

Decision No. C14-0869

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14A-0657T

IN THE MATTER OF THE JOINT APPLICATION OF CHARTER COMMUNICATIONS INC.
AND NEW CHARTER INC., TO EXECUTE AN ENCUMBRANCE.

DECISION GRANTING APPLICATION

Mailed Date: July 25, 2014

Adopted Date: July 23, 2014

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of a joint application filed by Charter Communications, Inc. (Charter) and New Charter, Inc. (New Charter) on June 17, 2014. The applicants request Commission authorization for a transaction where Charter, the corporate parent of Bresnan Broadband of Colorado, LLC (Bresnan), will become a wholly-owned subsidiary of a newly created holding company, New Charter. In addition, as a part of a larger matter, an unregulated subsidiary of Charter, Charter Communications Operating, LLC (CCO), will enter into a financing transaction where New Charter subsidiaries, including Bresnan will be pledging their assets as security in the transaction. We will construe this filing as an application for approval of the transfer and encumbrance of Bresnan's operating authority pursuant to Rule 4 *Code of Colorado Regulations* 723-2-2109 of the Commission's Rules Regulating Telecommunications Providers, Services, and Products.

2. Bresnan received authorities to provide local exchange and emerging competitive telecommunications services in Decision Nos. R06-0867, Proceeding No. 06A-125T issued July 26, 2006 and C07-0397, Proceeding No. 07A-110T issued May 16, 2007.

In Decision No. C13-0453, Proceeding No. 13A-0137T issued April 18, 2013, the Commission granted authority for a transfer of control of Bresnan to CCO.

3. Neither Charter nor newly created New Charter hold any Commission issued telecommunications authorities, but exist as corporate parent entities in the Charter corporate organizational structure. Bresnan is represented in the application as a wholly owned subsidiary of Bresnan Broadband Holdings, LLC.

4. The applicants state that New Charter will become the ultimate parent of the Charter family of companies but that the ultimate control of the entities will not change as a part of the creation of New Charter with Charter's shareholders becoming shareholders of New Charter.

5. The financing of the transactions will include funding for the purchase of an interest in Midwest Cable. Assets of the Charter family of companies will be used to secure the credit facilities that will be provided by four investment banks. Included with these assets are those of Bresnan, to include its Commission issued telecommunications authorities.

6. Following the contemplated transactions, there will be no direct impact on Bresnan's customers.

7. With the represented transfer of control from Charter to New Charter and the encumbrance of Bresnan's assets, including its Commission issued telecommunications authorities, we find that the Commission has jurisdiction in this matter.

8. On June 17, 2014, notice of the application was provided to all persons, firms, or corporations, interested in or affected by the grant or denial of the requested relief. Interventions were due on or before July 17, 2014. No interventions were filed.

B. Discussion

9. The application contains all information required by the applicable Commission Rules and is therefore deemed complete.

10. The application represents that customers of Bresnan will not be affected, which we interpret that customers will continue to receive services following the transfer and encumbrance at the same rates, terms, and conditions that currently exist prior to the transactions.

11. The application is unopposed and therefore may be considered without a formal hearing, pursuant to § 40-6-109(5), C.R.S.

12. We find that the proposed transfer is not contrary to the public interest and therefore grant the joint application for transfer of control and the encumbrance of Bresnan's assets. This is based on the representation that affected customers will not experience any changes in rates, terms, and conditions as a result of the transaction.

II. ORDER

A. The Commission Orders That:

1. The joint application to transfer control filed by Charter Communications, Inc. (Charter) and New Charter, Inc. (New Charter) is deemed complete and is granted.

2. Applicants Charter and New Charter shall jointly notify the Commission if the transaction has been terminated, is not completed, or if the proposed transfer terms are changed. The notice shall include the proceeding and decision numbers which granted the authority to execute the transfer.

3. The joint application to encumber telecommunications authorities held by Bresnan Broadband of Colorado, LLC (Bresnan) is deemed complete and granted with certain conditions as noted below.

4. Bresnan and New Charter shall jointly notify the Commission when the encumbrances have been terminated or are not completed within 60 days of the proposed effective date stated in the application or if the proposed encumbrance terms are changed prior to the consummation date. This notice shall include the proceeding and decision numbers which granted the authority to execute the encumbrance.

5. In the event that the encumbrance held by the lenders are exercised or transferred to another entity or entities, Bresnan and New Charter shall jointly file a transfer application to transfer encumbered telecommunications authorities and obtain specific approval for this subsequent transfer from the Commission.

6. The 20-day period provided for in § 40-6-114, C.R.S., within which to file applications for rehearing, reargument, or reconsideration begins on the first day following the effective date of this Decision.

7. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
July 23, 2014.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners