Main at Water Street Coudersport PA 16915-1141

Adelphía

Phone (814) 274-9830 Internet www.adelphia.net

VIA OVERNIGHT MAIL

December 22, 1999

South Dakota Utilities Commission 500 East Capital Avenue Capitol Building, 1⁵⁷ Floor Pierre, SD 57501-5070

ATTN: Deputy Directory - Fixed Utilities Division

RECEIVED

DEC 2 3 1009

SOUTH DAY A PUBLIC UTILITIES COMMISSION

Re: Application and Request for Authority of Adelphia Telecommunications, Inc.

Dear Madam or Sir:

Adelphia Telecommunications, Inc. hereby submits the enclosed Application and Request for Authority seeking authority to operate as a reseller of interexchange services within the State of South Dakota. An original and ten (10) copies are provided in this packet. Also enclosed please find a check made payable to South Dakota Utilities Commission in the amount of \$250.00 for the fee associated with this request. Kindly date stamp the copy of this transmittal letter and return it in the self-addressed stamped envelope which have been provided for your convenience.

Should you have any questions or additional information is required, please do not hesitate to contact the undersigned at (412) 220-5717. Thank you for your courtesies and cooperation in this matter.

Sincerely,

Joelle Blaho-Sinclair, Esquire

Enclosures (10)

cc: John B. Glicksman, Esquire (w/o enc.)

selle Blano-Sinclais

BEFORE THE SOUTH DAKOTA UTILITIES COMMISSION

IN RE:)	
Adelphia Telecommunications, Inc.	}	Docket No. RECEIVED
Application for Authority to Provide Resold	į	DEC 2 3 1999
Interexchange Telecommunication Services In the State of South Dakota	;	SOUTH DAKOTA PUBLIC
		ITTI ITIES COMMESSION

APPLICATION AND REQUEST FOR AUTHORITY OF ADELPHIA TELECOMMUNICATIONS, INC.

Adelphia Telecommunications, Inc. (hereinafter referred to as "Applicant"), pursuant to the rules, regulations and orders of the South Dakota Utilities Commission, hereby files this Application and Request for Authority to provide interexchange telecommunication services to residential customers in the State of South Dakota. By this application, Applicant seeks authority to provide resold interexchange telecommunications service.

In support of its application Applicant submits the following information, as required by the South Dakota Utilities Commission:

Corporate Name and Address:

Adelphia Telecommunications, Inc.
Main at Water Street
Coudersport, PA 16915
Phone No. (814) 274-9830
Fax No. (814) 274-9863
Federal Tax Identification No. 25-1759343

2. Organizational Structure:

Applicant is a Delaware corporation, having been incorporated on January 31, 1995. Applicant has attached copies of the Certificate of Incorporation and Certificate of Foreign Qualification to do Business in the State of South Dakota as Exhibits.

3. Other jurisdictions in which Applicant is certified:

Applicant is certified to provide interexchange telecommunication services in Colorado, Idaho, Indiana, Kansas, Kentucky, Maine, Massachusetts, Michigan, Mississippi, Montana, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, Washington and Wyoming. Applicant is in good standing in all aforementioned jurisdictions. In addition, there have been no formal complaints filed in any of the aforementioned jurisdictions against Applicant for charging customers for services not ordered or slamming.

4. Major Stockholders holding a 20% or greater ownership interest:

Adelphia Communications Corporation owns one hundred (100%) percent of the stock of Applicant.

5. Registered Agent:

Corporation Service Company 503 South Pierre Street Pierre, SD 57501

Geographic areas of service:

Applicant intends to provide interexchange telecommunication services to residential customers statewide in South Dakota.

7. Corporate Officers:

John J. Rigas President

Michael J. Rigas Executive Vice President
James P. Rigas Executive Vice President

Timothy J. Rigas Executive Vice President/Treasurer
Daniel R. Milliard Senior Vice President/Secretary

Randall D. Fisher Vice President/Assistant Secretary/General Counsel

Orby Kelley Vice President/Labor Relations
Daniel Liberatore Vice President/Engineering
Vice President/Finance

Colin Higgin Assistant Secretary/Deputy General Counsel

Applicant's management team is well qualified to execute its business plan, having

extensive managerial, financial and technical experience in the telecommunications industry. A description of the telecommunications and managerial experience of Applicant's key personnel is attached as an Exhibit.

8. Documentation of Applicant's financial position:

Applicant is a wholly owned subsidiary of Adelphia Communications Corporation, one of the largest cable companies in the United States. Based on this fact, Applicant has an extremely strong and stable financial position. The long distance services provided by Applicant compliments the growing family of Adelphia services, including high speed Internet access, paging services, home security, digital cable services and more. Applicant has attached documentation of its financial position as an Exhibit.

9. General Description of Applicant's Proposed Operations:

As a reseller of long distance telephone service, Applicant intends to provide intrastate services to residential customers in the State of South Dakota for the direct transmission and reception of voice, data and other types of telecommunication services. Applicant will not own facilities in South Dakota. Instead, Applicant will purchase capacity from a facilities-based provider of long distance services. Service will be available on a full-time basis, twenty-four hours a day, seven days a week. In addition to interstate and intrastate 1+ direct dial long distance service, Applicant will offer travel card (calling card) services, international calling services, "1-800/888" services, prepaid calling card services (on a promotional basis only). Operator services, including 911, will be provided by a third party.

10. General Description of how Applicant intends to provide proposed services:

As a reseller, Applicant will not own its own facilities in the State of South Dakota. Applicant will utilize an underlying carrier, IXC Communications, Inc., to provide its proposed services. IXC Communications, Inc., based out of Austin, Texas, is one of the largest wholesale providers of long distance service in the United States. IXC Communications, Inc. has the fifth largest digital fiber transmission network with 5 major switching centers and over 100 points of presence. It maintains a national Network Control Center that operates 24 hours a day, 7 days a week. The customers' calls flow through the local exchange carrier's (LEC) switch and is terminated at IXC Communications' point of presence. The call is then transported over IXC Communications' network and is terminated at the terminating LEC's switch. The LEC's network then carries the call to the individual being called.

11. Marketing of Services:

Applicant's services will be marketed through television spot campaigns, which will be aired on the cable television system, radio ads and occasional print advertisements. Additionally, Applicant will market the existing cable television customers of its parent, Adelphia Communications Corporation, through direct mail advertisements. The direct mail advertisements and most of the print, television and radio advertisements will contain a toll-free number for interested customers to contact Applicant. Trained representatives will provide assistance and explanation of the long distance products, including travel cards, international calling and toll-free service.

12. Regulatory and Tariff Contacts:

Janet S. Livengood, Esquire
DDI Plaza Two
500 Thomas Street, Suite 400
Bridgeville, PA 15017-2838
Phone No. (412) 221-1888 and (888) 472-6222
Fax No. (412) 220-5162
jlivengood@hyperion.net

13. Customer Service Contact and Complaint Procedures

Brian Delphus Main at Water Street Coudersport, PA 16915 Phone No. (814) 274-6462 and (888) 472-6222 Fax No. (814) 274-8856 bdelphus@adelphia.net

Applicant has a toll-free customer service center (888/472-6222) that operates 24 hours a day, seven days a week. The customer service center is managed by Brian Delphus, the Customer Service Manager for long distance services. He is managed by Chris Hanlon who is the Regional Manager for Corporate Customer Care. Mr. Hanlon reports to Jeffrey W. Donahue, Director of Voice and Data Services. Mr. Donahue, in turn, reports to Michael Rigas, Executive Vice President of Operations. Furthermore, every office of the Applicant can accept payments and answer basic questions about the services provided.

14. Tariff:

Applicant has attached a Proposed Tariff and marked as an Exhibit.

All tariff inquiries are to be directed to the Regulatory Contact listed above.

15. Billing and Collection Information:

Rates will be determined based on market price and the underlying service provider's rates. The calls will be branded Adelphia Telecommunications, Inc. Applicant will establish the prices to be charged to the end-user. Billing invoices are sent on a monthly cycle, and are usually received by the end-user on the tenth day of the month. Receipt of payments is handled in-house. However, accounts that are delinquent for more than 60 days are turned over to Credit Bureau, Incorporated, an outside collection agency. This company is located at Suite 401, Sumner Nichols Building, 155 West 8TH Street, Erie, Pennsylvania. Credit Bureau, Incorporated is a division of Experian, formerly TRW. It is the leading credit/collection operation in the United States.

PUBLIC INTEREST STATEMENT

The entry of Applicant into the telecommunications business in South Dakota will serve the public interest by creating greater competition in the interexchange marketplace and permitting customers to achieve increased efficiencies and cost savings. Applicant's proposed long distance services will meet the needs of residential users in the State of South Dakota for competitively priced and superior quality interexchange telecommunications services. Accordingly, Commission approval of the instant Application will foster competition in the interexchange telecommunication markets and generate significant benefits to South Dakota users, including, low-priced, high-quality services, innovative telecommunications services and increased consumer choice, and efficient use of existing telecommunications resources, as well as increased diversification and reliability of the supply of telecommunications services. Applicant's proposed telecommunication services will meet the needs of its users in the State of South Dakota for competitively priced and superior quality interexchange telecommunication services.

Respectfully submitted,

Joelle Blaho-Sinclair, Esquire

Dated:

LIST OF EXHIBITS

EXHIBIT A

Certificate of Incorporation and Certificate of Foreign

Qualification To Do Business in the State of South Dakota

EXHIBIT B Managerial and Technical Qualifications

EXHIBIT C Financial Qualifications

EXHIBIT D Proposed Tariff

Verification

EXHIBIT A

Certificate of Incorporation

And

Certificate of Foreign Qualification To Do Business in the State of South Dakota

State of South Bakota



OFFICE OF THE SECRETARY OF STATE

Certificate of Authority

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of ADELPHIA TELECOMMUNICATIONS, INC. (DE) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this October 20, 1999.

Joyce Hazeltine Secretary of State

State of South Bakota



OFFICE OF THE SECRETARY OF STATE

Certificate of Good Standing Foreign Corporation

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, do hereby certify that ADELPHIA TELECOMMUNICATIONS, INC. (DE) was authorized to transact business in this state on October 20, 1999 I, further certify that said corporation has complied with the South Dakota law governing foreign corporations transacting business in this state, and so far as the records of this office show, said corporation is in good standing in this State at the date hereof and duly authorized to transact business in the State of South Dakota. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the corporation's financial condition or business activities and practices. Such information is not available from this office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this October 20, 1999.

Joyce Hazeltine Secretary of State

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "ADELPHIA TELECOMMUNICATIONS, INC.", FILED IN THIS OFFICE ON THE THIRTY-FIRST DAY-OF JANUARY, A.D. 1995, AT 9 O'CLOCK A.M.

A CERTIEFED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO





Edward J. Freel, Secretary of State

AUTHENTICATION:

7391593

DATE:

01-31-95

2475396 8100

950022784

CERTIFICATE OF INCORPORATION

OF

ADELPHIA TELECOMMUNICATIONS, INC.

1. The name of the corporation is:

Adelphia Telecommunications, Inc.

- The address of its registered office in the State of Delaware is 32 Loockerman Square, Suite L-100 in the City of Dover, 19904, County of Kent. The name of its registered agent at such address is The Prentice-Hall Corporation System, Inc.
- The nature of the business or purpose to be conducted or promoted is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

- 4. The total number of shares of sock which the corporation shall have authority to issue is one thousand (1,000) shares of Common Stock, and the par value of each of such shares is one cent (\$0.01), amounting in the aggregate to ten dollars (\$10.00).
- 5. The name and mailing address of the sole incorporator is as follows:

Jalyn D. Tezik Adelphia Communications Corporation 5 West Third Street Coudersport, PA 16915

- The corporation is to have perpetual existence.
- 7. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director for any act or omission; provided, however, that the foregoing shall not eliminate or limit the liability of a director (a) for any breach of the director's duty or loyalty to the corporation or its stockholders, (b) for any act or omission not in good faith or which involves intentional misconduct or a knowing violation of law, (c) under Section 174 of the General Corporation Law of the State of Delaware, or (d) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this article by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation existing at the time of such repeal or modification.

8. In furtherance and not in limitation of the powers conferred by the General Corporation Law of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter, or repeal the by-laws of the corporation.

I, Jalyn D. Tezik, being the Sole Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the Sate of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 27th day of January, 1995.

Jelyn D. Tezik

Sole Incorporator

EXHIBIT B

Managerial and Technical Qualifications

Adelphia Telecommunications, Inc.

Officers and Directors

List of Officers:

NAME	POSITION
John J. Rigas	Chairman, Chief Executive Officer, President and Director
Michael J. Rigas	Executive Vice President, Operations and Director
Timothy J. Rigas	Executive Vice President, Chief Financial Officer, Chief Accounting Officer, Treasurer and Director
James P. Rigas	Executive Vice President, Strategic Planning and Director
Daniel R. Milliard	Senior Vice President, Secretary and Director
Orby G. Kelley	Vice President/Labor Relations
Daniel Liberatore	Vice President/Engineering
James R. Brown	Vice President/Finance
Randall D. Fisher	Vice President/Assistant Secretary/General Counsel
Colin H. Higgin	Assistant Secretary/Deputy General Counsel

List of Directors:

John J. Rigas

Michael J. Rigas

Timothy J. Rigas

James P. Rigas

Daniel R. Milliard.

The street address for the above Directors and Officers is:

Main at Water Street Coudersport, Pennsylvania 16915 John J. Rigas is the founder, Chairman, President and Chief Executive officer or Adelphia and is President of its subsidiaries. He is also Chairman of 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 Rigas family. Mr. Rigas has owned and operated cable television systems since 1952. Among his 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 Hospital. He is a director of the National Cable Television Association and a past President of the Pennsylvania Cable Television Association. He is also a member of the Board of Directors of C-SPAN and the Cable Advertising Bureau, and is a Trustee of St. Bonaventure University. He graduated from Rensselaer Polytechnic Institute with a B.S. in Management Engineering in 1950.

John J. Rigas is the father of Michael J. Rigas, Timothy J. Rigas and James P. Rigas, each of whom currently serves as a director and executive officer of the Company.

Michael J. Rigas is Executive Vice President, Operations of Adelphia and is a Vice President of its subsidiaries. He is also Vice Chairman of Hyperion. Since 1981, Mr. Rigas has served as a Senior Vice President, Vice President, general partner or other officer 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 Rigas family. From 1979 to 1981, he worked for Webster, Chamberlain & Bean, a Washington, D.C. law firm. Mr. Rigas graduated from Harvard University (magna cum laude) in 1976 and received his Juris Doctor degree from Harvard Law School in 1979.

Timothy J. Rigas is Executive Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer of Adelphia and its subsidiaries. He is also Vice Chairman, Chief Financial Officer and Treasurer of Hyperion. Since 1979, Mr. Rigas has served as Senior Vice President, Vice President, general partner or other officer 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 Rigas family. Mr. Rigas graduated from the University of Pennsylvania, Wharton School, with a B.S. degree in Economics (cum laude) in 1978.

James P. Rigas is Executive Vice President, Strategic Planning of Adelphia and is a Vice President of its subsidiaries, and also serves as Vice Chairman and Chief Executive Officer of Hyperion. Since February 1986, Mr. Rigas has served as a Senior Vice President, Vice President or other officer 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 Rigas family. Among his business activities, Mr. Rigas is a member of the Board of Directors of Cable Labs. Mr. Rigas graduated from Harvard University (magna cum laude) in 1980 and received a Juris Doctor degree and a M.A. degree in Economics from Stanford University in 1984. From June 1984 to February 1986, he was a consultant with Bain & Co., a management consulting firm.

Daniel R. Milliard is Senior Vice President and Secretary of Adelphia and its subsidiaries, and also serves as Vice Chairman, President and Secretary of Hyperion. Since 1982, Mr. Milliard served as Vice President, Secretary and/or General Counsel of Adelphia and the constituent entities which became wholly-owned subsidiaries of Adelphia, as well as the cable television operating companies acquired by the Company which were wholly or partially owned by members of the Rigas family. He served as outside general counsel to the Company's predecessors from 1979 to 1982. Mr. Milliard graduated from American University in 1970 with a Bachelor of Science degree in Business Administration. He received an M.A. degree in Business from Central Missouri State University in 1971 and received a Juris Doctor degree from the University of Tulsa School of Law in 1976. He is a Director of Citizens Bancorp., Inc. in Coudersport, Pennsylvania and a member of the Board of Directors of Charles Cole Memorial Hospital.

Orby G. Kelley joined the Company in 1986 and currently holds the position of Vice President of Administration/Labor Relations. From 1981 until joining the Company, Mr. Kelley served as Vice President Human Resources—Columbus Operations for Warner Amex Cable Communications, Inc. Prior to that time he served in a similar capacity for Colony Communications, Inc. and Landmark Communications, Inc. Mr. Kelley

received his B.A. degree from Old Dominion University in 1958 and his M.B.A. from California Western University in 1980.

Daniel Liberatore has been Vice President of Engineering since 1986. He is responsible for technical operations, engineering and related supervisory and management functions for the Company Systems. Mr. Liberatore received a B.S. degree in Electrical Engineering from West Virginia University and a Masters Degree in Engineering Management from the University of Massachusetts. He previously served as director of engineering for Warner Amex Cable Communications, Inc. from June 1982 until joining the Company. From December 1980 to June 1982, Mr. Liberatore served as a Project Administrator for Warner Amex Cable Communications, Inc.

James R. Brown joined the Company in 1984 and currently holds the position of Vice President of Finance.

Mr. Brown graduated with a B.S. degree in Industrial and Management Engineering from Rensselaer Polytechnic
Institute in 1984.

Randall D. Fisher joined the Company in 1991 and is Vice President, General Counsel and Assistant
Corporate Secretary. Previously Mr. Fisher was in private practice with the Washington, D.C. law firm of Baraff,
Koerner, Olender & Hochberg, P.C. Mr. Fisher earned his J.D. from Texas Tech University. He received a Masters
Degree in Public Administration from Midwestern University in Wichita Falls, Texas, and a B.A. degree in
Journalism from the University of Texas at Austin.

Colin H. Higgin joined the Company in November 1992 as Deputy General Counsel and Assistant Secretary. Mr. Higgin was an associate at Proskauer Rose Goetz & Mendelsohn from 1991 to 1992 and Latham & Watkins from 1987 to 1991. Mr. Higgins graduated from the University of Pennsylvania, Wharton School, with a B.S. degree in Economics in 1983 and received his J.D. from Indiana University in 1987.

EXHIBIT C

Financial Qualifications

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 10-0

RECEIVED

DCC 2 3 1999

X Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 1999

SOUTH DAKOTA PUBLIC

UTILITIES COMMISSION

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

For the transition period from ______ to _____

Commission File Number: 0-16014

ADELPHIA COMMUNICATIONS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

23-2417713

(I.R.S. Employer Identification No.)

Main at Water Street Coudersport, PA

16915-1141

(Address of principal executive offices) (Zip code)

814-274-9830

(Registrant's telephone number including area code)

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

At August 13, 1999, 50,328,343 shares of Class A common stock, par value \$.01 per share, and 10,834,476 shares of Class B common stock, par value \$.01 per share, of the registrant were outstanding.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES

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Item 1. Financial Statements

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (Dollars in thousands, except share amounts)

	De	cember 31, 1998		June 30, 1999
ASSETS:			-	
Property, plant and equipment - net	s	1,207,655	S	1,581,065
Intangible assets - net		1,029,159		1,167,479
Cash and cash equivalents		398,644		802,701
U.S. government securities - pledged		58,054		44,178
Investments		196,893		179,905
Subscriber receivables - net		53,911		79,886
Prepaid expenses and other assets - net		114,625		196,493
Investment in and amounts due from Olympus		191,408		703,754
Related party receivables - net		44,108		86,001
Total	3	3,294,457	3	4,841,462
LIABILITIES, PREFERRED STOCK, COMMON STOCK AND OTHER STOCKHOLDERS' EQUITY (DEFICIENCY):				
Subsidiary debt	5	1,717,240	5	1,388,412
Parent debt		1,810,212		2,406,127
Accounts payable		96,985		91,692
Subscriber advance payments and deposits		19,377		20,436
Accrued interest and other liabilities		137,131		149,957
Deferred income taxes		109,609		105,530
Total liabilities		3,890,554		4,162,154
Minority interests		48,784		19,146
Hyperion Redeemable Exchangeable Preferred Stock		228,674		244,153
13% Series B Cumulative Redeemable Exchangeable Preferred Stock		148,191		148,277
Commitments and contingencies (Note 8)				
Convertible preferred stock, common stock and other stockholders' equity (deficiency):				
8 1/8% Series C convertible preferred stock (\$100,000 liquidation preference)		1		1
5 1/2% Series D convertible preferred stock (\$575,000 liquidation preference)				29
Class A common stock, \$.01 par value, 200,000,000 shares authorized,				
31,258,843 and 51,419,867 shares issued, respectively		313		514
Class B common stock, \$.01 par value, 25,000,000 shares authorized,				
10,834,476 shares issued and outstanding		108		108
Additional paid-in capital		738,102		2,317,383
Accumulated deficit		(1,760,270)		(1,842,991)
Class A common stock held in escrow		(1,100,210)		(58,099)
Treasury stock, at cost, 0 and 1,091,524 shares of Class A common stock and				(30,033)
0 and 20,000 shares of 8 1/8% Series C convertible preferred stock, respectively				(149,213)
Convertible preferred stock, common stock and				W TOBER
other stockholders' equity (deficiency)		(1,021,746)		267,732
Total	3	3,294,457	3	4,841,462
	-	3,234,437	-	1,011,102

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) (Dollars in thousands, except per share amounts)

		Three Months Ended June 30,		e 30, June 30,				
		1998		1999	_	1998	1007	1999
Revenues	s	144,756	s	226,300	s	283,293	s	432,494
Operating expenses:								
Direct operating and programming		48,738		72,635		94,102		139,930
Selling, general and administrative		29,111		61,616		54,757		110,727
Depreciation and amortization		38,559		63,736		79,030		120,551
Total		116,408		197,987	-	227,889		371,208
		10 996						
Operating income	_	28,348		28,313	_	55,404	_	61,286
Other income (expense):								
Priority investment income from Olympus		12,000		12,000		24,000		24,000
Other income		1,000				1,000		
Interest expense - net		(62,745)		(59,729)		(122,511)		(131,783)
Equity in loss of Olympus and other joint ventures		(18,316)		(23,074)		(34,355)		(37,935)
Equity in loss of Hyperion joint ventures		(3,190)		(3,291)		(6,873)		(7,094)
Equity in loss of riyperion joint ventures		5,460		13,146				26,060
Minority interest in net losses of subsidiaries						5,460		
Hyperion preferred stock dividends		(6,946)		(7,860)		(13,640)		(15,479)
Gain on sale of investment		-		•	-	1,520		2,354
Total	_	(72,737)	_	(68,808)	_	(145,399)		(139,877)
Loss before income taxes and extraordinary loss		(44,389)		(40,495)		(89,995)		(78,591)
Income tax benefit		5,614	_	1,149	_	11,779	_	4,046
Loss before extraordinary loss		(38,775)		(39,346)		(78,216)		(74,545)
Extraordinary loss on early retirement of debt		(2,604)		(1,438)		(2,604)		(10,027)
Net loss		(41,379)		(40,784)		(80,820)		(84,572)
Dividend requirements applicable to preferred stock	-	(6,906)	-	(6,500)	-	(13,758)	-	(13,000)
Net loss applicable to common stockholders	5	(48,285)	5	(47,284)	<u>s</u>	(94,578)	<u>s</u>	(97,572)
Basic and diluted net loss per weighted average share of								
common stock before extraordinary loss	5	(1.48)	5	(0.79)	5	(2.98)	5	(1.61)
Basic and diluted extraordinary loss on early retirement of								
debt per weighted average share of common stock		(0.08)		(0.02)		(0.08)		(0.18)
Basic and diluted net loss per weighted average share		(0.00)	-			12.007		
of common stock	5	(1.56)	5	(0.81)	5	(3.06)	5	(1.79)
Weighted average shares of common stock								
outstanding (in thousands)		30,988		58,141		30,860		54,381

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) (Dollars in thousands, except per share amounts)

		Three Months Ended June 30,		e 30, June 30,				
		1998		1999	_	1998	1007	1999
Revenues	s	144,756	s	226,300	s	283,293	s	432,494
Operating expenses:								
Direct operating and programming		48,738		72,635		94,102		139,930
Selling, general and administrative		29,111		61,616		54,757		110,727
Depreciation and amortization		38,559		63,736		79,030		120,551
Total		116,408		197,987	-	227,889		371,208
		10 996						
Operating income	_	28,348		28,313	_	55,404	_	61,286
Other income (expense):								
Priority investment income from Olympus		12,000		12,000		24,000		24,000
Other income		1,000				1,000		
Interest expense - net		(62,745)		(59,729)		(122,511)		(131,783)
Equity in loss of Olympus and other joint ventures		(18,316)		(23,074)		(34,355)		(37,935)
Equity in loss of Hyperion joint ventures		(3,190)		(3,291)		(6,873)		(7,094)
Equity in loss of riyperion joint ventures		5,460		13,146				26,060
Minority interest in net losses of subsidiaries						5,460		
Hyperion preferred stock dividends		(6,946)		(7,860)		(13,640)		(15,479)
Gain on sale of investment		-		•	-	1,520		2,354
Total	_	(72,737)	_	(68,808)	_	(145,399)		(139,877)
Loss before income taxes and extraordinary loss		(44,389)		(40,495)		(89,995)		(78,591)
Income tax benefit		5,614	_	1,149	_	11,779	_	4,046
Loss before extraordinary loss		(38,775)		(39,346)		(78,216)		(74,545)
Extraordinary loss on early retirement of debt		(2,604)		(1,438)		(2,604)		(10,027)
Net loss		(41,379)		(40,784)		(80,820)		(84,572)
Dividend requirements applicable to preferred stock	-	(6,906)	-	(6,500)	-	(13,758)	-	(13,000)
Net loss applicable to common stockholders	5	(48,285)	5	(47,284)	<u>s</u>	(94,578)	<u>s</u>	(97,572)
Basic and diluted net loss per weighted average share of								
common stock before extraordinary loss	5	(1.48)	5	(0.79)	5	(2.98)	5	(1.61)
Basic and diluted extraordinary loss on early retirement of								
debt per weighted average share of common stock		(0.08)		(0.02)		(0.08)		(0.18)
Basic and diluted net loss per weighted average share		(0.00)	-			12.007		
of common stock	5	(1.56)	5	(0.81)	5	(3.06)	5	(1.79)
Weighted average shares of common stock								
outstanding (in thousands)		30,988		58,141		30,860		54,381

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unsudited) (Dollars in thousands)

		Six Months Ended June 30,			
		1998	100	1999	
Cash flows from operating activities:					
Net loss	S	(80,820)	S	(84,572)	
Adjustments to reconcile net loss to net cash					
provided by operating activities:					
Depreciation and amortization		79,030		120,551	
Noncash interest expense		15,344		16,376	
Noncash dividends		13,640		15,479	
Equity in loss of Olympus and other joint ventures		34,355		37,935	
Equity in loss of Hyperion joint ventures		6,873		7,094	
Gain on sale of investments		(2,130)		(2,354)	
Minority interest in losses of subsidiaries		(5,460)		(26,060)	
Extraordinary loss on early retirement of debt		2,604		10,027	
Decrease in deferred income taxes, net of effect of acquisitions		(11,825)		(4,311)	
Changes in operating assets and liabilities, net of effect of acquisitions:					
Subscriber receivables		(1,360)		(20,997)	
Prepaid expenses and other assets		(19,465)		(47,538)	
Accounts payable		17,955		the same of the sa	
Subscriber advance payments and deposits		217		(7,362) 1,059	
Accrued interest and other liabilities		11,417		13,094	
Net cash provided by operating activities		60,375	-		
ver cash provided by operating activities	-	60,373		28,421	
Cash flows used for investing activities:					
Acquisitions		(81,099)		(182,265)	
Expenditures for property, plant and equipment		(140,280)		(226,786)	
Investments in Hyperion joint ventures		(21,046)		(24,672)	
Investments in other joint ventures		(13,581)		(7,755)	
Purchase of minority interest		(15,580)		•	
Sale of U.S. government securities - pledged		15,653		15,322	
Amounts invested in and advanced to					
Olympus and related parties		(30,111)		(590,134)	
Other		3,065		(22,100)	
Net cash used for investing activities		(282,979)		(1,038,390)	
Cash flows provided by financing activities:					
Proceeds from debt		315,467		1,050,000	
Repayments of debt		(192,924)		(861,582)	
Costs associated with financings		(2,008)		(19,537)	
Premium paid on early retirement of debt		(2,095)		(7,413)	
Net proceeds from issuance of convertible preferred stock				557,649	
Net proceeds from issuance of Class A common stock				857,122	
Net proceeds from issuance of Hyperion Class A common stock		191,682			
Payments to acquire treasury stock				(149,213)	
Preferred stock dividends paid		(14,245)		(13,000)	
Net cash provided by financing activities		295,877		1,414,026	
increase in cash and cash equivalents		73,273		404,057	
Cash and cash equivalents, beginning of period		381,403		398,644	
Cash and cash equivalents, end of period	,	454,676	s	802,701	
Cash and cash equivalents, end of period	-	434,070	÷	602,701	

The accompanying unaudited condensed consolidated financial statements of Adelphia Communications Corporation and its majority owned subsidiaries ("Adelphia" or the "Company") have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission.

In the opinion of management, all adjustments, consisting of only normal recurring accruals necessary for a fair presentation of the financial position of Adelphia at June 30, 1999, and the results of operations for the three and six months ended June 30, 1998 and 1999, have been included. On March 30, 1999, Adelphia elected to change its fiscal year from a year ending on March 31 to a year ending on December 31. The decision was made to conform to general industry practice and for certain administrative purposes. The change was effective for the nine months ended December 31, 1998. The Company filed its Transition Report on Form 10-K for the nine months ended December 31, 1998 on May 25, 1999. These condensed consolidated financial statements should be read in conjunction with Adelphia's consolidated financial statements included in its Annual Report on Form 10-K for the year ended March 31, 1998 and its Transition Report on Form 10-K for the nine months ended December 31, 1998. The results of operations for the three and six months ended June 30, 1999 are not necessarily indicative of the results to be expected for the year ending December 31, 1999.

1. Significant Events Subsequent to December 31, 1998:

On January 13, 1999, Adelphia completed offerings of \$100,000 of 7 1/2% Senior Notes due 2004 and \$300,000 of 7 3/4% Senior Notes due 2009. Net proceeds from these offerings, after deducting offering expenses, were approximately \$393,700. Of this amount, Adelphia used approximately \$160,000 to pay accrued interest and retire a portion of its 9 1/2% Senior Pay-In-Kind Notes due 2004. Adelphia used the remainder to repay borrowings under revolving credit facilities of its subsidiaries which may be reborrowed and used for general corporate purposes. The terms of these notes are similar to those of Adelphia's other publicly held senior debt.

On January 14, 1999, Adelphia completed offerings totaling 8,600,000 shares of its Class A common stock. In those offerings, Adelphia sold 4,600,000 newly issued shares of Class A common stock to Goldman, Sachs & Co. at \$43.25 per share and it also sold 4,000,000 shares of its Class A common stock at \$43.25 per share to entities controlled by the Rigas family. Adelphia used the proceeds of approximately \$372,000 from these offerings to repay subsidiary bank debt, which may be reborrowed and used for general corporate purposes.

On January 21, 1999, Adelphia acquired Verto Communications, Inc. ("Verto") pursuant to a merger agreement between Adelphia, Verto and Verto's shareholders. These systems served approximately 56,000 subscribers in the greater Scranton, PA area at the date of acquisition. In connection with the Verto acquisition, Adelphia issued 2,561,024 shares of its Class A common stock to the former owners of Verto and assumed approximately \$35,000 of net liabilities of Verto. The acquisition was accounted for under the purchase method of accounting. Accordingly, the financial results of the acquired systems are included in the consolidated results of Adelphia effective from the date acquired.

On January 29, 1999, Adelphia purchased from Telesat shares of Adelphia's stock owned by Telesat for a price of \$149,213. In the transaction, Adelphia purchased 1,091,524 shares of Class A common stock and 20,000 shares of Series C Cumulative convertible preferred stock which are convertible into an additional 2,358,490 shares of Class A common stock. These shares represent 3,450,014 shares of common stock on a fully converted basis. Adelphia and Telesat also agreed to a redemption of Telesat's interests in

Olympus Communications, L.P., which is expected to close during the third quarter of 1999, for approximately \$108,000. The redemption is subject to applicable third party approvals.

On February 23, 1999, Adelphia announced that it had entered into a definitive agreement to acquire FrontierVision Partners, L.P. ("FrontierVision") for approximately \$2,100,000. Under that agreement Adelphia would acquire 100% of FrontierVision in exchange for approximately \$550,000 in cash, 7,000,000 shares of Adelphia Class A common stock and the assumption of approximately \$1,110,000 of debt. The transaction is subject to customary closing conditions. As of June 30, 1999, FrontierVision had approximately 710,000 basic subscribers.

On March 2, 1999, Hyperion issued \$300,000 of 12% Senior Subordinated Notes due 2007 (the "Subordinated Notes"). An entity controlled by members of the Rigas family purchased \$100,000 of the Subordinated Notes directly from Hyperion at a price equal to the aggregate principal amount less the discount to the initial purchasers. The net proceeds of approximately \$295,000 were or will be used to fund Hyperion's acquisition of interests held by local partners in certain of its markets and will be used to fund capital expenditures and investments in its networks and for general corporate and working capital purposes.

On March 5, 1999, Adelphia announced that it had entered into a definitive merger agreement to acquire Century Communications Corp. ("Century") for approximately \$5,200,000. Under the agreement, Adelphia would acquire 100% of the outstanding common stock of century for approximately \$826,000 in cash, 48,700,000 shares of Class A common stock and the assumption of approximately \$1,600,000 of debt. This transaction is subject to shareholder approval by Century and Adelphia and other customary closing conditions. As of May 31, 1999, Century had approximately 1,610,000 basic subscribers after giving effect to Century's pending joint venture with AT&T. In addition, Adelphia has agreed to purchase the 50% interest in the Citizens-Century Cable Television Joint Venture owned by Citizens Cable Company at a purchase price of approximately \$157,500, comprised of approximately \$27,700 in cash, approximately 1,850,000 shares of Adelphia Class A common stock and the assumption of indebtedness. The transaction is subject to customary closing conditions.

On March 31, 1999, Hyperion consummated purchase agreements with subsidiaries of MediaOne of Colorado, Inc. ("MediaOne"), its local partner in the Jacksonville, FL and Richmond, VA networks, whereby MediaOne received approximately \$81,520 in cash for MediaOne's ownership interests in these networks. In addition, Hyperion will be responsible for the payment of fiber lease liabilities due to MediaOne in the amount of approximately \$14,500 over the next ten years. As a result of the transactions, Hyperion's ownership interest in each of these networks increased to 100%.

On April 9, 1999, Adelphia entered into a stock purchase agreement with Highland Holdings, a general partnership controlled by members of the family of John J. Rigas, in which Adelphia agreed to sell to Highland Holdings, and Highland Holdings agreed to purchase, from \$250,000 to \$375,000 of Adelphia's Class B common stock. The purchase price for the Class B common stock will be equal to the public offering price in the April 28, 1999 public offering of Class A common stock described below, less the underwriting discount, plus an interest factor. Closing under this stock purchase agreement is to occur by January 23, 2000.

On April 12, 1999, Adelphia announced that it had entered into a definitive agreement to acquire cable television systems from Harron Communications Corporation ("Harron") for approximately \$1,170,000. The transaction is subject to customary closing conditions. As of March 31, 1999, Harron had approximately 301,000 basic subscribers after giving effect to recent and pending acquisitions involving approximately 5,000 basic subscribers.

On April 28, 1999, Adelphia completed an offering of \$350,000 of 7 7/8% Senior Notes due 2009. Net proceeds from this offering, after deducting offering expenses, were approximately \$345,500. Adelphia used the proceeds to repay borrowings under revolving credit facilities of its subsidiaries, which may be reborrowed and used for general corporate purposes, including acquisitions, capital expenditures and investments. The terms of these notes are similar to those of Adelphia's existing publicly held senior debt.

On April 28, 1999, Adelphia sold 8,000,000 shares of its Class A common stock. Net proceeds of the offering, after deducting offering expenses, were approximately \$485,500. Adelphia used the net proceeds to repay borrowings under subsidiary credit agreements, which the Company plans to reborrow and use to fund one or more of the recently announced acquisitions.

On April 30, 1999, and, in a related transaction on May 14, 1999, Adelphia sold an aggregate 2,875,000 shares of 5 1/2% Series D convertible preferred stock with a liquidation preference of \$200 per share. The preferred stock accrues dividends at \$11 per share annually and is convertible at \$81.45 per share into an aggregate of 7,059,546 shares of Class A common stock of Adelphia. The preferred stock is redeemable at the option of Adelphia on or after May 1, 2002 at 103% of the liquidation preference. Net proceeds from the convertible preferred stock offering were approximately \$557,000 after deducting underwriter discounts and commissions and offering expenses. Adelphia used the net proceeds to repay borrowings under subsidiary credit agreements, which the Company plans to reborrow and use to fund one or more of the recently announced acquisitions.

On May 6, 1999, certain subsidiaries and affiliates of Adelphia and Olympus closed on an \$850,000 credit facility. The credit facility consists of a \$600,000, 8 1/2 year reducing revolving credit loan and a \$250,000, 9 year term loan. Proceeds from initial borrowings were held as cash and used to repay existing indebtedness, which may be reborrowed and used for capital expenditures, investments, and other general corporate purposes.

On May 26, 1999, the Company announced that it had agreed to swap certain cable systems with Comcast Corporation ("Comcast") and Jones Intercable, Inc. ("Jones") in a geographic rationalization of the companies' respective markets. Adelphia will add approximately 440,000 subscribers in the Los Angeles, CA area and the West Palm/Fort Pierce, FL area. In exchange, Comcast and Jones will receive systems currently owned, managed or under contract to be purchased by Adelphia serving approximately 464,000 subscribers in suburban Philadelphia, PA, Ocean County, NJ, Ft. Myers, FL, Michigan, New Mexico and Indiana. All systems involved in the transactions will be valued by agreement between the parties or, following a failure to reach agreement, by independent appraisals, with any difference in relative value to be funded with cash or additional cable systems. The system swaps are subject to customary closing conditions and regulatory approvals and are expected to close by mid-2000.

On July 1, 1999, Adelphia and Hyperion announced their decision to further combine the efforts of both companies and that Hyperion was changing the name under which it will be doing business to Adelphia Business Solutions. With this decision, Adelphia and Hyperion will align the strengths of both organizations and develop a single brand in the communications market place.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(Dollars in thousands, except per share amounts)

2. Debt:

Debt is summarized as follows:

Subsidiary Debt:

		1998	June 30, 1999		
Notes to banks and institutions	S	1,200,970	S	535,340	
13% Senior Discount Notes of Hyperion due 2003		220,784		236,745	
12 1/4% Senior Secured Notes of Hyperion due 2004		250,000		250,000	
12% Senior Subordinated Notes of Hyperion due 2007				300,000	
Other subsidiary debt	_	45,486	_	66,327	
Total subsidiary debt	s	1,717,240	5	1,388,412	

The following information updates to June 30, 1999, unless otherwise noted, certain disclosures included in Note 3 to Adelphia's consolidated financial statements contained in the Transition Report on Form 10-K for the nine months ended December 31, 1998.

Commitments for additional borrowings.		
as of June 30, 1999	S	1.428.120
Weighted average interest rate payable by subsidiaries		
under credit agreements with banks and institutions		8.78%
Percentage of subsidiary notes to banks and institutions that		
bear interest at fixed rates for at least one year (including the effects		
of interest rate swap agreements)		84.83%

Parent Debt:

	December 3 1998	1999
10 1/4% Senior Notes due 2000 9 1/4% Senior Notes due 2002 8 1/8% Senior Notes due 2003 10 1/2% Senior Notes due 2004 7 1/2% Senior Notes due 2004 9 7/8% Senior Notes due 2007 8 3/8% Senior Notes due 2008	1998 \$ 99,65 325,00 149,28 150,00 347,58 299,19	\$ 99,760 325,000 15 149,350 150,000 100,000 347,686 7 299,227
7 3/4% Senior Notes due 2009 7 7/8% Senior Notes due 2009 11 7/8% Senior Debentures due 2004 9 7/8% Senior Debentures due 2005 9 1/2% Pay-In-Kind Notes due 2004 Total parent debt	124,61 128,53 186,34 \$ 1,810,21	31 128,619 31,847

3. Investments:

Total

	1998			1999
Investments accounted for using the equity method:				
Gross investment:				
Hyperion investments in joint ventures	S	138,614	S	106,214
Benbow PCS Ventures, Inc.		17,170		17,227
Mobile communications		18,249		18,875
Other		2,308		3,407

December 31.

176,341

(32,601)

145,723

(24,890)

179,905

Investments accounted for using the cost method: Niagara Frontier Hockey, L.P.	44,897	48,675
SuperCable ALK International	3,190	3,190
Programming ventures	1,469	3,470
Mobile communications	2,925	3,069
Other	672	668
Total	53,153	59,072
Total investments before cumulative equity in net losses	229,494	204,795

4. Related Party Investments and Receivables:

Cumulative equity in net losses

Total investments

Adelphia's nonconsolidated investments are as follows:

Related party receivables - net represent advances to managed partnerships, the Rigas family and Rigas family controlled entities. No related party advances are collateralized.

Investment in and amounts due from Olympus is comprised of the following:

	De	1998	_	June 30, 1999		
Cumulative equity in loss over investment in Olympus Amounts due from Olympus	s	(102,888) 294,296	s	(111,586) 815,340		
	\$	191,408	3	703,754		

The investment in Olympus represents a 50% voting interest in such partnership and is being accounted for using the equity method. Summarized unaudited results of operations of Olympus are as follows:

	Six Months Ended June 30,			
	14.2	1998		1999
Revenues	5	102,116	5	128,217
Net loss		(8,908)		(23,931)
Net loss of general and limited partners after priority return		(51,623)		(74,497)

5. Net Loss Per Weighted Average Share of Common Stock:

Basic net loss per weighted average share of common stock is computed based on the weighted average number of common shares outstanding after giving effect to dividend requirements on the Company's preferred stock. Diluted net loss per common share is equal to basic net loss per common share because the Company's convertible preferred stock had an antidilutive effect for the periods presented; however, the convertible preferred stock could have a dilutive effect on earnings per share in future periods.

6. Supplemental Financial Information:

Cash payments for interest were \$118,134 and \$130,298 for the six months ended June 30, 1998 and 1999, respectively. Accumulated depreciation of property, plant and equipment amounted to \$730,873 and \$805,330 at December 31, 1998 and June 30, 1999, respectively. Accumulated amortization of intangible assets amounted to \$249,618 and \$282,898 at December 31, 1998 and June 30, 1999, respectively. Interest expense – net includes interest income of \$8,080 and \$27,935 for the three months ended June 30, 1998 and 1999 and \$16,887 and \$36,013 for the six months ended June 30, 1998 and 1999, respectively. Interest income includes interest income from affiliates on long-term loans and for reimbursement of interest expense on revolving credit agreements related to short-term borrowings by such affiliates.

On February 15, 1999, Adelphia issued 1,000,000 shares of Class A common stock to an escrow account as a deposit for the acquisition of Frontier Vision.

7. Income Taxes:

Income tax benefit for the three and six months ended June 30, 1998 and 1999 was substantially comprised of deferred tax.

8. Commitments and Contingencies:

Reference is made to Note 1 and to Management's Discussion and Analysis of Financial Condition and Results of Operations and Legal Proceedings for a discussion of material commitments and contingencies.

9. Reclassifications:

Certain prior period amounts have been reclassified to conform with the current period presentation.

10. Recent Accounting Pronouncements:

Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Management of the Company has not completed its evaluation of the impact of SFAS No. 133 on the Company's consolidated financial statements. In July 1999, SFAS No. 137 was issued to delay the effective date of SFAS No. 133 to fiscal quarters of fiscal years beginning after June 15, 2000.

11. Business Segment Information:

Refer to Item 2 of this Quarterly Report on Form 10-Q for information regarding business segments as of December 31, 1998 and June 30, 1999 and for the three and six months ended June 30, 1998 and 1999.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

Introduction

During the period January 29, 1999 through April 12, 1999, the Company announced the pending acquisition of the Olympus partnership interests held by FPL Group, Inc., and the pending acquisitions of FrontierVision Partners, L.P., Century Communications Corp. and Harron Communications Corp. (collectively, the "Pending Acquisitions"). See Note 1 to the Condensed Consolidated Financial Statements contained in this Form 10-Q. As of the time of filing of this Form 10-Q, all of these transactions were pending and therefore are not reflected in the results of operations of the Company for the three and six months ended June 30, 1999. After the completion of the quarter ended March 31, 1999, the Company filed unaudited financial information, audited financial statements and unaudited pro forma financial information related to the Pending Acquisitions on a Form 8-K. In addition, during the period January 13, 1999 through April 30, 1999, the Company entered into several financing transactions, the proceeds of which will or may be used to fund one or more of the Pending Acquisitions or for other general corporate purposes. See Note 1 to the Condensed Consolidated Financial Statements contained in this Form 10-Q.

Results of Operations

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations, is forward-looking, such as information relating to the effect 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 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, year 2000 issues and changes in the competitive environment in which the Company operates.

Adelphia Communications Corporation and its subsidiaries ("Adelphia" or the "Company") operate primarily in two lines of business within the telecommunications industry: cable television and related investments ("Adelphia, excluding Hyperion") and competitive local exchange carrier ("CLEC") telephony ("Hyperion"). The balance sheet data as of December 31, 1998 and June 30, 1999, and the other data for the three and six months ended June 30, 1998 and 1999, of Hyperion presented below have been derived from the consolidated financial statements of Hyperion not included herein.

A majority owned subsidiary of the Company, Hyperion, together with its subsidiaries owns CLEC networks and investments in CLEC joint ventures and manages those networks and joint ventures. Hyperion is an unrestricted subsidiary for purposes of the Company's indentures. For further information regarding Hyperion, which also files reports pursuant to the Securities Exchange Act of 1934, see Hyperion's Form 10-Q for the quarterly period ended June 30, 1999.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

Summarized unaudited financial information of Adelphia, Hyperion and Adelphia, excluding Hyperion is as follows:

Balance Sheet Data:	nce Sheet Data: December 1998		, June 30, 1999		
Adelphia Consolidated Total assets Total debt Cash Investments (a) Redeemable preferred stock Convertible preferred stock - net (liquidation preference)	s	3,294,457 3,527,452 398,644 229,494 376,865 100,000	<u>s</u>	4,841,462 3,794,539 802,701 204,795 392,430 675,000	
Hyperion Total assets Total debt Cash Investments (a) Redeemable preferred stock	s	836,342 494,109 242,570 138,614 228,674	s	1,113,091 830,842 261,460 106,214 244,153	
Adelphia, excluding Hyperion Total assets Total debt Cash Investments (a) Redeemable preferred stock Convertible preferred stock - net (liquidation preference)	3	2,458,115 3,033,343 156,074 90,880 148,191 100,000	s	3,728,371 2,963,697 541,241 98,581 148,277 675,000	

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

Other Data:		nths Ended e 30,	Six Months Ended June 30,		
	1998	1999	1998	1999	
Adelphia Consolidated					
Revenues	\$ 144,756	\$ 226,300	\$ 283,293	\$ 432,494	
Priority investment income from Olympus	12,000	12,000	24,000	24,000	
Operating expenses (b)	77,849	134,251	148,859	250,657	
Depreciation and amortization expense	38,559	63,736	79,030	120,551	
Operating income	28,348	28,313	55,404	61,286	
Interest expense - net	(62,745)	(59,729)	(122,511)	(131,783)	
Preferred stock dividends	(13,852)	(14,360)	(27,398)		
Capital expenditures	74,255	145,234	140,280	226,786	
Cash paid for acquisitions	22,769	70,893	81,099	182,265	
Cash used for investments	9,966	11,019	34,627	32,427	
Hyperion					
Revenues	\$ 7,635	\$ 34,215	\$ 12,455	\$ 55,653	
Operating expenses (b)	13,421	44,308	21,177	73,821	
Depreciation and amortization expense	6,120	13,586	10,570	27,121	
Operating loss	(11,906)	(23,679)	(19,292)	(45,289)	
Interest expense - net	(7,645)	(4,246)	(15,692)	(14,953)	
Preferred stock dividends	(6,946)	(7,860)	(13,640)	(15,479)	
Capital expenditures	43,464	92,147	77,259	131,831	
Cash paid for acquisitions	•	36,518	58,330	126,268	
Cash used for investments	2,905	6,100	21,539	24,672	
Adelphia, excluding Hyperion					
Revenues	\$ 137,121	\$ 192,085	\$ 270,838	\$ 376,841	
Priority investment income from Olympus	12,000	12,000	24,000	24,000	
Operating expenses (b)	64,428	89,943	127,682	176,836	
Depreciation and amortization expense	32,439	50,150	68,460	93,430	
Operating income	40,254	51,992	74,696	106,575	
Interest expense - net	(55,100)	(55,483)	(106,819)		
Preferred stock dividends	(6,906)	(6,500)	(13,758)	(13,000)	
Capital expenditures	30,791	53,087	63,021	94,955	
Cash paid for acquisitions	22,769	34,375	22,769	55,997	
Cash used for investments	7,061	4,919	13,088	7,755	

 ⁽a) Represents total investments before cumulative equity in net losses.
 (b) Amount excludes depreciation and amortization.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

Adelphia earned substantially all of its revenues in the three and six months ended June 30, 1998 and 1999 from monthly subscriber fees for basic, satellite, premium and ancillary services (such as installations and equipment rentals), CLEC telecommunications services, local and national advertising sales, high speed data services and pay-per-view programming.

The changes in Adelphia's operating results for the three and six months ended June 30, 1999 compared to the same period of the prior year, were primarily the result of acquisitions, rate increases and expansion of existing operations.

The high level of depreciation and amortization associated with the significant number of acquisitions in recent years, the continued upgrade and expansion of systems and interest costs associated with financing activities will continue to have a negative impact on the reported results of operations. Also, significant charges for depreciation, amortization and interest are expected to be incurred in the future by Olympus, which will adversely impact Adelphia's future results of operations. Adelphia expects to report net losses for the next several years.

The following tables set forth certain cable television system data at the dates indicated for Company Owned, Olympus and Managed Systems. The "Olympus Systems" are systems currently owned by Olympus. The "Managed Systems" are affiliated systems managed by Adelphia.

	June	30,	Percent Increase
	1998	1999	(Decrease)
Homes Passed by Cable			
Company Owned Systems	1,696,294	2,259,151	33.2%
Olympus Systems	752,012	965,163	28.3%
Managed Systems	348,441	178,615	(48.7%)
Total Systems	2,796,747	3,402,929	21.7%
Basic Subscribers			
Company Owned Systems	1,244,310	1,628,101	30.8%
Olympus Systems	493,258	641,228	30.0%
Managed Systems	260,843	134,264	(48.5%)
Total Systems	1,998,411	2,403,593	20.3%

Managed Systems' data, as of June 30, 1999, reflect the sales of systems consisting of approximately 64,900 and 75,900 homes passed and approximately 44,000 and 62,100 basic subscribers to Adelphia and Olympus, respectively.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

The following table is derived from Adelphia's Condensed Consolidated Statements of Operations that are included in this Form 10-Q and sets forth the historical percentage relationship to revenues of the components of operating income contained in such financial statements for the periods indicated.

	Three Months Ended June 30,		Six Months Ende June 30,		
	1998	1999	1998	1999	
Revenues	100.0%	100.0%	100.0%	100.0%	
Operating expenses:					
Direct operating and programming	33.7%	32.1%	33.2%	32.4%	
Selling, general and administrative	20.1%	27.2%	19.3%	25.6%	
Depreciation and amortization	26.6%	28.2%	27.9%	27.9%	
Operating income	19.6%	12.5%	19.6%	14.1%	

Revenues. The primary revenue sources reflected as a percentage of total revenues were as follows for the three months ended June 30, 1998 and 1999:

		nths Ended : 30,
	1998	1999
Regulated service and equipment	74%	66%
Premium programming	10%	8%
Advertising sales and other services	11%	11%
Competitive local exchange carrier services	5%	15%

Revenues increased approximately 56.3% and 52.7% for the three and six months ended June 30, 1999 compared with the same periods of 1998. The increases are attributable to the following:

	Three Months Ended	Six Months Ended
	June 30,	June 30,
	1999	1999
Acquisitions	67%	64%
Basic subscriber growth	2%	3%
Cable rate increases	12%	13%
Premium programming	(2%)	(2%)
Competitive local exchange carrier services	13%	14%
Advertising sales and other services	8%	8%

Effective August 1, 1998, certain rate increases related to regulated cable services were implemented in substantially all of the Company's systems. Advertising revenues and revenues derived from other strategic service offerings such as CLEC services, high-speed data services, long distance and paging also had a positive impact on revenues for the three and six months ended June 30, 1999. The Company expects

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

systems during 1999. to implement rate increases related to certain regulated cable services in substantially all of the Company's

costs. The increases in Adelphia excluding Hyperion were primarily due to increased operating expenses are mainly basic and premium programming costs and technical expenses, increased 49.0% and 48.7% for the three and six months ended June 30, 1999 compared with the same period of 1998. Hyperion expenses increased due to expansion of operations at its network control center, as well as an increase in the number and new services. from acquired systems, increased programming costs, incremental costs associated with increased subscribers and size of its networks, which resulted in increased employee related costs and equipment maintenance Direct Operating and Programming Expenses. Direct operating and programming expenses, which

increase in the sales force in the existing networks and an increase in corporate overhead costs to related to system offices, customer service representatives and sales and administrative employees, increased 111.7% and 102.2% for the three and six months ended June 30, 1999 compared with the same period of 1998. Hyperion expenses increased due to increased expenses associated with the network expansion plan, an associated with acquisitions, subscriber growth and new services. accommodate the growth in the number, size and operations of operating companies managed and monitored by Hyperion. The increases in Adelphia excluding Hyperion were primarily due to incremental costs Selling. General and Administrative Expenses. These expenses, which are mainly comprised of costs

of several of its networks and increased amortization of deferred financing costs. Depreciation and Amortization. Depreciation and amortization, excluding Hyperion, increased 54.6% and 36.5% for the three and six months ended June 30, 1999, compared with the same period of 1998 asset bases of the Hyperion network operations control center, its wholly owned networks, the consolidation expenditures made during the past several years. Depreciation and amortization for Hyperion increased 122.0% and 156.6% for the three and six months ended June 30, 1999 compared with the same period of primarily due to increased depreciation and amortization related to acquisitions, as well as increased capital 1998. These increases were primarily a result of increased depreciation resulting from the higher depreciable

Priority Investment Income. Priority investment income is comprised of payments received from Olympus of accrued priority return on the Company's investment in 16.5% preferred limited partner ("PLP") interests in Olympus.

increases were primarily due to incremental debt related to acquisitions and other new debt issuances. Interest expense includes noncash accretion of original issue discount on the Hyperion 13% Senior Discount Notes and other noncash interest expense totaling \$8,424 and \$16,376 for the three and six months ended June 30, 1999 compared with \$7,895 and \$15,344 for the same period of 1998. three and six months ended June 30, 1999 compared with the same period of 1998. Interest expense - net, including Hyperion, decreased 4.8% for the three months ended June 30, 1999, as compared with the same period of 1998 due to increased interest income from affiliates. Interest expense-net including Hyperion necessed 7.6% for the six months ended June 30, 1999, as compared with the same period of 1998. The Interest Expense - Net. Interest expense - net, excluding Hyperion, increased 0.7% and 9.4% for the

Equity in Loss of Joint Ventures. The equity in loss of joint ventures represents primarily (i) the Company's pro-rata share of Olympus' losses and the accretion requirements of Olympus' PLP interests, and (ii) Hyperion's pro-rata share of its less than majority owned partnerships' operating losses.

Minority Interest in Net Losses of Substitionie: As a result of Hyperion's IPO, which occurred on May 8, 1998, a portion of Hyperion's net loss applicable to common stockholders is attributable to minority

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

Extraordinary Loss on Early Retirement of Debt. During the six months ended June 30, 1999, Adelphia redeemed \$154,500 of its 9 1/2% Senior Pay-In-Kind Notes due 2004 at 103.56% of principal and repaid certain institutional indebtedness. As a result of these transactions, Adelphia recognized an extraordinary loss of \$10,027 for the six months ended June 30, 1999.

Liquidity and Capital Resources

The cable television and other telecommunication businesses are capital intensive and typically require continual financing for the construction, modernization, maintenance, expansion and acquisition of cable and other telecommunication systems. The Company historically has committed significant capital resources for these purposes and for investments in Olympus and other affiliates and entities. These expenditures were funded through long-term borrowings, stock offerings and, to a lesser extent, internally generated funds. The Company's ability to generate cash to meet its future needs will depend generally on its results of operations and the continued availability of external financing.

The Company has made a substantial commitment to the technological development of its systems and is aggressively investing in the upgrade of the technical capabilities of its cable plant in a cost efficient manner. The Company continues to deploy fiber optic cable and to upgrade the technical capabilities of its broadband networks in order to increase network capacity, digital capability, two-way communication and network reliability.

The design of the current system upgrade, when completed, will deploy on average one fiber optic node for every two system plant miles or approximately one fiber node for every 180 homes passed compared to the industry norm of 500 to 1,000 homes passed per fiber optic node. Approximately 75% of the system will be upgraded to 750 Mhz. Approximately 25% of the plant will remain at 550 Mhz. The upgraded system will be completely addressable and provide two-way communication capability. The additional bandwidth will enable the Company to offer additional video programming and data services. A portion of the bandwidth will be allocated to new service offerings such as two-way data, telephony and video-on-demand.

Capital expenditures for Adelphia, excluding Hyperion for the six months ended June 30, 1998 and 1999 were \$63,021 and \$94,955, respectively. Capital expenditures, including Hyperion, for the six months ended June 30, 1999 were \$140,280 and \$226,786, respectively. Capital expenditures for Hyperion for the six months ended June 30, 1999 compared with the six months ended June 30, 1998, increased primarily due to the upgrade of plant in markets in which Hyperion purchased its local partners' interests, payments for indefeasible right of use agreements for fiber optic networks and the commencement of switching services. The Company expects that capital expenditures excluding Hyperion and recently announced acquisitions, for the year ending December 31, 1999 will be in the range of approximately \$172,000 to \$192,000. Hyperion estimates that it will require approximately \$400,000 to fund capital expenditures, working capital requirements, operating losses and pro rata investments in its existing and its planned new networks from July 1, 1999 through December 31, 2000.

The Company generally has funded its working capital requirements, capital expenditures and investments in Olympus and other affiliates and entities through long-term borrowings, primarily from banks and insurance companies, short-term borrowings, internally generated funds and the issuance of parent company public debt and equity and Hyperion public debt and equity. The Company generally has funded the principal and interest obligations on its long-term borrowings from banks and insurance companies by refinancing the principal with new loans or through the issuance of parent company debt or equity securities, and by paying the interest out of internally generated funds. Adelphia has funded the interest obligations on its public borrowings from internally generated funds.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

The Company's financing strategy has generally been to maintain its public long-term debt at the parent holding company level while the Company's consolidated subsidiaries have their own senior and subordinated credit arrangements with banks and insurance companies or, for Hyperion, its own public debt and equity. The Company's public indentures and subsidiary credit agreements contain covenants that, among other things, require the maintenance of certain financial ratios (including compliance with certain debt to cash flow ratios in order to incur additional indebtedness); place limitations on borrowings, investments, affiliate transactions, dividends and distributions; and contain certain cross default provisions relating to Adelphia or its subsidiaries.

At June 30, 1999, the Company's total outstanding debt aggregated \$3,794,539, which included \$2,406,127 of parent debt, \$830,842 of Hyperion debt and \$557,570 of other subsidiary debt. As of June 30, 1999, Adelphia's subsidiaries had an aggregate of \$2,230,821 in unused credit lines and cash and cash equivalents, which includes \$600,000 also available to affiliates, part of which is subject to achieving certain levels of operating performance. During the quarter ended June 30, 1999, the Company made investments in and advances to Olympus of approximately \$362,000, most of which was used to repay Olympus subsidiary debt, all of which may be reborrowed.

The Company's weighted average interest rate on notes payable to banks and institutions was approximately 7.32% at June 30, 1998 compared to 8.78% at June 30, 1999. At June 30, 1999, approximately 84.83% of such debt was subject to fixed interest rates for at least one year under the terms of such debt or applicable interest rate swap agreements.

The following table sets forth the mandatory reductions in principal under all debt agreements for each of the next four years and six months based on amounts outstanding at June 30, 1999:

Six months ending December 31, 1999	S	20,178
Year ending December 31, 2000	•	127,950
Year ending December 31, 2001		50,706
Year ending December 31, 2002		381,809
Year ending December 31, 2003		523,024

The Company plans to continue to explore and consider new commitments, arrangements or transactions to refinance existing debt, increase the Company's liquidity or decrease the Company's leverage. These could include, among other things, the future issuance by Adelphia, or its subsidiaries, of public or private equity or debt and the negotiation of new or amended credit facilities. These could also include entering into acquisitions, joint ventures or other investment or financing activities, although no assurance can be given that any such transactions will be consummated. The Company's ability to borrow under current credit facilities and to enter into refinancings and new financings is limited by covenants contained in Adelphia's indentures and its subsidiaries' credit agreements, including covenants under which the ability to incur indebtedness is, in part, a function of applicable ratios of total debt to cash flow.

For information regarding significant events and financings subsequent to December 31, 1998, including the Pending Acquisitions and the related use of capital resources to consummate them, see "Introduction" above and Note 1 to the Condensed Consolidated Financial Statements contained in this Form 10-Q.

The Company believes that cash and cash equivalents, internally generated funds, borrowings under the existing credit facilities, and future financing sources will be sufficient to meet its short-term and

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

long-term liquidity and capital requirements. Although in the past the Company has been able to refinance its indebtedness or obtain new financing, there can be no assurance that the Company will be able to do so in the future or that the terms of such financings would be favorable.

Management believes that the telecommunications industry, including the cable television and telephone industries, continues to be in a period of consolidation characterized by mergers, joint ventures, acquisitions, sales of all or part of cable or telephone companies or their assets, and other partnering and investment transactions of various structures and sizes involving cable or other telecommunications companies. The Company continues 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 regional markets or in locations that can serve as a basis for new market areas. The Company, like other cable television companies, has participated from time to time and is participating in preliminary discussions with third parties regarding a variety of potential transactions, and the Company has considered and expects to continue to consider and explore potential transactions of various types with other cable and telecommunications companies. However, no assurances can be given as to whether any such transaction may be consummated or, if so, when, or that additional competition from this industry consolidation will not have an adverse effect on the Company.

Regulatory and Competitive Matters

The cable television operations of the Company may be adversely affected by changes and developments in governmental regulation, competitive forces and technology. The cable television industry and the Company are subject to extensive regulation at the federal, state and local levels. The 1992 Cable Act significantly expanded the scope of regulation of certain subscriber rates and a number of other matters in the cable industry, such as mandatory carriage of local broadcast stations and retransmission consent, and increased the administrative costs of complying with such regulations. The FCC has adopted rate regulations that establish, on a system-by-system basis, maximum allowable rates for (i) basic and cable programming services (other than programming offered on a per-channel or per-program basis), based upon a benchmark methodology, and (ii) associated equipment and installation services based upon cost plus a reasonable profit. Under the FCC rules, franchising authorities are authorized to regulate rates for basic services and associated equipment and installation services, and the FCC will regulate rates for regulated cable programming services in response to complaints filed with the agency. The Telecommunications Act of 1996 (the "1996 Act") ended FCC regulation of cable programming service tier rates on March 31, 1999.

Rates for basic services are set pursuant to a benchmark formula. Alternatively, a cable operator may elect to use a cost-of-service methodology to show that rates for basic services are reasonable. Refunds with interest will be required to be paid by cable operators who are required to reduce regulated rates. The FCC has reserved the right to reduce or increase the benchmarks it has established. The rate regulations also limit increases in regulated rates to an inflation indexed amount plus increases in certain costs such as taxes, franchise fees, costs associated with specific franchise requirements and increased programming costs. Cost-based adjustments to these capped rates can also be made in the event a cable operator adds or deletes channels or completes a significant system rebuild or upgrade. Because of the limitation on rate increases for regulated services, future revenue growth from cable services will rely to a much greater extent than has been true in the past on increased revenues from unregulated services and new subscribers than from increases in previously unregulated rates.

The FCC has adopted regulations implementing all of the requirements of the 1992 Cable Act. The FCC is also likely to continue to modify, clarify or refine the rate regulations. Adelphia cannot predict the effect of the 1996 Act or future legislative or rulemaking proceedings or changes to the rate regulations. No

ADE PHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

assurance can be given as to what other future actions Congress, the FCC or other regulatory authorities may take or the effects thereof on Adelphia.

Cable television companies operate under franchises granted by local authorities which are subject to renewal and renegotiation from time to time. Because such franchises are generally non-exclusive, there is a potential for competition with the systems from other operators of cable television systems, including public systems operated by municipal franchising authorities themselves, and from other distribution systems capable of delivering television programming to homes. The 1992 Cable Act and the 1996 Act contain provisions which encourage competition from such other sources. The Company cannot predict the extent to which competition will materialize from other cable television operators, local telephone companies, other distribution systems for delivering television programming to the home, or other potential competitors, or, if such competition materializes, the extent of its effect on the Company.

The 1996 Act repealed the prohibition on CLECs from providing video programming directly to customers within their local exchange areas other than in rural areas or by specific waiver of FCC rules. The 1996 Act also authorized CLECs to operate "open video systems" ("OVS") without obtaining a local cable franchise, although CLECs operating such a system can be required to make payments to local governmental bodies in lieu of cable franchise fees. Where demand exceeds capacity, up to two-thirds of the channels on an OVS must be available to programmers unaffiliated with the CLEC. The statute states that the OVS scheme supplants the FCC's "video dialtone" rules. The FCC has promulgated rules to implement the OVS concept, and New Jersey Bell Telephone Company has been granted permission to convert its video dialtone authorization in Dover Township, New Jersey at the end of 1998. Recently, RCN Telecom Services, Inc. has been granted permission to convert its video dialtone authorization in the Philadelphia Region to an OVS authorization.

The Company believes that the provision of video programming or other services by telephone. companies in competition with the Company's existing operations could have an adverse effect on the Company's financial condition and results of operations. At this time, the impact of any such effect is not known or estimable.

The Company also competes with DBS service providers. DBS has been available to consumers since 1994. A single DBS satellite can provide more than 100 channels of programming. DBS service can be received virtually anywhere in the United States through the installation of a small outdoor antenna. DBS service is being heavily marketed on a nationwide basis by several service providers. Although the impact to date has not been material, any future impact of DBS competition on the Company's future results is not known or estimable.

Year 2000 Issue

The year 2000 issue refers to the inability of computerized systems and technologies to recognize and process dates beyond December 31, 1999. The Company is evaluating the impact of the year 2000 issue on its business applications and its products and services. The evaluation includes a review of the Company's information technology systems, cable network equipment and other embedded technologies. A significant portion of the Company's computerized systems and technologies have been developed, installed or upgraded in recent years and are more likely to be year 2000 ready. The Company's evaluation also includes evaluating the potential impact of its reliance on third-party systems that may have the year 2000 issue.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

Computerized business applications that could be adversely affected by the year 2000 issue include:

- information processing and financial reporting systems;
- customer billing systems;
- customer service systems;
- telecommunication transmission and reception systems; and
- facility systems.

System failure or miscalculation could result in an inability to process transactions, send invoices, accept customer orders or provide customers with products and services. Customers could also experience a temporary inability to receive or use the Company's products and services.

The Company has developed a program to assess and address the year 2000 issue. This program consists of the following phases:

- inventorying and assessing the impact on affected technology and systems,
- developing solutions for affected technology and systems;
- modifying or replacing affected technology and systems;
- testing and verifying solutions;
- implementing solutions; and
- developing contingency plans.

The Company has completed its inventory and assessment of affected computerized systems and technologies. The Company is in the final stages of its year 2000 compliance program with respect to the remediation of the affected systems and technologies.

The Company has engaged a consulting firm familiar with its financial reporting systems. This firm has developed and tested year 2000 solutions that the Company is in the process of implementing. The Company has certified six of eight financial systems as year 2000 compliant. The Company expects its financial reporting systems to be fully year 2000 compliant by September 1999.

A third-party billing vendor currently facilitates customer billing. This third-party vendor has ce tified that it implemented and successfully tested its own year 2000 solution in April 1999.

Telecommunication plant rebuilds and upgrades in recent years have minimized the potential impact of the year 2000 issue on the Company's facilities, customer service, telecommunication transmission and reception systems. The Company has substantially completed a comprehensive internal inventory and assessment of all hardware components and component controlling software throughout its telecommunication networks. The Company expects to implement any hardware and software modifications, upgrades or replacements resulting from the internal review by October 1999.

Costs incurred to date directly related to addressing the year 2000 issue have been approximately \$868. The Company has also redeployed internal resources to meet the goals of its year 2000 program. The Company currently estimates the total cost of its year 2000 remediation program to be approximately \$3,725. Although the Company will continue to incur substantial capital expenditures in the ordinary course of meeting its telecommunications system upgrade goals through the year 2000, it will not specifically accelerate its expenditures to facilitate year 2000 readiness, and accordingly such expenditures are not included in the above estimate.

The Company is communicating with others with whom it does significant business to determine their year 2000 readiness and to determine the extent to which the Company is vulnerable to the year 2000

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

issue related to those third parties. The Company purchases much of its technology from third parties. There can be no assurance that the systems of other companies on which the Company's systems rely will be year 2000 ready or timely converted into systems compatible with the Company systems. The Company's failure or a third-party's failure to become year 2000 ready or the Company's inability to become compatible with third parties with which the Company has a material relationship, including companies that the Company acquires, may have a material adverse effect on the Company, including significant service interruption or outages; however, the Company cannot currently estimate the extent of any such adverse effects.

The Company is in the process of identifying secondary sources to supply its systems or services in the event it becomes probable that any of its systems will not be year 2000 ready prior to the end of 1999. The Company is also in the process of identifying secondary vendors and service providers to replace those vendors and service providers whose failure to be year 2000 ready could lead to a significant delay in the Company's ability to provide its service to its customers.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES (Dollars in thousands)

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company uses fixed and variable rate debt and fixed rate redeemable preferred stock to fund its working capital requirements, capital expenditures and acquisitions. These debt arrangements expose the Company to market risk related to changes in interest rates. The Company enters into pay-fixed interest rate swap agreements to effectively convert a portion of its variable-rate debt to fixed-rate debt to reduce the risk of incurring higher interest costs due to rising interest rates. As of June 30, 1999, the Company had interest rate swap agreements covering notional principal of \$525,000 that expire through 2008 and that fix the interest rate at an average of 6.52%. The Company also enters into receive-fixed interest rate swap agreements to effectively convert a portion of its fixed-rate debt to a variable-rate debt which is indexed to LIBOR to reduce the risk of incurring higher interest costs in periods of falling interest rates. As of June 30, 1999, the Company had interest rate swap agreements covering notional principal of \$45,000 that expire through 2003 and that have a variable rate at an average of 5.25%. The Company does not enter into any interest rate swap or cap agreements for trading purposes. The Company is exposed to market risk in the event of non-performance by the banks. No such non-performance is expected. The table below summarizes the fair values and contract terms of the Company's financial instruments subject to interest rate risk as of June 30, 1999.

					Exp	ected Mat	uri	ty								Fair
		1999		2000		2001		2002		2003	1	Thereafter		Total		Value
Debt and Redeemable Preferred Stock:					Ī											
Fixed Rate	5	12,375	s	112,375	s	3,000	5	325,000	s	453,000	5	2,781,000	s	3,686,750	s	3,626,673
Average Interest Rate		10.22%		10.22%		10.22%		10.24%		10.17%		10.14%				
Variable Rate	s	9,836	s	15,637	s	46,012	s	49,823	s	68,416	s	384,193	s	573,917	s	573,917
Average Interest Rate		7.23%		7.44%		7.89%		7.89%		8.02%		7.76%				
Interest Rate Swaps:																
Variable to Fixed	s	50,000	s		s		5		s		5	475,000	s	525,000	s	14,054
Average Pay Rate		6.52%										6.52%				
Average Receive Rate		5.09%										6.99%				
Fixed to Variable										45,000				45,000		780
Average Pay Rate										5.25%						
Average Receive Rate		-								6.85%					-	9 17 .

Interest rates on variable debt are estimated by us using the average implied forward London Interbank Offer Rate ("LIBOR") rates for the year of maturity based on the yield curve in effect at June 30, 1999, plus the borrowing margin in effect at June 30, 1999. Average receive rates on the variable to fixed swaps are estimated by us using the average implied forward LIBOR rates for the year of maturity based on the yield curve in effect at June 30, 1999.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On February 24, 1999, Hyperion was served with a summons and complaint filed in the United States District Court for the Northern District of New York, Case Number 99-CV-268, by Hyperion Solutions Corporation ("Solutions"), which is described in the complaint as a company in the business of developing, marketing and supporting comprehensive computer software tools, executive information systems and applications that companies use to improve their business performance. The complaint alleges, among other matters, that Hyperion's use of the name "Hyperion" in its business infringes upon various trademarks and service marks of Solutions in violation of federal trademark laws and violates various New York business practices, advertising and business reputation laws. The complaint seeks, among other matters, to enjoin Hyperion from using the name or mark "Hyperion" in Hyperion's business as well as to recover unspecified damages, treble damages and attorney's fees. Management of Hyperion believes that Hyperion has meritorious defenses to the complaint and intends to vigorously defend this lawsuit. Although management believes that this lawsuit will not in any event have a material adverse effect upon Hyperion, no assurance can be given regarding the effect upon Hyperion if Solutions were to prevail in this lawsuit.

On or about March 10, 1999, a lawsuit was commenced by the filing of a class action complaint by one of Century's Class A common stockholders on behalf of himself and all others similarly situated naming Century's Class B common stockholders and all of Century's directors as defendants for alleged breaches of fiduciary duty in connection with approval of the merger consideration. The complaint was filed in the Superior Court in the State of Connecticut under the caption Robert Lowinger v. Century Communications Corp., et. al. Century and Adelphia were also named as defendants for allegedly aiding and abetting in the foregoing alleged breaches of fiduciary duty. The complaint seeks damages in an unspecified amount and such other relief as may be appropriate. On July 21, 1999, the court granted the defendants' motion for extension of time to answer or otherwise respond to the complaint to the earlier of November 15, 1999 or twenty days after the effective date of the merger.

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

Item 2. Changes in Securities and Use of Proceeds

On January 14, 1999. Adelphia sold 4,000,000 shares of Class A common stock in a private placement under Section 4(2) of the Securities Act at \$43.25 per share to Highland Holdings II, an entity controlled by the Rigas family.

On January 21, 1999, Adelphia issued 2,561,024 shares of Class A common stock in a private placement under Section 4(2) of the Securities Act to the former owners of the Verto cable system and assumed approximately \$35 million in net liabilities of Verto in connection with the acquisition of Verto Communications, Inc. ("Verto") which served approximately 56,000 subscribers in the greater Scranton, PA area at the date of acquisition.

On February 15, 1999, the Company issued 1,000,000 shares of Class A common stock to FrontierVision, as a deposit to be held in escrow for the acquisition of FrontierVision. This issuance was made in reliance upon the exemption from registration contained in Section 4(2) of the Securities Act of 1933.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit No.	Description
2.01	First Amendment to Agreement and Plan of Merger dated as of July 12, 1999 with respect to merger with Century Communications Corp. (incorporated herein by reference is Exhibit 2.01 to the Registrant's Current Report on Form 8-K for the event dated July 12, 1999)
2.02	Second Amendment to Agreement and Plan of Merger dated as of July 29, 1999 with respect to merger with Century Communications Corp. (incorporated herein by reference is Exhibit 2.02 to the Registrant's Current Report on Form 8-K for the event dated July 12, 1999)
10.01	Registration Rights Agreement dated as of July 12, 1999, among Adelphia, the Century Class B Holders and Ms. Claire Tow (incorporated herein by reference is Exhibit 10.01 to the Registrant's Current Report on Form 8-K for the event dated July 12, 1999)
10.02	Tag-Along Rights Agreement dated as of July 12, 1999, among Adelphia, the Century Class B Holders, Ms. Claire Tow and the holders of Adelphia Class B Common Stock named therein (incorporated herein by reference is Exhibit 10.02 to the Registrant's Current Report on Form 8-K for the event dated July 12, 1999)
10.03	Purchase Agreement dated as of July 12, 1999, between Adelphia and Citizens Cable Company (incorporated herein by reference is Exhibit 10.03 to the Registrant's Current Report on Form 8-K for the event dated July 12, 1999)
27.01	Financial Data Schedule (supplied for the information of the Commission).

(b) Reports on Form 8-K:

Form 8-Ks were filed for events dated April 9, 1999, April 19, 1999, April 21, 1999, April 23, 1999, April 27, 1999, April 28, 1999, May 26, 1999, June 22, 1999 and July 12, 1999, which reported information under items 5 and 7 thereof. No financial statements were filed with such Form 8-Ks, other than the financial statements and proforma financial information filed under Item 7 for the Form 8-K for the event dated April 19, 1999 and June 22, 1999.

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ADELPHIA COMMUNICATIONS CORPORATION (Registrant)

Date: August 16, 1999

By: /s/ Timothy J. Rigas
Timothy J. Rigas
Executive Vice President (authorized officer), Chief Financial Officer, Chief Accounting Officer and Treasurer

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 10-K

____ Annual Report under Section 13 or 15(d) of the Securities Exchange Act of 1934

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

from April 1, 1998 to December 31, 1998

Commission File Number: 0-16014

ADELPHIA COMMUNICATIONS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

23-2417713

(I.R.S. Employer Identification No.)

Main at Water Street Coudersport, PA

16915-1141 (Zip code)

(Address of principal executive offices)

814-274-9830

(Registrant's telephone number including area code)

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.

5 1/2% Series D Convertible Preferred Stock, \$.01 par value

(liquidation preference \$200 per share).

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 No

Aggregate market value of outstanding Class A Common Stock par value \$0.01, held by non-affiliates of the registrant at May 24, 1999 was \$2.82 billion 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.

At May 24, 1999, 50,328,343 shares of Class A Common Stock, par value \$0.01, and 10,834,476 shares of Class B Common Stock, par value \$0.01, of the registrant were outstanding.

<u>Documents Incorporated by Reference:</u> Portions of the Annual Report on Form 10-K of Olympus Communications, L.P. and Olympus Capital Corporation for the year ended December 31, 1998 are incorporated by reference into Part II hereof. Portions of the Proxy Statement for the 1999 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

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 the Form 10-K or any amendment to the Form 10-K.

ADELPHIA COMMUNICATIONS CORPORATION

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PARTI

(Dollars in thousands, except subscriber rates and per share amounts)

ITEM 1. BUSINESS

Introduction

Adelphia Communications Corporation and subsidiaries ("Adelphia" or the "Company") is a leader in the telecommunications industry with cable television and local telephone operations. Adelphia's operations consist of providing telecommunications services primarily over 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. As of December 31, 1998, Adelphia owned or managed cable television systems ("Systems") with broadband networks that passed in front of 3,252,830 homes and served 2,304,325 basic subscribers. John J. Rigas, the Chairman, President, Chief Executive Officer and founder of Adelphia, has owned and operated cable television systems since 1952.

Cable systems owned by the Company (the "Company Systems") are located in twelve states which are organized into seven regional clusters: Western New York, Virginia, Western Pennsylvania, New England, Eastern Pennsylvania, Ohio and New Jersey. The Company Systems are located primarily in suburban areas of large and medium-sized cities within the 50 largest television markets. As of December 31, 1998, the broadband networks for the Company Systems passed in front of 2,131,978 homes and served 1,528,307 basic subscribers.

Adelphia also provides management and consulting services to other partnerships and corporations engaged in the ownership and operation of cable television systems (the "Managed Partnerships"). John J. Rigas and members of his immediate family (collectively, the "Rigas family"), including entities they own or control, have substantial ownership interests in these partnerships and corporations. As of December 31, 1998, the broadband networks for cable systems owned by these Rigas family partnerships and corporations passed in front of 177,250 homes and served 134,443 basic subscribers.

Adelphia also owns a 50% voting interest and nonvoting preferred limited partnership interests in Olympus Communications, L.P. ("Olympus"). Olympus is a joint venture limited partnership that operates a large cable system in Florida. As of December 31, 1998, the broadband networks for this system passed in front of 943,602 homes and served 641,575 basic subscribers. On January 28, 1999, Adelphia entered into an agreement to acquire the Olympus partnership interests owned by various Telesat Cablevision, Inc. ("Telesat") entities, which are wholly owned subsidiaries of FPL Group, Inc. for a price of \$108,000, subject to definitive terms to be negotiated by both parties. Subsequent to the closing of this transaction, Adelphia will own 100% of Olympus. Closing of this transaction is expected to occur during the third quarter of 1999.

Through Adelphia's majority-owned subsidiary, Hyperion Telecommunications, Inc. ("Hyperion"), Adelphia owns and operates a super-regional provider of communications services offering a full range of communications services to customers that include businesses, governmental and educational end users and other telecommunications service providers throughout the eastern United States. This means that Hyperion provides its customers with alternatives to the incumbent local telephone company for local telephone and telecommunications services. Hyperion's telephone operations are referred to as being facilities based, which means it generally owns the local telecommunications networks and facilities it uses to deliver these services, rather than leasing or renting the use of another party's networks to do so. As of December 31, 1998, Hyperion managed and operated 22 telecommunications networks, including two under construction, serving 46 markets.

On May 8, 1998, Hyperion completed an initial public offering ("IPO") of its Class A common stock ("Hyperion Stock"). As part of the offering, Adelphia purchased an incremental 3,324,001 shares of Hyperion Stock for \$49,900 and converted indebtedness owed to the Company by Hyperion into 3,642,666 shares of Hyperion Stock. In addition, Adelphia purchased warrants issued by Hyperion to MCI Metro Access Transmission Services, Inc., and purchased shares of Hyperion Class B common stock from certain executive officers of Hyperion for a total purchase price of approximately \$12,580 and \$3,000, respectively. Adelphia owns approximately 66% of the Hyperion common stock on a fully diluted basis and 86% of the total voting power. Additional net proceeds of \$191,411 to Hyperion were received as a result of the sale of 12,500,000 shares of Hyperion Stock to the public. In a related transaction on June 5, 1998, Hyperion issued and sold 350,000 shares of its Class A common stock at the \$16.00 IPO price pursuant to the underwriters' over allotment option in the IPO. As a result

of the IPO, Adelphia's additional paid-in capital increased approximately \$147,000 and minority interests increased approximately \$45,000.

On March 30, 1999, the Board of Directors of Adelphia changed Adelphia's fiscal year from March 31 to December 31. The decision was made to conform to general industry practice and for administrative purposes. The change became effective for the nine months ended December 31, 1998.

John J. Rigas, the Chairman, President, Chief Executive Officer and majority stockholder of Adelphia, is a pioneer in the cable television industry, having built his first system in 1952 in Coudersport, Pennsylvania. Adelphia was incorporated in Delaware on July 1, 1986 for the purpose of reorganizing five cable television companies, then principally owned by the Rigas family, into a holding company structure in connection with the initial public offering of its Class A common stock. The Company's operations consist of providing telecommunications services primarily over its broadband networks. The Company did not have any material foreign operations or foreign sales in the nine months ended December 31, 1998.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this Transition 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, Year 2000 issues, technological developments and changes in the competitive environment in which the Company operates. Persons reading this Transition 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.

Cable Television Operations

Products and Services

Video Services

Systems receive a variety of television, radio and data signals transmitted to receiving sites ("headends") by way of offair 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. 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.

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. Systems also offer pay-per-view programming, which allows the subscriber to order special events or movies and to pay on a per event basis. Local, regional and national advertising time is sold in the majority of the Systems, with commercial advertisements inserted on certain satellite-delivered non-broadcast channels.

Digital video services are now available to Adelphia subscribers who lease or purchase a digital converter. Digital TV is a computerized method of defining, transmitting and storing information that makes up a television signal. Since digital signals can be "compressed," Adelphia can transmit up to 12 channels in the space currently used to transmit just one analog channel. Adelphia's digital TV subscribers may also receive "multichannel" premium services, such as HBO 1, 2, 3 and 4

quality music from Music Choice and an interactive on-screen program guide to help them navigate the new digital choices. from east and west coast satellite feeds, enhanced Pay-Per-View options with 18 movie channels, up to 40 channels of CD.

High-Speed Data Services

T1 line, at costs that compare to a typical ISP plus a second telephone line through Internet Service Providers ("ISPs"). Power Link offers customers speeds comparable to those available through a institutional, and business service offerings, constitutes an alternative to the traditional slower speed data offerings available Power Link, the Company's high-speed data service provided through cable moderns, which includes residential

multiple sessions or connections to multiple services simultaneously. which is currently available via a 28.8 kilobit per second telephone modern. In addition, using a high speed cable modern technology for cable data and video services. High speed cable data services are now available at speeds far in excess of that and special ethernet card allows the user to bypass telephone lines, does not require the user to log on, and allows for The Company's deep fiber design allows the use of the expanded bandwidth potential of digital compression

speeds of broadband on the data downstream and utilize a telephone line return path. One way cable modems enable the Company to offer the high speed data service to the bulk of its customers, while completing the system buildout of two way The Company also offers high speed Internet access through the use of one way cable moderns, which provide the high

provider and creates a customer base which can be upgraded to the high speed service in the future Internet access to the higher speeds of our broadband network. This establishes the Company as a full service Internet The Company also offers traditional dial up Internet access for those customers who initially prefer this method of

Other Services

Time provides one-way messaging services to the Company's Systems via resale arrangements with existing paging network Adelphia offers wireless messaging services through its wholly owned subsidiary, Page Time, Inc. ("Page Time"). Page

rate plus a competitive usage fee available 24 hours a day, 7 days a week Company's sales effort is focused on the consumer market and emphasizes the simplicity and savings of one low monthly state long distance, as well as 800 service, international calling, calling card services and debit card services. Adelphia also offers long distance telephone service on a resale basis. Services offered include state-to-state and in-

Operating Strategy

offering a broad range of telecommunications services and providing superior customer service while maximizing operating efficiencies. The Company intends to build on its expertise as a cable television service provider, as well as to become a internet access, paging and telephony services. provider of bundled communications services. It intends to combine its cable television service with high speed data and The Company's cable television operations strategy is to construct and operate a broadband network capable of

marketing, human resources, advertising sales and government relations into regional offices. Each regional office has a operating efficiencies through the consolidation of many managerial, administrative and technical functions. The Systems than would otherwise be economically feasible in smaller systems providing more advanced telecommunications and computer equipment and software to its customer service representatives the Company to provide customer service through better training and staffing of customer service representatives, and by related technical center which contains the facilities necessary for the Systems' technical functions, including construction, installation and system maintenance and monitoring. Consolidating customer service functions into regional offices allows ave consolidated virtually all of their administrative operations, including customer service, service call dispatching, By acquiring and developing systems in geographic proximity, the Company has been able to realize significant

satisfaction. The Company intends to continue the upgrade of its network infrastructure to add channel capacity, increase digital transmission capabilities and further improve system reliability. These improvements will enable the Company to The Company considers technological innovation to be an important component of its service offerings and customer continue its introduction of additional services, such as digital video, high speed data and internet service and impulseordered pay-per-view programming, which expand customer choices and are expected to increase Company revenues. Management believes that the Company is among the leaders of the cable industry in the deployment of fiber optic cable with one of the most advanced cable network infrastructures.

Hyperion

Products and Services

Hyperion's products and services are designed to appeal to the sophisticated telecommunications needs of its business, governmental and educational customers. Adelphia and Hyperion are not in competition for the same customer base. Adelphia's concentration is on residential customers, while Hyperion concentrates on business, governmental and educational customers.

Local Services

Hyperion provides local dial-tone services to customers, which allows them to complete calls in their calling area and to access a long distance calling area. Local services and long distance services can be bundled together using the same transport facility. Hyperion's networks are designed to allow a customer to easily increase or decrease capacity and alter enhanced services as the telecommunications requirements of the business change. In addition to its core local services, Hyperion also provides access to third party directory assistance and operator services.

Long Distance Services

Hyperion provides domestic and international long distance services for completing intrastate, interstate and international calls. Long distance service is offered as an additional service to Hyperion's local exchange customers. Long distance calls which do not terminate on Hyperion's networks (which are currently the bulk of such calls) are passed to long distance carriers which route the remaining portion of the call.

Enhanced Services

In addition to providing typical enhanced services such as voicemail, call transfer and conference calling, Hyperion offers additional value-added enhanced services to complement its core local and long distance services. These enhanced service offerings include:

Access to Internet Services--Enables customers to use their available capacity for access to ISPs.

Data Networking Services--Hyperion can provide high-speed, broadband services to use for data and Internet access such as Integrated Services Digital Network ("ISDN") and Primary Rate Interface ("PRI").

Specialized Application Services--Hyperion can create products and services that are tailored for target industries with special telecommunications needs such as the hospitality industry. These services typically include non-measured rate local calling, expanded local calling area, discounted long distance rates and tailored trunking configurations.

Growth Strategy

Hyperion provides their services to telecommunications-intensive customers that include businesses, governmental and educational end users, and other telecommunications service providers. Hyperion believes that their target customers are a large and under-served universe who generally have limited choices in their communications services purchasing decisions. These customers generally seek reliability, high quality, broad geographic coverage, end-to-end service, solutions-oriented customer service and timely introduction of new and innovative services. Hyperion offers dedicated access services on a wholesale basis to interchange or long distance carriers ("IXCs") and has entered into national service agreements with AT&T and MCI WorldCom to be their preferred supplier.

offices, a figure which is expected to increase to over 300 during 1999. In addition, as of December 31, 1998, in Hyperion's completely on Hyperion's network system six most mature markets, 78% of the access lines in service have been provisioned completely on its own network system. Overall Hyperion had 110,005 installed access lines at December 31, 1998, approximately 63% of which are provisioned higher long-term operating margins. As of December 31, 1998, Hyperion has collocated in 123 incumbent LEC central in a high proportion of traffic that is both originated and terminated on its network system, which would provide them with incumbent local exchange carrier ("LEC") central offices and Hyperion's customers. Hyperion expects this strategy to result The broad deployment of fiber optic cable in Hyperion's markets typically enables connectivity among Hyperion, the

over their networks. Hyperion believes long-term operating margins on Hyperion's long distance and data transfer businesses fiber optic backbone will enhance Hyperion's ability to originate and terminate Hyperion's customers' communications traffic fiber over long distances to create a fiber optic network system that connects their various markets. Once fully deployed, this will increase significantly as a result of connecting these markets. In addition to the broad deployment of fiber optic cable in their markets, Hyperion has been aggressively adding

connectivity that links Hyperion's customers to their network system. These customers might otherwise have limited access communications services where the use of fiber optic cable is not economical. Through the use of a fixed wireless technology to a high speed fiber optic network. Therefore, Hyperion expects LMDS to increase the amount of on-net traffic they carry in known as LMDS, Hyperion will be able to provide in most of their markets an alternative means for establishing the As an alternative to fiber optic cable, Hyperion also plans to utilize wireless technologies to deliver the "last mile" of

Hyperion's customers receive from purchasing bundled communications services, Hyperion believes that bundled services provide customers with a cost-effective and comprehensive communications solution. In addition to the pricing benefits services to their customers. Hyperion offers their services individually to suit specific customer needs or bundled together to provide Hyperion with increased customer retention, higher operating margins and a reduced cost of acquiring new In response to market demands and to maximize our selling efforts, Hyperion offers a full suite of communications

Hyperion's service offerings currently include a wide range of local dial tone and long-distance services in all of their operating markets. In addition, Hyperion has launched internet access services, frame relay and ATM services in certain better long-term operating margins through the use of their own network system efficient market-entry strategy and allows them to build a market presence under the Hyperion made name, while providing whereby they will use ICI's frame relay network and data switches to offer data services to their customers and then move service offerings, Hyperion recently entered into a wholesale provider agreement with Intermedia Communications ("ICI"), markets and plan to extend these services to all of their markets during 1999. To accelerate their frame relay and ATM heir customers' traffic onto their own network system as it becomes operational. Hyperion believes this approach provides an

Recent Development of the Systems

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. For a description of acquisitions by the Company from April 1, 1996 rough the date of this filing, see Notes 1 and 13 to Adelphia's Consolidated Financial Statements included in Item 8 of this The Company has focused on acquiring and developing systems in markets which have favorable historical growth

acquisition, Adelphia issued 2,561,024 shares of its Class A common stock to the former owners of Verto. Verto provided cable television services to approximately 56,000 basic subscribers in the greater Scranton, Pennsylvania area at the date of On January 21, 1999, Adelphia acquired Verto Communications, Inc. ("Verto"). In connection with the Verto

the third quarter of 1999. various Telesat entities for a price of \$108,000, subject to definitive terms to be negotiated by both parties. Subsequent to the closing of this transaction, Adelphia will own 100% of Olympus. Closing of this transaction is expected to occur during On January 28, 1999, Adelphia entered into an agreement to acquire the Olympus partnership interests owned by On February 23, 1999, Adelphia announced that it had entered into a definitive agreement to acquire FrontierVision Partners, L.P. ("FrontierVision") for approximately \$2,100,000. Under that agreement Adelphia would acquire 100% of FrontierVision in exchange for approximately \$550,000 in cash, 7,000,000 shares of Adelphia Class A common stock and the assumption of approximately \$1,110,000 of debt. The transaction is subject to customary closing conditions. As of December 31, 1998, FrontierVision had approximately 702,000 basic subscribers.

On March 5, 1999, Adelphia announced that it had entered into a definitive merger agreement to acquire Century Communications Corp. ("Century") for approximately \$5,200,000. Under the agreement, Adelphia would acquire 100% of the outstanding common stock of Century for an aggregate of approximately \$826,000 in cash, 48,700,000 shares of Class A common stock and the assumption of approximately \$1,600,000 of debt. This transaction is subject to shareholder approval by Century and Adelphia and other customary closing conditions. As of December 31, 1998, Century had approximately 1,593,000 basic subscribers after giving effect to Century's pending joint venture with AT&T.

On April 12, 1999, Adelphia announced that it had entered into a definitive agreement to acquire Harron Communications Corp. ("Harron") for approximately \$1,200,000. This transaction is subject to customary closing conditions. As of December 31, 1998, Harron had approximately 294,000 basic subscribers after giving effect to recent and pending acquisitions involving approximately 9,000 basic subscribers.

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 regional market areas or in locations that can serve as the basis for new market areas, either directly or indirectly through joint ventures, where appropriate.

The following table indicates the growth of the Company Systems and Olympus systems by summarizing the number of homes passed by cable and the number of basic subscribers for each of the four years in the period ended March 31, 1998 and the twelve month period ended December 31, 1998. The table also indicates the numerical growth in subscribers attributable to acquisitions and the numerical and percentage growth attributable to internal growth.

		Year Fado	f March 31.		Ended December 31.
	1995	1996	1997	1998	1998
COMPANY SYSTEMS: Homes passed (a)					
Beginning of Year	1,207,425	1,340,808	1,422,077	1,569,953	1,663,505
Internal Growth (b)	39,012	30,665	35,049	25,433	26,528
% Internal Growth	3.2%	2.3%	2.5%	1.6%	1.6%
Acquired Homes Passed	94,371	50,604	112,827	74,682	441,945
End of Year	1,340,808	1,422,077	1,569,953	1,670,068	2,131,978
Basic subscribers (c)					
Beginning of Year	888,167	975,066	1,039,704	1,138,414	1,213,400
Internal Growth (b)	31,651	29,215	20,396	12,740	13,111
% Internal Growth	3.6%	3.0%	2.0%	1.1%	1.1%
Acquired Subscribers	55,248	35,423	78,314	63,886	301,796
End of Year	975,066	1,039,704	1,138,414	1,215,040	1,528,307
Basic Penetration (d)	72,7%	73.1%	72.5%	72.8%	71.7%
OLYMPUS SYSTEMS:					
Homes passed (a)					
Beginning of Year	406,753	512,052	631,602	650,742	749,884
Internal Growth (b)	11,911	12,050	19,140	17,788	19,322
% Internal Growth	2.9%	2.4%	3.0%	2.7%	2.6%
Acquired Homes Passed	93,388	107,500		86,655	174,396
End of Year	512,052	631,602	650,742	755,185	943,602
Basic subscribers (c)					
Beginning of Year	239,357	306,317	403,901	416,760	497,972
Internal Growth (b)	19,198	9,329	12,859	15,397	14,781
% Internal Growth	8.0%	3.0%	3.2%	3.7%	3.0%
Acquired Subscribers	47,762	88,255		69,565	128,822
End of Year	306,317	403,901	416,760	501,722	641,575
Basic Penetration (d)	59.8%	63.9%	64.0%	66.4%	68.0%

- (a) A home which a broadband network passes in front of is deemed to be "passed" by cable if it can be connected to the distribution system without any further extension of the cable distribution plant.
- (b) The number of additional homes passed or additional basic subscribers not attributable to acquisitions of new cable systems.
- (c) A home with one or more television sets connected to a cable system is counted as one basic subscriber.
- (d) Basic subscribers as a percentage of homes passed by cable.

Market Areas

The Systems are "clustered" in eight market areas in the eastern portion of the United States as follows:

MARKET AREA	LOCATION OF SYSTEMS
Southeastern Florida	Portions of southern Dade, Citrus, Orange, Hillsborough, Palm Beach, Martin, Broward, Lee and St. Lucie Counties and Hilton Head, South Carolina
Western New York	City and suburbs of Buffalo and the adjacent Niagara Falls area, city of Erie, Pennsylvania, communities near Cleveland, Ohio and several small communities in the southern tier of New York
Virginia	Winchester, Charlottesville, Staunton, Richland, Martinsville, Blacksburg, Salem, Hopewell, Prince George, Harrisonburg, Petersburg and surrounding communities in Virginia, and South Boston and Elizabeth City, North Carolina
Western Pennsylvania	Suburbs of Pittsburgh and several small communities in western Pennsylvania, Maryland and West Virginia
New England	Cape Cod communities, South Shore communities (the area between Boston and Cape Cod, Massachusetts), Martha's Vineyard, Massachusetts; and Bennington, Burlington, Rutland and Montpelier, Vermont and surrounding communities in Vermont, New Hampshire and New York and Seymour and Waterbury, Connecticut
Eastern Pennsylvania	Suburbs of Philadelphia and suburbs of Scranton
Ohio	Several small communities in Ohio and portions of Kalamazoo County, Michigan
New Jersey	Ocean County, New Jersey

The following table summarizes by market area the homes passed by cable, basic subscribers and premium service units for the Systems as of December 31, 1998.

	Homes Passed	Basic Subscribers	Basic Penetration	Premium Units	Premium Penetration
	LANN	SHOKUKIS	Linitation	CHIC	Lengthanon
Company Systems:					
Western New York	740.458	498,765	67.36%	315.815	63.32%
New England	418,963	297,610	71.03%	128.283	43.10%
Virginia	408,847	309.284	75.65%	128,666	41.60%
Western Pennsylvania	253.027	183.184	72.40%	64.094	34.99%
New Jersev	131,371	106.281	80.90%	52.507	49.40%
Eastern Pennsylvania	131.853	95,360	72.32%	46,105	48.35%
Ohio	47,459	37.823	79.70%	19,170	50.68%
Total	2,131,978	1,528,307	71.68%	754,640	49.38%
Olympus Systems:					
Southeastern Florida	943,602	641,575	67.99%	264,490	41.23%
Managed Systems:					
Southeastern Florida	29,173	25,604	87.77%	6.743	26.34%
Virginia	30.796	21.772	70.70%	11.392	52.32%
Western Pennsylvania	81.183	62.333	76.78%	29.684	47.62%
Eastern Pennsylvania	36,098	24,734	68.52%	16,410	66.35%
Total	177,250	134,443	75.85%	64,229	47.77%
Total Systems:					
Southeastern Florida	972,775	667,179	68.59%	271.233	40.65%
Western New York	740.458	498.765	67.36%	315.815	63.32%
Virginia	439.643	331.056	75.30%	140.058	42.31%
New England	418.963	297.610	71.03%	128.283	43.10%
Western Pennsylvania	334.210	245.517	73.46%	93.778	38.20%
Eastern Pennsylvania	167,951	120.094	71.51%	62.515	52.06%
New Jersey	131,371	106,281	80.90%	52,507	49.40%
Ohio	47,459	37.823	79.70%	19,170	50.68%
Total	3,252,830	2,304,325	70.84%	1,083,359	47.01%

Financial Information

The financial data regarding the revenues, results of operations and identifiable assets for the Company's two business segments as of and for each of the Company's last two fiscal years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998 are set forth in, and incorporated herein, by reference to Item 6 of this Form 10-K.

Cable Television Operations

Technologies and Capital Improvements

The Company has made a substantial commitment to the technological development of the Systems and is aggressively investing in the upgrade of the technical capabilities of its cable plant in a cost efficient manner. The Company continues to deploy fiber optic cable and to upgrade the technical capabilities of its broadband networks. The result is significant increases in network capacity, digital capability, two-way communication and network reliability.

The design of the current System upgrade, when completed, will deploy on average one fiber optic node for every two system plant miles or approximately one fiber node for every 180 homes passed compared to the industry norm of 500 to 1000 homes passed per fiber optic node. Approximately 75% of the System will be upgraded to 750 Mhz. Approximately 25% of the plant will remain at 550 Mhz. The upgraded system will be completely addressable and provide two-way communication capability. The additional bandwidth will enable the Company to offer additional video programming services. A portion of the bandwidth will be allocated to the new service offerings such as two-way data, telephony and

video-on-demand. The Company believes this combination of bandwidth and the relatively low number of homes passed per fiber node will provide adequate capacity and flexibility to offer existing and anticipated services into the foreseeable future with limited additional capital expenditures.

The upgraded System, on average, will include only two active pieces of equipment between the headend and the home. Limiting the number of active pieces of equipment combined with the small number of homes per fiber node reduces the potential for mechanical failure and the number of customers affected by such a failure, all of which provides increased reliability to the customers.

Subscriber Services and Rates

The Company's revenues are derived principally from monthly subscription fees for various services. Rates to subscribers vary in accordance with the type of service selected. Although service offerings vary across franchise areas because of differences in plant capabilities, each of the areas typically offer services at monthly prices ranging as follows:

Service	Rate Range
Basic Cable Television	\$ 7.00 - 18.00
Cable Value Cable Television	\$ 10.00 - 27.00
Premium Cable Television	\$ 9.00 - 14.00
Digital Cable Television	\$ 9.95
High Speed Internet Access	\$ 34.95 - 49.95
Dial-up Internet Access	\$ 15.95
Paging	\$ 6.95 - 29.95
Long Distance	\$.09 per minute, plus \$4.95 per month service fee

In addition, the Company derives other telephony revenue with rates determined on a usage basis.

An installation fee, which the Company may wholly or partially waive during a promotional period, is usually charged to new subscribers. Subscribers are free to terminate services at any time without charge, but often are charged a fee for reconnection or change of service.

The Cable Communications Policy Act of 1984 (the "1984 Cable Act," as amended by the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act"), deregulated basic service rates for systems in communities meeting the Federal Communication Commissions ("FCC") definition of effective competition. Pursuant to the FCC's definition of effective competition adopted following enactment of the 1984 Cable Act, substantially all of the Company's franchises were rate deregulated. However, in June 1991, the FCC amended its effective competition standard, which increased the number of cable systems which could be subject to local rate regulation. The 1992 Cable Act contains a definition of effective competition under which nearly all cable systems in the United States are subject to regulation of basic service rates. Additionally, the legislation (i) eliminated the 5% annual basic rate increase allowed by the 1984 Cable Act without local approval; (ii) allows the FCC to adjudicate the reasonableness of rates for non-basic service tiers, other than premium services, for cable systems not subject to effective competition in response to complaints filed by franchising authorities and/or cable subscribers; (iii) prohibits cable systems from requiring subscribers to purchase service tiers above basic service in order to purchase premium services if the system is technically capable of doing so; (iv) allows the FCC to impose restrictions on the retiering and rearrangement of cable services under certain circumstances; and (v) permits the FCC and franchising authorities more latitude in controlling rates and rejecting rate increase requests. The Telecommunications Act of 1996 (the "1996 Act") ended FCC regulation on nonbasic tier rates on March 31, 1999. See "Legislation and Regulation."

For a discussion of recent FCC rate regulation and related developments, see "Legislation and Regulation" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Regulatory and Competitive Matters."

Franchises

662 franchises, Olympus held 157 franchises and the Managed Systems held 102 franchises. Most of these franchises can be does not require a franchise. The Systems operate pursuant to franchises or other authorizations issued by governmental franchise unless such operator was lawfully providing service to the community on July 1, 1984 and the franchising authority terminated prior to their stated expiration by the relevant governmental authority, after due process, for breach of material authority generally are not transferable without the consent of the authority. As of December 31, 1998, the Company held authorities, substantially all of which are nonexclusive. Such franchises or authorizations awarded by a governmental The 1984 Cable Act provides that cable operators may not offer cable service to a particular community without a

of the cable system) is payable to the governmental authority. For the past three years, franchise fee expense incurred by the Company has averaged approximately 2.6% of gross system revenues Under the terms of most of the Company's franchises, a franchise fee (generally ranging up to 5% of the gross revenues

the Company. effective upon their stated expiration, generally on modified terms. Such modified terms have not been materially adverse to impact of which cannot be predicted. To date, all of the Company's material franchises have been renewed or extended, at or authorities generally consider, among other things, whether the franchise holder has provided adequate service and complied with the franchise terms. In connection with a renewal, the authority may impose different and more stringent terms, the The franchises issued by the governmental authorities are subject to periodic renewal. In renewal hearings, the

could make it easier in some instances for a franchising authority to deny renewal of a franchise The Company believes that all of its material franchises are in good standing. From time to time, the Company notifies the franchising authorities of the Company's intent to seek renewal of the franchise in accordance with the procedures set forth in the 1984 Cable Act. The 1984 Cable Act process requires that the governmental authority consider the franchise ulters the administrative process by which operators unlize their 1984 Cable Act franchise renewal rights. Such changes interests, without regard to the presence of competing applications. See "Legislation and Regulation." The 1992 Cable Act holder's renewal proposal on its own merits in light of the franchise holder's past performance and the community's needs and

Hyperion

Networks

Network Construction

date have generally become operational within six to ten months after the beginning of construction connection to the network, the general deployment of the network and other factors. Networks that Hyperion has installed to new network varies depending upon the number of route miles to be installed, the initial number of buildings targeted for construction timelines and quality control. Hyperion's engineering personnel provide project management, including contract negotiation and overall supervision of the construction, testing and certification of all facilities. The construction period for a as well as the majority of the LEC-COs, POPs and most of the IXCs. Historically, Hyperion has established with its local artner or Adelphia general requirements for network design including engineering specifications, fiber type and amount, Hyperion's networks are constructed to cost-effectively access areas of significant end user relecommunications traffic

Network Operating Control Center ("NOCC")

including the management of 1,748 building connections, 20 switches or remote switching modules and 15,005 network route miles, all as of December 31, 1998. The NOCC is designed to accommodate Hyperion's anticipated growth. provisioning all services and systems necessary to operate the networks. The NOCC supports all of Hyperion's networks monitoring and control technology. The NOCC is a single point interface for monitoring all of Hyperion's networks and Hyperion's NOCC is located in Coudersport, Pennsylvania. The NOCC is equipped with state-of-the-art system The NOCC is utilized for a variety of network management and control functions including monitoring, managing and diagnosing Hyperion's SONET networks, central office equipment, customer circuits and signals and Hyperion's switches and associated equipment. The NOCC is also the location where Hyperion provisions, coordinates, tests and accepts all orders for switched and dedicated circuit orders. In addition, the NOCC maintains the database for Hyperion's circuits and network availability. Network personnel at the NOCC also develop and distribute a variety of software utilized to manage and maintain the networks.

Connections to Customer Locations

Office buildings are connected by network backbone extensions to one of a number of physical rings of fiber optic cable, which originate and terminate at the operating company's central office. Signals are sent simultaneously on both primary and alternate protection paths through a network backbone to the operating company's central office. Within each building, operating company-owned internal wiring connects the operating company's fiber optic terminal equipment to the customer premises. Customer equipment is connected to operating company-provided electronic equipment generally located where customer transmissions are digitized, combined and converted to an optical signal. The traffic is then transmitted through the network backbone to the operating company's central office where it can be reconfigured for routing to its ultimate destination on the network.

Cable Television Operations

Competition

Although the Company and the cable television industry have historically faced modest competition, the competitive landscape is changing and competition will increase. The Company believes that the increase in competition within its communities will occur gradually over a period of time.

At the present time, cable television systems compete with other communications and entertainment media, including off-air television broadcast signals which a viewer is able to receive directly using the viewer's own television set and antenna. The extent to which a cable system competes with over-the-air broadcasting depends upon the quality and quantity of the broadcast signals available by direct antenna reception compared to the quality and quantity of such signals and alternative services offered by a cable system. In many areas, television signals which constitute a substantial part of basic service can be received by viewers who use their own antennas. Local television reception for residents of apartment buildings or other multi-unit dwelling complexes may be aided by use of private master antenna services. Cable systems also face competition from alternative methods of distributing and receiving television signals and from other sources of entertainment such as live sporting events, movie theaters and home video products, including videotape recorders and compact disc players. In recent years, the FCC has adopted policies providing for authorization of new technologies and a more favorable operating environment for certain existing technologies that provide, or may provide, substantial additional competition for cable television systems. The extent to which cable television service is competitive depends in significant part upon the cable television system's ability to provide an even greater variety of programming and other services than that available off-air or through competitive alternative delivery sources. In addition, certain provisions of the 1992 Cable Act and the 1996 Act are expected to increase competition significantly in the cable industry. See "Legislation and Regulation."

The 1992 Cable Act prohibits the award of exclusive franchises, prohibits franchising authorities from unreasonably refusing to award additional franchises and permits them to operate cable systems themselves without franchises.

Individuals presently have the option to purchase earth stations, which allow the dire.t reception of satellite-delivered program services formerly available only to cable television subscribers. Most satellite-distributed program signals are being electronically scrambled to permit reception only with authorized decoding equipment, generally at a cost to the viewer. From time to time, legislation has been introduced in Congress which, if enacted into law, would prohibit the scrambling of certain satellite-distributed programs or would make satellite services available to private earth stations on terms comparable to those offered to cable systems. Broadcast television signals are being made available to owners of earth stations under the Satellite Home View Copyright Act of 1988, which became effective January 1, 1989 for a six-year period. This Act establishes a statutory compulsory license for certain transmissions made by satellite owners to home satellite dishes for which carriers are required to pay a royalty fee to the Copyright Office. This Act has been extended by Congress until December 31, 1999. The 1992 Cable Act enhances the right of cable competitors to purchase nonbroadcast satellite-delivered programming. See "Legislation and Regulation—Federal Regulation."

via satellite, thus lessening the distinction between cable television and DBS service basis by several service providers. One DBS service provider is proposing to deliver at least some local television stations where it is not cost effective to construct cable television facilities. DBS service is being heavily marketed on a nationwide mounted antenna, and it is more accessible than cable television service where a cable plant has not been constructed or DBS service can be received virtually anywhere in the United States through the installation of a small rooftop or sideorbital position. Video compression technology is being used by cable operators to similarly increase their channel capacity. a single high-powered DBS satellite with significantly higher capacity available if multiple satellites are placed in the same video compression technology. This technology has the capability of providing more than 100 channels of programming over Video programming is now being delivered to individuals by high-powered direct broadcast satellites ("DBS") utilizing

capacity and better signal delivery. Although relatively few MMDS systems in the United States are currently in operation or distances. Several Regional Bell Operating Companies acquired interests in major MMDS companies. The Company systems has previously been limited by channel capacity, the inability to obtain programming and regulatory delays. to fewer regulatory requirements than cable television systems. MMDS systems' ability to compete with cable television unable to predict whether wireless video services will have a material impact on its operations television including reallocating certain frequencies to wireless services, are intended to facilitate the development of wireless cable under construction, virtually all markets have been licensed or tentatively licensed. A series of actions taken by the FCC Recently, however, MMDS systems have developed digital compression technology which provides for more channel MMDS systems are less capital intensive, are not required to obtain local franchises or to pay franchise fees and are subject provide or are providing broadcast and satellite programming to subscribers in areas served by the Company's Systems frequencies to transmit video programming over-the-air to subscribers. There are MMDS operators who are authorized to multipoint distribution service ("MMDS"), commonly called wireless cable systems, which use low-power microwave Cable communications systems also compete with wireless program distribution services such as multichannel, spectrum that will be used by wireless operators to provide additional channels of programming over longer

systems by federal law. SMATV systems are "cable systems" for purposes of qualifying for the compulsory copyright license established for cable buildings without having to comply with local, state and federal regulatory requirements that are imposed upon cable systems Further, while a franchised cable television system typically is obligated to extend service to all areas of a community regardless of population density or economic risk, a SMATV system may confine its operation to small areas that are easy to compatible easements, cable operators may not be unfairly denied access or discriminated against with respect to the terms complexes. However, the 1984 Cable Act gives franchised cable operators the right to use existing compatible easements serve and more likely to be profitable. Under the 1996 Act, SMATV systems can interconnect non-commonly owned and conditions of access to those easements. There have been conflicting judicial decisions interpreting the scope of the within their franchise areas upon nondiscriminatory terms and conditions. Accordingly, where there are preexisting antenna television ("SMATV") systems, often enter into exclusive agreements with apartment building owners or and certain other multiple unit residential developments. The operators of these private systems, known as satellite master ocess right granted by the 1984 Cable Act, particularly with respect to easements located entirely on private property nomeowners' associations which preclude franchised cable television operators from serving residents of such private Additional competition may come from private cable television systems servicing condominiums, apartment complexes ig similar services, as long as they do not use public rights-of-way. The U.S. Copyright Office has concluded that

nteractive television services. This service may also be used by the cable television industry between an individual's home and entertainment and information service providers. This service will provide an alternative means for DBS systems and other video programming distributors, including television stations, to initiate the new The FCC has authorized a new interactive television service which will permit non-video transmission of information

range for a new multi-channel wireless video service which could make 98 video channels available in a single market. It cannot be predicted at this time whether competitors will emerge utilizing such frequencies or whether such competition ould have a material impact on the operations of cable television system The FCC also has initiated a new rulemaking proceeding looking toward the allocation of frequencies in the 28 Ghz

operators and local telephone companies restricted in their participation in this auction. The extent to which the winning programming directly to consumers' homes. The FCC auctioned this spectrum to the public during 1998, with cable Local Multipoint Distribution Service ("LMDS"), which among other uses, can deliver over 100 channels of digital The FCC has recently auctioned a sizable amount of spectrum in the 31 Ghz band for use by a new wireless service. licenses in this service will use this spectrum in particular regions of the country to deliver multichannel video programming to subscribers, and therefore provide competition for franchised cable systems, is at this time uncertain. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The 1996 Act eliminates the restriction against ownership and operation of cable systems by local telephone companies within their local exchange service areas. Telephone companies are now free to enter the retail video distribution business through any means, such as DBS, MMDS, SMATV or as traditional franchised cable system operators. Alternatively, the 1996 Act authorizes local telephone companies to operate "open video systems" without obtaining a local cable franchise, although telephone companies operating such systems can be required to make payments to local governmental bodies in lieu of cable franchise fees. Up to two-thirds of the channel capacity of an "open video system" must be available to programmers unaffiliated with the local telephone company. The open video system concept replaces the FCC's video dialtone rules. The 1996 Act also includes numerous provisions designed to make it easier for cable operators and others to compete directly with local exchange telephone carriers. With certain limited exceptions, neither a local exchange carrier nor a cable operator can acquire more than 10% of the other entity operating within its own service area.

Advances in communications technology, as well as changes in the marketplace and the regulatory and legislative environment, are constantly occurring. Thus, it is not possible to predict the effect that ongoing or future developments might have on the cable industry. The ability of cable systems to compete with present, emerging and future distribution media will depend to a great extent on obtaining attractive programming. The availability and exclusive use of a sufficient amount of quality programming may in turn be affected by developments in regulation or copyright law. See "Legislation and Regulation."

The cable television industry competes with radio, television and print media for advertising revenues. As the cable television industry continues to develop programming designed specifically for distribution by cable, advertising revenues may increase. Premium programming provided by cable systems is subject to the same competitive factors which exist for other programming discussed above. The continued profitability of premium services may depend largely upon the continued availability of attractive programming at competitive prices.

Hyperion

Competition

In each of the markets served by Hyperion's networks, the services offered by Hyperion compete principally with the services offered by the incumbent LEC serving that area. Incumbent LECs have long-standing relationships with their customers, have the potential to subsidize competitive services from monopoly service revenues, and benefit from favorable state and federal regulations. In light of the passage of the 1996 Act, federal and state regulatory initiatives will provide increased business opportunities to competitive local exchange carriers ("CLECs") such as Hyperion, but regulators are likely to provide incumbent LECs with increased pricing flexibility for their services as competition increases. Further, if a Regional Bell Operating Company ("RBOC") is authorized to provide in region long distance service in one or more states by fulfilling the market operating provisions of the 1996 Act, the RBOC may be able to offer "one stop shopping" that would be competitive with Hyperion's offerings. To date, each request for such authority has been denied by the FCC. An approval could result in decreased market share for the major IXCs, which are among the operating companies' significant customers. Any of these results could have an adverse effect on Hyperion.

There has been significant merger activity among the RBOCs in anticipation of entry into the long distance market, including the merger of Bell Atlantic and NYNEX, whose combined territory covers a substantial portion of Hyperion's markets. Other combinations have occurred in the industry, which may have an effect on Hyperion, such as the combination of AT&T Corp. and Teleport Communications Group Inc. ("TCG") and the pending combination of Bell Atlantic and GTE. The effects of these combinations are unknown at this time. Hyperion believes that such combinations will also affect Hyperion's strategy of originating and terminating a significant proportion of its customers' communications traffic over its own networks, rather than relying on the network of the incumbent LEC.

Hyperion also faces, and will continue to face, competition from other current and potential market entrants, including other CLECs, incumbent LECs which are not subject to RBOC restrictions on long distance, AT&T, MCI WorldCom, Sprint and other IXCs, cable television companies, electric utilities, microwave carriers, wireless telecommunications providers and private networks built by large end users. The 1996 Act facilitates such entry by requiring incumbent LECs to allow new

entrants to acquire local services at wholesale prices for resale, and to purchase unbundled networks at cost-based rates. Substantially all of Hyperion's markets are served by one or more CLECs other than Hyperion. In addition, all of the major IXCs are expected to enter the market for local telecommunications services. Both AT&T and MCI WorldCom have announced that they have begun to offer local telephone services in some areas of the country, and AT&T recently announced a new wireless technology for providing local telephone service. Although Hyperion has good relationships with the IXCs, there are no assurances that any of these IXCs will not build their own facilities, purchase other carriers or their facilities, or resell the services of other carriers rather than use Hyperion's services when entering the market for local exchange services.

Hyperion also competes with equipment vendors and installers, and telecommunications management companies with respect to certain portions of its business.

Many of Hyperion's current and potential competitors, particularly incumbent LECs, have financial, personnel and other resources substantially greater than those of Hyperion, as well as other competitive advantages over Hyperion.

Employees

At April 24, 1999, there were 5,512 full-time employees of the Company, Olympus, and the Managed Partnerships, of which 131 employees were covered by collective bargaining agreements at five locations. The Company considers its relations with its employees to be good.

Legislation and Regulation

The Company's existing and anticipated businesses are regulated by the FCC, some state governments and most local governments. In addition, various legislative and regulatory proposals under consideration from time to time by Congress and various federal agencies may materially affect the Company's existing and anticipated businesses. The following is a summary of federal laws and regulations affecting the growth and operation of the Company's existing and anticipated businesses and a description of certain state and local laws.

Cable Television/Federal Laws and Regulations

Cable Communications Policy Act of 1984

The 1984 Cable Act became effective on December 29, 1984. This federal statute, which amended the Communications Act of 1934 (the "Communications Act"), created uniform national standards and guidelines for the regulation of cable television systems. Violations by a cable television system operator of provisions of the Communications Act, as well as of FCC regulations, can subject the operator to substantial monetary penalties and other sanctions. Among other things, the 1984 Cable Act affirmed the right of franchising authorities (state or local, depending on the practice in individual states) to award one or more franchises within their jurisdictions. It also prohibited non-grandfathered cable television systems from operating without a franchise in such jurisdictions. In connection with new franchises, the 1984 Cable Act provides that in granting or renewing franchises, franchising authorities may establish requirements for cable-related facilities and equipment, but may not establish or enforce requirements for video programming or information services other than in broad categories.

Cabie Television Consumer Protection and Competition Act of 1992

On October 5, 1992, Congress enacted the 1992 Cable Act. This legislation effected significant changes to the legislative and regulatory environment in which the cable industry operates. It amended the 1984 Cable Act in many respects. The 1992 Cable Act became effective on December 4, 1992, although certain provisions, most notably those dealing with rate regulation and retransmission consent, became effective at later dates. The legislation also required the FCC to initiate a number of rulemaking proceedings to implement various provisions of the statute. The 1992 Cable Act allows for a greater degree of regulation on the cable industry with respect to, among other things: (i) cable system rates for both basic and certain nonbasic services, (ii) programming access and exclusivity arrangements, (iii) access to cable channels by unaffiliated programming services, (iv) leased access terms and conditions, (v) horizontal and vertical ownership of cable systems, (vi) customer service requirements, (vii) franchise renewals, (viii) television broadcast signal carriage and retransmission consent,

(ix) technical standards, (x) subscriber privacy, (xi) consumer protection issues, (xii) cable equipment compatibility, (xiii) obscene or indecent programming and (xiv) requiring subscribers to subscribe to tiers of service other than basic service as a condition of purchasing premium services. Additionally, the legislation encourages competition with existing cable systems by allowing municipalities to own and operate their own cable systems without having to obtain a franchise, preventing franchising authorities from granting exclusive franchises or unreasonably refusing to award additional franchises covering an existing cable system's service area and prohibiting the common ownership of cable systems and co-located MMDS or SMATV systems. The 1992 Cable Act also precludes video programmers affiliated with cable television companies from favoring cable operators over competitors and requires such programmers to sell their programming to other multichannel video distributors. This provision may limit the ability of cable programming suppliers to offer exclusive programming arrangements to cable television companies. A number of provisions in the 1992 Cable Act relating to, among other things, rate regulation, have had a negative impact on the cable industry and the Company's business.

Telecommunications Act of 1996

The 1996 Act significantly revised the federal regulatory structure. As it pertains to cable television, the 1996 Act, among other things, (i) eliminates the regulation of certain nonbasic programming services in 1999, (ii) expands the definition of effective competition, the existence of which displaces rate regulation, (iii) eliminates the restriction against the ownership and operation of cable systems by telephone companies within their local exchange service areas and (iv) liberalizes certain of the FCC's cross-ownership restrictions. The FCC has been conducting a number of rulemaking proceedings in order to implement many of the provisions of the 1996 Act.

FCC Regulation

The FCC, the principal federal regulatory agency with jurisdiction over cable television, has promulgated regulations covering such areas as the registration of cable systems, cross-ownership between cable systems and other communications businesses, carriage of television broadcast programming, consumer education and lockbox enforcement, origination cablecasting and sponsorship identification, children's programming, the regulation of basic cable service rates in areas where cable systems are not subject to effective competition, signal leakage and frequency use, technical performance, maintenance of various records, equal employment opportunity, and antenna structure notification, marking and lighting. The FCC has the authority to enforce these regulations through the imposition of substantial fines, the issuance of cease and desist orders and/or the imposition of other administrative sanctions, such as the revocation of FCC licenses needed to operate certain transmission facilities often used in connection with cable operations. Furthermore, the 1992 Cable Act required the FCC to adopt regulations covering, among other things, cable rates, signal carriage, consumer protection and customer service, leased access, indecent programming, programmer access to cable television systems, programming agreements, technical standards, consumer electronics equipment compatibility, ownership of home wiring, program exclusivity, equal employment opportunity, and various aspects of direct broadcast satellite system ownership and operation. The 1996 Act requires certain changes to various provisions of these regulations. A brief summary of the most material federal regulations as adopted to date follows.

Rate Regulation

The 1984 Cable Act codified existing FCC preemption of rate regulation for premium channels and optional nonbasic program tiers. The 1984 Cable Act also deregulated basic cable rates for cable television systems determined by the FCC to be subject to effective competition. The 1992 Cable Act substantially changed the statutory and FCC rate regulation standards. The 1992 Cable Act replaced the FCC's old standard for determining effective competition, under which most cable systems were not subject to local rate regulation, with a statutory provision that has resulted in nearly all cable television systems becoming subject to local rate regulation of basic service. Additionally, the 1992 Cable Act eliminated the 5% annual rate increase for basic service previously allowed by the 1984 Cable Act without local approval; required the FCC to adopt a formula, for franchising authorities to enforce, to assure that basic cable rates are reasonable; allows the FCC to review rates for nonbasic service tiers (other than per-channel or per-program service.) in response to complaints filed by franchising authorities; prohibits cable television systems from requiring customers to purchase service tiers above basic service in order to purchase premium services if the system is technically capable of doing so; required the FCC to adopt regulations to establish, on the basis of actual costs, the price for installation of cable service, remote controls, converter boxes and additional outlets; and allows the FCC to impose restrictions on the retiering and rearrangement of cable services under certain limited circumstances. The 1996 Act expands the definition of effective competition to cover situations where a

local telephone company or its affiliate, or any multichannel video provider using telephone company facilities, offers comparable video service by any means except DBS. Satisfaction of this test deregulates both basic and nonbasic tiers. The 1996 Act ended FCC regulation of nonbasic tier rates on March 31, 1999.

The FCC's regulations set standards for the regulation of basic and nonbasic cable service rates (other than per-channel or per-program services). The FCC's original rules became effective on September 1, 1993. The rules have been amended several times. The rate regulations adopt a benchmark price cap system for measuring the reasonableness of existing basic and nonbasic service rates, and a formula for future rate increases based on inflation and increases in certain costs. Alternatively, cable operators have the opportunity to make cost-of-service showings which, in some cases, may justify rates above the applicable benchmarks. The rules also require that charges for cable-related equipment (e.g., converter boxes and remote control devices) and installation services be unbundled from the provision of cable service and based upon actual costs plus a reasonable profit. Local franchising authorities and/or the FCC are empowered to order a reduction of existing rates which exceed the benchmark level for either basic and/or nonbasic cable services and associated equipment, and refunds could be required. The retroactive refund period for basic cable service rates is limited to one year. A significant number of franchising authorities have become certified by the FCC to regulate the rates charged by the Company for basic cable service and for associated equipment. The Company's ability to implement rate increases consistent with its past practices will likely be limited by the regulations that the FCC has adopted.

Carriage of Broadcast Television Signals

The 1992 Cable Act contains new mandatory carriage requirements. These new rules allow commercial television broadcast stations which are "local" to a cable system (i.e., the system is located in the station's area of dominant influence), to elect every three years whether to require the cable system to carry the station, subject to certain exceptions, or whether the cable system will have to negotiate for "retransmission consent" to carry the station. Local, noncommercial television stations are also given mandatory carriage rights, subject to certain exceptions, within the larger of (i) a 50 mile radius from the station's city of license or (ii) the station's Grade B contour (a measure of signal strength). Unlike commercial stations, noncommercial stations are not given the option to negotiate retransmission consent for the carriage of their signal. In addition, cable systems will have to obtain retransmission consent for the carriage of all "distant" commercial broadcast stations, except for certain "superstations," (i.e., commercial satellite-delivered independent stations such as WTBS). The 1992 Cable Act also eliminated, effective December 4, 1992, the FCC's regulations requiring the provision of input selector switches. The statutory must-carry provisions for noncommercial stations became effective on December 4, 1992. Must-carry rules for both commercial and noncommercial stations and retransmission consent rules for commercial stations were adopted by the FCC on March 11, 1993. The must-carry requirement for commercial stations went into effect on June 2, 1993, and any stations for which retransmission consent had not been obtained (other than must-carry stations, noncommercial stations and superstations) had to be dropped as of October 6, 1993. The most recent election between mustcarry and retransmission consent for local commercial television broadcast stations was on October 1, 1996. A number of stations previously carried by the Company's cable television systems elected retransmission consent. The Company was able to reach agreements with broadcasters who elected retransmission consent and has therefore not been required to pay cash compensation to broadcasters for retransmission consent or been required by broadcasters to remove broadcast stations from the cable television channel line-ups. The Company has, however, agreed to carry some services (e.g., ESPN2 and a new service by FOX) in specified markets pursuant to retransmission consent arrangements which it believes are comparable to those entered into by most other large cable operators.

Channel Set-Asides

The 1984 Cable Act permits local franchising authorities to require cable operators to set aside certain channels for public, educational and governmental access programming. The Company believes that none of the Systems' franchises contain unusually onerous access requirements. The 1984 Cable Act further requires cable systems with 36 or more activated channels to designate a portion of their channel capacity for commercial leased access by unaffiliated third parties. While the 1984 Cable Act presently allows cable operators substantial latitude in setting leased access rates, the 1992 Cable Act requires leased access rates to be set according to a formula determined by the FCC. The FCC has revised the existing rate formula in a way which will significantly lower the rates cable operators have been able to charge. It is possible that such leased access will result in competition to services offered by the Company on the other channels of its cable systems.

Competing Franchises

Questions concerning the ability of municipalities to award a single cable television franchise and to impose certain franchise restrictions upon cable television companies have been considered in several recent federal appellate and district court decisions. These decisions have been somewhat inconsistent and, until the U.S. Supreme Court rules definitively on the scope of cable television's First Amendment protections, the legality of the franchising process and of various specific franchise requirements is likely to be in a state of flux. It is not possible at the present time to predict the constitutionally permissible bounds of cable franchising and particular franchise requirements. However, the 1992 Cable Act, among other things, prohibits franchising authorities from unreasonably refusing to grant franchises to competing cable systems and permits franchising authorities to operate their own cable systems without franchises.

Cross-Ownership

The 1996 Act repealed the 1984 Cable Act's prohibition on LECs providing video programming directly to customers within their local exchange telephone service areas, except in rural areas or by specific waiver of FCC rules. The 1996 Act also authorized LECs to operate "open video systems" without obtaining a local cable franchise, although LECs operating such systems can be required to make payments to local governmental bodies in lieu of cable franchise fees. Where demand exceeds channel capacity, up to two-thirds of the channels on an "open video system" must be available to programmers unaffiliated with the LEC.

The 1996 Act eliminated the FCC rule prohibiting common ownership between a cable system and a national broadcast television network. The 1996 Act also eliminated the statutory ban covering certain common ownership interests, operation or control between a television station and cable system within the station's Grade B signal coverage area. However, the parallel FCC rules against cable/television station cross-ownership remains in place, subject to review by the FCC within two years. Finally, the 1992 Cable Act prohibits common ownership, control or interest in cable television systems and MMDS facilities or SMATV systems having overlapping service areas, except in limited circumstances. The 1996 Act exempts cable systems facing "effective competition" from the MMDS and SMATV cross-ownership restrictions.

Pursuant to the 1992 Cable Act, the FCC has imposed limits on the number of cable systems which a single cable operator can own. In general, no cable operator can have an attributable interest in cable systems which pass more than 30% of all homes nationwide. Attributable interests for these purposes include voting interests of 5% or more (unless there is another single holder of more than 50% of the voting stock), officerships, directorships and general partnership interests. The FCC has stayed the effectiveness of these rules pending the outcome of the appeal from the U.S. District Court decision holding the multiple ownership limit provision of the 1992 Cable Act unconstitutional.

The FCC has also adopted rules which limit the number of channels on a cable system which can be occupied by programming in which the cable system's owner has an attributable interest. The limit is 40% of all activated channels.

Franchise Transfers

The 1992 Cable Act requires franchising authorities to act on any franchise transfer request submitted after December 4, 1992 within 120 days after receipt of all information required by FCC regulations and by the franchising authority. Approval is deemed to be granted if the franchising authority fails to act within such period.

Technical Requirements

Historically, the FCC has imposed technical standards applicable to the cable channels on which broadcast stations are carried, and has prohibited franchising authorities from adopting standards which were in conflict with or more restrictive than those established by the FCC. The FCC has recently revised such standards and made them applicable to all classes of channels which carry downstream NTSC video programming. Local franchising authorities are permitted to enforce the FCC's new technical standards. The FCC also has adopted additional standards applicable to cable television systems using frequencies in the 108-137 MHz and 225-400 MHz bands in order to prevent harmful interference with aeronautical navigation and safety radio services, and has also established limits on cable system signal leakage. Periodic testing by cable operators for compliance with these technical standards and signal leakage limits is required. The Company believes that the Systems are in compliance with these standards in all material respects. The 1992 Cable Act requires the FCC to update periodically its technical standards to take into account changes in technology. The FCC has adopted regulations to

implement the requirements of the 1992 Cable Act designed to improve the compatibility of cable systems and consumer electronics equipment.

Pole Attachments

The FCC currently regulates the rates and conditions imposed by certain public utilities for use of their poles, unless under the Federal Pole Attachments Act, state public service commissions are able to demonstrate that they regulate rates, terms and conditions of the cable television pole attachments. A number of states (including Massachusetts, Michigan, New Jersey, New York, Ohio and Vermont) and the District of Columbia have certified to the FCC that they regulate the rates, terms and conditions for pole attachments. In the absence of state regulation, the FCC administers such pole attachment rates through use of a formula which it has devised and from time to time revises. The 1996 Act directs the FCC to adopt a new rate formula for any attaching party, including cable systems, which offers telecommunications services. This new formula will result in significantly higher attachment rates for cable systems which choose to offer such services.

Other Matters

FCC regulation also includes matters regarding a cable system's carriage of local sports programming; restrictions on origination and cablecasting by cable system operators; application of the rules governing political broadcasts; customer service; home wiring; and limitations on advertising contained in nonbroadcast children's programming.

Copyright

Cable television systems are subject to federal copyright licensing covering carriage of broadcast signals. In exchange for making semi-annual payments to a federal copyright royalty pool and meeting certain other obligations, cable operators obtain a statutory license to retransmit broadcast signals. The amount of this royalty payment varies, depending on the amount of system revenues from certain sources, the number of distant signals carried, and the location of the cable system with respect to over-the-air television stations.

Various bills have been introduced into Congress over the past several years that would eliminate or modify the cable television compulsory license. At the request of Congress, the Copyright Office has commenced an inquiry into possible revisions of the compulsory license. Without the compulsory license, cable operators might need to negotiate rights from the copyright owners for each program carried on each broadcast station in the channel lineup. Such negotiated agreements could increase the cost to cable operators of carrying broadcast signals. The 1992 Cable Act's retransmission consent provisions expressly provide that retransmission consent agreements between television broadcast stations and cable operators do not obviate the need for cable operators to obtain a copyright license for the programming carried on each broadcaster's signal.

Copyrighted music performed in programming supplied to cable television systems by pay cable networks (such as HBO) and basic cable networks (such as USA Network) has generally been licensed by the networks through private agreements with the American Society of Composers and Publishers ("ASCAP") and BMI, Inc. ("BMI"), the two major performing rights organizations in the United States. As a result of extensive litigation, ASCAP and BMI are both now required to offer "through to the viewer" licenses to the cable networks which would cover the retransmission of the cable networks' programming by cable systems to their subscribers.

Copyrighted music performed by cable systems themselves on local origination channels, Public Education Grant ("PEG") channels, and in locally inserted advertising and cross promotional announcements must also be licensed. A blanket license is available from BMI. Cable industry negotiations with ASCAP are still in progress.

Cable Television/State and Local Regulation

Because a cable television system uses local streets and rights-of-way, cable television systems are subject to state and local regulation, typically imposed through the franchising process. State and/or local officials are usually involved in franchise selection, system design and construction, safety, service rates, consumer relations, billing practices and community related programming and services.

Cable television systems generally are operated pursuant to nonexclusive franchises, permits or licenses granted by a municipality or other state or local government entity. Franchises generally are granted for fixed terms and in many cases are

terminable if the franchise operator fails to comply with material provisions. The 1984 Cable Act established renewal procedures and criteria designed to protect incumbent franchises against arbitrary denials of renewal. While these formal procedures are not mandatory unless timely invoked by either the cable operator or the franchising authority, they can provide substantial protection to incumbent franchisees. Even after the formal renewal procedures are invoked, franchising authorities and cable operators remain free to negotiate a renewal outside the formal process. Nevertheless, renewal is by no means assured, as the franchisee must meet certain statutory standards. Even if a franchise is renewed, a franchising authority may impose new and more onerous requirements such as upgrading facilities and equipment, although the municipality must take into account the cost of meeting such requirements. The 1992 Cable Act makes several changes to the process under which a cable operator seeks to enforce its renewal rights which could make it easier in some cases for a franchising authority to deny renewal.

Franchises usually call for the payment of fees, often based on a percentage of the system's gross subscriber revenues, to the granting authority. Although franchising authorities may impose franchise fees under the 1984 Cable Act, such payments cannot exceed 5% of a cable system's annual gross revenues. In those communities in which franchise fees are required, the Company currently pays franchise fees ranging up to 5% of gross revenues. Franchising authorities are also empowered in awarding new franchises or renewing existing franchises to require cable operators to provide cable-related facilities and equipment and to enforce compliance with voluntary commitments. In the case of franchises in effect prior to the effective date of the 1984 Cable Act, franchising authorities may enforce requirements contained in the franchise relating to facilities, equipment and services, whether or not cable-related. The 1984 Cable Act, under certain limited circumstances, permits a cable operator to obtain modifications of franchise obligations.

Upon receipt of a franchise, the cable system owner usually is subject to a broad range of obligations to the issuing authority directly affecting the business of the system. The terms and conditions of franchises vary materially from jurisdiction to jurisdiction, and even from city to city within the same state, historically ranging from reasonable to highly restrictive or burdensome. The 1984 Cable Act places certain limitations on a franchising authority's ability to control the operation of a cable system operator and the courts have from time to time reviewed the constitutionality of several general franchise requirements, including franchise fees and access channel requirements, often with inconsistent results. On the other hand, the 1992 Cable Act prohibits exclusive franchises, and allows franchising authorities to exercise greater control over the operation of franchised cable systems, especially in the area of customer service and rate regulation. The 1992 Cable Act also allows franchising authorities to operate their own multichannel video distribution system without having to obtain a franchise and permits states or local franchising authorities to adopt certain restrictions on the ownership of cable systems. Moreover, franchising authorities are immunized from monetary damage awards arising from regulation of cable systems or decisions made on franchise grants, renewals, transfers and amendments.

The specific terms and conditions of a franchise and the laws and regulations under which it was granted directly affect the profitability of the cable television system. Cable franchises generally contain provisions governing charges for basic cable television services, fees to be paid to the franchising authority, length of the franchise term, renewal, sale or transfer of the franchise, territory of the franchise, design and technical performance of the system, use and occupancy of public streets and number and types of cable services provided. The 1996 Act prohibits a franchising authority from either requiring or limiting a cable operator's provision of telecommunications services.

Various proposals have been introduced at the state and local levels with regard to the regulation of cable television systems, and a number of states have adopted legislation subjecting cable television systems to the jurisdiction of centralized state governmental agencies, even to the exclusion of local community regulation. Some of these states regulate jointly and impose regulation of a character similar to that of a public utility. Attempts in other states to regulate cable television systems are continuing and can be expected to increase. Such proposals and legislation may be preempted by federal statute and/or FCC regulation. To date, the states in which the Company operates that have enacted such state level regulation are New York, New Jersey, Massachusetts and Vermont. The Company cannot predict whether other states in which it currently operates, or in which it may acquire systems, will engage in such regulation in the future.

The foregoing does not purport to describe all present and proposed federal, state and local regulations and legislation relating to the cable television industry. Other existing federal regulations, copyright licensing and, in many jurisdictions, state and local franchise requirements currently are the subject of a variety of judicial proceedings, legislative hearings and administrative and legislative proposals which could change, in varying degrees, the manner in which cable television systems operate. Neither the outcome of these proceedings nor their impact upon the cable television industry or the Company can be predicted at this time.

Telephony and Telecommunications/Federal Laws and Regulations

The 1996 Act also alters federal, state and local laws and regulations regarding telecommunications providers and services, including the Company, and creates a favorable environment in which the Company may provide telephone and other telecommunications services and facilities. The following is a summary of the key provisions of the 1996 Act that could materially affect the telecommunications business of the Company.

The 1996 Act was intended to promote the provision of competitive telephone services and facilities by cable television companies and others. The 1996 Act declares that no state or local laws or regulations may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service. States are authorized to impose "competitively neutral" requirements regarding universal service, public safety and welfare, service quality, and consumer protection. The 1996 Act further provides that cable operators and affiliates providing telecommunications services are not required to obtain a separate franchise from local franchising authorities ("LFAs") for such services. An LFA may not order a cable operator or affiliate to discontinue providing telecommunications services or discontinue operating its cable system on the basis that it has failed to obtain a separate franchise or renewal for the provision of telecommunications services. The 1996 Act prohibits LFAs from requiring cable operators to provide telecommunications service or facilities as a condition of the grant of a franchise, franchise renewal, or franchise transfer, except that LFAs may seek "institutional networks" as part of such franchise negotiations.

The 1996 Act provides that, when cable operators provide telecommunications services, LFAs may require reasonable, competitively neutral compensation for management of the public rights-of-way. The LFA must publicly disclose such compensation requirements.

The Company believes that it qualifies as a connecting carrier under federal law and therefore does not need FCC certification to provide intrastate service. In the event that it is determined that the Company must seek FCC certification, the Company believes that such certification will be granted by the FCC in a timely manner. The Company may be required to file certain tariffs and reports with the FCC.

Interconnection and Other Telecommunications Carrier Obligations

To facilitate the entry of new telecommunications providers (including cable operators), the 1996 Act imposes interconnection obligations on all telecommunications carriers. All carriers must interconnect their networks with other carriers and must not deploy network features and functions that interfere with interoperability. LECs also have a set of separate identified obligations beyond those that apply to new entrants: (i) good faith negotiation with those seeking interconnection, (ii) unbundling, equal access and non-discrimination requirements, (iii) resale of services, including "resale at wholesale rates," (iv) notice of changes in the network that would affect interconnection and interoperability and (v) physical collocation unless shown that practical technical reasons, or space limitations, make physical collocation impractical.

Under the 1996 Act, individual interconnection rates must be just and reasonable, based on cost, and may include a reasonable profit. Traffic termination charges shall be "mutual and reciprocal." The 1996 Act permits carriers to agree on a "bill and keep" system, but does not require such a system.

The 1996 Act contemplates that interconnection agreements will be negotiated by the parties and submitted to a state public service commission ("SPSC") for approval. A SPSC may become involved, at the request of either party, if negotiations fail. If the state regulator refuses to act, the FCC may determine the matter. If the SPSC acts, an aggrieved party's remedy is to file a case in federal district court. The 1996 Act provides for a rural exemption to interconnection requests, but also provides that the exception does not apply where a cable operator makes an interconnection request of a rural LEC within the operator's franchise area.

The 1996 Act requires that all telecommunications providers (including cable operators that provide telecommunications services) contribute equitably to a Universal Service Fund ("USF"), and the FCC may exempt an interstate carrier or class of carriers if its contribution would be minimal under the USF formula. The 1996 Act allows states to determine which intrastate telecommunications providers contribute to the USF. The 1996 Act prohibits geographic end user rate de-averaging to protect rural subscribers' rates.

FCC Interconnection Order

On August 8, 1996 the FCC released its First Report and Order, Second Report and Order and memorandum Opinion and Order promulgating rules and regulations to implement Congress' statutory directive concerning the interconnection obligations of all telecommulcations carriers, including obligations of CLECs and LECs, and incumbent LEC pricing of interconnection and unbundled elements (the "Local Competition Orders"). The Local Competition Orders adopted a national framework for interconnection but left to the individual states the task of implementing the FCC's rules. The Local Competition Orders also established rules implementing the 1996 Act requirements that LECs negotiate interconnection agreements, and provide guidelines for review of such agreements by State PUCs.

In July 1997, the United States Court of Appeals for the Eighth Circuit vacated in part the FCC's local competition rules. That court concluded that the FCC did not have the authority to establish rules to govern the pricing of interconnection. network elements, and resale services provided by incumbent local exchange carriers. In addition, it found certain other FCC rules to be unlawful. On January 25, 1999, the Supreme Court issued an opinion in which it reversed portions of the court of appeals decision. The Supreme Court held that the FCC has authority under the Communications Act to establish rules, including pricing rules, to implement the local competition provisions of the 1996 Act, even with respect to intrastate services. The Supreme Court did not address the merits of the FCC's 1996 pricing rules. In addition, the Supreme Court affirmed several of the other rules which had been promulgated by the FCC, but which had been found unlawful by the court of appeals. These included a rule allowing requesting carriers to select provisions from among different interconnection agreements approved by state commissions (the so-called "pick-and-choose" rule) and a rule allowing requesting carriers to obtain from incumbent local exchange carriers assembled combinations of unbundled network elements (sometimes called unbundled network element platforms). The Supreme Court vacated a FCC rule identifying specific network elements which incumbent local exchange carriers must make available to requesting carriers on the basis that the FCC had failed to consider (i) whether such network elements were necessary, and (ii) whether the failure to make network elements available would impair the ability of requesting carriers to provide the services they seek to offer. The FCC has indicated that it will conduct further proceedings to comply with the Supreme Court's opinion regarding the availability of network elements. Whether incumbent local exchange carriers will be required to make available combined platforms of network elements will depend on how the FCC implements the "necessary" and "impair" standards governing network element availability in light of the Supreme Court opinion.

Internet Services/Federal Laws and Regulations

Transmitting indecent material via the Internet was made criminal by the 1996 Act. However, on-line access providers are exempted from criminal liability for simply providing interconnection service; they are also granted an affirmative defense from criminal or other action where in "good faith" they restrict access to indecent materials. These provisions have been challenged in federal court. The 1996 Act further exempts on-line access providers from civil liability for actions taken in good faith to restrict access to obscene, excessively violent or otherwise objectionable material.

Telephony and Telecommunications/State Law and Regulation

Adelphia's nonconsolidated joint venture, Olympus Communications, L.P., has systems in Florida. In 1995, the Florida Legislature amended Chapter 362 of Florida Statutes by enacting "An Act Relating to Local Exchange Telecommunications Companies" ("Florida Act") (Chapter 362, Fl. Stat. (1995)). This new law substantially altered Florida law regarding telecommunications providers and services, such as Olympus. The following is a summary of the key provisions of the Florida Act and associated Florida Public Service Commission ("PSC") actions that could materially affect Olympus' telecommunications business.

The Florida Act

The Florida Act vests in the PSC virtually exclusive jurisdiction over intrastate telecommunications matters. The Florida Act limits municipalities to taxation of certain telecommunications services or management of long distance carriers' occupation of local rights-of-way. The Florida Act further directs the PSC to employ flexible regulatory treatment to ensure the widest possible range of telecommunications services, and provides that new entrants such as the Company are subject to a lesser level of regulatory oversight than LECs.

PSC Actions

Pursuant to the Florida Act (and the 1996 Act and the FCC's First Report and Order), the PSC is conducting several proceedings to address competitive issues. To summarize, pursuant to the Florida Act, the PSC has adopted rules requiring certification of CLEC Interexchange Telecommunications Service Providers; Operator Service Providers; Alternative Access Vendor Services; and Shared Tenant Services Providers. The Florida Act provides that the PSC shall grant certification to applicants upon a showing of sufficient technical, financial, and managerial capability to provide service in the geographic area proposed to be served. The Company believes that Olympus meets the statutory requirements for PSC certification for any type of intrastate telecommunications service provider, and that any such application process should be completed expeditiously. In addition, like the 1996 Act, the Florida Act requires LECs to interconnect with certified CLECs. Approximately fourteen interconnection agreements have been reached between LECs and CLECs to date, while approximately five CLECs have requested PSC arbitration of stalled agreements. The PSC is obligated under the Florida Act to arbitrate any disputes in no more than 120 days from date of request. As well, the PSC has ordered BellSouth, the state's largest LEC, to unbundle eight network elements for resale by CLECs, and the PSC has ordered favorable interim rates for these elements. The PSC has not yet adopted an order resolving wholesale discounts associated with local service resale.

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-Federal 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. The Company also leases certain cable, operating and support equipment from a corporation owned by members of the Rigas Family. All leasing transactions between the Company and its officers, directors or principal stockholders, or any of their affiliates, are, in the opinion of management, on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

Substantially all of the assets of Adelphia's 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 in the respective subsidiaries. See Note 3 to the Adelphia 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.

Hyperion's fiber optic cable, fiber optic telecommunications equipment and other properties and equipment used in its networks, are owned or leased. Fiber optic cable plant used in providing service is primarily on or under public roads, highways or streets, with the remainder being on or under private property. As of December 31, 1998, Hyperion's total telecommunications equipment in service consists of fiber optic telecommunications equipment, switching equipment, fiber optic cable, furniture and fixtures, leasehold improvements and construction in progress.

ITEM 3. LEGAL PROCEEDINGS

On February 24, 1999, Hyperion was served with a summons and complaint filed in the United States District Court for the Northern District of New York, Case Number 99-CV-268, by Hyperion Solutions Corporation ("Solutions"), which is described in the complaint as a company in the business of developing, marketing and supporting comprehensive computer software tools, executive information systems and applications that companies use to improve their business performance. The complaint alleges, among other matters, that Hyperion's use of the name "Hyperion" in its business infringes upon various trademarks and service marks of Solutions in violation of federal trademark laws and violates various New York business practices, advertising and business reputation laws. The complaint seeks, among other matters, to enjoin Hyperion from using the name or mark "Hyperion" in Hyperion's business as well as to recover unspecified damages, treble damages and attorney's fees. Management of Hyperion believes that Hyperion has meritorious defenses to the complaint and intends to vigorously defend this lawsuit. Although management believes that this lawsuit will not in any event have a material adverse effect upon the Company, no assurance can be given regarding the effect upon the Company if Solutions were to prevail in this lawsuit.

On or about March 10, 1999, Robert Lowinger (the "Plaintiff"), on behalf of himself and all other shareholders of Class A common stock of Century, commenced an action by filing a putative Class Action Complaint (the "Complaint") in the Superior Court of Connecticut, Judicial District of Stamford/Norwalk, Case Number CV-99-0171092, against Century, all of its directors, and Adelphia. The Plaintiff claims that he owns shares of Class A common stock of Century, and alleges that in connection with the proposed merger of Adelphia with Century, holders of Class B common stock of Century - which have superior voting rights to the holders of Class A common stock - will receive \$4.00 per share more than the consideration to be paid to the holders of Class A common stock. This would allegedly result in the Class B shareholders receiving approximately \$170,000 more than if they held the equivalent number of Century Class A shares. The Plaintiff claims that the individual defendants, comprising the directors of Century and the majority shareholders of Century's Class B shares, breached their fiduciary duties of loyalty, good faith, and due care to Century's Class A shareholders by agreeing to these two levels of consideration. The sole claim against Adelphia is that it, together with Century, aided and abetted these alleged breaches of fiduciary duty. The Plaintiff seeks certification of a class of Century's Class A shareholders and seeks recovery on behalf of himself and the class of unspecified damages, profits, and special benefits. He also seeks all costs, expenses and attorney's fees. Adelphia has entered an appearance in the case and is required to respond to the Complaint by June 21, 1999. Adelphia believes the allegation of liability against it to be without merit and intends to vigorously defend the action.

There are no other material pending legal proceedings, other than routine litigation incidental to the business, to which the Company is a part of or which any of its 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 quarter ended December 31, 1998.

Executive Officers of the Registrant

The executive officers of the Company, first elected to hold their respective positions on July 1, 1986, serve at the discretion of the Board of Directors.

The executive officers of the Company are:

NAME	AGE	POSITION
John J. Rigas	74	Chairman, Chief Executive Officer, President and Director
Michael J. Rigas	45	Executive Vice President, Operations and Director
Timothy J. Rigas	42	Executive Vice President, Chief Financial Officer, Chief Accounting Officer, Treasurer and Director
James P. Rigas	41	Executive Vice President, Strategic Planning and Director
Daniel R. Milliard	51	Senior Vice President, Secretary and Director

John J. Rigas is the founder, Chairman, President and Chief Executive Officer of Adelphia and is President of its subsidiaries. He is also Chairman of 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 Rigas family. Mr. Rigas has owned and operated cable television systems since 1952. Among his 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 Television Association. He is also a member of the Board of Directors of C-SPAN and the Cable Advertising Bureau, and is a Trustee of St. Bonaventure University. He graduated from Rensselaer Polytechnic Institute with a B.S. in Management Engineering in 1950.

John J. Rigas is the father of Michael J. Rigas, Timothy J. Rigas and James P. Rigas, each of whom currently serves as a director and executive officer of the Company.

Michael J. Rigas is Executive Vice President, Operations of Adelphia and is a Vice President of its subsidiaries. He is also Vice Chairman of Hyperion. Since 1981, Mr. Rigas has served as a Senior Vice President, Vice President, general partner or other officer 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 Rigas family. From 1979 to 1981, he worked for Webster, Chamberlain & Bean, a Washington, D.C. law firm. Mr. Rigas graduated from Harvard University (magna cum laude) in 1976 and received his Juris Doctor degree from Harvard Law School in 1979.

Timothy J. Rigas is Executive Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer of Adelphia and its subsidiaries. He is also Vice Chairman, Chief Financial Officer and Treasurer of Hyperion. Since 1979, Mr. Rigas has served as Senior Vice President, Vice President, general partner or other officer 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 Rigas family. Mr. Rigas graduated from the University of Pennsylvania, Wharton School, with a B.S. degree in Economics (cum laude) in 1978.

James P. Rigas is Executive Vice President, Strategic Planning of Adelphia and is a Vice President of its subsidiaries, and also serves as Vice Chairman and Chief Executive Officer of Hyperion. Since February 1986, Mr. Rigas has served as a Senior Vice President, Vice President or other officer 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 Rigas family. Among his business activities, Mr. Rigas is a member of the Board of Directors of Cable Labs. Mr. Rigas graduated from Harvard University (magna cum laude) in 1980 and received a Juris Doctor degree and an M.A. degree in Economics from Stanford University in 1984. From June 1984 to February 1986, he was a consultant with Bain & Co., a management consulting firm.

Daniel R. Milliard is Senior Vice President and Secretary of Adelphia and its subsidiaries, and also serves as Vice Chairman, President and Secretary of Hyperion. Since 1982, Mr. Milliard served as Vice President, Secretary and/or General Counsel of Adelphia and the constituent entities which became wholly-owned subsidiaries of Adelphia, as well as the cable television operating companies acquired by the Company which were wholly or partially owned by members of the Rigas family. He served as outside general counsel to the Company's predecessors from 1979 to 1982. Mr. Milliard graduated from American University in 1970 with a Bachelor of Science degree in Business Administration. He received an M.A. degree in Business from Central Missouri State University in 1971 and received a Juris Doctor degree from the University of Tulsa School of Law in 1976. He is a Director of Citizens Bancorp., Inc. in Coudersport, Pennsylvania and a member of the Board of Directors of Charles Cole Memorial Hospital.

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ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Class A common stock is quoted on the National Association of Securities Dealers Automated Quotations System National Market System (NASDAQ-NMS). Adelphia's NASDAQ-NMS symbol is "ADLAC."

periods presented. Such prices represent inter-dealer quotations, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions. The following table sets forth the range of high and low prices of the Class A common stock on NASDAQNMS for the

CLASS A COMMON STOCK

December 31, 1998	September 30, 1998	June 30, 1998	March 31, 1998	December 31, 1997	September 30, 1997	June 30, 1997	QUARTER ENDED:
S 48 1/8	48	\$ 37 1/8	\$ 30 3/8	5 18 3/4	\$ 12 1/8	\$ 734	HIGH
\$ 29 1/8	\$ 30 7/16	\$ 21 1/2	\$ 16 3/8	\$12	\$ 63/4	\$ 5	NO.

such clearing agencies. 24, 1999, five record holders were registered clearing agencies holding Class A common stock on behalf of participants in As of May 24, 1999, there were approximately 163 holders of record of Adelphia's Class A common stock. As of May

common stock was held of record by seven persons, principally members of the Rigas family, including a Pennsylvania outstanding Class B common stock general partnership all of whose partners are members of the Rigas family. The Class B common stock is convertible into ires of Class A common stock on a one-to-one basis. As of May 24, 1999 the Rigas family owned 99.1% of the No established public trading market exists for Adelphia's Class B common stock. As of the date hereof, the Class B

Operations - Liquidity and Capital Resources." earnings will be retained for use in its business. The ability of Adelphia to pay cash dividends on its common stock is limited by the provisions of its indentures. See "Management's Discussion and Analysis of Financial Condition and Results of Adelphia has never paid a cash dividend on its common stock and anticipates that for the foreseeable future any

registration contained in Section 4(2) of the Securities Act of 1933 On September 30, 1998, the Company issued 2,250,000 shares of Class A common stock to AT&T, as consideration for its interest in Syracuse Hilton Head Holdings, L.P. This issuance was made in reliance upon the exemption from

to be held in escrow for the acquisition of FrontierVision. This issuance was made in reliance upon the exemption from registration contained in Section 4(2) of the Securities Act of 1933. On February 15, 1999, the Company issued 1,000,000 shares of Class A common stock to Frontier Vision, as a deposit

ITEM 6. SELECTED FINANCIAL DATA

(Dollars in thousands except per share amounts)

The selected consolidated financial data as of and for each of the four years in the period ended March 31, 1998 and the nine months ended December 31, 1998 have been derived from the audited consolidated financial statements of the Company. The selected consolidated financial data for the nine months ended December 31, 1997 have been derived from unaudited condensed consolidated financial statements of the Company not included herein; however, in the opinion of management, such data reflect all adjustments (consisting only of normal and recurring adjustments) necessary to fairly present the data for such interim period. These data should be read in conjunction with the consolidated financial statements and related notes thereto as of March 31, 1998 and December 31, 1998 and for each of the two years in the period ended March 31, 1998 and the nine months ended December 31, 1998 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Transition Report on Form 10-K. The statement of operations data with respect to fiscal years ended March 31, 1995 and 1996, and the balance sheet data at March 31, 1995, 1996 and 1997, have been derived from audited consolidated financial statements of the Company not included herein.

				Year Ended	M	arch 31,				Nine Mon Decem		
Statements of Operations Data:		1995		1996		1997		1998		1997		1998
									(Unaudited)		
Revenues	5	361,505	5	403,597	5	472,778	5	528,442	5	389,905	5	507,155
Direct operating and programming expense		106,993		124,116		148,982		167,288		121,924		167,963
Selling, general and administrative expense		63,487		68,357		81,763		95,731		70,085		107,249
Depreciation and amortization expenses		97,602		111,031		124,066		145,041		104,570		140,823
Rate regulation charge				5,300								
Operating income		93,423		94,793	П	117,967	. 15	120,382		93,326		91,120
Priority investment income from Olympus		22,300		28,852		42,086		47,765		35,765		36,000
Cash interest expense - net		(169,830)		(183,780)		(190,965)		(209,677)		(157,360)		(167,930)
Noncash interest expense		(14,756)		(16,288)		(41,360)		(37,430)		(29,981)		(23,663)
Equity in loss of joint ventures		(44,349)		(46,257)		(59,169)		(79,056)		(59,334)		(58,471)
Hyperion preferred stock dividends								(12,682)		(5,988)		(21,536)
Minority interest in net losses of subsidiaries												25,772
Gain on sale of investments						12,151		2,538		1,018		
Other income		1,453										1,113
Loss before income taxes and extraordinary loss		(111,759)		(122,680)		(119,290)		(168,160)		(122,554)	- 18	(117,595)
Income :ax benefit (expense)		5,475		2,786		358		5,606		(559)		6,802
Loss before extraordinary loss	1, 17,	(106,284)		(119,894)		(118,932)		(162,554)		(123,113)		(110,793)
Extraordinary loss on early retirement of debt						(11,710)		(11,325)		(11,325)		(4,337)
Net loss		(106,284)		(119,894)		(130,642)		(173,879)		(134,438)		(115,130)
Dividend requirements applicable to preferred stock								(18,850)		(11,998)		(20,718)
Net loss applicable to common stockholders	5	(106,284)	5	(119,894)	5	(130,642)	5	(192,729)	5	(146,436)	5	(135,848)
Basic and diluted loss per weighted average share of common stock before extraordinary loss	5	(4.32)		(4.56)	-	(4.50)	-	(6.07)	-	(4.57)		(3.63)
Basic and diluted net loss per weighted average	,		•		,		,		•		•	
share of common stock		(4.32)		(4.56)		(4.94)		(6.45)		(4.95)		(3.75)
Cash dividends declared per common share												

Business Segment Information:

As more fully described in this Form 10-K, Adelphia operates primarily in two lines of business within the telecommunications industry: cable television and related investments ("Adelphia, excluding Hyperion") and competitive local exchange carrier telephony ("Hyperion"). The balance sheet data and other data as of and for each of the four years ended March 31, 1998 and the nine months ended December 31, 1998 of Hyperion have been derived from audited consolidated financial statements of Hyperion not included herein. The selected consolidated financial data for the nine months ended December 31, 1997 have been derived from unaudited condensed consolidated financial statements of Hyperion not included herein; however, in the opinion of management, such data reflect all adjustments (consisting only of normal and recurring adjustments) necessary to fairly present the data for such interim period.

			March.	31.		December 31.
		1995	1996	1997	1998	1998
Balance Sheet Data:						
Adelphia Consolidated						
Total assets	5	1,267,291 \$	1,367,579 \$			
Total debt		2,021,610	2,175,473	2,544,039	2,909,745	3,527,453
Cash and cash equivalents		5,045	10,809	61,539	276,895	398,644
Investments (a)		50,426	74,961	130,005	150,787	229,494
Redeemable preferred stock					355,266	376,865
Convertible preferred stock						
(liquidation preference)		•			100,000	100,000
Hyperion						
Total assets	5	23,212 \$	35,269 \$	174,601	\$ 639,992	
Total debt		35.541	50,855	215,675	528,776	494,109
Cash and cash equivalents				59,814	230,750	242,570
Investments (a)		15,085	27,900	56,695	69,596	138,614
Redeemable preferred stock					207,204	228,67-
Adelphia, excluding Hyperion						
Total assets	S	1,244,079 \$	1,332,310 \$	1,469,225		
Total debt		1,986,069	2,124,618	2,328,364	2,380,969	3,033,34
Cash and cash equivalents		5,045	10,809	1.725	46,145	156,074
Investments (a)		35,341	47,061	73,310	81,191	90,880
Redeemable preferred stock					148,062	148,191
Convertible preferred stock						
(liquidation preference)					100,000	100,000

See "Other Data" on next page.

				Year Ende	4 M	arch 31,				Nine Mon Decem		
Other Data:		1995		1996		1997		1998		1997		1958
Adelphia Consolidated									(1	(naudited)		
Revenues	5	361,505	s	403,597		472,778		528,442	5	389,905	5	507,155
Priority income	•	22,300	•	28,852	•	42.086	•	47,765	•	35,765	•	36,000
Operating expenses (b)		170,480		192,473		230,745		263,019		192,009		275,212
Depreciation and		1,0,400				250,745		203,017		. , . , . ,		
amortization expenses		97,602		111,031		124,066		145,041		104,570		140,823
Operating income		93,423		94,793		117,967		120,382		93,326		91,120
Interest expense - net		(184,586)		(200,068)		(232,325)		(247,107)		(187,341)		(191,593)
Preferred stock dividends								(31,532)		(17,986)		(42,254)
Capital expenditures		92,082		100,089		129,609		183,586		117,560		255,797
Cash paid for acquisitions		70,256		60,804		143,412		146,546		88.217		403,851
Cash used for investments		38,891		24,333		51,415		86,851		62,190		81,558
Hyperion												
Revenues	5	1,729	5	3,322	5	5,088	5	13,510	5	8,690	5	34,776
Operating expenses (b)		3,906		5,774		10,212		22,118		14,362		54,050
Depreciation and												
amortization expenses		463		1,184		3,945		11,477		7,027		26,671
Operating loss		(2,640)		(3,636)		(9,069)		(20,085)		(12,699)		(45,945)
Interest expense - net		(3,282)		(5,889)		(22,401)		(36,030)		(27,983)		(20,010)
Preferred stock dividends								(12,682)		(5,988)		(21,536)
Capital expenditures		2,850		6,084		36,127		68,629		34,834		146,752
Cash paid for acquisitions						5,040		65,968		7,638		
Cash used for investments		7,526		12,815		34,769		64,260		48,574		69,018
Adelphia, excluding Hyperion												
Revenues	5	359,776	5	400,275	5	467,690	5	514,932	5	381,215	5	472,379
Priority income		22,300		28,852		42,086		47,765		35,765		36,000
Operating expenses (b)		166,574		186,699		220,533		240,901		177,647		221,162
Depreciation and												
amortization expenses		97,139		109,847		120,121		133,564		97,543		114,152
Operating income		96,063		98,429		127,036		140,467		106,025		137,065
Interest expense - net		(181,304)		(194,179)		(209,924)		(211,077)		(159,358)		(171,583)
Preferred stock dividends								(18,850)		(11,998)		(20,718)
Capital expenditures		89,232		94,005		93,482		114,957		82,726		109,045
Cash peid for acquisitions		70,256		60,804		138,372		80,578		80,579		403,851
Cash used for investments		31,365		11,518		16,646		22,591		13,616		12,540

⁽a) Represents total investments before cumulative equity in net losses.
(b) Amount excludes depreciation and amortization expenses.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

(Dollars in thousands)

Introduction

During the period January 29, 1999 through April 12, 1999, the Company announced the pending acquisition of the Olympus partnership interests held by FPL Group, Inc., and the pending acquisitions of FrontierVision Partners, L.P., Century Communications Corp. and Harron Communications Corp. (collectively, the "Pending Acquisitions"). As of the time of filing of this Transition Report on Form 10-K, all of these transactions were pending and therefore, are not reflected in the results of operations of the Company for the nine months ended December 31, 1998. After the completion of the nine months ended December 31, 1998, the Company filed unaudited financial information, audited financial statements and unaudited pro forma financial information related to the Pending Acquisitions on a Form 8-K for the event dated April 19, 1999. In addition, during the period January 13, 1999 through April 30, 1999, the Company entered into several financing transactions, the proceeds of which will or may be used to fund one or more of the Pending Acquisitions or for other general corporate purposes. See Note 13 to Adelphia's Consolidated Financial Statements for additional information regarding the Pending Acquisitions and financing transactions referred to above.

Results of Operations

General

On March 30, 1999, the Board of Directors of Adelphia changed its fiscal year from March 31 to December 31. The decision was made to conform to general industry practice and for administrative purposes. The change became effective for the nine months ended December 31, 1998. Management's discussion and analysis of financial condition and results of operations compares the nine months ended December 31, 1997 and 1998 and the years ended March 31, 1997 and 1998.

Adelphia earned substantially all of its revenues in each of the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998 from monthly subscriber fees for basic, satellite, premium and ancillary services (such as installations and equipment rentals), local and national advertising sales, pay-per-view programming, high speed data services and CLEC telecommunications services.

The changes in Adelphia's results of operations for the year ended March 31, 1998 and the nine months ended December 31, 1998, compared to the respective prior periods, were primarily the result of acquisitions, expanding existing cable television operations and the impact of increased advertising sales and other service offerings as well as increases in cable rates, effective October 1, 1997 and August 1, 1998.

The high level of depreciation and amortization associated with the significant number of acquisitions in recent years, the continued upgrade and expansion of systems, interest costs associated with financing activities and Hyperion's continued investment in the CLEC business will continue to have a negative impact on the reported results of operations. Also, significant charges for depreciation, amortization and interest are expected to be incurred in the future by Olympus, which will also adversely impact Adelphia's future results of operations. Adelphia expects to report net losses for the next several years.

Hyperion, together with its subsidiaries, owns certain investments in CLEC joint ventures and manages those ventures. Hyperion is an unrestricted subsidiary for purposes of the Company's indentures.

The information below for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998 is derived from Adelphia's consolidated financial statements that are included in this Transition Report on Form 10-K. Information for the nine months ended December 31, 1997 is derived from unaudited condensed consolidated financial statements of the Company not included herein; however, in the opinion of management, such data reflect all adjustments (consisting only of normal and recurring adjustments) necessary to fairly present the data for such interim periods. This table sets forth the percentage relationship to revenues of the components of operating income contained in such financial statements for the periods indicated.

		Percentage	of Revenues	
	Year Mare	Ended ch 31	Nine Mon Decem	ths Ended ber 31,
	1997	1998	1997	1998
Revenues	100.0%	100.0%	100.0%	100.0%
Operating Expenses:				
Direct operating and programming	31.5%	31.7%	31.3%	33.1%
Selling, general and administrative	17.3%	18.1%	18.0%	21.1%
Depreciation and amortization	26.2%	27.4%	26.8%	27.8%
Operating Income	25.0%	22.8%	23.9%	18.0%

Comparison of the Nine Months Ended December 31, 1997 and 1998

Revenues. The primary revenue sources reflected as a percentage of total revenues were as follows:

		ths Ended ber 31,
	1997	1998
Regulated service and equipment	76%	73%
Premium programming	12%	10%
Advertising sales and other services	10%	10%
Competitive local exchange carrier services	2%	7%

Revenues increased approximately 30.1% for the nine month period ended December 31, 1998 compared with the same period of the prior year. The increase is attributable to the following:

	Nine Months Ended December 31,
	1998
Acquisitions	58%
Basic subscriber growth	4%
Rate increases	21%
Premium programming	(5%)
Competitive local exchange carrier services	14%
Advertising sales and other services	8%

Effective August 1, 1998, certain rate increases related to regulated cable services were implemented in substantially all of the Company's systems. Advertising revenues and revenues derived from other strategic service offerings such as paging, high-speed data services, long distance and CLEC services also had a positive impact on revenues for the nine months ended December 31, 1998. The Company expects to implement rate increases related to certain regulated cable services in substantially all of the Company's systems during 1999.

<u>Direct Operating and Programming Expenses</u>. Direct operating and programming expenses, which are mainly basic and premium programming costs and technical expenses, increased 37.8% for the nine month period ended December 31, 1998 compared with the same period of the prior year. Hyperion expenses increased due to expansion of operations at its network control center, as well as an increase in the number and size of its networks, which resulted in increased employee

costs, incremental costs associated with increased subscribers and new services. excluding Hyperion were primarily due to increased operating expenses from acquired systems, increased programming Lexington and Harrisburg networks also increased Hyperion's costs related to operations. The increases in Adelphia related costs and equipment maintenance costs. The consolidation of the Buffalo, Syracuse, New Jersey, Louisville,

ended December 31, 1998 compared with the same period of the prior year. Hyperion expenses increased due to increased acquisitions, subscriber growth and new services. and monitored by Hyperion, as well as the consolidation of the networks mentioned in direct operating and programming in corporate overhead costs to accommodate the growth in the number, size and operations of operating companies managed expenses associated with the network expansion plan, an increase in the sales force in the existing networks and an increase offices, customer service representatives and sales and administrative employees, increased 53.0% for the nine month period Selling. General and Administrative Expenses. These expenses, which are mainly comprised of costs related to system The increases in Adelphia excluding Hyperion were primarily due to incremental costs associated with

compared with the same period of the prior year. These increases were primarily a result of increased depreciation resulting month period ended December 31, 1998, compared with the same period of the prior year primarily due to increased the consolidation of several of its networks and increased amortization of deferred financing costs from the higher depreciable asset bases of the Hyperion network operations control center, its wholly owned networks and years. Depreciation and amortization for Hyperion increased 279.6% for the nine month period ended December 31, 1998. depreciation and amortization related to acquisitions, as well as increased capital expenditures made during the past several Depreciation and Amortization Depreciation and amortization, excluding Hyperion, increased 17.0% for the nine

priority return on the Company's investment in 16.5% preferred limited partner ("PLP") interests in Olympus Priority Investment Income Priority investment income is comprised of payments received from Olympus of accrued

month period ended December 31, 1998 compared with \$29,981 the same period of the prior year expense increased primarily due to incremental debt related to acquisitions and other new debt issuances. These increases 2.3% for the nine month period ended December 31, 1998, as compared with the same period of the prior year. December 31, 1998, compared with the same period of the prior year. Interest expense - net, including Hyperion, increased issue discount on the Hyperion 13% Senior Discount Notes and other noncash interest expense totaling \$23,663 for the nine were partially offset by Hyperion's interest income on cash balances. Interest expense includes noncash accretion of original Interest Expense - net. Interest expense - net, excluding Hyperion, increased 7.7% for the nine month period ended

less than majority owned partnerships' operating losses. share of Olympus' losses and the accretion requirements of Olympus' PLP interests, and (ii) Hyperion's pro-rata share of its Equity in Loss of Joint Ventures. The equity in loss of joint ventures represents primarily (i) the Company's pro-rata

expense relating to its 12 7/8% Senior Exchangeable Redeemable Preferred Stock, which was issued in October 1997 Hyperion Preferred Stock Dividend. During the nine months ended December 31, 1998. Hyperion incurred \$21,536 of

portion of Hyperion's net loss applicable to common stockholders is attributable to minority unterests Minority Interest in Net Losses of Subsidiaries. As a result of Hyperion's IPO, which occurred on May 8, 1998, a

prior to its muturity, at a premium. Additionally, Hyperion retired \$25,160 face value of its 13% Senior Discount Notes, resulting in a gain. As a result of these transactions, Adelphia recognized a net extraordinary loss on early retirement of debt 1/2% Senior Notes due 2002 were redeemed at 103% of principal and subsidiary debt in the amount of \$52,000 was repaid Extraordinary Loss on Early Retirement of Debt. During the nine months ended December 31, 1998, \$69,838 of 12

in the current fiscal year. a change in tax law which extends the number of years the Company can utilize its net operating loss carryforward generated Income Tax Benefit. Income tax benefit for the nine months ended December 31, 1998 is primarily due to the impact of

Comparison of the Years Ended March 31, 1997 and 1998

Revenues. The primary revenue sources reflected as a percentage of total revenues were as follows:

	Year Ended	March 31.
	1997	1998
Regulated service and equipment fees	76% 76%	76%
remium programming fees	13%	11%
dvertising sales and other services	10%	10%
ompetitive local exchange carrier services	1%	3%

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Revenues increased approximately 11.8% for the year ended March 31, 1998 compared with the prior fiscal year.

The increase is attributable to the following:

quisitions	Year Ended March 31, 1998 37%
quisitions	37%
isic subscriber growth	9%
ite increases	48%
mium programming	(7%)
impetitive local exchange carrier services	6%
lvertising sales and other services	7%

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Ba

paging, high speed data services, long distance and CLEC services also had a positive impact on revenues for the year ended all of the Company's Systems. Advertising revenues and revenues derived from other strategic service offerings such as Effective October 1, 1997, certain rate increases related to regulated cable services were implemented in substantially

which resulted in increased employee related costs and equipment maintenance costs. due to expansion of operations at its network control center, as well as an increase in the number and size of its networks, programming costs and incremental costs associated with increased subscribers. Additionally, Hyperion expenses increased with the prior year. The increase was primarily due to increased operating expenses from acquired systems, increased and premium programming costs and technical expenses, increased 12.3% for the year ended March 31, 1998, compared <u>Direct Operating and Programming Expenses</u>. Direct operating and programming expenses, which are mainly basic

31, 1998, compared with the prior year. The increase was primarily due to incremental costs associated with acquisitions, offices, customer service representatives, and sales and administrative employees, increased 17.1% for the year ended March subscriber growth and Hyperion overhead and network operating and control center cost increases to accommodate the growth in the number of operating companies managed and monitored. Selling, General and Administrative Expenses. These expenses, which are mainly comprised of costs related to system

compared with the prior year. The during the past several years. acquisitions consummated during the years ended March 31, 1997 and 1998, as well as increased capital expenditures made Depreciation and Amortization increase was primarily due to increased depreciation and amortization related to Depreciation and amortization was higher for the year ended March 31, 1998,

Olympus of accrued priority return on the Company's investment in 16.5% PLP interests in Olympus Priority Investment Income from Olympus. Priority investment income is comprised of payments received from

the issuance of the Hyperion 12 1/4% Senior Secured Notes. These increases were partially offset by (i) the utilization of the e year ended March 31, 1998, interest expense -net increased primarily due to incremental debt related to acquisitions and Interest Expense - net. Interest expense - net increased approximately 6.4% for the year ended March 31, 1998. For

refinancing of outstanding borrowings and (iii) interest income on cash balances. Interest expense includes non-cash proceeds from the convertible preferred stock and the redeemable preferred stock offerings to repay outstanding debt, (ii) the 1998. This decrease was partially offset by the accretion of original issue discount related to the Hyperion 13% Senior Adelphia's cash payment of interest on its 9 1/2% Senior Pay-In-Kind notes for the six month period ended February 15, decrease in non-cash interest for the year ended March 31, 1998 as compared to the prior year was primarily due to accretion of original issue discount and non-cash interest expense totaling \$37,430 for the year ended March 31, 1998. The

share of Olympus' losses and the accretion requirements of Olympus' preferred limited partner interests and (ii) Hyperion's pro rata share of its less than majority owned partnerships' operating losses Equity in Loss of Joint Ventures. The equity in loss of joint ventures represents primarily (i) the Company's pro rata

relating to its 12 7/8% Senior Exchangeable Redeemable Preferred Stock issued in October 1997 Hyperion Preferred Stock Dividends: During the year ended March 31, 1998, Hyperion incurred \$12,682 of expense

exchange for its interest in Commonwealth Security, Inc. for an aggregate sales price of \$9,315 resulting in a gain of \$3,746. During the year ended March 31, 1998, the Company sold its Republic stock, its investment in the Golf Channel and certain South Florida to Teleport Communications Group Inc. for an aggregate sales price of \$11,618 resulting in a gain of \$8,405 other assets, resulting in a gain of \$2,538. On January 23, 1997, the Company received 284,425 shares of Republic Industries, Inc. common stock ("Republic stock") in Gain on Sale of Investments On May 16, 1996, Hyperion completed the sale of its 15.7% partnership interest in TCG

Extraordinary Loss on Early Retirement of Debt. During the year ended March 31, 1997, certain bank indebtedness was repaid and a portion of the 12 1/2% Senior Notes due 2002 was reacquired resulting in an extraordinary loss on retirement of debt. The amount pertaining to the repayment of bank debt was \$2,079, which primarily represents the writeoff of the remaining deferred debt financing costs associated with the debt retired. The amount pertaining to the 12 1/2% Senior Notes was \$9,631, which represents the excess of reacquisition cost over the net carrying value of the related debt. two transactions, Adelphia recognized an extraordinary loss of \$11,325 for the year ended March 31, 1998. During the year ended March 31, 1998, Adelphia reacquired through open market purchases \$20,000 of 9 1/% Senior Payin-Kind Notes due 2004 and redeemed \$202,000 of 12 1/2% Senior Notes due 2002 at 106% of principal. As a result of these

Liquidity and Capital Resources

external financing generate cash to meet its future needs will depend generally on its results of operations and the continued availability of These expenditures were funded through long-term borrowings and internally generated funds. The Company's ability to committed substantial capi systems. During the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, the Company financing for the construction, modernization, maintenance, expansion and acquisition of cable as d other telecommunications The cable television and other telecommunications businesses are capital intensive and typically require continual ital resources for these purposes and for investments in Olympus and other affiliates and entities.

Acquisitions and the related use of capital resources to consummate them, see "Introduction" above and Note 13 to Adelphia's Consolidated Financial Statements For information regarding significant events and financings subsequent to December 31, 1998, including the Pending

Comparison of the Nine Months Ended December 31, 1997 and 1998

\$138,360, respectively, cash used for investing activities totaled \$423,965 and \$1,015,690, respectively and cash provided by financing activities totaled \$681,791 and \$999,079, respectively. The Company's aggregate outstanding borrowings as of of December 31, 1998 December 31, 1998 were \$3,527,452. The Company also had total redeemable preferred stock of \$376,865 outstanding as For the nine months ended December 31, 1997 and 1998, cash provided by operating activities totaled \$62,038 and

ended December 31, 1997 and 1998 were \$117,560 and \$255,797, respectively. The increase in capital expenditures for the Capital Expenditures. Capital expenditures for Adelphia, excluding Hyperion for the nine months ended December 31, 1997 and 1998 were \$82,726 and \$109,045, respectively. Capital expenditures including Hyperion for the nine months nine month period ended December 31, 1998, compared to the nine month period ended December 31, 1997, was primarily due to the upgrade of plant in markets in which Hyperion purchased its local partners' interests, payments for indefeasible right of use agreements for fiber optic networks and the commencement of switching services. The Company expects that capital expenditures for the year ending December 31, 1999 will be in a range of approximately \$172,000 to \$192,500 for Adelphia, excluding Hyperion and Pending Acquisitions. The Company expects Hyperion to continue to have significant capital expenditure and investment requirements, and estimates it will require approximately \$400,000 to fund capital expenditures, working capital requirements, operating losses and investments in its existing and its planned new networks through September 2000.

Comparison of the Years Ended March 31, 1997 and 1998

For the years ended March 31, 1997 and 1998, cash provided by operating activities totaled \$43,001 and \$66,270, respectively; cash used for investing activities totaled \$322,047 and \$563,520, respectively and cash provided by financing activities totaled \$329,776 and \$712,606, respectively. The Company's aggregate outstanding borrowings as of March 31, 1998 were \$2,909,745. The Company also had total redeemable preferred stock of \$355,266 outstanding as of March 31, 1998.

<u>Capital Expenditures</u>. Capital expenditures for Adelphia, excluding Hyperion for the years ended March 31, 1997 and 1998 were \$93,482 and \$114,957, respectively. Capital expenditures including Hyperion for the years ended March 31, 1997 and 1998 were \$129,609 and \$183,586, respectively. The increase in capital expenditures for the year ended March 31, 1998, compared to the year ended March 31, 1997, was primarily due to the acceleration of the rebuilding of plant using fiber-to-feeder technology and Hyperion's introduction of switching services.

Financing Activities

The Company's financing strategy has been to maintain its public long-term debt at the parent holding company level while the Company's consolidated subsidiaries have their own senior and subordinated credit arrangements with banks and insurance companies, or for Hyperion, its own public debt and equity. The Company's ability to generate cash adequate to meet its future needs will depend generally on its results of operations and the continued availability of external financing. During the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, the Company generally funded its working capital requirements, capital expenditures, and investments in Olympus, CLEC joint ventures and other affiliates and entities through long-term borrowings primarily from banks, short-term borrowings, internally generated funds and the issuance of public debt or equity. The Company generally has funded the principal and interest obligations on its long-term borrowings from banks and insurance companies by refinancing the principal with new loans or through the issuance of parent and subsidiary company debt securities, and by paying the interest out of internally generated funds. Adelphia has generally funded the interest obligations on its public borrowings from internally generated funds.

Most of Adelphia's directly-owned subsidiaries have their own senior credit agreements with banks and/or insurance companies. Typically, borrowings under these agreements are collateralized by the stock and, in some cases, by the assets of the borrowing subsidiary and its subsidiaries and, in some cases, are guaranteed by such subsidiary's subsidiaries. At December 31, 1998, an aggregate of \$1,200,970 in borrowings was outstanding under these agreements. These agreements contain certain provisions which, among other things, provide for limitations on borro rings of and investments by the borrowing subsidiaries, transactions between the borrowing subsidiaries and Adelphia and its other subsidiaries and affiliates, and the payment of dividends and fees by the borrowing subsidiaries. Several of these agreements also contain certain cross-default provisions relating to Adelphia or other subsidiaries. These agreements also require the maintenance of certain financial ratios by the borrowing subsidiaries. See Note 3 to the Adelphia Communications Corporation consolidated financial statements. Management believes the Company is in compliance with the financial covenants and related financial ratio requirements contained in its various credit agreements.

At December 31, 1998, Adelphia's subsidiaries had an aggregate of \$360,000 in unused credit lines with banks, part of which is subject to achieving certain levels of operating performance. In addition, the Company had an aggregate \$398,644 in cash and cash equivalents at December 31, 1998 which combined with the Company's unused credit lines with banks aggregated to \$758,644. Based upon the results of operations of subsidiaries for the quarter ended December 31, 1998, approximately \$731,500 of available assets could have been transferred to Adelphia at December 31, 1998, under the most restrictive covenants of the subsidiaries' credit agreements. The subsidiaries also have the ability to sell, dividend or distribute certain assets to other subsidiaries or Adelphia, which would have the net effect of increasing availability. At

December 31, 1998, the Company's unused credit lines were provided by reducing revolving credit facilities whose revolver periods expire through December 31, 2007. The Company's scheduled maturities of debt are currently \$101,402 for the year ending December 31, 1999.

At December 31, 1998, the Company's total outstanding debt aggregated \$3,527,452, which included \$1,810,212 of parent debt and \$1,717,240 of subsidiary debt. Bank debt interest rates are based upon one or more of the following rates at the option of Adelphia: prime rate plus 0% to 1.5%; certificate of deposit rate plus 1.25% to 2.75%; or LIBOR plus 1% to 2.5%. The Company's weighted average interest rate on notes payable to banks and institutions was approximately 8.11% at March 31, 1998, compared to 7.89% at December 31, 1998. At December 31, 1998, approximately 36% of subsidiary debt was subject to fixed interest rates for at least one year under the terms of such debt or applicable interest rate swap agreements. Approximately 65% of the Company's total indebtedness was at fixed interest rates as of December 31, 1998.

Adelphia has entered into interest rate swap agreements and interest rate cap agreements with banks and affiliates to reduce the impact of changes in interest rates on its debt. Adelphia enters into pay-fixed agreements to effectively convert a portion of its variable-rate debt to fixed-rate debt. Adelphia enters into receive-fixed agreements to effectively convert a portion of its fixed-rate debt to variable-rate debt which is indexed to LIBOR. Interest rate cap agreements are used to reduce the impact of increases in interest rates on variable rate debt. Adelphia is exposed to credit loss in the event of nonperformance by the banks and the affiliates. The Company does not expect any such nonperformance. At December 31, 1998, Adelphia would have had to pay approximately \$27,227 to settle its interest rate swap and cap agreements, representing the excess of carrying cost over fair market value of these agreements.

Financing Transactions

Adelphia, Excluding Hyperion

During the year ended March 31, 1998, Adelphia issued \$625,000 of Senior Notes and \$150,000 aggregate liquidation preference, 13% Cumulative Exchangeable Preferred Stock (the "Exchangeable Preferred Stock"), which is mandatorily redeemable in 2009.

During the year ended March 31, 1998, Adelphia also issued 100,000 shares of perpetual Series C Convertible Preferred Stock (the "Convertible Preferred Stock") with a par value of \$.01 per share and an aggregate liquidation preference of \$100,000 in a private placement of which \$80,000 was sold to a Rigas family affiliate and the remainder was sold to Telesat Cablevision, Inc., a wholly owned subsidiary of FPL Group, Inc., a New York Stock Exchange company and a 50% partner in Olympus. The Convertible Preferred Stock accrues dividends at the rate of 8 1/8% of the liquidation preference per annum, and is convertible at \$8.48 per share into an aggregate of 11,792,450 shares of Class A Common Stock of Adelphia. The Convertible Preferred Stock is redeemable at the option of Adelphia after three years from the date of issuance at a premium declining to the liquidation preference in 2002.

Proceeds from the sale of the Exchangeable Preferred Stock, the Senior Notes and the Convertible Preferred Stock were used to repay subsidiaries' senior notes and revolving credit facility borrowings.

On October 31, 1997, Adelphia redeemed \$202,000 aggregate principal amount of 12 1/2% Senior Notes due 2002 at 106% of principal.

During the nine months ended December 31, 1998, Adelphia issued \$300,000 of Senior Notes.

Also, during the nine months ended December 31, 1998, Adelphia issued 8,190,315 shares of Class A common stock to the public and to the Rigas family (principal shareholders and officers of Adelphia). Of this total, 4,100,000 shares were sold to the public at a price of \$32.00 per share, with an underwriting discount of \$1.44 per share. The remaining 4,090,315 shares were sold to entities controlled by the Rigas family at the public offering price less the underwriting discount. In a related transaction on September 14, 1998, the Company issued and sold 615,000 shares of Class A common stock at the offering price of \$32.00, with an underwriting discount of \$1.44 per share, pursuant to the underwriters' over-allotment option.

Proceeds from the sale of the Senior Notes and the Class A common stock were used to repay subsidiaries' senior notes and revolving credit facility borrowings.

On May 15, 1998, Adelphia redeemed the remaining \$69,838 of the 12 1/2% Senior Notes due 2002 at 103% of principal.

During the nine months ended December 31, 1998, Adelphia redeemed \$137,200 aggregate principal amount of subsidiary notes to banks and institutions. As a result of these transactions, Adelphia recognized an extraordinary loss on early retirement of debt of \$1,970.

During the nine months ended December 31, 1998, the Western New York Partnership closed on a \$700,000, 8 1/2 year credit facility. The credit facility consists of a \$350,000 reducing revolving credit portion and a \$350,000 term loan portion. Proceeds from initial borrowings were used to repay existing indebtedness.

Hyperion

During the year ended March 31, 1998, Hyperion issued \$250,000 aggregate principal amount of 12 1/4% Senior Secured Notes due 2004 and \$200,000 aggregate liquidation preference 12 7/8% Senior Exchangeable Redeemable Preferred Stock due 2007. Net proceeds from these transactions have been used primarily used to fund capital expenditures, working capital, potential increases in ownership interests in existing networks and for general corporate purposes.

During the nine months ended December 31, 1998, Hyperion successfully completed an IPO of Hyperion Stock. As part of the offering, Adelphia purchased an incremental 3,324,001 shares of Hyperion Stock for \$49,900 and converted indebtedness owed to the Company by Hyperion into 3,642,666 shares of Hyperion Stock. In addition, Adelphia purchased warrants issued by Hyperion to MCI Metro Access Transmission Services, Inc., and purchased shares of Hyperion Class B common stock from certain executive officers of Hyperion for a total purchase price of approximately \$12,580 and \$3,000, respectively. Adelphia owns approximately 66% of the Hyperion common stock on a fully diluted basis and 86% of the total voting power. Additional net proceeds of \$191,411 to Hyperion were received as a result of the sale of 12,500,000 shares of Hyperion Stock to the public. In a related transaction on June 5, 1998, Hyperion issued and sold 350,000 shares of its Class A common stock at the \$16.00 IPO price pursuant to the underwriters' over allotment option in the IPO. As a result of the IPO, Adelphia's additional paid-in capital increased approximately \$147,000 and minority interests increased approximately \$45,000. Net proceeds from this transaction have been used primarily to fund capital expenditures, working capital, increases in ownership interests in existing networks and for general corporate purposes.

For additional information regarding Adelphia's and Hyperion's financing transactions, see Notes 3, 4, 6 and 13 to Adelphia's Consolidated Financial Statements.

Acquisitions

Adelphio, excluding Hyperion

For the nine months ended December 31, 1998, Adelphia acquired (i) cable systems serving approximately 11,250 subscribers in southern New York for an aggregate price of \$11,500, (ii) cable systems serving approximately 2,000 subscribers in western Pennsylvania for an aggregate price of \$1,900, and (iii) cable systems serving approximately 62,000 subscribers in Connecticut and Vermont for an aggregate price of \$150,126. These acquisitions further contributed to Adelphia's existing clusters. See Note 1 to Adelphia's Consolidated Financial Statements for a further discussion of acquisitions.

On April 1, 1998, Adelphia and its affiliates and Time Warner Entertainment and an affiliate ("Time Warner") traded certain cable systems. Adelphia exchanged its systems serving 64,400 subscribers primarily in the Mansfield, Ohio area for systems owned by Time Warner cable companies serving 70,200 subscribers adjacent to systems owned or managed by Adelphia in Virginia, New England and New York.

On July 31, 1998, Adelphia consummated its transaction with AT&T to form a joint venture limited partnership in the Western New York region (the "Western New York Partnership"). Pursuant to this agreement, Adelphia contributed its Western New York and Lorain, Ohio systems totaling approximately 298,000 subscribers and certain programming assets and \$440,000 in debt. Subsidiaries of AT&T contributed their cable systems in Buffalo, New York; Erie, Pennsylvania; and Ashtabula and Lake County, Ohio, totaling approximately 171,000 subscribers and \$228,000 in debt. Adelphia and AT&T hold a 66.7% and 33.3% interest, respectively, in the partnership. Adelphia manages the partnership and consolidates the

partnership's results of operations for financial reporting purposes beginning on the acquisition date

distributed to Adelphia without indebtedness. Common Stock, \$.01 par value. Simultaneously, SHHH, L.P. distributed certain SHHH, L.P. cable systems, which serve Managed Partnership and certain affiliate receivables owed to Adelphia. The Virginia and North Carolina Systems were in exchange for the interest acquired by Adelphia from AT&T as described above, Adelphia's Preferred equity investment in approximately 34,100 subscribers, in Virginia and North Carolina (the "Virginia and North Carolina Systems") to Adelphia, interest in Syracuse Hilton Head Holdings, L.P. ("SHHH, L.P."), an Adelphia managed partnership controlled by the Rigas Family. Pursuant to the merger agreement, AT&T received 2,250,000 newly issued shares of the Company's Class A On September 30, 1998, Adelphia merged a subsidiary of the Company with the subsidiary of AT&T that held an

related use of capital resources to consummate them, see "Introduction" above and Note 13 to Adelphia's Consolidated Financial Statements For information regarding acquisitions subsequent to December 31, 1998, including the Pending Acquisitions and the

Resources

a function of applicable ratios of total debt to cash flow current credit facilities and to enter into refinancings and new financings is limited by covenants contained in Adelphia's although no assurance can be given that any such transactions will be consummated. The Company's ability to borrow under the future issuance by Adelphia, or its subsidiaries, of public or private equity or debt and the negotiation of new or amended The Company plans to continue to explore and consider new commitments, arrangements or transactions to refinance existing debt, increase the Company's liquidity or decrease the Company's leverage. These could include, among other things, credit facilities. These could also include entering into acquisitions, joint ventures or other investment or financing activities, indentures and its subsidiaries' credit agreements, including covenants under which the ability to incur indebtedness is in part

can be no assurance that the Company will be able to do so in the future or that the terms of such financings would be requirements. Although in the past the Company has been able to refinance its indebtedness or obtain new financing, there facilities, and finure financing sources will be sufficient to meet its short-term and long-term liquidity and capital The Company believes that cash and cash equivalents, internally generated funds, borrowings under existing credit

Consolidated Financial Statements Acquisitions and related use of capital resources to consummate them, see "Introduction" above and Note 13 to Adelphia's For information regarding significant events and financings subsequent to December 31, 1998, including the Pending

continues to be in a period of consolidation characterized by mergers, joint ventures, acquisitions, sales of all or part of cable its business through the acquisition of additional cable television systems in geographic proximity to its existing regional markets or in locations that can serve as a basis for new market areas. The Company, like other telecommunications companies or their assets, and other partnering and investment transactions of various structures and sizes involving cable or variety of potential transactions, and the Company has considered and expects to continue to consider and explore potential companies, has participated from time to time and is participating in preliminary discussions with third parties regarding a other telecommunications companies. The Company continues to evaluate new opportunities that allow for the expansion of to whether any such transaction may be consummated or, if so, when transactions of various types with other cable and telecommunications companies. However, no assurances can be given as Management believes that the telecommunications industry, including the cable television and telephone industries,

Affiliates

Olympus, which entitle the Company to a 16.5% per annum priority return. The remaining equity in Olympus consists of Ohmpus. The Company serves as the managing general partner of Olympus and, as of December 31, 1998, held \$5 of voting general partnership interests representing, in the aggregate, 50% of the voting interests of Olympus. The Company also held, as of December 31, 1998, approximately \$366,861 aggregate principal amount of nonvoting PLP interests in voting and non-voting partnership interests held by FPL Group

\$149,213. In the transaction, Adelphia purchased 1,091,524 shares of Class A common stock and 20,000 shares of Series C On January 29, 1999, Adelphia purchased from Telesat shares of Adelphia's stock owned by Telesat for a price of Cumulative convertible preferred stock which are convertible into an additional 2,358,490 shares of Class A common stock. These shares represent 3,450,014 shares of common stock on a fully converted basis. Adelphia and Telesat also agreed to a redemption of Telesat's interests in Olympus by July 11, 1999 for approximately \$108,000. The redemption is subject to applicable third party approvals.

During the year ended March 31, 1997, the Company received net distributions and advances from Olympus totaling \$9,012. During the year ended March 31, 1998 and the nine months ended December 31, 1998, the Company made net investments in and advances to Olympus totaling \$11,466 and \$222,610, respectively. The increase in the investments and advances to Olympus for the nine months ended December 31, 1998 is due primarily to acquisitions. During the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, the Company received priority investment income from Olympus of \$42,086, \$47,765 and \$36,000, respectively.

The Olympus limited partnership agreement requires approval by the holders of 85% of the voting interests for, among other things, significant acquisitions and dispositions of assets, and the issuance of certain partnership interests, and also requires approval by the holders of 75% of the voting interests for, among other things, material amendments to the Olympus partnership agreement, certain financings and refinancings, certain issuances of PLP interests, certain transactions with related parties and the adoption of annual budgets.

During the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, Olympus acquired several cable and security systems, adding approximately 128,000 subscribers for approximately \$269,900. Olympus also completed a financing arrangement for \$200,000 in November 1996. For additional information regarding Olympus acquisitions and financings, see Notes 1 and 3 to Olympus' Consolidated Financial Statements.

The Selected Financial Data and Management's Discussion and Analysis of Financial Condition and Results of Operations for Olympus for each of the three years in the period ended December 31, 1998, which appear in Items 6 and 7 of the Annual Report on Form 10-K of Olympus Communications, L.P. and Olympus Capital Corporation for the year ended December 31, 1998, are incorporated herein by reference.

Managed Partnerships. On September 29, 1993, the Board of Directors of the Company authorized the Company to make loans in the future to the Managed Partnerships up to an amount of \$50,000. During the year ended March 31, 1998, the Company made advances in the net amount of \$21,458 to these and other related parties, primarily for capital expenditures and working capital purposes. During the year ended March 31, 1997 and the nine months ended December 31, 1998, the Managed Partnerships and other related parties repaid advances in the net amounts of \$34,250 and \$8,150, respectively.

Recent Accounting Pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," has been issued and is effective for fiscal quarters of fiscal years beginning after June 15, 1999. SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Management of Adelphia has not completed its evaluation of the impact of SFAS No. 133 on Adelphia's consolidated financial statements. Statement of Position ("SOP") 98-5, "Reporting on the Costs of Start-Up Activites", has been issued and is effective for fiscal years beginning after December 15, 1998. SOP 98-5 provides guidance on the financial reporting of start up costs and organization costs. It requires such costs to be expensed as incurred. Management of Adelphia believes that SOP 98-5 will not have a material impact on Adelphia's consolidated financial statements.

Inflation

In the two fiscal years in the period ended March 31, 1998 and the nine months ended December 31, 1998, inflation did not have a significant effect on the Company. Periods of high inflation could have an adverse effect to the extent that increased borrowing costs for floating-rate debt may not be offset by increases in subscriber rates. At December 31, 1998, after giving effect to interest rate hedging agreements, approximately \$772,350 of the Company's total debt was subject to floating interest rates.

Regulatory and Competitive Matters

The cable television operations of the Company may be adversely affected by changes and developments in governmental regulation, competitive forces and technology. The cable television industry and the Company are subject to extensive regulation at the federal, state and local levels. The 1992 Cable Act significantly expanded the scope of regulation of certain subscriber rates and a number of other matters in the cable industry, such as mandatory carriage of local broadcast stations and retransmission consent, and increased the administrative costs of complying with such regulations. The FCC has adopted rate regulations that establish, on a system-by-system basis, maximum allowable rates for (i) basic and cable programming services (other than programming offered on a per-channel or per-program basis), based upon a benchmark methodology, and (ii) associated equipment and installation services based upon cost plus a reasonable profit. Under the FCC rules, franchising authorities are authorized to regulate rates for basic services and associated equipment and installation services, and the FCC will regulate rates for regulated cable programming services in response to complaints filed with the agency. The 1996 Act ended FCC regulation of cable programming service tier rates on March 31, 1999.

Rates for basic services are set pursuant to a benchmark formula. Alternatively, a cable operator may elect to use a costof-service methodology to show that rates for basic services are reasonable. Refunds with interest will be required to be paid
by cable operators who are required to reduce regulated rates. The FCC has reserved the right to reduce or increase the
benchmarks it has established. The rate regulations also limit increases in regulated rates to an inflation indexed amount plus
increases in certain costs such as taxes, franchise fees, costs associated with specific franchise requirements and increased
programming costs. Cost-based adjustments to these capped rates can also be made in the event a cable operator adds or
deletes channels or completes a significant system rebuild or upgrade. Because of the limitation on rate increases for
regulated services, future revenue growth from cable services will rely to a much greater extent than has been true in the past
on increased revenues from unregulated services and new subscribers than from increases in previously unregulated rates.

The FCC has adopted regulations implementing all of the requirements of the 1992 Cable Act. The FCC is also likely to continue to modify, clarify or refine the rate regulations. Adelphia cannot predict the effect of the 1996 Act or future rulemaking proceedings or changes to the rate regulations.

Cable television companies operate under franchises granted by local authorities which are subject to renewal and renegotiation from time to time. Because such franchises are generally non-exclusive, there is a potential for competition with the systems from other operators of cable television systems, including public systems operated by municipal franchising authorities themselves, and from other distribution systems capable of delivering television programming to homes. The 1992 Cable Act and the 1996 Act contain provisions which encourage competition from such other sources. The Company cannot predict the extent to which competition will materialize from other cable television operators, local telephone companies, other distribution systems for delivering television programming to the home, or other potential competitors, or, if such competition materializes, the extent of its effect on the Company.

The 1996 Act repealed the prohibition on CLECs from providing video programming directly to customers within their local exchange areas other than in rural areas or by specific waiver of FCC rules. The 1996 Act also authorized CLECs to operate "open video systems" ("OVS") without obtaining a local cable franchise, although CLECs operating such a system can be required to make payments to local governmental bodies in lieu of cable franchise fees. Where demand exceeds capacity, up to two-thirds of the channels on an OVS must be available to programmers unaffiliated with the CLEC. The statute states that the OVS scheme supplants the FCC's "video dialtone" rules. The FCC has promulgated rules to implement the OVS concept, and New Jersey Bell Telephone Company has been granted permission to convert its video dialtone authorization in Dover Township, New Jersey to an OVS authorization.

The Company believes that the provision of video programming by telephone companies in competition with the Company's existing operations could have an adverse effect on the Company's financial condition and results of operations. At this time, the impact of any such effect is not known or estimable.

The Company also competes with DBS service providers. DBS has been available to consumers since 1994. A single DBS satellite can provide more than 100 channels of programming. DBS service can be received virtually anywhere in the United States through the installation of a small outdoor antenna. DBS service is being heavily marketed on a nationwide basis by several service providers. At this time, any impact of DBS competition on the Company's future results is not known or estimable.

Year 2000 Issues

The year 2000 issue refers to the inability of computerized systems and technologies to recognize and process dates beyond December 31, 1999. The Company is evaluating the impact of the year 2000 issue on its business applications and its products and services. The evaluation includes a review of the Company's information technology systems, cable network equipment and other embedded technologies. A significant portion of the Company's computerized systems and technologies have been developed, installed or upgraded in recent years and are generally more likely to be year 2000 ready. The Company is also evaluating the potential impact as a result of its reliance on third-party systems that may have year 2000 issue.

Computerized business applications that could be adversely affected by the year 2000 issue include:

- information processing and financial reporting systems;
- customer billing systems;
- customer service systems;
- telecommunication transmission and reception systems; and
- facility systems.

System failure or miscalculation could result in an inability to process transactions, send invoices, accept customer orders or provide customers with products and services. Customers could also experience a temporary inability to receive or use the Company's products and services.

The Company has developed a program to assess and address the year 2000 issue. This program consists of the following phases:

- inventorying and assessing the impact on affected technology and systems;
- developing solutions for affected technology and systems;
- modifying or replacing affected technology and systems;
- testing and verifying solutions;
- implementing solutions; and
- developing contingency plans.

The Company has substantially completed inventorying and assessing the affected computerized systems and technologies. The Company is in various stages of its year 2000 compliance program with respect to the remaining phases as it relates to the affected systems and technologies.

The Company has engaged a consulting firm familiar with its financial reporting systems. This firm has developed and tested year 2000 solutions that the Company is in the process of implementing. The Company expects its financial reporting systems to be year 2000 compliant by July 1999.

A third-party billing vendor currently facilitates customer billing. The Company is currently in the process of testing an in-house service ordering, provisioning, maintenance and billing system that would replace the third-party billing vendor. The Company expects to have this new system implemented by August 1999. On a contingency basis, the third-party vendor implemented its own year 2000 solution in April 1999.

Telecommunication plant rebuilds and upgrades in recent years have minimized the potential impact of the year 2000 issue on the Company's facilities, customer service, telecommunication transmission and reception systems. The Company is engaged in a comprehensive internal inventory and assessment of all hardware components and component controlling software throughout its telecommunication networks. The Company expects to implement any hardware and software modifications, upgrades or replacements resulting from the internal review by August 1999.

Costs incurred to date directly related to addressing the year 2000 issue have been approximately \$750. The Company has also redeployed internal resources to meet the goals of its year 2000 program. The Company currently estimates the total cost of its year 2000 remediation program to be approximately \$3,500. Although the Company will continue to incur substantial capital expenditures in the ordinary course of meeting its telecommunications system upgrade goals through the year 2000, it will not specifically accelerate its expenditures to facilitate year 2000 readiness, and accordingly such expenditures are not included in the above estimate.

2000 readiness and to determine the extent to which the Company is vulnerable to the year 2000 issue related to those third estimate the extent of any such adverse effects other companies on which the Company's systems rely will be year 2000 ready or timely converted into systems compatible parties. The Company purchases much of its technology from third parties. There can be no assurance that the systems of with the Company systems. The Company's failure or a third-party's failure to become year 2000 ready or the Company's nability to become compatible with third parties with which the Company has a material relationship, may have a material dverse effect on the Company, including significant service interruption or outages; however, the Company cannot currently The Company has begun communicating with others with whom it does significant business to determine their year

to be year 2000 ready could lead to a significant delay in the Company's ability to provide its service to its customers becomes probable that any of its systems will not be year 2000 ready prior to the end of 1999. The Company is also in the process of identifying secondary vendors and service providers to replace those vendors and service providers whose failure The Company is in the process of identifying secondary sources to supply its systems or services in the event it

TIEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

(Dollars in thousands

December 31, 1998. exposed to credit loss in the event of non-performance by the banks. of incurring higher interest costs due to rising interest rates. As of December 31, 1998, the Company had interest rate swap of 7.82%. The Company does not enter into any interest rate swap or cap agreements for trading purposes. The Company is reduce the risk of incurring higher interest costs due to rising interest rates. As of December 31, 1998, the Company had variable-rate debt which is indexed to LIBOR to reduce the risk of incurring higher interest costs in periods of falling interest agreements covering notional principal of \$650,000 that expire through 2008 and that fix the interest rate at an average of enters into pay-fixed agreements to effectively convert a portion of its variable-rate debt to fixed-rate debt to reduce the risk acquisitions. These debt arrangements expose the Company to market risk related to changes in interest rates. The Company rates. As of December 31, 1998, the Company had interest rate swap agreements covering notional principal of \$45,000 that expire through 2003 and that have a variable rate at an average of 5.32%. The Company enters into interest rate caps to nterest rate cap agreements covering a notional amount of \$140,000, which expire in 1999 and cap rates at an average rate ummarizes the fair values and contract terms of the Company's financial instruments subject to interest rate risk as of The Company uses fixed and variable rate debt to fund its working capital requirements, capital expenditures and The Company also enters into receive-fixed agreements to effectively convert a portion of its fixed-rate debt to a No such non-performance is expected. The table below

				Expe	ect	ted Maturi	ty							Fair
	1	1999		2000		2001		2002	21	2003	T	hereafter	Total	Value
Debt and Redeemable Proferred Stock:														
Fixed Rate Average Interest Rate	s	12,375 10.63%	s	112,375 S 10.64%	5	3,000 10.65%	s	325,000 10.69%	s	453,000 10.71%	s	1,870,021 10.74%	\$ 2,775,771	\$ 2,807,970
Variable Rate Average Interest Rate		88,262 6.43%		122,002 6.46%		184,834 6.74%		212,412 6.94%		235,577 7.27%		375,619 7.11%	1,218,706	1,218,706
Interest Rate Swaps and Caps:														
Variable to Fixed	5	175,000	5	. 5	5		s		s		5	475,000	\$ 650,000	\$ (28,316)
Average Pay Rate Average Receive Rate		6.55% 5.33%										6.55% 5.61%	:	
Fixed to Variable										45,000			45,000	1,112
Average Pay Rate										5.32%				
Average Receive Rate						•				5.46%		•		•
Interest Rate Caps		140,000											140,000	(23)
Average Cap Rate		7.82%												

Interest rates on variable debt are estimated by us using the average implied forward London Interbank Offer Rate ("LIBOR") rates for the year of maturity based on the yield curve in effect at December 31, 1998, plus the borrowing margin in effect at December 31, 1998. Average receive rates on the variable to fixed swaps are estimated by us using the average implied forward LIBOR rates for the year of maturity based on the yield curve in effect at December 31, 1998.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of Adelphia and related notes thereto and independent auditors' report follow.

The consolidated financial statements of Olympus and related notes thereto and independent auditors' report dated March 19, 1999, appearing in Item 8 of the Annual Report on Form 10-K of Olympus Communications, L.P. and Olympus Capital Corporation for the year ended December 31, 1998, are incorporated by reference in this Transition Report on Form 10-K.

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INDEPENDENT AUDITORS' REPORT

Adelphia Communications Corporation:

We have audited the accompanying consolidated balance sheets of Adelphia Communications Corporation and subsidiaries as of March 31, 1998 and December 31, 1998, and the related consolidated statements of operations, of convertible preferred stock, common stock and other stockholders' equity (deficiency), and of cash flows for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998. Our audits also included the financial statement schedules listed in the Index at Item 14. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Adelphia Communications Corporation and subsidiaries at March 31, 1998 and December 31, 1998, and the results of their operations and their cash flows for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

Pittsburgh, Pennsylvania May 17, 1999

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share amounts)

	March 31, 1998		December 31, 1998	
ASSETS:				
Property, plant and equipment—net	S	918,637	\$ 1,207,655	
Intangible assets—net		695,104	1,029,159	
Cash and cash equivalents		276,895	398,644	
U.S. government securities—pledged		70,535	58,054	
Investments		127,827	196,893	
Preferred equity investment in Managed Partnership		18,338		
Subscriber receivables—net		30,551	53,911	
Prepaid expenses and other assets—net		114,526	114,625	
Investment in and amounts due from Olympus			191,408	
Related party receivables—net	_	52,258	44,108	
Total	5	2,304,671	\$ 3,294,457	
LIABILITIES, PREFERRED STOCK, COMMON STOCK AND OTHER STOCKHOLDERS' EQUITY (DEFICIENCY):				
Subsidiary debt	5	1,329,471	\$ 1,717,240	
Parent debt		1,580,274	1,810,212	
Accounts payable		65,019	96,985	
Subscriber advance payments and deposits		17,129	19,377	
Accrued interest and other liabilities		98,087	137,131	
Deferred income taxes	_	116,351	109,609	
Total liabilities	_	3,206,331	3,890,554	
Minority interests	_	27,737	48,784	
Cumulative equity in loss in excess of investment in and amounts due from Olympus	_	31,202		
Hyperion redeemable exchangeable preferred stock	_	207,204	228,674	
Series A cumularive redeemable exchangeable preferred stock	_	148,062	148,191	
Commitments and contingencies (Note 5)				
Convertible preferred stock, common stock and other stockholders' equity (deficiency):				
8 1/8% Series C convertible preferred stock (\$100,000 liquidation preference)		1	1	
Class A common stock, 5.01 par value, 200,000,000 shares authorized, 20,043,528 and 31,258,843 shares outstanding, respectively		200	313	
Class B common stock, \$.01 par value, 25,000,000 shares authorized, 10,944,476 and 10,834,476 shares outstanding, respectively		109	108	
Additional paid-in capital		331,263	738,102	
Accumulated deficit		(1,647,438)	(1,760,270)	
Convertible preferred stock, common stock and other				
stockholders' equity (deficiency)	_	(1,315,865)	(1,021,746)	
Total	5	2,304,671	\$ 3,294,457	

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

	Year End	ed March 31,	Nine Months Ended December 31,
	1997	1998	1998
Revenues	\$ 472,778	5 528,442	\$ 507,155
Operating expenses:			
Direct operating and programming	148,982	167,288	167,963
Selling, general and administrative	81,763	95,731	107,249
Depreciation and amortization	124,066	145,041	140,823
Total	354,811	408,060	416,035
Operating income	117,967	120,382	91,120
Other income (expense):			
Priority investment income from Olympus	42,086	47,765	36,000
Interest expense - net (see Note 1)	(232,325)	(247,107)	(191,593)
Equity in loss of Olympus and other joint ventures	(51,946)		(48,891)
Equity in loss of Hyperion joint ventures	(7,223)	(12,967)	(9,580)
Minority interest in net losses of subsidiaries			25,772
Hyperion preferred stock dividends		(12,682)	(21,536)
Gain on sale of investments	12,151	2,538	
Other income			1,113
Total	(237,257)	(288,542)	(208,715)
Loss before income taxes and extraordinary loss	(119,290)	(168,160)	(117,595)
Income tax benefit	358	5,606	6,802
Loss before extraordinary loss	(118,932)	(162,554)	(110,793)
Extraordinary loss on early retirement of debt	(11,710)	(11,325)	(4,337)
Net loss	(130,642)	(173,879)	(115,130)
Dividend requirements applicable to preferred stock		(18,850)	(20,718)
Net loss applicable to common stockholders	<u>s (130,642)</u>	s (192,729)	5 (135,848)
Basic and diluted net loss per weighted average share of common stock before extraordinary loss	s (4.50)	s (6.07)	s (3.63)
Basic and diluted extraordinary loss on early retirement of debt per			
weighted average share of common stock	(0.44)	(0.38)	(0.12)
Basic and diluted net loss per weighted average share of common stock	s (4.94)	s (6.45)	s (3.75)
Weighted average shares of common stock outstanding (in thousands)	26,411	29,875	36,226

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK, COMMON STOCK AND OTHER STOCKHOLDERS' EQUITY (DEFICIENCY) (Dollars in thousands)

	Series C							
	Convertible Preferred Stock	Con	nas A nason lock	C	lass B compo Stock	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, March 31, 1996 Issuance of Class A common	s .	s	154	s	109	\$ 214,415	\$ (1,342,917)	\$ (1,128,239)
stock for cable television assets Net loss			7			4,993	(130,642)	5,000 (130,642)
		_		_				
Balance, March 31, 1997 Issuance of Class A common			161		109	219,408	(1,473,559)	(1,253,881)
stock for cable television assets			39			33,792		33,831
Issuance of Series C convertible preferred stock	1					96,999		97,000
Dividend requirements applicable to exchangeable preferred stock						(14,246)		(14,246)
Dividend requirements applicable to convertible preferred stock						(4,604)		(4,604)
Other						(86)		(86)
Net loss							(173,879)	(173,879)
Balance, March 31, 1998			200		109	331,263	(1,647,438)	(1,315,865)
Hyperion issuance of Class A								
common stock Issuance of Class A common stock						146,440		146,440
to the public			88			267,838		267,926
Dividend requirements applicable to								
exchangeable preferred stock						(14,625)	•	(14,625)
Dividend requirements applicable to convertible preferred stock						(6.093)		(6,093)
Issuance of Class A common stock						(0.0,0)		(0,075)
for affiliate cable television assets			23			77,085		77,108
Excess of purchase price over								
carrying value of cable television assets purchased from affiliate						(63,676)		(63,676)
Conversion of Class B common						(05,070)		(05,0,0)
stock into Class A common stock			1		(1)			
Other			1			(130)	2,298	2,169
Net loss					•		(115,130)	(115,130)
Balance, December 31, 1998	<u>s 1</u>	s	313	5	108	\$ 738,102	S (1,760,270)	5 (1,021,746)

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (Dollars in thousands)

		Year Ended 1997	March 31, 1998	Ended December 31, 1998
Cash flows from operating activities: Net loss	s	(130,642)	\$ (173,879)	\$ (115,130)
Adjustments to reconcile net loss to net cash provided by		,,.,,		
operating activities:				
Depreciation and amortization		124,066	145,041	140,823
Noncash interest expense		41,360	37,430	23,663
Noncash dividends		11,500	12,682	21,536
		51.946	66,089	48,891
Equity in loss of Olympus and other joint ventures				
Equity in loss of Hyperion joint ventures		7,223	12,967	9,580
Gain on sale of investments		(12,151)	(2,538)	
Minority interest in losses of subsidiaries				(25,772)
Extraordinary loss on early retirement of debt		11,710	11,325	4,337
Decrease in deferred taxes, net of effects of acquisitions		(500)	(6,305)	(6,510)
Changes in operating assets and liabilities, net of				
effects of acquisitions:				
Subscriber receivables		(813)	(4,351)	(19,874)
에 내용하는 사람들이 내려가 있는데 되었다. 이렇게 하면 유럽을 가서 우리 우리 우리 아내는데 하면 하면 하면 하면 하면 하면 하면 하는데 하는데 나를 하면 하면 하는데 나를 하는데 나를 하는데		(27,858)	(23,437)	(6,942)
Prepaid expenses and other assets				
Accounts payable		(9,784)	4,282	31,029
Subscriber advance payments and deposits		1,298	658	1,678
Accrued interest and other liabilities		(12,854)	(13,694)	31,051
Net cash provided by operating activities		43,001	66,270	138,360
Cash flows used for investing activities:				
Acquisitions		(143,412)	(146,546)	(403,851)
Expenditures for property, plant and equipment		(129,609)	(183,586)	(255,797)
Investments in Hyperion joint ventures		(34,769)	(64,260)	(69,018)
Investments in other joint ventures		(16,646)	(22,591)	(12,540)
		(10,040)	(
Purchase of minority interest in Hyperion			(82 400)	(15,580)
Investment in U.S. government securities—pledged			(83,400)	:
Sale of U.S. government securities – pledged			15,653	15,312
Amounts invested in and advanced to Olympus				
and related parties		(9,229)	(91,468)	(274,216)
Proceeds from sale of investments		11,618	12,678	
Net cash used for investing activities		(322,047)	(563,520)	(1,015,690)
Cash flows from financing activities:				
Proceeds from debt		1.280,649	1,298,137	836,176
Repayments of debt		(933,517)	(977,591)	(269,778)
Costs associated with debt financings		(20,236)	(20,498)	(7,125)
Premium paid on early retirement of debt		(8,207)	(12,153)	(3,634)
Issuence of Hamerica Class A common stock		(0,207)	(12,133)	205,599
Issuance of Hyperion Class A common stock				
Issuance of Class A common stock				275,880
Costs associated with issuances of common stock				(22,196)
Proceeds from Hyperion's issuance of warrants		11,087	•	
Issuance of redeemable exchangeable preferred stock			147,976	
Issuance of convertible preferred stock			97,000	
Issuance of Hyperion redeemable exchangeable preferred stock			194,522	
Preferred stock dividends paid	700		(14,787)	(15,843)
Net cash provided by financing activities		329,776	712,606	999,079
		50 730	216.266	131 740
Increase in cash and cash equivalents Cash and cash equivalents, beginning of period		50,730 10,809	215,356 61,539	121,749 276,895
Cash and cash equivalents, end of period	s	61,539		\$ 398,644
Supplemental disclosure of cash flow activity—				
Cash payments for interest	5	203,939	S 220,888	\$ 162,113

(Dollars in thousands, except per share amounts)

1. The Company and Summary of Significant Accounting Policies:

The Company and Basis for Consolidation

Adelphia Communications Corporation and subsidiaries ("Adelphia") owns, operates and manages cable television systems and other related telecommunications businesses. Adelphia's operations consist primarily of selling video programming which is distributed to subscribers for a monthly fee through a network of fiber optic and coaxial cables. These services are offered in the respective franchise areas under the name Adelphia. Hyperion Telecommunications, Inc. and subsidiaries ("Hyperion") is a consolidated subsidiary of Adelphia which owns, operates and manages entities which provide competitive local exchange carrier ("CLEC") telecommunications services under the name Hyperion Communications.

On March 30, 1999, the Board of Directors of Adelphia changed Adelphia's fiscal year from March 31 to December 31. The decision was made to conform to general industry practice and for administrative purposes. The change became effective for the nine months ended December 31, 1998.

The consolidated financial statements include the accounts of Adelphia and its more than 50% owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

During the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, Adelphia consummated several acquisitions, each of which was accounted for using the purchase method. Accordingly, the financial results of each acquisition have been included in the consolidated results of Adelphia effective from the date acquired.

On April 1, 1996, Adelphia acquired cable systems from Cable TV Fund 11-B, Ltd. These systems served approximately 39,700 subscribers at the acquisition date located in the New York counties of Erie and Niagara and were purchased for an aggregate price of \$84,267.

On July 12, 1996, Adelphia acquired cable systems from First Carolina Cable TV, L.P. These systems served approximately 32,500 subscribers at the acquisition date primarily located in Vermont and were purchased for an aggregate price of \$48,500.

On February 10, 1997, Adelphia acquired cable systems from Small Cities Cable Television, L.P. and Small Cities Cable Television, Inc.. These systems served approximately 6,000 subscribers at the acquisition date, primarily located in Vermont and were purchased for an aggregate price of \$12,000 in cash and Adelphia Class A common stock.

On June 20, 1997, Adelphia acquired cable systems from Booth Communications Company. These systems served approximately 25,800 subscribers at the acquisition date in the Virginia cities of Blacksburg and Salem and were purchased for an aggregate price of \$54,500 in cash and Adelphia Class A common stock.

On September 12, 1997, Hyperion consummated an agreement with Time Warner Entertainment-Advance/Newhouse ("TWEAN") to exchange interests in four New York CLEC networks. As a result of the transaction, Hyperion paid TWEAN \$7,638 and increased its ownership in the networks serving Buffalo and Syracuse, New York to 60% and 100%, respectively, and eliminated its interest in the Albany and Binghamton networks, which became wholly owned by TWEAN.

On November 7, 1997, Adelphia acquired approximately 61% of the partnership interests in two cable systems from U.S. Cable Corporation. These systems served approximately 20,300 subscribers at the acquisition date in the western New York area and were purchased for an aggregate price of \$20,737.

On November 22, 1997, Adelphia acquired a cable system from Memphrecom, Inc. This system served approximately 3,400 subscribers at the acquisition date in Vermont and was purchased for an aggregate price of \$8,096.

On December 3, 1997, Adelphia exchanged its interest in Oxford, North Carolina, a system which served approximately 4,400 subscribers, for TWEAN's interest in its DuBois, Pennsylvania system, which served approximately 3,800 subscribers.

On December 31, 1997, Adelphia acquired 82% of the partnership interests in Tele-Media Company of Tri States, L.P. The systems acquired in this transaction served approximately 16,000 subscribers at the acquisition date in Pennsylvania, Maryland and West Virginia and were purchased for an aggregate price of \$23,615.

(Dollars in thousands, except per share amounts)

On February 12, 1998, Hyperion issued a warrant for 731,624 shares of Hyperion Class A Common Stock to its 50% partner in Hyperion of Harrisburg in exchange for such partnership interest.

On February 12, 1998, Hyperion acquired the remaining partnership interests in its Buffalo, NY, Louisville, KY and Lexington, KY networks for approximately \$18,300.

On February 12, 1998, Hyperion acquired the remaining partnership interests in its Morristown and New Brunswick, NJ networks for approximately \$26,328.

On March 6, 1998, Adelphia exercised its option to purchase the remaining 15% of its Northeast Cable, Inc. system. Adelphia issued 341,220 shares of Class A common stock to the sellers in connection with this purchase.

On April 1, 1998, Adelphia exchanged its interest in Mansfield, Ohio area systems, which served approximately 64,400 subscribers and approximately \$11,000 cash for Time Warner Entertainment's interests in systems adjacent to systems owned or managed by Adelphia in Virginia, New England and New York, which served approximately 70,200 subscribers.

On June 5, 1998, Adelphia acquired cable systems from Cablevision Systems. These systems served approximately 11,250 subscribers at the acquisition date in southern New York and were purchased for an aggregate price of \$11,500.

On July 31, 1998, Adelphia consummated its transaction with AT&T to form a joint venture limited partnership in the Western New York region (the "Western New York Partnership"). Pursuant to this agreement, Adelphia contributed its Western New York and Lorain, Ohio systems totaling approximately 298,000 subscribers and certain programming assets and \$440,000 in debt. Subsidiaries of AT&T contributed their cable systems in Buffalo, New York; Erie, Pennsylvania; and Ashtabula and Lake County, Ohio, totaling approximately 171,000 subscribers and \$228,000 in debt. Adelphia and AT&T hold a 66.7% and 33.3% interest, respectively, in the partnership. Adelphia manages the partnership.

On September 1, 1998, a majority owned subsidiary of Adelphia acquired cable systems from Marcus Cable. These systems served approximately 62,000 subscribers at the acquisition date in Connecticut and Virginia and were purchased for an aggregate price of \$150,126.

On September 30, 1998, Adelphia merged one of its subsidiaries with the subsidiary of AT&T that held an interest in Syracuse Hilton Head Holdings, L.P. ("SHHH, L.P."), an Adelphia managed partnership controlled by the Rigas family, principal stockholders of Adelphia. Pursuant to the merger agreement, AT&T received 2,250,000 newly issued shares of Adelphia's Class A common stock. Simultaneously, SHHH, L.P. distributed certain cable systems, which served approximately 34,100 subscribers, in Virginia and North Carolina to Adelphia, in exchange for the interest acquired by Adelphia from AT&T as described above, Adelphia's preferred equity investment in Managed Partnership and certain affiliate receivables owed to Adelphia.

The following unaudited financial information assumes that the acquisitions that were consummated during the nine months ended December 31, 1998 had occurred on April 1, 1996.

		Year Ende	d Ma	rch 31,		Ended
		1997		1998		1998
Revenue	S	597,418	5	652,367	5	554,352
Loss before extraordinary loss		132,990		174,216		115,280
Net loss		144,700		185,541		119,617
Basic and diluted net loss per weighted						
average share of common stock		5.05		6.36		3.72

Investment in Olympus Joint Venture Partnership

The investment in the Olympus Communications, L.P. ("Olympus") joint venture partnership comprises both limited and general partner interests. The general partner interest represents a 50% voting interest in Olympus and is being accounted for using the equity method. Under this method, Adelphia's investment, initially recorded at the historical cost of contributed property, is adjusted for subsequent capital contributions and its share of the losses of the partnership as well as its share of

(Dollars in thousands, except per share amounts)

the accretion requirements of the partnership's interests. The limited partner interest represents a preferred interest ("PLP interests") entitled to a 16.5% annual return. At March 31, 1997 and 1998 and December 31, 1998, Adelphia owned \$271,546, \$325,911 and \$366,861 in Olympus PLP Interests, respectively.

The PLP interests are nonvoting, are senior to claims of certain other partner interests, and provide for an annual priority return of 16.5%. Olympus is not required to pay the entire 16.5% return currently and priority return on PLP interests is recognized as income by Adelphia when received. Correspondingly, equity in net loss of Olympus excludes accumulated unpaid priority return (see Note 2).

Subscriber Revenues

Subscriber revenues are recorded in the month the service is provided.

Property, Plant and Equipment

Property, plant and equipment, at cost, are comprised of the following:

		March 31, 1998		December 31, 1998
Operating plant and equipment	\$	1,290,915	5	1,531,405
Real estate and improvements		78,435		93,457
Support equipment		26,961		30,533
Construction in progress		171,853		283,133
Accumulated depreciation		1,568,164 (649,527)		1,938,528 (730,873)
	5	918,637	5	1,207,655

Depreciation is computed on the straight-line method using estimated useful lives of 5 to 12 years for operating plant and equipment and 3 to 20 years for support equipment and real estate. Additions to property, plant and equipment are recorded at cost which includes amounts for material, applicable labor and overhead, and interest. Depreciation expense amounted to \$78,328, \$93,688 and \$98,699 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively. Capitalized interest amounted to \$1,727, \$5,985 and \$11,285 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively.

Intangible Assets

Intangible assets, at cost, net of accumulated amortization, are comprised of the following:

	!	March 31, 1998	D	1998
Purchased franchises	5	526,333	5	828,410
Goodwill		89,029		119,012
Non-compete agreements		8,705		8,922
Purchased subscribers lists		71,037		72,815
	<u>s</u>	695,104	5	1,029,159

A portion of the aggregate purchase price of systems acquired has been allocated to purchased franchises, purchased subscriber lists, goodwill and non-compete agreements. Purchased franchises and goodwill are amortized on the straight-line method over 40 years. Purchased subscriber lists are amortized on the straight-line method over periods which range from 5 to 10 years. Non-compete agreements are amortized on the straight-line method over their contractual lives which range from 4 to 12 years. Accumulated amortization of intangible assets amounted to \$211,967 and \$249,618 at March 31, 1998 and December 31, 1998, respectively.

(Dollars in thousands, except per share amounts)

Cash and Cash Equivalents

Adelphia considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Interest income on liquid investments was \$5,789, \$13,383 and \$10,752 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively. Book overdrafts of \$20,528 and \$7,855 existed at March 31, 1998 and December 31, 1998, respectively. These book overdrafts were reclassified as accrued interest and other liabilities and accounts payable.

U.S. Government Securities - Pledged

U.S. Government Securities – Pledged consist of highly liquid investments which will be used to pay the first six semi-annual interest payments of the Hyperion 12 ¼% Senior Secured Notes. Such investments are classified as held-to-maturity and the carrying value approximates market value.

Investments

The equity method of accounting is generally used to account for investments in affiliates which are greater than 20% but not more than 50% owned. Under this method, Adelphia's initial investment is recorded at cost and subsequently adjusted for the amount of its equity in the net income or losses of its affiliates. Dividends or other distributions are recorded as a reduction of Adelphia's investment. Investments in affiliates accounted for using the equity method generally reflect Adelphia's equity in their underlying assets.

Investments in entities in which Adelphia's ownership is 20% or less are generally accounted for using the cost method. Under the cost method, Adelphia's initial investment is recorded at cost and subsequently adjusted for the excess, if any, of dividends or other distributions received over its share of cumulative earnings. Dividends received in excess of earnings subsequent to the date the investment was made are recorded as reductions of the cost of the investment.

Adelphia's nonconsolidated investments are as follows:

Investments accounted for using the equity method: Gross investment:		March 31.		ecember 31. 1998
Hyperion investments in joint ventures	5	69,596	5	138,614
Benbow PCS Ventures, Inc.		15,539		17,170
Mobile communications		15,387		18,249
Other	-	1,757		2,308
Total		102,279		176,341
Investments accounted for using the cost method:				
Niagara Frontier Hockey, L.P.		40,497		44,897
SuperCable ALK International		3.190		3,190
Programming ventures		1.427		1,469
Mobile communications		2,582		2,925
Other		812		672
Total		48,508		53,153
Total investments before cumulative equity in net losses		150,787		229,494
Cumulative equity in net losses	_	(22,960)	_	(32,601)
Total investments	s	127,827	\$	196,893

On May 16, 1996, Hyperion sold its interest in one of its joint ventures for \$11,618, resulting in a gain of \$8,405. On January 23, 1997, Adelphia received 284,425 shares of Republic Industries, Inc. Common Stock ("Republic Stock") in exchange for its interest in Commonwealth Security, Inc., resulting in a gain of \$3,746. On October 7, 1997, Adelphia sold its Republic Stock, on which a gain of \$408 was recognized. On March 16, 1998, Adelphia sold its investment in the Golf Channel, resulting in a gain of \$1,520.

(Dollars in thousands, except per share amounts)

Certain members of the Rigas family have entered into an agreement to acquire all the voting interests of Niagara Frontier Hockey, L.P. ("NFHLP"). Closing of the agreement is subject to third party approvals. Adelphia has capital funding notes of NFHLP of \$40,497 and \$44,897 as of March 31, 1998 and December 31, 1998, respectively. The capital funding notes are convertible into non-voting preferred equity of NFHLP at the option of Adelphia. These amounts represent advances to NFHLP plus accrued return of 11.5% to 14.0%. The return on these capital funding notes amounted to approximately \$3,500, \$5,100 and \$4,400 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively. Adelphia advanced approximately \$8,150 and \$7,500, respectively, during the year ended March 31, 1998 and the nine months ended December 31, 1998 to fund working capital requirements of NFHLP. These amounts could be repaid by NFHLP in the future or converted into programming rights to air future Buffalo Sabres hockey games. NFHLP continues to generate net losses and working capital deficiencies and is attempting to re-negotiate the terms of certain of its operating and financial agreements. The ability of NFHLP to re-negotiate the terms of certain operating and financial agreements will impact the ability of NFHLP to generate positive operating cash flow in the future. Adelphia is unable to predict the ability of NFHLP to successfully re-negotiate these agreements on terms that are favorable to NFHLP. Management believes that all amounts advanced to NFHLP and the related accrued return are recoverable.

Subscriber Receivables

An allowance for doubtful accounts of \$1,166 and \$2,853 is recorded as a reduction of subscriber receivables at March 31, 1998 and December 31, 1998, respectively.

Amortization of Other Assets and Debt Discounts

Deferred debt financing costs, included in prepaid expenses and other assets, and debt discounts, a reduction of the carrying amount of the debt, are amortized over the term of the related debt. The unamortized amounts of deferred debt financing costs included in prepaid expenses and other assets were \$47,653 and \$47,542 at March 31, 1998 and December 31, 1998, respectively.

Franchise Expense

The typical term of Adelphia's franchise agreements upon renewal is 10 years. Franchise fees range from 3% to 5% of certain subscriber revenues and are expensed currently.

Basic and Diluted Net Loss Per Weighted Average Share of Common Stock

Basic net loss per weighted average share of common stock is computed based on the weighted average number of common shares outstanding after giving effect to dividend requirements on Adelphia's preferred stock. Diluted net loss per weighted average common share is equal to basic net loss per weighted average common share because Adelphia's convertible preferred stock had an antidilutive effect for the periods presented; however, the convertible preferred stock could have a dilutive effect on earnings per share in future periods.

Asset Impairments

Adelphia periodically reviews the carrying value of its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable. Measurement of any impairment would include a comparison of estimated future operating cash flows anticipated to be generated during the remaining life of the assets with their net carrying value. An impairment loss would be recognized as the amount by which the carrying value of the assets exceeds their fair value.

Noncash Financing and Investing Activities

Capital leases entered into during the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998 totaled \$1,624, \$2,842 and \$15,522, respectively, for Adelphia, excluding Hyperion. Hyperion entered into capital leases totaling \$1,683, \$24,489 and \$1,155, respectively, during the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998. Reference is made to Notes 1 and 6 for descriptions of additional noncash financing and investing activities.

(Dollars in thousands, except per share amounts)

Interest Expense - Net

Interest expense – net includes interest income of \$8,367, \$23,949 and \$20,952 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively. Interest income includes interest income from affiliates on long-term loans and for reimbursement of interest expense on revolving credit agreements, related to short term borrowings by such affiliates (see Note 11).

Interest Rate Swaps

Net settlement amounts under interest rate swap agreements are recorded as adjustments to interest expense during the period incurred.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," has been issued and is effective for fiscal quarters of fiscal years beginning after June 15, 1999. SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Management of Adelphia has not completed its evaluation of the impact of SFAS No. 133 on Adelphia's consolidated financial statements. Statement of Position ("SOP") 98-5, "Reporting on the Costs of Start-Up Activities", has been issued and is effective for fiscal years beginning after December 15, 1998. SOP 98-5 provides guidance on the financial reporting of start up costs and organization costs. It requires such costs to be expensed as incurred. Management of Adelphia believes that SOP 98-5 will not have a material impact on Adelphia's consolidated financial statements.

Reclassifications

Certain March 31, 1997 and 1998 amounts have been reclassified to conform with the December 31, 1998 presentation.

2. Related Party Investments and Receivables:

Related party receivables—net represent advances to managed partnerships (see Note 11), John J. Rigas and certain members of his immediate family (collectively, the "Rigas family"), including entities they own or control. No related party advances are collateralized.

Investment in and amounts due from Olympus is comprised of the following:

		1998		1998
Cumulative equity in loss over investment in Olympus Amounts due from Olympus	2	(94,833) 63,631	3	(102,888) 294,296
	5	(31,202)	3	

(Dollars in thousands, except per share amounts)

The major components of the financial position of Olympus as of December 31, 1997 and 1998 and the results of operations for the years ended December 31, 1997 and 1998 were as follows:

		December 31,		
Balance Sheet Data:		1997	_	1998
Property, plant and equipment—net	S	265,783	5	355,470
Total assets		728,952		1.011.999
Subsidiary debt		427,000		519,443
Parent debt		200,000		200,000
Total liabilities		841,169		1,147,946
Limited partners' interests		488,398		570,298
General partners' equity (deficiency)		(600,615)		(706,245)
Statement of Operations Data:				
Revenues	5	176,363	5	215,642
Operating income		34,392		38,944
Net loss		(19,802)		(16,074)
Net loss of general and limited partners				
after priority return		(95,695)		(105,530)

On January 28, 1999, Adelphia announced an agreement to acquire the Olympus partnership interests owned by various Telesat Cablevision, Inc. ("Telesat") entities which are wholly owned subsidiaries of FPL Group, Inc. for a price of \$108,000, subject to definitive terms to be negotiated by both parties. Subsequent to the closing of this transaction, Adelphia will own 100% of Olympus. Closing of this transaction is expected to occur during the third quarter of 1999.

On October 6, 1993, Adelphia purchased the preferred Class B Limited Partnership Interest in SHHH, L.P., a managed partnership, for a price of \$18,338 from Robin Media Group. The Class B Limited Partnership Interest had a preferred return annually which was payable on a current basis at the option of SHHH, L.P., and was senior in priority to the partnership interests of the Rigas family and TCI. Preferred return on the Class B Limited Partner Interest in SHHH, L.P. totaled \$3,066, \$3,750 and \$2,017 and is included in revenues for the years ended March 31, 1997 and 1998, and the nine months ended December 31, 1998, respectively. On September 30, 1998, the Class B limited partner interest was redeemed (see Note 1).

3. Debt:

Subsidiary Debt

		March 31, 1998		lecember 31, 1998
Notes to banks and institutions	5	827,725	5	1,200,970
13% Senior Discount Notes of Hyperion due 2003		215,213		220,784
12 1/4% Senior Secured Notes of Hyperion due 2004		250,000		250,000
Other subsidiary debt	_	36,533	_	45,486
Total subsidiary debt	5	1,329,471	5	1,717,240

Notes to Banks and Institutions

The amount of borrowings available to Adelphia under its revolving credit agreements is generally based upon the subsidiaries achieving certain levels of operating performance. Adelphia had commitments from banks for additional borrowings of up to \$360,000 at December 31, 1998 which expire through December 31, 2007. Adelphia pays commitment fees of up to 0.5% of unused principal.

(Dollars in thousands, except per share amounts)

Borrowings under most of these credit arrangements of subsidiaries are collateralized by a pledge of the stock in their respective subsidiaries, and, in some cases, by other assets. These agreements limit, among other things, additional borrowings, investments, transactions with affiliates and other subsidiaries, and the payment of dividends and fees by the subsidiaries. The agreements also require maintenance of certain financial ratios by the subsidiaries. Several of the subsidiaries' agreements, along with the notes of the parent company, contain cross default provisions. At December 31, 1998, approximately \$731,500 of the net assets of subsidiaries would be permitted to be transferred to the parent company in the form of dividends, priority return and loans without the prior approval of the lenders based upon the results of operations of such subsidiaries for the quarter ended December 31, 1998. The subsidiaries are permitted to pay management fees to the parent company or other subsidiaries. Such fees are limited to a percentage of the subsidiaries' revenues.

A subsidiary of Adelphia is a co-borrower with a managed partnership under a \$200,000 credit agreement. Each of the co-borrowers is liable for all borrowings under this credit agreement, although the lenders have no recourse against Adelphia other than against Adelphia's interest in such subsidiary.

Notes to banks and institutions mature at various dates through 2007. Bank debt interest rates are based upon one or more of the following rates at the option of Adelphia: prime rate plus 0% to 1.5%; certificate of deposit rate plus 1.25% to 2.75%; or LIBOR plus 1% to 2.5%. Total bank debt with interest rates under these options was approximately \$644,000 and \$1,173,220 at March 31, 1998 and December 31, 1998, respectively. At March 31, 1998 and December 31, 1998, the weighted average interest rate on notes payable to banks and institutions was 8.11% and 7.89%, respectively. At March 31, 1998 and December 31, 1998, the rates on 28.8% and 35.9%, respectively, of Adelphia's notes payable to banks and institutions were fixed for at least one year through the terms of the notes or interest rate swap agreements.

During the nine months ended December 31, 1998, Adelphia redeemed \$137,200 aggregate principal amount of subsidiary notes to banks and institutions. As a result of these transactions, Adelphia recognized an extraordinary loss on early retirement of debt of \$1,970.

13% Senior Discount Notes of Hyperion due 2003

On April 15, 1996, Hyperion realized proceeds, net of discount, commissions and other transaction costs, of \$168,600 upon issuance of \$329,000 aggregate principal amount of unsecured 13% Senior Discount Notes due April 15, 2003 and 329,000 warrants expiring April 1, 2001 to purchase an aggregate of 1,993,638 shares of Hyperion Class A Common Stock at \$0.00308 per share. Proceeds of \$11,087 were allocated to the value of the warrants. Prior to April 15, 2001, interest on the notes is not payable in cash, but is added to principal. Thereafter, interest is payable semi-annually commencing October 15, 2001. The notes contain restrictions on Hyperion regarding, among other things, limitations on additional borrowings, issuance of equity instruments, payment of dividends and other distributions, repurchase of equity instruments or subordinated debt, liens, transactions with affiliates, sales of assets, mergers and consolidations. On or before April 15, 1999 and subject to certain restrictions, Hyperion may redeem, at its option, up to 25% of the aggregate principal amount of the notes at a price of 113% of the outstanding amount. On or after April 15, 2001, Hyperion may redeem, at its option, all or a portion of the notes at 106.5% of the outstanding amount, declining to par in 2002. During the quarter ended September 30, 1998, Hyperion paid \$17,313 to repurchase a portion of the 13% Senior Discount Notes due 2003 which had a face value of \$25,160 and a carrying value of \$17,550. The notes were retired upon repurchase which resulted in a \$237 gain.

12 1/4% Senior Secured Notes of Hyperion due 2004

On August 27, 1997, Hyperion issued \$250,000 aggregate principal amount of 12 ¼% Senior Secured Notes due September 1, 2004. The notes are collateralized through the pledge of the common stock of certain of Hyperion's whollyowned subsidiaries. Of the proceeds to Hyperion of approximately \$244,000, net of commissions and other transaction costs, \$83,400 was invested in U.S. government securities and placed in an escrow account for payment in full when due of the first six scheduled semi-annual interest payments on the notes as required by the Indenture. Interest is payable semi-annually. The notes contain restrictions and covenants similar to those pertaining to Hyperion's 13% Senior Discount Notes. On or before September 1, 2000 and subject to certain restrictions, Hyperion may redeem, at its option, up to 25% of the aggregate principal amount of the notes at a price of 112.25% of principal with the net proceeds of one or more Qualified Equity Offerings (as defined in the Indenture). On or after September 1, 2001, Hyperion may redeem, at its option, all or a portion of the notes at 106.125% of principal which declines to par in 2003.

(Dollars in thousands, except per share amounts)

Other Subsidiary Debt

As of March 31, 1998 and December 31, 1998, other debt consists, in part, of purchase money indebtedness and capital leases incurred in connection with the acquisition of, and are collateralized by, certain equipment. The interest rate on such debt is based on the Federal Funds rate plus 1.4% or the U.S. Treasury rate plus 2.8%.

Parent Debt

Interest on the Parent Debt is due semi-annually. The Parent Debt is effectively subordinated to all liabilities of the subsidiaries and the agreements contain restrictions on, among other things, the incurrence of indebtedness, mergers and sale of assets, certain restricted payments by Adelphia, investments in affiliates and certain other affiliate transactions. The agreements further require that Adelphia maintain a ratio of debt to annualized operating cash flow not greater than 8.75 to 1.00, based on the latest fiscal quarter. Net proceeds from the issuance of notes during the year ended March 31, 1998 and the nine months ended December 31, 1998 were used to reduce amounts outstanding on Adelphia's subsidiaries' notes payable to banks and to purchase, redeem or otherwise retire the 12 1/2% Notes due 2002.

					Outstand	ing i	as of			
	Interest Rate	Issue Date	Amount Issued		March 31. 1998		ecember 31, 1998	Maturity Date	First Call Date	First Call Rate
10	1/4%	7/28/93	\$ 110,000	5	99,504	S	99,653	7/15/00	Non-call	N/A
12	1/2% (a)	5/14/92	400,000		69,838			5/15/02	5/15/97	106.00%
9	1/4%	9/25/97	325,000		325,000		325,000	10/1/02	Non-call	N/A
9	1/2% (b)	2/15/94	150,000		186,347		186,347	2/15/04	2/15/99	103.56%
10	1/2%	7/07/97	150,000		150,000		150,000	7/15/04	Non-call	N/A
11	7/8%	9/10/92	125,000		124,579		124,613	9/15/04	9/15/99	104.50%
9	7/8%	3/11/93	130,000		128,407		128,531	3/01/05	Non-call	N/A
9	7/8%	2/26/97	350,000		347,446		347,586	3/01/07	Non-call	N/A
8	3/8%	1/21/98	150,000		149,153		149,197	2/01/08	Non-call	N/A
8	3/8%	11/12/98	150,000				150,000	2/01/08	Non-call	N/A
8	1/8%	7/02/98	150,000				149,285	7/15/03	Non-call	N/A
				5	1,580,274	5	1,810,212			

- (a) On May 15, 1998, Adelphia redeemed the remaining \$69,838 aggregate principal amount of notes at 103% of principal. As a result, Adelphia recognized an extraordinary loss on early retirement of debt of \$2,604.
- (b) These Senior Notes are Pay-in-Kind with respect to interest payments at the option of Adelphia. During the year ended March 31, 1998, \$20,000 of notes were reacquired through open market purchases. As a result, Adelphia recognized an extraordinary gain on early retirement of debt of \$2,136. On February 15, 1999, Adelphia redeemed \$154,500 aggregate principal amount of notes at 103.56% of principal. As a result, Adelphia recognized an extraordinary loss on early retirement of debt of \$6,676.

Maturities of Debt

The following table sets forth the mandatory reductions in principal under all debt agreements for each of the next five years based on amounts outstanding at December 31, 1998:

Year ending December 31, 1999	\$ 101,402
Year ending December 31, 2000	236,795
Year ending December 31, 2001	190,403
Year ending December 31, 2002	540,318
Year ending December 31, 2003	693,663

Adelphia intends to fund its requirements for maturities of debt through borrowings under new and existing credit arrangements and internally generated funds. Changing conditions in the financial markets may have an impact on how Adelphia will refinance its debt in the future.

(Dollars in thousands, except per share amounts)

Interest Rate Swaps and Caps

Adelphia has entered into interest rate swap agreements and interest rate cap agreements with banks, Olympus and Managed Partnerships (see Note 11) to reduce the impact of changes in interest rates on its debt. Several of Adelphia's credit arrangements include provisions which require interest rate protection for a portion of its debt. Adelphia enters into pay-fixed agreements to effectively convert a portion of its variable-rate debt to fixed-rate debt to reduce the risk of incurring higher interest costs due to rising interest rates. Adelphia enters into receive-fixed agreements to effectively convert a portion of its fixed-rate debt to a variable-rate debt which is indexed to LIBOR to reduce the risk of incurring higher interest costs in periods of falling interest rates. Interest rate cap agreements are used to reduce the impact of increases in interest rates on variable rate debt. Adelphia is exposed to credit loss in the event of nonperformance by the banks, by Olympus or by the managed entities. Adelphia does not expect any such nonperformance. The following table summarizes the notional amounts outstanding and weighted average interest rate data, based on variable rates in effect at March 31, 1998 and December 31, 1998, for these swaps and caps, which expire through 2008.

Pay Fixed Swaps:	,	March 31, 1998		
Notional amount	5	315,000	5	650,000
Average receive rate		5.87%		5.33%
Average pay rate		7.42%		6.55%
Receive Fixed Swaps				
Notional amount	S	35,000	5	45,000
Average receive rate		5.68%		5.98%
Average pay rate		5.91%		5.32%
Interest Rate Caps:				
Notional amount	\$	190,000	5	140,000
Average cap rate		8.13%		7.82%

4. Redeemable Preferred Stock:

12 7/8% Hyperion Redeemable Exchangeable Preferred Stock

On October 9, 1997, Hyperion issued \$200,000 aggregate liquidation preference of 12 7/8% Senior Exchangeable Redeemable Preferred Stock due October 15, 2007. Dividends are payable quarterly commencing January 15, 1998 at 12 7/8% of the liquidation preference of outstanding preferred stock. Through October 15, 2002, dividends are payable in cash or additional shares of preferred stock at Hyperion's option. Subsequent to October 15, 2002, dividends are payable in cash. The preferred stock ranks junior in right of payment to all indebtedness of Hyperion, its Subsidiaries and Joint Ventures. On or before October 15, 2000, and subject to certain restrictions, Hyperion may redeem, at it option, up to 35% of the initial aggregate liquidation preference of the preferred stock originally issued with the net cash proceeds of one or more Qualified Equity Offerings (as defined in the Certificate of Designation) at a redemption price equal to 112.875% of the liquidation preference per share of the preferred stock, plus, without duplication, accumulated and unpaid dividends to the date of redemption; provided that, after any such redemption, there are remaining outstanding shares of preferred stock having an aggregate liquidation preference of at least 65% of the initial aggregate liquidation preference of the preferred stock originally issued. On or after October 15, 2002, Hyperion may redeem, at its option, all or a portion of the preferred stock at 106.438% of the liquidation preference thereof declining to 100% of the liquidation preference in 2005. Hyperion is required to redeem all of the shares of preferred stock outstanding on October 15, 2007 at a redemption price equal to 100% of the liquidation preference thereof, plus, without duplication, accumulated and unpaid dividends to the date of redemption. The preferred stock contain restrictions and covenants similar to Hyperion's 13% Senior Discount Notes.

Hyperion may, at its option, on any dividend payment date, exchange in whole, but not in part, the then outstanding shares of preferred stock for 12 7/8% Senior Subordinated Debentures due October 15, 2007 which have provisions consistent with the provisions of the preferred stock. Hyperion may satisfy, and has to date satisfied, the dividend requirements on this preferred stock by issuing additional shares.

(Dollars in thousands, except per share amounts)

13% Exchangeable Redeemable Preferred Stock

On July 7, 1997, Adelphia issued \$150,000 aggregate liquidation preference of 13% Cumulative Exchangeable Preferred Stock due July 15, 2009. Dividends are payable semi-annually commencing January 15, 1998 at 13% of the liquidation preference of outstanding preferred stock. Dividends are payable in cash with any accumulated unpaid dividends bearing interest at 13% per annum. The preferred stock ranks junior in right of payment to all indebtedness of Adelphia. On or before July 15, 2000, Adelphia may redeem, at its option, up to 33% of the initial aggregate liquidation preference of the preferred stock originally issued with the net cash proceeds of one or more common equity offerings at a redemption price equal to 113% of the liquidation preference per share of the preferred stock, plus, without duplication, accumulated and unpaid dividends to the date of redemption; provided that, after any such redemption, there are remaining outstanding shares of preferred stock having an aggregate liquidation preference of at least 67% of the initial aggregate liquidation preference of the preferred stock originally issued. On or after July 15, 2002, Adelphia may redeem, at its option, all or a portion of the preferred stock at 106.500% of the liquidation preference thereof declining to 100% of the liquidation preference in 2008. Adelphia is required to redeem all of the shares of preferred stock outstanding on July 15, 2009 at a redemption price equal to 100% of the liquidation preference thereof, plus, without duplication, accumulated and unpaid dividends to the date of redemption. The preferred stock contains restrictions and covenants similar to Adelphia's parent debt.

Adelphia may, at its option, on any dividend payment date, exchange in whole or in part (subject to certain restrictions), the then outstanding shares of preferred stock for 13% Senior Subordinated Exchange Debentures due July 15, 2009 which have provisions consistent with the provisions of the preferred stock. Adelphia paid cash dividends on this preferred stock of \$10,183 and \$9,750 during the year ended March 31, 1998 and the nine months ended December 31, 1998, respectively.

5. Commitments and Contingencies:

Adelphia rents office and studio space, tower sites, and space on utility poles under leases with terms which are generally less than one year or under agreements that are generally cancelable on short notice. Total rental expense under all operating leases aggregated \$6,232, \$7,420 and \$8,054 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively.

In connection with certain obligations under franchise agreements, Adelphia obtains surety bonds guaranteeing performance to municipalities and public utilities. Payment is required only in the event of nonperformance. Management believes Adelphia has fulfilled all of its obligations such that no payments under surety bonds have been required.

During the nine months ended December 31, 1998, Adelphia has entered into purchase commitments for certain telecommunication services and digital convertor purchases. In the aggregate, purchase commitments under these agreements total \$12,350 in 1999, \$4,000 in 2000 and \$5,000 in 2001.

Since April 1, 1998, Hyperion entered into a series of agreements, totaling \$126,000 with several local and long-haul fiber optic network providers. These agreements will provide Hyperion with ownership or an indefeasible right of use ("IRU") to over 9,000 route miles of local and long-haul fiber optic cable, which will significantly increase its presence in the eastern half of the United States. Through December 31, 1998, Hyperion has paid \$42,604 of the total due under these agreements, which is included in property, plant and equipment.

Adelphia and Hyperion have entered into several commitments to acquire certain cable and telecommunications companies (see Note 13).

The cable television industry and Adelphia are subject to extensive regulation at the federal, state and local levels. Pursuant to the 1992 Cable Act, which significantly expanded the scope of regulation of certain subscriber rates and a number of other matters in the cable industry the FCC has adopted rate regulations that establish, on a system-by-system basis, maximum allowable rates for (i) basic and cable programming services (other than programming offered on a perchannel or per-program basis), based upon a benchmark methodology, or, in the alternative, a cost of service showing, and (ii) associated equipment and installation services based upon cost plus a reasonable profit. Under the FCC rules, franchising authorities are authorized to regulate rates for basic services and associated equipment and installation services, and the FCC will regulate rates for regulated cable programming services in response to complaints filed with the agency. The original rate regulations became effective on September 1, 1993. Several amendments to the rate regulations have subsequently been added.

(Dollars in thousands, except per share amounts)

The FCC has adopted regulations implementing all of the requirements of the 1992 Cable Act. The FCC is also likely to continue to modify, clarify or refine the rate regulations. The Telecommunications Act of 1996 (the "1996 Act") deregulated the rates for cable programming services on March 31, 1999. Adelphia cannot predict the effect or outcome of the future rulemaking proceedings, changes to the rate regulations, or litigation.

On February 24, 1999, Hyperion was served with a summons and complaint filed in the United States District Court for the Northern District of New York, Case Number 99-CV-268, by Hyperion Solutions Corporation ("Solutions"), which is described in the complaint as a company in the business of developing, marketing and supporting comprehensive computer software tools, executive information systems and applications that companies use to improve their business performance. The complaint alleges, among other matters, that Hyperion's use of the name "Hyperion" in its business infringes upon various trademarks and service marks of Solutions in violation of federal trademark laws and violates various New York business practices, advertising and business reputation laws. The complaint seeks, among other matters, to enjoin Hyperion from using the name or mark "Hyperion" in Hyperion's business as well as to recover unspecified damages, treble damages and attorney's fees. Management of Hyperion believes that Hyperion has meritorious defenses to the complaint and intends to vigorously defend this lawsuit. Although management believes that this lawsuit will not in any event have a material adverse effect upon the Company, no assurance can be given regarding the effect upon the Company if Solutions were to prevail in this lawsuit.

On or about March 10, 1999, Robert Lowinger (the "Plaintiff"), on behalf of himself and all other shareholders of Class A common stock of Century, commenced an action by filing a putative Class Action Complaint (the "Complaint") in the Superior Court of Connecticut, Judicial District of Stamford/Norwalk, Case Number CV-99-0171092, against Century, all of its directors, and Adelphia. The Plaintiff claims that he owns shares of Class A common stock of Century, and alleges that in connection with the proposed merger of Adelphia with Century, holders of Class B common stock of Century - which have superior voting rights to the holders of Class A common stock - will receive \$4.00 per share more than the consideration to be paid to the holders of Class A common stock. This would allegedly result in the Class B shareholders receiving approximately \$170,000 more than if they held the equivalent number of Century Class A shares. The Plaintiff claims that the individual defendants, comprising the directors of Century and the majority shareholders of Century's Class B shares, breached their fiduciary duties of loyalty, good faith, and due care to Century's Class A shareholders by agreeing to these two levels of consideration. The sole claim against Adelphia is that it, together with Century, aided and abetted these alleged breaches of fiduciary duty. The Plaintiff seeks certification of a class of Century's Class A shareholders and seeks recovery on behalf of himself and the class of unspecified damages, profits, and special benefits. He also seeks all costs, expenses and attorney's fees. Adelphia has entered an appearance in the case and is required to respond to the Complaint by June 21, 1999. Adelphia believes the allegation of liability against it to be without merit and intends to vigorously defend the action.

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

6. Convertible Preferred Stock, Common Stock and Other Stockholders' Equity (Deficiency):

Convertible Preferred Stock

On July 7, 1997, Adelphia issued 100,000 shares of 8 1/8% Series C Cumulative Convertible Preferred Stock with a par value of \$.01 per share and an aggregate liquidation preference of \$100,000 of which \$80,000 was sold to a Rigas family affiliate and the remainder was sold to Telesat. The preferred stock accrues dividends at the rate of 8 1/8% of the liquidation preference per annum, and is convertible at \$8.48 per share into an aggregate of 11,792,450 shares of Class A common stock of Adelphia. The preferred stock is redeemable at the option of Adelphia on or after August 1, 2000 at 104% of the liquidation preference declining to 100% of the liquidation preference in 2002. Adelphia paid cash dividends on this preferred stock of \$4,605 and \$6,093 during the year ended March 31, 1998 and the nine months ended December 31, 1998, respectively.

Adelphia Common Stock Issued

On February 10, 1997, Adelphia issued 766,871 shares of Class A common stock in connection with the acquisition of Small Cities (see Note 1).

(Dollars in thousands, except per share amounts)

On June 20, 1997, Adelphia issued 3,571,428 shares of Class A common stock in connection with the acquisition of Booth (see Note 1).

On March 6, 1998, Adelphia issued 341,220 shares of Class A common stock in connection with exercising its option to purchase the remaining 15% of its Northeast Cable, Inc. system (see Note 1).

On August 18, 1998, Adelphia issued 8,190,315 shares of Class A common stock to the public and to the Rigas family. Of this total, 4,100,000 shares were sold to the public at a price of \$32.00 per share, with an underwriter discount of \$1.44 per share. The remaining 4,090,315 shares were sold to entities controlled by the Rigas family at the public offering price less the underwriters discount. In a related transaction on September 14, 1998, the Company issued and sold 615,000 shares of Class A common stock at the offering price of \$32.00, with an underwriter discount of \$1.44 per share pursuant to the underwriters' over-allotment option. Adelphia realized aggregate net proceeds of \$267,926 after deducting underwriter and other fees.

On September 30, 1998, Adelphia issued 2,250,000 shares of Class A common stock in connection with the acquisition of AT&T interests in SHHH, L.P. (see Note 1).

The Certificate of Incorporation of Adelphia authorizes two classes of common stock, Class A and Class B. Holders of Class A common stock and Class B common stock vote as a single class on all matters submitted to a vote of the stockholders, with each share of Class A common stock entitled to one vote and each share of Class B common stock entitled to ten votes, except (i) for the election of directors and (ii) as otherwise provided by law. In the annual election of directors, the holders of Class A common stock voting as a separate class, are entitled to elect one of Adelphia's directors. In addition, each share of Class B common stock is automatically convertible into a share of Class A common stock upon transfer, subject to certain limited exceptions. In the event a cash dividend is paid, the holders of Class A common stock will be paid 105% of the amount payable per share for each share of Class B common stock.

Upon liquidation, dissolution or winding up of Adelphia, the holders of Class A common stock are entitled to a preference of \$1.00 per share. After such amount is paid, holders of Class B common stock are entitled to receive \$1.00 per share. Any remaining amount would then be shared ratably by both classes.

Hyperion Common Stock Issued

On May 8, 1998, Hyperion completed an IPO of its Class A common stock ("Hyperion Stock"). As part of the offering, Adelphia purchased an incremental 3,324,001 shares of Hyperion Stock for \$49,000 and converted indebtedness owed to the Company by Hyperion into 3,642,666 shares of Hyperion Stock. In addition, Adelphia purchased warrants issued by Hyperion to MCI Metro Access Transmission Services, Inc., and purchased shares of Hyperion Class B common stock from certain executive officers of Hyperion for a total purchase price of approximately \$12,580 and \$3,000, respectively. Adelphia owns approximately 66% of the Hyperion common stock on a fully diluted basis and 86% of the total voting power. Additional net proceeds of \$191,411 to Hyperion were received as a result of the sale of 12,500,000 shares of Hyperion Stock to the public. In a related transaction on June 5, 1998, Hyperion issued and sold 350,000 shares of its Class A common stock at the \$16.00 IPO price pursuant to the underwriters' over allotment option in the IPO. As a result of the IPO, Adelphia's additional paid-in capital increased approximately \$147,000 and minority interests increased approximately \$45,000.

Restricted Stock Bonus Plan

Adelphia had reserved 500,000 shares of Class A common stock for issuance to officers and other key employees at the discretion of the Compensation Committee of the Board of Directors. The bonus shares were to be awarded without any cash payment by the recipient unless otherwise determined by the Compensation Committee. Shares awarded under the plan would vest over a five year period. No awards have been made under the plan. The plan was terminated as of the stockholder approval of the 1998 Long-Term Incentive Compensation Plan (see Note 7).

Stock Option Plan

Adelphia had a stock option plan, which provides for the granting of options to purchase up to 200,000 shares of Adelphia's Class A common stock to officers and other key employees of Adelphia. Options could be granted at an exercise

(Dollars in thousands, except per share amounts)

price equal to the fair market value of the shares on the date of grant. The plan permitted the granting of tax-qualified incentive stock options, in addition to non-qualified stock options. Options outstanding under the plan could be exercised by paying the exercise price per share through various alternative settlement methods. No stock options have been granted under the plan. The plan was terminated as of the stockholder approval of the 1998 Long-Term Incentive Compensation Plan (see Note 7).

7. Employee Benefit Plans:

Savings Plan

Adelphia has a savings plan (401(k)) which provides that eligible full-time employees may contribute from 2% to 16% of their pre-tax compensation subject to certain limitations. Adelphia makes matching contributions not exceeding 1.5% of each participant's pre-tax compensation. Adelphia's matching contributions amounted to \$638, \$687 and \$605 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively.

Adelphia Long-Term Incentive Compensation Plan

On October 6, 1998, Adelphia adopted its 1998 Long-Term Incentive Compensation Plan (the "1998 Plan"). The 1998 Plan provides for the granting of (i) options which qualify as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, (ii) options which do not so qualify, (iii) share awards (with or without restrictions on vesting), (iv) stock appreciation rights and (v) stock equivalent or phantom units. The number of shares of Adelphia Class A common stock available for issuance under the 1998 Plan is 3,500,000. Options, awards and units may be granted under the 1998 Plan to directors, officers, employees and consultants of Adelphia. The 1998 Plan provides that incentive stock options must be granted with an exercise price of not less than the fair market value of the underlying Adelphia common stock on the date of the grant. Options outstanding under the Plan may be exercised by paying the exercise price per share through various alternative settlement methods. No grants had been made under the 1998 Plan as of December 31, 1998.

Hyperion Long-Term Incentive Compensation Plan

On October 3, 1996, Hyperion adopted its 1996 Long-Term Incentive Compensation Plan (the "1996 Plan"). The 1996 Plan provides for the granting of (i) options which qualify as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, (ii) options which do not so qualify, (iii) share awards (with or without restrictions on vesting), (iv) stock appreciation rights and (v) stock equivalent or phantom units. The number of shares of Hyperion Class A common stock available for issuance initially was 5,687,500. Such number is to increase each year by 1% of outstanding shares of all classes of Hyperion common stock, up to a maximum of 8,125,000 shares. Options, awards and units may be granted under the 1996 Plan to directors, officers, employees and consultants. The 1996 Plan provides that incentive stock options must be granted with an exercise price of not less than the fair market value of the underlying Hyperion common stock on the date of grant. Options outstanding under the Plan may be exercised by paying the exercise price per share through various alternative settlement methods. On March 4, 1997 and April 1, 1997 and 1998, Hyperion issued 338,000 shares, 58,500 shares and 58,500 shares, respectively, of its Class A common stock to Daniel R. Milliard pursuant to his employment agreement with Hyperion. In April 1998 and in recognition for valvable past service to Hyperion and as an incentive for future services, Hyperion authorized the issuance under the 1996 Plan to each of John J. Rigas, Michael J. Rigas, Timothy J. Rigas and James P. Rigas of (i) stock options (the "Rigas Options") covering 100,000 shares of Hyperion Class A common stock, which options will vest in equal one-third amounts on the third, fourth and fifth year anniversaries of grant (vesting conditioned on continued service as an employee or director) and which shall be exercisable at \$15.00 per share and (ii) phantom stock awards (the "Rigas Grants") covering 100,000 shares of Hyperion Class A common stock, which phantom awards will vest in equal one-third amounts on the third, fourth and fifth year anniversaries of grant (vesting conditioned on continued service as an employee or director). At December 31, 1998, no Rigas Options or Rigas Grants have been granted. Also in April 1998, pursuant to the then existing stockholders agreement, Hyperion authorized the issuance under the 1996 Plan to certain Officers' stock options (the "Management Stockholder Options") currently covering 13,047 shares of Hyperion Class A common stock with exercise price and vesting terms identical to the Rigas Options. In addition to the Rigas Options, the Rigas Grants and the employment agreement, Hyperion currently expects to issue under the 1996 Plan stock options, restrictive stock grants, phantom stock awards or other awards to other 1996 Plan participants covering up to a total of 325,000 shares of Hyperion Class A common stock during 1999.

(Dollars in thousands, except per share amounts)

8. Taxes on Income:

Adelphia and its corporate subsidiaries file a consolidated federal income tax return, which includes its share of the subsidiary partnerships and joint venture partnership results of operations. At December 31, 1998, Adelphia had net operating loss carryforwards for federal income tax purposes of approximately \$1,300,000 expiring through 2018. Depreciation and amortization expense differs for tax and financial statement purposes due to the use of prescribed periods rather than useful lives for tax purposes and also as a result of differences between tax basis and book basis of certain acquisitions.

The tax effects of significant items comprising Adelphia's net deferred tax liability are as follows:

	March 31, 1998	December 31, 1998
Deferred tax liabilities: Differences between book and tax basis of property, plant and equipment and intangible assets	\$ 250.298	\$ 251,289
Deferred tax assets:		
Investment in partnerships	82,461	102,472
Operating loss carryforwards	459,546	478,488
	542,007	580,960
Valuation allowance	(408,060)	(439,280)
Subtotal	133,947	141,680
Net deferred tax liability	\$ 116,351	\$ 109,609

The net change in the valuation allowance for the years ended March 31, 1998 and the nine months ended December 31, 1998 was an increase of \$48,775 and \$31,220, respectively.

Income tax benefit is as follows:

		Year Ende	ı M	arch 31.		e Months Ended ember 31,
		1997	_	1998		1998
Current Deferred	s _	(142) 500	5	(699) 6,305	5	6,742
Total	s	358	s	5,606	s	6,802

A reconciliation of the statutory federal income tax rate and Adelphia's effective income tax rate is as follows:

Year Ended	March 31.	Nine Months Ended December 31,
1997	1998	1998
35%	35%	35%
(41%)	(30%)	(26%)
6%	(2%)	1%
-%	-%	(4%)
-%	3%	6%
	35% (41%) 6%	35% 35% (41%) (30%) 6% (2%)

9. Disclosures about Fair Value of Financial Instruments:

Included in Adelphia's financial instrument portfolio are cash, U.S. government securities, notes payable to banks and institutions, debentures, redeemable preferred stock and interest rate swaps and caps. The carrying values of notes payable to banks and institutions approximate their fair values at March 31, 1998 and December 31, 1998. The carrying cost of the publicly traded notes, debentures and redeemable preferred stock at March 31, 1998 and December 31, 1998 were \$2,400,753 and \$2,657,861, respectively. At March 31, 1998 and December 31, 1998, the fair value exceeded the carrying

(Dollars in thousands, except per share amounts)

cost by \$199,296 and \$139,970, respectively. At March 31, 1998 and December 31, 1998, Adelphia would have been required to pay approximately \$5,822 and \$27,227, respectively, to settle its interest rate swap and cap agreements, representing the excess of carrying cost over fair value of these agreements. The fair values of the debt, redeemable preferred stock and interest rate swaps and caps were based upon quoted market prices of similar instruments or on rates available to Adelphia for instruments of the same remaining maturities.

10. Business Segment Information:

Refer to Item 6 of this Transition Report on Form 10-K for information regarding business segments as of and for the years ended March 31, 1997 and 1998 and as of and for the nine months ended December 31, 1998.

11. Related Party Transactions:

Adelphia currently manages cable television systems which are principally owned by Olympus and limited partnerships in which certain of Adelphia's principal shareholders who are executive officers have equity interests.

Adelphia has agreements with Olympus and the Managed Partnerships which provide for the payment of fees to Adelphia. The aggregate fee revenues from Olympus and the Managed Partnerships amounted to \$2,939, \$3,960 and \$2,022 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively. In addition, Adelphia was reimbursed by Olympus and the Managed Partnerships for allocated corporate costs of \$6,335, \$6,436 and \$7,548 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively, which have been recorded as a reduction of selling, general and administrative expenses.

Interest expense - net includes interest income from affiliates for long term borrowings of \$8,367, \$7,129 and \$5,221 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively, and for short term borrowings of \$9,340 and \$9,339 for the year ended March 31, 1998 and the nine months ended December 31, 1998, respectively.

At March 31, 1998, Adelphia had interest rate swaps with affiliates for a notional amount of \$175,000, which expired during the nine months ended December 31, 1998. The net effect of these interest rate swaps was to increase interest expense by \$50, \$128 and \$2,049 for the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, respectively.

During the years ended March 31, 1997 and 1998 and the nine months ended December 31, 1998, Adelphia paid \$2,563, \$2,485 and \$3,422, respectively, to entities owned by certain shareholders of Adelphia primarily for property, plant and equipment and services.

(Dollars in thousands, except per share amounts)

12. Quarterly Financial Data (Unaudited):

The following tables summarize the financial results of Adelphia for each of the quarters in the year ended March 31, 1998 and the nine months ended December 31, 1998:

				Three Mo				
	_	June 30	Sej	ptember 30	De	cember 31	_	Harch 31
Year Ended March 31, 1998:								
Revenues	5	122,644	5	128,990	5	138,271	5	138,537
Operating expenses:								
Direct operating and programming		39,673		38,540		43,711		45,364
Selling, general and administrative		22,259		23,472		24,354		25,646
Depreciation and amortization		33,733		33.586		37,251		40,471
Total		95,665		95,598	_	105,316		111,481
Operating income		26,979		33,392	_	32,955	_	27,056
Other income (expense):								
Priority investment income from Olympus		11.765		12,000		12,000		12,000
Interest expense - net		(61,737)		(62,432)		(63,172)		(59,766)
Equity in loss of Olympus and other joint ventures		(19,198)		(14,840)		(16,012)		(16,039)
Equity in loss of Hyperion joint ventures		(2.540)		(3.886)		(2.858)		(3.683)
Hyperion preferred stock dividends						(5,988)		(6,694)
Gain on sale of investments				610		408		1,520
Total		(71,710)		(68,548)	_	(75,622)		(72,662)
Loss before income taxes and extraordinary gain (loss)		(44,731)		(35,156)		(42,667)		(45,606)
Income tax benefit (expense)		70	_	(365)		(264)	_	6,165
Loss before extraordinary gain (loss)		(44,661)		(35,521)		(42,931)		(39,441)
Extraordinary gain (loss) on early retirement of debt	_	2,300	_		_	(13,625)	_	
Net loss		(42,361)		(35,521)		(56,556)		(39,441)
Dividend requirements applicable to preferred stock	_			(4,550)	_	(7,448)	_	(6,852)
Net loss applicable to common stockholders	5	(42,361)	5	(40,071)	5	(64,004)	s	(46,293)
Basic and diluted loss per weighted average share of common stock before								
extraordinary gain (loss)	S	(1.62)	2	(1.31)	2	(1.64)	2	(1.51)
Basic and diluted extraordinary gain (loss) per weighted average share on		0.00				10.00		
early retirement of debt	-	0.08	-		-	(0.45)	-	
Basic and diluted net loss per weighted average share of common stock	5	(1.54)	3	(1.31)	3	(2.09)	7	(1.51)
Weighted average shares of common stock outstanding (in thousands)		27,468		30,647		30,647	_	30,730

(Dollars in thousands, except per share amounts)

Operating expenses: Direct operating and programming 48,738 56,595 62,6		Three Month			s End	Ended		
S			June 30	Septembe	er 30	Dec	cember 31	
Operating expenses: Direct operating and programming	Nine Months Ended December 31, 1998:				4450			
Direct operating and programming 48,738 56,595 62,6 Selling, general and administrative 29,111 33,043 45,00 Total 38,559 46,083 56,1 50,1 116,408 135,721 163,9 116,408 135,721 163,9 116,408 135,721 163,9 116,408 135,721 163,9	Revenues	5	144,756	5 169,	387	5	193,012	
Selling, general and administrative 29,111 33,043 45,0 Depreciation and amortization 38,559 46,083 56,1 Total 116,408 135,721 163,9 Operating income 28,348 33,666 29,1 Other income (expense): 28,348 33,666 29,1 Other income (expense): 12,000 12,000 12,00	Operating expenses:							
Depreciation and amortization 38,559 46,083 56,1 Total 116,408 135,721 163,9 Operating income 28,348 33,666 29,1 Other income (expense):	Direct operating and programming		48,738	56,	595		62,630	
Total 116,408 135,721 163,9	Selling, general and administrative		29,111	33,	043		45,095	
Operating income 28,348 33,666 29,11	Depreciation and amortization		38,559	46,	083		56,181	
Other income (expense): Priority investment income from Olympus 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,000 12,00 12,00 65,5 65,5 66,245 (65,317) (65,5 65,24 (15,7 Minority interest in losses of Subsidiaries 5,460 8,543 11,7 Minority interest in losses of subsidiaries 5,460 8,543 11,7 4yperion preferred stock dividends (6,946) (7,166) (7,460) (7,166) (7,2737) (67,244) (68,72) (68,72) (68,72) (68,72) (68,72) (7,2737) (67,244) (68,72) (68,72) (7,166) (7,166)	Total		116,408	135,	721		163,906	
Priority investment income from Olympus 12,000 12,000 12,000 12,000 Interest expense - net (62,745) (63,317) (65,5 Equity in loss of Olympus and other joint ventures (18,316) (14,803) (15,7 Minority interest in losses of subsidiaries 5,460 8,543 11,7 Hyperion preferred stock dividends (6,946) (7,166) (7,4 Other income 1,000 113	Operating income		28,348	33,	666		29,106	
Interest expense - net	Other income (expense):							
Equity in loss of Olympus and other joint ventures Equity in loss of Hyperion joint ventures Equity in loss of Hyperion joint ventures (3,190) (2,614) (3,7 Minority interest in losses of subsidiaries 5,460 8,543 11,7 Hyperion preferred stock dividends (6,946) (7,166) (7,4 Other income 1,000 113 Total Total (72,737) (67,244) (68,7 Loss before income taxes and extraordinary loss Income tax benefit (expense) Loss before extraordinary loss (44,389) (33,578) (39,6 Income tax benefit (expense) Loss before extraordinary loss Extraordinary loss on early retirement of debt (2,604) (1,733) Net loss Dividend requirements applicable to preferred stock (6,906) (6,906) (6,906) (6,906) Net loss applicable to common stockholders S (48,285) S (43,069) S (44,4 Basic and diluted loss per weighted average share of common stock before extraordinary loss per weighted average share on early retirement of debt Basic and diluted extraordinary loss per weighted average share on early retirement of debt Basic and diluted net loss per weighted average share of common stock S (1.48) S (1.16) S (1.21) Equity in loss of Hyperion joint ventures (3,190) (2,614) (6,7,66) (6,87) Equity in loss of Hyperion joint ventures (44,389) (33,578) (39,68,77) (67,244) (68,7) (68,7)	Priority investment income from Olympus		12,000	12.	000		12,000	
Equity in loss of Hyperion joint ventures Minority interest in losses of subsidiaries Hyperion preferred stock dividends Other income Total Contemporary Total Contemporary Total Contemporary Contemporary Total Contemporary Cont	Interest expense - net		(62,745)	(63,	317)		(65,531)	
Minority interest in losses of subsidiaries 5,460 8,543 11,7 Hyperion preferred stock dividends (6,946) (7,166) (7,4 Other income 1,000 113 113 Total (72,737) (67,244) (68,7 Loss before income taxes and extraordinary loss (44,389) (33,578) (39,6 Income tax benefit (expense) 5,614 (852) 2,0 Loss before extraordinary loss (38,775) (34,430) (37,5 Extraordinary loss on early retirement of debt (2,604) (1,733) Net loss (41,379) (36,163) (37,5 Dividend requirements applicable to preferred stock (6,906) (6,906) (6,906) Net loss applicable to common stockholders \$ (48,285) \$ (43,069) \$ (44,4) Basic and diluted loss per weighted average share of common stock before extraordinary loss \$ (1.48) \$ (1.16) \$ (1.80) Basic and diluted extraordinary loss per weighted average share of common stock \$ (0.08) \$ (0.05) \$ (1.21) \$ (1.21) \$ (1.21)	Equity in loss of Olympus and other joint ventures		(18,316)	(14,	803)		(15,772)	
Hyperion preferred stock dividends	Equity in loss of Hyperion joint ventures		(3,190)	(2,	614)		(3,776)	
Differ income 1,000 113	Minority interest in losses of subsidiaries		5,460	8,	543		11,769	
Total (72,737) (67,244) (68,7 Loss before income taxes and extraordinary loss (44,389) (33,578) (39,6 Income tax benefit (expense) (5,614 (852) (2,0 Loss before extraordinary loss (38,775) (34,430) (37,5 Extraordinary loss on early retirement of debt (2,604) (1,733) Net loss (41,379) (36,163) (37,5 Dividend requirements applicable to preferred stock (6,906) (6,906) (6,906) (6,906) Net loss applicable to common stockholders (48,285) (43,069) (44,4 Basic and diluted loss per weighted average share of common stock before extraordinary loss Basic and diluted extraordinary loss per weighted average share on early retirement of debt Basic and diluted net loss per weighted average share of common stock (5,008) (0,05) Basic and diluted net loss per weighted average share of common stock (5,008) (0,05) Basic and diluted net loss per weighted average share of common stock (5,008) (1,508) (1,509)	Hyperion preferred stock dividends		(6,946)	(7.	166)		(7,424)	
Loss before income taxes and extraordinary loss	Other income		1,000		113			
Income tax benefit (expense)	Total		(72,737)	(67.	244)		(68,734)	
Loss before extraordinary loss Extraordinary loss on early retirement of debt Net loss Dividend requirements applicable to preferred stock Net loss applicable to common stockholders S (48,285) S (43,069) S (44,4 Basic and diluted loss per weighted average share of common stock before extraordinary loss S (1.48) S (1.16) S (1.86) Basic and diluted extraordinary loss per weighted average share on early retirement of debt Basic and diluted net loss per weighted average share of common stock S (1.56) S (1.21) S (1.86)	Loss before income taxes and extraordinary loss		(44,389)	(33,	578)		(39,628)	
Extraordinary loss on early retirement of debt (2,604) (1,733) Net loss (41,379) (36,163) (37,5 Dividend requirements applicable to preferred stock (6,906) (6,906) (6,906) (6,906) Net loss applicable to common stockholders (48,285) (43,069) (44,4) Basic and diluted loss per weighted average share of common stock before extraordinary loss Basic and diluted extraordinary loss per weighted average share on early retirement of debt (0,08) (0,05) Basic and diluted net loss per weighted average share of common stock (1,56) (1,56) (1,56) (1,56)	Income tax benefit (expense)	_	5,614		852)		2,040	
Net loss Dividend requirements applicable to preferred stock Net loss applicable to common stockholders S (48,285) S (43,069) S (44,4) Basic and diluted loss per weighted average share of common stock before extraordinary loss Basic and diluted extraordinary loss per weighted average share on early retirement of debt Basic and diluted net loss per weighted average share of common stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (48,285) S (43,069) S (44,4) S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.66) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.16) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.16) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.16) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.16) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.16) Dividend requirements applicable to preferred stock S (1.48) S (1.16) S (1.16) Dividend requirements applicable to preferred stock S	Loss before extraordinary loss		(38,775)	(34,	430)		(37,588)	
Dividend requirements applicable to preferred stock (6,906) (Extraordinary loss on early retirement of debt	-	(2,604)	(),	733)			
Net loss applicable to common stockholders S (48,285) S (43,069) S (44,4 Basic and diluted loss per weighted average share of common stock before extraordinary loss Basic and diluted extraordinary loss per weighted average share on early retirement of debt Basic and diluted net loss per weighted average share of common stock S (1.48) S (1.16) S (1.16) S (1.16) G (0.08) G (0.05) Basic and diluted net loss per weighted average share of common stock	#####################################		The state of the state of the state of the state of	SECTION AND DESCRIPTION OF THE PARTY OF THE	Contract Contract		(37,588)	
Basic and diluted loss per weighted average share of common stock before extraordinary loss Basic and diluted extraordinary loss per weighted average share on early retirement of debt Basic and diluted net loss per weighted average share of common stock S (1.48) S (1.16) S (1.16) S (1.17) G (1.48) S (1.16) S (1.17) G (1.48) S (1.18) S (1.18) G (1.48) S	Dividend requirements applicable to preferred stock	_	(6,906)	(6,	906)		(6,906)	
extraordinary loss S (1.48) S (1.16) S (1.21) Basic and diluted extraordinary loss per weighted average share on early retirement of debt (0.08) (0.05) Basic and diluted net loss per weighted average share of common stock (1.56) S (1.21) S (1.21)	Net loss applicable to common stockholders	5	(48,285)	S (43,	069)	s	(44,494)	
Basic and diluted extraordinary loss per weighted average share on early retirement of debt Basic and diluted net loss per weighted average share of common stock (0.08) (0.05) (1.56) 5 (1.21) 5 (1.56)								
early retirement of debt Basic and diluted net loss per weighted average share of common stock (0.08) (0.05) (1.21) (1.21)		S	(1.48)	S (1	1.16)	S	(1.06)	
Basic and diluted net loss per weighted average share of common stock S (1.56) S (1.21) S (1.			(0.08)	"	0.051			
Weighted average shares of common stock outstanding (in thousands) 30,988 15,533 12,0	HENNES NEW TOTAL	5	The same and the s	OF REAL PROPERTY.	- description	\$	(1.06)	
The figures are raise of common stock detailed (in this series)	Weighted average shares of common stock outstanding (in thousands)		30,988	35.	533		42,093	

13. Subsequent Events:

On January 13, 1999, Adelphia completed offerings of \$100,000 of 7 1/2% Senior Notes due 2004 and \$300,000 of 7 3/4% Senior Notes due 2009. Net proceeds from these offerings, after deducting offering expenses, were approximately \$393,700. Of this amount, Adelphia used approximately \$160,000 to pay accrued interest and retire a portion of its 9 1/2% Senior Pay-In-Kind Notes due 2004. Adelphia used the remainder to repay borrowings under revolving credit facilities of its subsidiaries which may be reborrowed and used for general corporate purposes. The terms of these notes are similar to those of Adelphia's other publicly held senior debt.

On January 14, 1999, Adelphia completed offerings totaling 8,600,000 shares of its Class A common stock. In those offerings, Adelphia sold 4,600,000 newly issued shares of Class A common stock to Goldman, Sachs & Co. at \$43.25 per share and it also sold 4,000,000 shares of its Class A common stock at \$43.25 per share to entities controlled by the Rigas family. Adelphia used the proceeds of approximately \$372,000 from these offerings to repay subsidiary bank debt, which may be reborrowed and used for general corporate purposes.

On January 21, 1999, Adelphia acquired Verto Communications, Inc. ("Verto") pursuant to a merger agreement between Adelphia, Verto and Verto's shareholders. These systems served approximately 56,000 subscribers in the greater Scranton, PA area at the date of acquisition. In connection with the Verto acquisition, Adelphia issued 2,561,024 shares of its Class A common stock to the former owners of Verto and assumed approximately \$35,000 of net liabilities of Verto. The acquisition is being accounted for under the purchase method of accounting. Accordingly, the financial results of the acquired systems will be included in the consolidated results of Adelphia effective from the date acquired.

(Dollars in thousands, except per share amounts)

On January 29, 1999, Adelphia purchased from Telesat shares of Adelphia's stock owned by Telesat for a price of \$149,213. In the transaction, Adelphia purchased 1,091,524 shares of Class A common stock and 20,000 shares of Series C Cumulative convertible preferred stock which are convertible into an additional 2,358,490 shares of Class A common stock. These shares represent 3,450,014 shares of common stock on a fully converted basis. Adelphia and Telesat also agreed to a redemption of Telesat's interests in Olympus Communications, L.P. by July 11, 1999 for approximately \$108,000. The redemption is subject to applicable third party approvals.

On February 23, 1999, Adelphia announced that it had entered into a definitive agreement to acquire FrontierVision Partners, L.P. ("FrontierVision") for approximately \$2,100,000. Under that agreement Adelphia would acquire 100% of FrontierVision in exchange for approximately \$550,000 in cash, 7,000,000 shares of Adelphia Class A common stock and the assumption of approximately \$1,110,000 of debt. The transaction is subject to customary closing conditions. As of December 31, 1998, FrontierVision had approximately 702,000 basic subscribers.

On March 2, 1999, Hyperion issued \$300,000 of 12% Senior Subordinated Notes due 2007 (the "Subordinated Notes"). An entity controlled by members of the Rigas family purchased \$100,000 of the Subordinated Notes directly from Hyperion at a price equal to the aggregate principal amount less the discount to the initial purchasers. The net proceeds of approximately \$295,000 were or will be used to fund Hyperion's acquisition of interests held by local partners in certain of its markets, and will be used to fund capital expenditures and investments in its networks and for general corporate and working capital purposes.

On March 5, 1999, Adelphia announced that it had entered into a definitive merger agreement to acquire Century Communications Corp. ("Century") for approximately \$5,200,000. Under the agreement, Adelphia would acquire 100% of the outstanding common stock of Century for approximately \$826,000 in cash, 48,700,000 shares of Class A common stock and the assumption of approximately \$1,600,000 of debt. This transaction is subject to shareholder approval by Century and Adelphia and other customary closing conditions. As of December 31, 1998, Century had approximately 1,593,000 basic subscribers after giving effect to Century's pending joint venture with AT&T.

On March 31, 1999, Hyperion consummated its transaction with subsidiaries of MediaOne of Colorado, Inc. ("MediaOne"), its local partners in the Jacksonville, FL and Richmond, VA networks, whereby MediaOne received approximately \$81,520 in cash for MediaOne's ownership interests in these networks. In addition, Hyperion will be responsible for the payment of fiber lease liabilities due to MediaOne in the amount of approximately \$14,500 over the next ten years. As a result of the transactions, Hyperion's ownership interest in each of these networks will increase to 100%.

On April 9, 1999, Adelphia entered into a stock purchase agreement with Highland Holdings, a general partnership controlled by the Rigas family, in which Adelphia agreed to sell to Highland Holdings, and Highland Holdings agreed to purchase, from \$250,000 to \$375,000 of Adelphia's Class B common stock. The purchase price for the Class B common stock will be equal to the public offering price in the April 28, 1999 public offering of Class A common stock, described below, less the underwriting discount, plus an interest factor. Closing under this stock purchase agreement is to occur by January 23, 2000.

On April 12, 1999, Adelphia announced that it had entered into a definitive agreement to acquire cable television systems from Harron Communications Corp. ("Harron") for approximately \$1,200,000. The transaction is subject to customary closing conditions. As of December 31, 1998, Harron had approximately 294,000 basic subscribers after giving effect to recent and pending acquisitions involving approximately 9,000 basic subscribers.

On April 28, 1999, Adelphia completed an offering of \$350,000 of 7 7/8% Senior Notes due 2009. Net proceeds from this offering, after deducting offering expenses, were approximately \$345,500. Adelphia used the proceeds to repay borrowings under revolving credit facilities of its subsidiaries, which may be reborrowed and used for general corporate purposes, including acquisitions, capital expenditures and investments. The terms of these notes are similar to those of Adelphia's other publicly held senior debt.

On April 28, 1999, Adelphia consummated its offering of 8,000,000 shares of Class A common stock. Net proceeds of the offering, after deducting offering expenses, were approximately \$485,500. Adelphia initially used the net proceeds to repay borrowings under subsidiary credit agreements, which Adelphia plans to reborrow and use to fund one or more of the recently announced acquisitions.

(Dollars in thousands, except per share amounts)

On April 30, 1999, and, in a related transaction on May 14, 1999, Adelphia sold an aggregate 2,875,000 shares of 5 1/2% Series D convertible preferred stock with a liquidation preference of \$200 per share. The preferred stock accrues dividends at \$11 per share annually and is convertible at \$81.45 per share into an aggregate of 7,059,546 shares of Class A common stock of Adelphia. The preferred stock is redeemable at the option of Adelphia on or after May 1, 2002 at 103% of the liquidation preference. Net proceeds from the convertible preferred stock offering were approximately \$557,400 after deducting underwriting discounts and commissions and offering expenses. Adelphia initially used the net proceeds to repay borrowings under subsidiary credit agreements which Adelphia plans to reborrow and use to fund one or more of the recently announced acquisitions.

On May 6, 1999, certain subsidiaries and affiliates of Adelphia and Olympus closed on an \$850,000 credit facility. The credit facility consists of a \$600,000, 8 1/2 year reducing revolving credit loan and a \$250,000, 9 year term loan. Proceeds from initial borrowings were held as cash and used to repay existing indebtedness, which may be reborrowed and used for capital expenditures, investments and other general corporate purposes.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information set forth above in Part I under the caption "Executive Officers of the Registrant" is incorporated herein by reference. The other information required by this item is incorporated herein by reference to the information set forth under the caption "Election of Directors - Description of Board of Directors"; the information set forth under the caption "Election of Directors - Nominee for Election by Holders of Class A Common Stock"; the information set forth under the caption "Election of Directors - Nominees for Election by Holders of Class A Common Stock and Class B Common Stock"; and the information, if any, under the caption "Section 16(a) Beneficial Ownership Reporting Compliance," in the Company's definitive proxy statement for the 1998 Annual Meeting of Stockholders filed pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, or by reference to a filing amending this Transition Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference to the information set forth under the caption "Executive Compensation" in the Company's definitive proxy statement for the 1999 Annual Meeting of Stockholders filed pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, or by reference to a filing amending this Transition Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is incorporated herein by reference to the information set forth under the caption "Principal Stockholders" in the Company's definitive proxy statement for the 1999 Annual Meeting of Stockholders filed pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, or by reference to a filing amending this Transition Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is incorporated herein by reference to the information set forth under the caption "Certain Transactions" in the Company's definitive proxy statement for the 1999 Annual Meeting of Stockholders filed pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, or by reference to a filing amending this Transition Report on Form 10-K.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

Financial statements, schedules and exhibits not listed have been omitted where the required information is included in the consolidated financial statements or notes thereto, or is not applicable or required.

- (a)(1) A listing of the consolidated financial statements, notes and independent auditors' reports required in Item 8 are listed in the index in Item 8 of this Transition Report on Form 10-K.
- (c) Financial statement schedules:

The following are included in this Report:

Schedule I -- Condensed Financial Information of the Registrant

Schedule II -- Valuation and Qualifying Accounts

(3) Exhibits

- 2.01 Agreement and Plan of Merger by and among Adelphia Communications Corporation, Adelphia Acquisition Subsidiary, Inc., and Century Communications Corp., dated as of March 5, 1999 (Incorporated herein by reference is Exhibit 2.01 to the Registrant's Current Report on Form 8-K for the event dated February 22, 1999.) (File No. 0-16104).
- 2.02 Purchase Agreement, dated as of February 22, 1999, among FrontierVision Partners, L. P., FVP GP, L. P., and certain direct and indirect Limited Partners of FrontierVision Partners, L. P., as sellers, and Adelphia Communications Corporation, as buyer (Incorporated herein by reference is Exhibit 2.02 to the Registrant's Current Report on Form 8-K for the event dated February 22, 1999.) (File No. 0-16104).
- 2.03 Stock Purchase Agreement dated April 9, 1999 between Adelphia Communications Corporation and the shareholders of Harron Communications Corp. (Incorporated herein by reference is Exhibit 2.01 to the Registrant's Current Report on Form 8-K for the event dated April 9, 1999.) (File No. 0-16104).
- 3.01 Certificate of Incorporation of Adelphia Communications Corporation (Incorporated herein by reference is Exhibit 3.01 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).
- 3.02 Bylaws of Adelphia Communications Corporation (Incorporated herein by reference is Exhibit 3.02 to the Registrant's Current Report on Form 8-K for the event dated April 9, 1999.) (File Number 0-16014).
- 3.03 Certificate of Designations with respect to the Registrant's 5-1/2% Series D Convertible Preferred Stock (Incorporated by reference herein is Exhibit 3.01 to the Current Report on Form 8-K of the Registrant for the event dated April 28, 1999.) (File No. 0-16104).
- 4.01 Indenture, dated as of February 26, 1997, between the Registrant and Bank of Montreal Trust Company with respect to the Registrant's 9-7/8% Senior Notes Due 2007 (Incorporated herein by reference is Exhibit 4.01 to the Registrant's Current Report on Form 8-K dated May 1, 1997.) (File Number 0-16014).
- 4.02 Form of Note with respect to the Registrant's 9-7/8% Senior Notes Due 2007 (Contained in Indenture filed as Exhibit 4.01).
- 4.03 Indenture, dated as of April 15, 1996, between Hyperion Telecommunications, Inc. and Bank of Montreal Trust Company (Incorporated by reference is Exhibit 4.1 to Registration Statement No. 333-06957 on Form S-4 filed for Hyperion Telecommunications, Inc.).
- 4.04 Form of 13% Hyperion Telecommunications, Inc. Senior Discount Notes (Incorporated herein by reference is Exhibit 4.3 to Hyperion Telecommunications, Inc.'s Registration Statement No. 333-12619 on Form S-3, formerly on Form S-1).
- 4.05 First Supplemental Indenture, dated as of September 11, 1996, between Hyperion Telecommunications, Inc. and Bank of Montreal Trust Company (Incorporated herein be reference is Exhibit 4.2 to Hyperion Telecommunications, Inc.'s Registration Statement No. 333-12619 on Form S-3, formerly on Form S-1).
- 4.06 Indenture, dated as of November 12, 1996, between Olympus Communications, L.P., Olympus Capital Corporation and Bank of Montreal Trust Company (Incorporated herein by reference is Exhibit 10.02 to the Registrant's Current Report on Form 8-K dated December 16, 1996.) (File Number 0-16014).

- 4.07 Certificate of Designations for 13% Series A and Series B Cumulative Exchangeable Preferred Stock (Contained in Exhibit 3.01 to the Registrant's Current Report on Form 8-K dated July 24, 1997, which is incorporated herein by reference.) (File Number 0-16014).
- 4.08 Certificate of Designations for Series C Convertible Preferred Stock (Contained in Exhibit 3.01 to the Registrant's Current Report on Form 8-K dated July 24, 1997, which is incorporated herein by reference.) (File Number 0-16014).
- 4.09 Form of Indenture, with respect to the Registrant's 13% Senior Subordinated Exchange Debentures due 2009, between the Registrant and the Bank of Montreal Trust Company (Contained in Exhibit 3.01 as Annex A to Registrant's Current Report on Form 8-K dated July 24, 1997, which is incorporated herein by reference.) (File Number 0-16014).
- 4.10 Form of Certificate for 13% Cumulative Exchangeable Preferred Stock (Incorporated herein by reference is Exhibit 4.06 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).
- 4.11 Form of Certificate for Series C Convertible Preferred Stock (Incorporated herein by reference is Exhibit 4.07 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).
- 4.12 Indenture, dated as of August 27, 1997, with respect to Hyperion Telecommunications, Inc. ("Hyperion") 12-1/4% Senior Secured Notes due 2004, between Hyperion and the Bank of Montreal Trust Company (Incorporated herein by reference to Exhibit 4.01 to Hyperion's Current Report on Form 8-K dated August 27, 1997.) (File No. 0-21605).
- 4.13 Form of 12-1/4% Senior Secured Note due 2004 (contained in Exhibit 4.12).
- 4.14 Second Supplemental Indenture, dated as of August 27, 1997, between Hyperion and the Bank of Montreal Trust Company, regarding Hyperion's 13% Senior Discount Notes due 2003 (Incorporated by reference herein to Exhibit 4.06 to Hyperion's Current Report on Form 8-K dated August 27, 1997.) (File No. 0-21605).
- 4.15 Indenture, dated as of September 25, 1997, with respect to the Registrant's 9-1/4% Senior Notes due 2002, between the Registrant and the Bank of Montreal Trust Company (Incorporated herein by reference is Exhibit 4.01 to the Registrant's Current Report on Form 8-K dated September 25, 1997.)
 (File Number 0-16014).
- 4.16 Form of 9-1/4% Senior Note due 2002 (contained in Exhibit 4.15).
- 4.17 Indenture, dated as of January 21, 1998, with respect to the Registrant's 8-3/8% Senior Notes due 2008, between the Registrant and the Bank of Montreal Trust Company (Incorporated by reference herein is Exhibit 4.01 to the Registrant's Current Report on Form 8-K dated January 21, 1998.) (File No. 0-10614).
- 4.18 Form of 8-3/8% Senior Note due 2008 (Contained in Exhibit 4.17).
- 4.19 First Supplemental Indenture, dated as of November 12, 1998, to January 1998 Indenture with respect to the Registrant's 8-3/8% Senior Notes due 2008, between the Registrant and the Bank of Montreal Trust Company (Incorporated by reference herein is Exhibit 4.01 to the Registrant's Current Report on Form 8-K filed on January 28, 1999.) (File No. 0-16014).
- 4.20 Registration Rights Agreement between Adelphia Communications Corporation and the Initial Purchaser, dated November 12, 1998, regarding the Registrant's 8-3/8% Senior Notes due 2008 (Incorporated by reference herein is Exhibit 4.02 to the Registrant's Current Report on Form 8-K filed on January 28, 1999.) (File No. 0-16014).

- 4.21 Indenture, dated as of January 13, 1999, with respect to the Registrant's 7-1/2% Senior Notes due 2004 and 7-3/4% Senior Notes due 2009, between the Registrant and the Bank of Montreal Trust Company (Incorporated by reference herein is Exhibit 4.03 to the Registrant's Current Report on Form 8-K filed on January 28, 1999.) (File No. 0-16014).
- 4.22 Registration Rights Agreement between Adelphia Communications Corporation and the Initial Purchaser, dated January 13, 1999, regarding the Registrant's 7-1/2% Senior Notes due 2004 and 7-3/4% Senior Notes due 2009 (Incorporated by reference herein is Exhibit 4.04 to the Registrant's Current Report on Form 8-K, filed on January 28, 1999.) (File No. 0-16014).
- 4.23 Form of 7-1/2% Senior Note due 2004 (Contained in Exhibit 4.21).
- 4.24 Form of 7-3/4% Senior Note due 2009 (Contained in Exhibit 4.21).
- 4.25 Indenture dated as of March 2, 1999, with respect to Hyperion Telecommunications, Inc. 12% Senior Subordinated Notes due 2007, between Hyperion and the Bank of Montreal Trust Company (Incorporated by reference herein is Exhibit 4.01 to the Registrant's Current Report on Form 8-K filed on March 10, 1999.) (File No. 0-16014).
- 4.26 Form of 12% Senior Subordinated Notes due 2007 (Contained in Exhibit 4.25).
- 4.27 Registration Rights Agreement between Hyperion Telecommunications, Inc. and the Initial Purchasers, dated March 2, 1999, regarding Hyperion's 12% Senior Subordinated Notes due 2007 (Incorporated by reference herein is Exhibit 10.04 to the Registrant's Current Report on Form 8-K filed on March 10, 1999.) (File No. 0-16014).
- 4.28 Base Indenture, dated as of April 28, 1999, with respect to the Registrant's Senior Indebtedness, between the Registrant and The Bank of Montreal Trust Company (Incorporated by reference herein is Exhibit 4.01 to the Registrant's Current Report on Form 8-K filed on April 28, 1999.) (File No. 0-16014).
- 4.29 The First Supplemental Indenture, dated as of April 28, 1999, to April 28, 1999 Base Indenture, with respect to the Registrant's 7-7/8% Senior Notes due 2009, between the Registrant and The Bank of Montreal Trust Company (Incorporated by reference herein is Exhibit 4.02 to the Registrant's Current Report on Form 8-K filed on April 28, 1999.) (File No. 0-16014).
- 4.30 Form of 7-7/8% Senior Note due 2009 (Contained in Exhibit 4.29).
- 10.01 Class B Common Stockholders Agreement (Incorporated herein by reference is Exhibit 10.01 to Registration Statement No. 33-6974 on Form S-1).
- 10.02 Joinder to Class B Common Stockholders Agreement (Incorporated herein by reference is Exhibit 10.02 to Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1994.) (File Number 0-16014).
- 10.03 Registration Rights Agreement and Amendment to Registration Rights Agreement (Incorporated herein by reference are Exhibit 10.02 to Registration Statement No. 33-6974 on Form S-1 and Exhibit 10.35 to Registration Statement No. 33-25121 on Form S-1).
- 10.04 Form of Management Agreement for Managed Companies (Incorporated herein by reference is Exhibit 10.04 to the Registrant's Annual Report on Form 10-K for fiscal year ended March 31, 1996.) (File Number 0-16014).
- 10.05 Management Agreement—Montgomery Cablevision Associates, L.P. (Incorporated herein by reference is Exhibit 10.08 to Registration Statement No. 33-6974 on Form S-1).

- 10.06 Management Agreement—Adelphia Cablevision Associates of Radnor, L.P. (Incorporated herein by reference is Exhibit 10.09 to Registration Statement No. 33-6974 on Form S-1).
- 10.07 Business Opportunity Agreement (Incorporated herein by reference is Exhibit 10.13 to Registration Statement No. 33-3674 on Form S-1).
- 10.08* Employment Agreement between the Company and John J. Rigas (Incorporated herein by reference is Exhibit 10.14 to Registration Statement No. 33-6974 on Form S-1).
- 10.09* Employment Agreement between the Company and Timothy J. Rigas (Incorporated herein by reference is Exhibit 10.16 to Registration Statement No. 33-6974 on Form S-1).
- 10.10° Employment Agreement between the Company and Michael J. Rigas (Incorporated herein by reference is Exhibit 10.17 to Registration Statement No. 33-6974 on Form S-1).
- 10.11* Employment Agreement between the Company and James P. Rigas (Incorporated herein by reference is Exhibit 10.18 to Registration Statement No. 33-6974 on Form S-1).
- 10.12* \$50,000 Term Note and Pledge Agreement between Adelphia Communications Corporation as lender and Daniel R. Milliard, dated October 1, 1988 (Incorporated herein by reference is Exhibit 10.03 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1991.)
 (File Number 0-16014).
- 10.13° \$205,000 Revolving Term Note and Pledge Agreement among Adelphia Communications Corporation as lender, Daniel R. Milliard and David Acker (Incorporated herein by reference is Exhibit 10.04 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1991.)
 (File Number 0-16014).
- 10.14 Olympus Communications, L.P. Second Amended and Restated Limited Partnership Agreement, dated as of February 28, 1995 (Incorporated herein by reference is Exhibit 10.32 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1995.) (File Number 0-16014).
- 10.15 Revolving Credit Facility among Adelphia Cable partners, L.P., Southwest Florida Cable, Inc., West Boca Acquisition Limited Partnership and Toronto-Dominion (Texas), Inc., as Administrative Agent, dated May 12, 1995 (Incorporated herein by reference is Exhibit 10.03 to the Registrant's Current Report on Form 8-K dated June 30, 1995.) (File Number 0-16014).
- 10.16 Credit Agreement, dated as of April 12, 1996, among Chelsea Communications, Inc., Kittanning Cablevision Inc., Robinson/Plum Cablevision L.P., the several banks and financial institutions parties thereto, and Toronto Dominion (Texas), Inc. as Administrative Agent (Incorporated herein by reference is Exhibit 10.36 to Registrant's Current Report on Form 8-K dated June 3, 1996.)
 (File Number 0-16014).
- 10.17 Purchase Agreement dated as of February 21, 1997, between the Registrant and Smith Barney Inc. (Incorporated herein by reference is Exhibit 10.02 to the Registrant's Current Report on Form 8-K dated May 1, 1997.) (File Number 0-16014).
- 10.18 Warrant Agreement dated as of April 15, 1996, by and among Hyperion Telecommunications, Inc. and Bank of Montreal Trust Company (Incorporated by reference is Exhibit 10.13 to Registration Statement No. 333-06957 on Form S-4 for Hyperion Telecommunications, Inc.).
- 10.19 Warrant Registration Rights Agreement dated as of April 15, 1996, by and among Hyperion Telecommunications, Inc. and the Initial Purchasers (Incorporated by reference is Exhibit 10.14 to Registration Statement No. 333-06957 on Form S-4 for Hyperion Telecommunications, Inc.).

- 10.20 Hyperion Telecommunications, Inc. Long-Term Incentive Compensation Plan (Incorporated herein by reference is Exhibit 10.17 to Hyperion Telecommunications, Inc.'s Registration Statement No. 333-13663 on Form S-1).
- 10.21 Registration Rights Agreement among Charles R. Drenning, Paul D. Fajerski, Randolph S. Fowler, Adelphia Communications Corporation and Hyperion Telecommunications, Inc. (Incorporated herein by reference is Exhibit 10.18 to Hyperion Telecommunications, Inc.'s Registration Statement No. 333-13663 on Form S-1).
- 10.22 Registration Rights Agreement between Adelphia Communications Corporation and Hyperion Telecommunications, Inc. (Incorporated herein by reference is Exhibit 10.19 to Hyperion Telecommunications, Inc.'s Registration Statement No. 333-13663 on Form S-1).
- 10.23 First Amendment to the Olympus Communications, L.P. Second Amended and Restated Limited Partnership Agreement, dated September 1, 1995 (Incorporated herein by reference is Exhibit 10.33 to the Registrant's Annual Report on Form 10-K/A for the fiscal year ended March 31, 1996.) (File Number 0-16014).
- 10.24 First Amendment to the Olympus Communications, L.P. Second Amended and Restated Limited Partnership Agreement, dated March 29, 1996 (Incorporated herein by reference is Exhibit 10.34 to the Registrant's Annual Report on Form 10-K/A for the fiscal year ended March 31, 1996.) (File Number 0-16014).
- 10.25 Second Amendment to the Olympus Communications, L.P. Second Amended and Restated Limited Partnership Agreement, dated June 27, 1996 (Incorporated herein by reference is Exhibit 10.35 to the Registrant's Annual Report on Form 10-K/A for the fiscal year ended March 31, 1996.) (File Number 0-16014).
- 10.26* Employment Agreement between Hyperion Telecommunications, Inc. and Daniel R. Milliard dated as of March 4, 1997 (Incorporated herein by reference is Exhibit 10.03 to Adelphia Communications Corporation's Current Report on Form 8-K dated May 1, 1997) (File Number 0-16014).
- 10.27 Extension Agreement dated as of January 8, 1997, among Hyperion Telecommunications, Inc., Adelphia Communications Corporation, Charles R. Drenning, Paul D. Fajerski, Randolph S. Fowler, and six Trusts named therein (Incorporated herein by reference is Exhibit 10.04 to Adelphia Communications Corporation's Current Report on Form 8-K dated May 1, 1997) (File Number 0-16014).
- 10.28 Purchase Agreement among Adelphia Communications Corporation, Smith Barney Inc., Bear Stearns & Co. Inc., NationsBane Capital Markets, Inc. and TD Securities (USA) Inc. dated July 1, 1997 (Incorporated herein by reference is Exhibit 10.01 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).
- 10.29 Registration Rights Agreement among Adelphia Communications Corporation, the Initial Purchasers and Highland Holdings, dated July 7, 1997, regarding the 13% Cumulative Exchangeable Preferred Stock (Incorporated herein by reference is Exhibit 10.02 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).
- 10.30 Registration Rights Agreement among Adelphia Communications Corporation and the Initial Purchasers, dated July 7, 1997, regarding the 10-1/2% Senior Notes due 2004 (Incorporated herein by reference is Exhibit 10.03 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).

- 10.31 Registration Rights Agreement among Adelphia Communications Corporation, Highland Holdings and Telesat Cablevision, Inc., dated July 7, 1997 (Incorporated herein by reference is Exhibit 10.04 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).
- 10.32 Purchase Agreement between Adelphia Communications Corporation and Highland Holdings, dated July 1, 1997 (Incorporated herein by reference is Exhibit 10.05 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).
- 10.33 Series C Preferred Stock Purchase Agreement among Adelphia Communications Corporation, Highland Holdings and Telesat Cablevision, Inc., dated June 22, 1997 (Incorporated herein by reference is Exhibit 10.06 to the Registrant's Current Report on Form 8-K dated July 24, 1997.) (File Number 0-16014).
- 10.34 Pledge Agreement between Hyperion and the Bank of Montreal Trust Company as Collateral Agent, dated as of August 27, 1997 (Incorporated by reference herein is Exhibit 4.03 to Hyperion's Current Report on Form 8-K dated August 27, 1997) (File No. 0-21605).
- 10.35 Registration Rights Agreement between Hyperion and the Initial Purchasers, dated August 27, 1997, regarding the 12-1/4% Senior Secured Notes due 2004 (Incorporated herein by reference to Exhibit 4.04 to Hyperion's Current Report on Form 8-K dated August 27, 1997.) (File No. 0-21605).
- 10.36 Pledge, Escrow and Disbursement Agreement, between Hyperion and the Bank of Montreal Trust Company dated as of August 27, 1997 (Incorporated by reference herein to Exhibit 4.05 to Hyperion's Current Report on Form 8-K dated August 27, 1997.) (File No. 0-21605).
- 10.37 Purchase Agreement among Hyperion, Bear Stearns & Co. Inc., Chase Securities Inc., TD Securities (USA) Inc., CIBC Wood Gundy Securities Corp., and Scotia Capital Markets dated August 21, 1997 (Incorporated herein by reference to Exhibit 10.01 to Hyperion's Current Report on Form 8-K dated August 27, 1997.) (File No. 0-21605).
- 10.38 Purchase Agreement among Adelphia Communications Corporation and Smith Barney Inc. dated September 22, 1997 (Incorporated herein by reference is Exhibit 10.01 to the Registrant's Current Report on Form 8-K, dated September 25, 1997.) (File Number 0-16014).
- 10.39 Purchase Agreement among Adelphia Communications Corporation and Salomon Brothers Inc. dated January 15, 1998 (Incorporated by reference herein is Exhibit 10.01 to the Registrant's Current Report on Form 8-K dated January 21, 1998.) (File No. 0-16014).
- 10.40* Management Services Agreement dated as of April 10, 1998, between the Registrant and Hyperion Telecommunications, Inc. (Incorporated herein by reference is Exhibit 10.23 to Registration Statement No. 333-48209 on Form S-1 filed by Hyperion Telecommunications, Inc.).
- 10.41 Letter Agreement dated April 10, 1998, among Hyperion Telecommunications, Inc., the Registrant and MCImetro Access Transmission Services, Inc. (Incorporated herein by reference is Exhibit 10.24 to Registration Statement No. 333-48209 on Form S-1 filed by Hyperion Telecommunications, Inc.).
- 10.42 Amendment to Registration Rights Agreement dated as of April 15, 1998, between Hyperion Telecommunications, Inc. and the Registrant (Incorporated herein by reference is Exhibit 10.25 to Registration Statement No. 333-48209 on Form S-1 filed by Hyperion Telecommunications, Inc.).
- 10.43 Letter Agreement dated as of April 9, 1998, between Hyperion Telecommunications, Inc. and the Registrant regarding the purchase of Hyperion's Class A Common Stock (Incorporated herein by reference is Exhibit 10.26 to Registration Statement No. 333-48209 on Form S-1 filed by Hyperion Telecommunications, Inc.).

- 10.44 U.S. Underwriting Agreement dated May 4, 1998 among Hyperion Telecommunications, Inc. and the Representatives named therein (Incorporated herein by reference is Exhibit 10.01 to Hyperion Telecommunications, Inc.'s Current Report on Form 8-K dated June 24, 1998.) (File Number 0-21605).
- 10.45 International Underwriting Agreement dated May 4, 1998 among Hyperion Telecommunications, Inc. and the Representatives named therein (Incorporated herein by reference is Exhibit 10.02 to Hyperion Telecommunications, Inc.'s Current Report on Form 8-K dated June 24, 1998.) (File Number 0-21605).
- 10.46 Warrant issued by Hyperion Telecommunications, Inc. to MCI dated May 8, 1998 (Incorporated herein by reference is Exhibit 10.03 to Hyperion Telecommunications, Inc.'s Current Report on Form 8-K dated June 24, 1998.) (File Number 0-21605).
- 10.47 Warrant issued by Hyperion Telecommunications, Inc. to the Registrant dated June 5, 1998 (Incorporated herein by reference is Exhibit 10.04 to Hyperion Telecommunications, Inc.'s Current Report on Form 8-K dated June 24, 1998.) (File Number 0-21605).
- 10.48 Purchase Agreement among Adelphia Communications Corporation and Barclays Capital, Inc. dated June 29, 1998 (Incorporated herein by reference is Exhibit 10.01 to the Registrant's Current Report on Form 8-K dated July 23, 1998).
- 10.49 U.S. Underwriting Agreement between the Registrant and the Representatives of the U.S. Underwriters named therein, dated August 12, 1998 (Incorporated herein by reference is Exhibit 10.01 to the Form 8-K of the Registrant for the event dated August 18, 1998.) (File No. 000-16104).
- 10.50 International Underwriting Agreement between the Registrant and the Lead Managers of the Managers named therein, dated August 12, 1998 (Incorporated herein by reference is Exhibit 10.02 to the Form 8-K of the Registrant for the event dated August 18, 1998.) (File No. 000-16104).
- 10.51 Direct Purchase Agreement between the Registrant and Highland Communications, L.L.C., dated August 12, 1998 (Incorporated herein by reference is Exhibit 10.03 to the Form 8-K of the Registrant for the event dated August 18, 1998.) (File No. 000-16104).
- 10.52* Adelphia Communications Corporation 1998 Long-Term Incentive Compensation Plan (Incorporated herein by reference is Exhibit A to the Registrant's Proxy Statement for the Annual Meeting of Stockholders on October 6, 1998.) (File No. 000-16104).
- 10.53 Distribution Agreement dated as of August 31, 1998 among Syracuse Hilton Head Holdings, L.P., Adelphia Communications Corporation and SHHH Acquisition Corp. (Incorporated herein by reference is Exhibit 10.05 to the Form 10-Q of the Registrant for the quarter ended September 30, 1998.) (File No. 0-16104).
- 10.54 Second Amendment to Credit Agreement, dated as of April 12, 1996, among Chelsea Communications, Inc., Kittanning Cablevision Inc., Robinson/Plum Cablevision L. P., the several banks and financial institutions parties thereto, and Toronto Dominion (Texas), Inc. as Administrative Agent (Incorporated herein by reference is Exhibit 10.06 to the Form 10-Q of the Registrant for the quarter ended September 30, 1998.) (File No. 0-16104).
- 10.55 Purchase Agreement among Adelphia Communications Corporation and Barclays Capital, Inc. (the "Initial Purchaser") dated November 6, 1998 (Incorporated by reference herein is Exhibit 10.01 to the Registrant's Current Report on Form 8-K, filed January 28, 1999.) (File No. 0-16104).
- 10.56 Purchase Agreement among Adelphia Communications Corporation and Salomon Smith Barney, Inc., Credit Suisse First Boston Corporation, Goldman Sachs & Co., Lehman Brothers, Inc. and NationsBank Montgomery Securities LLC (the "Initial Purchasers") dated January 6, 1999 (Incorporated by reference herein is Exhibit 10.02 to the Registrant's Current Report on Form 8-K, filed January 28, 1"99.) (File No. 0-16104).

- 10.57 Credit Agreement, dated as of December 30, 1998, among Parnassos, L.P. as the Borrower, various financial institutions as the Lenders, the Bank of Nova Scotia as the Administrative Agent, Nationsbank, N.A. as the Documentation Agent, and TD Securities (USA) Inc. as the Syndication Agent (Incorporated by reference herein is Exhibit 10.03 to the Registrant's Current Report on Form 8-K, filed January 28, 1999.) (File No. 0-16104).
- 10.58 Registration Rights Agreement among Adelphia Communications Corporation, Doris Holdings, L.P. and Highland Holdings II dated January 14, 1999 (Incorporated by reference herein is Exhibit 10.04 to the Registrant's Current Report on Form 8-K, filed January 28, 1999.) (File No. 0-16104).
- 10.59 Underwriting Agreement dated January 11, 1999 between the Registrant and Goldman, Sachs & Co. (Incorporated by reference herein is Exhibit 1.01 to the Registrant's Current Report on Form 8-K, filed January 13, 1999.) (File No. 0-16104).
- 10.60 Purchase Agreement between the Registrant and Highland Holdings II dated January 11, 1999 (Incorporated by reference herein is Exhibit 10.01 to the Registrant's Current Report on Form 8-K, filed January 13, 1999.) (File No. 0-16104).
- 10.61 Stock Purchase Agreement dated January 28, 1999 (Incorporated herein by reference is Exhibit 13 to Amendment No. 3 to Schedule 13D filed February 8, 1999 on behalf of FPL Group, Inc.).
- 10.62 Class B Voting Agreement, dated as of March 5, 1999, among Adelphia Communications Corporation, Leonard Tow, The Claire Tow Trust, and the Trust Created by Claire Tow under date of December 10, 1979 (Incorporated herein by reference is Exhibit 10.01 to the Registrant's Current Report on Form 8-K for the event dated February 22, 1999.) (File No. 0-16104).
- 10.63 Rigas Class B Voting Agreement, dated as of March 5, 1999, among Century Communications Corp., John Rigas, Michael Rigas, Timothy Rigas and James Rigas (Incorporated herein by reference is Exhibit 10.02 to the Registrant's Current Report on Form 8-K for the event dated February 22, 1999.) (File No. 0-16104).
- 10.64 Purchase Agreement between Hyperion Telecommunications, Inc. and the Initial Purchasers named therein, dated as of February 25, 1999, regarding Hyperion's 12% Senior Subordinated Notes due 2007 (Incorporated herein by reference is Exhibit 10.03 to the Registrant's Current Report on Form 8-K for the event dated February 22, 1999.) (File No. 0-16104).
- 10.65 Purchase Agreement between Hyperion Telecommunications, Inc. and Highland Holdings, dated as of February 25, 1999, regarding Hyperion's 12% Senior Subordinated Notes due 2007 (Incorporated herein by reference is Exhibit 10.05 to the Registrant's Current Report on Form 8-K for the event dated February 22, 1999.) (File No. 0-16104).
- 10.66 Class B Common Stock Purchase Letter Agreement dated April 9, 1999 between Adelphia Communications Corporation and Highland Holdings (Incorporated herein by reference is Exhibit 10.01 to the Registrant's Current Report on Form 8-K for the event dated April 9, 1999.) (File No. 0-16104).
- 10.67 Class A Common Stock Underwriting Agreement among Adelphia Communications Corporation, Salomon Smith Barney Inc. and the other underwriters named therein, as representatives of the Underwriters, dated April 23, 1999 (Incorporated by reference herein is Exhibit 1.01 to the Current Report on Form 8-K of the Registrant for the event dated April 28, 1999.) (File No. 0-16104).
- 10.68 7-7/8% Senior Notes Underwriting Agreement among Adelphia Communications Corporation and Chase Securities Inc., as representative of the Underwriters, dated April 23, 1999 (Incorporated by reference herein is Exhibit 10.02 to the Current Report on Form 8-K of the Registrant for the event dated April 28, 1999.) (File No. 0-16104).

- 10.69 5-1/2% Series D Convertible Preferred Stock Underwriting Agreement among Adelphia Communications Corporation and Salomon Smith Barney Inc., as representative of the Underwriters, dated April 26, 1999 (Incorporated by reference herein is Exhibit 1.03 to the Current Report on Form 8-K of the Registrant for the event dated April 28, 1999.) (File No. 0-16104).
- 21.01 Subsidiaries of the Registrant (Filed herewith).
- 23.01 Consent of Deloitte & Touche LLP (Filed herewith).
- 27.01 Financial Data Schedule (Filed herewith).
- 99.01 Material incorporated by reference into this Transition Report on Form 10-K of the Olympus Communications, L.P. and Olympus Capital Corporation Form 10-K for the year ended December 31, 1998.
- Denotes management contracts and compensatory plans and arrangements required to be identified by Item 14(a)(3).

The Registrant will furnish to the Commission upon request copies of instruments not filed herewith which authorize the issuance of long-term obligations of Registrant not in excess of 10% of the Registrant's total assets on a consolidated basis.

- (b) The Registrant filed Form 8-Ks dated November 9, 1998, November 13, 1998 and December 23, 1998, which reported information under Items 5 and 7 thereof. No financial statements were filed with such Form 8-K report.
- (c) The Company hereby files as exhibits to this Transition Report on Form 10-K the exhibits set forth in Item 14(a)(3) hereof which are not incorporated by reference.
- (d) The Company hereby files as financial statement schedules to this Transition Report on Form 10-K the financial statement schedules set forth in Item 14(a)(2) hereof.

SCHEDULE I (Page 1 of 4) ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES Condensed Information as to the Financial Position of the Registrant (Dollars in thousands)

(Dollars in theusands)				
		March 31, 1998		December 31,
ASSETS:			-	
Investment in and net advances to cable television				
subsidiaries and related parties	S	873,398	2	1,123,615
Property and equipment - net		30,776		28,889
Cash and cash equivalents		103		105
Other assets – net		81,823		67,346
Total	5	986,100	5	1,219,955
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY):				
Losses and distributions in excess of investments in and net advances				
to cable television subsidiaries	S	515,957	5	201,636
Parent debt		1,580,274		1,810,212
Other debt		2,745		2,096
Accrued interest and other liabilities		54,927		79,566
Total liabilities		2,153,903		2,093,510
Redeemable exchangeable preferred stock		148,062		148,191
Stockholders' equity (deficiency) - see consolidated financial				
statements included herein for details		(1,315,865)		(1,021,746)
Total	5	986,100	5	1,219,955

See notes to condensed financial information of the Registrant.

SCHEDULE 1 (Page 2 of 4) ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES Condensed Information as to the Operations of the Registrant

(Dollars in thousands)

Nine Months

INCOME:	Year Ended Ma	arch 31.	Ended December 31. 1998		
	\$ 57,479 \$	65,369	5 68,011		
Income from subsidiaries and affiliates	3 3,,,,,				
EXPENSES:			Market (1983)		
	2,044	2,144	316		
Operating expenses and fees to subsidiaries	5,882	7,408	4,106		
Proceediation and amortization	18,591	16,831	12,902		
Interest expense to subsidiaries and artifiates	103,735	134,984	108,809		
Interest expense to others	130,252	161,367	126,133		
Total					
Loss before gain on sale of investments, equity in net loss of subsidiaries and extraordinary items	(72,773)	(95,998)	(58,122)		
	3,746	1,927			
Gain on sale of investments	(49,905)	(68,483)	(52,671)		
Equity in net loss of subsidiaries	(118,932)	(162,554)	(110,793)		
Loss before extraordinary loss	(11,710)	(11,325	(4,337)		
Extraordinary loss on early retirement of debt	(130,642)	(173,879			
Nation	(150,0.2)	(18,850			
Dividend requirements applicable to preferred stock	\$ (130,642)	5 (192,729	OR DESIGNATION OF THE PERSON O		
Net loss applicable to common stockholders					

SCHEDULE I (Page 3 of 4) ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES Condensed Information as to the Cash Flows of the Registrant (Dollars in thousands)

	Year Ended N	Nine Months Ended December 31.	
	1997	1998	December 31,
Cash flows from operating activities:			
Net loss	\$ (130,642) \$	(173,879)	. (115 130)
Adjustments to reconcile net loss to net cash used	\$ (130,042) \$	(173,879)	\$ (115,130)
for operating activities:			
Equity in net loss of subsidiaries	49.905	68,483	52,671
Gain on sale of investments	(3,746)	(1,927)	32,071
Extraordinary loss on debt retirement	11,710	11,325	4.337
Depreciation and amortization	5,882	7.408	4,106
Noncash interest expense	17.893	9,389	545
Change in operating assets and liabilities:	17,093	7,307	343
Other assets	(711)	1,661	10.00
Accrued interest and other liabilities		2,814	15,554
Net cash used for operating activities	(2,165)		22,062
	(51,874)	(74,726)	(15,855)
Cash flows from investing activities:			
Investments in and advances to subsidiaries			
and related parties - net	(1/2 0/0)		
Expenditures for property, plant and equipment	(162,812)	(539,459)	(664,629)
Proceeds from sale of investments	(669)	(722)	(835)
Net cash used for investing activities		12,678	<u> </u>
Net cash used for investing activities	(163,481)	(527,503)	(665,464)
Cash flows from financing activities:			
Proceeds from debt	348.312	624,142	200 222
Repayments of debt	(122,615)	(232,421)	299,232
Issuance of redeemable exchangeable preferred stock	(122,013)	147.976	(70,488)
Issuance of convertible preferred stock		97,000	•
Issuance of Hyperion Class A common stock		97,000	205 550
Issuance of Class A common stock			205,559
Costs associated with issuance of Class A common stock			275,880
Preferred stock dividends paid			(7,954)
Premium paid on early retirement of debt	(0.207)	(14,787)	(15,843)
Debt financing costs	(8,207)	(12,153)	(2,095)
Net cash provided by financing activities	(5,135)	(7,522)	(2,970)
Net cash provided by linancing activities	212,355	602,235	681,321
(Decrease) increase in cash and cash equivalents	(3,000)	6	2
Cash and cash equivalents, beginning of period	3,097	97	103
Cash and cash equivalents, end of period	s 97 s	103	105
Supplemental disclosure of cash flow activity -			
Cash payments for interest	\$ 106,746 \$	134,805 \$	97,972
		154,005	71,712

SCHEDULE I (Page 4 of 4)

ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES

Notes to Condensed Financial Information of the Registrant (Dollars in thousands)

1. Amounts advanced between Adelphia and related parties:

Adelphia Communications Corporation ("Adelphia") has periodically advanced to and borrowed funds from subsidiaries and affiliates. Adelphia and its subsidiaries and affiliates charge interest on such amounts at rates ranging from 2% to 11% with principal due upon demand five years after December 31, 1998.

2. Reclassifications:

Certain prior period amounts have been reclassified to conform with the current period presentation.

SCHEDULE II ADELPHIA COMMUNICATIONS CORPORATION AND SUBSIDIARIES VALUATION AND QUALIFYING ACCOUNTS (Dollars in thousands)

		Balance at Beginning of Period		Charged to Costs and Expenses		Deductions- Write-Offs	-	Balance at End of Period
Year Ended March 31, 1997								
Allowance for doubtful accounts	<u>s</u>	1,216	5	8,398	5	8,269	5	1,345
Valuation allowance for deferred tax assets	5	301,485	<u>s</u>	57,800	<u>s</u>	<u> </u>	5	359,285
Year Ended March 31, 1998								
Allowance for doubtful accounts	5	1,345	5	8,685	5	8,864	<u>s</u>	1,166
Valuation allowance for deferred tax assets	<u>s</u>	359,285	<u>s</u>	48,775	5	•	5	408,060
Nine Months Ended December 31, 1998								
Allowance for doubtful accounts	<u>s</u>	1,166	5	8,765	<u>s</u>	7,078	<u>s</u>	2,853
Valuation allowance for deferred tax assets	s	408,060	5	31,220	<u>s</u>		5	439,280

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADELPHIA COMMUNICATIONS CORPORATION

May 25, 1999

By: /s/ John J. Rigas

John J. Rigas,

Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

	// John J Binne
May 25, 1999	/s/ John J. Rigas
	John J. Rigas,
	Director
May 25, 1999	/s/ Timothy J. Rigas
	Timothy J. Rigas,
	Executive Vice President, Chief Financial Officer,
	Chief Accounting Officer, Treasurer and Director
May 25, 1999	/s/ Michael J. Rigas
	Michael J. Rigas,
	Executive Vice President, Operations and Director
May 25, 1999	/s/ James P. Rigas
	James P. Rigas,
	Executive Vice President, Strategic Planning and Director
May 25, 1999	/s/ Daniel R. Milliard
	Daniel R. Milliard,
	Senior Vice President, Secretary and Director
May 25, 1999	/s/ Dennis P. Coyle
	Dennis P. Coyle,
	Director
May 25, 1999	/s/ Pete J. Metros
	Pete J. Metros,
	Director
May 25, 1999	/s/ Perry S. Patterson
	Perry S. Patterson,
	Director

Exhibit 21.01 List of Subsidiaries of Adelphia Communications Corporation

ADELPHIA COMMUNICATIONS CORPORATION (Delaware corporation)

ACC INVESTMENT HOLDINGS, INC. (Delaware corporation)

ACC OPERATIONS, INC. (Delaware corporation)

Chelsea Communications, L.L.C. (Delaware limited liability company)

Tri-States, L.L.C. (Delaware limited liability company)⁸

Tele-Media Company of Tri-States, L.P. (82% owned) (Delaware limited partnership)*

ACC Holdings I, L.L.C. (Delaware limited liability company)

ACC Holdings II, L.L.C. (Delaware limited liability company)

UCA, L.L.C. (Delaware limited liability company)

Wellsville Cablevision, L.L.C. (Delaware limited liability company)

Adelphia Western New York Holdings, L.L.C. (Delaware limited liability company)12

ACP HOLDINGS, INC. (Delaware corporation)2

ADELPHIA ACQUISITION SUBSIDIARY, INC. (Delaware corporation)

ADELPHIA CABLEVISION, INC. (Pennsylvania corporation)

Crestwood Holdings, Inc. (Delaware corporation)

Manchester Cablevision, Inc. (New Jersey corporation)

ADELPHIA COMMUNICATIONS INTERNATIONAL, INC. (Delaware corporation)

ADELPHIA INTERNATIONAL II, L.L.C. (Delaware limited liability company) 9

ADELPHIA INTERNATIONAL III, L.L.C. (Delaware limited liability company) 9

ADELPHIA MOBILE PHONES, INC. (Delaware corporation)

ADELPHIA TELECOMMUNICATIONS, INC. (Delaware corporation)

BLACKSBURG/SALEM CABLEVISION, INC. (Virginia corporation)

BRAZAS COMMUNICATIONS, INC. (Delaware corporation)³
TMC Holdings Corporation (75% owned) (Delaware corporation)

CHAUNCEY COMMUNICATIONS CORPORATION (Delaware corporation)
Clear Cablevision, Inc. (Delaware corporation)

CHELSEA COMMUNICATIONS, INC. (Delaware corporation)4

Better TV, Inc. of Bennington (Vermont corporation)

Kalamazoo County Cablevision, Inc. (Michigan corporation)

Mt. Lebanon Cablevision, Inc. (Pennsylvania corporation)⁵

Multi-Channel T.V. Cable Company (Ohio corporation)

Pericles Communications Corporation (Delaware corporation)

Mountain Cable Communications Corporation (Delaware corporation)

Lake Champlain Cable Television Corporation (Vermont corporation)

Richmond Cable Television Corporation (Vermont corporation)

Mountain Cable Company (Vermont limited partnership)

Rigpal Communications, Inc. (Pennsylvania corporation)

Upper St. Clair Cablevision, Inc. (Pennsylvania corporation)

Adelphia Cablevision Associates, L.P. (Pennsylvania limited partnership)

Three Rivers Cable Associates, L.P. (75% owned) (Ohio limited partnership)

Young's Cable TV Corporation (Vermont corporation)

GLOBAL ACQUISITION PARTNERS, L.P. (Delaware limited partnership)

GLOBAL CABLEVISION II, INC. (Delaware corporation)11

GRAND ISLAND CABLE, INC. (Delaware corporation)

HYPERION TELECOMMUNICATIONS, INC. (66% owned) (Delaware corporation)

Hyperion Telecommunications, LLC (Delaware limited liability company)

Hyperion Communications General Holdings, Inc. (Delaware corporation)

Hyperion Communications Capital, Inc.(Delaware corporation)

Hyperion Communications Long Haul, L.P. (Delaware limited partnership)

Hyperion Communications International, LLC (Delaware limited liability company)

Hyperion Communications of Alabama, LLC (Delaware limited liability company)

Hyperion Communications of Arkansas, LLC (Delaware limited liability company)

Entergy Hyperion Telecommunications of Arkansas, L.L.C. (50% owned) (an Arkansas limited liability company)

Hyperion Communications of Connecticut, Inc. (Delaware corporation)

Hyperion Communications of Delaware, LLC (Delaware limited liability company)

Hyperion Communications of District of Columbia, LLC (Delaware limited liability company)

Hyperion Communications of Florida, LLC (Florida limited liability company)

Hyperion Telecommunications of Florida, Inc. (Florida corporation)

Hyperion Communications of Jacksonville, Inc. (Florida corporation)

Hyperion Communications of Georgia, LLC (Delaware limited liability company)

Hyperion Communications of Illinois, Inc. (Delaware corporation)

Hyperion Communications of Indiana, L.P. (Delaware limited partnership)

Hyperion Communications of Kansas, LLC (Delaware limited liability company)

Hyperion Communications of Kentucky, Inc. (Delaware corporation)

Hyperion Telecommunications of Louisiana, Inc. (Delaware corporation)

Entergy Hyperion Telecommunications of Louisiana, L.L.C. (50% owned) (an Arkansas limited liability company)

Hyperion Communications of Maine, Inc. (Delaware corporation)

Hyperion Communications of Maryland, LLC (Delaware limited liability company)

Hyperion Communications of Massachusetts, Inc.(Delaware corporation)

Hyperion Communications of Michigan, Inc. (Delaware corporation)

Hyperion Communications of Mississippi, L.P. (Delaware limited partnership)

Hyperion Telecommunications of Mississippi, Inc. (Delaware corporation)

Entergy Hyperion Telecommunications of Mississippi, L.L.C. (50% owned) (an Arkansas limited liability company)

Hyperion Communications of New Hampshire, Inc. (Delaware corporation)

Hyperion Communications of New Jersey, LLC (Delaware limited liability company)

Hyperion Telecommunications of New York, Inc. (Delaware corporation)

Hyperion Communications of Eastern New York, Inc. (Delaware corporation)

Hyperion Telecommunications of North Carolina, Inc. (Delaware corporation)

Hyperion Communications of North Carolina, L.P. (Delaware limited partnership)

Hyperion Communications of Ohio, Inc. (Delaware corporation)

Hyperion Telecommunications of Pennsylvania, Inc. (Delaware corporation)

PECO Hyperion Telecommunications (50% owned) (Pennsylvania general partnership) Hyperion Susquehanna Telecommunications (50% owned) (Pennsylvania general partnership)

Allegheny Hyperion Telecommunications, L.L.C. (50% owned) (Pennsylvania limited liability company)

Hyperion Telecommunications of Harrisburg, Inc. (Delaware corporation)

Hyperion Communications of Pennsylvania, LLC (Delaware limited liability company)

Hyperion Communications of Rhode Island, Inc. (Delaware corporation)

Hyperion Communications of South Carolina, Inc. (Delaware corporation)

Hyperion Telecommunications of Tennessee, Inc. (Delaware corporation)

AVR, L.P. d/b/a Hyperion of Tennessee, L.P. (95% owned) (California limited partnership)

Hyperion Communications of Tennessee, L.P. (Delaware limited partnership)

Hyperion Communication of Texas, L.P. (Delaware limited partnership)

Hyperion Communications of Vermont, Inc. (Delaware corporation)

Hyperion Communications of Virginia, LLC (Virginia limited liability company)

Hyperion Communications of West Virginia, LLC (Delaware limited liability company)

KITTANNING CABLEVISION, INC. (Delaware corporation)⁶

LOUISA CABLEVISION, INC. (Delaware corporation)

MARTHA'S VINEYARD CABLEVISION, L.P. (Delaware limited partnership)

MERCURY COMMUNICATIONS, INC. (Delaware corporation)

MONTGOMERY CABLEVISION, INC. (Pennsylvania corporation) 12

NORTHEAST CABLE, INC. (Delaware corporation)⁸

ORCHARD PARK CABLEVISION, INC. (Delaware corporation)

PAGE TIME, INC. (Delaware corporation)

ROBINSON/PLUM CABLEVISION, L.P. (Pennsylvania limited partnership)

SABRES, INC. (Delaware corporation)

SCRANTON CABLEVISION, INC. (Pennsylvania corporation)
DVD Marketing Company, Inc. (Delaware corporation)

SHHH ACQUISITION CORP. 10

SOUTHWEST VIRGINIA CABLE, INC. (Delaware corporation)

ST. MARY'S CABLEVISION, INC. (50% owned) (Pennsylvania corporation)

SVHH HOLDINGS, INC. (Delaware corporation)10

TAURUS COMMUNICATIONS, INC. (North Carolina corporation)

UCA CORP. (Delaware corporation)

UltraCom of Montgomery County, Inc. (Pennsylvania corporation)

VanBuren County Cablevision, Inc. (Michigan corporation)

Multi-Channel TV Cable Co. of Virginia (Delaware corporation)

Valley Cablevision, Inc. (Delaware corporation)

Western Reserve Cablevision, Inc. (Ohio corporation)

U.S. TELE-MEDIA INVESTMENT COMPANY (Pennsylvania corporation)

VIRGINIA ACQUISITION CORP. (Delaware corporation)

Adelphia Communications Corporation and its subsidiaries operate under the name "Adelphia". Ownership of subsidiaries is indicated by indentations. Ownership of each subsidiary is 100% unless otherwise indicated parenthetically or by footnote.

ACP Holdings, Inc. is the managing general partner of, and holds partnership interests in, Olympus Communications, L.P., a Delaware limited partnership which is not consolidated with Adelphia Communications Corporation. Olympus Communications, L.P. owns 99.98% of the partnership interests of Adelphia Cable Partners, L.P. (a Delaware limited partnership), 99.9% of the partnership interests in West Boca Acquisition Limited Partnership (a Delaware limited partnership), Telesat Acquisition Limited Partnership (a Delaware limited partnership), National Cable Acquisition Associates, L.P. (Delaware limited partnership) of Leadership Acquisition, L.P. (a Delaware limited partnership) and Ft. Myers Acquisition Limited Partnership (a Delaware limited partnership), and 100% of the stock of Olympus Capital Corporation (Delaware corporation), Olympus Communications Holdings, L.L.C. (Delaware limited liability company) and Adelphia Telecommunications of Florida, Inc. (Delaware corporation). Adelphia Cable Partners, L.P. owns 100% of the stock of Southeast Florida Cable, Inc. (a Florida corporation) and 50% general partnership interest in Key Biscayne Cablevision (a Pennsylvania general partnership). Southeast Florida Cable, Inc. owns 100% of the stock of Mercom of Florida, Inc. (Florida corporation) and Palm Beach Group Cable, Inc. which owns a 50% general partnership interest in Palm Beach Group Cable Joint Venture, both Florida entities. West Boca Acquisition Limited Partnership owns 100% of the stock of West Boca Security, Inc. (a Delaware corporation) and 50.36% limited partnership interest in Starpoint Limited Partnership (a Pennsylvania limited partnership). Starpoint Limited Partnership owns 100% of the stock of Cable Sentry Corporation (a Florida corporation) and Automatic Alarms Company, Inc. (Florida corporation). Ft. Myers Acquisition Limited Partnership owns 100% of Ft. Myers/Gateway, L.L.C.

Brazas Communications, Inc. owns 75% of the common stock of TMC Holdings Corporation (a Delaware corporation) which owns 100% of the stock of Tele-Media Company of Western Connecticut (a Connecticut corporation) and the 66.1% general partnership interest of Eastern Virginia Cablevision, L.P. (a Delaware limited partnership) which owns 100% of Eastern Virginia Cablevision Holdings, L.L.C. Eastern Virginia Cablevision, L.P. and Eastern Virginia Cablevision Holdings, L.L.C. (a Delaware limited liability company) own partnership interests of .1% and 99.9%, respectively, in Tele-Media Company of Hopewell-Prince George (a Virginia general partnership).

Chelsea Communications, Inc. holds a 27.43% general partnership interest and Kalamazoo County Cablevision, Inc. holds a 72.57% limited partnership interest in Adelphia Cablevision Associates, L.P.

⁵ At December 31, 1998, Mt. Lebanon Cablevision, Inc. owns a 75% partnership interest in Three Rivers Cable Associates, L.P. (an Ohio limited partnership).

Northeast Cable, Inc. and Kittanning Cablevision, Inc. own partnership interests of 99% and 1%, respectively, in Robinson/Plum Cablevision, L.P. (a Pennsylvania limited partnership).

⁷ Chelsea Communications, L.L.C. and Adelphia Communications Corporation Inc. own partnership interests of 1% and 99%, respectively, in Martha's Vineyard Cablevision, L.P. (a Delaware limited partnership).

Tele-Media Company of Tri-States, L.P. and Tri-States, L.L.C. own partnership interests of 99% and 1%, respectively, in CMA Cablevision Associates VII, L.P. (a Delaware limited partnership) and 98.35% and 1.65%, respectively, in CMA Cablevision Associates XI, L.P. (a Delaware limited partnership).

Adelphia Communications International, Inc. and Adelphia Communications Corporation are 1% and 99% members, respectively, in Adelphia International II, L.L.C. and Adelphia International III, L.L.C.

NHH Holdings, Inc. and SHHH Acquisition Corp. own partnership interests of 1.46% and 98.54%, respectively, in SVHH Cable Acquisition, L.P. (a Delaware limited partnership).

11 Orchard Park Cablevision, Inc. and Global Cablevision II. Inc. own partnership interests of 1% and 99%, respectively,

in Global Acquisition Partners, L.P.

¹²Adelphia Western New York Holdings. L.L.C. owns a 66.57% general partnership interest and Montgomery Cablevision, Inc. owns a .10% limited partnership interest in both Western NY Cablevision, L.P. (a Delaware limited partnership) and Parnassos Communications, L.P. (a Delaware limited partnership). Parnassos Communications, L.P. owns 100% of Parnassos Holdings, L.L.C. (a Delaware limited liability company). Parnassos Communications, L.P. and Parnassos Holdings, L.L.C. own 99% general partnership interests and 1% limited partnership interests, respectively, in Parnassos, L.P. (a Delaware limited partnership) and Empire Sports Network, L.P. (a Delaware limited partnership).

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⁵ At December 31, 1998, Mt. Lebanon Cablevision, Inc. owns a 75% partnership interest in Three Rivers Cable Associates, L.P. (an Ohio limited partnership).

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Chelsea Communications, L.L.C. and Adelphia Communications Corporation Inc. own partnership interests of 1% and 99%, respectively, in Martha's Vineyard Cablevision, L.P. (a Delaware limited partnership).

Tele-Media Company of Tri-States, L.P. and Tri-States, L.L.C. own partnership interests of 99% and 1%, respectively, in CMA Cablevision Associates VII, L.P. (a Delaware limited partnership) and 98.35% and 1.65%, respectively, in CMA Cablevision Associates XI, L.P. (a Delaware limited partnership).

Adelphia Communications International, Inc. and Adelphia Communications Corporation are 1% and 99% members, respectively, in Adelphia International II, L.L.C. and Adelphia International III, L.L.C.

¹⁰ SVHH Holdings, Inc. and SHHH Acquisition Corp. own partnership interests of 1.46% and 98.54%, respectively, in SVHH Cable Acquisition, L.P. (a Delaware limited partnership).

Orchard Park Cablevision, Inc. and Global Cablevision II. Inc. own partnership interests of 1% and 99%, respectively, in Global Acquisition Partners, L.P.

¹²Adelphia Western New York Holdings. L.L.C. owns a 66.57% general partnership interest and Montgomery Cablevision, Inc. owns a .10% limited partnership interest in both Western NY Cablevision, L.P. (a Delaware limited partnership) and Parnassos Communications, L.P. (a Delaware limited partnership). Parnassos Communications, L.P. owns 100% of Parnassos Holdings, L.L.C. (a Delaware limited liability company). Parnassos Communications, L.P. and Parnassos Holdings, L.L.C. own 99% general partnership interests and 1% limited partnership interests, respectively, in Parnassos, L.P. (a Delaware limited partnership) and Empire Sports Network, L.P. (a Delaware limited partnership).

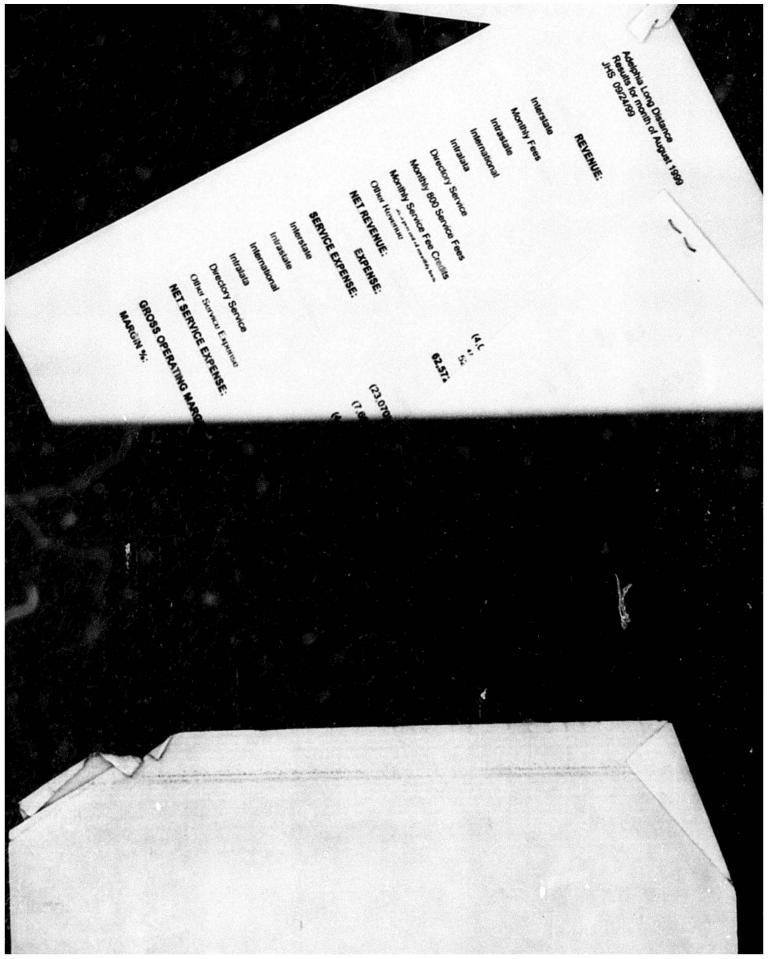
INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 333-61291 and 333-77651 on Form S-3, Amendment No. 1 to Registration Statement Nos. 333-48553, 333-58749, 333-59999, 333-63075, 333-73025, 333-74219 and 333-78027 on Form S-3, Amendment No. 1 to Registration Statement Nos. 333-64603, 333-72005 and 333-75995 on Form S-4, Amendment No. 4 to Registration Statement No. 333-69819 on Form S-3, and Registration Statement No. 333-75741 on Form S-8 of Adelphia Communications Corporation, of our report dated May 17, 1999 and our report dated March 19, 1999, on our audits of the financial statements of Adelphia Communications Corporation and subsidiaries and on our audits of the financial statements of Olympus Communications, L.P. and subsidiaries, respectively, appearing in and incorporated by reference in this Transition Report on Form 10-K of Adelphia Communications Corporation for the nine months ended December 31, 1998.

DELOITTE & TOUCHE LLP

Pittsburgh, Pennsylvania May 25, 1999 Adelphia Long Distance Results for month of August 1999 JHS 09/24/99

5110 5024105												
ASSETS:	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	727	VT 728	NH 729	NC 730	SC 731	ATI 144
Cash	0	0	0	0	0	0	0	0	0	0	0	370,428
A/R Customer	91,588	54,091	168,552	12,809	4,555	22,838	122,226	27,099	3,293	4,396	5,609	(189,742)
A/R	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	735,518	357,010	1,332,885	105,338	55,717	134,096	724,767	80,823	13,982	19,697	38,091	(3,521,292)
N/R (N/P) w/non long distance	(875,873)	(284,392)	(1,245,530)	(112,230)	(53,850)	(126,009)	(642,965)	(117,509)	(21,843)	(32,734)	(43,656)	2,418,794
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	5,776
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	46,079
Other Assets	16,778	877	2,884	956	181	794	2,704	1,626	121	193	137	(143,294)
NET ASSETS:	(31,989)	127,586	258,791	6,873	6,604	31,718	206,733	(7,960)	(4.447)	(8,448)	181	(1,013,241)
LIABILITIES & R/E:												
A/P	(2,549)	0	(1,464)	0	0	(236)	(2,128)	0	0	0	0	4,628
Accrued Liabilities	(41,271)	(15,142)	(61,870)	(5,891)	(2,091)	(7,164)	(47,453)	(9,647)	(1,211)	(2,204)	(3,170)	0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(13,848)
Accrued Taxes	(47,614)	(21,386)	4,935	(1,966)	(5,241)	(10,353)	(36,871)	(8,623)	(1,926)	(1,172)	(2,425)	21,032
Other Liabilities	(101)	(0)	5,222	(0)	(0)	0	0	0	0	(0)	(0)	68,410
Equity	123,525	(91,059)	(205,613)	983	728	(13,965)	(120,280)	26,231	7,584	11,824	5,414	933,020
NET LIABILITIES AND R/E:	31,989	(127,586)	(258,791)	(6,873)	(6,604)	(31,718)	(206,733)	7,960	4,447	8,448	(181)	1,013,241



START

OF

RETAKE

Adelphia Long Distance Results for month of August 1999 JHS 09/24/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
ASSETS:								are min				
Cash	0	0	0	0	0	0	0	0	0	0	0	370,428
A/R Customer	91,588	54,091	168,552	12,809	4,555	22,838	122,226	27,099	3,293	4,396	5,609	(189,742)
A/R	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	735,518	357,010	1,332,885	105,338	55,717	134,096	724,767	80,823	13,982	19,697	38,091	(3,521,292)
N/R (N/P) w/non long distance	(875,873)	(284,392)	(1,245,530)	(112,230)	(53,850)	(126,009)	(642,965)	(117,509)	(21,843)	(32,734)	(43,656)	2,418,794
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	5,776
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	46,079
Other Assets	16,778	877	2,884	956	181	794	2,704	1,626	121	193	137	(143,294)
NET ASSETS:	(31,989)	127,586	258,791	6,873	6,604	31,718	206,733	(7,960)	(4,447)	(8,448)	181	(1,013,241)
LIABILITIES & R/E:												
A/P	(2,549)	0	(1,464)	0	0	(236)	(2,128)	0	0	0	0	4,628
Accrued Liabilities	(41,271)	(15,142)	(61,870)	(5,891)	(2,091)	(7,164)	(47,453)	(9,647)	(1,211)	(2,204)	(3,170)	0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(13,848)
Accrued Taxes	(47,614)	(21,386)	4,935	(1,966)	(5,241)	(10,353)	(36,871)	(8,623)	(1,926)	(1,172)	(2,425)	21,032
Other Liabilities	(101)	(0)	5,222	(0)	(0)	0	0	0	0	(0)	(0)	68,410
Equity	123,525	(91,059)	(205,613)	983	728	(13,965)	(120,280)	26,231	7,584	11,824	5,414	933,020
NET LIABILITIES AND R/E:	31,989	(127,586)	(258,791)	(6.873)	(6.604)	(31,718)	(206,733)	7,960	4,447	8,448	(181)	1,013,241

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
REYENUE:												
Interstate	29,879	10,058	48,057	4,071	1,362	7,376	33,331	7,383	1,026	1,462	3,084	0
Monthly Fees	8,581	3,234	14,919	1,584	443	1,217	11,212	1,652	278	355	493	0
Intrastate	10,905	12,715	20,456	2,607	351	314	26,796	22	1	365	547	0
International	5,118	373	2,446	534	47	535	3,821	310	87	70	493	0
Intralata	10,888	4,976	21,890	1,099	786	3,216	6,628	3,729	251	343	41	0
Directory Service	767	271	1,324	127	28	207	1,181	204	23	35	80	0
Monthly 800 Service Fees	0	0	5	0	0	0	0	0	0	o'	0	0
Monthly Service Fee Credits	(4,092)	(1,108)	(7,290)	(645)	(151)	(555)	(5,326)	(995)	(127)	(179)	(113)	0
Other Revenue	526	93	1,092	78	19	126	737	403	38	31	25	73
NET REVENUE:	62,572	30,612	102,899	9,455	2,884	12,435	78,378	12,708	1,577	2,484	4,650	73
EXPENSE:												
SERVICE EXPENSE:												
Interstate	(23,070)	(8,567)	(30,496)	(3,937)	(1,128)	(5,208)	(22,790)	(7,660)	(1,404)	(2,378)	(2,806)	316
Intrastate	(7,661)	(8,738)	(14,539)	(1,945)	(328)	(190)	(16,559)	0	0	(316)	(198)	170
International	(4,254)	(555)	(2,675)	(394)	(21)	(342)	(2,330)	(868)	(104)	(98)	(272)	14
Intralata	(5,355)	(2,478)	(16,703)	(1,163)	(561)	(1,260)	(3,738)	(2,973)	(129)	(370)	(23)	0
Directory Service	(653)	(223)	(1,029)	(114)	(18)	(146)	(132)	(170)	(31)	(21)	(56)	0
Other Service Expense	(2,910)	(1,080)	(3,846)	(497)	(142)	(657)	(2,874)	(966)	(177)	(300)	(354)	0
NET SERVICE EXPENSE:	(43,903)	(21,641)	(69,288)	(8,050)	(2.199)	(7,802)	(48,424)	(12,637)	(1,845)	(3,482)	(3,709)	500
GROSS OPERATING MARGIN:	18,669	8,971	33.611	1,405	685	4,633	29,954	21	(268)	(998)	942	573
MARGIN %:	29.84%	29.31%	32.66%	14.86%	23.77%	37.26%	38.22%	0.56%	-17.00%	40.18%	20.25%	

Adelphia Long Distance Results for month of August 1999 JHS 09/24/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
MARKETING EXPENSE:	15,298	762	(725)	589	(6)	440	(1,246)	1.411	112	88	101	5,461
SG&A:												2401
Wages & Benefits	0	0	0	0	0	0	0	0	0	0	0	(27,529)
Telephone	0	0	0	0	0	0	0	0	0	0	0	(895)
Printing	0	0	0	0	0	0	0	0	0	0	0	0
Postage	3	1	3	0	0	0	9		0			0
T&E	0	0	0	0	(786)	0	0	0	0	0	0	0
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	
Outside Service	(2,063)	(463)	(2,391)	(229)	(58)	(199)	(1,827)	(271)	(43)	(70)	(60)	0
Bad Debt	0	0	0	0	0	0	0					
as a percent of net revenue	00%	00%	00%	00%	00%	00%	00%	0	0	0	0	0
Allocated S,G & A Expense	0	0	0	0	0	0	0	0	0	0	Ö	0
Other S,G&A	(3,407)	7	(91)	(0)	12	(1,631)	4	(1,997)	9	4	9	(19,193)
NET SG&A:	(5,467)	(454)	(2,480)	(229)	(832)	(1,830)	(1,813)	(2,266)	(34)	(65)	(50)	(47,617)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Amort. & Depreciation	0	0	0	0	0	0	0	0	0	0	0	(227)
NET EXPENSE:	(34,073)	(21,333)	(72,493)	(7.690)	(3,037)	(9,193)	(51,483)	(13,492)	(1,767)	(3,458)	(3.657)	(41,883)
NET P&L:	28,499	9,279	30,406	1.766	(153)	3,243	26,895	(785)	(190)	(975)	993	(41,810)

Adelphia Long Distance Results for month of July 1999 JHS 08/26/99

				ОН	MI	MA	VA	VT	NH	NC	SC	ATI
	721	NJ 722	PA 723	724	725	726	727	728	729	730	731	144
ASSETS:												200 200
Cash	0	0	0	0	0	0	0	0	0	0	0	306,209
A/R Customer	80,034	46,883	202,107	11,964	3,706	16,199	107,472	23,851	3,201	4,076	5,412	(86,800)
A R	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	684,477	333,979	1,196,264	96,876	53,736	128,379	667,932	71,666	12,559	17,656	33,785	(3,220,676)
N/R (N/P) w/non long distance	(822,429)	(258,446)	(1,158,745)	(102,671)	(50,470)	(115,701)	(586,629)	(101,201)	(19,828)	(28,910)	(39,655)	2,143,111
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	6,003
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	39,147
Other Assets	201	80	94	297	0	31	100	72	(0)	56	(0)	(146,673)
NET ASSETS:	(57,718)	122,495	239,720	6,467	6,973	28,908	188,875	(5,612)	(4,069)	(7.122)	(458)	(959,669)
LIABILITIES & R/E:												
AP	(1,476)	(69)	(288)	0	0	0	(1,085)	0	0	0	0	(11,669)
Accrued Liabilities	(41,271)	(15,142)	(61,870)	(5,891)	(2,091)	(7,164)	(47,453)	(9,647)	(1,211)	(2,204)	(3,170)	0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(10,370)
Accrued Taxes	(44,261)	(21,588)	6,280	(2,112)	(5,087)	(9,569)	(37,650)	(8,552)	(1,879)	(1,215)	(2,222)	21,032
Other Liabilities	(101)	(0)	4,163	0	0	0	0	(0)	0	(0)	(0)	69,485
Equity	144,827	(85,697)	(188,006)	1,536	205	(12,175)	(102,686)	23,811	7,159	10,541	5,851	891,191
NET LIABILITIES AND RE:	57,718	(122,495)	(239,720)	(6,467)	(6,973)	(28,908)	(188,875)	5,612	4,069	7.122	458	959,669

Adelphia Long Distance Results for month of July 1999 JHS 08/26/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144	
MARKETING EXPENSE:	(1,210)	(572)	(1,895)	(219)	(277)	(317)	(1,832)	(534)	(54)	(52)	71	(1,766)	
SG&A:													
Wages & Benefits	0	0	0	0	0	0	0	0	0	0	0	(27,649)	
Telephone	0	0	0	0	0	0	0	0	0	0	0	(893)	
Printing	0	0	0	0	0	0	0	0	0	0	0	0	
Postage	0	0	0	0	0	0	0	0	0	0	0	0	
T&E	0	0	0	0	0	0	0	0	0	0	0	(22)	
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	0	
Outside Service	(7,079)	(1,554)	(7,719)	(760)	(248)	(738)	(5,509)	(855)	(139)	(179)	(211)	0	
Bad Debt	(7,198)	(3,918)	(12,799)	(1,213)	(371)	(1,453)	(9,301)	(1,636)	(235)	(309)	(557)	0	
Allocated S,G & A Expense	13.0%	13.0%	13.0%	13.0%	0	0	13.0%	13.0%	13.0%	130%	130%	0	
Other S,G&A	5,600	3,804	12,308	1,190	370	826	9,008	1,635	235	300	556	(11,874)	
NET.SG&A:	(8,677)	(1,668)	(8,210)	(782)	(248)	(1,365)	(5,802)	(856)	(139)	(187)	(211)	(40,438)	
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	
Amort. & Depreciation	0	0	0	0	0	0	0	0	0	0	0	(227)	
NET EXPENSE:	(50,124)	(19,739)	(74,829)	(8,855)	(2,750)	(9.740)	(52,785)	(16,487)	(1.969)	(3,115)	(4,752)	(41,189)	C
NET P&L:	5,244	10,401	23,691	477	103	1,438	18,761	(3,906)	(158)	(740)	(470)	(39,939)	

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144	
REYENUE:													
Interstate	28,711	10,777	47,320	4,429	1,471	6,620	33,119	6,812	1,265	1,357	3,018	0	
Monthly Fees	8,805	3,267	15,084	1,652	463	1,223	11,280	1,705	289	392	485	0	
Intrastate	9,817	13,025	18,900	2,315	371	254	22,403	46	2	377	444	0	
International	4,851	458	3,197	450	5	406	3,317	962	131	97	425	0	
Intralata	6,599	3,613	20,437	1,125	720	3,052	5,575	3,501	238	334	82	0	
Directory Service	779	266	1,227	136	22	174	1,157	202	37	25	67	0	
Monthly 800 Service Fees	0	0	0	0	0	0	0	0	0	0	0	0	
Monthly Service Fee Credits	(3,825)	(1,009)	(6,732)	(572)	(158)	(562)	(4,347)	(775)	(146)	(204)	(108)	0	
as a percent of monthly fees Other Revenue	(369)	(255)	(913)	(202)	(40)	12	(957)	129	(6)	(3)	(132)	1,250	
NET REVENUE:	55,368	30,140	98,520	9,332	2,853	11.178	71,546	12,581	1,810	2,375	4,281	1,250	;
EXPENSE:													
SERVICE EXPENSE:													
Interstate	(20,357)	(6,543)	(27,995)	(3,829)	(1,140)	(4,694)	(21,166)	(8,982)	(1,292)	(1,999)	(3,570)	0	(
Intrastate	(7,735)	(7,017)	(13,745)	(1,974)	(317)	(293)	(14,417)	0	0	(238)	(152)	0	
International	(3,168)	(506)	(2,654)	(357)	(33)	(561)	(2,954)	(1,827)	(64)	(86)	(306)	0	
Intralata	(5,745)	(2,367)	(15,594)	(1,070)	(556)	(1,742)	(2,953)	(2,881)	(210)	(241)	(28)	0	
Directory Service	(351)	(140)	(774)	(83)	(17)	(104)	(666)	(138)	(27)	(28)	(51)	0	
Other Service Expense	(2,880)	(926)	(3,962)	(542)	(162)	(664)	(2,995)	(1,271)	(182)	(283)	(505)	1,241	
NET SERVICE EXPENSE:	(40,237)	(17,499)	(64,724)	(7,854)	(2,225)	(8,058)	(45,151)	(15,098)	(1,775)	(2,876)	(4,611)	1,241	G
GROSS OPERATING MARGIN:	15,130	12,641	33,797	1,478	628	3,120	26,395	(2,517)	36	(501)	(330)	2,491	
MARGIN %:	27.33%	41.94%	34.30%	15.84%	22.02%	27.91%	36.89%	-20.01%	1.97%	-21.09%	-7.71%		

Adelphia Long Distance Results for month of July 1999 JHS 08/26/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
ASSETS:												
Cash	0	0	0	0	0	0	0	0	0	0	0	306,209
A/R Customer	80,034	46,883	202,107	11,964	3,706	16,199	107,472	23,851	3,201	4,076	5,412	(86,800)
A R	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	684,477	333,979	1,196,264	96,876	53,736	128,379	667,932	71,666	12,559	17,656	33,785	(3,220,676)
N/R (N/P) w/non long distance	(822,429)	(258,446)	(1,158,745)	(102,671)	(50,470)	(115,701)	(586,629)	(101,201)	(19,828)	(28,910)	(39,655)	2,143,111
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	6,003
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	39,147
Other Assets	201	80	94	297	0	31	100	72	(0)	56	(0)	
NET ASSETS:	(57,718)	122,495	239,720	6,467	6.973	28,908	188,875	(5,612)	(4,069)	(7.122)	(458)	(959,669)
LIABILITIES & R/E:												
AP	(1,476)	(69)	(288)	0	0	0	(1,085)	0	0	0	0	(11,669)
Accrued Liabilities	(41,271)	(15,142)	(61,870)	(5,891)	(2,091)	(7,164)	(47,453)	(9,647)	(1,211)	(2,204)	(3,170)) 0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(10,370)
Accrued Taxes	(44,261)	(21,588)	6,280	(2,112)	(5,087)	(9,569)	(37,650)	(8,552)	(1,879)	(1,215)	(2,222) 21,032
Other Liabilities	(101)	(0)	4,163	0	0	0	0	(0)	0	(0)	(0) 69,485
Equity	144,827	(85,697)	(188,006)	1,536	205	(12,175)	(102,686)	23,811	7,159	10,541	5,851	891,191
NET LIABILITIES AND RE:	57,718	(122,495)	(239,720)	(6,467)	(6,973)	(28,908)	(188,875)	5,612	4,069	7.122	458	959,669

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144	
REVENUE:													
Interstate	28,711	10,777	47,320	4,429	1,471	6,620	33,119	6,812	1,265	1,357	3,018	0	
Monthly Fees	8,805	3,267	15,084	1,652	463	1,223	11,280	1,705	289	392	485	0	
Intrastate	9,817	13,025	18,900	2,315	371	254	22,403	46	2	377	444	0	
International	4,851	458	3,197	450	5	406	3,317	962	131	97	425	0	
Intralata	6,599	3,613	20,437	1,125	720	3,052	5,575	3,501	238	334	82	0	
Directory Service	779	266	1,227	136	22	174	1,157	202	37	25	67	0	
Monthly 800 Service Fees	0	0	0	0	0	0	. 0	0	0	0	0	0	
Monthly Service Fee Credits	(3,825)	(1,009)	(6,732)	(572)	(158)	(562)	(4,347)	(775)	(146)	(204)	(108)	0	
other Revenue	(369)	(255)	(913)	(202)	(40)	12	(957)	129	(6)	(3)	(132)	1,250	
NET REVENUE:	55,368	30,140	98,520	9,332	2,853	11,178	71,546	12,581	1,810	2,375	4,281	1,250	;
EXPENSE:													
SERVICE EXPENSE:													
Interstate	(20,357)	(6,543)	(27,995)	(3,829)	(1,140)	(4,694)	(21,166)	(8,982)	(1,292)	(1,999)	(3,570)	0	(
Intrastate	(7,735)	(7,017)	(13,745)	(1,974)	(317)	(293)	(14,417)	0	0	(238)	(152)	0	
International	(3,168)	(506)	(2,654)	(357)	(33)	(561)	(2,954)	(1,827)	(64)	(86)	(306)	0	
Intralata	(5,745)	(2,367)	(15,594)	(1,070)	(556)	(1,742)	(2,953)	(2,881)	(210)	(241)	(28)	0	
Directory Service	(351)	(140)	(774)	(83)	(17)	(104)	(666)	(138)	(27)	(28)	(51)	0	
Other Service Expense	(2,880)	(926)	(3,962)	(542)	(162)	(664)	(2,995)	(1,271)	(182)	(283)	(505)	1,241	
NET SERVICE EXPENSE:	(40,237)	(17,499)	(64,724)	(7,854)	(2,225)	(8,058)	(45,151)	(15,098)	(1.775)	(2,876)	(4,611)	1,241	C
GROSS OPERATING MARGIN:	15,130	12,641	33,797	1,478	628	3,120	26,395	(2,517)	36	(501)	(330)	2,491	
MARGIN %:	27.33%	41.94%	34.30%	15.84%	22.02%	27.91%	36.89%	-20.01%	1.97%	-21.09%	-7.71%		

Adelphia Long Distance Results for month of July 1999 JHS 08/26/99

	NY 721	NJ 722	PA 723	OH 724	Mi 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144	
MARKETING EXPENSE:	(1,210)	(572)	(1,895)	(219)	(277)	(317)	(1,832)	(534)	(54)	(52)	71	(1.766)	
SG&A:													
Wages & Benefits	0	0	0	0	0	0	0	0	0	0	0	(27,649)	
Telephone	. 0	0	0	0	0	0	0	0	0	0	0	(893)	
Printing	0	0	0	0	0	0	0	0	0	0	0	0	
Postage	0	0	0	0	0	0	0	0	0	0	0	0	
TAE	0	0	0	0	0	0	0	0	0	0	0	(22)	
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	0	
Outside Service	(7,079)	(1,554)	(7,719)	(760)	(248)	(738)	(5,509)	(855)	(139)	(179)	(211)	0	
Bad Debt	(7,198)	(3,918)	(12,799)	(1,213)	(371)	(1,453)	(9,301)	(1,636)	(235)	(309)	(557)	0	
Allocated S,G & A Expense	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	0	
Other S.G&A	5,600	3,804	12,308	1,190	370	826	9,008	1,635	235	300	556	(11,874)	
NET SG&A:	(8,677)	(1,668)	(8,210)	(782)	(248)	(1,365)	(5,802)	(856)	(139)	(187)	(211)	(40,438)	
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	
Amort. & Depreciation	0	0	0	0	0	0	0	0	0	-0	0	(227)	
NET EXPENSE:	(50,124)	(19,739)	(74,829)	(8,855)	(2.750)	(9.740)	(52,785)	(16,487)	(1,969)	(3,115)	(4,752)	(41,189)	C
NET P&L:	5,244	10,401	23,691	477	103	1,438	18,761	(3,906)	(158)	(740)	(470)	(39.939)	

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
ASSETS:												
Cash	0	0	0	0	0	0	0	0	0	0	0	837,498
A/R Customer	74,117	37,282	236,318	11,985	2,964	9,385	100,402	20,749	2,855	3,819	5,622	(46)
A/R	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	628,559	310,252	1,050,670	86,589	51,277	122,765	600,726	60,915	10,928	15,358	28,877	(2,890,844)
N/R (N/P) w/non long distance	(811,516)	(254,568)	(1,139,667)	(100,122)	(49,120)	(110,508)	(579,720)	(95,912)	(19,638)	(28,694)	(38,505)	1,269,260
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	6,231
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	12,206
Other Assets	201	80	94	297	0	31	100	72	0	56	(0)	(142,321)
NET ASSETS:	(108,640)	93,046	147,415	(1,250)	5,121	21,673	121,507	(14,176)	(5,855)	(9,461)	(4,006)	(908,006)
LIABILITIES & R/E:												
AP	40,250	18,627	65,967	7,189	2,083	6,999	47,200	12,338	1,821	3,063	3,906	(27,448)
Accrued Liabilities	(41,271)	(15,142)	(61,870)	(5,891)	(2,091)	(7,164)	(47,453)	(9,647)	(1,211)	(2,204)	(3,170)	0
Accrued Payroli	0	0	0	0	0	0	0	0	0	0	0	(5,573)
Accrued Taxes	(40,375)	(21,254)	8,594	(2,214)	(5,422)	(10,772)	(37,351)	(8,428)	(1,756)	(1,202)	(2,111)	18,857
Other Liabilities	(101)	0	4,163	0	0	(0)	(0)	0	0	(0)	(0)	70,938
Equity	150,137	(75,278)	(164,269)	2,165	309	(10,737)	(83,903)	19,913	7,001	9,805	5,381	851,233
NET LIABILITIES AND R/E:	108,640	(93,045)	(147,415)	1,250	(5,121)	(21,673)	(121,507)	14,176	5,855	9,461	4,006	908,006

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
REYENUE:												
Interstate	29,287	11,548	51,594	4,371	1,252	9,286	35,320	7,775	1,481	1,878	4,548	0
Monthly Fees	9,099	3,408	15,252	1,683	467	1,330	11,735	1,702	296	471	489	0
Intrastate	10,820	13,014	19,487	2,475	332	488	22,923	120	2	295	397	0
International	4,080	619	3,736	511	69	881	6,019	2,614	92	121	504	0
Intralata	7,617	4,332	27,047	1,074	696	4,754	5,363	3,638	412	370	77	0
Directory Service	724	194	1,294	105	7	164	1,191	196	48	42	67	0
Monthly 800 Service Fees	(3)	0	(29)	0	0	0	(3)	8	0	0	0	0
Monthly Service Fee Credits as a percent of monthly fees Other Revenue	(2,528) 27 8% 846	(928) 27 2% 541	(5,762) 37 sh 1 332	(697) 41.4% 80	(119) 25.5% (4)	(592) 44.5% 118	(3,650) 31.1% 431	(768) 44 Ph 284	(90) 303% 31	(253) 53.6% 35	11 -23% (57)	0
NET REVENUE:	59,943	32,728	113,951	9,600	2,699	16,430	79,331	15,568	2,273	2,959	6,037	0
EXPENSE:												
SERVICE EXPENSE:												
Interstate	(19,626)	(6,885)	(29,401)	(3,339)	(1,001)	(4,980)	(22,071)	(7,627)	(1,362)	(2,262)	(2,958)	0
Intrastate	(8,310)	(7,208)	(14,652)	(2,104)	(312)	(320)	(15,230)	0	0	(250)	(267)	0
International	(4,057)	(526)	(2,774)	(390)	(48)	(692)	(4,019)	(897)	(84)	(71)	(267)	0
Intralata	(5,612)	(3,013)	(16,519)	(905)	(592)	(627)	(3,321)	(2,835)	(197)	(204)	(30)	0
Directory Service	(404)	(209)	(711)	(70)	(15)	(106)	(697)	(108)	(22)	(18)	(46)	0
Other Service Expense	(2,242)	(786)	(3,358)	(381)	(114)	(569)	(2,521)	(871)	(156)	(258)	(338)	9,934
NET SERVICE EXPENSE:	(40,251)	(18,627)	(67,415)	(7,189)	(2,082)	(7,294)	(47,859)	(12,338)	(1.821)	(3,063)	(3,906)	9,934
GROSS OPERATING MARGIN:	19,692	14,101	46,536	2,411	617	9,136	31,472	3,230	452	(104)	2,131	9,934
MARGIN %:	32.85%	43.08%	40.84%	25.12%	22.86%	55.61%	39.67%	20.75%	19.89%	-3.52%	35.30%	

	NY 721	NJ 722	PA 723	724	MI 725	MA 726	727	VT 728	NH 729	NC 730	SC 731	ATI 144
MARKETING EXPENSE:	(326)	(170)	(3,106)	(238)	(54)	(762)	(1,619)	(72)	(45)	(46)	(36)	(17,248)
SG&A:												
Wages & Benefits	0	0	0	0	0	0	0	0	0	0	0	(19,350)
Telephone	0	0	0	0	0	0	0	0	0	0	0	(862)
Printing	0	0	0	0	0	0	0	0	0	0	0	0
Postage	0	0	0	0	0	0	0	0	0	0	0	0
T&E	0	0	0	0	0	0	0	0	0	0	0	0
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	0
Outside Service	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt as a percent of net revenue Allocated S,G & A Expense	(8,398) 14 0% 0	(2,984) * 1% 0	(5,608) 19% 0	453 47% 0	(489) 14 15 0	(2,734) 16.6% 0	(11,140) 14.0% 0	(3,657) 23.5% 0	41 -18% 0	(308)	(494) *2% 0	0 20,228
Other S,G&A	(83)	(23)	(61)	0	(0)	(0)	(15)	(0)	0	(0)	(0)	(9,594)
NET SG&A:	(8,481)	(3,007)	(5,669)	453	(490)	(2,734)	(11.155)	(3,657)	41	(306)	(494)	(9,578)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Amort. & Depreciation	_ 0	0	0	0	0	0	0	0	0	0	0	(227)
NET EXPENSE:	(49,058)	(21,804)	(76,190)	(6,974)	(2,625)	(10,790)	(60.633)	(16,067)	(1,824)	(3,417)	(4,436)	(17,120)
NET P&L:	10,884	10,924	37,761	2,626	74	5,640	18,698	(499)	449	(459)	1,602	(17,120)

Adelphia Long Distance Results for May 1999 JHS 06/18/99

ASSETS:	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	727	VT 728	NH 729	NC 730	SC 731	ATI 144
Cash	0	0	0	0	0	0	0	0	0	0	0	761,282
A/R Customer	103,918	47,555	122,414	13,644	4,700	18,614	134,829	30,725	3,079	4,847	6,378	(179,072)
AR	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	562,876	269,604	1,065,972	76,099	47,576	99,785	523,105	44,688	8,371	12,385	22,525	(2,652,302)
N/R (N/P) w/non long distance	(710,742)	(213,904)	(991,116)	(84,394)	(44,870)	(94,816)	(478,401)	(69,670)	(15,887)	(22,337)	(30,477)	1,274,152
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	6,458
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	12,225
Other Assets	72	(0)	0	289	0	6	63	55	(0)	56	(0)	(129,741)
NET ASSETS:	(43,877)	103,256	197,270	5,638	7,405	23,591	179,595	5,799	(4,436)	(5.049)	(1,575)	(906,988)
LIABILITIES & R/E:												
MP	(2,111)	0	0	0	0	0	(940)	(125)	0	0	0	(13,288)
Accrued Liabilities	(41,271)	(15,142)	(61,870)	(5,891)	(2,091)	(7,164)	(47,453)	(9,647)	(1,211)	(2,204)	(3,170)	0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(8,260)
Accrued Taxes	(52,597)	(21,612)	8,886	(2,371)	(5,266)	(9,904)	(39,428)	(8,281)	(1,641)	(1,228)	(1,977)	18,057
Other Liabilities	(101)	0	4,163	0	(0)	0	(0)	(0)	0	0	(0)	76,386
Equity	139,957	(66,502)	(148,449)	2,624	(49)	(6,523)	(91,774)	12,254	7,289	8,481	6,722	834,094
NET LIABILITIES AND RE:	43,877	(103,256)	(197,270)	(5,638)	(7.405)	(23,591)	(179,595)	(5,799)	4,436	5,049	1,575	906,988

	N.	NJ 122	PA 723	OH 724	MI 725		MA 726	VA 727	VT 728		NH 729	NC 730		3C 31	ATI 144	
REVENUE:	721 /					1,108	5,671	32,52	4 7	,628	1,005		339	3,223		0
KEAEHOT.	26,496	10,234	41,411	3,	618		1,371	11,23	4 1	1,774	286		403			0
Interstate	9,252	3,108	14,915	1.	593	501		21,10		46	1		235	434		
Monthly Fees	9,685	9,610	17,685	, 2	,627	420	379 582	3,5		476	81		75	334		0
Intrastate		458	3,47		396	45		5,9		3,494	162		211	45		
International	7,044	3,919	20,19	6 1	1,248	780	1,586		50	209	32		34	93		0
Intralata	518	380	1,14	8	146	46			В	5)	0	0	•	0
Directory Service	3	0		33	0	0	0		056)	(1,160)	(193		(232)	(354		0
Monthly 800 Service Fees		(1,790	(7,8	16)	(816)	(239)	(732		766	192	2		36	2	5	0
Monthly Service Fee Credits	(5,303)	57 6% (85	92	57	90	22	81		.129	12,664	1,39	18	2,400	4,25	1	•
Other Revenue	52,378	25,834	91.4	103	8,902	2,682	9,12									
NET REVENUE:																
EXPENSE:									2 2281	(7,170	(1,1	80)	(2,331)	(3,0	66)	0
SERVICE EXPENSE:	(20,106)	(6,46	55) (27	389)	(3,155)	(1,069			3,338) 5,698)	,,,		0	(390)		221)	0
Interstate	(8,210		59) (14	,608)	(2,294)	(349			(2,973)	(37)	0)	(68)	(73) (3	259)	
Intrastate	(4,107			2,941)	(355)	(3			(3,699)	(3,00	8) (113)	(183	I)	(14)	0
International				8,055)	(1,122)	(62				(13		(21)	(23	3)	(62)	0
Intralata	(5,677		252)	(760)	(97)	(2	30) (120)	(695)			(121)	(23	9)	(315)	9,467
Directory Service	(34			(2,911)	(324)	(1	10)	(461)	(2,420)			,503)	(3,23	ia) (3	,936)	9,46
Other Service Expense	(2,06			56,664)	(7.347)	(2.2	17) (6	,278)	(48,823)	(HA					•••	9,46
NET SERVICE EXPENSE:	(40.50)8) (1/.	,419) (I					2,845	21,307	. 13	42	(105)		40)	321	
			,415	24,738	1,556				30,38%	9.8	1% :	7.53%	-34.99	J% 7	7.55%	
GROSS OPERATING MARGIN:	11.8	<i>,</i> ,,,,,		27.07%	17.47%	17.3	5% 31	.18%	30.3010							

NET SO&A.: Taxes 0 0 0 0 Taxes Amort. & Depreciation (18,352) (71,097) (9,671)
**

Adelphia Long Distance Results for April 1999 JHS 05/18/99

ASSETS:	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
Cash	0	0	0	0	0	0	0	0	0	0	0	361,042
A/R Customer	77,535	36,190	160,103	11,291	3,988	13,042	101,894	21,423	2,521	3,434	5,858	(113,307)
AR	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	515,365	250,685	917,211	67,883	44,994	93,809	467,821	36,772	7,329	10,711	18,383	(2,350,279)
N/R (N/P) w/non long distance	(603,676)	(174,027)	(836,789)	(66,047)	(39,505)	(77,626)	(363,676)	(39,796)	(12,373)	(15,686)	(22,134)	
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	6,686
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	12,244
Other Assets	72	0	(0)	241	0	8	63	55	(0)	56	(0)	(87,612)
NET ASSETS:	(10,705)	112,848	240,524	13,369	9,478	29,232	206,101	18,454	(2,523)	(1,485)	2,107	(855,777)
LIABILITIES & R/E:												,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
AP	(46,751)	(18,917)	(72,831)	(7,218)	(2,892)	(7,552)	(55,185)	(12,632)	(1,859)	(3,097)	(4,128)	(12,196)
Accrued Liabilities	(41,271)	(15,142)	(61,870)	(5,891)	(2,091)	(7,164)	(47,453)	(9,647)	(1,211)	(2,204)	(3,170)	0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(7,593)
Accrued Taxes	(48,242)	(20,953)	12,448	(2,812)	(5,044)	(9,115)	(38,304)	(7,288)	(1,551)	(1,178)	(1,786)	18,057
Other Liabilities	(101)	(0)	4,163	(0)	(0)	(0)	0	(0)	0	(0)	0	76,936
Equity	147,070	(57,837)	(122,435)	2,551	548	(5,402)	(65,159)	11,114	7,145	7,963	6,977	780,573
NET LIABILITIES AND RVE:	10.705	(112,848)	(240,524)	(13,369)	(9.478)	(29,232)	(206,101)	(18,454)	2,523	1,485	(2,107)	855,777

Adelphia Long Distance Results for April 1999 JHS 05/18/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
REVENUE:											3,223	0
Interstate	26,496	10,234	41,411	3,618	1,108	5,671	32,524	7,628	1,005	1,639		
Monthly Fees	9,252	3,108	14,915	1,593	501	1,371	11,234	1,774	286	403	457	0
Intrastate	9,685	9,610	17,685	2,627	420	379	21,105	46	1	235	434	0
International	4,581	458	3,474	396	45	582	3,566	476	81	75	334	0
Intralata	7,044	3,919	20,196	1,248	780	1,586	5,934	3,494	162	211	45	0
	518	380	1,148	146	46	181	1,050	209	32	34	93	0
Directory Service	3	0	33	0	0	0	8	5	0	0	0	0
Monthly 800 Service Fees Monthly Service Fee Credits as a percent of insulfity lines Other Revenue	(5,303) 5/35 (230)	(1,790) 57 ats (93)	(7,816) \$35 (600)	(816) 512% (14)	(239) 4795 21	(732) 53.4% 78	(6,056) 53 9% 609	(1,160) 60.7% 192	(193) 6/3% 24	(232) 36	(354) 774% 25	0
NET REVENUE:	52,045	25,826	90,445	8,798	2,682	9.114	69,973	12,664	1,398	2,400	4,257	0
EXPENSE:												
SERVICE EXPENSE:												
Interstate	(21,061)	(6,207)	(28,239)	(2,831)	(1,279)	(4,898)	(24,002)	(7,269)	(1,263)	(2,001)	(3,062)	0
Intrastate	(9,538)	(7,648)	(17,025)	(2,180)	(340)	(303)	(17,546)	0	0	(329)	(268)	0
International	(3,757)	(433)	(2,860)	(333)	(20)	(514)	(3,129)	(389)	(39)	(84)	(263)	0
Intralala	(6,438)	(3,019)	(17,572)	(1,021)	(810)	(696)	(3,885)	(3,791)	(188)	(220)	(16)	0
Directory Service	(367)	(246)	(871)	(78)	(36)	(113)	(814)	(141)	(25)	(34)	(57)	0
Other Service Expense	(1,123)	(352)	(1,496)	(176)	(96)	(284)	(1,276)	(374)	(95)	(133)	(188)	(7,847)
NET SERVICE EXPENSE:	(42,283)	(17,905)		(6,619)	(2,580)	(6,809)	(50,652)	(11,964)	(1,609)	(2.800)	(3,855)	(7,847)
GROSS OPERATING MARGIN:	9,761	7,921	22,382	2,179	102	2,306	19,320	700	(211)	(400)	403	(7,847)
MARGIN %:	18.76%	30.67%	24.75%	24.76%	3.79%	25.30%	27.61%	5.52%	-15.07%	-16.68%	9.46%	

Adelphia Long Distance Results for April 1999 JHS 05/18/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144	
MARKETING EXPENSE:	(2,763)	(856)	(2,909)	(647)	(463)	(965)	(2,648)	(864)	(461)	(498)	(485)	(12,059)	
SG&A:													
Wages & Benefits	0	0	0	0	0	0	0	0	0	0	0	(22,392)	
Telephone	0	0	0	0	0	0	0	0	0	0	0	(207)	
Printing	0	0	0	0	0	0	0	0	0	0	0	0	
Postage	0	0	0	0	0	0	0	0	0	0	0	0	
T&E	0	0	0	0	0	0	0	0	0	0	0	0	
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	0	
Outside Service	(2,335)	(462)	(2,499)	(237)	(81)	(266)	(1,956)	(275)	(47)	(72)	(60)	0	
Bad Debt as a percent of not revenue Allocated S,G & A Expense	(14,235) 7745 0	(1,182) *** 0	(5,709) 63% 0	(696) 7 % 0	(225) 0	(1,206) 13.2% 0	(13,756) 197% 0	(3,025) 23 9% 0	(18) 13% 0	(458) 19 1% 0	(34) *** 0	0	
Other S,G&A	(4,677)	(0)	(0)	(0)	(0)	(0)	(0)	(2,918)	(0)	(0)	(0)	(21,792)	
NET SG&A:	(21,247)	(1,644)	(8,207)	(933)	(305)	(1,472)	(15,712)	(6,218)	(66)	(531)	(94)	(44,391)	ľ
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	
Amort. & Depreciation	0	0	0	0	0	0	0	0	0	0	0	(227)	
NET EXPENSE:	(66,294)	(20,406)	(79,180)	(8,199)	(3,348)	(9,245)	(69,013)	(19.046)	(2,136)	(3,829)	(4,434)	(64,524)	(;
NET P&L:	(14,249)	5,420	11,265	599	(667)	(131)	960	(6,382)	(737)	(1,429)	(177)	(64,524)	

delphia Long Distance Results for the Month of March 1999 IHS 04/28/99	NY	100	· ·				VA 727		NH 729	NC 730	SC 731	ATI 144
	721	722	723	[24				0	0	0	0	414,912
ASSETS:	0	0	0	0	0	0	0	18,169	2,001	2,938	5,406	(73)
Cash	79,623	27,190	209,209	10,330	3,726	9,881	96,470	0	0	0	0	10
A/R Customer	79,023	0	0	0	0	0	0	28.857	6,286	9,037	14,241	(2,048,255)
A R		231,765	768,450	59,667	42,413	87,833	412,537	(35,662)	(12,022)	(14,851)	(21,667)	888,553
Intercompany A/R	467,853		(821,803)	(63,962)	(38,181)	(74,854)	(359,103)	(35,552)		0	0	6,913
N/R (N/P) w/non long distance	(599,762)	0	0	0	0	0	0		0	0	0	12,262
Fixed Assets, net	0	0	0	0	0	0	0	55	(0)	56	(0	(79,11
Deterred Assets, net	558	(0)	(0)	99	0	8	47	11,419	(3,736)	(2.821)	(2.020	(804.79
Other Assets	(51,727)	91,262	155,855	6,135	7,958	22,867	149,951					
NET ASSETS:	(51,121)							(147)	, ,	0	,	22,19
LIABILITIES & R/E:	(2,132)	(3,419)	(2,681)	(135)	(308)					(2,204) (3,17	0)
AP	(41,271)			(5,891) (2,091)					0 (3))	0 (14,1
Accrued Liabilities	(59			153						0) (1,50	6) (1,6	
Accrued Payroll	(37,532		15,744	(3,414	(5,442					(0)	0	(0) 77,5
Accrued Taxes	(10)			(0) (2 6,40	8 6,53	5 6,8	
Other Liabilities	132,82		5) (111,16	3,15					19) 3.7	36 2.6	21 2.0	20 804.
Equity NET LIABILITIES AND RVE:	51.72			5) (6.13)5) (7.95	8) (22.86	(1) (I 44.5					

Adelphia Long Distance Results for the Month of March 1999 JHS 04/2d/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
REVENUE;												
Interstate	28,906	9,515	44,147	3,536	1,591	6,687	35,169	8,034	1,077	1,590	3,242	0
Monthly Fees	9,240	2,854	14,691	1,516	494	1,423	11,089	1,672	282	418	429	0
Intrastate	10,818	10,547	19,670	2,387	402	381	21,937	17	2	289	291	0
International	5,336	561	4,144	523	23	680	4,211	923	46	95	330	0
Intralata	7,839	3,739	18,948	1,166	963	1,487	5,479	4,068	157	190	31	0
Directory Service	547	368	1,300	117	53	168	1,215	210	38	50	86	0
Monthly 800 Service Fees	3	80	11	0	22	20	9	3	0	0	0	0
Monthly Service Foe Credits	(5,748)	(1,737)	(8,065)	(807)	(267)	(884)	(6,643)	(1,142)	(183)	(263)	(337)	U
Other Revenue	460	46	651	102	11	88	793	204	19	42	17	0
NET REVENUE:	57,402	25,972	95,498	8,540	3,293	10,051	73,260	13,988	1,438	2,410	4.089	0
EXPENSE:												
SERVICE EXPENSE:												
Interstate	(18,210)	(4,973)	(24,049)	(2,360)	(910)	(4,436)	(20,555)	(5,630)	(881)	(1,423)	(2,128)	0
Intrastate	(7,996)	(6,264)	(14,310)	(1,873)	(296)	(364)	(15,103)	0	0	(291)	(225)	0
International	(3,247)	(330)	(2,226)	(303)	(16)	(825)	(2,703)	(361)	(15)	(36)	(479)	0
Intralata	(5,875)	(2,169)	(13,923)	(701)	(635)	(588)	(3,257)	(2,633)	(141)	(176)	(8)	0
Directory Service	(391)	(198)	(859)	(55)	(20)	(109)	(834)	(130)	(22)	(16)	(38)	0
Other Service Expense	(1,657)	(475)	(2,355)	(215)	(83)	(404)	(1,870)	(479)	(80)	(142)	(194)	0
NET SERVICE EXPENSE:	(37,376)	(14,410)	(57,721)	(5,506)	(1,960)	(ú.724)	(44,322)	(9,233)	(1,138)	(2,085)	(3,072)	0
GROSS OPERATING MARGIN:	20,026	11,562	27,777	3,033	1,333	3,327	28,938	4,755	300	325	1,018	0
MARGIN %:	34.89%	44.52%	39.56%	35.52%	40.49%	33.10%	39.50%	33.99%	20.85%	13.50%	24.88%	

Adelphia Long Distance Results for the Month of March 1999 JHS 04/28/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
MARKETING EXPENSE:	(3,619)	(4,092)	(6.221)	(512)	(499)	(844)	4,148	(632)	(154)	(167)	(137)	(7,661)
SG&A:												
Wages & Benefits	0	0	0	0	0	0	0	0	0	0	0	(24,472)
Telephone	0	0	0	0	0	0	0	0	0	0	0	(244)
Printing	0	0	0	0	0	0	0	0	0	0	0	0
Postage	0	0	0	0	0	0	0	0	0	0	0	0
TAE	0	0	0	0	0	0	0	0	0	0	0	0
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	(10)
Outside Service	(2,057)	(386)	(2,192)	(203)	(69)	(232)	(1,654)	(219)	(39)	(63)	(52)	0
Bad Debt	(6,094)	(2,402)	(818)	(791)	(667)	(1,303)	(7,691)	(3,299)	(513)	(820)	70	0
Allocated S,G & A Expense	10 6%	0	0	0 °3%	20.3%	130%	10.5%	0	35 7%	0	0	16,493
Other S,G&A	(917)	(63)	(520)	(0)	(30)	(0)	(349)	(0)	(5)	(0)	0	(20,852)
NET SG&A:	(9,068)	(2.851)	(3,530)	(994)	(766)	(1,536)	(9,694)	(3.518)	(557)	(883)	19	(29.086)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Amort. & Depreciation	0	0	0	0	0	0	0	0	0	0	0	(227)
NET EXPENSE:	(50,063)	(21,354)	(67,471)	(7.013)	(3,225)	(9,104)	(49,868)	(13.383)	(1,849)	(3.135)	(3,190)	(36,974)
NET PAL:	7,339	4,619	28,027	1,527	68	947	23,392	605	(411)	(725)	899	(36,974)

Adelphia Long Distance Results for February 1999 tse 03/30/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	727	728	NH 729	NC 730	SC 731	ATI 144
ASSETS:												
Cash	0	0	0	0	0	0	0	0	0	0	0	190,295
A/R Customer	67,411	21,952	190,104	7,875	3,298	8,426	69,797	14,675	1,406	2,228	3,167	0
A R	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	420,748	210,320	678,760	53,494	39,816	79,118	362,355	20,169	5,805	7,942	11,950	(1,826,286)
N/R (N/P) whon long distance	(539,005)	(150,448)	(740,227)	(56,764)	(35,830)	(66,486)	(306,445)	(24,724)	(10,604)	(12,435)	(18,287)	945,619
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	7,141
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	12,412
Other Assets	72	(0)	1	178	0	8	63	32	0	48	0	(69,760)
NET ASSETS:	(50,773)	81,824	128,638	4.763	7,285	21,066	123.769	10.153	(3.393)	(2,217)	(3,171)	(740,570)
LIABILITIES & R/E:												
AP	(5,099)	(455)	(1,794)	(362)	(90)	(633)	(2,301)	(1,130)	(90)	(90)	(90)	8,332
Accrued Liabilities	(41,271)	(15,142)	(61,870)	(5,891)	(2,091)	(7,164)	(47,453)	(9,647)	(1,211)	(2.204)	(3,170)	0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(11,032)
Accrued Taxes	(42,916)	(18,432)	14,005	(3,209)	(5,055)	(8,685)	(33,210)	(4,714)	(1,303)	(1,299)	(1,270)	2,870
Other Liabilities	(101)	(0)	4,163	0	(0)	0	0	(0)	0	0	(0)	61,541
Equity	140,160	(47,796)	(83,142)	4,679	(49)	(4,585)	(40,805)	5,339	5,998	5,811	7,702	678,858
NET LIABILITIES AND RVE:	50,773	(81,824)	(128,638)	(4,783)	(7,285)	(21,066)	(123,799)	(10.153)	3,393	2,217	3,171	740,579
Accrued Taxes Other Liabilities Equity	(42,916) (101) 140,160	(18,432) (0) (47,796)	14,005 4,163 (83,142)	(3,209) 0 4,679	(5,055) (0) (49)	(8,685) 0 (4,585)	(33,210) 0 (40,805)	(4,714) (0) 5,339	(1,303) 0 5,998	(1,299) 0 5,811	(1,270) (0) 7,702	61, 678,

Adelphia Long Distance Results for February 1999 Ise 03/30/99

	NY 721	NJ 722	PA 723	724	MI 725	MA 726	727	VT 728	NH 729	NC 730	SC 731	ATI 144
REVENUE:												
Interstate	26,390	7,643	40,312	2,986	1,351	5,838	31,539	6,707	699	1,186	2,179	0
Monthly Fees	8,556	2,388	13,611	1,370	443	1,303	10,071	1,437	237	369	315	0
Intrastate	9,672	9,151	17,497	2,163	373	523	19,572	30	5	277	256	0
International	3,700	386	2,606	292	16	1,006	3,281	375	17	41	598	0
Intralata	7,898	2,769	17,965	965	891	1,484	4,960	2,803	131	166	19	0
Directory Service	613	311	1,345	86	31	170	1,307	204	34	26	59	0
Monthly 800 Service Fees	3	3	9	0	1	0	13	3	0	0	0	0
Monthly Service Fee Credits	(5,240)	(1,368)	(8,015)	(882)	(209)	(920)	(6,810)	(1,139)	(160)	(260)	(225)	0
Other Revenue	195	266	42	30	16	61	(3,910)	138	13	33	9	0
NET REVENUE:	51,785	21,549	85,372	7,030	2.914	9.466	60,022	10,558	976	1,837	3,211	0
EXPENSE:												
SERVICE EXPENSE:												
Interstate	(18,020)	(4,851)	(24,062)	(2,291)	(1,082)	(4,423)	(20,750)	(5,952)	(611)	(1,478)	(2,357)	0
Intrastate	(7,461)	(6,968)	(14,666)	(1,984)	(222)	(305)	(15,279)	0	0	(204)	(207)	0
International	(3,723)	(143)	(2,225)	(265)	(10)	(790)	(2,318)	(486)	(24)	(83)	(237)	0
Intralata	(6,532)	(2,056)	(14,148)	(764)	(583)	(719)	(3,435)	(2,234)	(230)	(206)	(15)	0
Directory Service	(398)	(174)	(792)	(78)	(17)	(104)	(896)	(116)	(20)	(12)	(53)	0
Other Service Expense	(1,626)	(425)	(2,230)	(184)	(61)	(417)	(2,115)	(532)	(72)	(120)	(255)	0
NET SERVICE EXPENSE:	(37,761)	(14,616)	(58,122)	(5,567)	(1,976)	(6.757)	(44,793)	(9,321)	(1,158)	(2.104)	(3.124)	0
GROSS OPERATING MARGIN:	14,024	6,933	27,250	1,463	938	2,708	15.229	1,237	(182)	(267)	87	0
MARGIN %:	27.08%	32.17%	31.92%	20.81%	32.19%	28.61%	25.37%	11.72%	-18.61%	-14.54%	2.72%	

Adelphia Long Distance Results for February 1999 tse 03/30/99

	¥ 12	28	¥ 25	82	2 K	¥ 82	* 52	7 82	¥ 82	2 K	3 5	Ę
MARKETING EXPENSE:	(2.974)	(1,968)	(8,050)	(1,079)	62720	(1,478)	(10,518)	(2,016)	(445)	(238)	(326)	(8,408)
SGEA												
Wages & Benefits	•	•	•	•	•	•		•	•	•	•	(19,948)
Telephone	•	۰	•	۰	•	•		•	•	•	0	(208)
Printing	•	•	•	•	•	•		•	•	•	•	•
Postage	•	•	۰	•	•	•		•	•	•	•	•
76	•	•	•	•	•	•		۰	•	•	•	۰
Dues & Subs	•	•	•	•	•	•		•	•	•	•	(345)
Outside Service	(1,742)	(261)	(1,860)	(443)	(57)	(202)		(362)	(23)	(30)	(23)	(275)
Bad Debr	(1,962)	3	(12,753)	(242)	336	(245)		(1,630)	(179)	(346)	(117)	•
Allocated S.G & A Expense	'°	••	' °	'°	•	!°		! °	'°	'°	! °	0
Other S,G&A	6	•	6	6	(1,841)	ê		(051)	Q	t	(0)	(8,557)
MET SG&A:	(3,704)	(Z17)	(14,614)	(683)	(1.562)	(446)		(1.942)	(206)	(321)	(140)	(28,333)
1	•	•	۰	•	•	•		•	•	•	•	•
Amort. & Depreciation	•	•	•	•	۰	•		•	•	•	•	(227)
NET EXPENSE:	(44,438)	(16,801)	(80,785)	0.331)	(3,809)	(8.579)	(57.237)	(13,279)	(1,808)	(2,863)	(3,589)	(37,969)
NET PAL:	7,346	4.748	4587	(382)	(968)	787	2728	(2721)	(ZE	(826)	(378)	(37,968)

Adelphia Long Distance Results for January 1999 tse 03/02/99

ASSETS:	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
Cash	0	0	0	0	0	0	0	0	0	0	0	43,557
A/R Customer	62,879	20,907	189,852	8,393	3,582	8,090	62,353	13,738	1,839	3,043	1,591	0
AR	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	368,694	188,055	593,515	45,458	35,932	68,922	306,389	11,092	4,514	5,555	10,355	(1,574,290)
N/R (N/P) w/non long distance	(475,524)	(132,765)	(648,680)	(48,266)	(31,158)	(57,353)	(257,706)	(14,617)	(9,025)	(9,971)	(16,453)	879,907
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	7,368
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	12,412
Other Assets	72	0	(0)	162	0	8	55	0	(0)	40	(0)	(65,070)
NET ASSETS:	(43,879)	76,198	134,688	5,746	8,356	19,667	111,091	10,213	(2.673)	(1,334)	(4,507)	(696,106)
LIABILITIES & R/E:												
AP	(27,147)	(886)	(10,667)	(162)	(121)	(1,811)	(1,036)	(131)	(121)	(126)	(126)	1,272
Accrued Liabilities	(40,774)	(15,440)	(62,403)	(6,137)	(2,620)	(6,706)	(43,270)	(9,385)	(1,196)	(2,351)	(1,723)	0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(10,495)
Accrued Taxes	(35,607)	(16,823)	12,773	(3,825)	(4,670)	(7,353)	(28,765)	(3,316)	(1,176)	(1,174)	(968)	2,870
Other Liabilities	(101)	(0)	4,163	0	(0)	(0)	0	(0)	0	0	(0)	61,569
Equity	147,507	(43,048)	(78,554)	4,378	(944)	(3,797)	(38,019)	2,618	5,166	4,986	7,324	640,889
NET LIABILITIES AND R/E:	43,679	(76,198)	(134,688)	(5,746)	(8,356)	(19,667)	(111,091)	(10,213)	2,673	1,334	4,507	696,106

Adelphia Long Distance Results for January 1999 tse 03/02/99

	NY 721	NJ 722	PA 723	OH 724	Mi 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
REVENUE:												
Interstate	24,563	6,879	38,295	2,609	1,730	5,245	27,341	6,170	635	1,314	1,339	0
Monthly Fees	7,520	1,964	12,632	1,226	416	1,227	8,605	1,244	191	338	133	0
Intrastate	8,350	10,118	17,446	2,220	330	355	17,091	43	0	218	115	0
International	3,925	149	2,542	267	22	886	2,427	469	17	82	22	0
Intralata	7,610	2,672	18,252	857	894	1,573	4,019	2,039	222	172	25	0
Directory Service	606	274	1,232	124	34	149	1,267	174	30	21	55	0
Monthly 800 Service Fees	3	0	5	0	3	0	13	5	0	0	0	0
Monthly Service Fee Credits	(5,200)	(1,057)	(7,852)	(835)	(199)	(916)	(6,467)	(1,106)	(155)	(266)	(61)	0
Other Revenue	340	143	477	51	25	40	258	35	2	32	5	0
NET REVENUE:	47,718	21,142	83,030	6,520	3,256	8,559	54,554	9,074	943	1.911	1,633	
EXPENSE:												
SERVICE EXPENSE:												
Interstate	(15,812)	(4,538)	(25,222)	(2,548)	(689)	(2,703)	(19,639)	(6,591)	(801)	(1,833)	(1,737)	0
Intrastale	(6,353)	(5,454)	(14,379)	(1,787)	(116)	(233)	(14,061)	0	0	(231)	(64)	0
International	(2,756)	(77)	(1,930)	(509)	1	(570)	(2,314)	(439)	(28)	(65)	(69)	0
intratata	(9,147)	(2,104)	(14,483)	(869)	(520)	(551)	(3,396)	(2,701)	(143)	(222)	(4)	0
Directory Service	(384)	(188)	(905)	(67)	(29)	(86)	(898)	(135)	(18)	(24)	(23)	0
Other Service Expense	(552)	(159)	(1,726)	(131)	56	46	(1,408)	(408)	(14)	(91)	(43)	0
NET SERVICE EXPENSE:	(35,004)	(12,519)	(58,645)	(5,916)	(1,296)	(4,096)	(41,719)	(10,274)	(1.004)	(2.465)	(1.938)	•
GROSS OPERATING MARGIN:	12,714	8,622	24,385	610	1,959	4,463	12,835	(1,200)	(61)	(554)	(305)	0
MARGIN %:	26.64%	40.78%	29.37%	9.35%	60.16%	52.15%	23.53%	-13.23%	4.43%	-29.01%	-18.66%	

Adelphie Long Distance Results for January 1999 tse 03/02/99

		2	ă	ě	3	1		5	ž	¥	Sc	
		22	22	121	22	922		128	82	07.	ž	Ŧ
MARKETING EXPENSE:	(113,494)	(1.013)	(13,847)	(1.075)	(190)	(2.177)	(6.309)	(4.845)	(338)	(370)	₹	(32,394)
SG&A:												
Wages & Benefits	•	•				•			•	•		
Telephone	•	•				•			•	•		
Printing	•	•				•			•	•		
Postage	(20)	(10)				•			•	9		
716	•	•				•			•	•		
Dues & Subs	•	•				•			•	•		
Outside Service	(1,678)	(53)				(209)			(38)	(51)		
Bad Debt	(11,549)	(2,181)				(\$18)			(268)	(684)		
Allocated S.G & A Expense	ť°	•				•			"	40		
Other S,G&A	ē	(1,050)				6			6	(301)		
NET SG&A:	(13,246)	(3.487)				920			962	(MS)		
Taxes	•	•				•			•	•		
Amort. & Depreciation	•	•				•			•	•		
NET EXPENSE:	(161,745) (1	(17,030)	(101,336)	(9.169)	(2,198)	(7,000)	(82,738)	(18.247)	(1.636)	(3,680)	(2.549)	(61,466)
NET PAL:	(114,027)	4.112				1.588			(589)	(1,788)		

Adelphia Long Distance Reguls for the Month of December 1998

N. N. N. P. P. O. N. N. N. N. N. N. N	Results for the Month of December 1996	•							,	3	2	SC	F
REVENUE: 22.646 7.116 34.900 2.666 1.463 4.659 22.513 5.256 753 1.303 2.0 ees 7,179 7.562 14.963 1.749 277 396 13.764 34 65 71 1.004 1.00			32	¥ 52	4 <u>5</u>	₩ 52 25	MA 726	¥2	728	82	82	ž	<u> </u>
22.646 7,116 34,900 2,866 1,403 1,724 1,081 1,724 1,113 1,091 1,081 1,724 1,084 1,183 1,184 1,18	REVENUE:						990	27.873	5.258	783	1,393	2,061	•
Colore C		22,646	7,116	34,900	2,868	1,483	eca's			35	311	110	
1,100 1,00	A PIPING			11 574	1,113	397	1,081	1,294	80.	5			
TATTO 7,682 1,483 1,483 1,483 1,483 1,483 1,483 1,484 46 61 Service 11,263 2,699 12,491 686 902 1,502 156 106 159 Service 3 0 10 10 3 1,102 152 30 32 Service 3 0 10 10 0 3 1,62 1,102 152 30 32 Service Fee Credits 4,581 (4,561) (601) (722) (165) 1,62 1,102 152 0 0 0 NOS Service Fee Credits 47,315 18,712 7,131 4,496 3,035 8,046 45,886 7,800 1,012 1,000	Monthly Fees	6,715	•			1116	356	13,784	*	•	183	20	
Service 11,263 2,659 15,491 686 992 1,532 3,269 1,894 109 159 32 Service 578 280 1,491 686 992 1,532 3,269 1,894 109 32 32 58 152 1,102 1,52 30 32 58 58 152 1,102 1,52 30 32 58 58 152 1,102 1,	astate	7,179	7,682	14,983				2 195	311	97	19	93	
11,263 2,696 1,218 87 98 162 1,102 152 30 32		3,227	8	2,180	288						150		
Frencise 578 200 1,218 87 58 162 1,102 152 50 32 4 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	ernational		2.680	15.491	989	885	1,532	3,269	1.884	3	3		
S78 280 1219 9 9 9 9 14 5 9 9 9 9 9 9 9 9 9	atote	11,263	800'Y		•	5	162	1,102	152	8	8	30	
Fee Credits (4.561) (301) (6,007) (722) (185) (756) (5,25) (1,036) (133) (234) (134) (234) (135) (234) (135) (234) (135) (234) (135) (234) (135) (234) (135) (234) (135) (234) (135) (234) (135) (234) (135) (234) (235)	ectory Service	578	380	1,218	6	1	٠	;	•	•	•	•	
(12.045) (901) (6.007) (722) (185) (756) (5.225) (1036) (15.51) (15.51) (15.525) (1036) (15.51		•	•	9	•	•	•	•		****	187.07	(46)	
(42,581) (10,0	OUTHLY BOO Service Lees		į	15 BO 71	(722)	(185)	(758)	(5,225)	(1,036)	(22)	200	***	
47,315 18,772 72,191 6,459 3,035 8,046 45,896 7,000 1,012 1,990 2 47,315 18,772 72,191 6,459 3,035 8,046 45,896 7,000 1,012 1,090 2 (12,045) (3,326) (17,672) (1,482) (649) (2,891) (10,197) (2,572) (541) (1,299) (1 (2,226) (4,874) (11,061) (1,186) (241) (196) (7,439) 0 0 0 (120) (120) (1,087) (1,189) (onthly Service Fee Credits	(4.581)	(108)	(0'00')		**	2		108	15	3	•	
ENSE: (12,045) (3,326) (17,672) (1,482) (849) (2,851) (10,197) (2,572) (541) (1,296) (the parties of persons a se	28.2	6	(1,357)	82	•	2	3				. 168	
47,315 18,772 72,113 18,772 72,11462) (949) (2,851) (10,197) (2,572) (541) (1,289) (1,41) (1,289) (1,699) (1,289) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,289) (1,41) (1,4	her Revenue				977	1.035	8.048	45,889	1,800	1,012	2		
(12,045) (3,326) (17,672) (1,482) (849) (2,851) (10,197) (2,572) (541) (1,299) (12,045) (2,050) (4,874) (11,061) (1,186) (241) (199) (7,439) 0 0 0 (120) (120) (12,026) (2,041) (1,180) (274) (9) (719) (1,087) (169) (141) (191) (1	ET REVENUE:	47,315	18,772	72.191	acs's								
(12,045) (3,326) (17,672) (1,482) (849) (2,41) (10,197) (2,572) (541) (1,289)	EXPENSE:												
(12,045) (3,326) (17,672) (1,462) (241) (196) (7,439) 0 0 0 (120) (120) (5,050) (4,674) (11,061) (1,186) (274) (19) (719) (1,067) (161) (141) (36) (17,263) (142) (17,263) (142) (15,067) (141) (20) (147) (20) (147) (20) (148) (15,067) (148) (15,067) (148) (148) (15,067) (148) (148) (15,067) (148) (15,067) (149) (15,067) (149) (15,067) (149) (14,07) (15,067) (14,07)	ERVICE EXPENSE:							Ī	(2,572)	(§		(1,056)	
(5.050) (4,874) (11,061) (1,166) (241) (190) (1,067) (161) (141) (36) (2226) (204) (1,500) (274) (9) (719) (1,067) (161) (141) (30) (200) (7,647) (1,726) (10,185) (557) (557) (752) (456) (1,283) (460) (44) (10) (16) (16) (16) (16) (16) (16) (16) (16	derstate	(12,045)		(17,672)					۰	۰		02)	_
Service Superse (2.226) (204) (1,500) (274) (9) (719) (1,067) (161) (141) (30) (30) (7,647) (1,726) (10,185) (557) (752) (458) (1,283) (763) (147) (200) (167) (168) (169) (17,283) (147) (167) (167) (167) (169) (177) (177) (179)		(050.50)		(11,061)									
(7.226) (204) (1.001) (257) (752) (456) (1.263) (763) (147) (200) (100) (7547) (1.726) (10.185) (557) (454) (31) (83) (460) (44) (10) (16) (16) (16) (16) (16) (16) (16) (16	virastate	(arraire)							(161)				
(7,647) (1,726) (10,185) (357) (44) (31) (460) (44) (10) (16) (16) (355) (145) (353) (450) (44) (312) (77) (5) (35) (35) (355)	nternational	(2,226)							(763)				_
(355) (145) (553) (44) (21) (95) (77) (77) (5) (35) (35) (77) (35) (35) (35) (35) (35) (35) (35) (35	ntralata	(7.647)	٠	E									
perise (360) (107) (637) (44) (25) (96) (314) (1,64) (1,640) XPENSE: (27,682) (10,383) (41,716) (3,586) (1,906) (4,403) (20,757) (3,617) (844) (1,668) TING MARGIN: 19,633 8,389 30,473 2,873 1,130 3,645 28,131 4,183 167 292 TING MARGIN: 19,633 6,389 30,473 2,873 1,130 3,645 28,131 4,183 16,53% 14,81% 4	Service	(355)											0
ISE: (27,682) (10,363) (41,716) (3,586) (1,806) (4,403) (20,757) (3,617) (844) (1,889) (1,889) (1,889) (1,889) (1,899) (1,130) 3,645 26,131 4,183 167 292 41,49% 44,89% 42,21% 44,46% 37,22% 45,29% 54,77% 53,63% 16,53% 14,91% 4		0360											
TOIN: 19,633 8,389 30,473 2,873 1,130 3,645 25,131 4,183 167 292 41,48% 44,68% 42,21% 44,48% 37,22% 45,28% 54,77% 53,53% 16,53% 14,91% 4	Other Service Expense	(27,682											
19,633 8,389 30,473 £,013 1,22% 45,28% 54,77% 53,63% 16,53% 14,91% 41,49% 44,69% 42,21% 44,46% 37,22% 45,28% 54,77% 53,63% 16,53% 14,91%	NET SERVICE CALCINOS.												
41.49% 44.69% 42.21% 44.46% 37.22% 45.29% 34.12%	GROSS OPERATING MARGIN:	19,633							•				•
	MARGIN %:	41,48%											

Adelphia Long Distance Results for the Month of December 1998 tse 01/14/99

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI
MARKETING EXPENSE:	(15,649)	(411)	(2,301)	(397)	(55)	(1,274)					131	144
SG&A:					100,	(1,2/3)	(2,725)	(292)	(37)	(98)	(10)	(4,402)
Wages & Benefits	0	0	0	0	0							
Telephone	0	0	0	0		0	0	0	0	0	0	(24,354)
Printing	0	0			0	0	0	0	0	0	0	(23)
Postage			0	0	0	0	0	0	0	0	0	0
TAE	0	0	. 0	0	0	0	0	0	0	0	0	(50)
	0	0	0	0	0	0	0	0	0	0		
Dues & Subs	0	0	0	0	0	0	0	0	0		0	(716)
Outside Service	(2,022)	(324)	(2,461)	(196)	(76)	(204)	(1,520)			0	0	0
Bad Debt	6,043	564	12,042	1	(49)	247	7,019	(172)	(33)	(61)	(18)	0
Allocated S,G & A Expense	-12 0%	30%	-16.7%	***	16%	-31%	-153%	(366)	16	21	40	0
Other S,G&A	(2,288)	0			0	0	0	0	0	ō	o	12,162
NET SG&A:	1,732		(2,099)	0	(0)	(420)	0	(630)	0	0	0	(6,130)
Taxes		239	7.482	(195)	(125)	(377)	5.500	(1.168)	(16)	(41)	22	(19,111)
Amort. & Depreciation	· ·	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0		
NET EXPENSE:	(41,599)	(10,555)	(36,538)	(4,178)	(2.086)	(6.053)	(17,983)	(5.077)			0	(227)
NET P&L:								(2)4111	(898)	(1.806)	(1,317)	(23,741)
	5,716	8,217	35,654	2,281	950	1.994	27,906	2,723	114	154	1.051	(23,741)

delphia Long Distance esults for November 1998 e 12/31/98		rı	rn	ОН	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
	NY 721	722	723	724	•••			0	0	0	0	24,544
ASSETS:			0	0	0	0	0		975	1,594	1,455	0
	0	0		5,013	2,809	5,667	27,913	4,031		0	0	10
Cash	41,274	15,609	147,141		0	0	0	0	0		e 200	(1,243,386)
A/R Customer	0	0	0	0			243,168	3,229	3,473	3,559		
A R		150,415	474,260	35,673	29,960	53,276		(3,895)	(6,264)	(5,743)	(11,253)	716,574
Intercompany A/R	292,103		(477,273)	(33,365)	(24,299)	(39,506)	(181,916)		0		0	7,823
N/R (N/P) w/non long distance	(276,108)	(94,617)		0	0	0	0	0			0	12,412
	0	0	0		0	0	0	0	0		(0)	(32,739
Fixed Assets, net	0	0	0	0			(0	, 0	(0)) 0		
Deterred Assets, net	0	(0)	0	99	(0)				(1.81)	7) (590)	(3.500	(514.76
Other Assets			144,129	7,419	8.470	19.445	89,166					
NET ASSETS:	57,268	71.407	144								(1,300	0) (87,04
						(58	8)	0 (
LIABILITIES & RVE:	(304	, ((120					(920)) (1,84	41) (1,974		
AP	(65,344		(94,895	(8,489	(5,76	1) (12,50			0	0	0	
Accrued Liabilities				, (0	0	0		5) (9	32) (80	8) (6:	31) 2,8
Accrued Payroll				9 (2.94	2) (3,88	(6,2	50) (22.1	09) (1.11		(0)	0	(0) 49.8
	(30,71	7) (13.97			(0)	0	(0)	0	0		72 7,4	60 555,0
Accrued Taxes	(10)1)	(0) 4,16				(18,	296) (1,3	30) 4.	303		
Other Liabilities	39,1		19) (61,20	06) 4,0				166) (3.3	64) 1	.017	10 37	500 514.
Equity				29) (7.A	19) (8.4	70) (19.	(49) (8s.					
NET LIABILITIES AND RE:	(57.2	00) (13.4										

Adelphia Long Distance Results for November 1998 tse 12/31/98

tse 12/31/98												
	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	727	728	NH 729	NC 730	SC 731	ATI 144
REYENUE:												
Interstate	17,590	5,533	28,193	1,750	1,106	3,646	15,707	2,510	435	1,013	1,098	0
Monthly Fees	5,870	1,596	10,141	835	374	786	4,912	740	145	232	102	0
Intrastate	5,963	7,328	13,776	1,364	284	313	9,910	0	0	142	102	0
International	2,405	231	1,999	292	9	938	1,451	242	172	31	69	0
Intralata	8,798	2,909	13,204	517	890	1,549	2,152	823	180	228	4	0
Directory Service	563	230	893	70	48	131	730	70	16	25	47	0
Monthly 800 Service Fees	3	0	9	0	3	0	10	0	. 0	0	0	0
Monthly Service Fee Credits	(3,712)	(722)	(5,610)	(483)	(158)	(421)	(3,177)	(712)	(115)	(176)	(49)	0
As a percent of municipy from	354	101	1,141	47	18	46	445	(2)	5	20	16	0
NET REVENUE:	37,835	17,206	63,745	4,392	2,574	6,987	32,139	3,671	839	1,516	1,389	0
EXPENSE:												
SERVICE EXPENSE:												
Interstate	(12,913)	(5,206)	(19,220)	(2,202)	(1,196)	(3,162)	(10,965)	(278)	(341)	(1,044)	(1,373)	0
Intrastate	(4,861)	(5,242)	(11,296)	(1,212)	(238)	(132)	(8,675)	0	0	(115)	(148)	0
International	(1,785)	(439)	(1,315)	(248)	(18)	(760)	(1,582)	(9)	(57)	(31)	(117)	0
Intralata	(6,404)	(1,725)	(10,985)	(675)	(756)	(406)	(1,793)	(163)	(151)	(186)	(55)	0
Directory Service	(266)	(149)	(561)	(37)	(21)	(102)	(431)	(4)	(7)	(11)	(38)	0
Other Service Expense	(674)	(294)	(1,094)	(126)	(62)	(165)	(583)	(14)	(18)	(54)	(72)	0
NET SERVICE EXPENSE:	(26,902)	(13,057)	(44,472)	(4,500)	(2,291)	(4,728)	(24,028)	(468)	(574)	(1.442)	(1,802)	0
			19,273	(108)	283	2,259	8,111	3,203	265	74	(413)	0
GROSS OPERATING MARGIN: MARGIN %:	10,934	4,150	30.24%	-2.45%	11.00%	32.33%	25.24%	87.25%	31.56%	4.91%	-29.77%	

Adelphia Long Distance Results for November 1998 tse 12/31/98

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
MARKETING EXPENSE:	(1,775)	(52)	(1,988)	(239)	17	(1,277)	(2,556)	(631)	(78)	(119)	(1,309)	(119,797)
SG&A:												
Wages & Benefits	0	0	0	0	0	0	0	0	0	0	0	(17,643)
Telephone	0	0	0	0	0	0	0	0	0	0	0	(183)
Printing	0	0	0	0	0	0	0	0	0	0	0	0
Postage	0	0	0	0	0	0	0	•	0	0	0	(59)
T&E	0	0	0	0	0	0	0	0	0	0	0	(50)
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	0
Outside Service	(1,207)	(252)	(1,737)	(110)	(62)	(150)	(920)	(18)	(16)	(33)	(14)	0
Bad Debt	(5,682)	(2,170)	(1,077)	(1,260)	(442)	(486)	(7,575)	0	(1,569)	(617)	(1)	0
Allocated S,G & A Expense	0	0	0	0	0	0	0	0	Ö	0	0	0
Other S,G&A	(7)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(2)	(0)	(0)	(2,012)
NET SG&A:	(6,896)	(2,422)	(2,814)	(1.370)	(504)	(636)	(8,495)	(18)	(1,586)	(651)	(15)	(19.947)
Taxes	0	0	0	0	0	0	0	0	0	0	0	250
Amort. & Depreciation	0	0	0	0	0	0	0	0	0	0	0	(227)
NET EXPENSE:	(35,572)	(15,531)	(49,273)	(6,109)	(2,718)	(6,641)	(35,079)	(1.117)	(2,239)	(2,211)	(3,125)	(139,721)
NET P&L:	2,263	1,676	14,472	(1.717)	(144)	346	(2,940)	2.554	(1,400)	(695)	(1.737)	(129,721)

Adelphia Long Distance Results for the Month of Ociober 1998 tse 11/24/98

ASSETS:	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
Cash	0	0	0	0	0	0	0	0	0	0	0	358,372
A/R Customer	45,828	19,997	164,330	6,391	3,126	6,719	38,507	1,360	2,250	2,006	1,863	0
AR	0	0	0	0	0	0	0	0	0	0	0	10
Intercompany A/R	251,641	128,947	386,064	30,895	27,167	44,880	208,207	2,227	2,889	2,181	4,379	(1,099,034)
N/R (N/P) w/non long distance	(277,279)	(93,661)	(471,024)	(33,206)	(24,411)	(39,036)	(182,407)	(3,903)	(6,271)	(5,745)	(11,255)	358,228
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	8,050
Deferred Assets, net	0	0	0	0	0	0	0	0	0	0	0	12,339
Other Assets	0	(0)	(0)	99	0	8	(0)	0	0	0	(0)	8,147
NET ASSETS:	20.190	55,283	79,370	4,179	5,884	12.571	64,307	(316)	(1.132)	(1,557)	(5,012)	(353,888)
LIABILITIES & R/E:												
AP	0	0	(25)	0	0	0	(150)	0	0	0	0	(46,036)
Accrued Liabilities	(36,036)	(13,153)	(46,962)	(3,770)	(3,347)	(7,339)	(22,899)	(415)	(1,235)	(466)	(200)	0
Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	(7,568)
Accrued Taxes	(25,514)	(13,088)	10,187	(2,703)	(3,548)	(5,337)	(20,023)	(494)	(826)	(655)	(512)	2,620
Other Liabilities	(101)	0	4,163	(0)	0	0	0	0	0	0	0	(11,091)
Equity	41,462	(29,042)	(46,733)	2,295	1,010	105	(21,236)	1,225	3,193	2,678	5,724	415,962
NET LIABILITIES AND RE:	(20,190)	(55,283)	(79,370)	(4,179)	(5,884)	(12.571)	(64,307)	316	1,132	1,557	5,012	353,888

Adelphia Long Distance Results for the Month of October 1998 tse 11/24/98

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
REVENUE:												
Interstate	15,845	6,112	29,288	2,191	1,360	4,202	15,011	1,018	308	936	1,581	0
Monthly Fees	4,508	1,472	8,994	640	338	697	3,373	325	77	153	100	0
Intrastate	5,979	8,876	14,893	1,392	290	209	13,994	0	0	77	178	0
International	2,835	432	2,085	236	15	896	1,985	258	93	49	128	0
Intralata	10,606	3,323	14,386	620	984	1,323	2,429	594	64	310	11	0
Directory Service	415	262	978	63	21	118	643	29	12	18	59	0
Monthly 800 Service Fees	88	30	202	11	- 11	17	82	11	0	2	8	0
Monthly Service Fee Credits # a proces of manife tree Other Revenue	(2,204) 40% 570	(710) 47.75 231	(4,687) 51 0% 991	(321) **2% 83	(141) 403% 37	(336) 47 1% (81)	(1,649) 4775 605	(304) ***** (1)	(47) 41.1% 65	(102)	(48)	0
NET REVENUE:	38,641	20,028	67,129	4,916	2,916	7.044	36,472	1,930	572	1,495	5	0
EXPENSE:										1,485	2.021	•
SERVICE EXPENSE:												
Interstate	(12,913)	(5,206)	(19,220)	(2,202)	(1,196)	(3,162)	(10,965)	(278)	(341)	(1,044)	(1,373)	
Intrastate	(4,861)	(5,242)	(11,296)	(1,212)	(238)	(132)	(8,675)	0	0	(115)	(148)	0
International	(1,785)	(439)	(1,315)	(248)	(18)	(760)	(1,582)	(9)	(57)	(31)	(117)	0
Intralata	(6,404)	(1,725)	(10,985)	(675)	(756)	(406)	(1,793)	(163)	(151)	(186)	(55)	0
Directory Service	(266)	(149)	(561)	(37)	(21)	(102)	(431)	(4)	(7)	(11)	(38)	
Other Service Expense	(674)	(294)	(1,094)	(126)	(62)	(165)	(583)	(14)	(18)	(54)		0
NET SERVICE EXPENSE:	(26,902)	(13,057)	(44,472)	(4,500)	(2.291)	(4.728)	(24,028)	(468)	(574)	(1,442)	(72)	0
GROSS OPERATING MARGIN:	11,739	6,971	22,657	416	624	2.316	12,444	1.462	(3)	53	219	
MARGIN %:	30.38%	34.81%	33.75%	8.47%	21.42%	32.67%	34.12%	75.74%	-0.51%	3.56%	10.84%	

Adelphia Long Distance Results for the Munth of October 1998 tse 11/24/98

	721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144
MARKETING EXPENSE:	(3,604)	(824)	(2.742)	(217)	(93)	(189)	(1,465)	(443)	(42)	(87)	/101	
SG&A:									(44)	(0/)	(19)	(112,216)
Wages & Benefits	0	0	0	0	0	0	0	0	0	0		
Telephone	0	0	0	0	0	0	0	0	0	0	0	(14,637)
Printing	0	0	0						٠	·	0	(4,995)
				0	0	0	0	0	0	0	0	0
Postage	0	0	0	0	0	0	0	0	0	0	0	0
TAE	0	0	0	0	0	0	0	0	0	0	0	(432)
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	
Outside Service	(1,207)	(252)	(1,737)	(110)	(62)	(150)	(920)	(18)	(16)	(33)	(14)	0
Bad Debt	(12,450)	(4,329)	(25,343)	(1,193)	(890)						(,-,	0
an a partiers of red revenue	2275	21 6%	37.0%	24.3%	20.5%	(885)	(15,214)	0	(623)	(2,158)	53	0
Allocated S,G & A Expense	0	0	0	0	0	0	0	0	0		20%	
Other S,G&A	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	(1)	(1)	0	(6,210)
HET SG&A:	(13,657)	(4,581)	(27.080)	(1,303)	(952)	(1,035)	(16,134)	(18)	(640)	(2,193)	39	
Taxes	0	0	0	0						(4,184)	.,	(26.275)
Amort. & Depreciation					0	0	0	0	0	0	0	0
unon, a Depreciation	•	0	0	0	0	0	0	0	0	0	0	(227)
NET EXPENSE:	(44,162)	(18,462)	(74,294)	(6,019)	(3,336)	(5,952)	(41,627)	(929)	(1,256)	(3.721)		(138,718)
NET PAL:	(5,521)	1,566	(7.165)	(1.103)	(421)	1,091	(5,155)	1,000	(685)	(2,226)		(138,718)

Adelphia Long Distance Results for Month of September 1998 Ise 10/21/98

esults for Month of September 1998 te 10/21/98						MA	VA	VT	NH	NC	sc	ATI 144	
	NY 721	NJ 722	PA 723	OH 724	MI 725	726	727	728	729	730	731		
ASSETS:					0	0	0	0	0	0	0	218,870	218,870
Cash	0	0	0	0			45,676	(14)	2,861	3,331	1,682	0	316,617
VR Customer	55,108	21,432	168,438	6,617	4,403	7,084		0	0	0	0	10	10
V R	0	0	0	0	0	0	0		2,290	1,427	2,319	(935,283)	(9,556
intercompany A/R	212,745	109,301	330,723	26,413	23,508	37,356	177,866	1,779		(2,927)	(5,097)	429,243	(428,075
	(217,653)	(66,638)	(355,368)	(23,244)	(19,087)	(28,033)	(131,890)	(2,982)	(4,400)		(5,057)	8,278	8,27
N/R (N/P) w/non long distance	0	0	0	0	0	0	0	0	0	0			12,33
Fixed Assets, net	0	0	0	0	0	0	0	0	0	0	0	12,339	
Deferred Assets, net		0	(0)	99	0	8	(0)	0	0	(0)	(0)		10,36
Other Assets	(0)			9,884	8,825	16,416	91,652	(1,217)	752	1,831	(1,097)	(256,285)	128,84
NET ASSETS:	50,200	64,095	143,792	2,004									
LIABILITIES & R/E:					en 867)	(4,924)	(24,336)	(410)	(1,258)	(1,295)	(4,317	448	(132,64
AP	(29,583)	(11,745)	(47,475)	(4,888)	(2,867)						(200) 0	(135,82
Accrued Liabilities	(36,036)	(13,153)	(46,962)	(3,770)	(3,347)	(7,339)		0	0	0	0	(13,625)	(13,63
Accrued Payroll	0	0	0	0	0	0	0			(524)) (349	2,620	(59,9
Accrued Taxes	(20,422)	(11,721)	378	(2,418)	(3,201)	(5,350)	(18,028)						(6,3
	(101)	0	4,163	0	0	(0)) (0)) (0					219,5
Other Liabilities		(27,476)	(53,898)	1,193	591	1,197	(26,390) 2,227	2,510	454			
Equity	35,941			(9,884)	(8,825)	(16,416	(91,652	1,217	(752	(1,831	1,09	256,285	(128,
NET LIABILITIES AND RE:	(50,200)	(64,095)	(143,792)	(4,444)									

Consolidate	ed
with	
Climinatia	

	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144	
REVENUE:													
Interstate	14,549	5,694	25,376	2,184	1,270	4,253	13,366	65	340	814	1,086	0	68,997
Monthly Fees	4,338	1,451	8,842	605	336	700	3,561	26	62	132	75	0	20,128
Intrastate	4,912	6,985	12,038	1,247	260	183	11,508	0	0	74	158	0	37,364
International	1,831	435	1,729	234	6	872	1,976	11	1,090	14	137	0	8,336
Intralata	6,961	2,489	11,726	551	689	838	2,216	121	182	224	10	0	26,006
Directory Service	377	212	796	52	30	145	611	6	10	16	53	0	2,309
Monthly 800 Service Fees	82	31	224	9	15	18	100	0	0	1	8	0	488
Monthly Service Fee Credits as a percent of monthly food Other Revenue	(2,010) 45.5% 679	(618) 4175 271	(4,649) 613% 924	(323) 52 55 72	(107) 3045 43	(347) 483% 104	(1,641) 44% 718	(11) 424% 1	(35) *** 45	(88) 66 1% 42	(62) 740% 11	0	(9,890 48 97 2,909
NET REVENUE:	31,720	16,950	57,004	4,632	2,542	6,767	32,415	218	1,695	1,229	1,476	0	156,649
EXPENSE:													
SERVICE EXPENSE:													
Interstate	(13,916)	(3,349)	(19,556)	(2,484)	(1,613)	(3,646)	(10,398)	(329)	(453)	(992)	(890)	0	(57,625
Intrastate	(4,099)	(5,858)	(11,302)	(1,328)	(233)	(105)	(8,529)	0	0	(56)	(27)	0	(31,536
International	(2,658)	(573)	(1,408)	(248)	(26)	(404)	(982)	0	(600)	0	(53)	0	(6,952
Intralata	(5,500)	(1,246)	(10,747)	(541)	(814)	(245)	(1,693)	(71)	(166)	(163)	(63)	0	(21,249
Directory Service	(282)	(173)	(616)	(40)	(43)	(73)	(431)	(4)	(8)	(13)	(5)	0	(1,687
Other Service Expense	(94)	(30)	(185)	(17)	(11)	(25)	(85)	(2)	(3)	(7)	(6)	(200)	(666
NET SERVICE EXPENSE:	(26,550)	(11,230)	(43,814)	(4,657)	(2,739)	(4,497)	(22,119)	(405)	(1,230)	(1,231)	(1,043)	(200)	(119,714
GROSS OPERATING MARGIN:	5,170	5,720	13,190	(25)	(197)	2,271	10,296	(187)	465	(2)	433	(200)	36,934
MARGIN %:	16.30%	33.75%	23.14%	-0.55%	-7.74%	33.55%	31.76%	-85.77%	27.44%	-0.16%	29.37%		23.58%

Consolidated with Eliminations

se 10/21/98													
	NY 721	NJ 722	PA 723	OH 724	MI 725	MA 726	VA 727	VT 728	NH 729	NC 730	SC 731	ATI 144	
MARKETING EXPENSE:	(2,918)	(224)	(1,616)	(68)	(456)	(422)	(1,453)	(96)	(16)	(49)	(3,277)	(6,470)	(17,065)
SG&A:													
Wages & Benefits	0	0	0	0	0	. 0	0	0	0	0	0	(25,432)	(25,432)
Telephone	0	0	0	0	0	0	0	0	0	0	0	(254)	(254)
Printing	0	0	0	0	0	0	0	0	0	0	0	0	0
Postage	0	0	0	0	0	0	0	0	0	0	0	(15)	(15)
T&E	0	0	0	0	0	0	0	0	0	0	0	(49)	(49)
Dues & Subs	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside Service	(1,195)	(239)	(1,696)	(108)	(101)	(155)	(991)	(2)	(14)	(30)	(11)	0	(4,543)
Bad Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
as a percent of net revenue Allocated S,G & A Expense	0	0	0	0	0	00%	0	000	0	0	0	13,092	13,092
Other S,G&A	0	0	(0)	0	(0)	0	0	(0)	0	(0)	(0)	(1,356)	(1,356)
NET SG&A:	(1,195)	(239)	(1,696)	(108)	(101)	(155)	(991)	(2)	(14)	(30)	(11)	(14,014)	(18,557)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Amort. & Depreciation	0	0	0	0	0	0	0	0	0	0	0	(227)	(227)
NET EXPENSE:	(30,663)	(11,694)	(47,126)	(4,833)	(3,297)	(5,073)	(24,563)	(593)	(1,259)	(1,310)	(4,331)	(20,912)	(155,564)
NET P&L:	1,057	5,256	9,878	(202)	(754)	1,694	7,852	(285)	435	(81)	(2,855)	(20,912)	1,065

END

OF

RETAKE

EXHIBIT D

Proposed Tariff

ADELPHIA TELECOMMUNICATIONS, INC.

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations and rates applicable to the furnishing of telecommunications services provided by Adelphia Telecommunications, Inc. ("Adelphia" or "Carrier") with principal offices at Main at Water Street, Coudersport, PA 16915. This tariff applies for services furnished within the State of South Dakota. This tariff is on file with the South Dakota Utilities Commission and copies may be inspected there, during normal business hours, or at Adelphia's principal place of business.

Issued: Effective:

Issued by Jeffrey W. Donahue, Director, Voice and Data Services
Adelphia Telecommunications, Inc.
Main at Water Street
Coudersport, PA 16915

CHECK SHEET

Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets are named below and comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

SHEET	REVISION	SHEET	REVISION
1	Original	26	Original
2	Original	27	Original
3	Original	28	Original
5	Original	29	Original
	Original	30	Original
6	Original	31	Original
7	Original	32	Original
8	Original		
9	Original		
10	Original		
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		
21	Original		
22	Original		
23	Original		
24	Original		
25	Original		

Issued:

CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

Issued: Effective:

TARIFF FORMAT

- A. <u>Sheet Numbering</u> Sheet numbers appear in the upper-right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between Sheets 14 and 15 would be 14.1.
- B. <u>Paragraph Numbering Sequence</u> There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).1
- 2.1.1.A.1.(a).1(I) 2.1.1.A.1.(a).1(I)(I)
- C. Check Sheets When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it. The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current sheet on file with the Commission.

Issued:

APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of South Dakota by Adelphia Telecommunications, Inc. ("Company").

Issued:

EXPLANATION OF SYMBOLS

- (D) To signify a discontinued material
- (I) To signify a rate or charge increase
- (M) To signify material relocated without change in text or rate
- (N) To signify a new material
- (R) To signify a reduction
- (T) To signify a change in text but no change in rate or regulation

Issued:

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Issued:

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

1.1 Definitions

<u>Application for Service</u> - A standard order form which includes all pertinent billing, technical and other descriptive information which will enable Carrier to provide telecommunication service as required.

<u>Authorization Code</u> - A numerical code, one or more of which are assigned to Customer to enable Carrier to identify use of service on his or her account and to bill Customer accordingly for such service. Multiple authorization codes may be assigned to Customer to identify individual users or groups of users on his or her account.

<u>Business Customer</u> - Customer whose use of service is primarily or substantially of a professional, business, institutional, occupational or other commercial nature.

<u>Carrier</u> - Adelphia Telecommunications, Inc. ("Adelphia"), unless the context indicates otherwise.

Company - Adelphia, unless the context indicates otherwise.

<u>Customer</u> - The person, firm, corporation or other entity which orders or uses service and is responsible for the payment of rates and charges and compliance with tariff regulations.

Customer-Provided Equipment - Terminal equipment, as defined herein, provided by Customer.

<u>Day</u> - From 8:00 a.m. up to but not including 5:00 p.m. local time, Monday through Friday.

Department -South Dakota Utilities Commission

<u>Disconnection</u> - The disconnection of a circuit, dedicated access line or port connection being used for existing service.

Evening - From 5:00 p.m. up to but not including 11:00 p.m. local time, Sunday through Friday.

Issued:

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)

1.1 Definitions (Cont'd)

Holiday Rate Period - Carrier's recognized holidays are New Year's Day (January 1), Independence Day (July 4), Labor Day, Memorial Day, Thanksgiving Day and Christmas Day (December 25). The evening rate periods are used, unless a lower rate would normally apply.

<u>LATA (Local Access and Transport Area)</u> - A group of telephone exchanges within which FCC rules allow local exchange carriers to carry toll telephone calls.

Night - From 11:00 p.m. up to but not including 8:00 a.m., and 8:00 a.m. Saturday up to but not including 5:00 p.m. Sunday.

<u>Premises</u> - The space designated by Customer as its place or places of business for termination of service (whether for its own communications needs or for its resale Customers). In the case of a non-profit sharing group, this term includes space at each sharer's place or places of business, as well as space at Customer's place of business.

Residential Customer - Customer whose use of service is primarily of a domestic nature.

<u>Service or Services</u> - The services covered by this tariff shall include only those in the State of South Dakota.

<u>Terminal Equipment</u> - Telecommunications devices, apparatus and their associated wiring, such as teleprinters, telephone and data sets.

<u>Travel Card</u> - A prepaid or postpaid calling card issued by Carrier which allows Customers to make telephone calls and charge the calls to a credit or debit account. Calls charged to a Carrier-issued credit travel card will appear on the Customer's regular monthly bill. Calls charged to a Carrier-issued debit travel card will be charged against the debit account.

Issued: Effective:

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Carrier

Adelphia Telecommunications, Inc. is a resale common carrier providing intrastate communications services to Customers for their direct transmission and reception of voice, data and other types of telecommunications. Service is available on a full-time basis, twenty-four (24) hours per day, seven (7) days per week, throughout the State of South Dakota.

2.2 Limitations of Service

- 2.2.1 Carrier offers service to all those who desire to purchase service from Carrier consistent with all provisions of this tariff. Customers or subscribers interested in Carrier's services shall file a service application with Carrier, which fully satisfies Customer and identifies the services required.
- 2.2.2 Service is offered subject to the availability of the necessary facility and/or equipment and subject to the provisions of this tariff. Carrier reserves the right not to provide service to or from a location where the necessary facilities or equipment are not available.
- 2.2.3 Carrier reserves the right to discontinue furnishing service, upon a written notice, when necessitated by conditions beyond its control, or when Customer is using the service in violation of any provision in this tariff, the rules and regulations of the SD PUC or in violation of the law.

Issued:

2.2 Limitations of Service (Cont'd)

2.2.4 Title to all facilities provided by Carrier under these regulations remains with the Carrier. Prior written permission from Carrier is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

2.3 Use of Service

Service may not be used for any unlawful purposes or for any purpose for which any payment or other compensation is received by Customer, except when Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between Customer, authorized user or joint user to share the cost of the service, as long as the arrangement generates no profit for any participant in the arrangement.

2.3.1 Minimum Service Period

The minimum period of service is one (1) month (30 days), unless otherwise stated in this tariff.

2.4 Liability

2.4.1 The liability of Carrier for any claim or loss, expense or damage (including indirect, special or consequential damages), interruption, delay, error, omission or defect in any service, facility or transmission provided under the tariff shall not exceed an amount equivalent to the proportionate charge to Customer for the period of service or the facility provided during which such interruption, delay, error, omission or defect occurs. For the purpose of computing this amount, a month is considered to have thirty (30) days. Notwithstanding any other provision of this tariff, under no circumstances shall the Carrier be liable for any consequential, special, indirect, incident or exemplary damages.

Issued:

2.4 Liability (Cont'd)

- 2.4.2 Carrier shall not be liable for any claim or loss, expense, or damage (including indirect, special or consequential damages), interruption, delay, error, omission or other defect in service, facility or transmission provided under this tariff, if caused by any person or entity other than Carrier, by any malfunction of any service or facility provided by any other carrier, by any act of God, fire, war, civil disturbance, act of government, work stoppage or other labor difficulties or any other cause beyond Carrier's direct control.
- 2.4.3 Carrier shall not be liable for and shall be fully indemnified and held harmless by Customer against any claim or loss, expense or damage, including indirect, special or consequential damage for:
 - A. Defamation, libel, slander, invasion or privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation, violation of any contract, propriitatory or creative right or any other injury to any person, property or entity arising from the material, data, information or content revealed to, transmitted, processed, handled or used by Carrier under this tariff;
 - Connecting, combining or adapting Carrier's facilities with Customer's apparatus or systems;
 - C. Any act of omission by the Customer; or
 - D. Any personal injury or death of any person or for any loss of or damage to Customer's premises or any other property, whether owned by Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by Carrier, if not caused by gross negligence of Carrier.

Issued:

2.4 Liability (Cont'd)

- 2.4.4 No agent or employee of any other carrier shall be deemed to be an agent or employee of Carrier.
- 2.4.5 Carrier makes no warranty regarding the provision of service pursuant to this tariff, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.

2.5 Interruption of Service

2.5.1 Credit allowance for interruption of service which is not due to the negligence of Customer or to the failure of channels, equipment and/or communications systems provided by Customer and other carriers, are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of Customer to notify Carrier immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not being caused by action or omission of Customer within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Carrier's terminal.

2.6 Responsibility of Customer

- 2.6.1 Customers assume general responsibilities in connection with the provisions and use of Carrier's service. When facilities, equipment and/or communications systems provided by others are connected to Carrier's facilities, Customer assumes additional responsibilities. Customers are responsible for the following:
 - A. Customer is responsible for placing orders for service, paying all charges for service rendered by Carrier and complying with all of Carrier's regulations governing the service. Customer is also responsible for assuring that its users comply with regulations.

Issued:

2.6 Responsibility of Customer (Cont'd)

- B. When placing an order for service, Customer must provide:
 - the name(s) and address(es) of the person(s) responsible for the payment of service charges; and
 - the name(s), telephone number(s), and address(es) of the Customer contact person(s).
- C. Customer must pay Carrier for the replacement or repair of Carrier's equipment when the damage results from:
 - the negligence or willful act of Customer or user;
 - improper use of service; or
 - any use of equipment or service provided by others.

2.6.2 Availability of Service for Maintenance, Testing and Adjustment

Upon reasonable notice, the facilities provided by Carrier shall be made available to Carrier for such tests and adjustments as may be necessary to maintain them in satisfactory condition. No interruption allowance will be granted for the time during which such tests and adjustments are made.

Issued:

2.6 Responsibility of Customer (Cont'd)

2.6.3 Credit Allowances

Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in facilities or equipment owned, provided and billed for, by Carrier.

- A. Credit allowances for failure of service or equipment starts when Customer notifies Carrier of the failure or when Carrier becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify Customer.
- B. Customer shall notify Carrier of failures of service or equipment and reasonable attempts to ascertain that the failure is not caused by Customerprovided facilities, any act or omission of Customer or in wiring or equipment connected to the terminal.
- C. Only those portions of the service or equipment disabled will be credited. No credit allowances will be made for:
 - interruptions of service resulting from Carrier performing routine maintenance;
 - interruptions of service for implementation of a Customer order for a change in the service;
 - interruptions caused by negligence of Customer or Customer's authorized user; or
 - interruptions of service because of the failure of service or equipment due to Customer or authorized userprovided facilities.

Issued:

2.6 Responsibility of Customer (Cont'd)

2.6.4 Cancellation by Customer

- A. Customer may cancel service any time after meeting the minimum service period. Termination charges will apply if Customer cancels prior to the expiration of a one-year or multi-year service agreement. Such termination charge will be equal to one (1) month's usage as projected in Carrier's Proposal for Service, or the actual average monthly usage to date, whichever is higher, plus the monthly account charge for the remainder of the contract period.
- B. If Customer orders service requiring special facilities dedicated to Customer's use and then cancels the order before the service begins, before completion of the minimum service period or before completion of some other period mutually agreed upon by Customer and Carrier, a charge will be made to Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of Customer by Carrier and not fully reimbursed by installation and monthly charges. If, based on the order, any construction has either begun or been completed, but no service provided, the nonrecoverable cost of such construction shall be borne by Customer. Such charge will be determined on a case-by-case basis.

Issued:

2.6 Responsibility of Customer (Cont'd)

2.6.5 Payment and Charges for Service

- A. Charges for service are applied on a recurring and nonrecurring basis. Service is billed on a monthly basis. Service continues to be provided until canceled by Customer or by Carrier, in accordance with provisions of this tariff.
- B. Payment will be due upon receipt of the statement. A nonrecurring 1.5 percent per month penalty fee (unless a lower rate is prescribed by law, in which event at the highest rate allowable by law) will accrue upon any unpaid amount commencing thirty (30) days after rendition of the bill.
- C. Customer is responsible for payment of all charges for service furnished to Customer, including, but not limited to, all calls originated at Customer's number(s), received at Customer's number(s), billed to Customer's number(s) via third-party billing, incurred at the specific request of Customer, or placed using a calling card issued to Customer. The initial billing may include the account set-up charge where applicable. Charges based on actual usage during a month will be billed monthly in arrears. All fixed monthly charges for services ordered will be billed monthly in advance.
- Service may be denied or discontinued at Carrier's discretion for nonpayment of amounts due to Carrier that are past the due date.
 Restoration of service will be subject to all applicable installation charges.

Issued:

Effective:

Issued by Jeffrey W. Donahue, Director, Voice and Data Services
Adelphia Telecommunications, Inc.

Main at Water Street

Coudersport, PA 16915

2.6 Responsibility of Customer (Cont'd)

2.6.6 Application of Charges

The charges for services are those in effect for the period that service is furnished. If the charge for a period covered by a bill change after the bill has been rendered, the bill will be adjusted to reflect the new charges.

2.6.7 Interconnection

The Customer is responsible for taking all necessary legal steps for interconnection Customer-provided terminal equipment with Carrier's facilities. The Customer shall secure all licenses, permits, rights-of-way and other arrangements necessary for such interconnection.

2.7 Billing Periods

Carrier bills Customers on a monthly basis for all services.

2.8 Customer Complaints and/or Billing Disputes

Customers have the right to refer billing disputes and any other complaints to Adelphia Telecommunications, Inc., Main at Water Street, Coudersport, PA 16915. Carrier's Customer Service department can be reached by dialing 1-888-472-6222 (toll free), 24 hours a day, 7 days a week.

Issued:

2.9 Deposits

Carrier does not require deposits.

2.10 Taxes

- 2.10.1 Customer will be billed and is responsible for payment of applicable local, state and federal taxes assessed in conjunction with service used.
- 2.10.2 All state and local taxes (i.e., sales tax, gross receipt tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.11 Responsibility of Carrier

2.11.1 Calculation of Credit Allowance

Pursuant to limitations set forth in Section 2.5, when service is interrupted the credit allowance will be computed on the following basis:

- A. No credit shall be allowed for an interruption of less than two (2) hours.
- B. For purposes of credit calculation, every month shall be considered to have 720 hours.
- C. Customer shall be credited for an interruption of two (2) hours or more for as long as the interruption continues.
- D. When a minimum usage charge is applicable and Customer fails to meet same because of a service interruption, a credit shall be applied against that minimum usage charge in the following manner. For each period of two (2) hours that the interruption continues, the credit shall equal 1/360th of the monthly minimum charge. Note, in this instance, a fractional period of more than one (1) hour shall be treated as a two (2) hour period.

Issued:

2.11 Responsibility of Carrier (Cont'd)

2.11.1 Calculation of Credit Allowance (Cont'd)

E. If notice of a dispute as to charges is not received in writing by Carrier within thirty (30) days after billing is received by Customer, the invoice shall be considered correct and binding on Customer, unless extraordinary circumstances are demonstrated.

2.11.2 Cancellation of Credit

Where Carrier cancels a service and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/30th of the monthly recurring charge for each day after the service was discontinued. This credit will be issued to Customer or applied against the balance remaining on Customer's account.

2.11.3 Denial of Service by Carrier

Carrier may deny service or cancel an application for service without incurring any liability for any of the following reasons:

- A. After ten (10) days written notice, for nonpayment of any sum due to Carrier for service for more than thirty (30) days beyond the date of rendition of the bill for such service. Notice of disconnection shall be separate and apart from the regular monthly bill for service.
- B. After ten (10) days written notice, in the event of a violation of any regulation governing the service under this tariff.
- C. Without notice, in the event of a violation of any law, rule or regulation of any government authority having jurisdiction over the service.

Issued:

2.11 Responsibility of Carrier (Cont'd)

2.11.3 Denial of Service by Carrier (Cont'd)

- Carrier is prohibited from furnishing services by order of a court or other government authority having jurisdiction.
- E. In the event of fraudulent use of Carrier's network, Carrier will discontinue service and/or seek legal recourse to recover all costs involved in enforcement of this provision.
- F. Without notice if a Customer or user causes or permits any signals or voltages to be transmitted over Carrier's network in such a manner as to cause a hazard or to interfere with Carrier's service to others.
- 2.11.3.1 In all other circumstances, Carrier will provide the Customer with written notice via first class U.S. mail stating the reason for discontinuance, and will allow the Customer not less than fifteen (15) days to remove the cause for discontinuance. For residential Customers, another written notice of termination will be sent via first class mail five (5) days prior to discontinuance of same. In cases of non-payment of charges due, the Customer will be allowed at least five (5) days, excluding Sundays and holidays, to make full payment of all undisputed charges. In no event will service be discontinued on the day preceding any day on which Carrier is not prepared to accept payment of the amount due and to reconnect service.

2.11.4 Fractional Charges

Charges for a fractional part of a month are calculated by counting the number of days remaining in the billing period after service is furnished. Divide that number of days by thirty (30) days (billing period). The result is then multiplied by the applicable monthly service charge to arrive at the appropriate fractional monthly service charge.

Issued:

2.12 Restoration of Service

The use and restoration of service in emergencies shall be in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

Issued:

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Timing of Calls

The chargeable time for a long distance call is determined by the duration of the call. Chargeable time begins when connection is established between Customer and the calling or called station, and ends when the calling station "hangs up."

3.2 Start of Billing

For billing purposes, the start of service is the day following acceptance by Customer of Carrier's service or equipment. The end of service date is the last day of the minimum notification of cancellation or any portion of the last day after receipt by Carrier of notification of cancellation, as described in Section 2 of this tariff.

3.3 Interconnection

- 3.3.1 Service furnished by Carrier may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Carrier. Service furnished by Carrier is not part of a joint undertaking with such other carriers. Any special interface equipment or facilities necessary to achieve compatibility between the facilities of Carrier and other participating carriers shall be provided at Customer's expense.
- 3.3.2 Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. Customer is responsible for taking all necessary legal steps for interconnecting his or her Customer-provided terminal equipment of communications systems with Carrier's facilities. Customers shall secure all licenses, permits, rights-of-way and other arrangements necessary for such interconnections.

Issued:

SECTION 3 - DESCRIPTION OF SERVICE (CONT'D)

3.4 Special Services

For the purpose of this tariff, a Special Service is deemed to be any service requested by Customer for which there is no prescribed rate in this tariff. Special Service charges will be developed on an individual-case basis and filed in this tariff.

3.5 Description of Proposed Services

- 3.5.1 <u>Direct Dialed Calls</u> Intrastate toll service billed at a maximum of thirty (30) second increments.
- 3.5.2 <u>Calling Card Calls</u> -A calling card service that may be accessed from any touch tone telephone. Calling card service is not accessible from a rotary telephone.
- 3.5.3 <u>Debit Card Calls</u> A debit card service that may be accessed from any touch tone telephone. Debit card service is not accessible from a rotary telephone.
- 3.5.4 <u>Inbound Toll-Free Number Service</u> An 800/888 number service is offered to Customers who subscribe to the Company's direct dialed toll service. Inbound toll-free number service is available twenty-four (24) hours a day, seven (7) days a week.

3.6 Special Promotional Offering

3.6.1 The Company may from time to time engage in Special Promotional Offerings or Trial Service Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage when approved by SD PUC. Company will not have special promotional offerings for more than ninety (90) days in any twelve (12) month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof. All promotions will be filed with the Department for approval.

3.7. Emergency Calls

3.7.1 Customer shall configure its PBX or other switch vehicle from which a Customer places a call so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of Company.

Issued:

SECTION 4 - RATES AND CHARGES

4.1 Direct Dialed Calls

Adelphia's out-bound intrastate intraLATA and intrastate interLATA toll service are flat rate offerings. For billing purposes, call timing is rounded up to, at a maximum, six (6) second increments.

4.1.1 Direct Dialed Calls - Option 1

4.1.1.AIntraLATA Calls

Usage Charges:

PER MINUTE RATES		
DAY	EVENING	NIGHT/WKND
\$0.09	\$0.09	\$0.09

4.1.1.B Intrastate InterLATA Calls

Usage Charges:

PER MINUTE RATES		
DAY	EVENING	NIGHT/WKND
\$0.09	\$0.09	\$0.09

Previous subscribers to Adelphia's outbound long distance service, who changed long distance carriers in the past and wish to return to Adelphia's outbound long distance service, are eligible for 30 minutes per month free usage for a period of six months.

Issued:

4.1 Direct Dialed Calls (Cont'd)

4.1.2 Direct Dialed Calls - Option 2

4.1.2.A IntraLATA Calls

Usage Charges:

PER MINUTE RATES		
DAY	EVENING	NIGHT/WKND
\$0.09	\$0.09	\$0.09

4.1.2.B Intrastate InterLATA Calls

Usage Charges:

PER MINUTE RATES		
DAY	EVENING	NIGHT/WKND
0.09	\$0.09	\$0.09

Issued:

SECTION 4 - RATES AND CHARGES (Cont'd)

4.1 Direct Dialed Calls (Cont'd)

4.1.3 Direct Dial Service - Option 3

Adelphia's Option 3 outbound long distance service is a flat rate offering which applies only to customers who subscribe to EITHER:

- Adelphia Power Link, OR
- Adelphia Digital Cable .

All customers who currently qualify for Option 3 will be billed at the following rate beginning with the July, 1999 billing period.

Customers who previously qualified for Option 3, but no longer qualify due to discontinuance of one or more services, will be billed at the current rate for their previous Option from the date of that discontinuance.

4.1.3.A IntraLATA Calls

Usage Charges:

	PER MINUT	E RATES
DAY	EVENING	NIGHT/WKND
\$0.075	\$0.075	\$0.075

4.1.3.B Intrastate InterLATA Calls

Usage Charges:

	PER MINUT	E RATES
DAY	EVENING	NIGHT/WKND
\$0.075	\$0.075	\$0.075

Issued:

SECTION 4 - RATES AND CHARGES (Cont'd)

4.1 Direct Dialed Calls (Cont'd)

4.1.4 Direct Dial Service - Option 4

Adelphia's Option 4 outbound long distance service is a flat rate offering which applies only to customers who subscribe to BOTH:

- · Adelphia Power Link, AND
- Adelphia Digital Cable

All customers who currently qualify for Option 4 will be billed at the following rate beginning with the July, 1999 billing period.

Customers who previously qualified for Option 4, but no longer qualify due to discontinuance of one or more services, will be billed at the current rate for their previous Option from the date of that discontinuance.

4.1.4.A IntraLATA Calls

Usage Charges:

	PER MINUTE RATES		
DAY	EVENING	NIGHT/WKND	
\$0.07	\$0.07	\$0.07	

4.1.4.B Intrastate InterLATA Calls

Usage Charges:

	PER MINUT	E RATES
DAY	EVENING	NIGHT/WKND
\$0.07	\$0.07	\$0.07

Issued:

4.2 Calling Card Calls

Adelphia's calling card service is offered twenty-four (24) hours a day, seven (7) days a to all valid terminating locations. Access to Adelphia's service is via a toll-free number. Calling card service is not accessible from a rotary telephone. The Customer must input a valid Authorization Code in addition to the destination number with area code. For billing purposes, call timing is rounded up to, at a maximum, thirty (30) second increments.

Usage Charges:

PER MINUTE RATES		
DAY	EVENING	NIGHT/WKND
\$0.25	\$0.25	\$0.25

Issued: Effective:

4.3 Debit Card Calls

Adelphia's debit card service is offered twenty-four (24) hours a day, seven (7) days a week to all valid terminating locations. Access to Adelphia's service is via a toll-free number. Debit card service is not accessible from a rotary telephone. The Customer must input a valid Authorization Code in addition to the destination number with area code. For billing purposes, call timing is rounded up to, at a maximum, thirty (30) second increments.

Usage Charges:

	PER MINUT	E RATES
DAY	EVENING	NIGHT/WKND
\$0.25	\$0.25	\$0.25

4.4 Inbound Toll-Free Number Service

Adelphia's Inbound Toll-Free Number Service (1-800/888) is offered to Customers who subscribe to the Company's direct dialed toll service. Inbound Toll-Free Number Service is available twenty-four (24) hours a day, seven (7) days a week. Service is terminated through switched access lines. Calls may originate from any valid exchange and terminate to the Customer's located at no charge to the calling party. For billing purposes, call timing is rounded up to, at a maximum, thirty (30) second increments.

Issued:

4.4 Inbound Toll-Free Number Service (cont'd)

Usage Charges:

	PER MINUTE RATES		
DAY	EVENING	NIGHT/WKND	
\$0.15	\$0.15	\$0.15	

4.5 Special Rates for the Handicapped

4.5.1 Hearing and Speech Impaired

Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

4.5.2 Telecommunications Relay Service

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50% off of the otherwise applicable rate for a voice nonrelay call except where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60% off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

AL7854.1

Issued:

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF ALLECTIONY POTEN

I, James P. Rigas, being duly sworn, declare that I am the Executive Vice President of Adelphia Telecommunications, Inc., that I am authorized to make this Verification on behalf of Adelphia Telecommunications, Inc., the Applicant, in the subject proceeding; that I have read the foregoing Application and any exhibits, documents and statements thereto attached; and that same are true and correct to the best of my knowledge, information or belief.

Subscribed and sworn to before me on the 1st day of Dicerbon, 1999.

My Commission Expires:

Signature of Notary Public

Couderspo.t Boro, Potter County

Name of Notary Public (Typed or Printed)

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TWO HUNDRED FIFT	Y AND 00/100 DOLLARS				
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South Dakota Public Utilities Commission WEEKLY FILINGS

For the Period of December 23, 1999 through December 29, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact

Delaine Kolbo within five business days of this filing.

Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CT99-089 In the Matter of the Complaint filed by Kenneth Erickson, Watertown, South Dakota, against WilTel, Inc. and OLS, Inc. Regarding Unauthorized Switching of Services.

The Complainant alleges that OLS took his long distance service without authorization. The Complainant is asking that South Dakota laws and rules be applied to these issues.

Staff Analyst: Leni Healy Staff Attorney: Karen Cremer Date Received and Filed: 12/23/99

Intervention Date: N/A

CT99-090 In the Matter of the Complaint filed by James Melgaard, Pierre, South Dakota, against U S WEST Communications, Inc. and Sprint Communications Company L.P. Regarding Unauthorized Switching of Services.

The complainant states that an unauthorized switch was made from AT&T to Sprint. He has only used the VarTec dial around for interstate long distance calls. The complainant wants the calls to be re-rated to \$0.10 per minute plus taxes and a credit for all overcharges billed by Sprint and U S West. The complainant also requests a letter from U S West stating there will be no further billings by U S West or Sprint for interstate calls.

Staff Analyst: Michele Farris Staff Attorney: Camron Hoseck Date Received and Filed: 12/23/99

Intervention Date: NA

ELECTRIC

EL99-021 In the Matter of the Petition filed by Northern States Power Company for Approval of the Inclusion of Financial Incentives in its Fuel Clause.

On December 23, 1999, Northern States Power Company filed a petition seeking approval of the inclusion of the expenses of financial instruments and linked transactions as related to the purchase of energy to be recovered within the fuel adjustment clause.

Staff Analyst: Heather Forney Staff Attorney: Camron Hoseck

Date Filed: 12/23/99

Intervention Deadline: 01/14/2000

NATURAL GAS

NG99-010 In the Matter of the Filing by MidAmerican Energy Company for Approval of its 1999 Economic Development Report and its 2000 Economic Development Plan.

On December 29, 1999, the Commission received a filing from MidAmerican Energy Company of: (1) a report of its 1999 economic development activity as required by SD Public Utilities Commission Docket NG98-011; and (2) setting forth its 2000 economic development plan in accordance with the same docket.

Staff Analyst: Michele Farris Staff Attorney: Karen Cremer

Date Filed: 12/29/99

Intervention Deadline: 01/14/2000

TELECOMMUNICATIONS

TC99-121 In the Matter of the Application of WebNet Communications, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

WebNet Communications, Inc. seeks a Certificate of Authority to provide resold intrastate interexchange telecommunications services. WebNet will provide service to commercial enterprises and residential customers. WebNet does not seek authority at this time to provide any form of operator services nor any service to payphones.

Staff Analyst: Keith Senger Staff Attorney: Camron Hoseck

Date Filed: 12/23/99

Intervention Date: 01/14/2000

In the Matter of the Application of Adelphia Telecommunications, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Adelphia Telecommunications, Inc. (Adelphia) seeks a Certificate of Authority to provide resold intrastate long distance telecommunication services. Adelphia intends to offer 1+ direct dialing long distance service, calling cards, international calling, "1-800/888" service, and prepaid calling cards.

Staff Analyst: Heather Forney Staff Attorney: Karen Cremer

Date Filed: 12/23/99

Intervention Date: 01/14/2000

TC99-123 In the Matter of the Filing for Approval of a Type 2 Wireless Interconnection Agreement between U S WEST Communications, Inc. and TW Wireless, L.L.C.

On December 23, 1999, the Public Utilities Commission received an interconnection agreement between TW Wireless, L.L.C. and U S WEST Communications, Inc. for approval by the Commission. The agreement governs services for resale, certain unbundled network elements, ancillary functions and additional features to TW Wireless for TW Wireless' offering and provisioning of telecommunications services. The Agreement also sets forth the terms, conditions and prices under which the parties agree to interconnect and pay reciprocal compensation for the exchange of local traffic.

Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than January 13, 2000. Parties to the agreement may file written responses to the comments no later than January 25, 2000.

Staff Attorney: Camron Hoseck

Date Filed: 12/23/99

Comments Due: 1/13/2000

TC99-124 In the Matter of the Application of BCGI Communications Corp. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

BCGI Communications Corp. seeks a Certificate of Authority to provide resold intrastate interexchange telecommunications services. BCGI proposes initially to provide prepaid calling card services only.

Staff Analyst: Keith Senger Staff Attorney: Karen Cremer

Date Filed: 12/27/99

Intervention Date: 01/14/2000

TC99-125 In the Matter of the Filing for Approval of an Interconnection Agreement between U S WEST Communications, Inc. and Pathnet, Inc.

On December 29, 1999, the Public Utilities Commission received an interconnection agreement between Pathnet, Inc. and U S WEST Communications, Inc. for approval by the Commission. The agreement governs services for resale, certain unbundled network elements, ancillary functions and additional features to Pathnet, Inc. for the offering and provisioning of telecommunications services by Pathnet, Inc. The Agreement also sets forth the terms, conditions and prices under which the parties agree to interconnect and pay reciprocal compensation for the exchange of local traffic.

Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than January 19, 2000. Parties to the agreement may file written responses to the comments no later than January 31, 2000.

Staff Attorney: Camron Hoseck

Date Filed: 12/29/99

Comments Due: 01/19/2000

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Adelphía

Phone (814) 274-9830 Internet www.adeiphia.net

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RECEIVED

February 28, 2000

VIA FACSIMILE (605) 773-3809 AND OVERNIGHT MAIL SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Heather K. Forney Utility Analyst South Dakota Public Utilities Commission State Capitol Building 500 East Capitol Avenue Pierre, South Dakota 57501-5070

Re: TC 99-122 - Responses of Adelphia Telecommunications, Inc. to letter dated

January 12, 2000

Dear Ms. Forney:

I am writing this letter in response to you request for additional information, dated January 12, 2000 and your telephone conversation with Jeff Nodland earlier today. I apologize for the delay in getting these responses to you. I will address your comments in the order you presented them below:

- Adelphia Telecommunications, Inc. will be providing its interexchange services to it customers in South Dakota under the name, Adelphia Telecommunications, Inc. ("ATI").
- 2. As Jeff stated to you on the telephone, "Adelphia Long Distance" is simply an internal reference to ATI. Thus, the financial information on "Adelphia Long Distance" refers to ATI. It is my understanding that the information is still likely insufficient for deposits, advance payments and prepaid calling cards, absent the filing of a bond. ATI does not object to bond requirement language being put in the Commission Order granting authority.
- 3. ATI has never been denied registration or certification in any state.
- 4. No marketing information is available at this time.
- 5. The tariff has been revised and the revised pages have been enclosed with this letter.
- The tariff has been revised and the revised pages have been enclosed with this letter.

Kindly date stamp the copy of this correspondence as evidence of your receipt and return to me in the envelope provided. If you have any questions on these responses or need any further information, please feel free to contact me.

Sincerely,

Dele Blaho Sinclair Soelle Blaho-Sinclair

(412) 220-5717

SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 Limitations of Service (Cont'd)

2.2.4 Title to all facilities provided by Carrier under these regulations remains with the Carrier. Prior written permission from Carrier is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

2.3 Use of Service

Service may not be used for any unlawful purposes or for any purpose for which any payment or other compensation is received by Customer, except when Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between Customer, authorized user or joint user to share the cost of the service, as long as the arrangement generates no profit for any participant in the arrangement.

2.3.1 Minimum Service Period

The minimum period of service is one (1) month (30 days), unless otherwise stated in this tariff.

2.4 Liability

2.4.1 Adelphia Telecommunications, Inc. will comply with all applicable Commission Rules and Regulations regarding Limitations of Liability.

Issued:

SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.4 Liability (Cont'd)

- 2.4.2 Carrier shall not be liable for any claim or loss, expense, or damage (including indirect, special or consequential damages), interruption, delay, error, omission or other defect in service, facility or transmission provided under this tariff, if caused by any person or entity other than Carrier, by any malfunction of any service or facility provided by any other carrier, by any act of God, fire, war, civil disturbance, act of government, work stoppage or other labor difficulties or any other cause beyond Carrier's direct control.
- 2.4.3 Carrier shall not be liable for and shall be fully indemnified and held harmless by Customer against any claim or loss, expense or damage, including indirect, special or consequential damage for:
 - A. Defamation, libel, slander, invasion or privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation, violation of any contract, propriitatory or creative right or any other injury to any person, property or entity arising from the material, data, information or content revealed to, transmitted, processed, handled or used by Carrier under this tariff;
 - B. Any act of omission by the Customer; or
 - C. Any personal injury or death of any person or for any loss of or damage to Customer's premises or any other property, whether owned by Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by Carrier, if not caused by gross negligence of Carrier.

Issued:

SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.11 Responsibility of Carrier (Cont'd)

2.11.1 Calculation of Credit Allowance (Cont'd)

E. If notice of a dispute as to charges is not received in writing by Carrier within 180 days after billing is received by Customer, the invoice shall be considered correct and binding on Customer, unless extraordinary circumstances are demonstrated.

2.11.2 Cancellation of Credit

Where Carrier cancels a service and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/30th of the monthly recurring charge for each day after the service was discontinued. This credit will be issued to Customer or applied against the balance remaining on Customer's account.

2.11.3 Denial of Service by Carrier

Carrier may deny service or cancel an application for service without incurring any liability for any of the following reasons:

- A. After ten (10) days written notice, for nonpayment of any sum due to Carrier for service for more than thirty (30) days beyond the date of rendition of the bill for such service. Notice of disconnection shall be separate and apart from the regular monthly bill for service.
- B. After ten (10) days written notice, in the event of a violation of any regulation governing the service under this tariff.
- C. Without notice, in the event of a violation of any law, rule or regulation of any government authority having jurisdiction over the service.

Issued:



VIA OVERNIGHT MAIL

May 15, 2000

South Dakota Public Utilities Commission State Capitol Building 500 East Capitol Avenue Pierre, SD 57501-5070

Attn: William Bullard

RECEIVED

MAY 1 6 2000

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Re: Adelphia Telecommunications, Inc. SD PUC Docket TC99-122 Application for Certificate of Authority to Provide Interexchange Telecommunications Services

Dear Mr. Bullard:

Pursuant to your correspondence dated March 1, 2000, Applicant hereby responds to the Data Request:

 Attached please find the Indemnity Bond naming the Public Utilities Commission of the State of South Dakota and the consumers of the South Dakota as obligees.

I am attaching a copy of this correspondence. Kindly date stamp the correspondence and return to me in the envelope provided. Should you have any questions, please contact the undersigned. Thank you for your continued courtesies and cooperation in this matter.

Sincerely,

Joelle Blaho-Sinclair

Manager of Legal & Regulatory Affairs

PH: 412/220-5717 FAX: 412/220-5162

Enclosures (1)

cc: John B. Glicksman

ADEL500 150171046 1500 09 06/13/00 RETURN TO SENDER 1500 09 06/13/00 121 CHAMPION WAY CANONSBURG PA 15317-5617

WEIGHT IO SENDER

INDEMNITY BOND To the PEOPLE OF THE STATE OF SOUTH DAKOTA

Bond No. 1623194

We, Adelphia Telecommunications, Inc. the principal and applicant for a CERTIFICATE OF AUTHORITY to resell long distance telecommunications services within the State of South Dakota, and The Hanover Insurance Company as an admitted surety insurer, bind ourselves unto the Public Utilities Commission of the State of South Dakota and the consumers of South Dakota as Obligee, in the sum of \$25,000.00.

The conditions of the obligation are such that the principal, having been granted such CERTIFICATE OF AUTHORITY subject to the provision that said principal purchases this Indemnity Bond, and if said principal shall in all respects fully and faithfully comply with all applicable provisions of South Dakota State Law, and reimburse customers of principal for any prepayment or deposits they have made which may be unable or unwilling to return to said customers as a result of insolvency or other business failure, then this obligation shall be void, discharged and forever exonerated, otherwise to remain in full force and effect.

This bond shall take effect as of the date heron and shall remain in force and effect until the surety is released from liability by the written order of the Public Utilities Commission, provided that the surety may cancel this Bond and be relieved of further liability hereunder by delivering thirty (30) days written notice to the Public Utilities Commission. Such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said thirty (30) day period.

Dated this 1st day of April, 2000.

original bond is in Delaine's bottom desk drawer.

To be effective this 1st day of April, 2000.

Adelphia Telecommunications, Inc.

The Hanover Insurance Con pany

Shirley A. Harkins, Attorney-In-Fact

MASSACHUSETTS BAY INSURANCE COMPANY THE HANOVER INSURANCE COMPANY

POWERS OF ATTORNEY CERTIFIED COPY

COMPANY. OMPANY, both being corporations organized and existing under the laws of the State of New Hampshire do hereby constitute and appoint William G. Franey, Kenneth W. Roberts, John R. Muha, II, Brends L. Patterson, Shirley A. Harkins, Michael S. Olive, KNOW ALL MEN BY THESE PRESENTS: That THE HANOVER INSURANCE COMPANY and MASSACHUSETTS BAY INSURANCE

Jeri L. Murrow and/or David R. Summerall

of Capitol Heights, MD and each is a true and lawful Attorney(s)-in-fact to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed, at any place within the United States, or, if the following line be filled in, only within the area therein

any and all bonds, recognizances, undertakings, contracts of indemnity or other writings obligatory in the nature thereof, as follows:

 Any such obligations in the United States, in any amount -

And said companies hereby ratify and confirm all and whatsoever said Attomby(s)-in-fact may lawfully do in the premises by virtue of these presents esolutions are still in effect: These appointments are made under and by authority of the following Resolution passed by the Board of Directors of said Companies which

"RESOLVED, That the President or any Vice President, in conjunction with any Assistant Vico President, be and they are hareby authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as its acts, to execute and admondrate and on its behalf as Surety any and all bonds, recognizances, contracts of indemnity, weivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shalf be as binding upon the Company as if they had been duly executed and admondrated by the regularly elected officers of the Company in their own proper persons." (Adopted October 7, 1981 - The Hanover Insurance Company, Adopted April 14, 1982 -Massachusetts Bay Insurance Company)

WHEREOF, THE HANOVER INSURANCE COMPANY AND MASSACHUSETTS BAY INSURANCE COMPANY have ILTH OF MASSACHUSETTS d with their respective corporate seals, duly attested by a Vice Pre-R INSURANCE COMPANY MASSACH dent and an Assistant Vice President, the BNI ING

COUNTY OF WORCESTER

On this 4th day of saidhnary. 1984, Company and Massagaragett, 641, _sebbs afficient to preceding instrument are the corporate seats of The Hanover Insurance Company and Massachusetts my, respectively, and the said corporate seats and their signatures as officers were duty afficial and subscribed to said with and directors that the said corporations. before me came the above named Vice President and Assistant Vice President of The Hanover Insura largence Company, to me personally known to be the individuals and officers described harvin,

PUBLIC

I, the undersigned Assistant Heavilland of The Hanover Insurance Company and Massachusetts Bay Insurance Company, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

This Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of The Hanover Insurance Company and Massachusetts Bay Insurance Company.

be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile." (Adopted October 7, 1981 - The Hanover Insuran a Company, Adopted April 14, 1982 -"RESOLVED, That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or any Vice President in conjunction with any Assistant Vice President of the Company, shall granted and executed by the President or any Vice President in conjunction with any Assistant Vice President of the Company, shall granted and executed by the President or any Vice President in conjunction with any Assistant Vice President of the Company, shall granted and executed by the President or any Vice President in conjunction with any Assistant Vice President or any Vice President in conjunction with any Assistant Vice President or any Vice President in conjunction with any Assistant Vice President or any Vice President in Conjunction with any Assistant Vice President or any Vice President in Conjunction with any Assistant Vice President or any Vice President in Conjunction with any Assistant Vice President or any Vice President in Conjunction with any Assistant Vice President or any Vice President in Conjunction with any Assistant Vice President or any Vice President in Conjunction with any Assistant Vice President or Assistant Vice President or Assistant Vice President or Assistant Vice President or Assistant Vice President Order (Vice President Vice Massachusetts Bay Insurance Company)

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this Ist day of April

ANOVER INSURANCE COMPANY

HUSETTS BAY INSURANCE COMPANY

DEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF) ORDER GRANTING ADELPHIA TELECOMMUNICATIONS, INC.) CERTIFICATE OF FOR A CERTIFICATE OF AUTHORITY TO) AUTHORITY PROVIDE TELECOMMUNICATIONS) SERVICES IN SOUTH DAKOTA) TC99-122

On December 23, 1999, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority from Adelphia Telecommunications, Inc. (ATI).

ATI proposes to offer intrastate long distance services to residential customers. A proposed tariff was filed by ATI. The Commission has classified long distance service as fully competitive.

On December 30, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of January 14, 2000, to interested individuals and entities. No petitions to intervene or comments were filed and at its May 30, 2000, meeting, the Commission considered ATI's request for a certificate of authority, subject to a continuous \$25,000 surety bond. Commission Staff recommended granting a certificate of authority.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that ATI has met the legal requirements established for the granting of a certificate of authority. ATI has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves ATI's application for a certificate of authority, subject to a continuous \$25,000 surety bond. As the Commission's final decision in this matter, it is therefore

ORDERED, that ATI's application for a certificate of authority is hereby granted, subject to a continuous \$25,000 surety bond. It is

FURTHER ORDERED, that ATI shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this _____ day of June, 2000.

CERTIFICATE OF SERVICE	BY ORDER OF THE COMMISSION:
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed	Demed Durs
envelopes, with charges prepaid thereon.	JAMES A. BURG, Chairman
by Nevaine Kalbo	D n/
111/03	Jem Muson
Date: 6/6/00	PAM NELSON, Compaissioner
(OFFICIAL SEAL)	Jacka Sheweller
	LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company Within The State Of South Dakota

> Authority was Granted May 30, 2000 Docket No. TC99-122

> > This is to certify that

ADELPHIA TELECOMMUNICATIONS, INC.

is authorized to provide telecommunications services in South Dakota.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 6th day of June, 2000.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner