



February 22, 2005

Mr. Frank Salvato
City Manager
City of Taylor
400 Porter St.
Taylor, TX 76574

CERTIFIED MAIL
7001 0320 0004 6909 8890

Dear Mr. Salvato:

I am pleased to share with you Time Warner Cable's Annual Performance Report for the year 2004.

CHANGES IN PROGRAMMING AND RATES

Programming Changes

In 2004 many exciting new services were added to the programming available to Taylor residents. Channels added in 2004 include:

ESPN-HD	My Music Channel
Central Texas on Demand	TNT-HD
HD Net	Beep TV
Music Choice '90s	Music Choice R&B Hits
HD Net Movies	KLRU Multiplex
News 8 On Demand	KLRU-DT
BeVOD	Fine Living
CSTV	KXAN-DT

Rate Changes

On November 1, 2004, the following rates went into effect (see enclosed channel lineup for a complete listing of services and pricing):

Monthly Service Rates

Basic	\$ 10.50
Standard (price incl. Basic)	\$ 45.38
Digital (price incl. Standard & Basic)	\$ 51.73

CHANGES IN OTHER SERVICES OFFERED

New Services

In 2004, Time Warner Cable began offering several new services and products.

BeVOD – The University of Texas and Time Warner Cable have teamed up to offer BEVOD, a one-of-a-kind Video on Demand (VOD) channel featuring Longhorn sports programming. During football season, viewers may choose from categories including Longhorn Sports Center, coaches' films, classic games, annual highlights, exclusive interviews and more. New shows are added each week. The cost is \$3.95/month.

High Definition Television – Time Warner Cable is the easiest solution for getting HDTV (high definition television). You'll be blown away by the theater-like picture quality and sound that only HDTV can offer. Watch your favorite shows, movies, sports and events with a wider screen, life-like picture and crystal clear sound.

CAPITAL INVESTMENTS

In 2004 Time Warner Cable made \$267,000 in capital investments in the City of Taylor. This investment includes new cable plant, cable drops to customers' homes, materials and labor.

CURRENT LIST OF OFFICERS AND DIRECTORS

Tom Kinney, Division President
Lidia Agraz, VP Public Affairs
Cindi Kruse, VP Human Resources
Terri Cumbie, VP Marketing
Steve Farabee, VP Operations
Pete McHugh, VP Finance
Dave Roon, VP/GM Commercial Services
Matt Stanek, VP Engineering
Rachel Baranek, VP Digital Phone

PROPOSED CHANGES FOR 2005

Time Warner Cable continues to add new television interactive services, including interactive games.

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Please do not hesitate to call me if you have any questions, and I look forward to continuing our working relationship with you and the City of Taylor.

Sincerely,

A handwritten signature in cursive script that reads "Patty Gonzales". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Patty Gonzales
Government Affairs Manager

Enclosure