

**BEFORE THE
NEW YORK PUBLIC SERVICE COMMISSION**

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Joint Petition of))	
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CHARTER COMMUNICATIONS, INC.))	
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and))	Case 15-M-0388
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TIME WARNER CABLE INC.))	
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For Approval of a Transfer of Control of))	
Subsidiaries and Franchises; for Approval of))	
a Pro Forma Reorganization; for Approval of))	
Assignment of 16 Franchises; and for Approval))	
of Certain Financing Arrangements))	
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**Charter Communications, Inc.’s Network Expansion
Implementation Plan
45 Day Report**

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**Charter Communications, Inc.’s
Network Expansion Implementation Plan
45 Day Report**

Charter Communications, Inc. (“Charter”) respectfully submits this Network Expansion Implementation Plan¹ (“Plan”) in compliance with the Commission’s Ordering Clause B.1.b contained in its Order approving the merger of Charter with Time Warner Cable Inc. (“TWC”).²

¹ Throughout the 45 day report, Charter refers to this as its “Plan.” Use of the word plan should not be construed as a specific commitment to any particular method, approach, or guarantee to any home or business owner of a time frame, if any, for deployment, including deployment in any specific geographic area. Charter reserves the right to change its Plan or to modify its approach at any time to meet the terms of the Commission’s Ordering clause B.1.

² CASE 15-M-0388 - *Joint Petition of Charter Communications Time Warner Cable for Approval of a Transfer Control of Subsidiaries and Franchises, Pro Forma Reorganization, and Certain Financing Arrangements*, Order Granting Joint Petition Subject to Conditions (Issued and Effective January 8, 2016) (the “Merger Order” or “Order”).

Background

On July 2, 2015, TWC and Charter (collectively, the “Petitioners”) filed a Joint Petition that requested the New York Public Service Commission (“Commission” or “PSC”) authorize a holding company-level transaction that would result in the transfer of control of TWC’s New York subsidiaries to “New Charter.” On January 8, 2016, the Commission granted authorization for the transaction, subject to a series of conditions.³ Condition B.1 of the Merger Order states that “New Charter is required to extend its network to pass, within their (sic) statewide service territory, an additional 145,000 ‘unserved’ (download speeds of 0-24.9 Mbps) and ‘underserved’ (download speeds of 25-99.9 Mbps) residential housing units and/or businesses within four years of the close of the transaction”⁴ Condition B.1 further requires New Charter (now Charter) “to notify the Secretary to the Commission where it will complete this network expansion (on a census block and street level basis) within 45 days of the close of the transaction”⁵

On May 18, 2016, TWC and Charter closed the instant transaction. Therefore, in compliance with the Commission’s Merger Order, Charter submits this 45 Day Report regarding its plans to implement Order Clause B.1.⁶

³ Merger Order, Appendix A.

⁴ Merger Order, Appendix A, ¶ B.1.

⁵ Merger Order, Appendix A, ¶ B.1.b.

⁶ Certain subjects discussed in this filing pertain to non-jurisdictional products and services. Discussion of non-jurisdictional products and services are not intended as a waiver or concession of the Commission’s jurisdiction beyond the scope of Charter’s regulated telecommunications and cable video services. Charter respectfully reserves all rights relating to the inclusion of or reference to such information, including without limitation Charter’s legal and equitable rights relating to jurisdiction, compliance, filing, disclosure, relevancy, due process, review, and appeal. The inclusion of or reference to non-jurisdictional information or to the ordering clauses or other requirements of the Order as obligations or commitments to provide non-jurisdictional services shall not be construed as a waiver of any rights or objections otherwise available to Charter in this or any other proceeding, and may not be deemed an admission of relevancy, materiality, or admissibility generally.

Data Included in this Report

The data provided as Appendix A to this Plan contains what Charter believes is a significant pool of unserved/underserved census block and physical street address information in its current Upstate New York franchise footprint that would be eligible for deployment under the Order. These physical street addresses represent the current, static view of these data as of the date of this filing, and are subject to ongoing review, refinement, and change.

Given that the Merger Order provides an extremely limited window for Charter to comply with the requirement to develop a plan for network expansion, the unserved/underserved residential and commercial premises presented in Appendix A are estimates based on a combination of company data and publicly available (in some cases purchased) data. These data and the identified tranches of network expansion over the four year period are subject to significant and ongoing programmatic review, network analysis and field verification (each of which will be discussed more fully below) that will constantly refine the gross data. Deployment opportunities will also be impacted by input from the Commission, the Broadband Program Office (“BPO”), customer requests, ordinary housing and commercial growth and loss and input from other interested parties. Therefore, while census block and street level information is provided, Charter does not represent, nor can it guarantee, that every address listed in the report represents an actual home or business, or that each home or business identified will ultimately be passed by Charter’s network upon satisfaction of the condition required in Ordering Clause Condition B.1.

Finally, The Commission noted the commercial sensitivity of this information in its Merger Order stating that “New Charter can avail itself of any protections afforded under the

Public Officers Law in filing this information.”⁷ As a result, in order to safeguard the highly commercially-sensitive information contained in this Plan, Charter is also separately filing a Request for Confidential Treatment simultaneously which explains the confidential nature of this information and request confidentiality protection.

The Methodology

Charter has attempted to ascertain a reasonable pool of residential and commercial unserved/underserved premises within the current Upstate New York Charter franchise footprint for possible future deployment using a three step approach as follows: Step One: Programmatic Review; Step Two: Network Analysis/Desktop Review; and Step Three: Field Verification. These steps are further discussed and explained below. Through this ongoing exercise, which has progressed quickly since the close of the merger and will continue in the coming months and years, the accuracy of the data gathered continues to improve and become refined. This multi-step analysis necessarily involves an ongoing and evolving evaluation of deployment opportunities.

Step One: Programmatic Review: County-By-County Assessment

Following the close of the transaction on May 18, 2016, an in-depth analysis was initiated to develop the Plan. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁷ Merger Order, at 54 n.108.

strip mall) could have a single owner or address but include multiple residential units and other commercial tenants; and, there could be future housing/commercial growth.

Step Two: Network Analysis/Desktop Review.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The network analysis identified more than [REDACTED] passings as potentially feasible network build-out opportunities, but opportunities cannot be verified without an actual field walk-out that is associated with the final stage field verification (discussed below). The results of the desktop analysis are contained in the “map book” that shows currently proposed build areas in years 1 and 2, subject to field verification. It is attached as Appendix B.

Step Three: Post Network Analysis Activity and Field Verification

Following the network analysis, Charter engages in post network analysis activity (Pre-Field Packaging and Field Walk-Out Verification). This final step which occurs before entering the construction funnel, adds significant detail and clarity on the proposed projects, as follows:

- Step A: The high level cost and complexity issues are further reviewed and sent for pre-field packaging to determine where the network tie-in will occur, taking into account the proposed network route and the addresses of actual broadband passings.
- Step B: The package then undergoes a walkout validation of the route planning and passing data for permitting, make-ready requirements, and crossing details. The high level cost analysis is confirmed and updated during the walkout.
- Step C: The project is evaluated and approved; approved projects have a final low level design detail completed and then a design package is issued to begin the construction process.
- Step D: All permits are filed and make-ready is completed; additional make-ready ride outs are completed as needed.
- Step E: Actual construction takes place.

This final field verification is the key step in providing a verifiable and accurate account of serviceable broadband passings. During this stage, which will be ongoing during the course

of the commitment, Charter will obtain clarity around unserved/underserved areas and the actual number of dwelling units and commercial establishments within the defined build area. Given the number of projects, the need to begin the construction process immediately, the miles of plant, and other factors associated with this undertaking, these field verification walk-outs will continue over an extended period of time. The field verification walk-outs will yield information about the available deployment opportunities and allow ongoing, dynamic, real-time refinement of the Plan over the next four years to best meet the Order's goals and requirements.

Make-Ready and Other Construction Issues

After expansion construction projects are approved and engineered, there is still substantial work involved to attach to private and municipal poles, including addressing right-of-way issues and obtaining permits. The process of identifying whether a pole can support new equipment and how to do so is known as "make-ready" work and requires the close cooperation of the pole owner.

The Field Verification and make-ready phases of the deployment Plan will also reveal specific ground conditions (such as highway, water, and railroad crossings) and make-ready challenges (such as easements, permits, and pole attachments) that frequently complicate and delay deployment. Delays in make-ready, often caused by pole owners, property owners, and other third party pole attachers, can sometimes add months to the deployment schedule. As an example, pole owners sometimes make extraordinary demands that dramatically increase make-ready costs and lead to significant delays. Despite clear PSC direction on make-ready timing and responsibilities,¹⁰ the make-ready portion of a project can extend 100 to 150 days from the initial

¹⁰ CASE 03-M-0432 – *Proceeding on Motion of the Commission Concerning Certain Pole Attachment Issues*, Order Adopting Policy Statement on Pole Attachments (Issued and Effective August 6, 2004).

make-ready application, which significantly delays the deployment process. Permits from State agencies and authorities can be difficult to obtain, and changing interpretations of cable companies' access to the telecommunication and utility rights-of-way on public roads and lands could also delay deployment.

Delays of this magnitude for make-ready and permitting represent a serious threat to timely deployment on behalf of customers and in meeting the requirements of the Merger Order. Charter has already reached out to the public and private sector partners relied upon to assist with deployment and to inform them of this effort. Charter may seek to partner with the Commission, BPO, and local franchise authorities to resolve these issues as they arise with pole owners, permitting entities, and with various State Agencies and Authorities to expedite permit approvals when necessary.

The Plan

Appendix A contains an address and census block-level list of parcels identified in the programmatic analysis as potentially feasible unserved/underserved in Charter's Upstate NY franchise footprint. These [REDACTED] addresses are undergoing the iterative network analysis and field verification to identify potentially feasible projects and broadband passings for the deployment tranches. As previously noted, this ongoing refinement of deployment opportunities will provide the necessary intelligence on ground conditions, the status of other providers' networks, and other deployment challenges that will inform some elements of the detailed multi-year deployment plan. Charter will engage with as many partners and in as many activities as possible to refine the programmatic list of parcels and identify deployment opportunities.

It is important to note that, in this early phase, Charter is focusing much greater attention in the year 1 and 2 deployment tranches to address Upstate New York counties with “high need,” as identified by the BPO.¹¹ Charter evaluated the BPO’s list of counties with the highest percentages and numbers of unserved/underserved households against proximity to existing plant and density, and will use that list as one of many tools to assist in deployment prioritization. The high need counties slated for the year 1 deployment tranche may include, but are not limited to: Cattaraugus, Cayuga, Chenango, Columbia, Erie, Jefferson, Oswego, and Onondaga. Charter will continue using the BPO information, among other factors, to guide and help develop future deployment tranches.

Years 1 and 2

In order to ramp-up the year 1 deployment tranche as quickly and efficiently as possible, Charter has already placed [REDACTED] broadband passings in the construction funnel, which are in various stages of review and deployment including network analysis, field verification, and actual construction. Some have already been completed between the date of the Order and the close.¹² For those not completed, the work on many of these particular premises has already begun and service will be available and marketed to potential customers in the coming months.

In addition, Appendix A includes a list of physical street addresses that Charter is targeting for years 1 and 2. The associated map book of these tranches is included as Appendix B. As of the date of this filing, approximately [REDACTED] of the [REDACTED] parcels from the programmatic analysis have been identified by the network analysis and are under active

¹¹ See generally, New York State, *Broadband for All, New NY Broadband Program*, NY.GOV (last visited July 4, 2016) available at <https://www.ny.gov/programs/broadband-all>.

¹² Note that the Commission stated it would credit any network expansions that were completed after the issuance of the Order but before the close of the transaction toward the requirement to complete 25% of the network expansion within one year from the close of the transaction. Merger Order at 53.

planning. Following the field verification, this more refined list represents significant opportunity for the first two years. As the network is extended and as additional inputs such as new development, network analysis, and field verification take place, Charter will be able to further refine deployment plans.

Years 3 and 4

Years 3 and 4 of the Plan include the remainder of the addresses not yet identified by the Network Analysis, or approximately [REDACTED] addresses. Charter will continue to subject these addresses to Network Analysis and Field Verification processes described above. Additional inputs will also add to the pool of addresses to be evaluated over the four years of the plan.

Conclusion

This Plan represents a solid list of deployment opportunities, subject to ongoing iterations, analysis, and refinement that will put projects into potential deployment tranches. In that sense, this Plan is a living document that will receive additional input from our deployment partners and will be molded and shaped throughout the process to provide additional detail and clarity as Charter moves forward. Additional service requests, new development, input from the State and other interested parties, and field verifications that illuminate other factors will all contribute to shaping the Plan over the next four years. As such, it is important to note that deployment is not a static exercise, but rather dynamic by nature such that the Plan will evolve and respond to these variables. Furthermore, the current analysis will be enhanced by an evaluation of other commercial deployment opportunities in unserved/underserved areas to add to the strength and breadth of the deployment Plan.

Charter is committed to the significant task of complying with the conditions contained in Ordering Clause B.1.b of the Order and is already actively developing and executing the deployment Plan. Charter looks forward to expanding and serving its customer base in New York and continuing to provide the innovative services that have become its hallmark.

Dated: July 5, 2016

s/ Adam Falk

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s/ Maureen O. Helmer

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Appendix A

[REDACTED]

Appendix B

[REDACTED]