	$17,233,434.10	$323.31
Twelfth	18,477.0	$6,876,865.40	$372.19
Total	**426,795.3**	**$156,553,011.35**	**$366.81**

3. Steps taken by the Final Applicant to provide services solely within their scope of employment, as prescribed by their respective retention orders;

Audit Team

75. PwC's audit services are governed by the terms of each of its respective engagement letters and/or are related to the audit. PwC's audit and audit related services, including fee estimates, are approved by the Company's management and subsequently by the Company's Audit Committee.

76. Any additional audit related services outside of the audit scope or not

related to the audit require pre-approval by the Company's Audit Committee in accordance with PCAOB and SEC rules. Those rules also prohibit the independent registered public accounting firm from providing certain service to an audit client.

Forensic Accountants

77. The forensic accounting team took steps to ensure that the professional services provided were solely within the scope of employment, as prescribed by its respective engagement letter as well as PwC's retention order dated August 28, 2002. Accordingly, PwC reviewed and familiarized itself with the retention order, reported in detail all time and expenses incurred in performing its professional services in the Monthly Statement of Services Rendered and Expenses Incurred as well as the Interim Fee Applications. At all times, the forensic accountants consulted with and took direction from counsel for the Debtors before providing services.

Tax Consultants

78. All tax services performed by PwC were the subject of an engagement letter approved by the Company's Audit Committee. A core group of PwC tax professionals, under the direction of Mr. Michael Braun, PwC Tax Partner, were involved with the client. PwC National Tax Office resources were consulted only where their specialized knowledge was viewed as critical to obtaining a definitive and complete answer to a technical issue. No other PwC professionals were allowed to charge time to the tax engagement without authorization from Mr. Braun.

Due Diligence

79. The due diligence services performed by PwC were the subject of an engagement letter approved by the Board. The engagement letter contained, as an exhibit

thereto, a due diligence work plan which outlined the proposed due diligence procedures to be performed by PwC. The PwC due diligence team took steps to ensure that the professional services provided were solely within the scope of the engagement letter as well as PwC's retention order. The due diligence team worked closely with management and presented its results to management and various members of the Board.

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;

<u>Audit Team</u>

80. With respect to the audit services, PwC was the only firm conducting audits of the Company's financial statements and so duplication of those services by another service provider is not possible. Throughout the course of PwC’s audits, PwC worked closely with the Company to coordinate the delivery of services. This coordination included regular meetings, which for the most part were on a weekly basis, to review and monitor a detailed "Client Assistance Request List" and the status of the audit. The Client Assistance Request List summarizes each of PwC’s requests for supporting documentation, analysis, or information made of the Company as well as samples selected for detailed audit procedures that were required for PwC to complete its audits. This was a mechanism to measure the progress and status of the audit as well as ensure that requests for information or analysis and execution of PwC’s procedures were not duplicated. These meetings provided for a central point of contact between PwC engagement team leaders and the Company's management. As management was fully aware of PwC’s requests, every attempt was made to leverage existing analysis prepared by the Company or other professionals in the Adelphia case for purposes of improving the efficiency of the audit.

Forensic Accountants

81. At the request, direction and specific authorization of counsel, the forensic accountants worked with other professionals employed in the case to minimize or avoid duplication of effort. In this regard, PwC provided information to the Debtors, government agencies, and other accounting and consulting professionals that were either retained by the Debtors or its creditors. Additionally, the forensic accounting team was requested by counsel to provide services in connection with requests to the Debtors made by various government agencies, including the Department of Justice, the Securities and Exchange Commission, and the Internal Revenue Service. Pursuant to these requests, PwC conducted various presentations, participated in meetings, participated in numerous conference calls, performed various analyses, and provided information to and for the benefit of these government agencies. PwC also judiciously allocated responsibilities within the forensic team to avoid any duplication of effort.

Tax Consultants

82. PwC's assistance with monitoring of the transfer of common stock of Adelphia Communications Corporation so as to avoid the triggering of a limitation under Internal Revenue Code Section 382 was performed pursuant to an engagement letter approved by the Company's audit committee and no other service provider was involved in this project. PwC's assistance with federal and state accounting method changes and strategies for reporting such changes to the taxing jurisdictions was directly for management of the Company. The Company utilized additional consultants to develop certain technical write-ups. PwC's responsibility was to review those write-ups. No additional tax consultants were involved in these reviews. All assistance with routine tax matters were at the specific request of the Company.

Due Diligence

83. As noted above, the engagement letter related to the due diligence services included, as an exhibit, a due diligence work plan, which outlined the proposed due diligence procedures. By virtue of this exhibit, management of the Company would have been aware of the services and procedures that PwC was engaged to perform thus ensuring that PwC would not duplicate work performed by any other service provider.

5. Whether the services were necessary to the administration of, or beneficial at the time at which the services were rendered;

Audit Team

84. PwC's services were necessary and beneficial at the time at which the services were rendered. As discussed above, PwC's services were critical and necessary to the timely completion of audited financial statements of the Company and of various other entities, including the Carve-out entities, to allow for timely filings with the SEC and/or were required conditions to closing of the Asset Purchase Agreements.

Forensic Accountants

85. In rendering its professional services, the forensic team conducted the work based on the request and approval of counsel and made every effort to maximize the benefit to the Estate. As part of the forensic team's efforts to maximize the benefit to the Estate, the team provided the results of its work, which included real estate and other property analyses, intercompany analyses, and disbursements to the Rigas Entities, to counsel for the Debtors, which used the information to obtain a temporary restraining order against the Rigas Entities to preserve assets of the Estate. The level of services rendered by the forensic team to achieve the results obtained for the benefit of the Estate was necessary and reasonable in light of the number and complexity of the issues involved in this case.

Tax Consultants

86. PwC's tax services were necessary to the administration of the bankruptcy in that they assisted the Company in highly specialized tax areas where the Company's tax department did not have sufficient technical background.

Due Diligence

87. The due diligence services were necessary and beneficial at the time they were rendered in that they assisted the Company in the evaluation of the bid made by Time Warner and Comcast, which was ultimately accepted by the Company.

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;

88. In terms of complexity, importance and nature of the problem, issue or task that PwC addressed through the execution of its audits, the Court best summarized it in the Bench Decision on Confirmation stating "the restatement was a massive undertaking that was critical to the reorganization effort."[1] PwC played a critical role in restoring credibility to the Company and its consolidated financials statements. The audited financial statements were not only required by Time Warner and Comcast but would also have been required if the Company were to emerge as a stand-alone Company. Accordingly, without accurate and audited consolidated financial statements, as well as Carve-out audited financial statements, the Company may not have been able to sell its assets to Time Warner and Comcast or may not have realized the full $17.6 billion sale price.

[1] Bench Decision on Confirmation at p. 7.

Audit Team

89. In connection with the audit of the Company's consolidated financial statements as of and for the years December 31, 2003, 2002 and 2001, PwC encountered a wide range of complex problems and issues.

90. Upon the resignation of the Rigas Family and most of the senior management team there was little remaining institutional accounting and finance knowledge or personnel to respond to even the most basic accounting or financial inquiries. Additionally, information, including significant contracts and agreements, was difficult to locate or obtain, which hindered audit progress and efficiency. Significant gaps existed in documentation of and accounting for material transactions, balances, and significant estimates made by management historically related to property and equipment, acquisitions, investments, accounts payable, related party and intercompany transactions, debt and interest expense allocations, and income taxes.

91. Upon commencement of the audits in June 2002, the Company's interim management team had not fully understood the extent of the restatement effort that would be required. It was originally believed that the underlying books and records were supported and accurately maintained. As PwC continued its initial planning and execution of its audit procedures on various accounts and transactions, PwC continued to discover problems, accounting issues, improper and inconsistent accounting, and potential fraud. PwC and the Company began to realize the magnitude of the issues and the extent of the restatement effort that would be required. Beginning in the first quarter of 2003, under new management, the Company initiated a process to analyze, review, and in certain cases reconstruct the Company's historical books and records. During this "reconstruction" process PwC scaled back its

procedures and engagement team until the Company completed its reconstruction effort. However, during that period PwC was asked by the Company to continue with its work in certain areas or on certain transactions and technical accounting issues.

92. The accounting environment at the Company was complex. There were several thousand general ledger accounts largely a result of many acquisitions that had been completed over the years. This created a significant challenge to management to review, analyze, and reconcile. When combined with a weak control environment and the significant and pervasive fraud perpetuated at the Company, the restatement effort by management became a massive effort and the audit effort required was commensurate. Vanessa Wittman, the Company's CFO, stated “there was the matter of separating fact from fiction in Adelphia's accounting . . . nothing was as it seemed . . . there was horrible record-keeping, lots of financial manipulation, and inconsistently applied policies where policies existed.”[1] At the completion of the restatement process, several million adjustments to the accounting records were made resulting in more than a $1.647 billion net reduction equity at January 1, 2001, which needed to be audited. PwC identified a number of material adjustments and a number of additional issues during the course of its audit, which were recorded by the Company. In the end, there were over 140 significant and/or complex transactions and accounting issues that PwC addressed during the course of its audits. Many of these required substantial technical research, analysis, review of contracts and agreements, discussions with the Company, and consultations with PwC subject matter experts. A small sample included the following:

- Valuation of and accounting for acquisitions

[1] CFO Magazine, December 1, 2003, Joseph McCafferty

- Capitalization of property and equipment
- Accounting for transactions with the Rigas Family and Rigas Family Entities
- Income taxes
- Revenue recognition
- Impairment of long lived assets and investments
- Marketing support arrangements
- Adoption of new accounting pronouncements
- Bankruptcy accounting and reporting matters

93. As stated above, PwC was also engaged to audit the consolidated financials statements as of and for the years ended December 31, 2000 and 1999 as well as other SEC reporting subsidiaries and non-public subsidiaries for multiple years. Significant effort was expended by the Company and by PwC in the effort to audit these entities. However, in the end, management of the Company determined it was not able to complete the restatement of consolidated financial statements with respect to these earlier years and the other subsidiary entities, accordingly PwC did not complete the audits thereof.

94. The audit of the consolidated financial statements of the Company as of and for the year ended December 31, 2004 was completed in a shorter period of time and more efficiently as the Company's management implemented improvements in the accounting process, including reconciling and closing of the accounting records. However, the control environment was still weak and PwC’s audit approach continued to be largely substantive in nature. This required greater reliance on detail testing, which included significant sampling of transactions and testing and vouching to original source documentation. Additionally, there were dozens of significant and/or complex transactions and accounting issues that were addressed during the course of PwC’s audit. Similar to 2003, many of these required substantial technical research, analysis, review of contracts and agreements, discussions with the Company, and consultations with PwC subject matter experts. A small sample included the following:

- Adoption accounting pronouncement FIN 46 "Consolidation of Variable Interest Entities" which resulted in the consolidation of the Rigas Managed Cable Entities
- Discontinued operations accounting for several businesses
- Changes in useful lives
- Programming contract renegotiations and accounting implications
- Accounting for exit financing fees
- Internal use software
- Impairment of assets

95. Further complicating the 2004 audit was the requirement to audit the Company's internal controls over financial reporting as of December 31, 2004. The Company was required to adopt the provisions of Sarbanes-Oxley Section 404 for the year ended December 31, 2004. This was a significant undertaking for the Company's management given the weak control environment that it inherited. In connection with PwC’s audit, PwC was required to obtain an understanding of the control environment and structure and test and assess if the controls were operating effectively. Given the Company's decentralized control environment for certain processes it was necessary to visit a number of the Company's field locations. During the course of the Company's testing, as well as PwC’s testing, a significant number of control deficiencies were identified by both the Company and PwC. These deficiencies then had to be assessed for significance. In the end, PwC’s audit report identified three material weaknesses in the control environment as of December 31, 2004. Additional significant deficiencies were reported to the Company's Audit Committee.

96. As a result of continued accounting process and control environment improvements made by the Company, PwC’s further refined its audit approach to gain more efficiencies, which resulted in a timely filing of the 2005 10-K. While the control environment had improved and the material weaknesses had been remediated in 2005, PwC’s audit approach remained, for the most part, consistent with that of the prior year in that it was largely substantive in nature, including significant sampling of transactions and testing and vouching to

original source documentation. However, as the control environment improved, limited reliance on controls was achieved in certain processes. Approximately twenty significant and/or complex transactions and accounting issues were addressed during the course of PwC's audit. A sample included the following:

- The sale of Century / ML and related gain
- The acquisition of Telemedia minority interest
- Changes in useful lives
- Accounting for the Rigas settlement
- Gains and losses from reorganization transactions
- Impairment of assets
- Programming contract and settlements

97. As noted above, the audit of the Company's internal controls over financial reporting as of December 31, 2005 was discontinued effective January 11, 2006.

98. The Carve-out audits were extremely challenging for many of the reasons noted above but also due to the fact that the entities were not comprised of divisions, business units, or even legal entities of the Company. The Carve-out entities were groupings of assets and cable systems pieced together in accordance with the Asset Purchase Agreements. As a result, the Company did not account for these entities nor did management previously review, analyze, or monitor the result of operations of these entities. In essence, these entities were built from the bottom-up rather than being carved-out from the Company. The allocation of asset, liabilities, revenues, and costs had to be reassessed and analyzed, at the lowest levels, to ensure they were allocated to the proper Carve-out entity. Shared costs and other "corporate overhead" charges had to be allocated to the Carve-out entities and allocation methodologies had to be devised and applied consistently. Invoices, received at numerous field offices across the country, had to be tested on a detailed basis to ensure that the charge was consistently assigned to the appropriate Carve-out entity. There were numerous complex issues that were addressed, including but not

limited to the following:

- Pushdown / attribution of debt and allocation interest expense to the Carve-out entities
- Impairment of assets as the grouping of assets had changed
- Allocation methodologies for shared costs, shared assets, and corporate overhead costs
- Income taxes / deferred taxed / NOL allocation were recalculated for each Carve-out entity
- Allocation / attribution of cash and restricted cash
- Financial statement basis of presentation
- Bankruptcy accounting issues such as allocation of reorganization expenses and attribution of liabilities subject to compromise
- Validation of opening balance sheet amounts

99. Initially, management embarked to prepare financial statements for four Carve-out entities for the years ended December 31, 2005, 2004, and 2003, including the opening balance sheet for 2003. However, due in part to the difficulties and challenges in preparation of the financial statements identified above, management determined that financial statements with respect to the years ended December 31, 2004 and 2003 would not be completed (nor would financial statements for one of the Carve-out entities). Audit procedures with respect to those years had been ongoing and accordingly fees and expenses had been incurred.

100. The complexities and challenges encountered with respect to the audit of the Company's consolidated financial statements for the year ended December 31, 2006 and the related quarterly review procedures are discussed above.

Forensic Accountants and Due Diligence

101. The forensic and due diligence teams performed professional services in a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed. Furthermore, the services were performed in a time and manner comparable to similar services in matters other than under the Bankruptcy Code.

Tax Consultants

102. PwC's tax services were rendered to the Company on timetables set by Company management, specifically Mr. Mark Chambers. These timetables changed as the circumstances of the Company changed and PwC responded to the Company's specific requests so as to allow it to meet its regulatory requirements and other internal commitments.

7. The opposition encountered and the problems that arose;

103. In addition to the complexities and challenges outlined above, which directly related to the accounting and finance matters, other challenges arose during the course of PwC's engagements. For example, the location of the Company's accounting function in Coudersport, PA was a logistical challenge for PwC or any professional trying to service the Company in that location. Coudersport, PA is approximately a 2.5 hour drive from the nearest PwC office or major airport. As a result of the location, PwC staff were required to make a significant commitment and personal sacrifice and spend extended periods of time out of town or travel excessively. The size and complexity of the engagement required PwC to mobilize the appropriate resources from across the United States and the world to work on the engagement. As a result, significant travel time and expenses were incurred. However, pursuant to an agreement with the Fee Committee, PwC agreed to limit the amount of time and fees it charged to the Company. Total Travel Time not billed to the Company was approximately $7,000,000.

104. Employee retention at the Company was a challenging issue at times throughout the engagement. Early on, prior to the implementation of retention plans, turnover of key employees impacted the quality and quantity of information PwC received. As a result of the turnover and magnitude of the reconstruction effort, the Company relied heavily on outside consultants. Due to the complexities of the accounting matters and systems, it took considerable time for outside consultants to learn the organization and accounting processes. Finally,

bankruptcy reporting requirements and litigation distracted accounting and finance resources from the audit process. Consequently, the efficiency of PwC's audits suffered and the time it took to complete the audit was lengthened.

105. During the course of PwC's engagement it received several subpoenas related to litigation, not involving PwC but between the Company and its prior auditors, certain creditors, and others. PwC was required to comply with documentation retention requirements, provide copies of working papers, prepare for and attend depositions, and attend to various other related matters and requests that caused PwC to incur additional fees.

106. As discussed above, gaps in the documentation made the audit process difficult to execute and inefficient at times as alternative sources to support account balances (including assets and liabilities) or transactions were sought by management with PwC's input. Sometime these alternative methods were successful, other times they were not. The result, however, was a less efficient process.

107. PwC is not aware of any opposition to its tax services. The Company's environment of constant change created the need to switch priorities but these changes were directed by the Company's management, specifically Mr. Chambers.

8. Compliance with Fee Committee Memorandum;

108. PwC has complied with the Fee Committee Memorandum issued on May 16, 2003 (as amended on July 2003) and March 9, 2004, including but not limited to the following:

- PwC has transmitted all monthly fee statements and monthly invoices in electronic format requested by the Fee Committee to facilitate an effective and efficient review of its fees;
- non-working travel time was charged pursuant to an agreement with the Fee

Committee, as further described below, which was more restrictive than that prescribed by the Fee Committee Memorandum of 50% of standard rates;

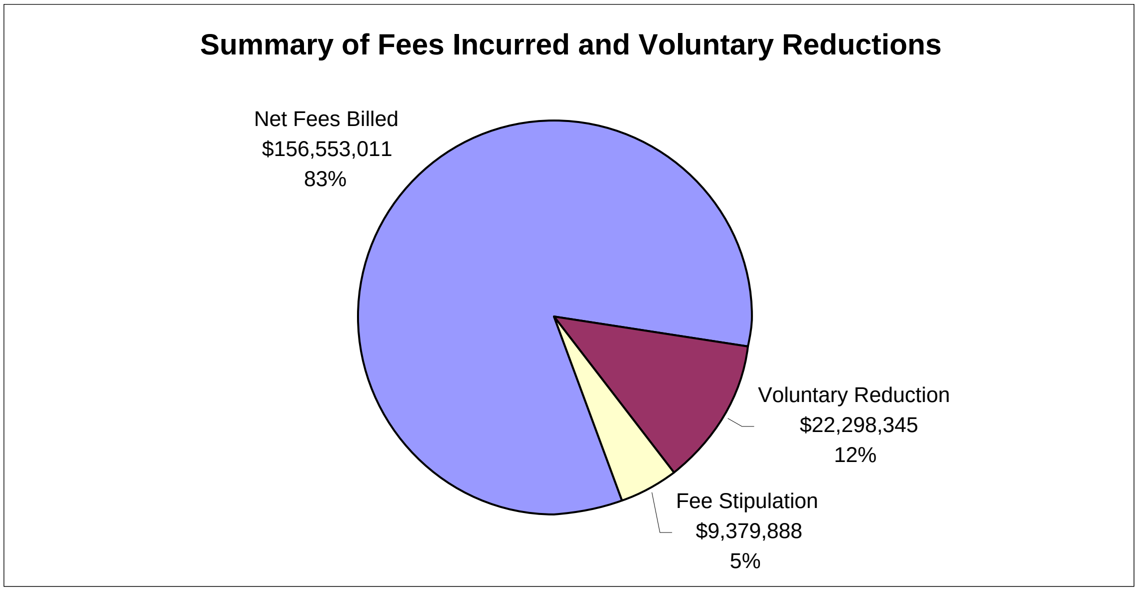
- overtime and working meals were limited to $20 per person;
- disbursements were billed at the actual cost of the services and represent amounts paid by PwC to third-party vendors;
- office overhead costs and expenses were not billed to the Debtor;
- PwC did not bill for transitory timekeepers that did not have a significant or recurring role on the engagement;
- PwC did not bill for word processing services, intern work, or administrative assistants;
- the total fees charged for preparation of monthly billing statements and interim fee applications was not greater than 1.5%; and
- the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by PwC during the time period covered by the engagement and generally accepted by PwC's clients during that time period.

109. PwC's engagement team continued to execute audit procedures, in Coudersport, PA, up until the Effective Date, as directed by the Company. Accordingly, PwC incurred fees and expenses during the post-Effective Date period. The fees and expenses incurred were necessary to wind down and complete the engagement and to orderly exit the Company's facility, which included, but was not limited to, finalizing documentation in the working papers, filing appropriate audit working papers for the 2006 and 2005 audits, preparing files, archiving and transporting files from Coudersport to a permanent location, and travel to various PwC home offices from Coudersport, PA. In accordance with the Final Compensation

Procedures, these fees and expenses have not been included in this Final Fee Application or any other fee applications made by PwC.

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 none, by description;

110. PwC billing professionals review the detailed time descriptions associated with the services provided by each of the respective client-service team professionals (*i.e.*, Forensic, Audit, Tax and Due Diligence). During this review, PwC monitors and reviews the content of the time description as well as the reasonableness and necessity of the services. Based upon prior communications and discussions with the Fee Committee and Legal Cost Control, PwC voluntarily reduces its monthly fee statements for hours which may not be appropriate for compensation within the Bankruptcy Court.



111. These hours and fees typically correspond to four different categories and were reported within each monthly fee statement within the "Billing Adjustments" section:

Category	Forensic Accountants	Audit Team	Tax Consultants	Due Diligence Team	Grand Total
Administrative Assistants	$2,979	$1,066,371	$7,526	$894	$1,077,768
Discretionary Adjustments	$477,036	$13,529,472	$34,562	$1,949	$14,043,019
Transitory Timekeepers	$14,843	$147,689	$10,531		$173,063
Travel	$1,420	$6,985,598	$17,476		$7,004,494
Grand Total	**$496,277**	**$21,729,130**	**$70,095**	**$2,843**	**$22,298,345**

a. **Travel, $7,004,494** - PwC has an agreement with the Fee Committee in a letter dated December 5, 2003 that it would bill non-working travel time only for timekeepers working at least, either (a) 5 consecutive days and 32 hours or (b) forty hours on consecutive days in a given work week. The non-working travel time for these eligible timekeepers would be billed at 50% of the normal hourly rate after the first hour for both the outgoing and return trip. PwC reports the remaining costs associated with the reduced travel for its professionals within the monthly fee statements.

b. **Transitory Timekeepers, $173,063** - PwC has voluntarily reduced timekeepers identified as incurring less than ten (10) hours during the fee statement periods. Note, occurrences exist where a timekeeper has billed hours to the engagement in the past fee statement periods and continues to provide value during subsequent periods at a reduced level of service. PwC reviews each of these occurrences and believes they reflect special circumstances for reasonable and necessary services. PwC reports the remaining timekeepers voluntarily reduced within the monthly fee statements.

c. **Discretionary Adjustments, $14,043,019** - During the review of time descriptions, there are occurrences where the description is not sufficient or may relate to administrative functions, PwC has voluntarily not billed these hours to the Debtors. Examples of these occurrences may include but were not limited to: team meetings, clerical or administrative functions, time and expense tracking, and/or excessive time associated with certain tasks and reduced by PwC management team.

d. **<u>Administrative Assistants, $1,077,768</u>** - These reductions represent the administrative assistant timekeepers, either specifically assigned to work on the Adelphia project or assisting in some secretarial/clerical capacity, which PwC has agreed to voluntarily not bill to the Debtors.

10. Any amounts by which the fees of the Final Applicant have been reduced at the recommendation of the Fee Committee, with respect to an Interim Application or otherwise, identified by work code or, if none, by description;

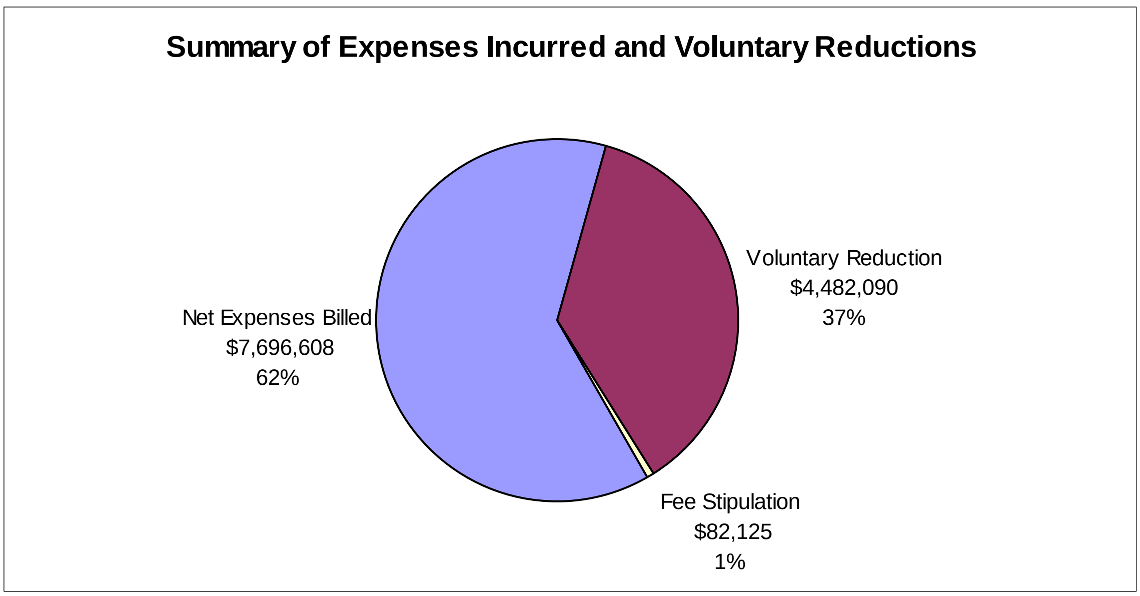
112. As shown on the graph above, the Fee Committee and PwC have agreed to two stipulations/settlement agreements associated with the interim allowance of compensation and reimbursement of expenses. In order to resolve certain disputes relating to the respective interim applications, the Debtors and PwC negotiated and PwC agreed to reduce the amount of compensation being sought in the Applications. Excluding the voluntary reductions, PwC has reduced its fees by $9,379,888 or 5.7%.

a. **<u>First Settlement Agreement, $1,755,838</u>** for the First, Second, and Third Interim Periods - In a letter dated December 5, 2003, PwC agreed to a voluntary 10% reduction related to its total fees and expenses billed to the Debtors for the First, Second and Third Fee Periods, $1,755,838 ($1,673,713 fees and $82,125 expenses).

b. **<u>Second Stipulation/Settlement Agreement, $7,706,175</u>** for the Fourth through Seventh Interim Periods - PwC agreed to a reduction allocated pro rata against the Fourth, Fifth, Sixth and Seventh Interim Periods.

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;

113. Consistent with the established procedures to review the time descriptions, PwC billing professionals review the expense details and ensure their compliance with the required format of date, timekeeper, description of expense and cost incurred. In addition, PwC's professionals vouch the expenditures to actual receipts prior to submission to the Debtors for reimbursement. PwC submits charges related to out of town travel, included in these charges are: airfare, airport transportation, parking, mileage, rental car and hotel and meal charges.



114. The remaining non-billable expenses correspond to two different categories and were reported within each monthly fee statement within the "Billing Adjustments" section:

Category	Forensic Accountants	Audit Team	Tax Consultants	Due Diligence Team	Grand Total
Discretionary Adjustments	$2,092	$1,669,505	$64		$1,671,660
Overhead	$6,584	$2,703,120	$95,830	$4,897	$2,810,430
Grand Total	**$8,675**	**$4,372,625**	**$95,893**	**$4,897**	**$4,482,090**

a. **<u>Overhead, $2,810,430</u>** - These reductions represent fees for items such as internal copy and reproduction costs, phone, and other internal costs that might otherwise have been billable to the Company through an overhead charge.

b. **<u>Discretionary Adjustments, $1,671,660</u>** - PwC voluntarily reduces its expense reimbursement for charges with no receipts, as well as travel service fees, commuting mileage reimbursements, meals in excess of $20.00, laundry, charges incurred during extended stays, and charges incurred to secure and set up apartments.

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; and

115. As mentioned above, the Fee Committee and PwC agreed to expense reductions within the First Settlement Agreement, totaling $82,125 or 1% of the total expenses. No additional expense recommendations have been made by the Fee Committee as of the date of this Final Application.

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.

116. As requested by the Fee Committee, PwC has prepared a chart detailing the fee and expense reductions, identified in factors (9) through (12), for consideration and verification by the Fee Committee, see attached **<u>Exhibits E and F</u>**.

117. PwC's engagements, which spanned more than four and a half years, required, for the reasons identified above, a "massive," relentless, and "extreme effort" on the part of the Company and PwC. On numerous occasions, the Company's Audit Committee commended PwC on its perseverance, dedication, hard work, and at times brute force necessary to complete its audits and that the Company could not have done it without PwC.

118. The relentless commitment, dedication, and extraordinary sacrifice on the part of PwC's engagement team, in order to complete the engagements in an effective and timely manner, was critical to the Company's reorganization, emergence, and ultimate realization of $17.6 billion in sale proceeds.

119. A significant asset of Adelphia's bankruptcy estate was the tax benefits associated with the carryforwards for net operating losses, general business credits and alternative minimum tax credits. The balance sheet as of December 31, 2005 showed deferred tax assets for these items of $ 4.459 billion. PwC's assistance with monitoring of the transfer of common stock of Adelphia Communications Corporation so as to avoid the triggering of a limitation under Internal Revenue Code Section 382 helped to preserve this asset to offset tax that would have otherwise been owed on the sale of the Company's operating assets. As a trusted advisor to Mr. Chambers, PwC often provided technical tax input that allowed Mr. Chambers to complete his responsibilities on behalf of the Company in a timely and efficient manner.

120. This Final Application is made by PwC in accordance with the United States Trustee's Guidelines for Reviewing Applications for Compensation & Reimbursement of Expenses filed under 11 U.S.C. § 330 ("UST Guidelines") and with the amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated April 19, 1995 ("SDNY Guidelines"). This Final Application is also made in accordance with the Final Compensation Procedures.

CONCLUSION

121. The services described above were reasonable and necessary in order for PwC to discharge its duties and obligations to the Debtors and this Court, applying the Final

Applicant's usual and customary billing rates for the types of services performed to the hours incurred. In rendering the services described herein, PwC expended a total of 426,795.3 hours for the Final Fee Period.

122. In rendering these services, PwC made every effort to maximize the benefit to the Estate and to work with other professionals employed in the case to avoid duplication of effort.

123. The level of services rendered by PwC to achieve the results obtained for the benefit of the Estate was reasonable in light of the number and complexity of the issues involved in this case. PwC judiciously allocated responsibilities to minimize possible

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK] duplication of effort.

124. Other than as provided in Section 504(b) of the Bankruptcy Code, PwC has not shared, or agreed to share, any compensation received as a result of this case with any person, firm or entity. No promises concerning compensation have been made to PwC by any firm, person or entity. The sole and exclusive source of compensation shall be funds of the Estate.

125. PwC asserts that compensation requested above is reasonable compensation for the actual and necessary services rendered based upon the time, nature and value of such services. The Final Applicant further asserts that the cost of services rendered is comparable to the cost of similar services in matters other than under the Bankruptcy Code.

THEREFORE, PricewaterhouseCoopers LLP respectfully requests compensation and reimbursement of expenses for professional services rendered by PwC to the Debtors during the period June 26, 2002 through February 13, 2007 in the amount of $156,553,011.35 for the Final Fee Period and reimbursement of necessary and reasonable out-of-pocket expenses in the amount of $7,696,607.64 and for such other relief as is just.

Respectfully submitted,

By: Keith A. Belote

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