



Cox Communications
5651 Copley Drive
San Diego, CA 92111
www.cox.com

February 7, 2013

Mr. Robert W. Geis IV, CPA
Accountant Auditor II
Internal Audit Division
Santa Barbara County Auditor-Controller
P.O. Box 39
Santa Barbara, CA 93102

Re: Cox Communications
Franchise Agreement Compliance Review
Review Period: January 1, 2008 – December 31, 2010
Post-Review Period: January 1, 2011 – December 31, 2012

Dear Mr. Geis:

In response to Santa Barbara County's draft "Detailed Findings & Recommendations" report, the most recent version of which was provided to Cox Communications ("Cox") on January 30, 2013, and which is the result of the franchise agreement compliance review referenced above, Cox proposes to remit \$178,145 in franchise fees, calculated pursuant to the attached schedule. With this payment, Cox considers the review resolved.

Should you have any questions, please do not hesitate to contact me at (858) 836-7316 or sam.attisha@cox.com.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read "Sam Attisha".

Sam Attisha
Vice President, Business Development & Public Affairs
Cox Communications

Cc: Ileana Engel, Cox Communications
Michael Grover, Cox Communications
Daniel Pottenger, Cox Communications



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Summary of Cox Adjustments

Cox Communications
Franchise Agreement Compliance Review
Review Period: January 1, 2008 – December 31, 2010
Post-Review Period: January 1, 2011 – December 31, 2012

Cox Franchise Fee Remittance Calculation

I. Santa Barbara County Detailed Findings and Recommendations Report:

Finding 2 - Classification of Customer Addresses

Underreported Franchise Fees	\$ 48,234.74
Total Late Fees	\$ 4,891.71
Total Franchise Fees and Late Fees Due	<u>\$ 53,126.45</u>

Finding 3 - Excluded Video Revenue

Additional Franchise Fees Due	\$ 166,870.83
Total Late Fees	\$ 15,454.15
Total Franchise Fees and Late Fees Due	<u>\$ 182,324.98</u>

Finding 4 - Allocation of Bad Debt Expense

Additional Franchise Fees Due	\$ 5,658.82
Total Late Fees	\$ 566.77
Total Franchise Fees and Late Fees Due	<u>\$ 6,225.59</u>

Total Franchises Fees and Late Fees Due

\$ 241,677.02

II. Cox Adjustments:

Excluded Video Revenue - Post-Review Period

Additional Franchise Fees Due	\$ 94,710.44
Additional Franchise Fees Paid for "2011 Revenue Adjustment"	\$ (78,945.88)
Net Franchise Fees Due	<u>\$ 15,764.56</u>

City of Santa Barbara Addresses Incorrectly Coded to Santa Barbara County

Franchise Fees Paid in Error	\$ (72,031.55)
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Ventura County Addresses Incorrectly Coded to Santa Barbara County

Franchise Fees Paid in Error	\$ (5,272.83)
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Incorrect Allocation of Late Fees

Franchise Fees Paid in Error	\$ (1,992.04)
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Total Franchise Fee Adjustment

\$ (63,531.86)

Net Total Franchises Fees and Late Fees Due

\$ 178,145.16

Payment Received from Cox on February 22, 2013

\$ 178,145.16

Remaining Due

\$ -