

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4691
of Charter Fiberlink-Nebraska,)
LLC, St. Louis, Missouri,)
seeking approval for Financing) GRANTED
Authority and to Perform Related)
Transactions.)
) Entered: August 5, 2014

BY THE COMMISSION:

On June 17, 2014, an application was filed by Charter Fiberlink-Nebraska, LLC ("Charter Fiberlink"), of St. Louis, Missouri, requesting authority to engage in financing and related transactions. Notice of the application was published in The Daily Record, Omaha, Nebraska, on June 24, 2014. No protests were filed; therefore, this application is processed pursuant to the Commission's rule of modified procedure.

O P I N I O N A N D F I N D I N G S

Description of the Companies:

Charter is a publicly traded cable company organized under Delaware laws and headquartered in Stamford, Connecticut. Charter operates in 29 states, employs more than 21,000 people, and provides traditional cable video services, advanced video services, high-speed Internet Services, and voice services to more than six million residential and business customers.

Charter Fiberlink-Nebraska, LLC is a limited liability company organized and existing under the laws of Delaware and is an indirect wholly owned subsidiary of Charter. Charter Fiberlink's office is located in St. Louis, Missouri. Charter Fiberlink is authorized by the Commission to operate in Nebraska as a facilities-based local exchange and interexchange carrier by virtue of the authority granted in Docket C-2531 (July 11, 2001).

Description of the Financing:

Charter and Comcast Corporation ("Comcast") have entered into an agreement to execute three transactions contingent upon government approval at the federal and state levels, and the closing of Comcast's acquisition of Time Warner Cable Inc. ("TWC"). First after the close of the Comcast-TWC transaction, Charter will purchase cable systems in nine states¹ serving about 1.5 million former TWC video customers. Second, Comcast will

¹ Nebraska is not one of the states.

transfer to Charter cable systems currently service approximately 1.5 former TWC video customers, including seven local channels affiliated with those systems, and Charter will transfer to Comcast cable systems serving approximately 1.6 Charter video customers. None of these transactions involves regulated assets or customers in Nebraska. After these transactions, Charter's size will increase by approximately 30 percent.

Charter has negotiated commitments from four investment banks for syndicate loans amounting to \$8.4 billion in term loans, and \$500 million in additional capacity on an existing revolving line of credit. The financing will use an existing credit agreement of Charter's subsidiary, Charter Communications Operating LLC ("Charter Operating"), amended to accommodate the transactions. The additional financing is expected to consist of (i) a \$1 billion term loan maturing in five years; (ii) a \$3.2 billion term loan maturing in six years; (iii) a \$4.2 billion term loan maturing in seven years; and (iv) an additional \$500 million of capacity on an existing revolving line of credit. The commitments also provide Charter the flexibility, depending on market conditions, to issue senior secured notes or second lien debt in lieu of the term loans. The commitments also allow for certain amendments to Charter's existing credit facilities to allow Charter to carry out the above-described transactions.

According to the Applicant, approval of this financing transaction is in the public interest. Participation by Charter in these financing arrangements will enable Charter to engage in the above-described transactions and will not result in any change in the day-to-day operations of Charter Fiberlink. The transactions for which the financing is necessary will strengthen Charter by increasing Charter's footprint and scale. As a result, Charter will be able to better compete for consumers more aggressively on price, quality, innovation, and service.

Applicant seeks approval from the Commission pursuant to Neb. Rev. Stat. § 75-148, which states in pertinent part,

A common carrier may issue stock, bonds, notes, or other evidence of indebtedness, payable at periods of more than twelve months after the date thereof, when necessary for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement or maintenance of its service, or the discharge or lawful refunding of its obligations

if the common carrier first secures from the Commission an order authorizing such issue and the amount thereof and stating that in the opinion of the Commission the use of the capital to be secured by the issue of such stock, bonds, notes, or other evidence of indebtedness is reasonably required for the purposes of the carrier.

Upon review of the evidence, the Commission finds that the application filed herein is in compliance with the applicable Nebraska statutes and that the debt financing agreement is reasonably required for the aforementioned purpose. The application is fair, reasonable and in the public interest and should be granted

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4675 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 5th day of August, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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if the common carrier first secures from the Commission an order authorizing such issue and the amount thereof and stating that in the opinion of the Commission the use of the capital to be secured by the issue of such stock, bonds, notes, or other evidence of indebtedness is reasonably required for the purposes of the carrier.

Upon review of the evidence, the Commission finds that the application filed herein is in compliance with the applicable Nebraska statutes and that the debt financing agreement is reasonably required for the aforementioned purpose. The application is fair, reasonable and in the public interest and should be granted

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4675 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 5th day of August, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Alan Proff
Tim Schram
Paul Johnson
Gerald L. Vop

Frank E. Landis
 Chairman

ATTEST:

Steve Meredith
 Executive Director

//s//Frank E. Landis