# BEFORE THE NEW YORK PUBLIC SERVICE COMMISSION

	)	
Joint Petition of	)	
	)	
CHARTER COMMUNICATIONS, INC.	)	
	)	
and	)	Case 15-M-0388
	)	
TIME WARNER CABLE INC.	)	
	)	
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	)	
	)	

## Charter Communications, Inc. Annual Update

May 18, 2017

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Counsel for Charter Communications, Inc.

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## Charter Communications, Inc. Annual Update

Charter Communications, Inc. ("Charter" or the "Company") respectfully submits this Annual Update in compliance with the New York Public Service Commission ("Commission" or "PSC") Ordering Clause VI.1 contained in its Order approving the merger of Charter with Time Warner Cable Inc. ("TWC") ("Merger Order").

### **BACKGROUND**

On July 2, 2015, TWC and Charter (collectively, the "Petitioners") filed a Joint Petition that requested the Commission 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 enumerated in Appendix A of the Merger Order<sup>2</sup> ("Conditions"). On May 18, 2016, the transaction was consummated.

<sup>&</sup>lt;sup>1</sup> 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 Jan. 8, 2016) ("Merger Order").

<sup>&</sup>lt;sup>2</sup> 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

On August 16, 2016, in compliance with Condition VI.1 of the Merger Order, Charter filed its 90 Day Report and Implementation Plan ("90 Day Report") to outline the initial activities, investments, and schedules designed to implement the Conditions imposed in the Merger Order. As required, this Annual Update is submitted to provide the PSC with current information on all of Charter's efforts in these areas.<sup>3</sup>

The merger of Charter and Time Warner Cable has already brought substantial benefits to New York and will provide more than the two billion dollars in net benefits anticipated in the Merger Order.<sup>4</sup> Charter has demonstrated significant progress toward meeting the Conditions of the Merger Order, and is exceeding a number of Conditions in substance or timing, including the following:

- The requirement to invest a minimum of \$50 million in service improvement programs for the specific benefit of New York operations by May 17, 2018: Charter has invested nearly double that amount in customer improvement programs during the first year and anticipates additional investments in such programs through the second year anniversary of the transaction.
- The requirement to offer a low-income broadband service with download speeds of up to 30 Mbps for \$14.99 per month throughout New York by August 18, 2017: Charter has already fully rolled-out its low income product, named Spectrum Internet Assist ("SIA"), throughout its New York footprint, approximately five months ahead of schedule. In addition, Charter is partnering with stakeholders and has engaged a third party vendor to advance participation in the Spectrum Internet Assist product.
- The requirement to provide 100 Mbps speed upgrades by the end of 2018: *Charter satisfied this condition in March 2017, twenty-one months ahead of schedule.*
- The requirement to have no net loss in customer facing jobs: As anticipated, Charter has grown its workforce in the State across many job categories, including customer facing jobs, and recently announced job growth in the Rochester area. We expect that this job growth in Upstate New York will continue in the coming years.
- The requirement to offer broadband service within Columbia County systems by December 31, 2018: With construction already underway and much of the ramp-up work completed, Charter is currently projecting that its deployment will be completed in advance of this deadline.

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.

<sup>&</sup>lt;sup>3</sup> Merger Order, Appendix A, ¶ VI.1.

<sup>&</sup>lt;sup>4</sup> Order, at 34.

## ANNUAL UPDATE

This Annual Update is organized by subject matter as listed in the Merger Order, and sets forth additional details regarding the Company's activities, expenditures, and schedules related to the Conditions to the extent necessary to demonstrate that actions are occurring in a timely manner.

## 1. <u>INFRASTRUCTURE INVESTMENT</u>

### A. Network Modernization and Speed Increases:

Pursuant to Condition I.A.1, all of Charter's New York networks are required to be all-digital within 30 months of close of the transaction (by November 18, 2018). To date, a significant majority, over of households passed in New York are now all-digital. All of legacy Charter's networks have been digitized, including the Columbia County system. For the legacy TWC areas, digitization is completed in the New York City, Syracuse and Hudson Valley area systems. Digitization of the remaining networks is ongoing and will be completed before the November 2018 deadline. The digitization program is in the planning stages for Albany, Rochester and Buffalo area systems, with the process expected to be initiated in the Albany area systems in late 2017, and initiated in early 2018 for Rochester and Buffalo area systems.

Under Condition I.A.2, Charter is required to make investments to (a) offer broadband service with download speeds up to 100 Mbps to all customers served in New York (including Columbia County systems) by December 31, 2018; and (b) offer broadband service with download speeds up to 300 Mbps to all customers served in New York by December 31, 2019.

Charter now offers a 100 Mbps download speed tier to all areas of the State where broadband service is offered. Charter completed the implementation of upgrades to provide all legacy TWC customers with access to 100 Mbps speed tiers on March 14, 2017,<sup>5</sup> approximately 21 months before the December 2018 requirement. In addition, as of May 2017, approximately of customer households throughout New York now have access to download speed levels of up to 300 Mbps. A list

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<sup>&</sup>lt;sup>5</sup> The only exceptions are in areas where Charter currently does not provide Internet services, i.e. its Chatham system.

of areas where Charter currently offers a 300 Mbps download speed tier is included as confidential Exhibit 1.

Since the close of the transaction, Charter has been actively rebuilding its Chatham system in Columbia and Rensselaer Counties to provide broadband service. The project construction process is occurring in two phases. In Rensselaer County, construction in Berlin and Petersburgh began in April 2017 and is expected to be completed by the end of the third quarter 2017. In Columbia County, construction is scheduled to begin in May 2017, with a target completion date set for the end of first quarter 2018. Charter is currently in the process of obtaining approval for approximately pole permit applications from the four pole owners in this area, which will be key factors in our ability to meet these targets. With construction already underway and much of the ramp-up work completed, Charter is currently projecting that its deployment will be completed in advance of the specified merger condition deadline of December 31, 2018.

### B. Network Expansion Investments:

## 1. Expansion to 145,000 unserved/underserved units:

Condition I.B.1 requires that Charter extend its network to pass an additional 145,000 unserved and underserved<sup>6</sup> residential or businesses units within four years of close (by May 18, 2020) with 25% completed in the first year and an additional 25% completed in each successive year.<sup>7</sup> A Network Expansion Implementation Plan and 45-Day Report detailing the Company's plans to expand service in compliance with this condition was filed with the Commission on July 5, 2016,<sup>8</sup> with a revision filed on July 26, 2016 (collectively, the "Network Expansion Plan" or "Plan").<sup>9</sup> Charter filed updates to the Plan on November 18, 2016 and on February 17, 2017.

<sup>&</sup>lt;sup>6</sup> Merger Order, Appendix A, ¶ I.B.1. Unserved units are defined in the Merger Order as those with download speeds of 0 to 24.9 Mbps. Underserved units are defined as download speeds of 25 to 99.9 Mbps.

<sup>&</sup>lt;sup>7</sup> Merger Order, Appendix A, ¶¶ I.B.1, I.B.1.c.

<sup>&</sup>lt;sup>8</sup> Case 15-M-0388, Charter 45-Day Plan – Redacted (July 5, 2016). Note that an unredacted version of the Network Expansion Plan was also filed with the Commission's Records Access Officer on July 5, 2016. ("45 Day Plan").

<sup>&</sup>lt;sup>9</sup> Case 15-M-0388, REDACTED Charter Revised Network Implementation Plan (July 26, 2016). Note that an unredacted version of the Revised Plan was also filed with the Commission's Records Access Officer on July 26, 2016. ("Revised Plan").

Since the last build-out update was filed on February 17, 2017, Charter has completed build-out to an additional 5,039 passings and has now completed build-out to a total of 15,164 passings across 56 counties and approximately 1,018 municipalities. Major areas of completed passings and a list of adjustments to the Network Expansion Plan are included in confidential Exhibit 2.

Major areas of completed passings include, but are not limited to, the following:

- Albany County for approximately 1,330 passings, including the Village of Menands,
   Towns of Colonie, Cohoes, Bethlehem, Voorheesville, Selkirk, and New Scotland, and
   the City of Albany.
- Broome County for approximately 151 passings, including areas such as the Barker,
   Binghamton, Conklin, Endicott, Lisle, Marathon, Vestal, and Whitney Point.
- Cortland County for approximately 154 passings, including areas such as the Towns of Cincinnatus, Cortland, Cortlandville, Homer, Virgil, and Truxton.
- Erie County for approximately 2,029 passings, including areas such as the Towns of Amherst, Boston, Clarence, Colden, East Concord, Depew, Grand Island, Holland, Orchard Park, Derby, Lancaster, Eden, Springville, Williamsville, West Seneca, and the City of Buffalo.
- Genesee County for approximately 157 passings, including areas such as the Towns of Batavia, Elba, and Alexander.
- Kings County for approximately 390 passings in Brooklyn.
- Livingston County for approximately 196 passings, including areas such as the Towns of Honeoye Falls and Dansville.
- Monroe County for approximately 1,797 passings, including areas such as the City of Rochester, Town of Perinton, Greece, Penfield, North Chili, Webster, Pittsford, Ontario, Spencerport, and Gates.
- New York County for approximately 575 passings in the City of New York.

- Niagara County for approximately 297 passings, including areas such as the Towns of Cambria, Lockport, Lewiston, Niagara Falls, Newfane, North Tonawanda, Sanborn, Pendleton, Youngstown, and Wilson.
- Oneida County for approximately 221 passings, including areas such as the Towns of Utica, Rome, Clinton, Camden, Cassville, and Marcy.
- Onondaga County for approximately 787 passings, including areas such as the City of Syracuse, Village of Camillus, and Towns of Cicero, Baldwinsville, Liverpool, Chittenago, Clay, Homer, Manlius, and Marcellus.
- Ontario County for approximately 442 passings, including areas such as the Towns of Clifton Springs, Canandaigua, Phelps, and Victor.
- Orange County for approximately 429 passings, including areas such as the Towns of New Windsor, Middletown, Salisbury Mills, Montgomery, Goshen and Woodbourne.
- Oswego County for approximately 146 passings, including areas such as the Towns of Pulaski, Fulton, Parish, Albion, Altmar, Camden, and Central Square.
- Rensselaer County for approximately 376 passings, including areas such as the Towns of
  Castleton on Hudson, Cropseyville, Brunswick, Hoosick Falls, Nassau, Johnsonville,
  Sand Lake, East Greenbush, and Wyantskill, the City of Rensselaer, and the City of Troy.
- Saratoga County for approximately 1,854 passings, including the Towns of Milton,
   Stillwater, Clifton Park, Ballston Lake, Ballston Spa, Halfmoon, Round Lake,
   Mechanicville, Malta, Waterford, and Wilton, and the City of Saratoga Springs.
- Schenectady County for approximately 218 passings, including areas such as the Village
  of Delanson, Towns of Esperance, Niskayuna, Duanesburg, Glenville, and Rotterdam,
  and Burnt Hills, and the City of Schenectady.
- Schoharie County for approximately 106 passings, including areas such as the Towns of Middleburgh, Cobleskill, Jefferson, and Schoharie.

- St. Lawrence County for approximately 171 passings, including areas such as the Towns
  of Canton, Massena, Potsdam, and Gouverneur.
- Sullivan County for approximately 639 passings, including the Towns of Fallsburg,
   Liberty, Monticello, Victor, Thompson, Loch Sheldrake, Swan Lake, Bethel, and White
   Lake, and the Villages of Woodridge and Wurtsboro.
- Tompkins County for approximately 303 passings, including areas such as the Towns of Ithaca, Slaterville Springs, Groton, and Newfield, and the City of Ithaca.
- Ulster County for approximately 537 passings, including the Towns of Accord, Hurly, Rochester, Ulster, Kerhonkson, New Paltz, Greenfield Park, Woodstock, and Saugerties, and the City of Kingston.
- Warren County for approximately 107 passings, including areas such as the Towns of Lake George, Warrensburg, Queensbury, and Glens Falls.
- Wayne County for approximately 192 passings, including the Towns of Palmyra,
   Ontario, Macedon, Walworth, Newark, Sodus, and Williamson.

On May 17, 2017, Charter filed a request for an extension of time in which to comply with the Merger Order's build-out provisions, with the intent to supplement the request by May 31, 2017. The request to supplement the extension request by May 31, 2017 was granted by the Secretary to the Commission on May 17, 2017.

### 2. Community Anchor Institutions:

Pursuant to Condition I.B.2, Charter will offer, and provide if accepted, free broadband to 50 community anchor institutions located in low-income or underserved areas. The specific anchor institutions will be identified by Charter through collaborative efforts with Staff, the BPO, and other stakeholders.

Charter has performed an assessment of the libraries, schools, and other types of similarly situated community centers located in its footprint to determine potential eligibility for this Condition

based on an examination of its current network, franchise requirements, and services. As part of the evaluation, Charter conducted an analysis of the current service information for each institution to confirm eligibility for inclusion in this initiative, and has identified a wide array of communities that are geographically and economically diverse. Charter has initiated consultations with the PSC and plans to meet with BPO in near future to review the list of candidates and evaluate how best to implement this requirement. This program will enable these institutions to receive valuable broadband services at no cost, and more importantly, will provide immeasurable and significant long-term value to these communities.

## 2. <u>UNIVERSAL ACCESS</u>

## A. Broadband Affordability:

Under Condition II.A.1, Charter has continued to offer new subscribers in TWC's New York territory the TWC standalone Everyday Low Price \$14.99 broadband service (Exhibit 3), at speeds no less than those being offered at the time of the Merger Order, and will continue to offer this to new subscribers for up to two years after close (until May 17, 2018). Existing customers with the Everyday Low Price at the time of closing will be allowed to retain this product for a minimum of three years, which the Commission has set to "run concurrently with the two-year period in which Charter must continue to offer the service to new customers." New subscribers will be able to retain the product until at least May 17, 2019.

Pursuant to Condition II.A.3, Charter has allowed existing TWC customers to retain standalone and bundled broadband services, and will continue to do so for three years (until May 17, 2019), without material changes that have the intent to discourage customers from subscribing to this service.<sup>12</sup>

<sup>&</sup>lt;sup>10</sup> Merger Order, Appendix A, ¶ II.A.1.

 $<sup>11</sup>_{Id}$ 

<sup>&</sup>lt;sup>12</sup> Merger Order, Appendix A, ¶ II.A.3.

### B. Low-Income Broadband

Condition II.B requires Charter to begin the roll-out of a low-income broadband service offering in New York within six months (by November 17, 2016) through pilots, training, or stakeholder engagement.<sup>13</sup> The Merger Order also requires that Charter will offer eligible, low-income customers a discounted broadband product service with a minimum download speed of up to 30 Mbps for \$14.99 per month without a credit check within 15 months of close (by August 17, 2017).<sup>14</sup>

In November 2016, Charter launched its \$14.99 low income broadband service, SIA, in the legacy Charter system in Plattsburgh, and in March 2017<sup>15</sup> Charter launched SIA in the legacy TWC areas of the state as noted in Exhibit 4. Based upon this timing, SIA was fully deployed more than 5 months ahead of the schedule required in the Merger Order. SIA is a low-priced, high speed 30/4 Mbps broadband product that includes all standard internet features including security suite and mailboxes. SIA includes a modem, or customers may use their own Charter-approved modem. SIA customers can also choose Charter WiFi, which includes a router, for a fee of \$5.00 per month. Since SIA's launch, Charter has maintained a dedicated phone number for prospective participants to call in order to verify eligibility and register for the program, if eligible. There is also a link on Charter's home page directing customers to a webpage that describes SIA. In addition, Charter has taken a number of other steps to market the SIA product, including training its customer service representatives (both telephone and in-store) to inform customers about SIA's availability and actively marketing the SIA product through direct mail, email, telephone, in-store sales, and community outreach events.

As part of its efforts to engage key stakeholders in the State, Charter has commenced SIA program planning and communication activities including outreach to a diverse range of community groups such as those that promote broadband adoptions for seniors; diversity and minority advocacy

<sup>13</sup> Merger Order, Appendix A, ¶ II.B.1.

<sup>&</sup>lt;sup>14</sup> Merger Order, Appendix A, ¶¶ II.B.2-4.

<sup>&</sup>lt;sup>15</sup> SIA was launched in the legacy TWC areas in two phases during March 2017.

groups; education and technology groups; and business and economic development organizations. A number of SIA launch events have also occurred over the past few months, including the following:

- March 16, 2017, New York City: Issacs Center, New York City Housing Authority
   (NYCHA) & Power My Learning event in public housing complex to target lowincome residents and highlight NYC partnerships to bridge the digital divide.
- March 22, 2017, New York City: Harlem Education Activities Fund event at the Spectrum Learning Lab that provides computer literacy and college readiness programs for youth.
- March 24, 2017, New York City: Chinese-American Planning Council event with Learning Lab partner to highlight program for seniors.
- May 4, 2017, Syracuse: Syracuse Community Connections event, a non-profit
  organization focused on providing a network of human services to minority, lowincome residents in the City of Syracuse.

Additional outreach events are currently planned throughout the State in the second and third quarters of 2017.

### 3. <u>CUSTOMER SERVICE</u>

### A. Customer Service Investments:

In compliance with Condition III.A.1, within 2 years of close Charter will invest a minimum of \$50 million in service improvement programs for the specific benefit of New York operations. <sup>16</sup> Service improvement programs may include, among other things, customer-facing training and customer-facing diagnostic systems as well as tools of the type suggested in the Order.

In the first year since the close of the transaction, Charter's investments in service improvement programs are expected to be approximately million. A significant portion of these funds was invested in customer operations, including a new Spanish speaking call center (outside of New York that will

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<sup>&</sup>lt;sup>16</sup> Merger Order, Appendix A, ¶ III.A.1.

support customers in the State), improvements in customer communication, and new customer-facing tools as well as in network operations and reliability enhancements. Other significant investments were made in equipment, network facilities, and field operations to support greater customer service as well as into the construction of a new store-front and upgrades to existing stores where customers can order services, pay bills, pick-up equipment, and obtain other assistance. Major initiatives and investments in the first year to improve service, enhance consumer service and experience, and reduce consumer complaints that will benefit Charter's operations and customers in New York include:

- <u>Customer Interface Improvements</u> Completed improvements include a customer impact
  and outage tool, web and email enhancements, and communication preferences. Investments
  include a number of system software enhancements to make customer service faster, more
  effective and more efficient, including, creation of a single customer service interface for all
  billing systems, order confirmation, and additional mobile application capabilities, and for
  improved customer experience dealing with Charter service interactions.
- <u>Call Centers</u> The national Spanish-speaking call center was completed during the first year. The new call center will help reduce traffic in other call centers, thus increasing response times for consumers accruing to the benefit of our New York customers. Additional investments to support applications in the Data Centers, such as enhancements in the real-time live support system are planned for future years.
- <u>Self-Installation</u> Completed investments include enhancements to the customer portal and customer privacy management. Additional investments for the second year will broaden self-installation abilities for customers. These system investments will help meet the growing consumer demand for self-installation and services that do not require a service call, which also frees up technical resources for other customers who would prefer that Charter employees handle their installation needs.

- Equipment and Truck Upgrades Enhanced vehicle replacement policy to ensure that the
  most modern vehicles and technology are available to meet consumer service needs,
  including the roll out of all digital customer premise equipment.
- Stores Construction of Charter's Washington Heights store is completed, and is expected to open to the public in late May 2017. The new store is located in a culturally diverse neighborhood in the northern portion of the New York City borough of Manhattan; 80 percent of the staff is bi-lingual. Other planned investments include upgrades to store queuing systems to allow customers to check-in to a virtual line.
- Network Operations and Reliability Enhancements A number of network operations and reliability enhancements have been completed including router upgrades and increases in capacity, optical capacity upgrades, optical platform replacement, and optical amplification to allow more bandwidth. Future investments will include NOC improvements, additional backbone optical and routing support, enterprise telephony support, stand-by power supplies, and plant replacement.
- <u>Employee Training and Allocation</u> Investments to train employees to enhance the customer service experience as well as hire additional employees to support installations.

Confidential Exhibit 5 contains a list of service improvement investment activities that were actually made in Year One.<sup>17</sup> In addition to these investments, future service improvements will include the planned Spectrum Guide upgrades, continued system digitization, and other new facilities that are not included in this report. Given that Charter is providing data demonstrating more than million in first year investment, additional expenditures resulting from significant other investment have not been included.

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<sup>&</sup>lt;sup>17</sup> The proposed investments allocated to each service improvement program are budgeted amounts and may be subject to change as the actual needs and priorities of the Company and its customers evolve.

### B. Customer Service Monitoring:

Ordering Clause III.B.1 requires Charter to show a 17.5% reduction in TWC's 2014 cable PSC Complaint Rate by 2018 and a 35% reduction by 2020, and requires "New Charter" to file its cable PSC Complaint data on an annual basis. Pursuant to Condition III.B.3,<sup>18</sup> Charter filed its PSC Video Complaint Data with the Commission on January 26, 2017. Charter will file its next update with the commission in January 2018. As described in detail in confidential Exhibit 5, the Company is making major investments in various customer service initiatives which may have a positive impact on these complaint rates in the future.

### 4. ECONOMIC DEVELOPMENT (EMPLOYEE RETENTION)

For four years from the date of the Commission's Order (through January 8, 2020), Charter will not cause a net loss in customer facing jobs in New York State.<sup>19</sup>

In compliance with Condition IV.A.2 to establish a baseline against which future reports will be measured, as of the date of the Order (January 8, 2016), Charter and TWC had a combined customer facing jobs in New York State. As of May 2017, Charter has customer facing jobs in NY State, for a total *gain* of jobs. A summary of the number of customer-facing jobs and general job descriptions is included as confidential Exhibit 6. For four years, on the anniversary of the transaction Closing Date, Charter will submit an annual report of the number of customer facing jobs in New York State.<sup>20</sup> As stated previously, as Charter continues with the Company's insourcing plans (in customer care & field service areas) additional reports are likely to reflect the positive results of these new strategies.

<sup>18</sup> Merger Order, Appendix A, ¶ III.A.3.

<sup>&</sup>lt;sup>19</sup> Merger Order, Appendix A, ¶ IV.A.1.

<sup>&</sup>lt;sup>20</sup> Merger Order, at 65. Note that job descriptions and titles may change over time, but the jobs evaluated for these figures will still be customer-facing jobs.

5. **OTHER COMMITMENTS** 

No Data Caps

In compliance with Condition V.B.1, Charter will not implement data caps on its broadband

service for three years after the Closing Date (until May 17, 2019).<sup>21</sup>

As previously reported, Charter conducted an internal review of its current broadband service

plans, offers, billing procedures, and marketing materials to confirm that such plans do not prevent

customers from consuming data beyond a certain threshold or otherwise impair or degrade the speed or

quality of the broadband service connection once the customer surpasses a certain threshold, and confirm

that customers will not be charged a higher price based upon usage. Charter includes information about

its practices as part of its marketing materials, including on its website.<sup>22</sup>

CONCLUSION

As noted above, Charter is committed to full compliance with the Conditions contained in the

Commission's Order and in working with the Commission to fulfill our mutual goal of bringing

advanced, innovative services to New Yorkers. This Annual Update makes clear that the Company is

making positive progress towards these goals and, in fact, is ahead of schedule on several important

elements of the Conditions.

Dated: May 18, 2017

s/ Adam Falk

Adam Falk

Senior Vice President, State Government Affairs

Charter Communications, Inc.

s/Maureen O. Helmer

Maureen O. Helmer

Barclav Damon, LLP

Counsel for Charter Communications, Inc.

<sup>21</sup> Merger Order, Appendix A, ¶ V.B.1.

<sup>22</sup> See, e.g., https://www.charter.com/browse/content/internet

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## Exhibit 1

## [REDACTED]

## Exhibit 2

## [REDACTED]

#### OTHER SERVICE CHARGES

Agent Assisted Payment	\$	5.00
Deposit Fee	\$5	0-100.00
Late Fee	\$	8.95
Reconnection Fee	\$	4.99
Returned Payment Fee	\$	20.00
Statement Copy	\$	1.99

#### UNRETURNED/LOST/DAMAGED EQUIPMENT

Access Point CableCARD Digital Receiver Digital Terminal Adapter IntelligentHome Cloud Server IntelligentHome Touchscreen Modem Phone Modem Tuning Adapter WiFi Extender WiFi Modem WiFi Phone Modem  WiFi Phone Modem	\$ \$ \$ \$ \$ \$ \$ \$ \$	39.00 130.00 78.00 78.00 78.00
WiFi Phone Modem WiFi Router	\$	78.00 78.00

By subscribing to these services, customer agrees to be bound by the terms of TWC's Subscriber Agreement which can be found at help.twcable.com/policies.html. Time Warner Cable leases CableCARDs for \$2.50 per month, per CableCARD, for  $use in customer \cdot owned \ retail \ Cable CARD \cdot compatible \ devices. Our leased \ Set \cdot Top \ Boxes \ also \ include \ either \ a \ Cable CARD \cdot Compatible \ devices. Our leased \ Set \cdot Top \ Boxes \ also \ include \ either \ a \ Cable CARD \cdot Compatible \ devices. Our leased \ Set \cdot Top \ Boxes \ also \ include \ either \ a \ Cable CARD \cdot Compatible \ devices. Our leased \ Set \cdot Top \ Boxes \ also \ include \ either \ a \ Cable CARD \cdot Compatible \ devices. Our leased \ Set \cdot Top \ Boxes \ also \ include \ either \ a \ Cable CARD \cdot Compatible \ devices. Our leased \ Set \cdot Top \ Boxes \ also \ include \ either \ a \ Cable CARD \cdot Compatible \ devices. Our leased \ Set \cdot Top \ Boxes \ also \ include \ either \ a \ Cable CARD \cdot Compatible \ devices. Our leased \ Set \cdot Top \ Boxes \ also \ include \ either \ a \ Cable CARD \cdot Compatible \ devices.$ or integrated security inside the device. Our lease rate for Set-Top Boxes that contain a CableCARD includes a \$2.50 imputed charge for the CableCARD. If you lease a CableCARD in lieu of such a Set-Top Box, we now offer a prospective monthly credit to reflect the difference between the standard lease rates of Set-Top Boxes and CableCARDs. Please contact us by filling out the form available via the following link if you believe you may be eligible for or would like more information regarding this credit: twc.com/CableCARD.

For customers receiving service through commercial accounts or bulk arrangements, some products, pricing and other information contained herein may not apply. Please refer to the terms and conditions of the separate agreement. Where terms are inconsistent with information in the Service Rates, the terms and conditions of the separate agreement will apply.

Some restrictions apply. Starter TV service must be purchased to subscribe to any other optional video service or tier services. Pricing, programming and packaging subject to change without notice. Service prices shown are monthly and do not include sales tax, installation fees, franchise fees and FCC user fees. Not all equipment supports all services. All services may not be available in all areas. Subject to change without notice. Additional charges apply for installation, equipment, surcharges, applicable taxes and fees. @2017 Time Warner Cable Enterprises LLC, all rights reserved. Time Warner Cable and the eye/ear logo are trademarks of Time Warner Inc., used under license. All other trademarks are property of their respective owners.

## For TWC store locations, please visit twc.com/stores



#### **Mount Vernon**

#### TV SERVICES AND PACKAGES

Starter TV <sup>1</sup>	\$ 20.50
Essential TV <sup>2</sup>	\$ 52.49
(includes Starter TV and selection of 40+ cable networks)	
Standard TV	\$ 66.99
(includes Starter TV)	
Preferred TV	\$ 78.99
(includes Starter TV, Standard TV, Variety Pass)	
Variety Pass	\$ 10.00
HD Pass	\$ 8.95
TWC Sports Pass	\$ 10.00
TWC Movie Pass	\$ 10.00
Variety Lite Español	\$ 10.00
Variety Plus Español <sup>3</sup>	\$ 5.00
El Paquetazo	\$ 33.50
(includes Starter TV and Variety Lite Español)	
Preferred TV en Español	\$ 78.99
(includes Starter TV, Standard TV and Variety Lite Español)	
Family Choice <sup>4</sup>	\$ 12.99
Broadcast TV Surcharge	\$ 6.05
Sports Programming Surcharge	\$ 2.70
1 Subscription to Starter TV is required for all TV Packages	

- Subscription to Starter TV is required for all TV Packages.
- <sup>2</sup> Cannot be combined with any other tiers. Restricted to Standard Definition non-DVR equipment only. Other restrictions apply.
- Requires subscription to Variety Lite Español.
- <sup>4</sup> Family Choice cannot be combined with any other video programming. Family Choice not available in all areas.

#### **PREMIUM SERVICES**

HBO®	\$	16.99
Showtime®	\$	15.99
The Movie Channel™	\$	15.99
STARZ®	\$	15.99
Cinemax®	\$	15.99
EPIX®	\$	9.99
Encore Pass	\$	6.99
LIICOTE F d33	Ψ	0.55

#### **ADULT PREMIUM SERVICES**

Playboy TV	_\$	12.95
Penthouse	_\$	12.95
Hustler	_\$	12.95
VIVID	_\$	12.99
TEN	_\$	12.95
REAL	_\$	12.95
Manhandle	_\$	12.95
Manhandle & HIS On Demand Package <sup>5</sup>	_\$	19.95
Adult 3-Pack	_\$	29.95

<sup>5</sup> Not available as part of the Adult 3-Pack.



1-800-TWCABLE twc.com For our latest special offers and promotions, please visit twc.com

#### **INTERNATIONAL PREMIUMS**

Arabic (ART)	\$	9.95
Bengali		
(The Bangladesh Channel)Brazilian – Portuguese	_\$	9.95
(PFC)(PFC & RTPi)	_\$	19.95
(PFC & RTPi)	_\$	21.95
(PFC, RTPi & TV Globo)		31.95 3.95
(RTPi)(TV Globo)		3.95 19.95
(TV Globo)(TV Globo & RTPi)	- Ψ \$	21.95
(Brazilian Passport - PFC & TV Globo)	\$	29.95
Cantonese	-	
(TVB Jade World - TVB1, TVB2, TVBe, TVBS & CCTV4)	_\$	39.99
(GMA Pinoy)(TFC)	_\$ \$	12.95 11.95
(Filipino GMA Passport - GMA Life, GMA Pinoy, GMA DWLS Radio &	_ Ψ	50
GMA DZBB Radio)	_\$	14.95
(Filipino Pass Plus - Filipino On Demand, GMA Life, GMA Pinoy, GMA DWLS Radio, GMA DZBB Radio & TFC)	_\$	24.99
French (TV5MONDE)	¢	9.95
German	_ p	9.93
(DW Amerika)	_\$	9.95
(Antenna)	\$	14.95
(NGTV)	- ¥	9.95
(NGTV)(Greek Passport - Antenna & NGTV)	\$	15.95
Hebrew (The Israeli Network)		19.99
Hindi	_Ψ	13.33
(Hindi Star Pass - STAR India PLUS, STAR India GOLD, Life OK & APB News)	\$	19.99
(Hindi Pass - STAR India PLUS, Sony & Zee TV)		24.99
(Hindi Pass Plus - STAR India PLUS, Sony, Zee TV, Life OK, Willow, TV Asia,		39.99
(Hindi Passport - STAR India PLUS, Sony, Zee TV, Life OK, Willow, TV Asia, NDTV 24/7,		
STAR India GOLD, Filmy, UTV Movies, ITV Gold & Eros Now)(ITV Gold)	_\$ _	69.99 9.95
Italian	_ p	9.93
(Mediaset Italia)	\$	9.95
(Rai Italia)	\$	9.95
(Italian Passport - Mediaset Italia & Rai Italia)		14.99
Japanese (TV JAPAN)	¢	24.95
Mandarin	_Ψ	24.33
(CCTV-4 & CTI Zhong Tian)	\$	11.99
(Chinese Cinema)		9.95
(Chinese Prime)	_\$	9.95
(ETTV China)	_\$	9.95
(ETTV Drama)		9.95
(ETTV Financial News)		9.95
(ETTV News)		9.95
(ETTV NY)(Phoenix InfoNews)	_ <del>D</del>	9.95 9.95
(Phoenix North America)	- ¥	9.95
(Yoyo TV)_		9.95
(Mandarin Passport - CCTV-4, CTI Zhong Tian, Phoenix InfoNews & Phoenix North America)		19.99
(Mandarin ETTV Passport ETTV China, ETTV Drama, ETTV Financial News,	_ Ψ	.5.55
ETTV News, ETTV NY & Yoyo TV)	\$	19.99
(Mandarin Pass Plus - CCTV -4, CTI Zhong Tian, ETV China, ETTV Drama, ETTV Financial News, ETTV News, ETTV NY, Phoenix InfoNews, Phoenix North America		
& Yoyo TV)	\$	29.99
Polish		
(TV Polonia & Polskie Radio)Punjabi	_ Þ	17.95
(Jus Punjabi)		9.95
	_\$	11.95
Russian (Changal One Bussia)	¢.	14.05
(Channel One Russia)		14.95
(CTC) (NTV America)		9.95
(NTV America)(RTN)		9.95 14.95
(RTN Plus)		14.95
(RTVi)		9.95
(TV1000 Russian Kino)	\$	9.95

(Russian Pass Plus - C1R, CTC, NTV America, RTN , RTN +, RTVi & TV 1000 Russian I (Russian Pass Max - C1R, CTC, Dom Kino, Muzika Pervogo, NTV America,		
Rossiya 24, RTN, RTN +, RTR Planeta, RTVi, TV 1000 Russian Kino & Vremya) <b>Vietnamese</b>	\$	44.
(Vietnamese Pass – SBTN & TVBV)	\$	19.
SEASONAL SPORTS SERVICES		
ESPN Full Court, ESPN GamePlan, MLB Extra Innings, MLS Direct Kick,		
NBA League Pass, NHL Center Ice		Var
ON DEMAND & PAY-PER-VIEW		
On Demand		Var
(New Releases & Classic Movies, Adult & Special Events)  Pay-Per-View (Special Events, Adult Blocks)		Var
Disney On Demand	\$	5.
Disney Family Movies On Demand	\$	4.
The Jewish Channel On Demand	\$	6.
Here TV On DemandHIS On Demand	—_\$	7. 12
Too Much For TV On Demand	\$	14.
INTERNET		
INTERNET  Everyday Low Price	\$	14
Basic	\$	49.
Extreme	\$	59.
Ultimate 100 <sup>6</sup>	\$	10.0
Ultimate 2006	\$	20.0
Ultimate 300 <sup>6</sup> Home WiFi	\$	50.
6 Ultimate 100, Ultimate 200 or Ultimate 300 can be added to Extreme.	—— Ф	J.
PHONE		
TWC Phone Unlimited		
TWC Phone Tri-StateSecond Line <sup>7</sup>		
International OnePrice® Plan8 (additional)	\$	20.
Global Penny Phone Plan (additional)	\$	2.
Voicemail Service (per phone number)	\$	3.
Private Listing (per phone number)	\$	3.
Requires primary TWC Phone line. Subscription to TWC Phone with TV and/or Internet is required.		
EQUIPMENT & EXTRAS	<b>*</b>	44
Digital, HD, DVR or HD-DVR Set-Top Box and Remote Package(includes Set-Top Box and Remote)		11
DVR Service Fee (per DVR)	\$	12.
Enhanced DVR (per DVR)	\$	15.
Whole House DVR or Enhanced Whole House DVR Service (per WH-DVR)	\$	19.
The Guide	\$	3.0
CableCARD(each)	\$	2.
	\$	
INCTALL ATION	¢	50.
INSTALLATION Video Installation Primary Outlet (Unwired or prewired)		50.
Video Installation, Primary Outlet (Unwired or prewired)		50.
Video Installation, Primary Outlet (Unwired or prewired) Internet Installation		
Video Installation, Primary Outlet (Unwired or prewired) Internet Installation	\$ \$	
Video Installation, Primary Outlet (Unwired or prewired)	\$ \$ \$	20.
Video Installation, Primary Outlet (Unwired or prewired) Internet Installation Phone Installation Additional Outlet at Time of Installation WH-DVR Installation Home WiFi Installation	\$ \$ \$	20. 20.
Video Installation, Primary Outlet (Unwired or prewired) Internet Installation Phone Installation Additional Outlet at Time of Installation WH-DVR Installation Home WiFi Installation Easy Connect Rescue Fee	\$ \$ \$ \$ \$ \$	20.0 20.0 50.0
Video Installation, Primary Outlet (Unwired or prewired) Internet Installation Phone Installation Additional Outlet at Time of Installation WH-DVR Installation Home WiFi Installation Easy Connect Rescue Fee Easy Connect Shipping Charge	\$ \$ \$ \$ \$	20.0 20.0 50.0 10.0
Video Installation, Primary Outlet (Unwired or prewired) Internet Installation Phone Installation Additional Outlet at Time of Installation WH-DVR Installation Home WiFi Installation Easy Connect Rescue Fee	\$ \$ \$ \$ \$ \$	10.0 20.0 50.0 10.0 50.0







New York City Public Advocate Letitia James New York City Council Member Ben Kallos

For Immediate Release

## Affordable High-Speed Internet for New York City's Low-Income Families and Seniors Announced by Charter Communications, NYC Public Advocate Letitia James and NYC Council Member Ben Kallos

Spectrum Internet Assist to Help Bridge Digital Divide with \$14.99 per month 30 Mbps Broadband for Low-Income Families and Seniors

**NEW YORK CITY – March 16, 2017** – Charter Communications, Inc. (NASDAQ: CHTR) today was joined by New York City Public Advocate Letitia James, and New York City Council Member Ben Kallos to announce the introduction of a new low-cost, high-speed broadband product, Spectrum Internet Assist, in its service areas in New York City.

The announcement was made at the <u>Stanley Isaacs Community Center</u> at the New York City Housing Authority's Stanley Isaacs and Holmes Towers on East 93rd St. in Manhattan, where eligible families and seniors learned about Spectrum Internet Assist.

Priced at \$14.99 per month, Spectrum Internet Assist offers eligible customers speeds up to 30/4 Mbps, which meets and even exceeds the Federal Communications Commission's definition of "high-speed." Spectrum Internet Assist includes standard features like email boxes, internet security software and a modem at no additional charge.

Spectrum Internet Assist is now available throughout Charter's legacy service area, and will continue to be rolled out market-by-market, with a goal of covering the remaining Charter footprint by mid-2017.

Public Advocate Letitia James and Council Member Ben Kallos, with support from colleagues in New York State and City legislatures, <u>testified at hearings</u> and <u>advocated</u> for the Public Service Commission to require any company acquiring Time Warner Cable to bridge the digital divide by providing low-income residents with low-cost, high-speed broadband internet.

"Charter is excited to bring a whole new world of digital access and opportunity to low-income families and seniors. Spectrum Internet Assist is an important next step in providing true high-speed connections to those who would otherwise continue to face a digital inequality in this country," said Tom Rutledge, Chairman and CEO, Charter Communications. "It's crucial for cable and broadband providers like us to play a role in bridging the digital divide so that

everyone has access to the information and tools they need to succeed in today's economy," Rutledge said.

"Access to affordable high-speed internet should not be a luxury reserved for few -- it is increasingly important for everyone to have access in today's society," said Public Advocate Letitia James. "New Yorkers young and old depend on Internet access for homework, job applications, and basic life functions, but too often do not have access in their own homes because services are truly cost prohibitive. I want to thank Charter Communications for following through on their commitment to provide affordable, high-speed Internet to those who have previously been left out of the digital age."

Said Council Member Kallos, "New York is going to narrow the digital divide by offering low-income families and seniors broadband they can afford for less than 50 cents a day. With hundreds of thousands of city households without broadband, I think that we can finally close the digital divide by offering universal broadband in every home in Charter's New York City footprint. Thank you for Governor Andrew Cuomo, Public Service Commission Interim Chair Gregg Sayre, and Charter Communications Chair Tom Rutledge for your partnership and commitment to bring low-cost broadband to low-income New Yorkers to finally bridge the digital divide."

## Spectrum Internet Assist Product Details

- \$14.99/month for up to 30/4Mbps speed package
  - o Includes all standard Internet features; i.e. security suite, mailboxes, etc.
  - o Includes a modem with no additional charge
- \$5.00/month for Charter WiFi
  - o Includes a router
  - o Rate cannot be increased during the life of the program
  - o Activation fee waived

To assist consumers with the eligibility process and enrollment, Charter has launched a new dedicated Spectrum Internet Assist website: <a href="www.SpectrumInternetAssist.com">www.SpectrumInternetAssist.com</a>. Prospective enrollees may also call the Spectrum Internet Assist toll-free helpline at 1-844-525-1574 for assistance.

## Spectrum Internet Assist Eligibility

- Families with students who participate in the National School Lunch Program
- Seniors who are 65 and older who receive Supplemental Security Income program benefits
- Additional Criteria:
  - o Current phone and video customers who meet one of the two criteria above may
  - o Prospective SIA enrollees cannot have had a Charter/Time Warner Cable/Bright House Networks broadband subscription within 30 days of signing up.
  - Eligible participants will not need to undergo a credit check but they must clear any outstanding debt with Charter, Time Warner Cable or Bright House Networks from the previous 12 months.

## **About Spectrum:**

Spectrum is a suite of advanced broadband services offered by Charter Communications Inc., a leading broadband communications company and the second largest cable operator in the United States. Spectrum provides a full range of services, including Spectrum TV<sup>TM</sup> video entertainment programming, Spectrum Internet<sup>TM</sup> access, and Spectrum Voice<sup>TM</sup>. Spectrum Business® similarly provides scalable, tailored, and cost-effective broadband communications solutions to business organizations, such as business-to-business Internet access, data networking, business telephone, video and music entertainment services, and wireless backhaul. More information about Spectrum can be found at spectrum.com.

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## Exhibit 5

## [REDACTED]

## Exhibit 6

## [REDACTED]