



businesses as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

3. On May 27, 2004, the Debtors applied to this Court for an order authorizing them to employ Blackstone pursuant to an engagement agreement dated March 10, 2004 (the "Engagement Agreement") as their financial advisor, effective as of the Petition Date.

4. On June 3, 2004, this Court entered an interim order pursuant to 11 U.S.C. §§ 327 and 328 and Fed. R. Bankr. P. 2014 and 2016(a) authorizing the employment and retention of Blackstone as financial advisor to the Debtors.

5. On June 22, 2004, this Court entered an order (the "Administrative Order") establishing procedures for interim compensation and reimbursement of expenses of professionals and committee members pursuant to 11 U.S.C. §§ 105(a) and 331.

6. On August 3, 2004, this Court entered a final order (the "Retention Order") pursuant to 11 U.S.C. §§ 327 and 328 and Fed. R. Bankr. P. 2014 and 2016(a) authorizing the employment and retention of Blackstone as financial advisor to the Debtors, effective as of the Petition Date.

7. On October 28, 2004, Blackstone filed its First Interim Application Of The Blackstone Group L.P., As Financial Advisor To RCN Corporation And Affiliates For Allowance Of Interim Compensation For Actual And Necessary Services Rendered And Reimbursement Of All Actual And Necessary Expenses Incurred For The Period Of May 27, 2004 Through September 30, 2004 (the "First Interim Application").

8. On November 17, 2004, Blackstone filed its Supplemental Declaration Of Timothy R. Coleman In Support Of The First Interim Application Of The Blackstone Group L.P., As Financial Advisor To RCN Corporation And Affiliates For Allowance Of

Interim Compensation For Actual And Necessary Services Rendered And Reimbursement Of All Actual And Necessary Expenses Incurred For The Period Of May 27, 2004 Through September 30, 2004.

## **II. Supplemental Disclosure**

9. Blackstone does not bill its clients based upon the number of hours expended by its professionals and accordingly does not have hourly rates for its professionals. In the First Interim Application, Blackstone did not indicate the specific time expended by its professionals in providing financial advisory services to the Debtors. Subsequent to the First Interim Application, Blackstone disclosed that its professionals expended in excess of 3,100 hours providing financial advisory services to the debtors. In the interest of providing further disclosure to this Court regarding the specific tasks performed by Blackstone's professionals and the time expended on such tasks, and based on agreement with the U.S. Trustee, I have prepared this Second Supplemental Declaration.

10. The table below summarizes the approximate hours expended by each Blackstone professional during the period from May 27, 2004 through September 30, 2004.

	<u>May-04</u>	<u>Jun-04</u>	<u>Jul-04</u>	<u>Aug-04</u>	<u>Sep-04</u>	<u>Total</u>
Timothy R. Coleman	10	97	102	115	120	444
Thomas Middleton	10	20	15	15	10	70
Elias Dokas	10	45	30	10	20	115
Shervin Korangy	8	145	28	165	188	534
Bruce Haggerty	21	169	155	192	195	732
Medhi Malaki	-	70	5	-	-	75
Derek Crevello	-	142	158	56	-	356
Vinicius Vacanti	-	250	193	189	109	741
Vivek Garipalli	-	27	-	-	-	27
James Helwig	-	70	-	-	-	70
<b>Blackstone Total</b>	<b>59</b>	<b>1,035</b>	<b>686</b>	<b>742</b>	<b>642</b>	<b>3,164</b>

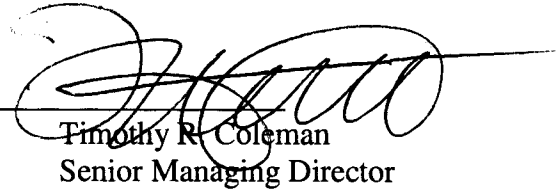
11. In addition, Blackstone has identified specific tasks it has performed during the period from May 27, 2004 through September 30, 2004 and the approximate hours expended in providing such services.

Modifying the Debtors' forecasts based on developments in the chapter 11 cases	185
Assisting in all aspects of the refinancing process, including rating agency presentations, bank offering memorandum and financial analysis	734
Assisting in discussions and updates regarding the regulatory approval process	121
Analyzing various strategic business configuration alternatives	390
Negotiating with stakeholders regarding various matters on the chapter 11 cases, including the structure of the POR	164
Presenting to and updating senior management and the Board of Directors regarding developments in the cases	242
Assisting in the preparation of the revised Plan and Disclosure Statement approved by the Court on October 12, 2004	127
Performing a liquidation analysis for Disclosure Statement purposes	87
Exploring further financing alternatives for the Debtors	186
Valuing the Debtors' businesses for Disclosure Statement purposes	542
Participating in conference calls and meetings with advisors and representatives of the creditors committee and bank lenders to discuss numerous aspects of the case	<u>386</u>
Total	3,164

### **III. Supplemental Disclosure by Type of Activity**

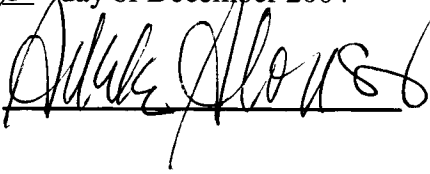
12. Blackstone respectfully submits that the supplemental disclosure is in accordance with the agreement with the U.S. Trustee as disclosed to the court on November 18, 2004 during the fee hearing on Blackstone's First Interim Fee Application.

By: \_\_\_\_\_



Timothy R. Coleman  
Senior Managing Director

Sworn to before me this  
12<sup>th</sup> day of December 2004



**ADELE D'ALONSO**  
Notary Public - State of New York  
NO. 01AL4965431  
Qualified in Kings County  
My Commission Expires Apr 23, 2011