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March 8, 2002

**Via Federal Express**

Ms. Blanca S. Bayo, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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02 MAR -8 PM 12:16  
COMMISSION  
CLERK

Re: Review of the retail rates of Florida Power & Light Company,  
Docket No. 001148-EI

Dear Ms. Bayo:

Enclosed are the original and 16 copies of the Answer Of South Florida Hospital and Healthcare Association To Florida Power & Light Company's Motion for Reconsideration Of Order No. PSC-02-0254-PCO-EI, and Motion For Oral Argument in the above referenced docket.

Please acknowledge receipt and filing of the above by stamping the duplicate copy and returning same in the enclosed self-addressed stamped envelope to the undersigned.

Thank you for your assistance in connection with this matter.

Very truly yours,

*Mark F. Sundback*

Mark F. Sundback  
An Attorney For the Hospitals

DISTRIBUTION CENTER  
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Enclosures  
cc: Counsel for Parties of Record

RECEIVED & FILED

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02727 MAR -8 20

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: )  
Review of the retail rates of ) Docket No. 001148-EI  
Florida Power & Light ) Date Filed: March \_\_, 2002  
Company )

ANSWER OF SOUTH FLORIDA HOSPITAL  
AND HEALTHCARE ASSOCIATION  
TO FLORIDA POWER & LIGHT COMPANY'S MOTION FOR  
RECONSIDERATION OF ORDER NO. PSC-02-0254-PCO-EI  
AND MOTION FOR ORAL ARGUMENT

To: Honorable Commissioner Braulio L. Baez,  
Prehearing Officer

The South Florida Hospital & Healthcare Association ("the Hospitals") hereby answers and opposes Florida Power & Light Company's ("FPL") Motion For Reconsideration of Order No. PSC-02-0254-PCO-EI, Granting Motion To Compel (hereinafter "FPL's Motion") and FPL's companion Request For Oral Argument both filed March 1, 2002 in the captioned docket. Order No. PSC-02-0254-PCO-EI was correctly decided, notwithstanding FPL's dissatisfaction.

I.

FPL's Motion seeks rehearing of the Presiding Officer's February 27, 2002 determination that FPL should respond to two requests for production of documents involving FPL affiliates. FPL's Motion primarily relies upon several carefully-phrased assertions of its counsel. First, FPL argues that "information on unregulated affiliates that the SFHHA seeks does not affect FPL's rates or cost of service." FPL Motion at p. 2. Second, FPL asserts, without proof, that the requests in question "involve no assets or other consideration furnished by FPL." FPL Motion at p. 3. This assertion also is drafted with great care, as described below. FPL points to its diversification reports (FPL Motion at pp. 4-5) to argue that it has described dispositions of FPL's properties to "FPL affiliates or other entities in which an FPL affiliate has a financial

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FPSC-COMMISSION CLERK

interest.” FPL Motion at p. 4. Each of the foregoing formulations, however, contains more than a few limitations that make them wholly inadequate, if not beside the point. Based upon the foregoing assertions, FPL attacks the Prehearing Officer’s February 27, 2002 order by claiming that the order “fundamentally misapprehends the applicable law on discovery.” FPL Motion at p. 2. Yet it is FPL’s Motion, not the February 27, 2002 Order, that fails to address, much less apply, recent case law at the Commission, as shown in Part IV below.

## II.

Adelphia Communications uses FPL property to conduct its business, and pays FPL for the right to use that property. Adelphia Communications, through its affiliates Adelphia Cable and Adelphia Business Solutions, pay rental for use of FPL facilities, as FPL has admitted in its Response to the Hospitals’ Interrogatory No. 30. Revenue from Adelphia is credited against the jurisdictional cost of service of electric ratepayers. The lower the revenue from Adelphia, the more residual cost must be borne by FPL’s ratepayers.

But Adelphia was not just another entity using FPL property. Adelphia also held interests in an entity called Olympus Communications, LP. Adelphia’s other partners in the Olympus partnership were subsidiaries of FPL Group, Inc. operating under the name “Telesat.” In a transaction in 1995, Telesat received general and limited partner interests and newly issued preferred limited partner interests in Olympus (see third page of Attachment A hereto, consisting of excerpts from Adelphia’s Form 10-K).

According to Olympus:

The Company operates one of the largest contiguous cable systems located in some of the fastest growing markets in Florida. As of December 31, 1999, the Company’s cable system (the “System”) passed in front of 974,861 homes and served 651,308 basic subscribers. In addition to traditional analog cable television, the

Company offers a wide range of telecommunication services including digital cable television, high speed data and Internet access, electronic security monitoring, paging and telephony.

\* \* \* \* \*

Cable television systems receive a variety of television, radio and data signals transmitted to receiving sites ("headends") by way of off-air antennas, microwave relay systems and satellite earth stations. Signals are then modulated, amplified and distributed primarily through fiber optic and coaxial cable to subscribers, who pay fees for the service.

\* \* \* \* \*

The Company owns or leases parcels of real property for signal reception sites (antenna towers and headends), microwave facilities and business offices in each of its market areas, and owns most of its service vehicles. [Attachment B, consisting of excerpts from Olympus Communications 1999 Form 10-K.]

By late 1999, FPL Group sold 3.5 million shares of Adelpia common stock and had its interest in an unnamed cable limited partnership redeemed, for aggregate after-tax gains of more than \$160 million, according to FPL Group's 1999 Annual Report (p.44) (Attachment C hereto).

In early 2000, FPL conveyed to its wholly-owned affiliate FiberNet substantial assets involving, *inter alia*, fiber optic cables originally installed to assist in FPL's operation of its system. As FPL has freely admitted, FiberNet's "fiber optic network was originally developed in the late 1980s to provide internal telecommunications service to support company operations" (*see* Attachment D hereto). Since FPL's conveyance of the assets to FiberNet, FPL's revenues credited against the jurisdictional electric cost of service have fallen significantly. Additionally, throughout this period, FPL has been engaged in shedding millions of dollars of property to its non-regulated affiliate, Land Resource Investment Company ("LRIC"). *See, e.g.*, Attachment E hereto. What is done by LRIC with the property, including renting or selling portions of it to third parties, is not disclosed in the diversification reports. Nonetheless, because once in the

hands of LRIC it technically is no longer an asset of FPL, subsequent dispositions of the property previously paid for by FPL ratepayers (1) would not be reported in the diversification report and (2) would not run afoul of the carefully-worded statement in FPL's Motion that the Interrogatories here at issue do not involve "assets . . . furnished by FPL." FPL Motion at p. 3.

### III.

FPL's diversification reports contain truncated summaries of transactions between FPL and affiliates. What FPL's diversification reports do not tell us is the disposition made by the FPL affiliate of any right which the affiliate has received. For instance, FiberNet's disposition to others of the fiber capacity that was constructed in FPL's right of way is not described in the diversification report. Of course, Adelphia Communications, which emphasizes its reliance upon fiber optic networks, would find the FiberNet capacity attractive. Adelphia's system map (*see* Attachment F hereto) would appear to occupy the same route in Florida as much of FiberNet's network (*see* Attachment D hereto). Similarly, microwave facility users would find access to antenna located on FPL right of way valuable. LRIC, FPL's real estate-acquiring affiliate, holding millions of dollars of real estate in southern Florida previously paid for by FPL ratepayers, has the opportunity to transfer real estate, or lease space to third parties without reporting its transactions to this agency through the diversification report, or any other means, for that matter.

These circumstances mean that each one of FPL's assertions to support not producing the requested data are so limited as to be without practical value. The reporting of dispositions by FPL to its affiliates, in the diversification reports or elsewhere, is no assurance that value is not being conveyed from ratepayers to others. FPL's many business partners, who may not be

affiliates in the technical sense used in the diversification report, nonetheless represent vehicles through which to convey value.

Consider, for example, Adelphia Communications. Adelphia Communications is not operated by, and does not own, FPL or the FPL Group. On the other hand, for years Adelphia and FPL Group subsidiaries were partners in Olympus Communications. Olympus Communications, as noted above, has a very substantial presence in southern Florida. Whether through clearing rights of way which would be charged to ratepayers but which could benefit others using the right of way or by conveying property rights in lease or in fee to Adelphia, the FPL Group by means of controlling FPL could benefit Adelphia and Olympus in numerous ways that would not be reported in the diversification reports. As noted in Adelphia's disclosure statements, the "Company . . . leases parcels of real property for reception sites (antenna towers and headends), microwave facilities and business offices in each of its market areas . . . ."

Moreover, property conveyed to FiberNet (for example) and thence to Adelphia or Olympus, would not be tracked in the diversification reports once title was vested in FiberNet. Thus, FPL's carefully-phrased assertion concerning "dispositions of FPL property to FPL affiliates or other entities in which an FPL affiliate has a financial interest" (FPL Motion at p. 4) simply ignores what the FPL affiliate would do once it had acquired the property, paid for in the first instance by ratepayers. If the hand-off to a third party comes from an FPL affiliate rather than FPL, then the transaction is never reported in the diversification reports, and FPL's carefully-worded statement that is limited to actions by FPL may be true and meaningless for purposes of this dispute.

In arguing that it should not be compelled to respond to Interrogatory Nos. 32 and 33, FPL also asserts that "FPL did not participate in the referenced cable limited partnership,

whether through the contribution of assets or any other consideration.” FPL Motion at p. 5. What FPL fails to disclose is that Dennis Coyle, General Counsel of FPL as well as of the FPL Group, was on the Board of Directors of Adelphia Communications. See third page of Attachment G hereto. Moreover, Mr. Coyle served as President of “Cable GP, Inc.,” which in turn was a general partner in Olympus Communications, L.P. See fifth and sixth pages of Attachment B hereto. Cable GP’s address is 700 Universe Blvd., Juno Beach, Florida (*id.*, seventh page). Certainly, placing an officer of FPL on the Board of Adelphia could be considered participation. But FPL does not reveal this connection, either in its pleading here or in its diversification reports. This is exactly the type of information that is pertinent to understanding whether a concert of interests existed between Adelphia and FPL, but which FPL apparently decided not to disclose to the Prehearing Officer.

FPL also qualifies its responses by declaring that it has responded with respect to each “entity in which . . . an [FPL] affiliate has a financial interest” (*see* FPL Motion at p. 5). Of course, this formulation ignores the fact that without directly owning a financial interest in an enterprise, one nonetheless may have significant complementary or mutual interests with other interest owners which drive certain types of behavior. *See, e.g., Midwest Gas Users Assoc. v. FERC*, 833 F.2d 341 (D.C. Cir. 1987). Where the economic interests of parties overlap, agencies do not ignore the potential for harm to ratepayers. *See Northwest Central Pipeline Corp.*, 44 FERC ¶ 61,200, *order on rehearing*, 44 FERC ¶ 61,434 (1988). In this case, FPL did not directly own a financial interest in Adelphia, but FPL did have common interests with Adelphia in furthering the financial welfare of their jointly-owned subsidiary, Olympus, which could be coordinated through FPL’s General Counsel, who served on Adelphia’s Board.

Perhaps the prize for carefully-limited drafting, however, must go to the assertion in FPL's Motion that the information sought by the Hospitals' Interrogatory Nos. 32 and 33 "does *not* affect FPL's rates or cost of service." FPL Motion at p. 2 (emphasis in original). Of course, the contention is framed in the present tense. Currently, FPL base rates are locked-in pursuant to the 1999 Stipulation (subject only to revenue sharing). Thus, it is entirely accurate (and equally unenlightening) to assert that the outcome will not affect FPL rates which now are in effect because, under the 1999 Stipulation, base rates cannot change due to a change in costs. Thus, FPL's assertion once again is a trap for the unwary.

FPL's challenge to the Interrogatories, because they would not affect FPL's cost of service or rates, misses the point for another reason. Interrogatory No. 33 simply asks for the identification of entities and the assets involved, and does not seek dollars and cents data concerning a transaction. Thus, FPL's assertion that *inter alia*, Interrogatory No. 33 will "*not* affect FPL's rates or costs of service" is correct in the sense that by itself, the response will not yield data that will allow one to set a rate. But when viewed as part of a large picture, Interrogatory No. 33 can contribute information that may affect jurisdictional rate base and revenue requirements. This fact demonstrates that the request is "reasonably calculated to lead to admissible evidence," which is the operative standard under Rule 1.280(b)(1), Florida Rules of Civil Procedure.

In contrast to the foregoing statements quoted from FPL's Motion, FPL also makes a number of statements that are simply incorrect, which FPL itself should know. Perhaps the most surprising example is FPL's contention that "the entities referenced in Interrogatory Nos. 32 and 33 . . . have no . . . connection" to FPL's rates or cost of service whatsoever. FPL Motion at p. 12. In fact, quite the contrary is true, notwithstanding FPL's "sworn information" to the

contrary. As outlined above, Adelphia Communications through its subsidiaries (such as Olympus Communications) pay rentals to FPL for use of FPL property. These rental revenues are properly credited against the jurisdictional electric cost of service. Of course, the amount of rental and the duration and scope of the rental arrangements - - and thus the revenue credit to be realized by FPL's electric ratepayers - - is directly affected by whether Adelphia and Olympus have access to property formerly paid for by FPL ratepayers but now in the hands of FiberNet, LRIC or some other FPL affiliate. Similarly, to the extent these entities, using facilities located in or on FPL right of way or property (*e.g.*, microwave antenna on FPL towers; fiber optics in FPL right of way), are not charged the full cost or value of services they receive, that will affect FPL's jurisdictional electric rates by reducing the credit available to offset the cost of service. Notwithstanding FPL's "sworn statement," Olympus and Adelphia both have a direct connection to FPL's rates.

FPL's claims also are simply inconsistent with its conduct in the case. FPL maintains repeatedly that "FPL has not argued, nor would it, that information relevant to this proceeding is off limits merely because it is in the files [of an affiliate] rather than FPL." FPL Motion at pp. 2-3. Similarly, here FPL asserts that "FPL does not contend that information relevant to its rates or cost of service would not be discoverable simply because the information happens to be in the possession of its parents or affiliates." FPL Motion at p. 11.

Apparently, FPL expects the Prehearing Officer and parties to overlook the fact that these statements directly contradict FPL's objections that precipitated SFHHA's March 4, 2002 Motion To Compel. In that Motion, SFHHA seeks production of information (requested in, among other requests, SFHHA Interrogatory No. 49) concerning Olympus. FPL responded as follows:

FPL objects to this interrogatory on the grounds that it exceeds the proper scope of the Commission's inquiry about utility affiliates and/or the proper scope of discovery. As noted in FPL's objections to the South Florida Hospital and Healthcare Association's First Set of Interrogatories and Request for Documents, the jurisdiction of the Commission concerning the parent and affiliates of a utility is limited. See §§366.05(9) and 366.093(1) Fla. Stat. (2000). Moreover, *the scope of discovery from a party is limited to information and documents within the possession, custody or control of that party*. See e.g., Southern Bell Telephone and Telegraph Co. v. Deason, 632 So.2d 1377 (Fla. 1994).

Without waiving its objection, FPL states that it had no interest in or relationship with Olympus Communications, L.P. [Emphasis added.]

FPL's objection with respect to Interrogatory No. 49 is precisely what FPL's Motion states it would not do. It is difficult to attribute much credibility to a party that in one pleading maintains as a matter of policy it does not object just because information is in the files of an affiliate, when in another document FPL does precisely that. Moreover, FPL's statement that it has no interest in Olympus Communications obviously fails to acknowledge, much less disclose, that for years it owned a number of partners, including a general partner, in Olympus. Once again, FPL's disingenuous statements (ignoring the fact that its wholly-owned subsidiaries were direct owners of Olympus), do not encourage reliance upon the adequacy of FPL's disclosures.

#### IV

FPL's Motion largely ignores determinative recent case law from the Commission. A brief review of that case law suggests the reason why FPL overlooked those cases - - because they demonstrate that FPL's legal position is untenable.

In Order No. PSC-01-1444-PCO - EI the utility objected to an interrogatory that sought, *inter alia*, "information regarding contracts between [the utility's] affiliates and parties other than [the utility]" - - one type of data that corresponds to the information sought here by the Hospitals.

The utility contended that such contracts were not relevant to the proceeding. The party seeking to compel the responses outlined their theory of why the data would be relevant. The Prehearing Officer in that case granted the motion to compel.<sup>1</sup> FPL's Motion completely neglects to acknowledge the existence of this case, much less distinguish it from the matter at hand.

In PSC-01-1725-PCO-EI, the utility objected to producing documents that pertained to an affiliate. In that case (as in this case) the utility contended that the documents had nothing to do with the case before the Commission. OPC, filing its motion to compel, fashioned its relevance argument in part upon the absence of data regarding transactions at issue. The Prehearing Officer overruled the utility's objection and directed that the documents be produced.<sup>2</sup>

In like fashion, in PSC-01-2267-PCO-EI the utility was directed to produce documents in the possession of an affiliate. Production was ordered notwithstanding the utility's contention that the requesting party already had information (much like FPL's effort here to suggest that the diversification reports are an alternative to adequate discovery). As the Presiding Officer correctly noted in that case, the "discovery permissible under the Rules of Civil Procedure is broad."<sup>3</sup>

Instead of meeting these cases on the merits, FPL generally ignores them, referencing only one of them, and then in a footnote. The reason FPL ignores these cases may be that the decisions conflict with the arguments advanced by FPL. The recent Commission decisions

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<sup>1</sup> In Re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor, Order No. PSC -01- 1444 - PCO -EI, 2001 Fla. PUC LEXIS 850 (July 5, 2001).

<sup>2</sup> In Re: Petition by Gulf Power Company For Approval of Purchased Power Arrangement Regarding Smith Unit 3, PSC-01-1725-PCO- EI, 2001 Fla. PUC LEXIS 983 (August 23, 2001).

<sup>3</sup> In Re: Review of Florida Power Corporation's Earnings, Order No. PSC -01-2267-PCO-EI, 2001 Fla. LEXIS 1289 (November 19, 2001).

simply reflect the foundational grant of powers to this agency, which includes in Section 366.05 the authority to direct the production of “such reports or other data necessary to ensure that a utility’s ratepayers do not subsidize non-utility activities.” Section 366.05(9) (“Powers”). It would be hard to find much more explicit authority than this for mandating responses to the requests at issue. FPL’s Motion does not acknowledge the existence of this statutory grant, much less argue why it is insufficient.

## V.

FPL’s Motion for oral argument also is wholly without merit. As the recent cases identified above (*i.e.*, Order Nos. PSC-01-1725-PCO-EI and PSC-01-2267-PCO-EI demonstrate, oral argument is unnecessary. FPL’s position is quite clear - - it has no intention of producing information concerning affiliates’ transactions, even when property originally acquired by FPL ratepayers is at issue. Further, delay may serve the interests of FPL, but will not serve the interests of justice. FPL’s stonewalling, which includes making inconsistent representations about its conduct (*see* pp. 8-9, *supra*) has effectively delayed discovery for well over 40 days. Oral argument would only reward FPL for its acts.

## VI. CONCLUSION

The bottom line of this dispute is that participants in FPL’s first fully-litigated rate case in 18 years should not be engaged in parsing carefully-framed assertions of FPL’s counsel to find how wordsmithing can forestall meaningful discovery and conceal facts. FPL’s pleading conveys the unmistakable impression that FPL wants very badly to avoid disclosing certain information. If there is nothing to hide, why is FPL fighting this issue with such vigor? FPL’s carefully-framed but incomplete responses have failed to disclose the fact that it for years owned several partners in Olympus Communications, that it placed its most senior lawyer on the Board

of Adelphia Communications, another partner in Olympus, and that Olympus, or other Adelphia affiliates, regularly have done significant amounts of business with FPL.

Clearly, the requested information is relevant, as the Prehearing Officer has already ruled and as again demonstrated above. FPL's verbal fencing designed to keep customers from determining for themselves whether abuses are taking place, is indefensible. FPL's tactics also help "run out the clock" on this proceeding as we move closer to the discovery deadline, which demonstrates why the procedural steps outlined in SFHHA's March 1, 2002 Motion To Compel are warranted.

**VI.**

WHEREFORE, for the foregoing reasons, SFHHA respectfully requests that FPL's Motion be denied and relief as requested in SFHHA's March 1, 2002 Motion To Compel be granted.

Respectfully submitted,



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Ph. (202) 662-3030: Fax (202) 662-2739

ATTORNEYS FOR SFHHA

March 7, 2002

**CERTIFICATE OF SERVICE  
DOCKET NO. 001148-EI**

I HERBY CERTIFY that a true and correct copy of the foregoing has been furnished by

U.S. Mail to the following parties, on the 8<sup>th</sup> day of March, 2001.

Robert V. Elias, Esquire Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850	David L. Cruthirds, Esquire Attorney for Dynegy, Inc. 1000 Louisiana Street, Suite 5800 Houston, TX 77002-5050
John T. Butler, P.A. Steel Hector & Davis, LLP 215 S. Monroe Street, Suite 601 Tallahassee, Florida 32301	William G Walker, III Vice President Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301-1859
R. Wade Litchfield Attorney Florida Power & Light Company 700 Universe Boulevard Juno Beach, Florida 33408-0420	Michael B. Twomey, Esquire Post Office Box 5256 Tallahassee, Florida 32314-5256
Thomas A. Cloud/W. Christopher Browder Gray, Harris & Robinson, P.A. Post Office Box 3068 Orlando, Florida 32802-3068	Joseph A. McGlothlin, Esquire Vicki Gordon Kaufman, Esquire Attorneys for FIPUG McWhirter Reeves 117 S. Gadsden Street Tallahassee, Florida 32301
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**INTERESTED PARTIES:**

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CPV Atlantic, Ltd 145 NW Central Park Plaza, Suite 101 Port Saint Lucie, FL 34986	Frederick M. Bryant Florida Municipal Power Agency 2061-2 Delta Way Tallahassee, FL 32303
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Harry W. Long, Jr. Tampa Electric Company Post Office Box 111 Tampa, Florida 33601	Lee L. Willis James D. Beasley Ausley & McMullen Law Firm 227 South Calhoun Street Tallahassee, Florida 32301
Leslie J. Paugh, Esquire Landers & Parsons, P.A. 310 West College Avenue Tallahassee, Florida 32301	Ms. Angela Llewellyn Tampa Electric Company Post Office Box 111 Tampa, Florida 33601
Myron Rollins Black & Veatch Post Office Box 8405 Kansas City, MO 64114	Jennifer May-Brust, Esq. Colonial Pipeline Company 945 East Paces Ferry Road Atlanta, GA 30326
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Thomas J. Maida/N. Wes Strickland Foley & Lardner Law Firm 300 East Park Avenue Tallahassee, FL 32301	Bruce May, Esquire Holland Law Firm Post Office Drawer 810 Tallahassee, FL 32302-0810
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<p>Sofia Solemou 526 15 Street, Apt. 14 Miami Beach, FL 33139</p>	<p>Thomas W. Kaslow Calpine Eastern The Pilot House, 2<sup>nd</sup> Floor Boston, Massachusetts 02110</p>
<p>Bill L. Bryant, Jr., Esquire Natalie B. Futch Katz, Kutter, Haigler, Alderman, Bryant &amp; Yon, P.A. 106 East College Avenue, 12<sup>th</sup> Floor Tallahassee, Florida 32301</p>	<p>Marchris Robinson Manager, State Government Affairs Enron Corporation 1400 Smith Street Houston, Texas 77002-7361</p>
<p>Thomas J. Maida, Esquire Foley &amp; Lardner 106 East College Avenue, Suite 900 Tallahassee, FL 32301</p>	<p>Timothy S. Woodbury Vice President - Strategic Services Seminole Electric Cooperative, Inc. 16313 North Dale Mabry Highway Tampa, Florida 33688-2000</p>
<p>Daniel Doorakian Moyle, Flanigan, Katz, Raymond &amp; Sheehan, P.A. The Perkins House 118 North Gadsden Street Tallahassee, Florida 32301</p>	

*Mark F. Sundback*  


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Mark F. Sundback

# **ATTACHMENT A**

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-K

Annual Report pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

for the fiscal year ended March 31, 1995

Transition report pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934 for the transaction

period from to

*Commission File Number: 0-16014*

## ADELPHIA COMMUNICATIONS CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE 23-2417713

(State or other jurisdiction of incorporation or  
organization) (I.R.S. Employer Identification No.)

5 West Third Street P.O. Box 472 Coudersport,  
Pennsylvania 16915

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: 814-274-9830

**Securities registered pursuant to Section 12(b) of the Act: None.**

**Securities registered pursuant to Section 12(g) of the Act:**

Class A Common Stock, \$.01 par value.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and 2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Aggregate market value of outstanding Class A Common Stock \$.01 par value, held by non-affiliates of the Registrant at June 26, 1995 was \$76,870,845 based on the closing sale price as computed by the NASDAQ National Market System as of that date. For purposes of this calculation only, affiliates are deemed to be directors and executive officers of the Registrant.

Number of outstanding shares of Class A Common Stock, \$.01 par value, at June 26, 1995 was 15,364,009.

Number of outstanding shares of Class B Common Stock, \$.01 par value, at June 26, 1995 was 10,944,476.

### **Documents Incorporated by Reference**

Portions of the Proxy Statement for the 1995 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

## **PART I**

### **ITEM 1. BUSINESS (Dollars in thousands)**

#### **Introduction**

Adelphia Communications Corporation ("Adelphia" and, collectively with its subsidiaries, the "Company") is the seventh largest cable television operator in the United States. As of March 31, 1995, cable systems owned or managed by the Company (the "Systems") in the aggregate passed 2,268,501 homes and served 1,579,437 basic subscribers who subscribed for 794,624 premium service units.

The Company's owned cable systems (the "Company Systems") are located in ten states and are organized into seven regional clusters: Western New York, Virginia, Western Pennsylvania, New England, Eastern Pennsylvania, Ohio and Coastal New Jersey. The Company Systems are located primarily in suburban areas of large and medium-sized cities within the 50 largest television markets ("areas of dominant influence" or "ADIs," as measured by The Arbitron Company). At March 31, 1995, the Company Systems passed 1,340,808 homes and served 975,066 basic subscribers.

The Company owns a 50% voting interest and non-voting preferred limited partnership interests entitling the Company to a 16.5% priority return in Olympus Communications, L.P. ("Olympus"). Olympus is a joint venture which owns cable systems (the "Olympus Systems") primarily located in some of the fastest growing areas of Florida. The Olympus Systems in Florida form a substantial part of an eighth regional cluster, Southeastern Florida. The Company is the managing general partner of Olympus. As of March 31, 1995, the Olympus Systems passed 512,052 homes and served 306,317 basic subscribers. See "Management's Discussion and Analysis of Financial Condition and Results of

including customer service, service call dispatching, marketing, human resources, advertising sales and government relations into regional offices. Each regional office has a related technical center which contains the facilities necessary for the Systems' technical functions, including construction, installations and system maintenance and monitoring. Consolidating customer service functions into regional offices allows the Company to provide customer service through better training and staffing of customer service representatives, and by providing more advanced telecommunications and computer equipment and software to its customer service representatives than would otherwise be economically feasible in smaller systems.

The Company considers technological innovation to be an important component of cost-effective improvement of its product and customer satisfaction. Through the use of fiber optic cable and other technological improvements, the Company has increased system reliability, channel capacity and its ability to deliver advanced cable television services. These improvements have enhanced customer service, reduced operating expenses and allowed the Company to introduce additional services, such as impulse-ordered pay-per-view programming, which expand customer choices and increase Company revenues. The Company has developed new cable construction architecture which allows it to readily deploy fiber optic cable in its systems. The Company has replaced approximately 24% of the total installed trunk cable for the Systems with fiber optic cable and has used fiber optic cable in all of its rebuilding projects and principally all of the Systems' line extensions. In addition, the Company has installed over 690 miles of fiber optic plant for point-to-point applications such as connecting or eliminating headends or microwave link sites. Management believes that the Company is among the leaders of the cable industry in the deployment of fiber optic cable.

### **Development of the Systems**

The Company has focused on acquiring and developing systems in markets which have favorable historical growth trends. The Company believes that the strong household growth trends in its Systems' market areas are a key factor in positioning itself for future growth in basic subscribers.

Since 1982, the Company has grown principally by acquiring new cable systems and by developing existing cable systems. On June 16, 1994, Adelphia invested \$34,000 for a majority equity position in TMC Holdings Corporation ("THC"), the parent of Tele-Media Company of Western Connecticut. THC owns cable television systems serving approximately 43,000 subscribers in Western Connecticut. On June 30, 1994, Adelphia acquired from Olympus 85% of the common stock of Northeast Cable, Inc. ("Northeast Cable") for a purchase price of \$31,875. Northeast Cable owns cable television systems serving approximately 36,500 subscribers in Eastern Pennsylvania. On January 10, 1995, Adelphia issued 399,087 shares of Class A Common Stock in connection with the merger of a wholly-owned subsidiary of Adelphia into Oxford Cablevision, Inc. ("Oxford"), one of the Benjamin Terry family (the "Terry Family") cable systems. Oxford serves approximately 4,200 subscribers located in the North Carolina counties of Granville and Warren. On January 31, 1995, the Company acquired Tele-Media of Martha's Vineyard, L.P. for \$11,775, a cable system serving approximately 7,000 subscribers in Martha's Vineyard, Massachusetts. On February 28, 1995, ACP Holdings, Inc., a wholly owned subsidiary and managing general partner of Olympus, certain shareholders of Adelphia, Olympus and various Telesat Entities ("Telesat"), wholly-owned subsidiaries of FP&L Group, Inc., entered into an investment agreement whereby Telesat agreed to contribute to Olympus substantially all of the assets associated with certain cable television systems, serving approximately 50,000 subscribers in southern Florida, in exchange for general and limited partner interests and newly issued preferred limited partner interests in Olympus.

The Company will continue to evaluate new opportunities that allow for the expansion of its business through the acquisition of additional cable television systems in geographic proximity to its existing

# **ATTACHMENT B**

-----BEGIN PRIVACY-ENHANCED MESSAGE-----

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 CONFORMED SUBMISSION TYPE: 10-K405  
 PUBLIC DOCUMENT COUNT: 6  
 CONFORMED PERIOD OF REPORT: 19991231  
 FILED AS OF DATE: 20000330

FILER:

## COMPANY DATA:

COMPANY CONFORMED NAME:	OLYMPUS COMMUNICATIONS LP
CENTRAL INDEX KEY:	0000861255
STANDARD INDUSTRIAL CLASSIFICATION:	CABLE & OTHER PAY TELEVISION
IRS NUMBER:	251622615
STATE OF INCORPORATION:	DE
FISCAL YEAR END:	1231

## FILING VALUES:

FORM TYPE:	10-K405
SEC ACT:	
SEC FILE NUMBER:	333-19327
FILM NUMBER:	588271

## BUSINESS ADDRESS:

STREET 1:	ONE NORTH MAIN STREET
STREET 2:	P O BOX 472
CITY:	COUDERSPORT
STATE:	PA
ZIP:	16915-1141
BUSINESS PHONE:	8142749830

## MAIL ADDRESS:

STREET 1:	ONE NORTH MAIN STREET
STREET 2:	P O BOX 472
CITY:	COUDERSPORT
STATE:	PA
ZIP:	16915-1141

FILER:

## COMPANY DATA:

COMPANY CONFORMED NAME:	OLYMPUS CAPITAL CORP
CENTRAL INDEX KEY:	0000754019
STANDARD INDUSTRIAL CLASSIFICATION:	CABLE & OTHER PAY TELEVISION
IRS NUMBER:	232868925
STATE OF INCORPORATION:	DE

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PART I

ITEM 1. BUSINESS

(Dollars in thousands)

Introduction

Olympus Communications, L.P. ("Olympus" and, collectively with its subsidiaries, the "Company") is a limited partnership between ACP Holdings, Inc. and ACC Holdings II, LLC, wholly-owned subsidiaries of Adelphia Communications Corporation (together with its subsidiaries, "Adelphia"). Prior to October 1, 1999, the Company was a joint venture limited partnership between Adelphia and subsidiaries of FPL Group, Inc. (together with its subsidiaries "FPL Group"). On that date, Olympus transferred all outstanding common stock of its wholly-owned subsidiary, West Boca Security, Inc. ("WB Security") to FPL Group in exchange for FPL Group's partnership interest in Olympus. Olympus had assigned a \$108,000 note receivable from a wholly-owned subsidiary to WB Security prior to the transfer of common stock to FPL Group. The only asset of WB Security was this note which constituted the consideration paid for the redemption of the FPL Group partnership interests in Olympus and accrued priority return due to FPL Group. The Company's operations consist of providing telecommunications services primarily over its networks, which are commonly referred to as broadband networks because they can transmit large quantities of voice, video and data by way of digital or analog signals. Adelphia is a leader in the telecommunications industry with cable television and local telephone operations. As of December 31, 1999, Adelphia owned and managed cable television systems (including Olympus) with broadband networks that passed in front of 7,902,707 homes and served 5,124,594 basic subscribers.

The Company operates one of the largest contiguous cable systems located in

some of the fastest growing markets in Florida. As of December 31, 1999, the Company's cable system (the "System") passed in front of 974,861 homes and served 651,308 basic subscribers. In addition to traditional analog cable television, the Company offers a wide range of telecommunication services including digital cable television, high speed data and Internet access, electronic security monitoring, paging and telephony.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this Annual Report on Form 10-K, including Management's Discussion and Analysis of Financial Condition and Results of Operations, is forward-looking, such as information relating to the effects of future regulation, future capital commitments and the effects of competition. Such forward-looking information involves important risks and uncertainties that could significantly affect expected results in the future from those expressed in any forward-looking statements made by, or on behalf of, the Company. These "forward looking statements" can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will," "should," "intends" or "anticipates" or the negative thereof or other variations thereon or comparable terminology or by discussions of strategy that involve risks and uncertainties. These risks and uncertainties include, but are not limited to, uncertainties relating to economic conditions, acquisitions and divestitures, the availability and cost of capital, government and regulatory policies, the pricing and availability of equipment, materials, inventories and programming, product acceptance, technological developments, and changes in the competitive environment in which the Company operates. Persons reading this Annual Report on Form 10-K are cautioned that forward-looking statements herein are only predictions, that no assurance can be given that the future results will be achieved, and that actual events or results may differ materially as a result of the risks and uncertainties facing the Company.

## Business

### Video Services

Cable television systems receive a variety of television, radio and data signals transmitted to receiving sites ("headends") by way of off-air antennas, microwave relay systems and satellite earth stations. Signals are then

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modulated, amplified and distributed primarily through fiber optic and coaxial cable to subscribers, who pay fees for the service. Cable television systems are generally constructed and operated pursuant to non-exclusive franchises awarded by state or local government authorities for specified periods of time.

Cable television systems typically offer subscribers a package of basic video services consisting of local and distant television broadcast signals, satellite-delivered non-broadcast channels (which offer programming such as news, sports, family entertainment, music, weather, shopping, etc.) and public, governmental and educational access channels.

In addition, premium service channels, which provide movies, live and taped concerts, sports events and other programming, are offered for an extra monthly charge. At December 31, 1999 over 98% of subscribers of the System were also offered pay-per-view programming, which allows the subscriber to order special events or movies and to pay on a per event basis. Local,

instance, although the PSC has mandated that competitive providers file certain price lists, the PSC has resisted allowing competitive carriers to file full tariffs, which would deny them the ability to rely on terms and conditions normally included in such tariffs and required instead reliance on individual contracts. In addition, the PSC conducts proceedings and rulemakings to address local competition issues including pricing of unbundled network elements and wholesale services available for resale. Finally, pursuant to its obligation under the 1996 Act, the PSC also reviews or arbitrates interconnection agreement negotiations.

Based on the foregoing, the Company believes that the Florida Act and actions of the PSC to date reflect a generally favorable legal and regulatory environment for new entrants, such as Olympus, to intrastate telecommunications in Florida.

## ITEM 2. PROPERTIES

The Company's principal physical assets consist of cable television operating plant and equipment, including signal receiving, encoding and decoding devices, headends and distribution systems and subscriber house drop equipment for each of its cable television systems. The signal receiving apparatus typically includes a tower, antenna, ancillary electronic equipment and earth stations for reception of satellite signals. Headends, consisting of associated electronic equipment necessary for the reception, amplification and modulation of signals, are located near the receiving devices. The Company's distribution system consists primarily of coaxial and fiber optic cables and related electronic equipment. Subscriber devices consist of decoding converters. The physical components of cable television systems require maintenance and periodic upgrading to keep pace with technological advances.

The Company's cables and related equipment are generally attached to utility poles under pole rental agreements with local public utilities, although in some areas the distribution cable is buried in underground ducts or trenches. See "Legislation and Regulation--FCC Regulation."

The Company owns or leases parcels of real property for signal reception sites (antenna towers and headends), microwave facilities and business offices in each of its market areas, and owns most of its service vehicles.

Substantially all of the assets of Olympus' subsidiaries are subject to encumbrances as collateral in connection with the Company's credit arrangements, either directly with a security interest or indirectly through a pledge of the stock or partnership interests in the respective subsidiaries. See Note 3 to the Olympus Communications, L.P. consolidated financial statements. The Company believes that its properties, both owned and leased, are in good operating condition and are suitable and adequate for the Company's business operations.

## ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings, other than routine litigation incidental to the business, of which the Company or any of its subsidiaries is a part or to which any of their property is subject.

## ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 1999.

Agreement") and agreed to be governed by the provisions of the Delaware Revised Uniform Limited Partnership Act and the Partnership Agreement;

<PAGE>

WHEREAS, the Partners desire to execute this Third Amendment to the Second Amended and Restated Limited Partnership Agreement to reflect the amendment of certain provisions of the Partnership Agreement; and

WHEREAS, each of the capitalized terms not defined herein shall have the meaning ascribed to them in the Partnership Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein and intending to be legally bound, the Partners agree as follows:

1. The Partnership Agreement is hereby amended by adding the following new Section 12.12:

Redemption of Partnership Interests. Notwithstanding the  
-----  
provisions of Section 17-702(d) of the Delaware Revised Uniform Partnership Act, upon the Partnership's acquisition of an interest in the Partnership by purchase, redemption or otherwise, the Managing General Partner may determine that any such partnership interests will not be cancelled.

2. This Third Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Delivery of executed signature pages hereof by facsimile transmission shall constitute effective and binding execution and delivery hereof.

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IN WITNESS WHEREOF, the undersigned have executed this Third Amendment to the Second Amended and Restated Limited Partnership Agreement as of the date first above written.

MANAGING GENERAL PARTNER:

ACP HOLDINGS, INC.

By: /s/ Michael C. Mulcahey  
-----

Name: Michael C. Mulcahey  
Title: Assistant Treasurer

GENERAL PARTNER:

CABLE GP, INC.

By: /s/ Dennis P. Coyle  
-----

Name: Dennis P. Coyle  
Title: President

LIMITED PARTNER:

CABLE GP, INC.

By: /s/ Dennis P. Coyle  
-----

Name: Dennis P. Coyle  
Title: President

PREFERRED LIMITED PARTNERS:

ACP HOLDINGS, INC.

By: /s/ Michael C. Mulcahey  
-----

Name: Michael C. Mulcahey  
Title: Assistant Treasurer

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CABLE GP, INC.

By: /s/ Dennis P. Coyle  
-----

Name: Dennis P. Coyle  
Title: President

SPECIAL LIMITED PARTNER:

CABLE GP, INC.

By: /s/ Dennis P. Coyle  
-----

Name: Dennis P. Coyle  
Title: President

SENIOR LIMITED PARTNER:

CABLE GP, INC.

By: /s/ Dennis P. Coyle  
-----

Name: Dennis P. Coyle  
Title: President

-4-

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Bruce I. Booken, Esquire  
Buchanan Ingersoll Professional Corporation  
301 Grant Street  
One Oxford Centre, 20th Floor  
Pittsburgh, PA 15219  
Fax: 412-562-1041

To Cable GP:

700 Universe Boulevard  
Juno Beach, FL 33408  
Attn: Dennis P. Coyle  
Fax: 561-694-4640

Effectiveness of Notice. Notice shall be deemed received the same day

-----  
(when delivered personally), three (3) days after mailing (when sent by registered or certified mail), and the next business day (when sent by facsimile transmission or when delivered by overnight courier). Any Party may change the address of the Party to which all

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<PAGE>

communications and notices may be sent hereunder by addressing notices of such change in the manner provided.

Article 9  
LAWS GOVERNING

The construction and interpretation of this Agreement and the rights of the Parties shall be governed by the laws of the State of Florida without regard to its conflicts of laws provisions.

Article 10  
MISCELLANEOUS

Survival of Representations and Warranties. Notwithstanding any investigation

-----  
and review made by Olympus or Cable GP pursuant to this Agreement, Olympus and Cable GP agree that all of the representations, warranties, covenants and agreements of Olympus and Cable GP contained in this Agreement or in any other Closing Document shall survive the making of this Agreement, any investigation or review made by or on behalf of the Parties hereto and the Closing hereunder; provided that the representations and warranties contained in this Agreement shall expire and be extinguished one year after the Closing Date except for representations and warranties relating to title and ownership, which shall survive forever.

Fair Market Value of Olympus Assets. The Parties hereto acknowledge and agree

-----  
that, as of the Closing Date, the current fair market value of the West Boca Shares is \$108,000,000. Olympus and Cable GP shall agree, within seventy-five (75) days after the Closing Date, upon a schedule showing the fair market values as of the Closing Date of the consolidated Olympus and subsidiary group assets by category (including, but not limited to, the following categories: cash, accounts receivable, tangible real property, tangible personal property, franchise costs and other intangible assets (defined as the assets comprising total intangible assets excluding franchise costs)), and schedules supporting

# **ATTACHMENT C**

**SPECIAL EDITION**

Includes  
Profile for  
Security  
Analysts

FPL Group 1999 annual report

# Building for the future



**FPL**  
GROUP

plants, for \$866 million. The purchase price was based on an agreement, subject to regulatory approvals, reached with CMP in January 1998. In October 1998, the FERC struck down transmission rules that had been in effect in New England since the 1970s. FPL Energy filed a lawsuit in November 1998 requesting a declaratory judgment that CMP could not meet the essential terms of the purchase agreement and, as a result, FPL Energy should not be required to complete the transaction. FPL Energy believed these FERC rulings regarding transmission constituted a material adverse effect under the purchase agreement because of the significant decline in the value of the assets caused by the rulings. The request for declaratory judgment was denied in March 1999 and the acquisition was completed on April 7, 1999. The acquisition was accounted for under the purchase method of accounting and the results of operating the Maine plants have been included in the consolidated financial statements since the acquisition date.

The FERC rulings regarding transmission, as well as the announcement of new entrants into the market and changes in fuel prices since January 1998, resulted in FPL Energy recording a \$176 million pre-tax impairment loss to write-down the fossil assets to their fair value, which was determined based on a discounted cash flow analysis. The impairment loss reduced FPL Group's 1999 results of operations and earnings per share by \$104 million and \$0.61 per share, respectively.

Most of the remainder of the purchase price was allocated to the hydro operations. The hydro plants and related goodwill are being amortized on a straight-line basis over the 40-year term of the hydro plant operating licenses.

## 10. DIVESTITURE OF CABLE INVESTMENTS

In January 1999, an FPL Group Capital subsidiary sold 3.5 million common shares of Adelphia Communications Corporation (Adelphia) stock and in October 1999 had its one-third ownership interest in a cable limited partnership redeemed, resulting in after-tax gains of approximately \$96 million and \$66 million, respectively. Both investments had been accounted for on the equity method.

## 11. SETTLEMENT OF LITIGATION

In October 1999, FPL and the Florida Municipal Power Agency (FMPA) entered into a settlement agreement pursuant to which FPL agreed to pay FMPA a cash settlement; FPL agreed to reduce the demand charge on an existing power purchase agreement; and FPL and FMPA agreed to enter into a new power purchase agreement giving FMPA the right to pur-

chase limited amounts of power in the future at a specified price. FMPA agreed to dismiss the lawsuit with prejudice, and both parties agreed to exchange mutual releases. The settlement reduced FPL's 1999 net income by \$42 million.

## 12. COMMITMENTS AND CONTINGENCIES

**Commitments** — FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately \$3.1 billion for 2000 through 2002. Included in this three-year forecast are capital expenditures for 2000 of approximately \$1.3 billion. As of December 31, 1999, FPL Energy has made commitments totaling approximately \$72 million, primarily in connection with the development of an independent power project. FPL Group and its subsidiaries, other than FPL, have guaranteed approximately \$680 million of purchased power agreement obligations, debt service payments and other payments subject to certain contingencies.

**Insurance** — Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains \$200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to \$363 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed \$43 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide \$2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to \$50 million in retrospective premiums.

In the event of a catastrophic loss at one of FPL's nuclear plants, the amount of insurance available may not be adequate to cover property damage and other expenses incurred. Uninsured losses, to the extent not recovered through rates, would be borne by FPL and could have a material adverse effect on FPL Group's financial condition.

# **ATTACHMENT D**

**SPECIAL EDITION**

Includes  
Profile for  
Security  
Analysts

**FPL Group 1999 annual report**

# Building for the future



# Network

At the beginning of 2000, FPL Group launched a new subsidiary, FPL FiberNet LLC, to sell fiber-optic network capacity on a wholesale basis to telephone, cable television, Internet service providers and other telecommunications companies in Florida.

The subsidiary acquired its existing 1,600-mile, long-haul, inter-city fiber network from FPL and has begun to augment the network by building and operating intra-city networks in major metropolitan areas in Florida. FPL is also a customer of the subsidiary, enjoying the same reliable, low-cost telecommunications services as in the past.

FPL FiberNet's inter-city network, which has been in operation for 12 years, travels from Miami to Jacksonville on the east coast of Florida; Lake City in north Florida; and Tampa south on the west coast.

Construction of an intra-city network in Miami has been completed and similar projects are underway in Fort Lauderdale, Tampa and West Palm Beach. FPL FiberNet expects to invest approximately \$75 million toward its metropolitan network expansion in 2000 and plans to complete construction of 15 metropolitan networks in Florida by 2002.

FPL FiberNet expects sales to be between \$30 and \$40 million in its first year of operation. The business, which is already profitable, is expected to be an earnings enhancer near-term, but is not expected to provide significant contributions to earnings growth for several years.

The fiber-optic network was originally developed in the late 1980s to provide internal telecommunications services to support company operations. In 1996 FPL began selling excess fiber-optic capacity along its network to the major telecommunications companies operating in Florida. Since its launch, FPL FiberNet has expanded its customer base to include Internet service providers and other telecommunications companies, who will take advantage of the expanded network.



## Profitable Connections

**FPL FiberNet expects to complete construction of 15 metropolitan networks in Florida by 2002.**

# **ATTACHMENT E**

**ANALYSIS OF DIVERSIFICATION ACTIVITY**  
**Individual Affiliated Transactions in Excess of \$500,000**

**FLORIDA POWER & LIGHT COMPANY**  
**for the Year Ended December 31, 1995**

Provide information regarding individual affiliated transactions in excess of \$500,000. Recurring monthly affiliated transactions which exceed \$500,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.			
Line No.	Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
1	FPL Group, Inc.	Equity Contributions to FPL	\$280,000,000
2	FPL Group, Inc.	Payroll Taxes	\$186,496,848
3	FPL Group, Inc.	Florida Income Tax Payments	\$47,900,000
4	FPL Group, Inc.	Federal Income Tax Payments	\$430,371,405
5	FPL Group, Inc.	Thrift Plan Company Match Payments	\$17,561,800
6	FPL Group, Inc.	Common Dividend Payments	\$557,922,723
7	FPL Group, Inc.	FPL Group Billing 1/95-12/95	\$7,926,801
8	FPL Group, Inc.	Federal Unemployment Tax Payments	\$671,829
9	FPL Group, Inc.	IRS Refund	\$15,529,808
10			
11	FPL Group Foundation, Inc.	Charitable Contribution	\$1,425,000
12			
13	Land Resource Investment Co. (LRIC)	Property Taxes	\$3,229,107
14	Land Resource Investment Co. (LRIC)	Management Fee	\$6,303,783
15	Land Resource Investment Co. (LRIC)	Adjustment to the 1994 Transfer of Juno Beach Building "D" and related facilities from FPL to LRIC	(\$3,341,304)
16			
17	Land Resource Investment Co. (LRIC)	Transfer of the System Control Center from FPL to LRIC	\$18,564,878
18			
19			
20	Land Resource Investment Co. (LRIC)	Transfer of improvements to the Lejeune/Flagler Office Building from FPL to LRIC	\$516,513
21			
22			
23	KPB Financial Corp.	Storm & Property Reserve Fund Contributions	\$47,521,058
24	KPB Financial Corp.	Sale of Accounts Receivable to FPL	\$350,020,000
25	KPB Financial Corp.	Purchase of Accounts Receivable from FPL	\$350,000,000
26			
27	Alandco Inc.	Sale of land adjacent to the Miami Central Service Center to FPL	\$600,000
28			
29			
30			
31			
32			

**ANALYSIS OF DIVERSIFICATION ACTIVITY**  
**Assets or Rights Purchased from or Sold to Affiliates**

**FLORIDA POWER & LIGHT COMPANY**  
**For the Year Ended December 31, 1996**

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.							
Name of Affiliate	Description of Asset or Right	Cost/Orig Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
<u>Purchases/Transfers from Affiliates:</u>							
KPB Financial Corp (KPB)	Accounts Receivable	\$350,000,000	\$0	\$350,000,000	-	\$350,020,000 (A)	YES
Land Resources Investment Co. (LRIC)	North Dade District Office Land	\$1,185,399	\$0	\$1,185,399	-	\$1,185,399	YES
Land Resources Investment Co.	Delray Beach District Office Site	\$646,218	\$0	\$646,218	-	\$646,218	YES
Land Resources Investment Co.	Indiantown Warehouse	\$486,949	\$192,053	\$294,896	-	\$294,896	YES
Land Resources Investment Co.	Hollywood Service Center	\$170,336	\$2,286	\$168,050	-	\$168,050	YES
Land Resources Investment Co.	Desoto Plant Site	\$147,788	\$0	\$147,788	-	\$147,788	YES
<b>Total</b>						<b>\$352,462,351</b>	
(A) Includes \$20,000 administrative fee paid to KPB.							
<u>Sales/Transfers to Affiliates:</u>							
KPB Financial Corp.	Accounts Receivable	\$375,000,000	\$0	\$375,000,000	-	<u>Sales Price</u> \$375,000,000	YES
Land Resources Investment Co.	Improvements to General Office	\$528,956	\$5,547	\$523,409	-	\$523,409	YES
Land Resources Investment Co.	Improvements to System Control Center	\$53,828	\$5,387	\$48,441	-	\$48,441	YES
<b>Total</b>						<b>\$375,571,850</b>	

ANALYSIS OF DIVERSIFICATION ACTIVITY  
Assets or Rights Purchased from or Sold to Affiliates

FLORIDA POWER & LIGHT COMPANY  
For the Year Ended December 31, 1997

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.							
Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
<u>Purchases/Transfers from Affiliates:</u>							
KPB Financial Corp. (KPB)	Accounts Receivable	\$375,000,000	\$0	\$375,000,000	-	\$375,020,000 (A)	YES
Land Resources Investment Co.	Brevard District Office	\$3,450,063	\$432,264	\$3,017,799	-	\$3,017,799	YES
Total						\$378,037,799	
(A) Includes \$20,000 administrative fee paid to KPB.							
<u>Sales/Transfers to Affiliates:</u>							
KPB Financial Corp	Accounts Receivable	\$410,000,000	\$0	\$410,000,000	-	<u>Sales Price</u> \$410,000,000	YES
Land Resources Investment Co.	Improvements to General Office	\$541,064	\$26,767	\$514,297	-	\$514,297	YES
FPL Services	6 -15KV potheads and a switch cabinet	\$2,537	\$0	\$2,537	\$3,153	\$3,153	YES
FPL Services	4 - Hard Drives IBM PS2 Server	\$4,548	\$1,213	\$3,335	\$2,560	\$2,560	YES
		\$10,000	\$9,834	\$166	\$450	\$450	YES
ESI Energy, Inc.	Laptop Computer	\$6,956	\$1,045	\$7,911	\$5,374	\$5,374	YES
	Laptop Computer	\$5,470	\$0	\$5,470	\$5,470	\$5,470	YES
	Laptop Computer	\$5,470	\$152	\$5,318	\$5,470	\$5,470	YES
	Laptop Computer	\$5,470	\$152	\$5,318	\$5,470	\$5,470	YES
Total						\$410,542,244	

# **ATTACHMENT F**



# STAYING THE COURSE **A**

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Adelphia Business Solutions  
2000 Annual Report



# **ATTACHMENT G**

### SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(A) of the  
Securities Exchange Act of 1934

**Filed by the Registrant**

**Filed by a Party other than the Registrant**

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, For Use of the Commission Only (as permitted by  
 Rule 14a-b(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to ((S))240.14a-11(c) or ((S))240.14a-12

## ADELPHIA COMMUNICATIONS CORPORATION

(Name of Registrant as Specified In Its Charter)

**COLIN H. HIGGIN, ESQ.**

(Name of Person(s) Filing Proxy Statement)

### Payment of Filing Fee (check the appropriate box):

- No Fee Required  
 \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1),  
14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.  
 \$500 per each party to the controversy pursuant to Exchange Act  
Rule 14a-6(i)(3).  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4)  
and 0-11.

- (1) Title of each class of securities to which transaction applies:  
(2) Aggregate number of securities to which transaction applies:  
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11  
(Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

have advised the Board of Directors that, unless authority is withheld, they intend to vote the shares represented by them at the Annual Meeting for the election of Perry S. Patterson, on behalf of the Class A Common Stockholders, and for the election of John J. Rigas, Michael J. Rigas, Timothy J. Rigas, James P. Rigas, Pete J. Metros, Dennis P. Coyle, Leslie J. Gelber, Peter L. Venetis and Erland E. Kailbourne, on behalf of all of the common stockholders of the Company. All nominees except Mr. Coyle, Mr. Gelber, Mr. Kailbourne and Mr. Venetis were first elected or appointed as directors of the Company in 1986. Mr. Coyle was first elected as a director of the Company in 1995. This is the first time that Mr. Gelber, Mr. Venetis and Mr. Kailbourne are being nominated as directors of the Company.

The Board of Directors knows of no reason why any nominee for director would be unable to serve as director. If at the time of the Annual Meeting any of the named nominees are unable or unwilling to serve as

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directors of the Company, the persons named in the proxy intend to vote for such substitutes as may be nominated by the Board of Directors.

The following sets forth certain information concerning each nominee for election as a director of the Company. Seven of the current directors of the Company are nominees for reelection as directors.

#### **Proposal 1--Nominee for Election by Holders of Class A Common Stock**

##### **Perry S. Patterson**

Age 82

Perry S. Patterson became a director of Adelphia on September 9, 1986. Since 1977, Mr. Patterson has practiced law in Coudersport, Pennsylvania. From 1975 to 1977, Mr. Patterson served as President Judge of the Court of Common Pleas of the 55th Judicial District in Potter County, Pennsylvania. He was a partner of the law firm of Kirkland & Ellis in Chicago, Illinois and Washington, D.C. from 1950 to 1973. Mr. Patterson attended Georgetown University and graduated from Northwestern University Law School in 1941.

Proposal 2--Nominees for Election by Holders of Class A Common Stock and Class B Common Stock

##### **John J. Rigas**

Age 74

John J. Rigas is the founder, Chairman, President and Chief Executive Officer of Adelphia and is President of its subsidiaries. He is also Chairman and a director of Hyperion Telecommunications, Inc. ("Hyperion"). Mr. Rigas has served as President or general partner of most of the constituent entities which became wholly owned subsidiaries of Adelphia upon its formation in 1986, as well as the cable television operating companies acquired by the Company which were wholly or partially owned by members of the John J. Rigas family or entities controlled by them ("the Rigas Family"). Mr. Rigas has owned and operated cable television systems since 1952. Among business and community service activities, Mr. Rigas is Chairman of the Board of Directors of Citizens Bancorp., Inc., Coudersport, Pennsylvania, and a member of the Board of Directors of Charles Cole Memorial Hospital. He is a director of the National Cable Television Association and a past President of the Pennsylvania Cable

**Pete J. Metros**

Age 59

Pete J. Metros became a director of Adelphia on November 4, 1986. Mr. Metros is the Managing Director of Mannesmann Dematic Systems - worldwide. On February 1, 1998, he was appointed to the Board of Directors of Mannesmann Dematic AG, headquartered in Wetter, Germany. He continues to be the President and a member of the Board of Directors for Mannesmann Dematic Rapistan Corporation (since 1991). From August 1987 to December 1991, he was President of Rapistan Corp., the predecessor of Rapistan Demag Corporation, and of Truck Products Corp., both of which were major subsidiaries of Lear Siegler Holdings Corp. From 1980 to August 1987, Mr. Metros was President of the Steam Turbine, Motor & Generator Division of Dresser-Rand Company. From 1964 to 1980, he held various positions at the General Electric Company, the last of which was Manager--Manufacturing for the Large Gas Turbine Division. Mr. Metros is also on the Board of Directors of Hyperion and Borroughs Corporation of Kalamazoo, Michigan. Mr. Metros has served as a director of Hyperion since 1997 and received a BS degree from Georgia Institute of Technology in 1962.

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**Dennis P. Coyle**

Age 61

Dennis P. Coyle is General Counsel and Secretary of FPL Group, Inc. and Florida Power & Light Company. Mr. Coyle was named General Counsel of FPL Group, Inc. and Florida Power & Light Company in 1989, and assumed the additional title and responsibilities of Secretary of such companies in 1991. He graduated from Dartmouth College in 1960 and received his law degree from Columbia University in 1965. In an investment agreement with respect to Olympus Communications, L.P. ("Olympus," a joint venture of the Company), John, Michael, Timothy and James Rigas had agreed to vote a sufficient number of shares of the Company's Class A common stock to elect to the Board of Directors a nominee of Telesat Cablevision, Inc., which is the Company's joint venture partner in Olympus. This agreement terminated on January 29, 1999 when Telesat sold all of its Adelphia stock to the Company. Prior to such termination, Mr. Coyle was the nominee of Telesat Cablevision, Inc., which is an indirect, wholly-owned subsidiary of FPL Group, Inc.

**Leslie J. Gelber**

Age 43

Leslie J. Gelber has been President and Chief Operating Officer of Caithness Corporation since January 1, 1999. Prior to this position, Mr. Gelber was President of Cogen Technologies, Inc. from July 1998 until December 1998. From 1993 until July 1998, Mr. Gelber was the President of ESI Energy, Inc., a former subsidiary of FPL Group, Inc. Prior to joining ESI, Mr. Gelber was the Director of Corporate Development for FPL Group and was Chairman of FPL Group's cable television subsidiary and President of its information services subsidiary. Mr. Gelber received a B.A. degree from Alfred University in 1977 and a Master's degree in business administration from the University of Miami in 1978.

**Peter L. Venetis**