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RECORDS  
COMMISSION

**SUMMARY**

**COOPERATIVE LICENSE AGREEMENT  
LOUISVILLE GAS AND ELECTRIC COMPANY  
AND  
TCI/TKR OF JEFFERSON COUNTY, INC.**

**THIS DOCUMENT IS CONFIDENTIAL IN ITS ENTIRETY  
AND IS FILED UNDER SEAL PURSUANT TO  
A REQUEST UNDER 807 KAR 5:001, SECTION 7**

SUMMARY

**COOPERATIVE LICENSE AGREEMENT**

**DATED AS OF MAY 25, 1995**

**BY AND BETWEEN**

**LOUISVILLE GAS AND ELECTRIC COMPANY  
AND  
TCI/TKR OF J-EFFERSON COUNTY, INC.**

**Term**

40 Years.

**Applicable Territory**

**TKR's** existing franchised service territory and its expansion within **LG&E's** service territory. Certain communications systems acquired in the future by **TKR** are excluded from the Cooperative License Agreement, as are certain existing or future communications systems owned by **TKR Affiliates**.

**Consideration to TKR**

- 1) **TKR** has the right to install fiber optic cables, coaxial cables and innerduct in **LG&E's** underground electrical conduit system (subject to space availability as determined by **LG&E**). When bundled together, these facilities will not exceed that which would fit in a standard **4-inch** electrical duct. **LG&E** will maintain the conduit structures, at its expense, but is not responsible for damaged **TKR** cables (absent **LG&E** negligence or misconduct) or for consequential damages. At **LG&E's** option upon a collapse or other failure of **LG&E's** duct, **LG&E** may choose to have **TKR** relocate its cables to an alternative duct and/or take an alternate route. In that event, **LG&E** will reimburse **TKR** for the cleaning of the new duct route, and for the incremental materials cost associated with the longer route. **TKR's** use of **LG&E's** structures must not be permitted by **TKR** to interfere with **LG&E's** delivery of energy services to its customers, and must not violate applicable laws, ordinances, regulations, etc.
- 2) **TKR** has the right to install one fiber optic, coaxial, or fiber optic ground wire ("FOG Wire") cable on **LG&E** poles, towers, etc. ("Structures") outside of the "communications space" (subject to space availability as determined by **LG&E**). All cables are limited to 2 inches in diameter.
- 3) **TKR** has the right to interconnect its underground conduit facilities with adjacent facilities of **LG&E**, subject to certain limitations.

- 4) **LG&E** will use its reasonable best efforts to assist **TKR** in obtaining entrance rights to buildings, and will be given the opportunity to pay **LG&E** the incremental cost of adding conduits or modifying **LG&E's** proposed conduits for **TKR's** use.
- 5) **LG&E** will use its reasonable best efforts to provide **TKR** an opportunity to participate in joint-trenching with **LG&E**. **LG&E** will advise **TKR** of its trenching activities, and **TKR** will install its cables at its expense.
- 6) **TKR** can use any of the fibers licensed for **LG&E's** use (as provided for below) until such time as **LG&E** has an actual need for those fibers.
- 7) **TKR** can share the use of any of the fibers being used by **LG&E** pursuant to its license described below, if excess capacity exists and **TKR's** use does not interfere with **LG&E's** use. All costs associated with **TKR's** utilization will be paid for by **TKR**.
- 8) **LG&E** will use its reasonable best efforts to provide 90 days prior notice to **TKR** of **LG&E's** planned construction activities regarding its conduit structures and utility poles, in order that **TKR** may request modifications to those proposed facilities for **TKR's** purposes. **TKR** will pay any incremental costs to modify **LG&E's** proposed facilities.
- 9) **LG&E** will use its reasonable best efforts to provide **TKR** with information regarding **LG&E's** construction activities which could reasonably be expected to materially effect **TKR's** communication system.
- 10) **TKR** will have reasonable access to **LG&E's** facility maps, and in the future, **LG&E** will provide **TKR** with its facility maps showing **TKR's** fiber optic cables.
- 11) **TKR** will be allowed to locate its communications equipment in or around **LG&E's** substations, service centers or similar facilities, if excess space exists, subject to certain limitations.
- 12) **TKR** will receive **LG&E's** cooperation in developing an arrangement, if needed, that **will** provide **TKR** with increased flexibility in the placement of its fiber optic cables and coaxial cables on **LG&E's** poles.
- 13) Sales leads **from LG&E's** customer service representatives will be transferred to **TKR's** customer service representatives, subject to certain limitations.

## **Consideration to LG&E**

### License of Fiber Optic Strands

- 1) On the initial ring (or backbone) network of **TKR** (including that which does not utilize **LG&E** utility poles or conduit) **LG&E** will have the exclusive use of **12** fiber optic strands. The estimated length of this network is 110 linear miles. Access to these fibers by **LG&E** will be at any point.

- 2) On any additional backbone rings of TKR (including those which do not utilize **LG&E's** poles or conduit) **LG&E** will have the exclusive use of 1/6 of the total number of fibers installed by **TKR**, but limited to a maximum of 12 and a minimum of 2. Access to these fibers by **LG&E** will be at any point.
- 3) On all fiber cables installed by TKR other than the initial ring (or backbone) network and any additional rings (i.e., on the lateral cable facilities), **LG&E** will have the exclusive use of 1/6 of the total number of fibers installed, but in no event more than 12 or less than 2. Access to these fibers by **LG&E** will be permitted only at TKR's hub sites, the splice enclosures at TKR's node locations, and the customers' premises (as applicable).
- 4) Subject to certain limitations, **TKR** will extend the fibers licensed to **LG&E** up to 500 feet **from** the ring (or backbone) network and any additional rings to **LG&E** facilities at no cost to **LG&E**. Beyond the initial 500 feet and up to 5280 feet, TKR will perform the installation of the fiber cable, but **LG&E** will pay **TKR** its cost for such installation (current cost estimated at \$2.00 per foot for a 12-fiber cable).
- 5) Subject to certain limitations, TKR will extend the fibers licensed to **LG&E** up to 500 feet **from** the TKR nodes on the lateral cable facilities to **LG&E** facilities, at no cost to **LG&E**. Beyond the initial 500 feet and up to 5280 feet, **TKR** will perform the installation of the fiber cable, but **LG&E** will pay **TKR** its cost for such installation (current cost estimated at \$1.75 per foot for a Z-fiber cable).
- 6) **TKR** will maintain all fibers licensed to **LG&E**, at TKR's cost.

#### License of Bandwidth

- 1) **LG&E** will have the exclusive use of 100 KHz of bandwidth capacity to and **from** TKR's customers, with 25 **KHz** of "spill-over" bandwidth on either side of the 100 **KHz**, which spill-over bandwidth will be shared at agreed energy levels by the sidebands of **LG&E** and those of adjacent channels. This bandwidth will be provided over TKR's fiber optic and coaxial cables connecting the **TKR** hub site with its customers (not over the fiber strands or bandwidth licensed to **LG&E**). Facilities will support data transmission at a minimum rate of 64,000 bits per second.

#### Other Consideration to **LG&E**

- 1) TKR will provide to **LG&E**, at no charge, 8 five (5) minute time slots per day on its classified advertising channel,
- 2) **TKR** will provide to **LG&E**, at no charge, crawl messaging capacity on the Weather Channel, so that **LG&E** can notify Louisville area residents of severe weather conditions. **LG&E** and **TKR** will split the cost of implementing a system whereby **LG&E** will control **the insertion of this crawl messaging**.

- 3) **TKR** will provide to **LG&E**, at no charge, \$2,000 per quarter (escalated annually by the CPI) of advertising or programming time on any channel available to **TKR** for advertising or programming.
- 4) When available, **TKR** will provide to **LG&E**, at no charge, on-screen digital messaging to **TKR** customers.
- 5) When **TKR** has the ability to provide “video on demand” to its customers, **TKR** will permit **LG&E**, at no charge, to provide video programs to **TKR** for customer viewing at no additional charge to the customer.
- 6) Subject to certain limitations, **TKR** will install, at FCC regulated installation rates, additional coaxial cable drops of up to **125** feet to **LG&E** designated customers or facilities. Cable drops in excess of that length will also be installed by **TKR**. However, **LG&E** will be responsible for installation costs beyond the first **125 feet**.
- 7) In order to maintain communications access for **LG&E**, **TKR** will not remove a cable drop following the termination of its cable service to a customer without the consent of **LG&E**, but rather, will install appropriate bandwidth filters to discontinue **TKR**’s service. **LG&E** will pay 50% of the actual cost of those filters.
- 8) If available, **TKR** will provide rack space in each of **TKR**’s hub sites for the installation by **LG&E** of its equipment necessary for the use of its licensed fiber strands and bandwidth. If space is not available, **TKR** will provide adjacent space on **TKR**’s property for **LG&E**’s use. If that adjacent space is not available, **TKR** will allow **LG&E** to interconnect its facilities, located on adjacent property, to **TKR**’s hub site.
- 9) **LG&E** will have access to **TKR**’s power monitoring data.
- 10) **TKR** will reimburse **LG&E** for its expenses for inspection and supervision associated with the installation of **TKR**’s fiber or coaxial cable in **LG&E**’s “power space” or conduits.
- 11) **TKR** will provide to **LG&E**, at no charge, detailed maps of **TKR**’s fiber optic and coaxial cable communications system.

#### **Non-Compete**

- 1) **TKR** is not permitted to use its fiber optic cables to compete, or facilitate competition, with **LG&E**’s or its **affiliates**’ existing or **future** electric and gas businesses.
- 2) **LG&E** is not permitted to use **TKR**’s fibers or bandwidth to compete with **TKR**’s cable television or communications services.

## **Security Interest**

In order to protect **LG&E's** rights to utilize the fibers and bandwidth licensed to it, and to secure the other benefits to be derived by **LG&E** under the Cooperative License Agreement, **TKR** has granted to **LG&E** a security interest in: 1) the fiber strands licensed to **LG&E**, 2) the **TKR** fiber strands utilized to transmit the bandwidth licensed to **LG&E**, 3) the **TKR** coaxial cables located outside of the City of Louisville, and 4) the bandwidth capacity licensed to **LG&E**.

## **Parent Guarantee**

By the terms of its franchise, **TKR** is not allowed to provide a security interest in the coaxial cables located in the City of Louisville without Board of Alderman approval. **TKR** has chosen, instead, to provide **LG&E** a guarantee from **TCI-TKR Limited Partnership (TKR's Parent)** to ensure **LG&E's** continued use of the bandwidth licensed to it in the City of Louisville.

## **Termination Provisions/Purchase Options**

Section 6 of the Cooperative License Agreement contains a number of provisions designed to express the parties' intentions regarding the continuation of the agreement in its present form throughout its **40-year** term., and setting forth the limited circumstances under which either party will be entitled to unilaterally terminate the agreement. Generally speaking, a party's right to terminate the agreement will be limited to circumstances under which that party has been deprived of a material and substantial portion of its licensed rights or assets for prolonged periods, whether by reason of a breach or default under the Cooperative License Agreement by the other party, or by reason of legal or regulatory obstacles that cannot be overcome by the parties, despite their efforts.

Section 6 also **affords LG&E** certain options to purchase the fiber strands and bandwidth licensed to **LG&E** (and portions of **TKR's** fiber and coaxial cables used to provide that bandwidth): (a) upon their abandonment by **TKR**; (b) upon any attempted termination of the license agreement by **TKR** for reasons other than **LG&E's** material breach or default; (c) upon any termination of the license agreement by **LG&E** in compliance with the provisions thereof; or (d) upon any attempted sale or assignment by **TKR** of its interests in the license agreement or its communications system without the prior consent of **LG&E**. The purchase price for those assets would differ, depending upon the reason for the triggering of the option. These purchase options are intended to secure **LG&E's** continuity of access to the licensed fiber strands and bandwidth capacity, considering that **LG&E's** utility services and customers could develop considerable dependency on those assets in the future.

## **Relocation of TKR Facilities**

The Cooperative License Agreement provides for **LG&E's** ability to cause **TKR** to relocate its cables and other assets under certain circumstances. The costs of such relocation will be borne by **LG&E** or **TKR**, depending on the reasons for the same.