

**Quad Cities Cable Communications Commission**  
Anoka City Hall – Council Chambers

August 21, 2014, 11:00 AM

**Agenda**

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Administrative Reports**
  - 4.1. Secretary
    - 4.1.1. Approval of June 17, 2014 commission meeting minutes.
    - 4.1.2. Approval of August 11, 2014 executive committee meeting minutes.
  - 4.2. Treasurer
    - 4.2.1. May Financial Reports
    - 4.2.2. June Financial Reports
  - 4.3. Executive Director (July/August)
- 5. General Business**
  - 5.1. City Hall Equipment Purchase
  - 5.2. Comcast Cable Franchise Transfer of Ownership
- 6. Adjourn**

## **MINUTES OF THE REGULAR MEETING OF JUNE 17, 2014**

### **CALL TO ORDER – 1**

Chair Heitkamp called the meeting to order at 11:00 a.m. at the Anoka City Hall.

### **ROLL CALL– 2**

Commissioners present were: Carl Anderson, Anoka; Tim Cruikshank, Anoka (arrived at 11:12 a.m.); Jim Dickinson, Andover; Julie Trude, Andover; Eric Johnson, Champlin; and Bret Heitkamp, Champlin.

Commissioners absent and excused: John LeTourneau, Ramsey; and Kurt Ulrich, Ramsey.

Others present included Karen George, Executive Director; Steve Ulrich, Technology Manager; and Peggy Moeller, HLB, Tautges, Redpath.

### **APPROVAL OF AGENDA – 3**

Motion was made by Johnson and seconded by Dickinson to approve the agenda as presented.

**5 ayes – 0 nays. Motion carried.**

### **ADMINISTRATIVE REPORTS – 4**

#### **4.1 Secretary**

##### **4.1.1. Approval of meeting minutes from April 7, 2014**

Motion was made by Trude and seconded by Dickinson to approve the April 7, 2014 minutes as amended.

**5 ayes – 0 nays. Motion carried.**

#### **4.1.2. Approval of meeting minutes from May 22, 2014**

Motion was made by Trude and seconded by Johnson to approve the May 22, 2014 work session minutes as presented.

**5 ayes – 0 nays. Motion carried.**

#### **4.2 Treasurer**

##### **4.2.1. March and April Financial Reports**

Commissioner Dickinson noted that the reports speak for themselves. He referenced the cash balance and advised that this is a high cash time for the organization due to payment timing and it not a regular balance.

Motion was made by Johnson and seconded by Trude to accept the March and April Financial Reports.

**5 ayes – 0 nays. Motion carried**

#### **4.3 Executive Director**

Ms. George summarized her report including recent activities that QCTV provided coverage of, including high school graduations. She noted that there were some staffing changes and introduced new members of the QCTV including Taylor Johnson, Producer/Local Coordinator; Noah Johnson, Associate Producer; and Cory Laing, full-time Associate Producer.

Commissioner Trude noted that she had noticed positive changes in the sports coverage, including interviews and the addition of lacrosse coverage.

Mr. George noted that there were also three part-time associate producers hired. She advised that QCTV is holding a networking event on Thursday, June 26<sup>th</sup> from 7:00 to 9:00 a.m. She advised of recent legislative changes that will once again make QCTV exempt from sales tax but noted that the changes will not be in effect until 2016.

Commissioner Trude commended Ms. George for her work on the sales tax exemption item. She also asked for a larger color key provided in future reports.

Commissioner Cruikshank arrived.

Ms. George referenced a letter of thanks received regarding the QCTV coverage of the Minnesota Supreme Court's visit to Champlin Park.

## **GENERAL BUSINESS – 5**

### **5.1 Audit Report – Presentation by HLB, Tautges, Redpath LTD**

Peggy Moeller, HLB, Tautges, Redpath presented the results of the Audit Report reported that QCTV received an unmodified or clean opinion. She briefly highlighted aspects of the report including the general fund, including comparison to the budget and actual balance, as well as revenue and expenditure information. She noted that there were no internal control findings and also highlighted the State legal compliance report, which was also found to be clean with no compliance findings. She advised that there will be a change in accounting required for 2015 relating to pensions.

Chair Heitkamp commended Ms. Moeller for her clear and concise report. He also commended Ms. George, Commissioner Dickinson and staff for the amount of progress that has been made in such a short time.

Motion was made by Dickinson and seconded by Trude to accept the Auditor Report.

**6 ayes – 0 nays. Motion carried.**

### **5.2 Comcast/Time Warner Merger/SpinCo Transfer**

Ms. George advised that the Commission received information from the Commission Attorney regarding the Comcast/Time Warner merger, noting that Comcast has stated that this market would be transferred to a newly formed company to be titled SpinCo. She stated that the Commission Attorney recommended that the Commission should vet the financial ability of the newly formed company to ensure they could support this large market. She noted that the plans of the Commission were to review possible contractors that could provide that review. She stated that since that time she has learned that MACTA is going to lead this review on behalf of their members, noting that QCTV is a member of this organization. She reviewed the approximate cost and asked that, if supportive, the Commission authorize herself or the Executive Committee to proceed on moving this item forward, as the July meeting is sometimes canceled.

Motion was made by Trude and seconded by Dickinson to support the efforts of MACTA in regard to the review of SpinCo, authorizing the Executive Committee to execute the necessary documents and payments in order to keep this item moving forward.

**6 ayes – 0 nays. Motion carried.**

### **5.3 Franchisee Technical Audit and Financial Audit**

Ms. George stated that the Commission also discussed conducting franchisee audits. She stated that she did send out Request for Proposals on both a technical audit and a financial audit. She advised that she received three quotes for the financial audit and one quote for a technical audit. She noted that the technical audit quote was quite a bit higher than she expected and recommended that staff be directed to work with the Executive Committee to narrow the scope of service. She recommended that the Commission authorize her to execute an agreement with Front Range Consulting for a two-year financial review at a cost not to exceed \$7,500.

Commissioner Trude questioned if the additional funds should be spent to conduct a six-year review.

Ms. George noted that she did discuss that option but was informed that the additional cost would most likely not provide a cost benefit. She explained that if there are findings, direction can then be provided to focus on specific areas for a longer period of time.

Motion was made by Trude and seconded by Cruikshank to authorize Ms. George and Chair Heitkamp to execute an agreement with Front Range Consulting for a two-year financial audit of Comcast, in an amount not to exceed \$7,500, and to authorize Ms. George to extend the services should the findings of the audit warrant additional work.

**6 ayes – 0 nays. Motion carried.**

Motion was made by Trude and seconded by Dickinson to authorize Ms. George and the Executive Committee to narrow the scope of service for the technical audit of Comcast and authorize Ms. George and Chair Heitkamp to enter into an agreement-preferred vendor CBG Communications.

**6 ayes – 0 nays. Motion carried.**

### **5.4 Awards Presentation**

Ms. George advised that QCTV received two bronze Telly Awards for Public Service Announcement and for the QC News. She advised that the organization also received a plaque from a local group for the same public service announcement regarding texting while driving. She also presented a brief summary of local events that will be covered by QCTV.

**ADJOURN – 6**

Time of adjournment 11:39 a.m.

Respectfully submitted,

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Amanda Staple  
Recording Secretary  
*TimeSaver Off Site Secretarial, Inc.*

Reviewed for approval,

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Karen George  
Executive Director

**MINUTES OF THE EXECUTIVE COMMITTEE MEETING  
AUGUST 11, 2014**

**CALL TO ORDER**

Chair Heitkamp called the meeting to order at 8:30 a.m. at the Champlin City Hall.

**ROLL CALL**

Commissioners present were: Jim Dickinson, Andover; Kurt Ulrich, Ramsey; and Bret Heitkamp, Champlin.

Commissioners absent and excused: Carl Anderson, Anoka.

Others present included Karen George, Executive Director.

**GENERAL BUSINESS**

Ms. George summarized activities to date regarding the Comcast Merger/Transfer process and the franchise negotiation.

She reported that the Comcast transfer of ownership to Midwest Cable financial audit contract through MACTA was executed per board direction. She also reported that the Comcast Franchise Fee financial audit contract with Front Range Consulting was executed per board direction.

The committee reviewed scope of work and cost for the Comcast technical audit by CBG Consulting. Consensus direction to the executive director to move forward will full proposal scope of work and execute contract with CBG Consulting.

Mr. George advised that the FCC comments deadline for the Comcast merger and transfer of ownership is August 25. Consensus direction to the executive director to file comments in conjunction with other organizations (i.e. League of Minnesota Cities, MACTA, etc.).

**ADJOURN**

Time of adjournment 9:30 a.m.

**Quad Cities Communications Commission**  
**Balance Sheet Summary**  
As of May 31, 2014

	<u>Total</u>
<b>ASSETS</b>	
Current Assets	
Bank Accounts	1,133,384.35
Accounts Receivable	0.00
Other current assets	0.00
<b>Total Current Assets</b>	<b>\$ 1,133,384.35</b>
Fixed Assets	0.00
<b>TOTAL ASSETS</b>	<b>\$ 1,133,384.35</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	27,358.38
Other Current Liabilities	216.89
<b>Total Current Liabilities</b>	<b>\$ 27,575.27</b>
Equity	1,105,809.08
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,133,384.35</b>



**Quad Cities Communications Commission**  
**Budget vs. Actuals: 2014 Budget - FY14 P&L**  
 January - December 2014

	May 2014				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
<b>Income</b>								
Duplication Revenue	32.50	208.00	(175.50)	15.63%	1,806.17	2,500.00	(693.83)	72.25%
Equipment Grant		4,218.00	(4,218.00)	0.00%	0.00	50,618.00	(50,618.00)	0.00%
Franchise Fees		74,340.00	(74,340.00)	0.00%	243,655.31	892,090.00	(648,434.69)	27.31%
Interest Income	15.93	8.00	7.93	199.13%	65.93	100.00	(34.07)	65.93%
Miscellaneous Income		416.00	(416.00)	0.00%	4,000.00	5,000.00	(1,000.00)	80.00%
PEG Fee		37,170.00	(37,170.00)	0.00%	121,827.95	446,046.00	(324,218.05)	27.31%
<b>Total Income</b>	<b>\$48.43</b>	<b>\$116,360.00</b>	<b>(\$116,311.57)</b>	<b>0.04%</b>	<b>\$371,355.36</b>	<b>\$1,396,354.00</b>	<b>(\$1,024,998.64)</b>	<b>26.59%</b>
<b>Expenses</b>								
Accounting / HR Services	3,777.78	1,500.00	2,277.78	251.85%	8,951.09	18,000.00	(9,048.91)	49.73%
Ads/Promos/Sponsorships	885.05	570.00	315.05	155.27%	1,388.05	6,850.00	(5,461.95)	20.26%
Andover Capital Equipment		416.00	(416.00)	0.00%	432.57	5,000.00	(4,567.43)	8.65%
Announcers Fees		1,436.00	(1,436.00)	0.00%	4,250.00	17,240.00	(12,990.00)	24.65%
Anoka Capital Equipment	150.56	416.00	(265.44)	36.19%	441.10	5,000.00	(4,558.90)	8.82%
Audit	14,600.00	1,216.00	13,384.00	1200.66%	14,600.00	14,600.00	0.00	100.00%
AV Equip / Repair / Supply / Software	377.59	4,157.00	(3,779.41)	9.08%	1,323.21	49,890.00	(48,566.79)	2.65%
Bank Fees / CC Fees		41.00	(41.00)	0.00%	0.00	500.00	(500.00)	0.00%
Brand Apparel		166.00	(166.00)	0.00%	0.00	2,000.00	(2,000.00)	0.00%
Building - Cleaning	407.65	416.00	(8.35)	97.99%	2,038.25	5,000.00	(2,961.75)	40.77%
Building - Insurance		241.00	(241.00)	0.00%	1,576.00	2,894.00	(1,318.00)	54.46%
Building - Maintenance	243.24	583.00	(339.76)	41.72%	2,516.77	7,000.00	(4,483.23)	35.95%
Building - Supplies		250.00	(250.00)	0.00%	768.36	3,000.00	(2,231.64)	25.61%
Car Allowance	250.00	250.00	0.00	100.00%	1,250.00	3,000.00	(1,750.00)	41.67%
Cell Phone - Allowance	120.00	241.00	(121.00)	49.79%	870.00	2,900.00	(2,030.00)	30.00%
Champlin Capital Equipment		416.00	(416.00)	0.00%	348.90	5,000.00	(4,651.10)	6.98%
City Sewer & Water	69.45	333.00	(263.55)	20.86%	347.98	4,000.00	(3,652.02)	8.70%
Commission Expense		291.00	(291.00)	0.00%	1,010.77	3,500.00	(2,489.23)	28.88%
Computer Equip / Repair / Supply / Software	3,946.23	2,385.00	1,561.23	165.46%	7,198.89	28,630.00	(21,431.11)	25.14%
Consulting Services		4,166.00	(4,166.00)	0.00%	0.00	50,000.00	(50,000.00)	0.00%
Contingency Fund		2,166.00	(2,166.00)	0.00%	0.00	26,000.00	(26,000.00)	0.00%
Duplication Expenses		300.00	(300.00)	0.00%	1,068.53	3,600.00	(2,531.47)	29.68%
Electric Service	1,033.10	1,458.00	(424.90)	70.86%	6,249.46	17,500.00	(11,250.54)	35.71%
Emp / Comm Appreciation		208.00	(208.00)	0.00%	220.76	2,500.00	(2,279.24)	8.83%
Federal Unempl Expense	130.15		130.15		924.80	0.00	924.80	
Health Insurance		2,733.00	(2,733.00)	0.00%	12,201.91	32,800.00	(20,598.09)	37.20%
Health Insurance - Opt Out		400.00	(400.00)	0.00%	1,200.00	4,800.00	(3,600.00)	25.00%
Insurance - Deductibles		41.00	(41.00)	0.00%	0.00	500.00	(500.00)	0.00%
Insurance - Liability / Bonds		580.00	(580.00)	0.00%	4,643.00	6,964.00	(2,321.00)	66.67%
Lawn Service	1,176.01	291.00	885.01	404.13%	1,176.01	3,500.00	(2,323.99)	33.60%
Legal Fees	559.60	2,500.00	(1,940.40)	22.38%	3,969.15	30,000.00	(26,030.85)	13.23%
Legislative Lobbying		138.00	(138.00)	0.00%	0.00	1,660.00	(1,660.00)	0.00%
Licenses and Permits		83.00	(83.00)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
Meals	65.84	83.00	(17.16)	79.33%	297.22	1,000.00	(702.78)	29.72%
Memberships - NATOA / Others		456.00	(456.00)	0.00%	2,611.16	5,480.00	(2,868.84)	47.65%
Mileage	314.44	416.00	(101.56)	75.59%	1,315.08	5,000.00	(3,684.92)	26.30%
Miscellaneous Expenses		375.00	(375.00)	0.00%	215.29	4,500.00	(4,284.71)	4.78%
Natural Gas	231.27	191.00	40.27	121.08%	2,049.29	2,300.00	(250.71)	89.10%
Office Supplies / Equipment	832.92	708.00	124.92	117.64%	1,550.51	8,500.00	(6,949.49)	18.24%
Parking Lot Maintenance		416.00	(416.00)	0.00%	0.00	5,000.00	(5,000.00)	0.00%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: 2014 Budget - FY14 P&L**  
 January - December 2014

	May 2014				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Payroll Expenses (ADP)	465.55	433.00	32.55	107.52%	2,654.90	5,200.00	(2,545.10)	51.06%
PERA	3,661.24	4,281.00	(619.76)	85.52%	16,090.01	51,383.00	(35,292.99)	31.31%
Postage	124.67	83.00	41.67	150.20%	370.59	1,000.00	(629.41)	37.06%
Printing / Copy Services	166.00	166.00	(166.00)	0.00%	0.00	2,000.00	(2,000.00)	0.00%
Professional Development	6,070.00	1,425.00	4,645.00	425.96%	6,400.00	17,100.00	(10,700.00)	37.43%
Publications	59.00	59.00	(59.00)	0.00%	0.00	710.00	(710.00)	0.00%
Ramsey Capital Equipment	416.00	416.00	(416.00)	0.00%	122.16	5,000.00	(4,877.84)	2.44%
Sales Tax	166.00	166.00	(166.00)	0.00%	561.00	2,000.00	(1,439.00)	28.05%
Secretary Services	163.50	150.00	13.50	109.00%	667.50	1,800.00	(1,132.50)	37.08%
Snow Plowing Service	250.00	250.00	(250.00)	0.00%	3,205.00	3,000.00	205.00	106.83%
Sponsorship	0.00	0.00	0.00	0.00%	1,050.00	0.00	1,050.00	0.00%
SS/Medicare Expense	4,670.13	4,518.00	152.13	103.37%	19,563.29	54,216.00	(34,652.71)	36.08%
State Unemploy Exp	0.00	0.00	0.00	0.00%	469.40	0.00	469.40	0.00%
STD / LTD / Life Insurance	588.00	387.00	201.00	151.94%	2,204.20	4,644.00	(2,439.80)	47.46%
Studio Sets	166.00	166.00	(166.00)	0.00%	529.50	2,000.00	(1,470.50)	26.48%
Subscription Services	87.00	250.00	(163.00)	34.80%	181.95	3,000.00	(2,818.05)	6.07%
Vehicle - Equipment / Repair	4,656.51	1,577.00	3,079.51	295.28%	4,656.51	18,930.00	(14,273.49)	24.60%
Vehicle - Insurance	250.00	250.00	(250.00)	0.00%	1,849.00	3,000.00	(1,151.00)	61.63%
Vehicle - Maintenance / Gas	432.55	525.00	(92.45)	82.39%	1,221.72	6,300.00	(5,078.28)	19.39%
Wages - Full-time	48,721.65	28,367.00	20,354.65	171.75%	171,708.74	340,412.00	(168,703.26)	50.44%
Wages - PT - Comm Prog	4,077.75	4,071.00	6.75	100.17%	16,056.95	48,858.00	(32,801.05)	32.86%
Wages - PT - Gov't Prog	7,227.75	8,203.00	(975.25)	88.11%	27,462.40	98,441.00	(70,978.60)	27.90%
Wages - PT - Office Support	2,504.00	2,504.00	(2,504.00)	0.00%	9,143.99	30,053.00	(20,909.01)	30.43%
Wages - PT - Sports Prog	1,507.80	6,880.00	(5,372.20)	21.92%	20,144.07	82,565.00	(62,420.93)	24.40%
Wages - PT - Tech Support	5,721.00	5,721.00	(5,721.00)	0.00%	18,100.66	68,656.00	(50,555.34)	26.36%
Waste Removal	113.17	108.00	5.17	104.79%	901.76	1,300.00	(398.24)	69.37%
Web / VOD / Int / CaTV / Phone	1,259.99	1,350.00	(90.01)	93.33%	5,920.09	16,210.00	(10,289.91)	36.52%
Work Comp Insurance	258.00	258.00	(258.00)	0.00%	2,039.00	3,100.00	(1,061.00)	65.77%
<b>Total Expenses</b>	<b>\$112,998.14</b>	<b>\$105,597.00</b>	<b>\$7,401.14</b>	<b>107.01%</b>	<b>\$422,278.50</b>	<b>\$1,267,486.00</b>	<b>(\$845,207.50)</b>	<b>33.32%</b>
Net Operating Income	(\$112,949.71)	\$10,763.00	(\$123,712.71)	-1049.43%	(\$50,923.14)	\$128,868.00	(\$179,791.14)	-39.52%
Net Income	(\$112,949.71)	\$10,763.00	(\$123,712.71)	-1049.43%	(\$50,923.14)	\$128,868.00	(\$179,791.14)	-39.52%
<b>Capital Improvement Plan</b>								
ZCIP - Network Servers			0.00		4,408.69	0.00	4,408.69	

# QCTV Bank Reconciliation

## May 2014

Beginning Balance - 4M Statement	1,219,477.85
Less: Cleared Checks/Withdrawals	(82,130.92)
Plus: 4M Fund Interest	15.93
Plus: Bank Deposits	75.00
Bank Balance	<b>\$1,137,437.86</b>
Book Balance	1,137,437.86
Adjusted Book Balance	<b>1,137,437.86</b>
Difference:	<b>\$0.00</b>

Completed by:     MK    

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## Quad Cities Communications Commission Reconciliation Report

Quad Cities Commission, Period Ending 05/31/2014

Reconciled on: 06/12/2014 (any changes to transactions after this date aren't reflected on this report)

Reconciled by: Lee Brezinka

### Summary

Statement Beginning Balance	1,219,477.85
Checks and Payments cleared	-82,130.92
Deposits and Other Credits cleared	+90.93
Statement Ending Balance	1,137,437.86
Uncleared transactions as of 05/31/2014	-9,488.39
Register Balance as of 05/31/2014	1,127,949.47
Uncleared transactions after 05/31/2014	-34,166.53
Register Balance as of 06/12/2014	1,093,782.94

### Details

Checks and Payments cleared

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
04/25/2014	Bill Payment	10359	Kennedy & Graven, Chartered	-512.50
04/25/2014	Bill Payment	10362	Verizon Wireless	-50.08
05/02/2014	Bill Payment	W/D	CitiStreetMN	-300.00
05/02/2014	Bill Payment	W/D	PERA	-2,307.58
05/02/2014	Bill Payment	10363	Laura E. Houle	-360.00
05/02/2014	Bill Payment	10364	Comcast Cable	-40.72
05/02/2014	Bill Payment	10365	Image Lawncare Services, Inc.	-190.00
05/02/2014	Journal	05A - 2014MK		-156.75
05/02/2014	Journal	05A - 2014MK		-7,335.41
05/02/2014	Journal	05A - 2014MK		-17,953.95
05/09/2014	Bill Payment	10366	A+ Cleaning Service, Inc.	-407.65
05/09/2014	Bill Payment	10371	Timesavers	-131.00
05/09/2014	Bill Payment	10373	U.S. Bank Corporate	-1,499.39
05/09/2014	Bill Payment	10369	Comcast Cable	-266.10
05/09/2014	Bill Payment	10367	ACE Solid Waste, Inc.	-113.17
05/09/2014	Bill Payment	10370	Market Place Plus, LLC	-385.00
05/09/2014	Bill Payment	10375	Xcel Energy	-1,209.16
05/09/2014	Bill Payment	10368	B&H Photo-Video	-698.71
05/09/2014	Bill Payment	10372	Trans Alarm	-376.83
05/16/2014	Bill Payment		CitiStreetMN	-300.00
05/16/2014	Bill Payment	W/D	PERA	-2,303.98
05/16/2014	Bill Payment	10376	Camping World	-1,548.78
05/16/2014	Bill Payment	10379	City of Champlin	-69.45
05/16/2014	Bill Payment	10377	CenterPoint Energy	-231.27
05/16/2014	Bill Payment	10378	City of Andover	-2,487.46
05/16/2014	Bill Payment	10380	Comcast 2	-342.16
05/16/2014	Journal	05B - 2014MK		-4,894.36
05/16/2014	Journal	05B - 2014MK		-12,492.53
05/16/2014	Journal	05B - 2014MK		-154.40
05/23/2014	Bill Payment	10382	Huebsch	-55.60
05/23/2014	Bill Payment	10386	The Lincoln National Life Ins. Co.	-588.00
05/23/2014	Bill Payment	10387	Verizon Wireless	-50.08
05/23/2014	Bill Payment	10381	Amazon	-1,510.63
05/23/2014	Bill Payment	10383	Image Lawncare Services, Inc.	-387.53
05/30/2014	Journal			-14,449.03

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
		05C - 2014MK		
05/30/2014	Journal	05C - 2014MK		-5,971.66
Total				-82,130.92

## Deposits and Other Credits cleared

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
04/30/2014	Deposit		Paula Lundstrom	25.00
04/30/2014	Deposit		Brandt Criminal Defense	17.50
05/28/2014	Deposit		Carolyn Basterash	15.00
05/28/2014	Deposit		Trott Brook Financial	17.50
05/31/2014	Journal	05D - 2014MK		15.93
Total				90.93

## Additional Information

## Uncleared Checks and Payments as of 05/31/2014

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
07/16/2013	Bill Payment	10010	City of Anoka	-125.00
04/17/2014	Bill Payment	10347	CWC Inc.	-400.00
05/09/2014	Bill Payment	10374	Video Blocks	-198.00
05/23/2014	Bill Payment	10384	MACTA	-720.00
05/23/2014	Bill Payment	10385	MAGC	-35.00
05/30/2014	Bill Payment	10388	NATOA	-5,350.00
05/30/2014	Bill Payment	W/D	CitiStreetMN	-300.00
05/30/2014	Bill Payment	W/D	PERA	-2,205.99
05/30/2014	Journal	05C - 2014MK		-154.40
Total				-9,488.39

## Uncleared Checks and Payments after 05/31/2014

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/10/2014	Bill Payment	10389	A+ Cleaning Service, Inc.	-407.65
06/10/2014	Bill Payment	10401	Preferred One Insurance Co.	-5,416.25
06/10/2014	Bill Payment	10395	Holiday Station	-341.51
06/10/2014	Bill Payment	10393	Comcast Cable	-311.53
06/10/2014	Bill Payment	10399	Market Place Plus, LLC	-404.95
06/10/2014	Bill Payment	10390	ACE Solid Waste, Inc.	-113.17
06/10/2014	Bill Payment	10400	Monarch Pest Control	-112.64
06/10/2014	Bill Payment	10403	Twins Ballpark, LLC	-1,198.00
06/10/2014	Bill Payment	10404	U.S. Bank Corporate	-4,563.71
06/10/2014	Bill Payment	10405	Xcel Energy	-1,033.10
06/10/2014	Bill Payment	10391	Alpha Audio & Video	-2,572.00
06/10/2014	Bill Payment	10394	HLB Tautges Redpath, LTD.	-14,600.00
06/10/2014	Bill Payment	10398	Markertek Video Supply	-335.39
06/10/2014	Bill Payment	10402	Timesavers	-163.50
06/10/2014	Bill Payment	10392	City of Andover	-1,377.54
06/10/2014	Bill Payment	10396	Image Lawncare Services, Inc.	-788.48
06/10/2014	Bill Payment	10397	Kennedy & Graven, Chartered	-559.60
Total				-34,299.02

## Uncleared Deposits and Other Credits after 05/31/2014

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/06/2014	Deposit		Rich Bengtson	15.00
06/06/2014	Deposit		Terry Lovaas	117.49
Total				132.49

**Quad Cities Communications Commission**  
**Balance Sheet Summary**  
As of June 30, 2014

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Bank Accounts	897,827.74
Accounts Receivable	0.00
Other current assets	0.00
<b>Total Current Assets</b>	<b>\$ 897,827.74</b>
<b>Fixed Assets</b>	0.00
<b>TOTAL ASSETS</b>	<b>\$ 897,827.74</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	11,042.94
Other Current Liabilities	238.79
<b>Total Current Liabilities</b>	<b>\$ 11,281.73</b>
<b>Equity</b>	886,546.01
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 897,827.74</b>

**Quad Cities Communications Commission**  
**Budget vs. Actuals: 2014 Budget - FY14 P&L**  
 January - December 2014

	Jun 2014				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
<b>Income</b>								
Discounts given (deleted-1)		0.00	0.00		0.00	0.00	0.00	
Duplication Revenue	310.00	208.00	102.00	149.04%	2,116.17	2,500.00	(383.83)	84.65%
Equipment Grant		4,218.00	(4,218.00)	0.00%	0.00	50,618.00	(50,618.00)	0.00%
Franchise Fees		74,340.00	(74,340.00)	0.00%	243,655.31	892,090.00	(648,434.69)	27.31%
Interest Income	13.84	8.00	5.84	173.00%	79.77	100.00	(20.23)	79.77%
Miscellaneous Income		416.00	(416.00)	0.00%	4,000.00	5,000.00	(1,000.00)	80.00%
PEG Fee		37,170.00	(37,170.00)	0.00%	121,827.95	446,046.00	(324,218.05)	27.31%
<b>Total Income</b>	<b>323.84</b>	<b>116,360.00</b>	<b>(116,036.16)</b>	<b>0.28%</b>	<b>371,679.20</b>	<b>1,396,354.00</b>	<b>(1,024,674.80)</b>	<b>26.62%</b>
<b>Expenses</b>								
Accounting / HR Services		1,500.00	(1,500.00)	0.00%	8,951.09	18,000.00	(9,048.91)	49.73%
Ads/Promos/Sponsorships	1,375.00	570.00	805.00	241.23%	2,763.05	6,850.00	(4,086.95)	40.34%
Andover Capital Equipment	47,750.00	416.00	47,334.00	11478.37%	48,182.57	5,000.00	43,182.57	963.65%
Announcers Fees	475.00	1,436.00	(961.00)	33.08%	4,725.00	17,240.00	(12,515.00)	27.41%
Anoka Capital Equipment	25,914.56	416.00	25,498.56	6229.46%	26,355.66	5,000.00	21,355.66	527.11%
Audit		1,216.00	(1,216.00)	0.00%	14,600.00	14,600.00	0.00	100.00%
AV Equip / Repair / Supply / Software	1,083.53	4,157.00	(3,073.47)	26.07%	2,406.74	49,890.00	(47,483.26)	4.82%
Bank Fees / CC Fees		41.00	(41.00)	0.00%	0.00	500.00	(500.00)	0.00%
Brand Apparel		166.00	(166.00)	0.00%	0.00	2,000.00	(2,000.00)	0.00%
Building - Cleaning	407.65	416.00	(8.35)	97.99%	2,445.90	5,000.00	(2,554.10)	48.92%
Building - Insurance		241.00	(241.00)	0.00%	1,576.00	2,894.00	(1,318.00)	54.46%
Building - Maintenance	558.19	583.00	(24.81)	95.74%	3,074.96	7,000.00	(3,925.04)	43.93%
Building - Supplies	270.59	250.00	20.59	108.24%	1,038.95	3,000.00	(1,961.05)	34.63%
Car Allowance	250.00	250.00	0.00	100.00%	1,500.00	3,000.00	(1,500.00)	50.00%
Cell Phone - Allowance	75.00	241.00	(166.00)	31.12%	945.00	2,900.00	(1,955.00)	32.59%
Cell Phone - Reimbursement		0.00	0.00		0.00	0.00	0.00	
Champlin Capital Equipment	30,000.00	416.00	29,584.00	7211.54%	30,348.90	5,000.00	25,348.90	606.98%
City Sewer & Water	66.01	333.00	(266.99)	19.82%	413.99	4,000.00	(3,586.01)	10.35%
Commission Expense	40.02	291.00	(250.98)	13.75%	1,050.79	3,500.00	(2,449.21)	30.02%
Computer Equip / Repair / Supply / Software	404.16	2,385.00	(1,980.84)	16.95%	7,662.55	28,630.00	(20,967.45)	26.76%
Consulting Services		4,166.00	(4,166.00)	0.00%	0.00	50,000.00	(50,000.00)	0.00%
Contingency Fund		2,166.00	(2,166.00)	0.00%	0.00	26,000.00	(26,000.00)	0.00%
Duplication Expenses		300.00	(300.00)	0.00%	1,068.53	3,600.00	(2,531.47)	29.68%
Electric Service	1,197.42	1,458.00	(260.58)	82.13%	7,446.88	17,500.00	(10,053.12)	42.55%
Emp / Comm Appreciation	1,226.40	208.00	1,018.40	589.62%	1,447.16	2,500.00	(1,052.84)	57.89%
Federal Unempl Expense			0.00		924.80	0.00	924.80	
Health Insurance	10,429.01	2,733.00	7,696.01	381.60%	22,630.92	32,800.00	(10,169.08)	69.00%
Health Insurance - Opt Out		400.00	(400.00)	0.00%	1,200.00	4,800.00	(3,600.00)	25.00%
Insurance - Deductibles		41.00	(41.00)	0.00%	0.00	500.00	(500.00)	0.00%
Insurance - Liability / Bonds		580.00	(580.00)	0.00%	4,643.00	6,964.00	(2,321.00)	66.67%
Lawn Service	777.74	291.00	486.74	267.26%	1,953.75	3,500.00	(1,546.25)	55.82%
Legal Fees	1,265.05	2,500.00	(1,234.95)	50.60%	5,377.20	30,000.00	(24,622.80)	17.92%
Legislative Lobbying		138.00	(138.00)	0.00%	0.00	1,660.00	(1,660.00)	0.00%
Licenses and Permits		83.00	(83.00)	0.00%	0.00	1,000.00	(1,000.00)	0.00%
Meals		83.00	(83.00)	0.00%	297.22	1,000.00	(702.78)	29.72%
Memberships - NATOA / Others		456.00	(456.00)	0.00%	2,611.16	5,480.00	(2,868.84)	47.65%
Mileage	307.05	416.00	(108.95)	73.81%	1,622.13	5,000.00	(3,377.87)	32.44%
Miscellaneous Expenses		375.00	(375.00)	0.00%	215.29	4,500.00	(4,284.71)	4.78%
Natural Gas	109.79	191.00	(81.21)	57.48%	2,159.08	2,300.00	(140.92)	93.87%
Office Supplies / Equipment	148.77	708.00	(559.23)	21.01%	1,699.28	8,500.00	(6,800.72)	19.99%
Operating Transfer Out		0.00	0.00		0.00	0.00	0.00	
Parking Lot Maintenance		416.00	(416.00)	0.00%	0.00	5,000.00	(5,000.00)	0.00%

**Quad Cities Communications Commission**  
**Budget vs. Actuals: 2014 Budget - FY14 P&L**  
 January - December 2014

	Jun 2014				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Payroll Expenses (ADP)	315.85	433.00	(117.15)	72.94%	2,970.75	5,200.00	(2,229.25)	57.13%
PERA	2,139.95	4,281.00	(2,141.05)	49.99%	18,229.96	51,383.00	(33,153.04)	35.48%
Postage	18.03	83.00	(64.97)	21.72%	388.62	1,000.00	(611.38)	38.86%
Printing / Copy Services		166.00	(166.00)	0.00%	0.00	2,000.00	(2,000.00)	0.00%
Professional Development	1,832.00	1,425.00	407.00	128.56%	8,232.00	17,100.00	(8,868.00)	48.14%
Publications		59.00	(59.00)	0.00%	0.00	710.00	(710.00)	0.00%
Ramsey Capital Equipment	50,000.00	416.00	49,584.00	12019.23%	50,122.16	5,000.00	45,122.16	1002.44%
Sales Tax		166.00	(166.00)	0.00%	561.00	2,000.00	(1,439.00)	28.05%
Secretary Services	131.00	150.00	(19.00)	87.33%	798.50	1,800.00	(1,001.50)	44.36%
Snow Plowing Service		250.00	(250.00)	0.00%	3,205.00	3,000.00	205.00	106.83%
Sponsorship	(1,050.00)		(1,050.00)		0.00	0.00	0.00	
SS/Medicare Expense	2,361.53	4,518.00	(2,156.47)	52.27%	21,924.82	54,216.00	(32,291.18)	40.44%
State Unemploy Exp			0.00		469.40	0.00	469.40	
STD / LTD / Life Insurance	(11.60)	387.00	(398.60)	-3.00%	2,192.60	4,644.00	(2,451.40)	47.21%
Studio Sets		166.00	(166.00)	0.00%	529.50	2,000.00	(1,470.50)	26.48%
Subscription Services	1,844.95	250.00	1,594.95	737.98%	2,026.90	3,000.00	(973.10)	67.56%
Vehicle - Equipment / Repair	3,546.02	1,577.00	1,969.02	224.86%	7,891.13	18,930.00	(11,038.87)	41.69%
Vehicle - Insurance		250.00	(250.00)	0.00%	1,849.00	3,000.00	(1,151.00)	61.63%
Vehicle - Maintenance / Gas	149.71	525.00	(375.29)	28.52%	1,371.43	6,300.00	(4,928.57)	21.77%
Wages - Full-time	26,507.21	28,367.00	(1,859.79)	93.44%	198,215.95	340,412.00	(142,196.05)	58.23%
Wages - Part-time		0.00	0.00		0.00	0.00	0.00	
Wages - PT - Comm Prog	1,404.98	4,071.00	(2,666.02)	34.51%	17,461.93	48,858.00	(31,396.07)	35.74%
Wages - PT - Gov't Prog	2,792.08	8,203.00	(5,410.92)	34.04%	30,254.48	98,441.00	(68,186.52)	30.73%
Wages - PT - Office Support		2,504.00	(2,504.00)	0.00%	9,143.99	30,053.00	(20,909.01)	30.43%
Wages - PT - Sports Prog	472.87	6,880.00	(6,407.13)	6.87%	20,616.94	82,565.00	(61,948.06)	24.97%
Wages - PT - Tech Support		5,721.00	(5,721.00)	0.00%	18,100.66	68,656.00	(50,555.34)	26.36%
Waste Removal	113.17	108.00	5.17	104.79%	1,014.93	1,300.00	(285.07)	78.07%
Web / VOD / Int / CaTV / Phone	1,048.16	1,350.00	(301.84)	77.64%	6,968.25	16,210.00	(9,241.75)	42.99%
Work Comp Insurance		258.00	(258.00)	0.00%	2,039.00	3,100.00	(1,061.00)	65.77%
ZCIP - Network Servers	0.00		0.00		0.00	0.00	0.00	
<b>Total Expenses</b>	<b>217,746.85</b>	<b>105,597.00</b>	<b>112,149.85</b>	<b>206.21%</b>	<b>639,916.45</b>	<b>1,267,486.00</b>	<b>(627,569.55)</b>	<b>50.49%</b>
<b>Net Operating Income</b>	<b>(217,423.01)</b>	<b>10,763.00</b>	<b>(228,186.01)</b>	<b>-2020.10%</b>	<b>(268,237.25)</b>	<b>128,868.00</b>	<b>(397,105.25)</b>	<b>-208.15%</b>
<b>Net Income</b>	<b>(217,423.01)</b>	<b>10,763.00</b>	<b>(228,186.01)</b>	<b>-2020.10%</b>	<b>(268,237.25)</b>	<b>128,868.00</b>	<b>(397,105.25)</b>	<b>-208.15%</b>
Capital Improvement Plan								
ZCIP - Network Servers	633.44		633.44		6,357.65	0.00	6,357.65	



# QCTV Bank Reconciliation

## June 2014

Beginning Balance - 4M Statement	1,137,437.86
Less: Cleared Checks/Withdrawals	(237,787.93)
Plus: 4M Fund Interest	13.84
Plus: Bank Deposits/Credits	477.49
<b>Bank Balance</b>	<b>\$900,141.26</b>
Book Balance	900,141.26
<b>Adjusted Book Balance</b>	<b>900,141.26</b>
<b>Difference:</b>	<b>\$0.00</b>

Completed by:     MK

## Quad Cities Communications Commission Reconciliation Report

Quad Cities Commission, Period Ending 06/30/2014

Reconciled on: 07/17/2014 (any changes to transactions after this date aren't reflected on this report)

Reconciled by: Lee Brezinka

### Summary

Statement Beginning Balance	1,137,437.86
Checks and Payments cleared	-237,787.93
Deposits and Other Credits cleared	+491.33
Statement Ending Balance	900,141.26
Uncleared transactions as of 06/30/2014	-7,748.40
Register Balance as of 06/30/2014	892,392.86
Uncleared transactions after 06/30/2014	-17,118.11
Register Balance as of 07/17/2014	875,274.75

### Details

Checks and Payments cleared

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
05/09/2014	Bill Payment	10374	Video Blocks	-198.00
05/23/2014	Bill Payment	10384	MACTA	-720.00
05/23/2014	Bill Payment	10385	MAGC	-35.00
05/30/2014	Bill Payment	10388	NATOA	-5,350.00
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06/10/2014	Bill Payment	10401	Preferred One Insurance Co.	-5,416.25
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06/10/2014	Bill Payment	10399	Market Place Plus, LLC	-404.95
06/10/2014	Bill Payment	10390	ACE Solid Waste, Inc.	-113.17
06/10/2014	Bill Payment	10400	Monarch Pest Control	-112.64
06/10/2014	Bill Payment	10403	Twins Ballpark, LLC	-1,198.00
06/10/2014	Bill Payment	10404	U.S. Bank Corporate	-4,563.71
06/10/2014	Bill Payment	10405	Xcel Energy	-1,033.10
06/10/2014	Bill Payment	10391	Alpha Video & Audio Inc	-2,572.00
06/10/2014	Bill Payment	10394	HLB Tautges Redpath, LTD.	-14,600.00
06/10/2014	Bill Payment	10402	Timesavers	-163.50
06/10/2014	Bill Payment	10392	City of Andover	-1,377.54
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06/10/2014	Bill Payment	10397	Kennedy & Graven, Chartered	-559.60
06/13/2014	Bill Payment	W/D	CitiStreetMN	-300.00
06/13/2014	Bill Payment	W/D	PERA	-2,031.86
06/13/2014	Journal	06B - 2014MK		-4,363.92
06/13/2014	Journal	06B - 2014MK		-159.10
06/13/2014	Journal	06B - 2014MK		-11,965.37
06/19/2014	Bill Payment	10408	City of Champlin	-30,000.00
06/19/2014	Bill Payment	10407	City of Anoka	-25,764.00
06/19/2014	Bill Payment	10406	City of Andover	-47,750.00
06/19/2014	Bill Payment	10409	City of Ramsey	-50,000.00
06/20/2014	Bill Payment	10413	B&H Photo-Video	-1,755.07
06/20/2014	Bill Payment	10415	Camping World	-239.41
06/20/2014	Bill Payment	10414	Barna, Guzy & Steffen, LTD	-143.00
06/20/2014	Bill Payment	10418	City of Champlin	-66.01
06/20/2014	Bill Payment	10416	CenterPoint Energy	-109.79

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/20/2014	Bill Payment	10419	Comcast 2	-342.16
06/20/2014	Bill Payment	10422	The Lincoln National Life Ins. Co.	-285.43
06/20/2014	Bill Payment	10417	City of Anoka	-6.59
06/20/2014	Bill Payment	10410	Alpha Video & Audio Inc	-460.00
06/20/2014	Bill Payment	10411	Amazon	-1,139.87
06/20/2014	Bill Payment	10420	Huebsch	-55.60
06/27/2014	Bill Payment	W/D	CitiStreetMN	-300.00
06/27/2014	Bill Payment	W/D	PERA	-1,952.87
06/27/2014	Journal	06C - 2014MK		-11,409.96
06/27/2014	Journal	06C - 2014MK		-4,260.90
Total				-237,787.93

Deposits and Other Credits cleared

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/06/2014	Deposit		Rich Bengtson	15.00
06/06/2014	Deposit		Terry Lovaas	117.49
06/10/2014	Bill Payment	10398	Markertek Video Supply	0.00
06/13/2014	Journal	06B - 2014MK		50.00
06/18/2014	Deposit		Troy Brist	15.00
06/18/2014	Deposit		Jim Jola	15.00
06/18/2014	Deposit		Patricia Netsch	17.50
06/18/2014	Deposit		Katherine Sandberg	15.00
06/18/2014	Deposit		David Cook	15.00
06/18/2014	Deposit		Mary Rystrom	30.00
06/18/2014	Deposit		Pat Kuchera	30.00
06/18/2014	Deposit		Carol Setzler	35.00
06/18/2014	Deposit		Ann Hanson	15.00
06/18/2014	Deposit		Gary Quamme	30.00
06/24/2014	Deposit		Michael Sullivan	15.00
06/24/2014	Deposit		Michele Weirman	15.00
06/24/2014	Deposit		Alyssa Osborn	30.00
06/24/2014	Deposit		Roy Nelson	17.50
06/30/2014	Journal	06D - 2014MK		13.84
Total				491.33

*Bill & Bill  
Payment voided -  
invoice had  
already  
been paid  
on credit  
card  
MK 7/17/14*

Additional Information

Uncleared Checks and Payments as of 06/30/2014

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
07/16/2013	Bill Payment	10010	City of Anoka	-125.00
04/17/2014	Bill Payment	10347	CWC Inc.	-400.00
06/20/2014	Bill Payment	10412	Anoka Area Chamber of Commerce	-325.00
06/20/2014	Bill Payment	10421	Laura E. Houle	-200.00
06/26/2014	Bill Payment	10425	Preferred One Insurance Co.	-5,118.65
06/26/2014	Bill Payment	10423	Alpha Video & Audio inc	-1,395.00
06/26/2014	Bill Payment	10424	Minnesota Association of Government Communicators	-28.00
06/27/2014	Journal	06C - 2014MK		-156.75
Total				-7,748.40

Uncleared Checks and Payments after 06/30/2014

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
07/01/2014	Bill Payment	10427	G & B Environmental, Inc	-129.34
07/01/2014	Bill Payment	10429	Lynda.com, Inc.	-1,750.00

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
07/01/2014	Bill Payment	10431	Verizon Wireless	-140.08
07/01/2014	Bill Payment	10426	B&H Photo-Video	-105.00
07/01/2014	Bill Payment	10428	Holiday Station	-149.71
07/01/2014	Bill Payment	10430	Sparkle N' Shine Window Cleaning	-327.19
07/09/2014	Bill Payment	10442	Job Foundation/Tech Dump	-35.00
07/09/2014	Bill Payment	10436	Brian J. Ingle	-75.00
07/09/2014	Bill Payment	10432	A+ Cleaning Service, Inc.	-407.65
07/09/2014	Bill Payment	10439	Comcast Cable	-311.53
07/09/2014	Bill Payment	10443	Joe G. Ruhland	-115.00
07/09/2014	Bill Payment	10447	Market Place Plus, LLC	-404.95
07/09/2014	Bill Payment	10446	MACTA	-3,000.00
07/09/2014	Bill Payment	10433	ACE Solid Waste, Inc.	-275.74
07/09/2014	Bill Payment	10435	B&H Photo-Video	-84.80
07/09/2014	Bill Payment	10440	Huebsch	-51.42
07/09/2014	Bill Payment	10449	U.S. Bank Corporate	-3,451.71
07/09/2014	Bill Payment	10450	Xcel Energy	-1,197.42
07/09/2014	Bill Payment	10444	Kennedy & Graven, Chartered	-1,265.05
07/09/2014	Bill Payment	10448	Timesavers	-131.00
07/09/2014	Bill Payment	10434	Alpha Video & Audio Inc	-547.00
07/09/2014	Bill Payment	10437	CenterPoint Energy	-33.42
07/09/2014	Bill Payment	10441	Image Lawncare Services, Inc.	-777.74
07/09/2014	Bill Payment	10445	Laura E. Houle	-200.00
07/09/2014	Bill Payment	10438	Comcast 2	-132.32
07/11/2014	Bill Payment	W/D	CitiStreetMN	-300.00
07/11/2014	Bill Payment	W/D	PERA	-1,892.65
Total				-17,290.72

## Uncleared Deposits and Other Credits after 06/30/2014

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
07/02/2014	Deposit		Alter Metal Recycling	122.61
07/09/2014	Deposit		Michael Wilhelmi	17.50
07/09/2014	Deposit		Thomas Satrang	32.50
Total				172.61

QCCCC Agenda Item

4.3 Executive Director's Report

**July 8, 2014**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** Executive Director's Report

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**Organizational Assessment project**

Implementation of the organizational restructuring is complete.

**Personnel changes**

New employees include Producer FT Cory Laing (promoted from FT Associate Producer), Associate Producer FT Leslie Sauer (promoted from part-time status), Associate Producer PT Jared Boyer (promoted from part-time production assistant), and two part-time production assistants.

**Staff Retreat**

There will be a staff retreat on Wednesday, July 30 focusing on the strategic plan and aligning staff objectives with the commission's organizational goals. Retreat consulting services will be provided by Fran Zeuli, Fun Is Good, LLC, in an amount of \$3,500 plus mileage and out of pocket expenses. These funds are included in the 2014 operating budget approved by the commission. Please note the office will be closed on this day.

**City Equipment purchase**

Staff has completed researching city meeting coverage equipment options. Agenda Item 5.1 reviews the options.

**City PSA production**

QCTV has completed PSA Day for the City of Ramsey and the City of Andover. Next up is the City of Champlin in August.

**City Clerk meeting – government meetings**

QCTV will host a city clerk/staff meeting in August to solicit input on the core service of providing government meeting coverage. Topics include government meeting agendas and cablecast, event programming, and elections.

### **Business Networking Event June 26**

QCTV hosted the Champlin Business Networking event on Thursday, June 26 with 45 people in attendance. In addition to tours, meeting staff and learning about important City of Champlin initiatives, attendees viewed a QCTV productions highlight reel and were videotaped promoting their business in QCTV channel identification spots which will air in the coming months. The City of Champlin and the Anoka Area Chamber of Commerce sponsored this event.

### **Alliance for Community Media**

Staff members Katherine Lenaburg and Karen George will attend the ACM conference August 6-8.

### **Monthly reports**

Attached to this agenda item are the operations and technology updates and the June statistical report.

### **Action Requested:**

Authorize executive director to execute contract for retreat consultant services. This item has been budgeted for in the 2014 operating budget.

## QCCCC Agenda Item

### 4.3.1 Operations Report

**July 3, 2014**

**To:** Karen George, Executive Director

**From:** Katherine Lenaburg, Operations Manager

**Subject: Operations Update**

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QCTV produced five graduation ceremonies in late May and early June. Reaction was positive and several copies of ceremonies were sold. Live coverage of the Father Hennepin Parade was successful on June 6<sup>th</sup>. The parade and two shorter re-cap packages are being cablecast as well. Two episodes of "QCMR" were produced, each featuring two stories on the four cities. "The District Court Show" went "on-the-road" (usually produced in the studio) to The Blaine Sports Center where there was a gathering of lawyers and judges and our program featured Minnesota Supreme Court Chief Justice Lorie Gildea among other guests. Video and interviews have been shot for the upcoming "Sheriff's Show." "The Chamber Report" was produced as well. QCTV worked with The Minnesota Department of Transportation to produce an update on Highway 10 construction. "The State of the County" was also videotaped and cablecast. "A Farewell to District 11 Superintendent Dennis Carlson" was produced.

Local sports coverage continues with younger athletes including the 14 year old baseball players from Andover who played the Forest Lake team. We asked parents to volunteer to do the "play-by-play" and "color commentary" and it went well. We are striving to make changes in this area, involving local booster groups and parents who have an interest in getting involved in community television. Our goal is to get as many local people involved in our productions as possible. This is true in all phases of production, not just sports, where we are using our employees as on-air talent.

The Champlin Business Networking Event was hosted by QCTV and considerable amount of time was spent getting the studio and building in good shape. QCTV produced a highlight tape of recent programming that played at the event and also videotaped interviews and promos during the event. The promos were done by local business people attending the event.

Works in progress include “Andover PSA Day”, “Live and Local: Live from the Farmer’s Market”, and more local sports coverage, including soccer games. Upcoming community programs include several League of Women Voters programs and forums as well as local coverage of parades and community events.

City Council and other government meetings continue to be important core services and we are cross-training several employees so they are proficient at all locations. Our production assistants are making the rounds at City Hall as well, ensuring redundancy. Master Control Operator Jim Reynolds will be doing upcoming training with all new employees to ensure accuracy and efficiency.

**Action:** None.



**July 2, 2014**

**To:** Karen George, Executive Director

**From:** Steve Ulrich

**Subject:** June 2014 Technology Report

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**Equipment Issues:**

**City Hall Equipment:**

- Audio from the Champlin City Hall meeting was not present during the last meeting on local channel 16. Video was not affected. The problem was found to be a bad connection in the demodulator audio path. Problem resolved.
- Switcher issues continue to cause minor problems. A camera at Ramsey mysteriously turned off and there have been a few intermittent RAID issues. So far all have been quickly resolved.

**Studio Equipment:**

- New PC installed for Anoka edit suite.
- Resolve driver and program issues with the (6) Carousel servers.
- Resolve Weather Bug issue.
- Repair Van Encoder PC. Video capture card was defective. Required complete image.
- Two major issues encountered with QCTV web server. Both revolved around access to the server in Chicago via FTP. Resolved.

**June Projects:**

- Configure Server for Prisma functions.
- Complete automated backup for NAS units and employee PC's.
- Complete automated backup for primary video servers (SX1 & SX2).
- Partial rewiring of main rack. Removal of redundant equipment & wiring.
- Build and configure PC for Anoka Edit Suite.
- Web site maintenance.

**July Projects:**

- Rewire demodulator and associated audio distribution on main rack.
- Review proposals from web developers.
- Provide updated inventory for insurance agent.
- Review & update channel scheduling policy.
- Complete purchase tracking and reconciliation project.
- Complete City Hall video upgrade proposal.

**Ongoing Projects:**

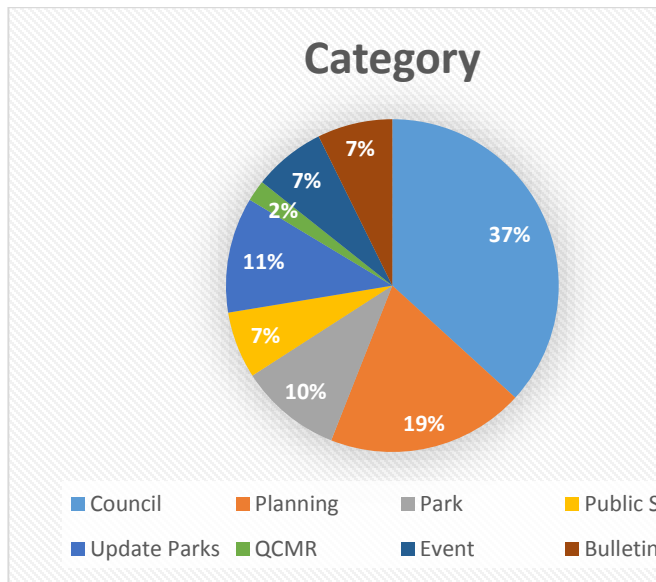
- Video Server Upgrades: Product comparisons completed. On hold pending tax issue resolution.
- City Hall Video Control Upgrades: Formal presentation completed. Will update and move forward pending approval and any necessary adjustments.
- Master Backup Plan: This month – decide on files to include and type of media. On track.
- Improve purchase tracking and reconciliation. On track. ETA end of July.
- Web site documentation. Review requested proposals for rebuild.

**Action:** None.

# Andover Channel & Web Statistics

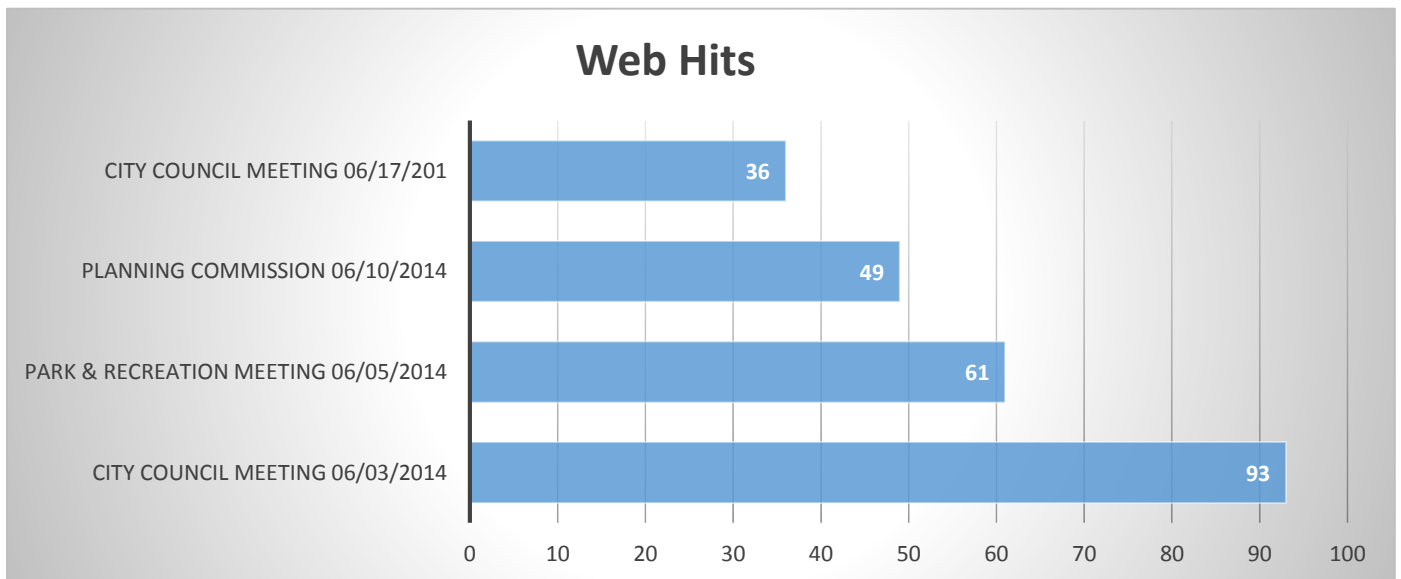
## June 2014

Playback:	Shows:	Bulletin Board:	Web Hits:
Total Runs: 1478	New Shows: 8	Total Hours: 51:50	Total Hits: 239
Total Time: 668:10	New Time: 5:26	Saturation: 7.2%	
Saturation: 92.8%	All Shows: 21	<b>New Andover: 14</b>	
	All Time: 14:34	<b>New All Cities: 30</b>	



Channel Up Time 100%		
Issues	Percentage	Hours
Scheduling	0	0
File:	0	0
Server:	0	0
Power Out:	0	0

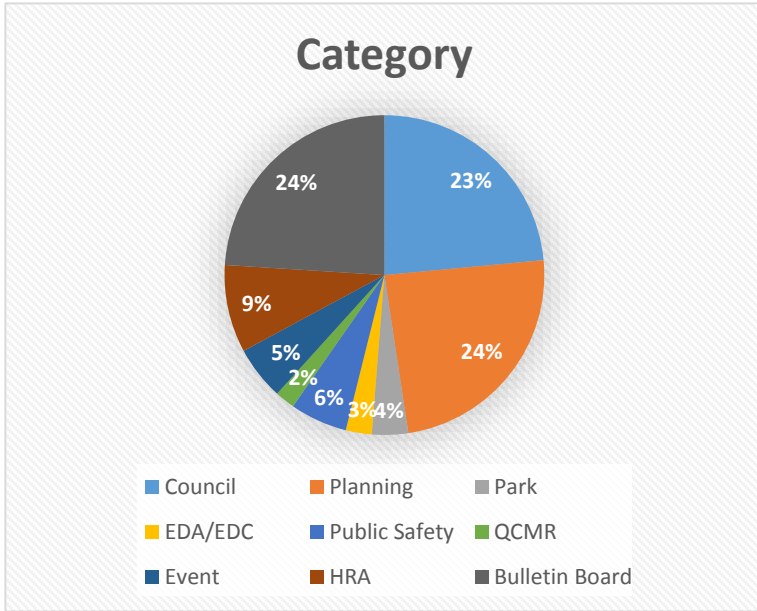
Shared With Multiple Cities		
3/27/2014	Public Safety Talk	0:45:59
2/26/2014	Sheriff Show	0:12:42
6/16/2014	QCMR	0:13:28
6/2/2014	QCMR	0:11:20
5/19/2014	QCMR	0:12:18
6/17/2014	QCC	0:36:48
5/21/2014	Law Enforcement Mem	0:38:45



# Anoka Channel & Web Statistics

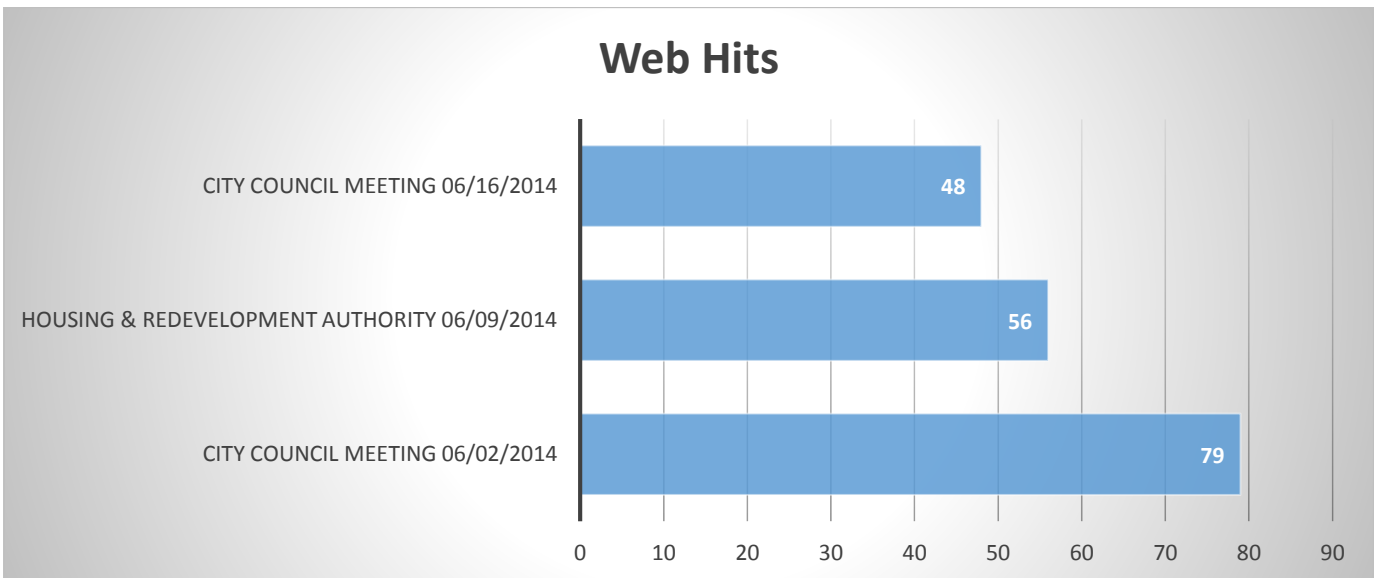
## June 2014

Playback:	Shows:	Bulletin Board:	Web Hits:
Total Runs: 1094	New Shows: 6	Total Hours: 171:08	Total Hits: 183
Total Time: 548:52	New Time: 3:08	Saturation: 23.8%	
Saturation: 76.2%	All Shows: 17	<b>New Anoka: 22</b>	
	All Time: 11:01	<b>New All Cities: 30</b>	



Channel Up Time: 100%		
Issues	Percentage	Hours
Scheduling:	0	0
File:	0	0
Server:	0	0
Power Out:	0	0

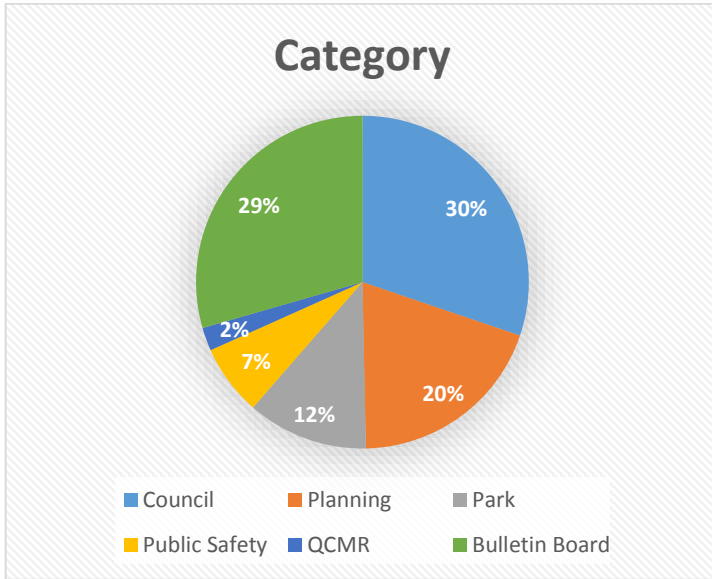
Shared with multiple cities		
3/27/2014	Public Safety Talk	0:45:59
2/26/2014	Sheriff Show	0:12:42
6/16/2014	QCMR	0:13:28
6/2/2014	QCMR	0:11:20
5/19/2014	QCMR	0:12:18
6/17/2014	QCCC	0:36:48
4/17/2014	QCCC	0:12:00
5/21/2014	Law Enforcement Mem	0:38:45



# Champlin Channel & Web Statistics

## June 2014

<b>Playback:</b>	<b>Shows:</b>	<b>Bulletin Board:</b>	<b>Web Hits:</b>
Total Runs: 1220	New Shows: 7	Total Hours: 202:04	Total Hits: 152
Total Time: 517:56	New Time: 4:24	Saturation: 28%	
Saturation: 72%	All Shows: 23	<b>New Champlin: 27</b>	
	All Time: 9:07	<b>New All Cities: 30</b>	

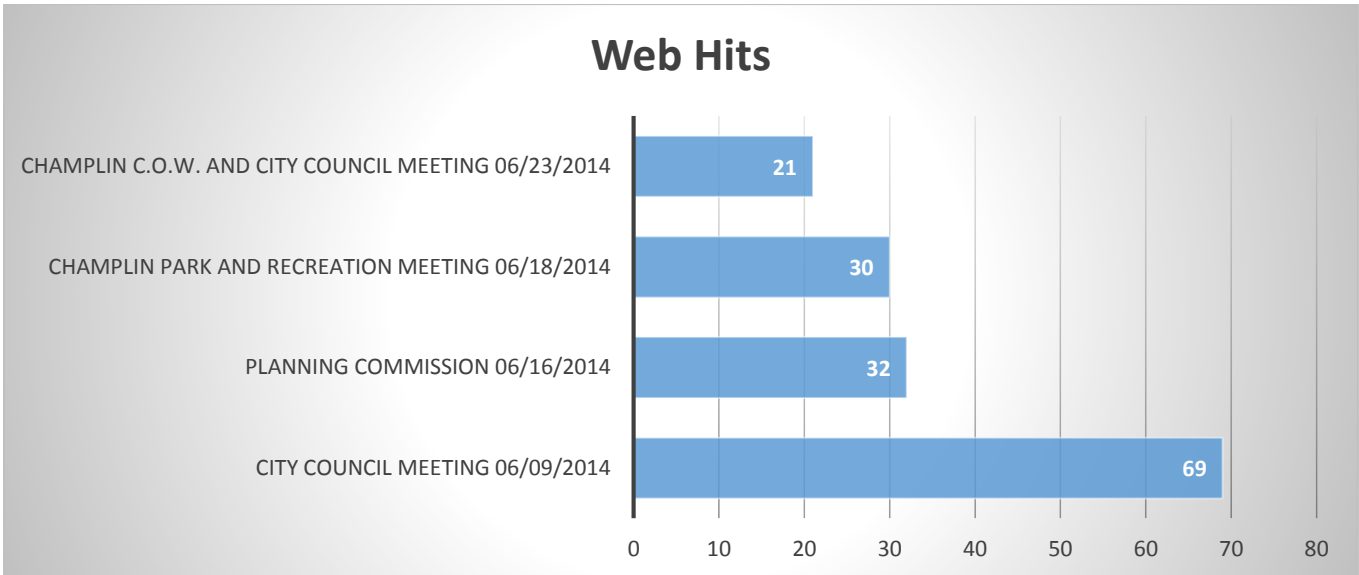


### Channel Uptime 100%

Issues	Percentage	Hours
Scheduling	0	0
File:	0%	0
Server:	0%	0
Other::	0%	0

### Shared with Multiple Cities

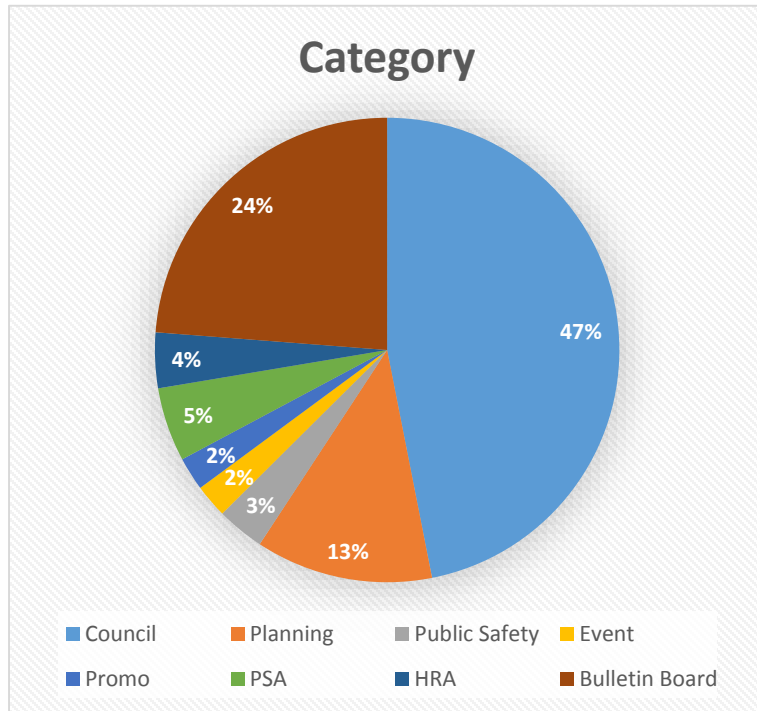
4/30/2014	Anoka-Champlin Fire Brd	1:03:37
3/27/2014	Public Safety Talk	0:45:59
5/19/2014	QCMR	0:12:18
4/28/2014	QCMR	0:13:08
4/17/2014	QCCC	0:12:00
11/8/2013	Texting can wait	0:01:01



# Ramsey Channel & Web Statistics

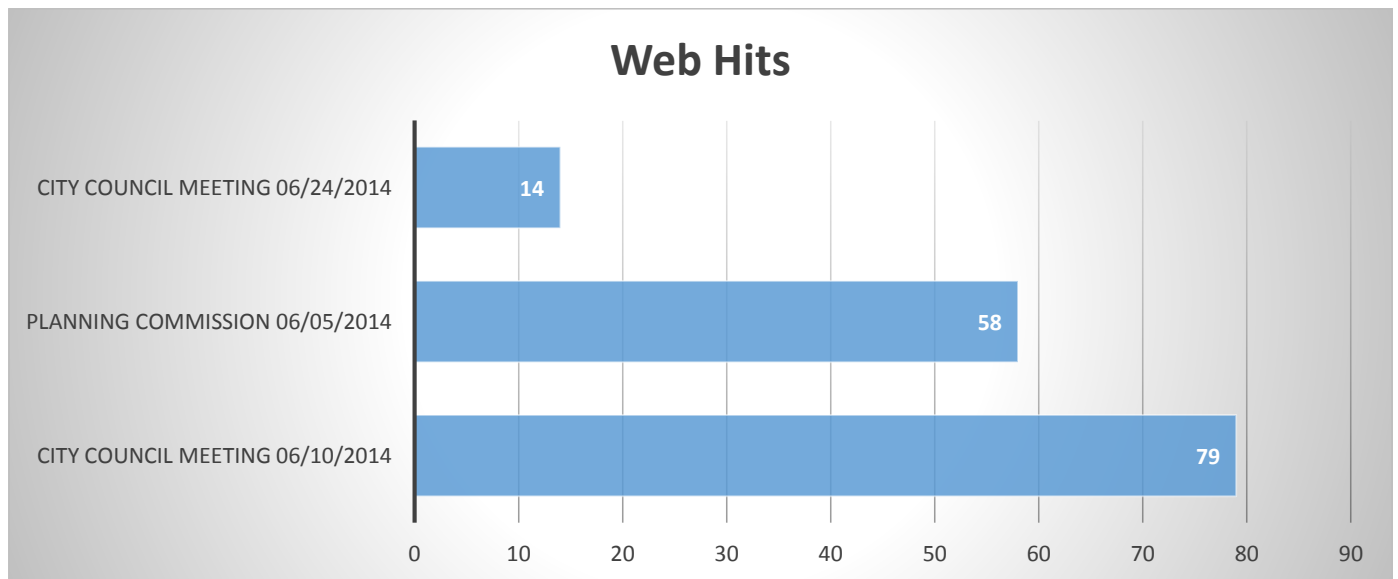
## June 2014

Playback:	Shows:	Bulletin Board:	Web Hits:
Total Runs: 868	New Shows: 8	Total Hours: 165:21	Total Hits: 151
Total Time: 554:39	New Time: 7:49	Saturation: 23%	
Saturation: 77%	All Shows: 22	<b>New Ramsey: 29</b>	
	All Time: 14:21	<b>New All Cities: 30</b>	



Channel Uptime 100%		
Issues	Percentage	Hours
Scheduling	0	0
File:	0	0
Server:	0	0
Other:	0	0

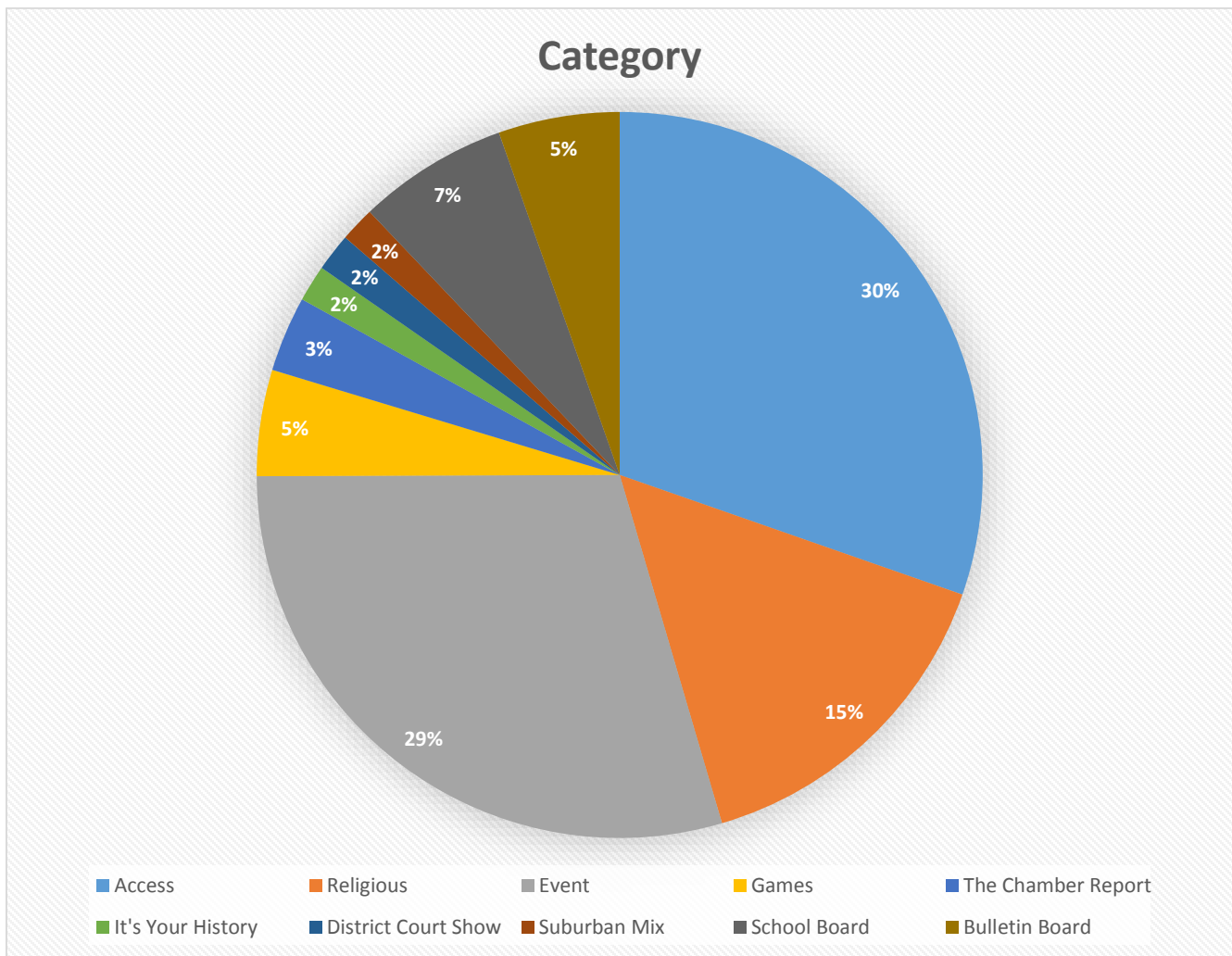
Shared with Multiple Cities		
3/27/2014	Public Safety Talk	0:45:59
2/26/2014	Sheriff Show	0:12:42
6/16/2014	QCMR	0:13:28
6/2/2014	QCMR	0:11:20
5/19/2014	QCMR	0:12:18
6/17/2014	QCCC	0:36:48
4/17/2014	QCCC	0:12:00
6/3/2014	Law Enforcement Mem	0:38:45
12/12/2013	Distracted Driving	0:01:26
11/1/2013	It can wait	0:01:21



# Community Channel 15 June 2014

<b>Playback:</b>		<b>Shows:</b>		<b>Bulletin Board:</b>		<b>Web Hits:</b>	
Total Runs:	1294	New Shows:	53	Total Hours:	37:48	Total VOD Hits:	1889
Total Time:	682:12	New Time:	41:28	Saturation:	5.3%	Total Live Hits:	0
Saturation:	94.7%	All Shows:	128	<b>New Bulletins</b>	<b>30</b>		
		All Time:	84:23				

<b>Channel Uptime 100%</b>		
<b>Issues</b>	<b>Percentage</b>	<b>Hours</b>
Scheduling	0%	0
File:	0%	0
Server:	0%	0
Power Out:	0%	0

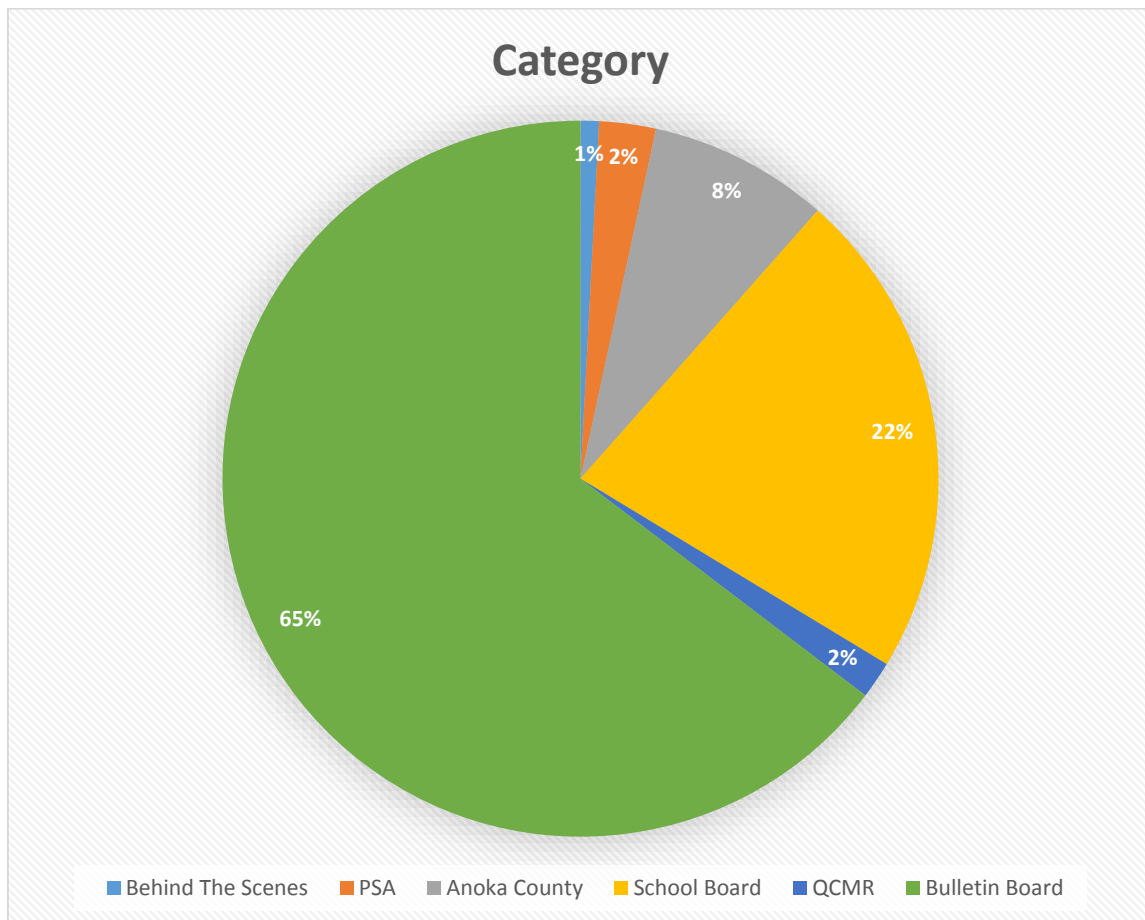


# Community Channel 19

## June 2014

Playback:		Shows:		Bulletin Board:	
Total Runs:	120	New Shows:	3	Total Hours:	592:44
Total Time:	127:16	New Time:	1:34	Saturation:	82.4%
Saturation:	17.6%	All Shows:	7	<b>New Bulletins:</b>	<b>30</b>
		All Time:	5:37		

Channel Uptime 99.993%		
Issues	Percentage	Hours
Scheduling	0	0
File:	0	0
Server:	0.007%	0:03
Power Out:	0	0





## QCCCC Agenda Item

### 4.3 Executive Director's Report

**August 12, 2014**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** Executive Director's Report

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#### **Personnel changes**

New employees include Producer FT Noah Johnson (promoted from FT Associate Producer), Associate Producer FT Matt Overstreet (promoted from part-time status), and two part-time production assistants.

#### **Staff Retreat**

The staff retreat was held on Wednesday, July 30 focusing on the strategic plan and aligning staff objectives with the commission's organizational goals. Team members affirmed core values, customer segments, discussed the vision and mission statements set by the board, and now have an understanding of the 16 strategic objectives.

#### **City Clerk meeting – government meetings**

QCTV will host a city clerk/staff meeting on August 20 to solicit input on the core service of providing government meeting coverage. Topics include government meeting agendas and cablecast, event programming, and elections.

#### **Consulting contracts executed**

The franchise renewal process includes a comprehensive needs assessment. The commission directed staff to conduct a financial audit and a technical audit of the current franchisee, Comcast. The executive director executed a contract with Front Range Consulting for a Two Year Review not to exceed \$7,500. The executive committee met regarding the technical audit and directed the executive director to execute a contract with CBG Communications for the full scope of services as presented in the proposal.

#### **Financial analysis of SpinCo MACTA contract executed**

The commission directed the executive director to enter into an agreement with MACTA to participate in a joint financial review of SpinCo/Midwest Cable administered by MACTA. The contract has been executed and work is in process.

**Liability Coverage Waiver**

QCCCC obtains liability coverage from the League of Minnesota Cities Insurance Trust. The governing board must take action on a decision to waive or not waive monetary limits on tort liability. Upon the advice of QCCCC's financial services provider City of Andover, it is recommended QCCCC not waive the monetary limits.

**Monthly reports**

Attached to this agenda item are the operations and technology updates and the July statistical report.

**Action Requested:** Approval designating QCCCC does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.

SECTION I: LIABILITY COVERAGE WAIVER FORM

Cities obtaining liability coverage from the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. The decision to waive or not to waive the statutory limits has the following effects:

- *If the city does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000. on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the city purchases the optional excess liability coverage.
- *If the city waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$1,500,000. on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000., regardless of the number of claimants.
- *If the city waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

This decision must be made by the city council. **Cities purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage.** For further information, contact LMCIT. You may also wish to discuss these issues with your city attorney.

\_\_\_\_\_ accepts liability coverage limits of \$\_\_\_\_\_ from the League of Minnesota Cities Insurance Trust (LMCIT).

Check one:

- The city **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.
- The city **WAIVES** the monetary limits on tort liability established by Minnesota Statutes 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council meeting \_\_\_\_\_

Signature \_\_\_\_\_ Position \_\_\_\_\_

*Return this completed form to LMCIT, 145 University Ave. W., St. Paul, MN. 55103-2044*

## QCCCC Agenda Item

### 4.3.1 Operations Report

**August 12, 2014**

**To:** Karen George, Executive Director

**From:** Katherine Lenaburg, Operations Manager

**Subject: Operations Update**

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QCTV produced several van productions in July. Five live baseball games were produced- including Legion, VFW, and Metro Minny games. Our first Soccer game was produced at The Blaine Sports Center resulting in a nice story on our coverage. The production van was at The Andover Fun Fest Parade for a live production. A remote crew was also on hand to gather footage on the weekend activities. We also covered Anoka's Riverfront festivities. The Sheriffs Show was produced as well as The Chamber Show. Both shows have been tweaked and improved from how they were done in the past.

We completed our PSA Day in Andover and produced eight individual PSA's with various City department heads and compiled them into a program called "Andover City Update." We also made them available for The City of Andover to use on their website.

We planned our election coverage. As in the past, QCTV will cover sponsored forums (League of Women Voters, North Metro Mayor's Association, and Chamber of Commerce.) If there is no forum for City Council elections, QCTV will offer candidate statements- up to three minutes each, produced in our studio. We also worked with The League of Women Voters to produce a program called "League of Women Voters- A Community Conversation: Sex Trafficking." The League of Women Voters sponsored the event and guests included Anoka County Sheriff James Stuart, Anoka County Violence Prevention Coordinator Donna McDonald, and Homeless Youth and Families Liaison Karrie Schaaf. There were about twenty people in the audience who contributed questions and comments to the show. A documentary on the plight of bees and efforts to pollinate is also being planned with The League of Women Voters.

Much time was spent on our new show "News and Views" about what is happening in our four cities. A treatment was written, a set designed and lit, and we had on-camera training for staff. An hour pilot was produced- 15 minutes for each city. The show includes studio interviews with staff members and packages on what is happening in our four cities.

Pre-production time was also spent on “Fresh and Local: Live from the Farmers Market” which is set for August 13<sup>th</sup> at 9am. This show includes feature stories on local 4-H youth, The Grass Roots Co-op, local farmer’s market vendors, and a tour of a local farm. Guests include a cookbook author, local florist, a cooking segment, etc. This program will be a model for QCTV to take our production van into the community and not just cover the event, but produce a meaningful professionally produced show.

Our Fall Sports schedule is set and plans are in the works. At our recent retreat, we began planning new program ideas and will have a new show with a working title of “It’s Happening” soon.

**Action:** None.

**8-12-14**

**To: Karen George**

**From: Katherine Lenaburg**

**Subject: Election Coverage for 2014**

Here is what we have planned for Election Coverage in 2014:

<b><u>Date of Event</u></b>	<b><u>Event Sponsor</u></b>	<b><u>Event Type/Location</u></b>
July 9	League of Women Voters	Coon Rapids Primary/ Coon Rapids City Hall (A CTN Production)
September 22	League of Women Voters	Anoka County General/ Anoka Co. Courthouse (A North Metro Production)
September 23	League of Women Voters	10 <sup>th</sup> District Court Judge Candidate Forum/ Studio (A QCTV Production)
September 24	League of Women Voters	10 <sup>th</sup> District Court Judge Candidate Forum/ Studio (A QCTV Production)
September 29	League of Women Voters	Legislative House Dist. 36 B and 37 A/ CR City Hall (A CTN Production)
October 2	League of Women Voters	Legislative House Dist. 36 A/ Champlin City Hall (A QCTV Production)
October 6	League of Women Voters	Legislative House Dist. 31 B and 35 B/ Andover City Hall (A QCTV Production)
October 9	League of Women Voters	Legislative House Dist. 35 A/ Anoka City Hall (A QCTV Production)
October 13	League of Women Voters	Ramsey City Candidate/ Ramsey City Hall (QCTV Production)

## QCCCC Agenda Item

### 4.3.2 Technology Report

**Aug. 4, 2014**

**To:** Karen George, Executive Director

**From:** Steve Ulrich

**Subject:** July 2014 Technology Report

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#### **Equipment Issues:**

##### **City Hall Equipment:**

- Ramsey Vdesk experienced a video software issue which required assistance from the vendor. Resolved.
- Ramsey cameras were replaced with Sony cameras similar to the ones used at the other City Halls. This also required the replacement of the control multiplexer and reprogramming. The replacement cameras have a better Pan/Tilt function and are auto focus.

##### **Studio Equipment:**

- SX-2 Video server experienced a RAID card issue and the loss of two drives. The server was repaired with limited down time. It is at the end of its useful life.

#### **Truck Equipment:**

Compix character generator has developed motherboard connection issues. The replacement part is not available. The unit was swapped with the Studio generator for the time being.

Scorebox computer will not communicate with field scoreboard (Andover). Found the software to be out of date. The vendor provided current version.

### **Web Site:**

The PayPal link used for ordering DVDs broke preventing DVD orders from processing correctly. PayPal provided a new link and the Web site code was updated accordingly. Now working.

### **Programming:**

A problem with the software used to time programs was discovered. This caused a few programs to be entered into the schedule with insufficient play time allotted. This has been resolved.

Andover scheduling will switch to 15 minute increments effective August 1. City programs will be scheduled to play starting on the half hour. Bulletin boards will be used to fill slots less than 15 minutes.

Example: A City Council meeting starts at 1 PM and ends at 1:37 PM. Bulletin boards will fill the space between 1:37 and 1:45. Filler programming, such as PSA's will be used between 1:45 PM and 2 PM.

The "hard" schedule was removed from the QCTV web site on the Andover channel program page. City notified to cease promoting the hard schedule.

### **Channel 18:**

Channel 18 (Anoka-Hennepin School) was off the air the better part of 7/28 – 7/31. This was due to a Comcast issue which was finally resolved the afternoon of 7/31. The outage effected all four cities.

### **July Projects:**

- Inventory for insurance agent. An accurate replacement value of QCTV assets was required for policy renewal.
- Document file structure.
- Document backup plan to date.
- Replace cameras at Ramsey City Hall
- Partial rewiring of main rack. Removal of redundant equipment & wiring.
- Web site maintenance.
- Implement file plan for archiving finished programs. Document and provided to staff.
- Reviewed & updated channel scheduling.
- Completed main phase of purchase tracking and reconciliation project. Reports still need to be written.
- Clean out & document equipment checkout room & inventory. Provided camera listing to staff.



### **August Planned Projects:**

- Battery charge plan.
- Decide on web developer vendor.
- Complete updated inventory for insurance agent.
- Document channel scheduling policy.
- Begin writing reports for purchase tracking and reconciliation database.
- Order & plan installation of City Hall video control upgrades.

### **Ongoing Projects:**

- Video Server Upgrades: Product comparisons completed. On hold pending sales tax impact.
- City Hall Video Control Upgrades: Formal presentation completed. Will update and move forward pending approval and any necessary adjustments.
- Master Backup Plan: This month – decide on files to include and type of media. On track. Next step is to work on off site backup.
- Improve purchase tracking and reconciliation. On track.
- Web site documentation. Review requested proposals for rebuild.
- Finalize equipment wiring documentation.

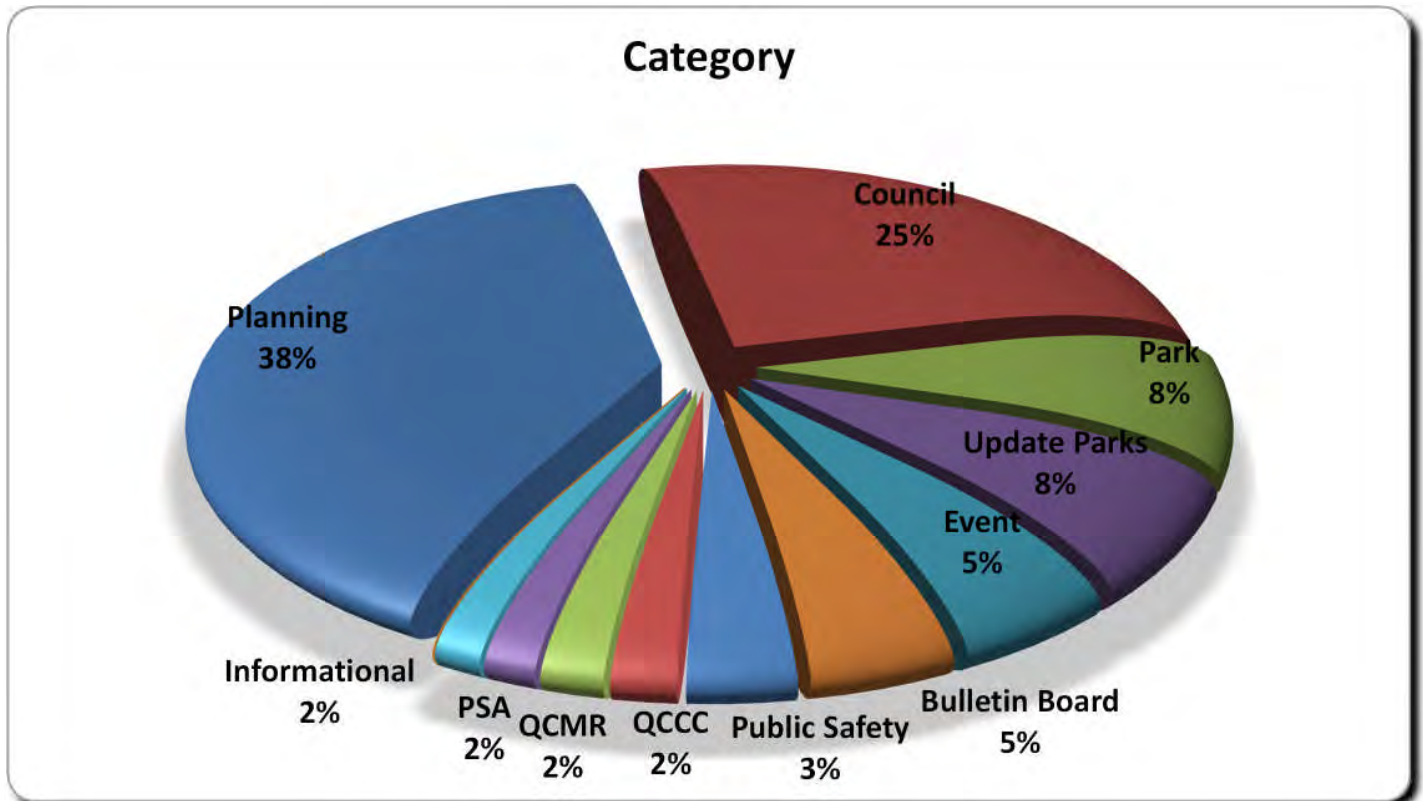
**Action:** None.

## Andover Channel & Web Statistics July 2014

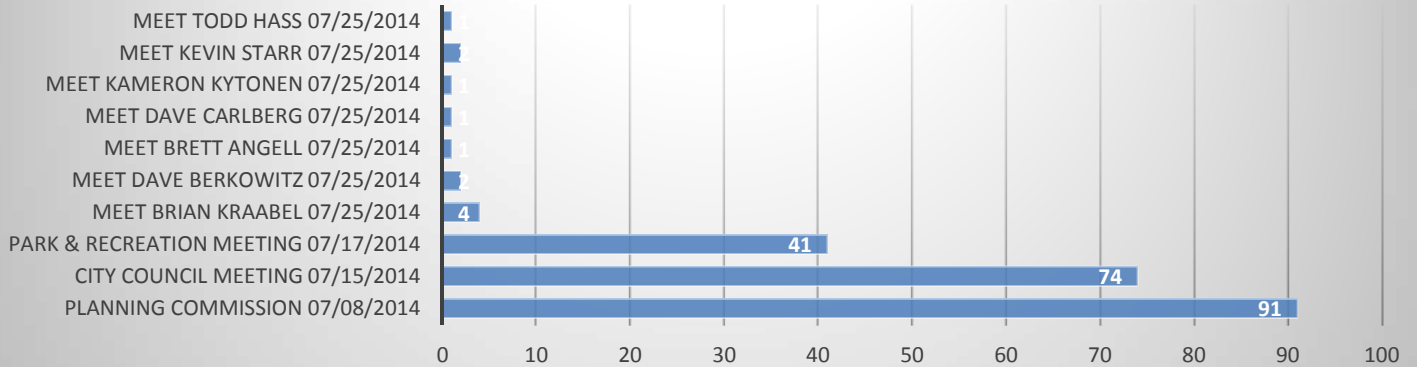
Playback:	Shows:	Bulletin Board:	Web Hits:
Total Runs: 1716	New Shows: 14	Total Hours: 75:50	Total Hits: 218
Total Time: 708:13:57	New Time: 5:15	Saturation: 4.8%	
Saturation: 95.2%	All Shows: 24	<b>New Andover</b> : 32	
	All Time: 9:21	<b>New All Cities</b> : 24	

Shared With Multiple Cities		
7/2/2014	Sheriff Show	0:13:27
3/27/2014	Public Safety Talk	0:45:59
7/1/2014	Quad Cities Municipal Report	0:14:11
6/16/2014	Quad Cities Municipal Report	0:13:28
6/17/2014	Quad Cities Cable Commission	0:36:48
7/1/2014	Farewell to Superintendent Carlson	0:10:30
5/21/2014	Law Enforcement Memorial 2014	0:38:45

Channel Up Time: 99.9%		
Issues	Percentage	Hours
Scheduling:	.003%	2:15
File:	0%	0
Server:	0%	0
Power Out:	0%	0



## Web Hits



### Detail

Title	Event Date	Category	Time	Plays	Total
City Council Meeting	7/15/2014	Council	1:25:34	77	109:48:38
City Council Meeting	6/17/2014	Council	0:38:42	116	74:49:12
Planning Commission	7/8/2014	Planning	2:14:27	111	248:43:57
Planning Commission	6/10/2014	Planning	0:27:10	80	36:13:20
Park & Recreation Meeting	7/17/2014	Park	0:27:51	37	17:10:27
Park & Recreation Meeting	6/5/2014	Park	0:22:58	111	42:29:18
Sheriff Show **	7/2/2014	Public Safety	0:13:27	63	14:07:21
Public Safety Talk **	3/27/2014	Public Safety	0:45:59	16	12:15:44
Andover City Update	7/10/2014	Informational	0:15:30	46	11:53:00
Parks Overview 2013	9/3/2013	Update Parks	0:14:48	228	56:14:24
Quad Cities Municipal Report **	7/1/2014	QCMR	0:14:11	66	15:36:06
Quad Cities Municipal Report **	6/16/2014	QCMR	0:13:28	1	0:13:28
Quad Cities Cable Commission **	6/17/2014	QCCC	0:36:48	25	15:20:00
Farewell to Superintendent Carlson **	7/1/2014	Event	0:10:30	55	9:37:30
Andover Events	6/3/2014	Event	0:05:49	271	26:16:19
Law Enforcement Memorial 2014 **	5/21/2014	Event	0:38:45	7	4:31:15
Andover Fit-it Clinic Success	5/22/2014	Promo	0:02:03	2	0:04:06
Meet Brett Angell	7/17/2014	PSA	0:01:41	70	1:57:50
Meet Todd Haas	7/17/2014	PSA	0:03:44	58	3:36:32
Meet Dave Carlberg	7/17/2014	PSA	0:01:32	67	1:42:44
Meet Dave Berkowitz	7/17/2014	PSA	0:01:20	67	1:29:20
Meet Kameron Kytonen	7/17/2014	PSA	0:01:38	65	1:46:10
Meet Kevin Starr	7/17/2014	PSA	0:01:58	60	1:58:00
Meet Brian Kraabel	7/17/2014	PSA	0:01:08	17	0:19:16

\*\* Shared With Multiple Cities

9:21:01      1716      708:13:57

**Total Programming Hours:                    668:10:13**

**Total Bulletin Board Hours:                75:49:47**

**Total Runs:                                        1716**

**July Total Time:                                 744:00:00**

**Web Hits:    218**

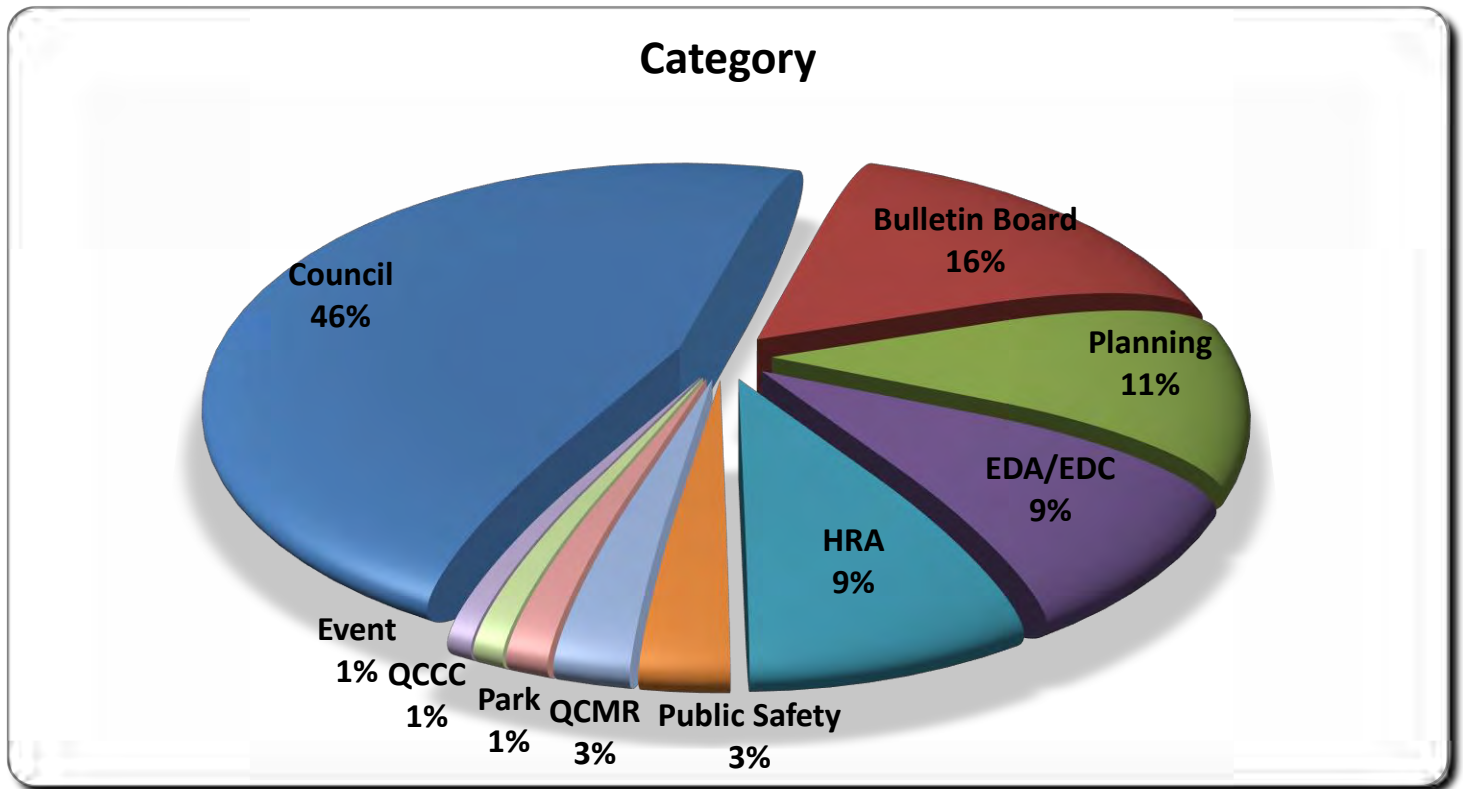
# Anoka Channel & Web Statistics

## July 2014

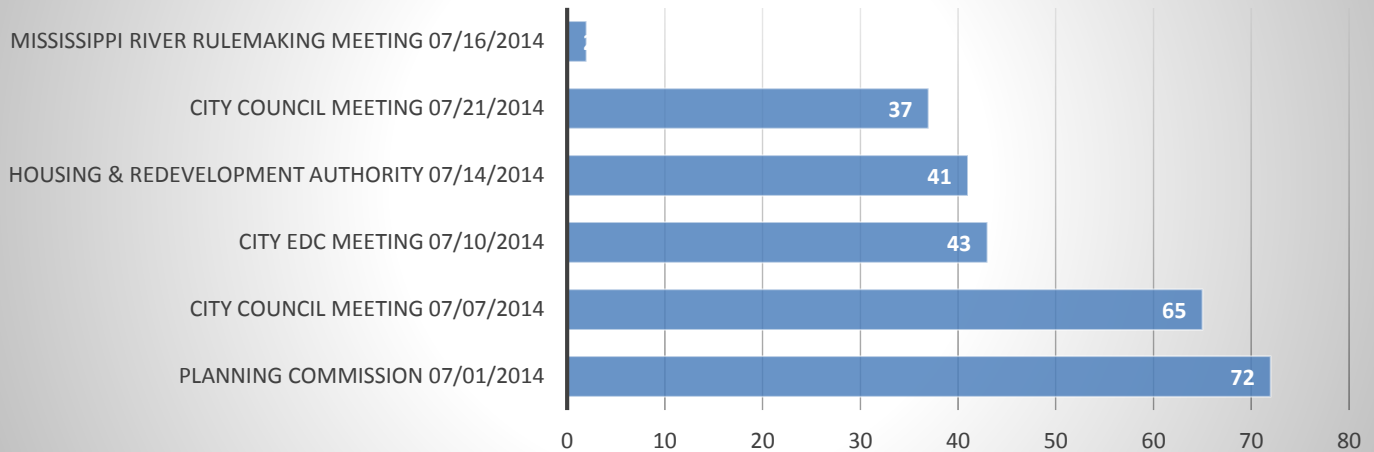
Playback:	Shows:	Bulletin Board:	Web Hits:
Total Runs: 915	New Shows: 8	Total Hours: 117:16	Total Hits: 260
Total Time: 626:44	New Time: 6:35	Saturation: 15.8%	
Saturation: 84.2%	All Shows: 17	<b>New Anoka: 31</b>	
	All Time: 11:56	<b>New All Cities: 24</b>	

Shared with multiple cities		
7/2/2014	Sheriff Show	0:13:27
3/27/2014	Public Safety Talk	0:45:59
7/1/2014	Quad Cities Municipal Report	0:14:11
6/16/2014	Quad Cities Municipal Report	0:13:28
6/17/2014	Quad Cities Cable Commission	0:36:48
7/1/2014	Farewell to Superintendent Carlson	0:10:30
5/21/2014	Law Enforcement Memorial 2014	0:38:45

Channel Up Time: 100%		
Issues	Percentage	Hours
Scheduling:	0	0
File:	0	0
Server:	0	0
Power Out:	0	0



## Web Hits



### Detail

Title	Event Date	Category	Time	Plays	Total
City Council Meeting	7/21/2014	Council	2:00:15	50	100:12:30
City Council Meeting	7/7/2014	Council	1:57:13	86	168:00:38
City Council Meeting	6/16/2014	Council	1:22:04	54	73:51:36
Planning Commission	7/2/2014	Planning	0:25:42	179	76:40:18
Planning Commission	5/6/2014	Planning	1:05:16	5	5:26:20
Parks Overview	9/18/2013	Park	0:04:44	97	7:39:08
Economic Development Commission	7/10/2014	EDA/EDC	0:59:10	68	67:03:20
Advance Anoka	3/18/2014	EDA/EDC	0:17:00	8	2:16:00
Sheriff Show **	7/2/2014	Public Safety	0:13:27	69	15:28:03
Public Safety Talk **	3/27/2014	Public Safety	0:45:59	8	6:07:52
Quad Cities Municipal Report **	7/1/2014	QCMR	0:14:11	77	18:12:07
Quad Cities Municipal Report **	6/16/2014	QCMR	0:13:28	1	0:13:28
Quad Cities Cable Commission **	6/17/2014	QCCC	0:36:48	17	10:25:36
Farewell to Superintendent Carlson **	7/1/2014	Event	0:10:30	25	4:22:30
Law Enforcement Memorial 2014 **	5/21/2014	Event	0:38:45	3	1:56:15
Housing & Redevelopment Authority	7/14/2014	HRA	0:33:13	71	39:18:23
Housing & Redevelopment Authority	6/9/2014	HRA	0:18:15	97	29:30:15

\*\* Shared with multiple cities

11:56:00      915      626:44:19

**Total Programming Hours:      626:44:19**  
**Total Bulletin Board Hours:      117:15:41**  
**Total Runs:      915**  
**July Total Time:      744:00:00**  
**Web Hits:      260**

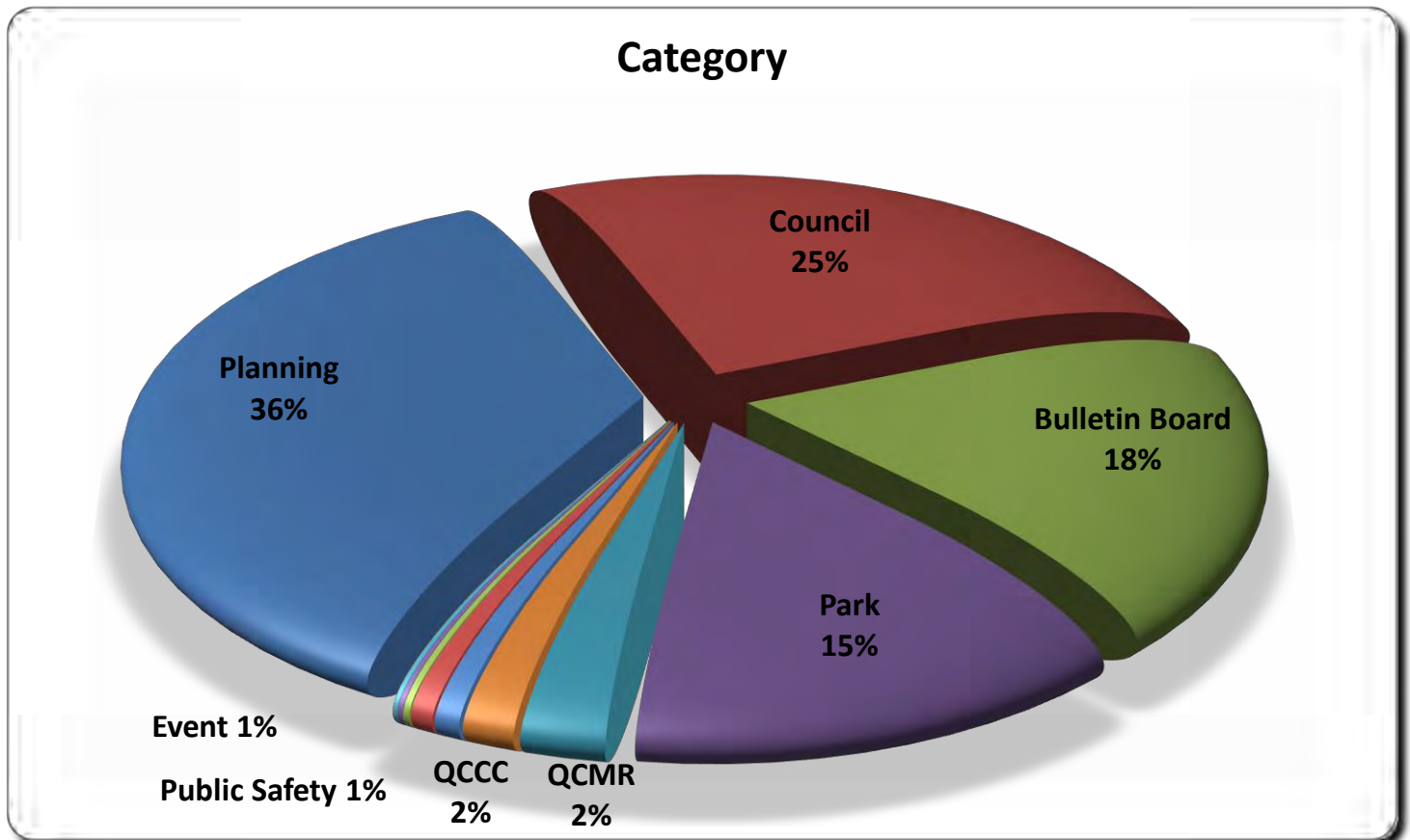
# Champlin Channel & Web Statistics

## July 2014

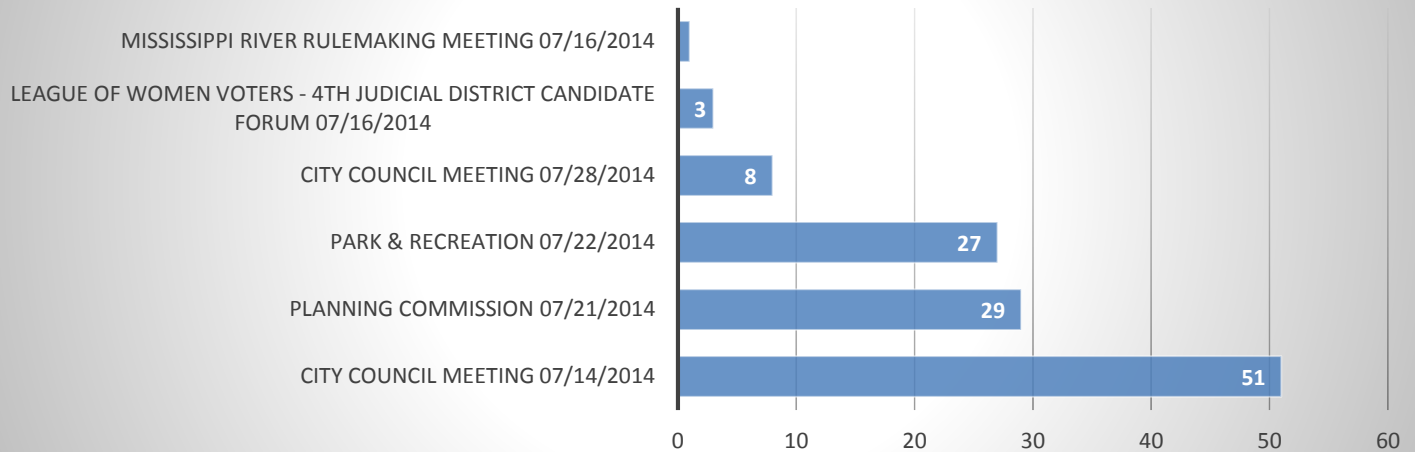
Playback:	Shows:	Bulletin Board:	Web Hits:
Total Runs: 939	New Shows: 7	Total Hours: 135:48	Total Hits: 119
Total Time: 608:12	New Time: 4:12	Saturation: 18.3%	
Saturation: 81.7%	All Shows: 18	<b>New Champlin: 21</b>	
	All Time: 8:17	<b>New All Cities: 24</b>	

Shared with multiple cities		
7/2/2014	Sheriff Show	0:13:27
3/27/2014	Public Safety Talk	0:45:59
7/1/2014	Quad Cities Municipal Report	0:14:11
6/16/2014	Quad Cities Municipal Report	0:13:28
6/17/2014	Quad Cities Cable Commission	0:36:48
7/1/2014	Farewell to Superintendent Carlson	0:10:30
11/8/2013	Texting can wait	0:01:01

Channel Uptime 100%		
Issues	Percentage	Hours
Scheduling	0%	0
File:	0%	0
Server:	0%	0
Other::	0%	0



## Web Hits



## Detail

Title	Event Date	Category	Time	Plays	Total
City Council Meeting	7/28/2014	Council	0:30:12	18	9:03:36
City Council Meeting	7/14/2014	Council	0:48:15	104	83:38:00
C.O.W. & Council Meeting	6/23/2014	Council	0:48:10	118	94:43:40
Planning Commission	7/21/2014	Planning	1:50:05	62	113:45:10
Planning Commission	6/16/2014	Planning	0:49:38	182	150:33:16
Park & Recreation Meeting	7/22/2014	Park	0:25:03	65	27:08:15
Park & Recreation Meeting	6/18/2014	Park	0:26:58	187	84:02:46
Champlin Earth Day 2014	5/22/2014	Park	0:00:56	4	0:03:44
Economic Development Authority	5/13/2014	EDA/EDC	0:04:14	14	0:59:16
Sheriff Show **	7/2/2014	Public Safety	0:13:27	19	4:15:33
Public Safety Talk **	3/27/2014	Public Safety	0:45:59	2	1:31:58
Park & Recreation Update	1/30/2014	Update Parks	0:14:50	5	1:14:10
Quad Cities Municipal Report **	7/1/2014	QCMR	0:14:11	78	18:26:18
Quad Cities Municipal Report **	6/16/2014	QCMR	0:13:28	1	0:13:28
Quad Cities Cable Commission **	6/17/2014	QCCC	0:36:48	19	11:39:12
Farewell to Superintendent Carlson **	7/1/2014	Event	0:10:30	30	5:15:00
Champlin Solar Energy Project	4/22/2014	Promo	0:03:36	26	1:33:36
Texting can wait **	11/8/2013	PSA	0:01:01	5	0:05:05

\*\* Shared with multiple cities 8:17:21 939 608:12:03

**Total Programming Hours: 608:12:03**

**Total Bulletin Board Hours: 135:47:57**

**Total Runs: 939**

**July Total Time: 744:00:00**

**Web Hits: 119**

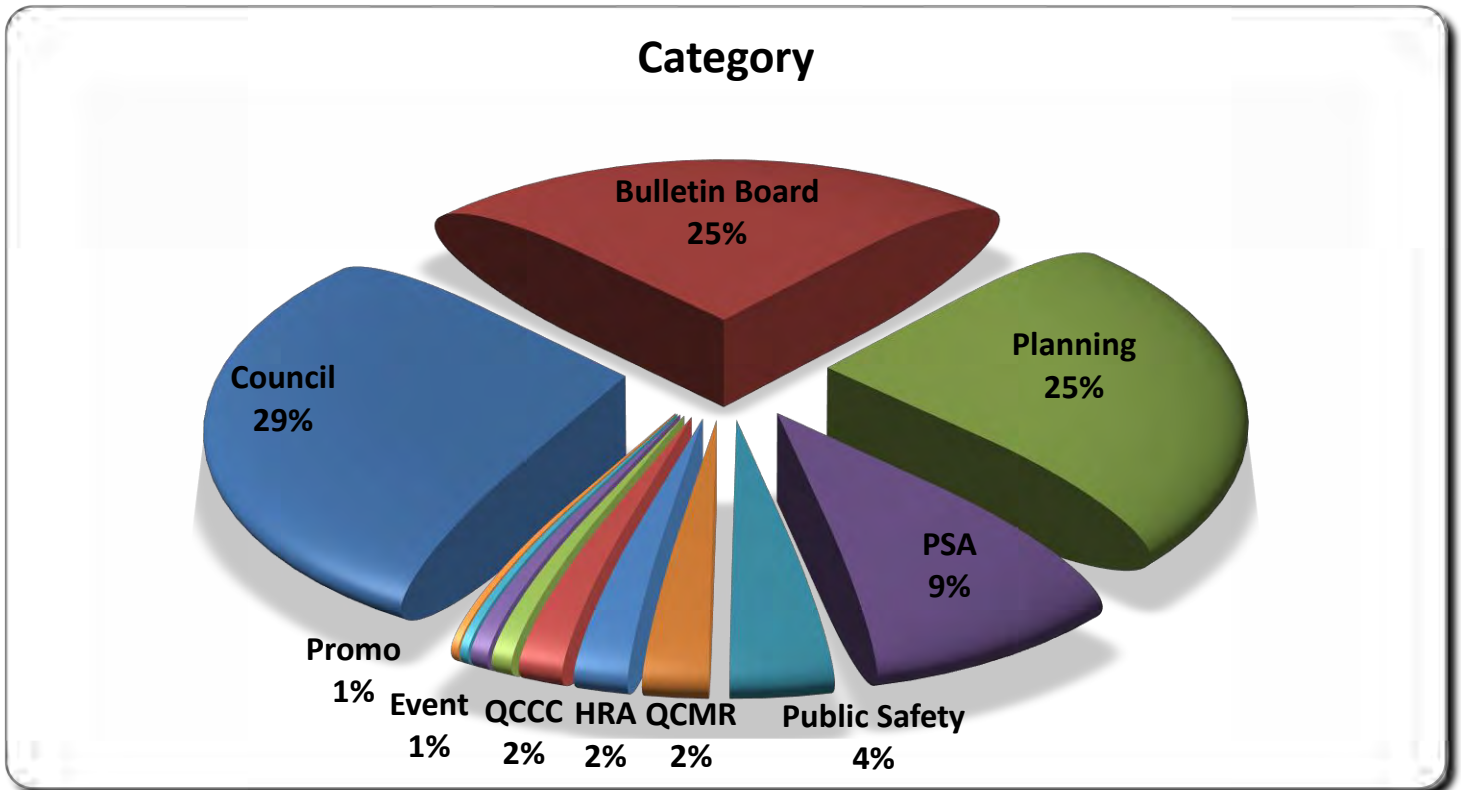
# Ramsey Channel & Web Statistics

## July 2014

<b>Playback:</b>	<b>Shows:</b>	<b>Bulletin Board:</b>	<b>Web Hits:</b>
Total Runs: 1042	New Shows: 7	Total Hours: 184:34	Total Hits: 132
Total Time: 559:26	New Time: 4:44	Saturation: 24.8%	
Saturation: 75.2%	All Shows: 19	<b>New Ramsey: 28</b>	
	All Time: 9:52	<b>New All Cities: 24</b>	

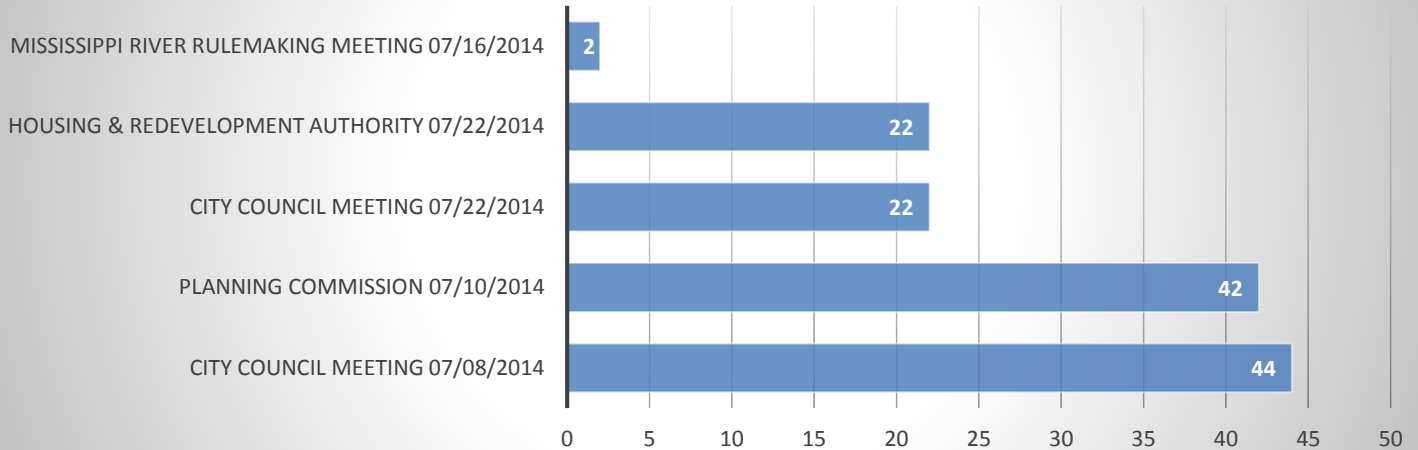
<b>Shared with Multiple Cities</b>		
7/2/2014	Sheriff Show	0:13:27
3/27/2014	Public Safety Talk	0:45:59
7/1/2014	Quad Cities Municipal Report	0:14:11
6/17/2014	Quad Cities Cable Commission	0:36:48
7/1/2014	Farewell to Superintendent Carlson	0:10:30
12/12/2013	Distracted Driving	0:01:26
11/1/2013	It can wait	0:01:21

<b>Channel Uptime 100%</b>		
Issues	Percentage	Hours
Scheduling	0%	0
File:	0%	0
Server:	0%	0
Other:	0%	0





## Web Hits



### Detail

Title	Event Date	Category	Time	Plays	Total
City Council Meeting	7/22/2014	Council	1:15:34	47	59:11:38
City Council Meeting	7/8/2014	Council	0:49:47	95	78:49:25
City Council Meeting	6/24/2014	Council	1:45:04	44	77:02:56
Planning Commission	7/10/2014	Planning	1:40:15	87	145:21:45
Planning Commission	6/5/2014	Planning	0:36:11	65	39:11:55
Sheriff Show **	7/2/2014	Public Safety	0:13:27	91	20:23:57
Public Safety Talk **	3/27/2014	Public Safety	0:45:59	10	7:39:50
Community Development Update	5/29/2014	Update Parks	0:01:11	109	2:08:59
The Draw Event Series	5/29/2014	Update Administration	0:01:11	122	2:24:22
Quad Cities Municipal Report **	7/1/2014	QCMR	0:14:11	75	17:43:45
Quad Cities Cable Commission **	6/17/2014	QCCC	0:36:48	20	12:16:00
Farewell to Superintendent Carlson **	7/1/2014	Event	0:10:30	33	5:46:30
Ramsey Resident - Video Version	5/9/2014	Promo	0:15:27	13	3:20:51
Ramsey Treebrook 2014 Promo	4/8/2014	Promo	0:04:04	25	1:41:40
Ramsey Highway 10 Update	6/13/2014	PSA	0:39:10	108	70:30:00
Distracted Driving **	12/12/2013	PSA	0:01:26	44	1:03:04
It can wait **	11/1/2013	PSA	0:01:21	7	0:09:27
Housing & Redevelopment Authority	7/22/2014	HRA	0:18:19	42	12:49:18
Housing & Redevelopment Authority	5/27/2014	HRA	0:22:03	5	1:50:15

\*\* Shared with Multiple Cities

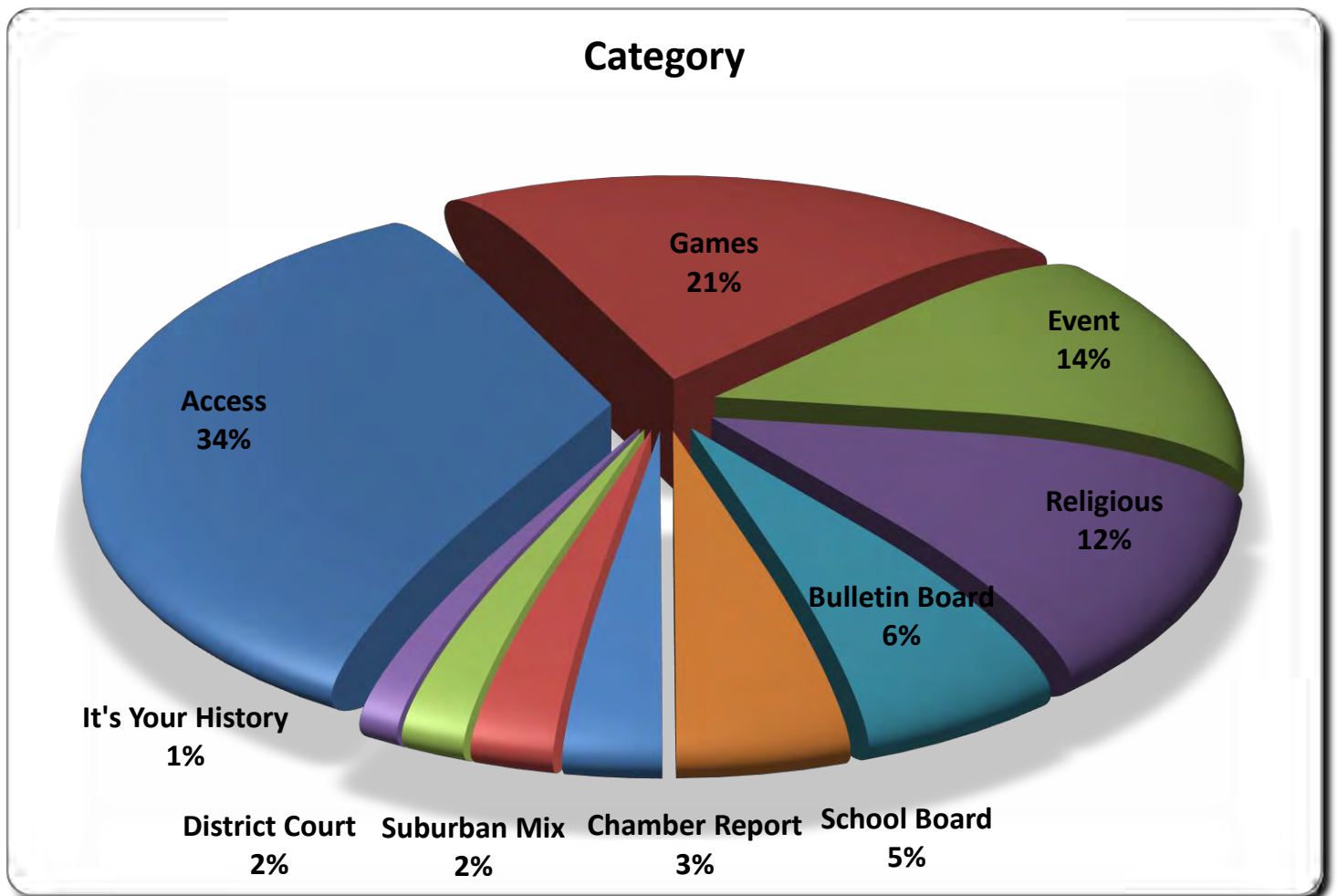
9:51:58      1042      559:25:37

<b>Total Programming Hours:</b>	<b>559:25:37</b>
<b>Total Bulletin Board Hours:</b>	<b>184:34:23</b>
<b>Total Runs:</b>	<b>1042</b>
<b>July Total Time:</b>	<b>744:00:00</b>
<b>Web Hits:</b>	<b>132</b>

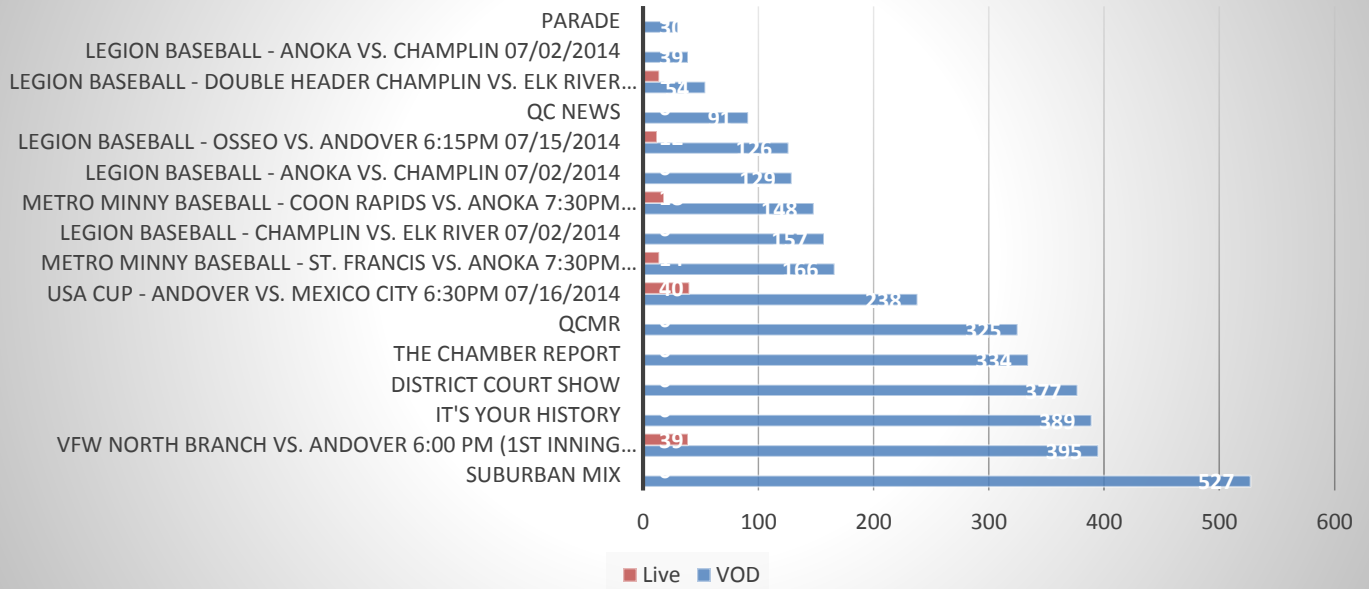
# Community Channel 15 July 2014

<b>Playback:</b>	<b>Shows:</b>	<b>Bulletin Board:</b>	<b>Web Hits:</b>
Total Runs: 1174	New Shows: 51	Total Hours: 44:47	Total VOD Hits: 3525
Total Time: 669:13	New Time: 48:20	Saturation: 6.1%	Total Live Hits: 137
Saturation: 93.9%	All Shows: 121	<b>New Bulletins</b> 24	
	All Time: 87:20		

<b>Channel Uptime 99.9%</b>		
<b>Issues</b>	<b>Percentage</b>	<b>Hours</b>
Scheduling	0.0003%	0:15
File:	0%	0
Server:	0.0008%	0:35
Power Out:	0%	0



## Web Hits



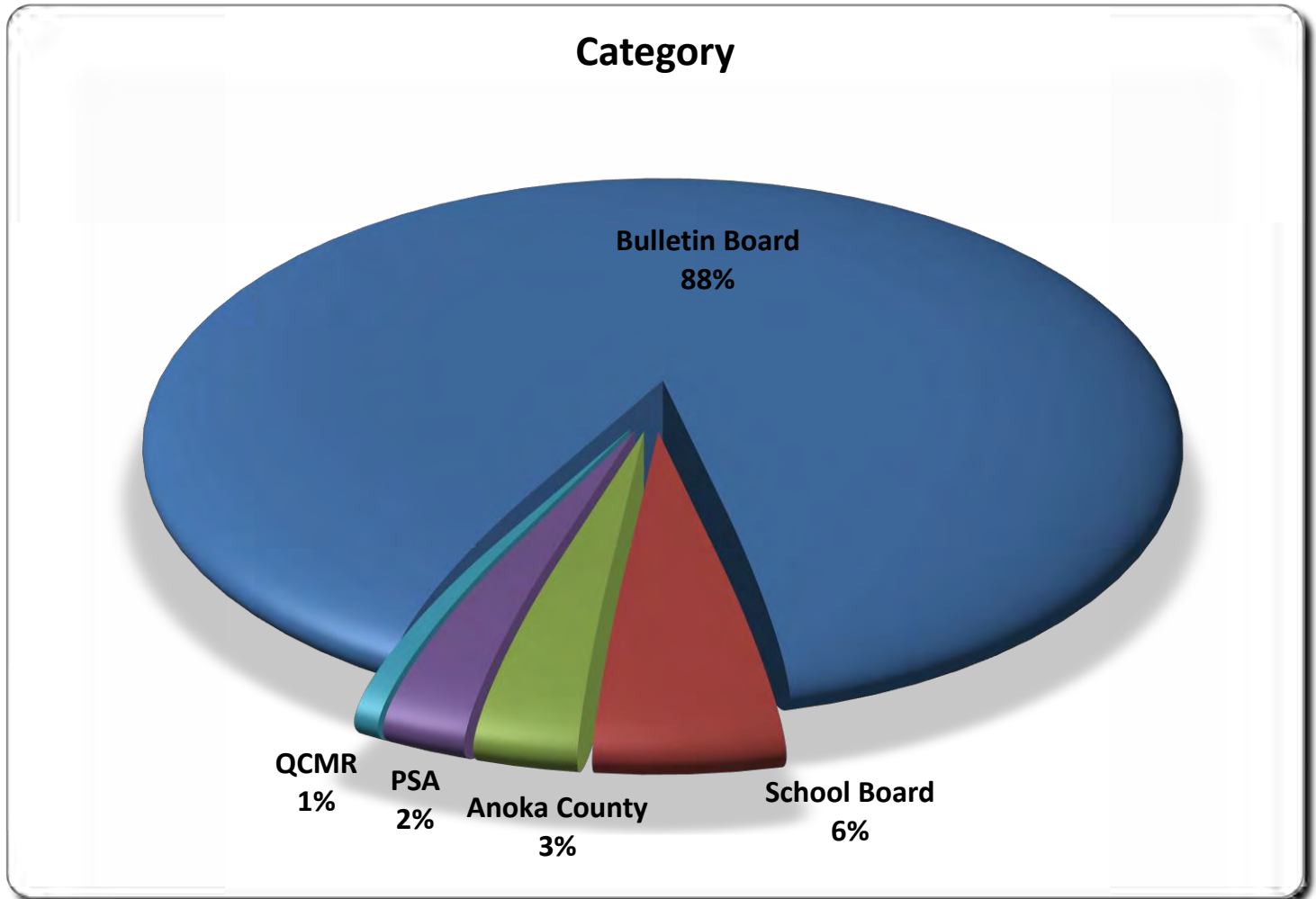
- Detail available upon request

# Community Channel 19

## July 2014

Playback:		Shows:		Bulletin Board:	
Total Runs:	145	New Shows:	5	Total Hours:	654:20
Total Time:	89:40	New Time:	3:31	Saturation:	87.9%
Saturation:	12.1%	All Shows:	9	<b>New Bulletins:</b>	<b>24</b>
		All Time:	7:42		

Channel Uptime 100%		
Issues	Percentage	Hours
Scheduling	0%	0
File:	0%	0
Server:	0%	0
Power Out:	0%	0



## Detail

<b>Title</b>	<b>Event Date</b>	<b>Category</b>	<b>Time</b>	<b>Plays</b>	<b>Total</b>
Quad Cities Cable Commission	6/17/2014	PSA	0:36:48	31	19:00:48
Anoka County Board of Commissioners	7/23/2014	Anoka County	0:45:50	8	6:06:40
Anoka County Board of Commissioners	6/27/2014	Anoka County	0:43:51	23	16:48:33
Anoka-Hennepin School Board Meeting	7/15/2014	School Board	0:12:30	17	3:32:30
Anoka-Hennepin School Board Meeting	7/9/2014	School Board	2:07:03	6	12:42:18
Farwell Superintendent Carlson	7/1/2014	School Board	0:10:30	25	4:22:30
Anoka-Hennepin School Board Meeting	5/30/2014	School Board	2:39:23	8	21:15:04
Quad Cities Municipal Report	7/14/2014	QCMR	0:14:11	13	3:04:23
Quad Cities Municipal Report	6/16/2014	QCMR	0:11:58	14	2:47:32
			7:42:04	145	89:40:18

Total Programming Hours: 89:40:18  
 Total Bulletin Board Hours: 654:19:42  
 Total Runs: 124  
 July Total Time: 744:00:00

**QCCCC Agenda Item**

**5.1 City Hall Equipment Purchase**

**July 8, 2014**

**To:** Karen George, Executive Director

**From:** Steve Ulrich

**Subject:** Capital Expenditure Request

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**Request for Capital Expenditure**

**Project:** City Hall Video Upgrades

**Reason for Request:** The current video switchers, camera controllers, video recorders and web encoders are at end of life and becoming a serious maintenance issue.

**Scope of Project:** Replace primary video switch, camera controller, digital video recorder and web encoder. Install necessary converters and distribution amplifiers. Replace wiring as needed.

**2014 Budgeted Amount:** \$152,000 (This included camera replacements)

**Estimated Project Cost:** 4 X \$14,540 = **\$58,160**

**Expected Life Span:** 4 years

**Estimated Completion:** 10/24/2014

**Comment:**

We are two to three years away from having HD channels. Because of this it is recommended that the current SD (standard definition) cameras not be replaced at this time. The present cameras, with the exception of those in Ramsey, are still serviceable.

The proposed equipment upgrades are HD (high definition) ready. (That is the only type of equipment being offered for sale today.) When it is time to install HD cameras the new video switch will be able to accommodate them.

**Uniformity:** It is important for each city to have a similar installation. This will allow for the maximum ROI in terms of maintenance and operation.

**Ramsey Cameras:** The cameras at Ramsey will be replaced with Sony EVI-D70C cameras which are very similar to the cameras installed at Andover, Anoka and Champlin. They were purchased at approximately the same time and were previously part of our remote kit which is being retired.

**Acquisition:** QCTV will facilitate the equipment purchase quote and grant the monies to each city to make the purchase. It is recommended each city make the purchase for tax savings and insurance reasons.

**Systems Evaluated:** Rushworks Vdesk, Vaddio Production View HD and Tricaster 410.

**Recommended System:** Rushworks Vdesk

Overview: The three systems evaluated are good quality and comparably priced.

1. Rushworks Vdesk - is specifically made for City Hall type installations, has all of the required features and comes in at the lowest price. The interface is the same as the one currently being used so the amount of training would be minimal. Customer support has been excellent. The new system will work with our existing camera controls.
2. Vaddio Production View HD - has an easy to learn interface and the added benefit of being a Twin Cities company. The Vaddio system requires some additional converters but is overall comparably priced to the Rushworks.
3. Tricaster 410 - is a feature rich switcher that would be well suited for the QCTV studio. It is limited to four video inputs which would require an inconvenient work around to display the document camera or laptop input.

## Video Switch Feature Comparison

	Rushworks	Vaddio Production View	TriCaster 410
<b>Inputs</b>	(8) HD/SD SDI	(5) Component SD-HD	(4) SDI
<b>Graphics Generator</b>	Yes	No	No
<b>Video Output</b>	HD/SD SDI, HDMI	Component SD-HD	(2) SDI, HDMI, Display Port
<b>Recording Format</b>	MPEG-2, H.264, AVI and QuickTime	Requires PR-HD Basic-R	Native to 1080p Yes, (4) standard protocol
<b>Camera pan/tilt control</b>	Yes	Yes	No
<b>Includes Display</b>	Yes - Touch panel	No	Yes
<b>Web Encoder</b>	Yes	Requires PR-HD Basic-R	Proprietary
<b>Operating System</b>	Win 7 Pro 64 Bit	Proprietary	Proprietary
<b>Price</b>	<b>\$11,124.00</b>	<b>\$7,790.00</b>	<b>\$9,995.00</b>
<b>Vaddio PR-HD Basic R</b>		\$3998.00	
<b>Vaddio Monitor</b>		\$1,077.00	
<b>23" Monitor</b>			\$250.00
<b>Camera Control (Mux)</b>	\$0.00	\$500.00	\$500.00
<b>Character Generator</b>		\$2,500.00	\$2,500.00
<b>(4) Blackmagic Analog - SDI \$295</b>	\$1,180.00	\$1,180.00	\$1,180.00
(to use old cameras)			
<b>Blackmagic SDI - Analog</b>	\$280.25	\$280.25	\$280.25
(to convert for Comcast)			
<b>Kramer VM5AR Dist Amp</b>	\$396.00	\$396.00	\$396.00
<b>Kramer VP483 SDI - VGA</b>	\$1,036.00	\$1,036.00	\$1,036.00
<b>Wiring &amp; Connectors</b>	\$1,200.00	\$1,200.00	\$1,200.00
<b>Total:</b>	<b>\$14,540.00</b>	<b>\$15,283.00</b>	<b>\$16,661.00</b>



**Action Considerations:**

- Approve as presented: Each member city purchases the proposed Rushworks system. QCTV grants Capital Funds not to exceed \$15,000 per city.
- Delay pending further review.

**Cameras - Future Purchase**

The current cost of HD compatible cameras is:

<b>Brand</b>	<b>Model</b>	<b>Unit</b>	<b>Per City</b>	<b>Total</b>
<b>Sony</b>	SRG300H	\$3,275.25	\$13,101.00	\$52,404.00
<b>Vaddio</b>	HD-20 PZT	\$4,374.25	\$17,497.00	\$69,988.00
<b>Panasonic</b>	AW-HE60SN	\$4,600.00	\$18,400.00	\$73,600.00

**5.2 Comcast Cable Franchise Transfer of Ownership**

**July 10, 2014**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** Comcast Cable Franchise Transfer of Ownership

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The transfer of ownership process begins with the Comcast-delivered FCC 394 forms. The commission received those forms on June 18, 2014. A copy of Comcast's 394 is enclosed.

The commission has 120 days to complete its review unless it is tolled in the first 30 days (commission determines the 394 is deficient and requests further information). Attorney Bob Vose reviewed the 394 form and determined the filing was incomplete. A formal response providing notice that the filings are inaccurate and incomplete has been sent to Comcast within the 30-day period. The commission response letter is enclosed.

At the June 17, 2014 meeting, the commission authorized the executive director to execute the agreement with MACTA to participate in a joint review process administered by MACTA. The scope of the project is expected to include the interrelated transactions of: Comcast acquisition of Time Warner; system swaps between Comcast and Charter; transfers of Comcast and Charter systems to SpinCo; and, creation of the new Charter company.

As a participating MACTA member in this project, the commission will receive a baseline report that will review the entire proposed transaction. The report will include financial analysis, listing the pros and cons of the proposed company action. The commission will use the report to draw conclusions for action to accept or reject the transfer of ownership and/or determine any conditions. Should the commission desire customization of the baseline report, costs would be based on a per hour amount stipulated in the MACTA agreement for services.

The executed agreement with MACTA is enclosed. An initial payment of \$3,000 has been transmitted to MACTA. Final cost depends on the number of participating

agencies and will be less than the \$8,000 projected for the baseline report. Customization of the baseline report is optional and would be billed at \$175/hour.

**Action:** None.



One Comcast Center  
Philadelphia, Pennsylvania 19103

June 17, 2014

Karen George  
Executive Director  
City of Ramsey  
12254 Ensign Avenue North  
Champlin, MN 55316

Re: Comcast Corporation/Midwest Cable, Inc. Transaction

Dear Ms. George:

As you may have read, Comcast Corporation ("Comcast"), the ultimate parent of the entity holding the cable franchise in your community, is divesting its ownership of certain cable systems in connection with its acquisition of Time Warner Cable. Pursuant to an agreement with Charter Communications, Inc. ("Charter"), Comcast will spin off a new, independent company, which will become Midwest Cable, Inc. ("Midwest Cable," currently known as "SpinCo"), a publicly traded company that will be the ultimate owner of your franchise. Upon completion of the transaction, Comcast shareholders (but not Comcast itself) will own approximately two-thirds (2/3) of Midwest Cable, and Charter will own approximately one-third (1/3) of Midwest Cable.

We note that immediately prior to your cable franchisee becoming an indirect, wholly-owned subsidiary of Midwest Cable (the spin-off), the franchisee will be converted from a corporation to a limited liability company.

With over 2.5 million cable customers, Midwest Cable will begin operations as the fifth largest cable television provider in the United States. Moreover, Midwest Cable's strategic regionalized footprint will allow for a focused and efficient delivery of high quality and innovative services to its customers. Midwest Cable will be led by President and CEO Michael Willner, a 40-year cable industry leader and the co-founder and former CEO of Insight Communications. Further, Midwest's Cable's Board of Directors will include leading communications industry executives and innovators, with current Charter Communications CEO Tom Rutledge serving as Board Chairman. In addition, through a services agreement with Charter, Midwest Cable will be able to take advantage of Charter's expertise in technology and provision of services.

If you determine that your consent is *not* required for this transaction to proceed, you need not take any further action. If, however, you believe your consent is necessary, we have provided copies of the Federal Communications Commission's ("FCC") Form 394, other information, and a draft consent resolution to help facilitate the consent process.

- **FCC Form 394.** FCC Form 394 (required copies enclosed) is designed to provide you with the relevant information needed to assess the financial, legal, and technical qualifications of Midwest Cable to be the ultimate parent entity of your cable franchisee.
- **Timing.** According to the FCC's rules, where consent is required, you have a maximum of 120 days from the date you receive this information to review all materials and act upon our request for consent to the transaction. (Please note, your franchise may specify a shorter time frame.)
- **Consent Resolution.** Should you choose to affirmatively consent to the transaction, we have enclosed a draft consent resolution to be used to help expedite the consent process. We would request that a consent resolution, if needed, be placed on your agenda for consideration at your earliest convenience.

We invite you to visit the "Recent Official Transaction Communications" section of <http://corporate.comcast.com/twctransaction/official-filings-together> for additional information about the transaction. If you have any questions about the FCC Form 394, the consent resolution, or any of the enclosed

documents, please give me a call at (215) 286-5585, send an email to [klay\\_fennell@comcast.com](mailto:klay_fennell@comcast.com), or send a facsimile to (215) 286-8408. You may also contact Mark Brown, Vice President, Government Affairs, at Charter by phone at (202) 621-1900, by email at [mark.brown@chartercom.com](mailto:mark.brown@chartercom.com), or by facsimile at (202) 733-5960.

Sincerely,

A handwritten signature in black ink that reads "Klayton F. Fennell". The signature is written in a cursive, flowing style.

Klayton F. Fennell  
Vice President, Government Affairs  
Attachment and Enclosures

RESOLUTION NO. \_\_\_\_\_

CONSENT TO ASSIGNMENT AND CHANGE OF CONTROL

WHEREAS, Comcast of Minnesota, Inc. ("Franchisee") is the duly authorized holder of a franchise, as amended to date (the "Franchise"), authorizing Franchisee to serve the City of Ramsey, MN (the "Franchise Authority") and to operate and maintain a cable television system therein; and

WHEREAS, Comcast Corporation ("Comcast") is the ultimate parent company of Franchisee; and

WHEREAS, on April 25, 2014, Comcast and Charter Communications, Inc. ("Charter") entered into the Comcast/Charter Transactions Agreement (the "Agreement"), pursuant to which, following a conversion from a corporation to a limited liability company, the Franchisee will become a wholly-owned subsidiary of Midwest Cable, Inc. ("Midwest Cable") (the "Transaction"); and

WHEREAS, Franchisee has filed an FCC Form 394 with the Franchise Authority with respect thereto; and

WHEREAS, the Franchise Authority has considered and approves of the Transaction.

NOW, THEREFORE, BE IT RESOLVED BY THE FRANCHISE AUTHORITY AS FOLLOWS:

The foregoing recitals are approved and incorporated herein by reference.

1. The Franchise Authority consents to the Transaction.
2. The Franchise Authority confirms that the Franchise is valid and outstanding and in full force and effect and there are no defaults under the Franchise. Subject to compliance with the terms of this Resolution, all action necessary to approve the Transaction has been duly and validly taken.
3. Midwest Cable or Franchisee may (a) assign or transfer its assets, including the Franchise, provided that such assignment or transfer is to an entity directly or indirectly controlling, controlled by or under common control with Midwest Cable; (b) restructure debt or change the ownership interests among existing equity participants in Midwest Cable; (c) pledge or grant a security interest to any lender(s) of Midwest Cable's assets, including, but not limited to, the Franchise, or of interest in Midwest Cable, for purposes of securing any indebtedness; and (d) sell equity interests in Midwest Cable or any of Midwest Cable's affiliates.
4. Upon closing of the Transaction, Franchisee shall remain bound by the lawful terms and conditions of the Franchise.

5. This Resolution shall be deemed effective upon adoption.

6. This Resolution shall have the force of a continuing agreement with Franchisee, and the Franchise Authority shall not amend or otherwise alter this Resolution without the consent of Franchisee and Midwest Cable.

PASSED, ADOPTED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Clerk

**FCC 394**  
**APPLICATION FOR FRANCHISE AUTHORITY**  
**CONSENT TO ASSIGNMENT OR TRANSFER OF CONTROL**  
**OF CABLE TELEVISION FRANCHISE**

FOR FRANCHISE AUTHORITY USE ONLY

**SECTION I. GENERAL INFORMATION**

DATE June 17, 2014	1. Community Unit Identification Number: <b>MN0365</b>
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2. Application for:                     Assignment of Franchise                     Transfer of Control

3. Franchising Authority: <b>City of Ramsey, MN</b>	
4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: <b>Ramsey, MN</b>	
5. Date system was acquired or (for system's constructed by the transferor/assignor) the date on which service was provided to the first subscriber in the franchise area:	N/A
6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee:	As soon as reasonably practicable after all regulatory approvals.

7. Attach as an Exhibit a schedule of any and all additional information or material filed with this application that is identified in the franchise as required to be provided to the franchising authority when requesting its approval of the type of transaction that is the subject of this application.

Exhibit No.  
N/A

**PART I – TRANSFEROR/ASSIGNOR**

1. Indicate the name, mailing address, and telephone number of the transferor/assignor.

Legal name of Transferor/Assignor (if individual, list last name first) Comcast Corporation			
Assumed name used for doing business (if any) Comcast			
Mailing street address or P.O. Box One Comcast Center			
City Philadelphia	State PA	ZIP Code 19103	Telephone No. (include area code) 215-286-1700

2. (a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing or marketing information, or other information not otherwise publicly available, may be redacted).

Exhibit No.  
1

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee?

Yes                     No

If No, explain in an Exhibit.

Exhibit No.  
See Exhibit 1



PART II - TRANSFEREE/ASSIGNEE

1. (a) Indicate the name, mailing address, and telephone number of the transferee/assignee.

Legal name of Transferee/Assignee (if individual, list last name first) Midwest Cable, LLC\Inc. (Midwest Cable, LLC will convert from an LLC to Inc. prior to closing)			
Assumed name used for doing business (if any)			
Mailing street address or P.O. Box One Comcast Center			
City Philadelphia	State PA	ZIP Code 19103	Telephone No. (include area code) 215-286-1700

(b) Indicate the name, mailing address, and telephone number of person to contact, if other than transferee/assignee.

Name of contact person (list last name first) Klayton F. Fennell (klay_fennell@comcast.com)			
Firm or company name (if any) Comcast Cable Communications, LLC			
Mailing street address or P.O. Box One Comcast Center			
City Philadelphia	State PA	ZIP Code 19103	Telephone No. (include area code) 215 286-5585 (voice) 215-286-8408

(c) Attach as an Exhibit the name, mailing address, and telephone number of each additional person who should be contacted, if any.

Exhibit No. N/A
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(d) Indicate the address where the system's records will be maintained.

Street address Regional or area office as appropriate.		
City	State	ZIP Code

2. Indicate on an attached exhibit any plans to change the current terms and conditions of service and operations of the system as a consequence of the transaction for which approval is sought.

Exhibit No. 2
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## SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee/Assignee is:

Corporation

a. Jurisdiction of incorporation: Delaware	d. Name and address of registered agent in jurisdiction: The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801
b. Date of incorporation: May 27, 2014	
c. For profit or not-for-profit: For profit	

Limited Partnership

a. Jurisdiction in which formed:	c. Name and address of registered agent in jurisdiction:
b. Date of formation:	

General Partnership

a. Jurisdiction whose laws govern formation:	b. Date of formation:
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Individual

Other. Describe in an Exhibit.

Exhibit No. N/A
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2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages if necessary. (Read carefully- the lettered items below refer to corresponding lines in the following table.)

- (a) Name, residence, occupation or principal business, and principal place of business. (If other than an individual, also show name, address and citizenship of natural person authorized to vote the voting securities of the applicant that it holds.) List the applicant first, officers, next, then directors and, thereafter, remaining stockholders and/or partners.
- (b) Citizenship.
- (c) Relationship to the transferee/assignee (e.g., officer, director, etc.).
- (d) Number of shares or nature of partnership interest.
- (e) Number of votes.
- (f) Percentage of votes.

(a)	See Exhibit 3	
(b)		
(c)		
(d)		
(e)		
(f)		

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates?

Yes  No

If the answer is No, explain in an Exhibit.

Exhibit No.  
4

4. Has the transferee/assignee had any interest in or in connection with an applicant which has been dismissed or denied by any franchise authority?

Yes  No

If the answer if Yes, describe circumstances in an Exhibit.

Exhibit No.

5. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the transferee/assignee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide video programming services; mass media related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination?

Yes  No

If the answer is Yes, attach as an Exhibit a full description of the persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of such proceeding.

Exhibit No.  
N/A

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

Yes  No

If Yes, provide particulars in an Exhibit.

Exhibit No.  
5

7. Do documents, instruments, agreements or understandings for the pledge of stock of the transferee/assignee, as security for loans or contractual performance, provide that: (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state or local law or pursuant to the terms of the franchise agreement will be obtained?

Yes  No

N/A

If No, attach as an Exhibit a full explanation.

Exhibit No.  
N/A

### SECTION III. TRANSFEREE'S/ASSIGNEE'S FINANCIAL QUALIFICATIONS

1. The transferee/assignee certifies that it has sufficient net liquid assets on hand or available from committed resources to consummate the transaction and operate the facilities for three months.
2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principles, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law.

Yes  No

Exhibit No.  
6

### SECTION IV. TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS


Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable system currently or formerly owned or operated.

Exhibit No.  
7

## SECTION V - CERTIFICATIONS

### Part I - Transferor/Assignor

All the statements made in the application and attached exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.


<p>I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.</p>	<p>Signature </p>
<p>WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.</p>	<p>Date June 17, 2014</p>
	<p>Print full name Lynn R. Charytan</p>
<p>Check appropriate classification:  <input type="checkbox"/> Individual      <input type="checkbox"/> General Partner      <input checked="" type="checkbox"/> Corporate Officer      <input type="checkbox"/> Other. Explain:          (Indicate Title)          Senior Vice President, Legal Regulatory Affairs and Senior Deputy Counsel</p>	

### Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certifies that he/she:

- (a) Has a current copy of the FCC's Rules governing cable television systems.
- (b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.
- (c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

<p>I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.</p>	<p>Signature </p>
<p>WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.</p>	<p>Date June 17, 2014</p>
	<p>Print full name Art Block</p>
<p>Check appropriate classification:  <input type="checkbox"/> Individual      <input type="checkbox"/> General Partner      <input checked="" type="checkbox"/> Corporate Officer      <input type="checkbox"/> Other. Explain:          (Indicate Title)          Senior Vice President and Secretary of Midwest Cable, LLC</p>	

## EXHIBIT 1

Comcast Corporation (“Comcast”) and Charter Communications, Inc. (“Charter”) have entered into the Comcast/Charter Transactions Agreement, dated as of April 25, 2014 (the “Agreement”), whereby, contingent upon and following the consummation of Comcast’s pending acquisition of Time Warner Cable Inc. (“TWC”), three separate transactions will occur impacting the ownership of certain cable systems currently owned by Comcast, TWC, and Charter (the “Transactions”):

- (1) Comcast will sell TWC systems serving approximately 1.5 million customers to Charter.
- (2) Charter and Comcast will exchange cable systems and related assets serving approximately 1.5 million TWC customers and 1.6 million Charter customers.
- (3) Comcast will spin off a new, independent company that will become Midwest Cable, Inc., currently known as “SpinCo,” and will operate systems serving approximately 2.5 million current Comcast customers.

Your cable franchisee is included in the third Transaction.

Pursuant to the Agreement, Comcast will transfer control of the cable franchisee subject to this Form 394, as part of its divestiture of cable systems to Midwest Cable, Inc. (“Midwest Cable”).<sup>1</sup> After consummation of the Transactions, Comcast will have no ownership interest in Midwest Cable. Charter will form a new holding company (“New Charter”) that will obtain an approximate 33 percent stake in Midwest Cable. Comcast shareholders, including former TWC shareholders, are expected to own in the aggregate the remaining approximate 67 percent stake in Midwest Cable. Midwest Cable will be a publicly-traded company.

As a preliminary matter, the current Comcast cable franchisee entity may change pursuant to an internal Comcast pro forma restructuring or corporate conversion (still remaining entirely under the ownership and control of Comcast). Immediately thereafter, the cable franchisee will become an indirect, wholly-owned subsidiary of Midwest Cable.

A copy of the Agreement as filed with the Securities and Exchange Commission (Form 8-K) is available at <http://corporate.comcast.com/twctransaction/official-filings-together-under-Official-Filings>. Four documents (including two programming agreements) have been omitted, as they are not necessary in order to understand the terms of the Agreement or contain confidential trade, business, pricing or marketing data, or other data not otherwise publicly available. In addition, Comcast Corporation filed a Securities

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<sup>1</sup> Midwest Cable initially will be a Delaware limited liability company, but will convert to a corporation, as a matter of right under Delaware law. Midwest Cable may also implement a name change once the Transactions have closed.

and Exchange Commission Form S-4A Registration Statement on May 23, 2014. A copy is available at <http://corporate.comcast.com/twctransaction/official-filings-together> under "Official Filings." Hard copies of either document will be provided upon request.

The Agreement contains all material terms of the Transactions and is fully binding on the parties. Pursuant to the Agreement, the parties have agreed to enter into additional documentation that is intended to implement the previously negotiated Agreement and is not intended to add or to alter material terms.

**EXHIBIT 2**

Midwest Cable, Inc. ("Midwest Cable") will be the indirect parent company of the legal entity holding the franchise for the cable system that is the subject of this Form 394. Midwest Cable and the legal entity holding the franchise for the cable system that is the subject of this Form 394 have no current plans to change the terms and conditions of service or operations of the system. The cable system will be operated pursuant to the terms of the franchise agreement and applicable law after the consummation of the proposed transaction. Midwest Cable and the legal entity holding the franchise for the cable system that is the subject of this Form 394 reserve the right to make service and operational changes in accordance with the terms of the franchise agreement and applicable law.

### EXHIBIT 3

As part of the transaction underlying this Form 394 filing, a newly formed entity, Midwest Cable, Inc. ("Midwest Cable") will become an independent, publicly-traded corporation. At the time that Comcast Corporation spins off Midwest Cable, no individual or entity will hold a 5% or greater voting interest in Midwest Cable, other than Charter Communications, Inc. ("Charter"). Charter, through a wholly owned subsidiary, will own approximately one-third (1/3) of the equity and voting shares of Midwest Cable.

At this time, the following have been identified as officers and directors of Midwest Cable after the close of the transaction:

	<b>Title</b>
Michael S. Willner	President Chief Executive Officer
Matthew Siegel	Chief Financial Officer
Rick D'Avino	Director
James Chiddix	Director
Gregory L. Doody	Director
Jill Greenthal	Director
Dennis S. Hersch	Director
Wendell F. Holland	Director
Gregory Maffei	Director
Thomas M. Rutledge	Director Chairman of the Board of Directors
Christopher L. Winfrey	Director

The initial business address for all officers and directors will be 1 Comcast Center, Philadelphia, PA 19103. It is anticipated that a different business address will be established by the close of the transaction.



**EXHIBIT 4**

Midwest Cable, Inc., a Delaware corporation, as of the effective time of the closing, will be the indirect parent company of the legal entity holding the franchise (the "Franchisee"). To the extent required by applicable law, the Franchisee is and, after the closing of this transaction will continue to be, duly qualified to transact business in the State or Commonwealth in which this system is operated.

## EXHIBIT 5

After the close of the transaction that is the subject of this Form 394 filing, Midwest Cable, Inc. ("Midwest Cable") will become an independent, publicly traded corporation. Approximately two-thirds (2/3) of the equity and voting shares of Midwest Cable will be held by Comcast Corporation ("Comcast") shareholders (including former TWC shareholders). Charter Communications, Inc. ("Charter") will own approximately one-third (1/3) of the equity and voting shares of Midwest Cable, no other individual or entity will hold a 5% or greater voting interest in Midwest Cable.

Comcast itself will not own shares in Charter or Midwest Cable following the close of the Transaction, and will be prohibited, for the first eight years thereafter, from owning more than 1 percent of Midwest Cable's shares. Charter will be prohibited from increasing its stake in Midwest Cable for the first two years following the closing of the spin-off and, absent approval from Midwest Cable's independent directors or its non-Charter shareholders, from owning more than 49 percent of Midwest Cable for the first four years following the closing of the Transaction.

## EXHIBIT 6

As set forth in Exhibit 1 to this Form 394, Comcast will spin-off a new independent public company, Midwest Cable, Inc., currently known as "SpinCo." The SpinCo unaudited pro forma financial information submitted in this exhibit is provided to give effect to the spin-off of cable systems serving approximately 2.5 million current Comcast subscribers into the newly formed public entity. The SpinCo unaudited pro forma financial information provided in this Exhibit includes: (1) an Unaudited Pro forma Condensed Combined Balance Sheet as of March 31, 2014; (2) an Unaudited Pro Forma Condensed Combined Statement of Income for the three months ended March 31, 2014; (3) an Unaudited Pro Forma Condensed Combined Statement of Income for the year ended December 31, 2013; and (4) the Notes to the Unaudited Pro Forma Information.

The Unaudited Pro Forma Condensed Combined Balance Sheet and Statements of Income should be read in concert with the Notes provided, and with the basic understanding that the SpinCo unaudited pro forma financial information is based upon the subject cable systems' past integrated operation with Comcast. Notwithstanding, there are certain fundamental financial factors that should be highlighted from the unaudited pro forma financial information and accompanying Notes:

- Midwest Cable's assets will include cable systems serving approximately 2.5 million video customers.
- The estimated enterprise value of the cable systems to be spun-off to Midwest Cable is \$14.7 billion.
- The 2013 annual revenue in the unaudited pro forma financial information for the systems to be spun off to Midwest Cable was over \$4.5 billion.

Attached is the unaudited pro forma financial information and associated Notes referenced above.

**SpinCo**  
**Unaudited Pro Forma Financial Information**  
**As of and for the Three Months Ended March 31, 2014 and**  
**for the Twelve Months Ended December 31, 2013**

**SpinCo**  
**Unaudited Pro Forma Condensed Combined Balance Sheet**  
**As of March 31, 2014**

(in millions)	Comcast Cable Systems in Spin-Off Transaction	SpinCo Indebtedness	Combined SpinCo
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 600	\$ 600
Receivables, net	152	-	152
Other current assets	27	-	27
<b>Total current assets</b>	<b>179</b>	<b>600</b>	<b>779</b>
Property and equipment, net	1,957	-	1,957
Franchise rights	6,231	-	6,231
Goodwill	1,391	-	1,391
Other intangible assets, net	90	-	90
Other noncurrent assets, net	7	-	7
<b>Total assets</b>	<b>\$ 9,855</b>	<b>\$ 600</b>	<b>\$ 10,455</b>
<b>Liabilities and Equity</b>			
Current Liabilities:			
Accounts payable and accrued expenses related to trade creditors	\$ 294	\$ -	\$ 294
Deferred revenue	3	-	3
Accrued expenses and other current liabilities	204	-	204
<b>Total current liabilities</b>	<b>501</b>	<b>-</b>	<b>501</b>
Long-term debt, less current portion	-	8,800	8,800
Deferred income taxes	3,053	-	3,053
Other noncurrent liabilities	34	-	34
Equity	6,267	(8,200)	(1,933)
<b>Total liabilities and equity</b>	<b>\$ 9,855</b>	<b>\$ 600</b>	<b>\$ 10,455</b>

**SpinCo**  
**Unaudited Pro Forma Condensed Combined Statement of Income**  
**For the Three Months ended March 31, 2014**

(in millions)	Comcast Cable Systems in Spin-Off Transaction	SpinCo Indebtedness	Combined SpinCo
<b>Revenue</b>	\$ 1,134	\$ -	\$ 1,134
Cost and Expenses:			
Programming and production	258	-	258
Other operating and administrative	278	-	278
Advertising, marketing and promotion	54	-	54
Depreciation	130	-	130
Amortization	7	-	7
	<u>727</u>	<u>-</u>	<u>727</u>
<b>Operating income</b>	407	-	407
Other Income (Expense):			
Interest Expense	-	(121)	(121)
	<u>-</u>	<u>(121)</u>	<u>(121)</u>
Income before income taxes	407	(121)	286
Income tax (expense) benefit	(159)	47	(112)
<b>Net Income</b>	<u>\$ 248</u>	<u>\$ (74)</u>	<u>\$ 174</u>

**SpinCo**  
**Unaudited Pro Forma Condensed Combined Statement of Income**  
**For the Year ended December 31, 2013**

(in millions)	Comcast Cable Systems in Spin-Off Transaction	SpinCo Indebtedness	Combined SpinCo
<b>Revenue</b>	\$ 4,557	\$ -	\$ 4,557
Cost and Expenses:			
Programming and production	971	-	971
Other operating and administrative	1,152	-	1,152
Advertising, marketing and promotion	241	-	241
Depreciation	518	-	518
Amortization	34	-	34
	<u>2,916</u>	<u>-</u>	<u>2,916</u>
<b>Operating income</b>	<b>1,641</b>	<b>-</b>	<b>1,641</b>
Other Income (Expense):			
Interest Expense	(1)	(484)	(485)
	<u>(1)</u>	<u>(484)</u>	<u>(485)</u>
Income before income taxes	1,640	(484)	1,156
Income tax expense	(640)	189	(451)
<b>Net Income</b>	<b>\$ 1,000</b>	<b>\$ (295)</b>	<b>\$ 705</b>

**SpinCo**  
**Notes to Unaudited Pro Forma Financial Information**

**Note 1. Basis of Presentation**

The unaudited pro forma financial information is provided to give effect to a spin-off of cable systems serving approximately 2.5 million Comcast Corporation (“Comcast”) subscribers (the “spin-off transaction”) into a newly formed public entity (“SpinCo”). The Unaudited Pro Forma Condensed Combined Balance Sheets are presented as if the spin-off transaction had occurred on March 31, 2014. The Unaudited Pro Forma Condensed Combined Statements of Income for the three months ended March 31, 2014 and the year ended December 31, 2013 are presented as if the spin-off transaction had occurred on January 1, 2013, the beginning of the earliest period presented. The unaudited pro forma financial information has been developed from and should be read in conjunction with the Comcast unaudited interim condensed consolidated financial statements contained in the Comcast Quarterly Report on Form 10-Q for the three months ended March 31, 2014, and the Comcast audited consolidated financial statements contained in the Comcast 2013 Annual Report on Form 10-K, as well as the unaudited pro forma financial information included in the Comcast Corporation Registration Statement on Form S-4/A filed with the Securities and Exchange Commission on May 23, 2014 and the assumptions and adjustments set forth in the explanatory notes contained therein. These filings are available at [www.cmcsa.com](http://www.cmcsa.com) under “Financials.” The spin-off transaction is presented from the historical perspective of Comcast and the unaudited pro forma financial information may not be indicative of how this business would operate as a stand-alone entity.

The unaudited financial information for the SpinCo cable systems is integrated with Comcast and is not for a stand-alone entity. The unaudited pro forma financial information reflects the preliminary allocations of assets, liabilities, revenue and expenses directly attributable to these cable systems, as well as certain other preliminary allocations deemed reasonable by management, to present the unaudited pro forma financial information. The financial information does not include costs associated with shared facilities (e.g., corporate headquarters and related administrative overhead allocations). Accordingly, the financial information in these columns does not fully reflect the financial position or results of operations as if these cable systems were stand-alone entities for the periods presented. The preliminary estimate of the amount of such costs to be allocated to the Comcast cable systems in the spin-off transaction is \$245 million for the year ended December 31, 2013.

The unaudited pro forma financial information is provided for illustrative purposes only and is based on available information and assumptions that Comcast believes are reasonable.

**Note 2. The Charter Divestiture Transactions**

The Charter divestiture transactions consist of the following three transactions: (1) the spin-



off transaction, (2) an exchange of cable systems serving approximately 1.5 million TWC subscribers for cable systems serving approximately 1.7 million Charter subscribers (the “exchange transaction”), and (3) a sale to Charter of cable systems serving approximately 1.5 million TWC subscribers for cash (the “sale transaction”). In connection with the spin-off transaction, Comcast will form SpinCo, which will hold and operate cable systems currently serving approximately 2.5 million Comcast subscribers.

Under the terms of the Comcast/Charter Transactions Agreement, the value for the spin-off transaction will be based on 7.125 times of the divested systems’ Carveout 2014 EBITDA (as defined in the Comcast/Charter Transactions Agreement). This would equate to an enterprise value estimated to be \$14.7 billion. The Carveout 2014 EBITDA was estimated using the 2013 results of the cable systems included in this unaudited pro forma financial information, adjusted for overhead allocations (as defined in the Comcast/Charter Transactions Agreement), and applying a 2014 growth rate to the 2013 amounts. The 5.10% growth rate used is based on Wall Street research consensus estimates for 2014 EBITDA for Comcast’s Cable Communications segment.

## EXHIBIT 7

Midwest Cable will begin operations with approximately 2.5 million video customers, making it the fifth largest cable provider in the United States. The company will be serving areas concentrated in the Midwest and Southeast. This strategic regional footprint should provide significant operational and technical advantages allowing Midwest Cable to offer focused and efficient service delivery and to fine-tune its operations to reflect distinctive regional considerations. The regionalized footprint should also foster operational and marketing efficiencies that will benefit Midwest Cable customers.

The company and its customers will also benefit significantly from the advanced network architecture that Comcast has deployed in recent years throughout the systems that Midwest Cable will own and operate. As a result, each future Midwest Cable system has been transitioned to an all-digital delivery platform. Further, each future Midwest Cable system has implemented a DOCSIS 3.0 data platform -- allowing Midwest Cable to offer some of the industry's fastest broadband speeds.

Immediately after the closing of the transaction, Comcast will provide some temporary transitional operational services that will allow current Comcast customers to experience a seamless transition to Midwest Cable's ownership and operation of the cable systems. In order to ensure continued high quality operation, existing Comcast field personnel, who have successfully operated these systems in the past, will join Midwest Cable. Further, through a Services Agreement with Charter Communications, Midwest Cable will be able to take advantage of Charter's established expertise in technology and operations, thereby enhancing Midwest Cable's ability to provide excellent products and services to its customers.

In addition to technology resources, the Charter Services Agreement will provide for certain customer-facing functions such as marketing, sales, billing and collections, and customer care. Once Charter implements these operational system services, certain of Midwest Cable's products and services may even be co-branded with Charter. The Charter Services Agreement clearly will enable Midwest Cable to benefit from Charter's experience, scale, and regional concentration. In exchange for the ability to use any and all services set forth in the Services Agreement, Midwest Cable will make quarterly payments equal to 4.25 percent of Midwest Cable's quarterly gross revenues. Of course, all system operational services provided by Charter will be subject to the overall supervision of Midwest Cable's independent executive management team and its independent Board of Directors.

Midwest Cable's leadership team will be comprised of cable and communications industry veterans and innovators. Michael Willner, a forty-year cable industry veteran and the co-founder and former CEO of Insight Communications will serve as President and CEO of Midwest Cable. Additionally, Matthew Siegel, who has held senior executive financial positions at both Time Warner Cable Inc. and Insight Communications, will serve as the Chief Financial Officer of Midwest Cable. Tom Rutledge, President and CEO of

Charter Communications, will serve as the Chairman of Midwest Cable's Board of Directors. Mr. Rutledge will be joined on the Board by a team of communication industry leaders, including Rick D'Avino, James Chiddix, Greg Doody, Jill Greenthal, Dennis S. Hersch, Wendell F. Holland, Gregory Maffei, and Christopher L. Winfrey. Attached hereto are the press releases announcing Mr. Willner as President and CEO, and Mr. Siegel as CFO of Midwest Cable, as well as biographies of the Midwest Cable Board members. Together, this management team will shepherd Midwest Cable's delivery of high quality, advanced services, and establish a reputation for top flight system operations and customer care.



## **Cable Industry Veteran Michael Willner Agrees to Serve as President and CEO of "SpinCo"**

**Stamford, CT and Philadelphia, PA – May 15, 2014** – Charter Communications, Inc. (Nasdaq: CHTR) and Comcast Corporation (Nasdaq: CMCSA, CMCSK) today announced that former Insight Communications, Inc. co-founder and CEO and 40-year cable industry veteran Michael S. Willner has agreed to serve as President and Chief Executive Officer of "SpinCo," the new cable company that will be spun off from Comcast upon completion of the Comcast – Time Warner Cable merger and the Comcast – Charter transactions. Willner will oversee the operations of SpinCo, which will serve approximately 2.5 million customers in Alabama, Indiana, Kentucky, Michigan, Minnesota, Tennessee and Wisconsin.

SpinCo will have a nine-member board of directors, three of whom will be appointed by Charter, including Charter President and CEO, Tom Rutledge, who will serve as the non-executive Chairman of the Board. Comcast will appoint three of the remaining six members of the board and will select three more from a list provided by Charter. These six board members will be independent of both Charter and Comcast. In addition, Charter will have a services agreement with SpinCo, which will help both companies achieve greater scale and regional efficiencies.

"A skilled operator with an impressive track record of success, Michael has been a pillar of leadership and an active ambassador for the Industry," said Tom Rutledge, President and CEO of Charter. "Michael's expertise, strategic vision, and knowledge from his years at Insight will be invaluable to the customers, employees and shareholders of SpinCo. Having him on board now – and leading the new business post-transaction – will be extremely advantageous."

"Michael is an excellent leader and the perfect choice to be at the helm of this new company," said Brian L. Roberts, Chairman and CEO of Comcast. "His deep knowledge of the cable business, combined with his experience and focus on technology, will enable him to drive growth and product innovation for customers and position SpinCo as a competitor in the industry."

"I am excited to assemble and lead a new team of executives who will be exclusively focused on creating a great company with terrific products and excellent customer service," said Willner. "I am honored to take on this task and look forward to working with Tom and his team at Charter, as well as the strong teams in place within these systems and the other MSOs and suppliers in the industry."

Willner was a co-founder and CEO of Insight Communications from 1985 through 2012, when Insight was sold to Time Warner Cable. Under Willner's leadership, Insight Communications became one of the most highly regarded operating companies in the industry. He began his career

in 1974 at Vision Cable Communications, a division of Advanced Publications and a part of the Newhouse family's media investments, where he rose to become the Chief Operating Officer. Willner currently serves as President and CEO of privately-held Penthera Partners, a software licensing company focused on cloud-to-mobile technology. He will remain involved with that company as a member of its board.

Willner twice served as Chairman of the National Cable and Telecommunications Association (NCTA), the industry's principal trade association. In addition, he was Chairman of the NCTA's political action committee (CablePAC) from 2000 until 2012, Chairman of the Board of the Cable Center from 2007 through 2011, was on the executive committee of CableLabs, and the boards of C-SPAN and the Walter Kaitz Foundation. Willner is a recipient of the NCTA's 2004 Vanguard Award for Distinguished Leadership and a member of both the Broadcasting and Cable Hall of Fame and the Cable Hall of Fame.

Willner graduated from Boston University's College of Communications in 1974.

stocks have significantly outperformed the major stock indices and comparable companies under his tenure. Mr. Maffei also serves as Chairman of the Liberty-related companies Live Nation Entertainment, SiriusXM, Starz and TripAdvisor, and as a director of Charter Communications and Zillow. Prior to his joining Liberty in 2005, Mr. Maffei served as President and CFO of Oracle, Chairman, President and CEO of 360networks, CFO of Microsoft and Chairman of the Board of Expedia. Additionally, he has served as a director of Barnes & Noble, Citrix, DIRECTV, Dorling Kindersley, Electronic Arts and Starbucks Coffee. He has an MBA from Harvard Business School, where he was a Baker Scholar, and an AB from Dartmouth College.

- **Thomas M. Rutledge** was appointed as a director and President and Chief Executive Officer of Charter Communications effective on February 13, 2012. A 34 year cable industry veteran, Mr. Rutledge served as Chief Operating Officer of Cablevision from April 2004 until December 2011 and previously served as president of Time Warner Cable. He began his career in 1977 at American Television and Communications (“ATC”), a predecessor company of Time Warner Cable. Mr. Rutledge currently serves on the board of the National Cable and Telecommunications Association (“NCTA”). He served as Chairman of the NCTA from 2008 to 2010 and currently serves on the boards of CableLabs, C-SPAN, and the Cable & Telecommunications Association for Marketing (“CTAM”) Educational Foundation. In 2011, Mr. Rutledge received NCTA’s Vanguard Award for Distinguished Leadership, the cable industry’s highest honor. He is a member of the Cable Hall of Fame and was inducted into the Broadcasting and Cable Hall of Fame in 2011. He received a B.A. in economics from California University in California, Pennsylvania in 1977.
- **Christopher L. Winfrey** joined Charter Communications as Executive Vice President and Chief Financial Officer on November 1, 2010. Mr. Winfrey is responsible for all of Charter’s financial functions, including accounting, financial planning and analysis, tax and treasury, mergers and acquisitions, capital structure activities, and investor relations. He also directs Charter’s supply chain management, facilities, revenue assurance, and business intelligence teams. Prior to joining Charter, Mr. Winfrey served as Chief Financial Officer and Managing Director of Unitymedia GmbH, Germany’s second-largest provider of media and communications services via broadband cable, from March 2006 through October 2010. Mr. Winfrey was also appointed Managing Director of Unitymedia Management GmbH, Unitymedia Hessen Verwaltung GmbH, and Unitymedia NRW GmbH in March 2006 and arena Sport Rechte und Marketing GmbH in April 2008. He has held leadership and finance positions with Cablecom and NTL Europe, assuming a key role in the operational turnaround, triple-play services rollout, and capital markets development at these companies over the last decade. Mr. Winfrey graduated from the University of Florida, with a B.S. degree in Accounting. He also received his M.B.A. from the University of Florida.



July 9, 2014

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Comcast Cable Communications  
One Comcast Center  
Philadelphia, PA 19103

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12254 Ensign Ave. N  
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Karly B. Werner  
Government Affairs Senior Manager  
Comcast- Twin Cities Region  
10 River Park Plaza  
St. Paul, MN 55107

**Re: *Quad Cities Communications Commission (QCCC);  
Cities of Andover, Anoka, Champlin, and Ramsey, MN***

Dear Mr. Fennell and Ms. Werner:

We are in receipt of FCC Form 394's dated June 17, 2014 that were provided to each of the QCCC's member cities. On behalf of the member cities, this provides notice under 47 CFR §76.502(b) that the filings are inaccurate and incomplete. Because notice is being provided within 30 days of receipt of the filings, the 120-day review period is tolled.

**Accuracy of Filing**

Form 394, Part II, question 2 requests a narrative explaining changes to the current terms and conditions of service and operations of the system expected as a result of the proposed transactions. In response, the parties supplied Exhibit 2 which states:

...Midwest Cable and the legal entity holding the franchise for the cable system that is the subject of this Form 394 have no current plans to change the terms and conditions of service or operations of the system...

This statement is inconsistent with the plans described in the Form 394 itself, and in various FCC and SEC filings, public statements by company officials, and press reports.

The Form 394 describes plans for Comcast, the largest cable operator in the US, to convey the local cable system and franchise to Midwest Cable, a new company that Comcast recently formed. Midwest's technical qualifications, experience and expertise regarding cable television systems is described as follows:

Midwest Cable will begin operations with approximately 2.5 million video customers, making it the fifth largest cable provider in the United States.

\*\*\*

Immediately after closing of the transaction, Comcast will provide some temporary transitional operational services that will allow current Comcast customers to experience a seamless transition to Midwest Cable's ownership and operation of the cable systems. In order to ensure continued high quality operation, existing Comcast field personnel, who have successfully operated these systems in the past, will join Midwest Cable. Further, through a Services Agreement with Charter Communications, Midwest Cable will be able to take advantage of Charter's expertise in technology and operations, thereby enhancing Midwest Cable's ability to provide excellent products and services to its customer.

In addition to technology resources, the Charter Services Agreement will provide for certain customer-facing functions such as marketing, sales, billing and collections, and customer care. Once Charter implements these operational system services, certain of Midwest Cable's products and services may even be co-branded with Charter. This clearly will enable Midwest Cable to benefit from Charter's experience, scale, and regional concentration...

Form 394, Section IV, Exhibit 7. The statement in Exhibit 2 that no changes are planned is simply false.

Although the Form 394 provides few details, the changes that are planned are obviously dramatic. Midwest will have approximately 1/10<sup>th</sup> as many video subscribers as Comcast, and an even smaller fraction of the number of employees. Charter will support Midwest by providing certain services. Products and services that are currently being aggressively marketed in the Minneapolis/St. Paul metropolitan area as XFINITY will be re-branded and co-branded with Charter. The technology platform that Comcast has deployed to offer its XFINITY products and services may even change. Thus, Exhibit 2 is inaccurate and must be corrected.

In addition, Exhibit 7 is also inaccurate. Exhibit 7 attempts to address Midwest's technical qualifications by noting Midwest's planned retention of former-Comcast "field personnel." Charter's role in managing and operating Midwest's systems is also emphasized. In fact, Midwest's products and services "may even be co-branded with Charter."

However, the Comcast/Charter Transactions Agreement dated April 25, 2014 ("Agreement"), p. 9, states:

In addition, immediately following the Merger, SpinCo and Charter **shall enter** into a services agreement (the "Services Agreement") pursuant to which **Charter shall provide those services to SpinCo** set forth in Appendix A to the Governance, Management and Services Framework **set forth on Annex A**, such services to be provided [at cost, without markup]. In addition, Charter shall receive a quarterly payment equal to 4.25% of SpinCo quarterly gross revenues...

... In those markets in which SpinCo has a larger field operations presence than Charter, if agreed by SpinCo and Charter, SpinCo may also provide services to Charter at the Shared Services Cost (as calculated for SpinCo)....



In turn, Annex A states: “The parties agree that any products and services provided by Charter under the services agreement with SpinCo **shall be co-branded under the Charter and SpinCo brand names.**” Thus, it is inaccurate to claim that that Midwest product and service offerings “may even be” co-branded with Charter. Co-branding is mandated.

Further, the list of services that Charter “shall provide” includes everything from Midwest’s product development and strategy, and sales and marketing services, all the way to dispatching system techs, providing customer service, and handling billing, collections, and disconnects. Thus, the plan is for Charter to be engaged in system operations and services from top to bottom.

Charter’s integral role in the operation Midwest’s systems is a point of emphasis. In the Comcast/Charter Public Interest Statement, dated June 5, 2014, the parties argue as follows:

SpinCo Customers Will Benefit.

First, as a result of the SA, SpinCo customers will have the opportunity to benefit from Charter’s industry-leading broadband products and services. SpinCo will have the ability to adopt the strategies and technologies Charter has been finding successful in, or deploying for, its markets...

Second, with geographically aligned cable systems serving a large customer base, and with opportunities to leverage Charter’s scope and scale, SpinCo can compete aggressively on price and quality in the highly competitive market for advanced video services....

**Cable companies have attempted for years to partner in delivering services to residents and businesses with only marginal success, given the inherent difficulties in managing partnerships, aligning incentives, coordinating investment and delivery, and overcoming geographic and technological hurdles. By contrast, the SpinCo transaction is structured to substantially mitigate these “transactional frictions.” A substantial equity investment in SpinCo and an SA tying Charter’s compensation from that agreement directly to SpinCo’s revenues create strong incentives for Charter to work for SpinCo’s success and for SpinCo to use Charter’s services.**

Thus, the transactions subject to the Form 394 were specifically structured to establish a cooperative management and operations arrangement almost unprecedented in the cable industry. Changes to system operations and service offerings are contractually mandated. Although the final services agreement may not have been memorialized yet, these unprecedented changes are planned. Exhibit 2 is inaccurate and Exhibit 7 is misleading at best. The Form 394 must be corrected.

## **Completeness of Filing**

Under 47 CFR §76.502, a franchising authority has 120 days from submission of a “completed” FCC Form 394 in which to act. In order to be complete, the Form 394 must include “any additional information required by the terms of the franchise agreement...”

Section 10.5.3 of the member city franchises states:

The Grantee shall file, in addition to all documents, forms and information required to be filed by applicable law, the following:

- 10.5.3.1 All contracts, agreements or other documents that constitute the proposed transaction and all exhibits, attachments, or other documents referred to therein which are necessary in order to understand the terms thereof;
- 10.5.3.2 A list detailing all documents filed with the any state or federal agency related to the transaction including, but not limited to, the MPUC, the FCC, the FTC, the FEC, the SEC, or MnDOT. Upon request, Grantee shall provide City with a complete copy of any such document; and
- 10.5.3.3 Any other documents or information related to the transaction as may be specifically requested by the City.

The Form 394 application is incomplete because the list required by Section 10.5.3.2 has not been submitted.

In addition, under Section 10.5.3.1 and 10.5.3.3 the services agreement between Midwest and Charter must be filed in order for the application to be deemed complete. As noted above, Midwest’s technical qualifications are, in large measure, premised on Charter’s planned involvement in operations and management. If, on one hand, Midwest does not utilize Charter’s services at all, then Charter is irrelevant to Midwest’s qualifications. If, on the other, Charter provides all the services and management functions contemplated by the Agreement, then Charter’s qualifications are central. Any number of variants between these extremes is possible. It is impossible to weigh Charter’s role without reviewing the services agreement.

Moreover, Charter will receive a management services fee (4.25% of gross revenues) from Midwest. As the parties themselves acknowledge, this creates a unique relationship similar to a partnership or “equity” interest. The services agreement is needed to clarify the nature of this unique relationship.

Until the services agreement is provided, we cannot fully understand the transactions at issue, determine the likely impact on the local system and area subscribers, or evaluate Midwest’s qualifications (as supplemented to some degree by Charter). The Form 394 will be deemed incomplete until the services agreement is filed.

## Additional Questions

1. Assuming that the Midwest/Charter services agreement is not yet finalized, please provide a copy of any term sheet upon which that agreement will be based.
2. Provide a “menu of services” that Midwest Cable will offer to customers, identifying the current Comcast service or product name and anticipated replacement product or service name, and explaining any changes or differences. Include a price list and a list of any products or services that are expected to be discontinued.
3. Provide a narrative explaining differences between the current customer service, billing, collections, customer complaint processing, and customer disconnect practices of Comcast and Charter.
4. Provide a narrative explaining differences between the current franchise fee payment practices of Comcast and Charter such as differences in the calculation of or accounting for cable “gross revenues.”
5. Provide a narrative explaining differences between the current PEG support payment practices of Comcast and Charter including, specifically, each company’s understanding of the distinction between PEG operating and capital support.
6. Identify all Comcast “field personnel” that currently office in, or are engaged in operations in, the Minneapolis/St. Paul metro who will be retained by Midwest.
7. Identify the personnel that will be responsible for negotiation of franchise renewals with the member cities upon consummation of the transactions addressed by the Form 394 if the renewals are not completed at that time.
8. Identify the local counsel anticipated to be involved, as needed, in renewal of the franchises upon consummation of the transactions addressed by the Form 394 if the renewals are not completed at that time.
9. Provide a narrative explaining Comcast’s obligations or responsibilities, if any, regarding completion of franchise renewal with the member cities in relation the transactions addressed by the Form 394. Include references to the relevant sections of any agreements, filings or public documents as appropriate.
10. Provide a narrative explaining Comcast’s obligations or responsibilities, if any, for delivering valid, enforceable franchises to Midwest upon closing of the transactions addressed by the Form 394. Include references to the relevant sections of any agreements, filings or public documents as appropriate.
11. Provide a copy of any agreement or term sheet related to Midwest’s retention of, or future modifications to, the existing Comcast infrastructure, end-user equipment, and other system capital.

12. Provide documentation of Midwest Cable's capital investment plans for the Minneapolis/St. Paul metro systems, including any changes to or investments in system facilities or equipment that are planned.
13. Identify any steps that Comcast is taking in preparation for the transactions addressed by the Form 394 that directly impact operation and maintenance of the system(s) serving the member cities. Particularly, indicate whether Comcast has changed its policy or practices regarding the local availability (i.e. warehousing) of system equipment and facilities such as, for example, modulators used in the I-NET.
14. Identify the anticipated date of consummation of the transactions addressed by the Form 394.
15. List any contingencies that may prevent consummation or delay the closing date.
16. Provide an answer to Form 394, Part II, question 7. If the answer is "no," supply a full explanation as required.
17. Section 10.5(e) of the franchise provides:

Grantee shall reimburse City for all the reasonable legal, administrative, consulting costs and fees associated with the City's review of any request to transfer. Nothing herein shall prevent Grantee from negotiating partial or complete payment of such costs and fees by the transferee. Grantee may not itemize any such reimbursement on Subscriber bills, but may recover such expenses in its subscriber rates.

Reimbursement is required on a monthly basis as legal, administrative and consulting costs or fees associated with review of the Form 394 are incurred by the City. Reimbursement must be paid within 30 days of receipt of an invoice or bill. Please identify the appropriate address for billings.

18. Provide a list of all documents that have been filed with regulatory agencies in relation to the transactions addressed by the Form 394 as required by the franchises.
19. In addition to the corporate parent-level changes contemplated by the Form 394, the transmittal letters accompanying the forms indicate that the franchise-holding subsidiary (Comcast of Minnesota, Inc.) will be converted to an LLC. Provide a narrative describing the transaction(s) involved.
20. Provide a corporate tree detailing the entire corporate family from franchise-holder to ultimate corporate parent. Include a corporate tree for Charter.

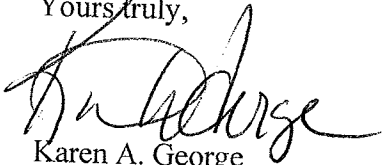
## Reservation of Rights

The corporate restructuring and associated debt or leverage arrangements to-be established are complicated. Midwest is expected to incur leverage of approximately 5 times estimated pro-forma EBITDA. New Charter will acquire an approximate 33% interest in Midwest by issuing New Charter stock to Comcast shareholders. The QCCC has retained an outside consultant to assist with evaluation of these issues. Accordingly, in addition to the foregoing questions, QCCC and its member cities reserve the right to pose additional questions regarding financial and corporate restructuring matters.

The QCCC and its member cities reserve all rights under the franchise and applicable law regarding the transactions subject to Form 394. The QCCC and its member cities reserve and do not waive the right to raise existing compliance franchise compliance matters, or new matters, despite any actions taken or not taken regarding the Form 394 and franchise transfer request. This reservation of rights specifically includes franchise compliance issues related to Comcast's recent changes to the QCCC's PEG access channels. The PEG channels were converted from analog to digital, compressed into less than 6 MHz of bandwidth, and relocated all without advance notice or consent of the QCCC or its member cities. The QCCC has notified Comcast of this matter, and the QCCC and its member cities reserve the right to notice franchise violations regarding this matter at any time.

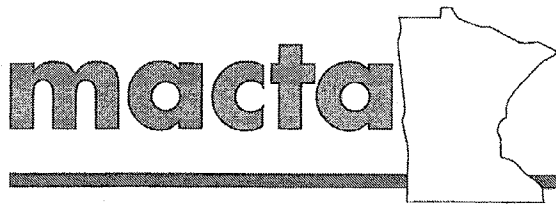
We look forward to your prompt response. As noted above, the review period will be tolled until a complete and fully accurate Form 394 is filed.

Yours truly,



Karen A. George  
Executive Director

cc: Bob Vose, QCCC attorney



1000 Westgate Drive, Suite 252  
St. Paul, MN 55114

MINNESOTA ASSOCIATION OF  
COMMUNITY TELECOMMUNICATIONS ADMINISTRATORS  
The Minnesota Chapter of NATOA/The National Association of Telecommunications Officers and Advisors

telephone: (651) 290-6282  
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email: info@mactamn.org  
website: www.mactamn.org

Dear MACTA Member:

It is our understanding, that on or about June 18, your City/Cable Commission received a 394 Letter and packet from Comcast regarding, "Comcast Corporation/Midwest Cable, Inc. Transaction." Comcast's "Transactions" will have an impact on all Comcast franchises in Minnesota and perhaps Minnesota cities that have Charter as their franchise holder. Comcast will be divested to a newly formed cable operator, Midwest Cable, previously referred to as SpinCo..

**What does this mean to cities, cable commissions and those they represent?**

There are a lot of unknowns at this time, but if your community is served by *either* cable provider, MACTA strongly recommends you receive an opinion from your cable attorney. They will be able to help you determine whether any of the divestiture actions trigger the "transfer of ownership" language in your franchise, and if so, what steps you should consider taking.

In any transfer, the local franchise authority (LFA) has an obligation to ensure the new company can meet the legal, technical and financial requirements to operate a cable system. Given the uncertainty of this new entity, MACTA has concerns for its members as to how financially qualified Midwest Cable is to operate a system throughout Minnesota and what the overall impacts of the Comcast/Charter transaction will be on the new entity. It will be important for LFAs to gain a complete picture of the potential financial condition of Midwest Cable. This includes assessing Charter's management agreement, (which could significantly impact future capital available for Midwest Cable system upgrades) and how debt held by Comcast could impact Midwest Cable.

**MACTA has agreed to coordinate and facilitate a joint financial review.**

As a result, MACTA has contracted with Ashpaugh & Sculco, who is working with Front Range Consulting, both nationally recognized financial consultants, to cooperatively conduct a financial analysis of the transfers on behalf of MACTA members. This analysis would provide the necessary financial information to help LFAs make decisions regarding the transfer of their franchise agreements to Midwest Cable.

One of the primary reasons MACTA is willing to undertake this endeavor is to collectively reduce the overall cost that each member might pay individually and to make this financial review as cost effective as possible. There is a sliding scale for cost based on the number of participants. See attached Letter of Understanding for the Payment Chart.

Time is of the essence. Each LFA has only 30 days from the time it received the 394 Packet (assumed July 17) to submit to Comcast its position that the 394 packet of information received on June 18 is

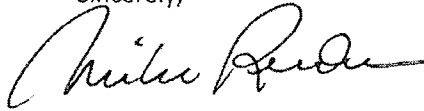
"incomplete." If Comcast is not informed of your position within 30 days, then Comcast assumes what you received is all you require to determine if Midwest Cable is qualified to operate as your LFA cable provider. You are strongly encouraged to join this important effort. Please note MACTA is not receiving any financial benefit from coordinating it. It is merely doing so as a benefit to you as a MACTA member.

If you would like to participate, please review and sign the attached Letter of Understanding by no later than July 14, 2014 and email or fax to:

Scott E. Franzmeier  
c/o MACTA  
Email: [scottf@ewald.com](mailto:scottf@ewald.com)  
Fax: 651-290-2266.

For further questions about the transfer obligation or this financial review, please consult with your cable attorney or feel free to contact me at 651-266-8875 or [mike.reardon@ci.stpaul.mn.us](mailto:mike.reardon@ci.stpaul.mn.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Reardon", written in a cursive style.

Mike Reardon  
MACTA President



ASHPAUGH & SCULCO, CPAs, PLC  
Certified Public Accountants and Consultants

June 23, 2014

Mike Reardon  
MACTA President  
MACTA  
1000 Westgate Dr.  
Suite 252  
Saint Paul, MN 55114

**Subject: Letter Agreement for Financial Analysis of Comcast – Time Warner – Charter Merger, Swap and Transfers**

Dear Mr. Reardon:

This letter of engagement is to set forth the scope and terms of Ashpaugh & Sculco, CPAs, PLC (“A&S”)<sup>1</sup> to provide services to the Minnesota Association of Community Telecommunications Administrators (“MACTA”) regarding the financial analysis of the transfers of the cable television franchises associated with the merger of the Comcast – Time Warner – Charter proposed transactions (“Transactions”).<sup>2</sup> The review of the Transactions is a joint project of local franchise authorities in many states made up of cities, townships and commissions (the “Participants”). The members of MACTA will be participants in the national project. All work will be done on behalf of the Participants as a whole. Individual reports detailing the findings of the review will be provided to each Participant. MACTA is contracting with A&S for the review on behalf of its participating members in order to receive special pricing at a group rate as set forth in the table below.

This is a fixed fee contract. MACTA will make payment to A&S in three stages:

- 1) As of June 27, 2014, whatever number of MACTA participants have agreed to participate in the Transaction, MACTA will use that number of participants and will provide to A&S a payment of one-half of the amount per the pro-rated payment table herein. For example, as of June 27, if MACTA has received commitment letters from seven MACTA participants, MACTA will then submit a payment of \$24,500 to A&S.
- 2) Any and all other MACTA participants, who have agreed to participate after June 27 and up to July 17, 2014, MACTA will then make payment to A&S using the same payment model as in stage 1. For example, if six other MACTA participants agree to participate, then a payment of \$21,000 will be made to A&S.

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<sup>1</sup> Ashpaugh & Sculco, CPAs, PLC (“A&S”) will be the contracting party. Please note that Front Range Consulting, Inc. (“FRC”) will be a sub-contractor to A&S and will have an equal role to A&S in the prosecution of the work. All performance references to A&S include FRC.

<sup>2</sup> We see four separate but interrelated transactions: (1) Comcast acquisition of Time Warner (“Acquisition”); (2) system swaps between Comcast and Charter (“Swaps”); (3) transfers of Comcast and Charter systems to SpinCo (“Transfers”) and (4) creation of the new Charter (“New Charter”). They are all interrelated as items 2 through 4 would not occur if the Acquisition is not approved.



- 3) The balance of the final payment amount will be based on the totality of all MACTA participants, using the payment table herein, minus the previous amounts paid to date. For example, if there are 13 MACTA participants, the overall total amount would be  $\$5800 \times 13 \text{ members} = \$75,400$ , minus the previously paid sums of  $\$45,500$  resulting in a final payment of  $\$29,900$ . The final amount shall be paid with 45 days of submittal of final report to MACTA and its participants.

This letter agreement authorizes and obligates: (i) A&S to perform the tasks (the "Tasks") set forth in the Scope of Work; and, (ii) MACTA to promptly submit and pay A&S as outlined above. Interest will accrue beginning 45 days after the receipt date at the rate of 1.0% per month of outstanding balance (invoiced amount plus accrued interest).

A&S will perform the services listed in the Scope of Work, included as Attachment A. During the course of this project, the Tasks may be modified by written authorization of MACTA and any impact on the estimated budget will be addressed. Any participating MACTA member may contract separately for Additional Services at our normal hourly billing rates of \$175 per hour. A&S may also bill the MACTA member for analytical time, administrative time and all out-of-pocket expenses directly chargeable to any additional and optional tasks mutually agreed to by the MACTA member and A&S.

A&S shall submit a report to MACTA listing the procedures, analyses and the financial analyses findings. This report is intended solely for the information and use of the participating members of MACTA and cannot be used by any other party without the specific written permission of A&S.

MACTA agrees to provide copies of each executed Letter of Understanding, between MACTA and its participants, as soon as possible so that A&S may contact the participants for any, and all documentation A&S is required to fulfill its contractual obligations per this agreement. Each participant will agree to provide LFA contact information to expedite the Transaction review.

Total costs for the project shall not exceed the amount referenced herein. This contract may be terminated upon mutual agreement of the parties; provided, however, that if a decision is issued that the Acquisition is not approved by the federal entity entrusted with its review, Consultants, upon request, agree to immediately cease all services hereunder and will submit an invoice only for work duly performed in good faith up to the date of such decision.

Copies of the final report, with supporting documentation and schedules, shall be delivered to MACTA and shall become the property of MACTA and its participants.

Consultants shall indemnify, save and hold harmless and protect and defend MACTA and its members from all claims, actions or suits of any character brought for or on account of any claimed or alleged injuries or damages received by any person or property, resulting from any act or omission by Consultants or any person employed thereby in carrying out the terms of this contract.

Consultants shall be required to carry general or professional liability insurance in amounts sufficient to cover all obligations undertaken in this contract, including, but not limited to, the obligations included herein.

MACTA and Consultants each bind themselves and their successors and assigns with respect to all covenants of this contract, and none of the parties shall assign, sublet or transfer their interest in this contract without the written consent of the other.

Mike Reardon, MACTA President  
 MACTA  
 June 23, 2014  
 Page 3 of 3

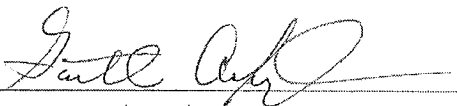
The A&S agrees to perform the analysis of the Transactions based on the following schedule, assuming A&S is able to develop participation in this group effort sufficient to warrant the undertaking.<sup>3</sup>

Special pricing for MACTA	
Number of Participants	Price
3 or less	\$7,500 per
4 to 7	\$7,000 per
8 to 11	\$6,500 per
12 to 17	\$5,800 per
18 or more	\$100,000

We appreciate your assistance and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of this engagement as described, please sign the enclosed copy and return it to us.

This project shall be commenced as soon as practicable upon execution of this letter agreement, and shall be completed as soon as good practice and due diligence will permit. This letter agreement shall be deemed executed and accepted on the date it is signed by MACTA.

**AGREED AND ACCEPTED:**

<p><b>ASHPAUGH &amp; SCULCO, CPAs, PLC</b></p> <p>By: </p> <p>Name: <u>GARY ASHPAUGH</u></p> <p>Title: <u>PRESIDENT &amp; MEMBER</u></p> <p>Date: <u>JUNE 23</u>, 2014</p>	<p><b>MINNESOTA ASSOCIATION OF COMMUNITY TELECOMMUNICATIONS ADMINISTRATORS ("MACTA")</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2014</p>
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<sup>3</sup> We need a total number, including the number within MACTA, of at least 17 participants in the project.

## SCOPE OF WORK

Ashpaugh & Sculco, CPAs, PLC ("A&S") and Front Range Consulting, Inc. ("FRC") (collectively the "Consultants") will jointly review the financial impacts of the Comcast – Time Warner – Charter proposed transactions ("Transactions")<sup>4</sup> for MACTA members on a coordinated and discounted basis. The following provides our generic Scope of Work for such a review. Once the FCC Form 394s have been received and reviewed by the Consultants, this Scope may need to be revised. Any alteration, amendment or revisions to this Scope of Work must be reduced to writing and duly signed by the parties.

1. The Consultants will complete an initial review of the FCC Form 394 received by the participating MACTA members for each of the Transactions and will provide a memorandum to MACTA and the participating members regarding the completeness of the Form 394 from a financial perspective for each Transaction. The Consultants anticipate that this initial memorandum will be used by the participating MACTA members to determine if the review period of 120 days needs to be tolled in order to gather additional financial information regarding the Transactions.
2. The Consultants will develop data request(s) to the Transaction parties regarding additional financial information assuming the Form 394 has been deemed incomplete. These assumed data request(s) will cover all four transactions as they are all interrelated.
3. The Consultants will analyze the financial information provided in the Form 394 and the assumed data request(s) to determine potential benefits and risks to the participating MACTA members of the proposed Transactions.
4. The Consultants will prepare an initial draft of the final report detailing all of the financial analyses undertaken by the Consultants, the Consultants findings and the Consultants recommended conditions to the attorneys for each participating MACTA member. A video conference call will be arranged for all participating members and their attorneys to review the draft final report to the extent allowed by the anticipate non-disclosure agreement.
5. The Consultants will the revise the draft report based on the input from the participating MACTA members and will issue a final report. It is expected that some of the information provided by the Transaction parties may be considered confidential and cannot be released publically. Assuming that is the case, the Consultants will prepare a redacted report for public disclosure and an unredacted report that will be delivered to the participating member attorneys as allowed by the anticipate non-disclosure agreement signed by the Consultants and the Transaction parties.

The completion date for the initial review of item 1 shall be no later than July 17, 2014. A&S agree to commit to providing the draft report 40 days prior to the expiration of the review period and the final report no less than 30 days prior to the expiration of the review period.

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<sup>4</sup> We see four separate but interrelated transactions: (1) Comcast acquisition of Time Warner ("Acquisition"); (2) system swaps between Comcast and Charter ("Swaps"); (3) transfers of Comcast and Charter systems to SpinCo ("Transfers") and (4) creation of the new Charter ("New Charter"). They are all interrelated as items 2 through 4 would not occur if the Acquisition is not approved.



**Letter of Understanding - MACTA and MACTA Member Participant  
 Authorizing MACTA to Retain, Facilitate and Coordinate on our Behalf,  
 Ashpaugh & Sculco's Financial Analysis Services as Outlined in Attachment A**

As time is of the essence, the Agency further agrees to provide an Agency name and their contact information and to facilitate the delivery of a copy of the 394 Letter, so that A&S is able to conduct a complete and thorough analysis as it may affect the Agency and the Transaction.

The Agency also understands that if it has not sent a letter that is received by Comcast by July 17, 2014 (or 30 days after Agency's receipt of the 394), indicating that the 394 Letter regarding Midwest Cable the Agency received is incomplete, then the Agency waives its rights, per federal law, to further analyze the Transaction and the Agency will therefore be excluded from any further analysis of the Transaction. Any money paid to MACTA by the Agency to this date will then be forfeited.

Finally, the Agency does have the right to retain A&S for the purpose of any individual analysis for the Agency outside the attached scope of work at the rate of \$175 per hour and will be responsible for the contact with A&S, and payment to A&S, for any services rendered by A&S on an individual basis to the Agency.

**AGREED AND ACCEPTED:**

<p><b>MINNESOTA ASSOCIATION OF COMMUNITY TELECOMMUNICATIONS ADMINISTRATORS ("MACTA")</b></p> <p>By: <u></u></p> <p>Name: <u>MIKE REARDON</u></p> <p>Title: <u>MACTA PRESIDENT</u></p> <p>Date: <u>JUNE 23</u>, 2014</p>	<p><b>MACTA MEMBER (AGENCY)</b></p> <p>By: <u></u></p> <p>Name: <u>Karen George</u></p> <p>Title: <u>Executive Director</u></p> <p>Date: <u>JULY 3, 2014</u>, 2014</p>
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Primary Agency Contact Info:

Name: Karen George

Phone Number(s): 763-427-1411 direct 763-276-9860

Email: Karen.george@getv

**Letter of Understanding - MACTA and MACTA Member Participant  
Authorizing MACTA to Retain, Facilitate and Coordinate on our Behalf,  
Ashpaugh & Sculco's Financial Analysis Services as Outlined in Attachment A**

MACTA, as a benefit to participating MACTA members, has contracted with the financial consulting firm of Ashpaugh & Sculco (A&S), for the purpose of A&S to conduct on behalf of participating MACTA Members, the Financial Analysis (Analysis) of the Comcast – Time Warner – Charter Mergers, Swaps and Transfers.

MACTA has also agreed, as part of this effort, to work with those MACTA members who received on or about June 18, 2014, a 394 Letter from Comcast regarding, "Comcast Corporation/Midwest Cable, Inc. Transaction," to assist in the facilitation and coordination of A&S conducting the financial analysis as outlined per A&S's attached Scope of Work.

MACTA further agrees to make a good faith effort to reduce the overall costs for each participating MACTA member who agrees to participate in the Analysis, based on a pro-rated formula, as outlined in the table below. In order to participate and benefit in the Analysis, and for MACTA to administer it on your behalf, MACTA will require the execution of this agreement by no later than July 14.

Special pricing for MACTA Participants	
Number of Participants	Price
3 or less	\$7,500 per
4 to 7	\$7,000 per
8 to 11	\$6,500 per
12 to 17	\$5,800 per
18 or more	\$100,000

The Quad Cities Cable Communications Commission  
(Agency) hereby agrees to authorize MACTA to act on our behalf to coordinate and conduct the Analysis as per the A&S attachment.

The Agency also agrees, in exchange for MACTA providing the coordination and administration of the Analysis with A&S, the Agency will make both an upfront payment of \$3000 directly to MACTA, which is due upon execution of this Letter of Understanding, and a final payment for the remaining balance, with the total overall amount not to exceed \$7500. The Agency understands that MACTA, having made a good faith effort to recruit as many MACTA members as possible who may be affected by the Transactions described herein, will not be held responsible for the final number of MACTA participants as of July 18, 2014.



One Comcast Center  
Philadelphia, Pennsylvania 19103

June 17, 2014

Karen George  
Executive Director  
City of Champlin  
12254 Ensign Avenue North  
Champlin, MN 55316

Re: Comcast Corporation/Midwest Cable, Inc. Transaction

Dear Ms. George:

As you may have read, Comcast Corporation ("Comcast"), the ultimate parent of the entity holding the cable franchise in your community, is divesting its ownership of certain cable systems in connection with its acquisition of Time Warner Cable. Pursuant to an agreement with Charter Communications, Inc. ("Charter"), Comcast will spin off a new, independent company, which will become Midwest Cable, Inc. ("Midwest Cable," currently known as "SpinCo"), a publicly traded company that will be the ultimate owner of your franchise. Upon completion of the transaction, Comcast shareholders (but not Comcast itself) will own approximately two-thirds (2/3) of Midwest Cable, and Charter will own approximately one-third (1/3) of Midwest Cable.

We note that immediately prior to your cable franchisee becoming an indirect, wholly-owned subsidiary of Midwest Cable (the spin-off), the franchisee will be converted from a corporation to a limited liability company.

With over 2.5 million cable customers, Midwest Cable will begin operations as the fifth largest cable television provider in the United States. Moreover, Midwest Cable's strategic regionalized footprint will allow for a focused and efficient delivery of high quality and innovative services to its customers. Midwest Cable will be led by President and CEO Michael Willner, a 40-year cable industry leader and the co-founder and former CEO of Insight Communications. Further, Midwest's Cable's Board of Directors will include leading communications industry executives and innovators, with current Charter Communications CEO Tom Rutledge serving as Board Chairman. In addition, through a services agreement with Charter, Midwest Cable will be able to take advantage of Charter's expertise in technology and provision of services.

If you determine that your consent is *not* required for this transaction to proceed, you need not take any further action. If, however, you believe your consent is necessary, we have provided copies of the Federal Communications Commission's ("FCC") Form 394, other information, and a draft consent resolution to help facilitate the consent process.

- **FCC Form 394.** FCC Form 394 (required copies enclosed) is designed to provide you with the relevant information needed to assess the financial, legal, and technical qualifications of Midwest Cable to be the ultimate parent entity of your cable franchisee.
- **Timing.** According to the FCC's rules, where consent is required, you have a maximum of 120 days from the date you receive this information to review all materials and act upon our request for consent to the transaction. (Please note, your franchise may specify a shorter time frame.)
- **Consent Resolution.** Should you choose to affirmatively consent to the transaction, we have enclosed a draft consent resolution to be used to help expedite the consent process. We would request that a consent resolution, if needed, be placed on your agenda for consideration at your earliest convenience.

We invite you to visit the "Recent Official Transaction Communications" section of <http://corporate.comcast.com/twctransaction/official-filings-together> for additional information about the transaction. If you have any questions about the FCC Form 394, the consent resolution, or any of the enclosed

documents, please give me a call at (215) 286-5585, send an email to [klay\\_fennell@comcast.com](mailto:klay_fennell@comcast.com), or send a facsimile to (215) 286-8408. You may also contact Mark Brown, Vice President, Government Affairs, at Charter by phone at (202) 621-1900, by email at [mark.brown@chartercom.com](mailto:mark.brown@chartercom.com), or by facsimile at (202) 733-5960.

Sincerely,

A handwritten signature in black ink that reads "Klayton F. Fennell". The signature is written in a cursive, flowing style.

Klayton F. Fennell  
Vice President, Government Affairs  
Attachment and Enclosures

RESOLUTION NO. \_\_\_\_\_

CONSENT TO ASSIGNMENT AND CHANGE OF CONTROL

WHEREAS, Comcast of Minnesota, Inc. ("Franchisee") is the duly authorized holder of a franchise, as amended to date (the "Franchise"), authorizing Franchisee to serve the City of Champlin, MN (the "Franchise Authority") and to operate and maintain a cable television system therein; and

WHEREAS, Comcast Corporation ("Comcast") is the ultimate parent company of Franchisee; and

WHEREAS, on April 25, 2014, Comcast and Charter Communications, Inc. ("Charter") entered into the Comcast/Charter Transactions Agreement (the "Agreement"), pursuant to which, following a conversion from a corporation to a limited liability company, the Franchisee will become a wholly-owned subsidiary of Midwest Cable, Inc. ("Midwest Cable") (the "Transaction"); and

WHEREAS, Franchisee has filed an FCC Form 394 with the Franchise Authority with respect thereto; and

WHEREAS, the Franchise Authority has considered and approves of the Transaction.

NOW, THEREFORE, BE IT RESOLVED BY THE FRANCHISE AUTHORITY AS FOLLOWS:

The foregoing recitals are approved and incorporated herein by reference.

1. The Franchise Authority consents to the Transaction.
2. The Franchise Authority confirms that the Franchise is valid and outstanding and in full force and effect and there are no defaults under the Franchise. Subject to compliance with the terms of this Resolution, all action necessary to approve the Transaction has been duly and validly taken.
3. Midwest Cable or Franchisee may (a) assign or transfer its assets, including the Franchise, provided that such assignment or transfer is to an entity directly or indirectly controlling, controlled by or under common control with Midwest Cable; (b) restructure debt or change the ownership interests among existing equity participants in Midwest Cable; (c) pledge or grant a security interest to any lender(s) of Midwest Cable's assets, including, but not limited to, the Franchise, or of interest in Midwest Cable, for purposes of securing any indebtedness; and (d) sell equity interests in Midwest Cable or any of Midwest Cable's affiliates.
4. Upon closing of the Transaction, Franchisee shall remain bound by the lawful terms and conditions of the Franchise.



5. This Resolution shall be deemed effective upon adoption.

6. This Resolution shall have the force of a continuing agreement with Franchisee, and the Franchise Authority shall not amend or otherwise alter this Resolution without the consent of Franchisee and Midwest Cable.

PASSED, ADOPTED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Clerk

**FCC 394**  
**APPLICATION FOR FRANCHISE AUTHORITY**  
**CONSENT TO ASSIGNMENT OR TRANSFER OF CONTROL**  
**OF CABLE TELEVISION FRANCHISE**

FOR FRANCHISE AUTHORITY USE ONLY

**SECTION I. GENERAL INFORMATION**

DATE June 17, 2014	1. Community Unit Identification Number: <b>MN0364</b>
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2. Application for:                     Assignment of Franchise                     Transfer of Control

3. Franchising Authority: <b>City of Champlin, MN</b>	
4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: <b>Champlin, MN</b>	
5. Date system was acquired or (for system's constructed by the transferor/assignor) the date on which service was provided to the first subscriber in the franchise area:	N/A
6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee:	As soon as reasonably practicable after all regulatory approvals.

7. Attach as an Exhibit a schedule of any and all additional information or material filed with this application that is identified in the franchise as required to be provided to the franchising authority when requesting its approval of the type of transaction that is the subject of this application.

Exhibit No.  
N/A

**PART I – TRANSFEROR/ASSIGNOR**

1. Indicate the name, mailing address, and telephone number of the transferor/assignor.

Legal name of Transferor/Assignor (if individual, list last name first) Comcast Corporation			
Assumed name used for doing business (if any) Comcast			
Mailing street address or P.O. Box One Comcast Center			
City Philadelphia	State PA	ZIP Code 19103	Telephone No. (include area code) 215-286-1700

2. (a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing or marketing information, or other information not otherwise publicly available, may be redacted).

Exhibit No.  
1

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee?

Yes                     No

If No, explain in an Exhibit.

Exhibit No.  
See Exhibit 1

PART II - TRANSFEREE/ASSIGNEE

1. (a) Indicate the name, mailing address, and telephone number of the transferee/assignee.

Legal name of Transferee/Assignee (if individual, list last name first) Midwest Cable, LLC\Inc. (Midwest Cable, LLC will convert from an LLC to Inc. prior to closing)			
Assumed name used for doing business (if any)			
Mailing street address or P.O. Box One Comcast Center			
City Philadelphia	State PA	ZIP Code 19103	Telephone No. (include area code) 215-286-1700

(b) Indicate the name, mailing address, and telephone number of person to contact, if other than transferee/assignee.

Name of contact person (list last name first) Klayton F. Fennell (klay_fennell@comcast.com)			
Firm or company name (if any) Comcast Cable Communications, LLC			
Mailing street address or P.O. Box One Comcast Center			
City Philadelphia	State PA	ZIP Code 19103	Telephone No. (include area code) 215 286-5585 (voice) 215-286-8408

(c) Attach as an Exhibit the name, mailing address, and telephone number of each additional person who should be contacted, if any.

Exhibit No. N/A
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(d) Indicate the address where the system's records will be maintained.

Street address Regional or area office as appropriate.		
City	State	ZIP Code

2. Indicate on an attached exhibit any plans to change the current terms and conditions of service and operations of the system as a consequence of the transaction for which approval is sought.

Exhibit No. 2
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## SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee/Assignee is:

Corporation

a. Jurisdiction of incorporation: Delaware	d. Name and address of registered agent in jurisdiction: The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801
b. Date of incorporation: May 27, 2014	
c. For profit or not-for-profit: For profit	

Limited Partnership

a. Jurisdiction in which formed:	c. Name and address of registered agent in jurisdiction:
b. Date of formation:	

General Partnership

a. Jurisdiction whose laws govern formation:	b. Date of formation:
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Individual

Other. Describe in an Exhibit.

Exhibit No. N/A
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2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages if necessary. (Read carefully- the lettered items below refer to corresponding lines in the following table.)

- (a) Name, residence, occupation or principal business, and principal place of business. (If other than an individual, also show name, address and citizenship of natural person authorized to vote the voting securities of the applicant that it holds.) List the applicant first, officers, next, then directors and, thereafter, remaining stockholders and/or partners.
- (b) Citizenship.
- (c) Relationship to the transferee/assignee (e.g., officer, director, etc.).
- (d) Number of shares or nature of partnership interest.
- (e) Number of votes.
- (f) Percentage of votes.

(a)	See Exhibit 3	
(b)		
(c)		
(d)		
(e)		
(f)		

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates?

Yes  No

If the answer is No, explain in an Exhibit.

Exhibit No.  
4

4. Has the transferee/assignee had any interest in or in connection with an applicant which has been dismissed or denied by any franchise authority?

Yes  No

If the answer if Yes, describe circumstances in an Exhibit.

Exhibit No.

5. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the transferee/assignee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide video programming services; mass media related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination?

Yes  No

If the answer is Yes, attach as an Exhibit a full description of the persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of such proceeding.

Exhibit No.  
N/A

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

Yes  No

If Yes, provide particulars in an Exhibit.

Exhibit No.  
5

7. Do documents, instruments, agreements or understandings for the pledge of stock of the transferee/assignee, as security for loans or contractual performance, provide that: (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state or local law or pursuant to the terms of the franchise agreement will be obtained?

Yes  No

N/A

If No, attach as an Exhibit a full explanation.

Exhibit No.  
N/A

### SECTION III. TRANSFEREE'S/ASSIGNEE'S FINANCIAL QUALIFICATIONS

1. The transferee/assignee certifies that it has sufficient net liquid assets on hand or available from committed resources to consummate the transaction and operate the facilities for three months.

Yes  No

2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principles, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law.

Exhibit No.  
6

### SECTION IV. TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS

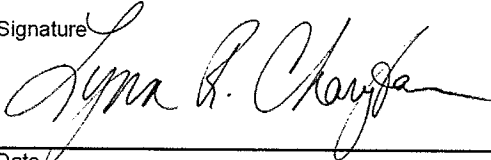
Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable system currently or formerly owned or operated.

Exhibit No.  
7

# SECTION V - CERTIFICATIONS

## Part I - Transferor/Assignor

All the statements made in the application and attached exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.


I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date June 17, 2014
	Print full name  Lynn R. Charytan
Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer <input type="checkbox"/> Other. Explain: (Indicate Title) Senior Vice President, Legal Regulatory Affairs and Senior Deputy Counsel	

## Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certifies that he/she:

- (a) Has a current copy of the FCC's Rules governing cable television systems.
- (b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.
- (c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date June 17, 2014
	Print full name  Art Block
Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer <input type="checkbox"/> Other. Explain: (Indicate Title) Senior Vice President and Secretary of Midwest Cable, LLC	

## EXHIBIT 1

Comcast Corporation (“Comcast”) and Charter Communications, Inc. (“Charter”) have entered into the Comcast/Charter Transactions Agreement, dated as of April 25, 2014 (the “Agreement”), whereby, contingent upon and following the consummation of Comcast’s pending acquisition of Time Warner Cable Inc. (“TWC”), three separate transactions will occur impacting the ownership of certain cable systems currently owned by Comcast, TWC, and Charter (the “Transactions”):

- (1) Comcast will sell TWC systems serving approximately 1.5 million customers to Charter.
- (2) Charter and Comcast will exchange cable systems and related assets serving approximately 1.5 million TWC customers and 1.6 million Charter customers.
- (3) Comcast will spin off a new, independent company that will become Midwest Cable, Inc., currently known as “SpinCo,” and will operate systems serving approximately 2.5 million current Comcast customers.

Your cable franchisee is included in the third Transaction.

Pursuant to the Agreement, Comcast will transfer control of the cable franchisee subject to this Form 394, as part of its divestiture of cable systems to Midwest Cable, Inc. (“Midwest Cable”).<sup>1</sup> After consummation of the Transactions, Comcast will have no ownership interest in Midwest Cable. Charter will form a new holding company (“New Charter”) that will obtain an approximate 33 percent stake in Midwest Cable. Comcast shareholders, including former TWC shareholders, are expected to own in the aggregate the remaining approximate 67 percent stake in Midwest Cable. Midwest Cable will be a publicly-traded company.

As a preliminary matter, the current Comcast cable franchisee entity may change pursuant to an internal Comcast pro forma restructuring or corporate conversion (still remaining entirely under the ownership and control of Comcast). Immediately thereafter, the cable franchisee will become an indirect, wholly-owned subsidiary of Midwest Cable.

A copy of the Agreement as filed with the Securities and Exchange Commission (Form 8-K) is available at <http://corporate.comcast.com/twctransaction/official-filings-> together under “Official Filings.” Four documents (including two programming agreements) have been omitted, as they are not necessary in order to understand the terms of the Agreement or contain confidential trade, business, pricing or marketing data, or other data not otherwise publicly available. In addition, Comcast Corporation filed a Securities

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<sup>1</sup> Midwest Cable initially will be a Delaware limited liability company, but will convert to a corporation, as a matter of right under Delaware law. Midwest Cable may also implement a name change once the Transactions have closed.

and Exchange Commission Form S-4A Registration Statement on May 23, 2014. A copy is available at <http://corporate.comcast.com/twctransaction/official-filings-together> under "Official Filings." Hard copies of either document will be provided upon request.

The Agreement contains all material terms of the Transactions and is fully binding on the parties. Pursuant to the Agreement, the parties have agreed to enter into additional documentation that is intended to implement the previously negotiated Agreement and is not intended to add or to alter material terms.



**EXHIBIT 2**

Midwest Cable, Inc. ("Midwest Cable") will be the indirect parent company of the legal entity holding the franchise for the cable system that is the subject of this Form 394. Midwest Cable and the legal entity holding the franchise for the cable system that is the subject of this Form 394 have no current plans to change the terms and conditions of service or operations of the system. The cable system will be operated pursuant to the terms of the franchise agreement and applicable law after the consummation of the proposed transaction. Midwest Cable and the legal entity holding the franchise for the cable system that is the subject of this Form 394 reserve the right to make service and operational changes in accordance with the terms of the franchise agreement and applicable law.

**EXHIBIT 3**

As part of the transaction underlying this Form 394 filing, a newly formed entity, Midwest Cable, Inc. (“Midwest Cable”) will become an independent, publicly-traded corporation. At the time that Comcast Corporation spins off Midwest Cable, no individual or entity will hold a 5% or greater voting interest in Midwest Cable, other than Charter Communications, Inc. (“Charter”). Charter, through a wholly owned subsidiary, will own approximately one-third (1/3) of the equity and voting shares of Midwest Cable.

At this time, the following have been identified as officers and directors of Midwest Cable after the close of the transaction:

	<b>Title</b>
Michael S. Willner	President Chief Executive Officer
Matthew Siegel	Chief Financial Officer
Rick D’Avino	Director
James Chiddix	Director
Gregory L. Doody	Director
Jill Greenthal	Director
Dennis S. Hersch	Director
Wendell F. Holland	Director
Gregory Maffei	Director
Thomas M. Rutledge	Director Chairman of the Board of Directors
Christopher L. Winfrey	Director

The initial business address for all officers and directors will be 1 Comcast Center, Philadelphia, PA 19103. It is anticipated that a different business address will be established by the close of the transaction.

**EXHIBIT 4**

Midwest Cable, Inc., a Delaware corporation, as of the effective time of the closing, will be the indirect parent company of the legal entity holding the franchise (the "Franchisee"). To the extent required by applicable law, the Franchisee is and, after the closing of this transaction will continue to be, duly qualified to transact business in the State or Commonwealth in which this system is operated.

**EXHIBIT 5**

After the close of the transaction that is the subject of this Form 394 filing, Midwest Cable, Inc. ("Midwest Cable") will become an independent, publicly traded corporation. Approximately two-thirds (2/3) of the equity and voting shares of Midwest Cable will be held by Comcast Corporation ("Comcast") shareholders (including former TWC shareholders). Charter Communications, Inc. ("Charter") will own approximately one-third (1/3) of the equity and voting shares of Midwest Cable, no other individual or entity will hold a 5% or greater voting interest in Midwest Cable.

Comcast itself will not own shares in Charter or Midwest Cable following the close of the Transaction, and will be prohibited, for the first eight years thereafter, from owning more than 1 percent of Midwest Cable's shares. Charter will be prohibited from increasing its stake in Midwest Cable for the first two years following the closing of the spin-off and, absent approval from Midwest Cable's independent directors or its non-Charter shareholders, from owning more than 49 percent of Midwest Cable for the first four years following the closing of the Transaction.

## EXHIBIT 6

As set forth in Exhibit 1 to this Form 394, Comcast will spin-off a new independent public company, Midwest Cable, Inc., currently known as "SpinCo." The SpinCo unaudited pro forma financial information submitted in this exhibit is provided to give effect to the spin-off of cable systems serving approximately 2.5 million current Comcast subscribers into the newly formed public entity. The SpinCo unaudited pro forma financial information provided in this Exhibit includes: (1) an Unaudited Pro forma Condensed Combined Balance Sheet as of March 31, 2014; (2) an Unaudited Pro Forma Condensed Combined Statement of Income for the three months ended March 31, 2014; (3) an Unaudited Pro Forma Condensed Combined Statement of Income for the year ended December 31, 2013; and (4) the Notes to the Unaudited Pro Forma Information.

The Unaudited Pro Forma Condensed Combined Balance Sheet and Statements of Income should be read in concert with the Notes provided, and with the basic understanding that the SpinCo unaudited pro forma financial information is based upon the subject cable systems' past integrated operation with Comcast. Notwithstanding, there are certain fundamental financial factors that should be highlighted from the unaudited pro forma financial information and accompanying Notes:

- Midwest Cable's assets will include cable systems serving approximately 2.5 million video customers.
- The estimated enterprise value of the cable systems to be spun-off to Midwest Cable is \$14.7 billion.
- The 2013 annual revenue in the unaudited pro forma financial information for the systems to be spun off to Midwest Cable was over \$4.5 billion.

Attached is the unaudited pro forma financial information and associated Notes referenced above.

**SpinCo**  
**Unaudited Pro Forma Financial Information**  
**As of and for the Three Months Ended March 31, 2014 and**  
**for the Twelve Months Ended December 31, 2013**

**SpinCo**  
**Unaudited Pro Forma Condensed Combined Balance Sheet**  
**As of March 31, 2014**

(in millions)	Comcast Cable Systems in Spin-Off Transaction	SpinCo Indebtedness	Combined SpinCo
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 600	\$ 600
Receivables, net	152	-	152
Other current assets	27	-	27
<b>Total current assets</b>	<b>179</b>	<b>600</b>	<b>779</b>
Property and equipment, net	1,957	-	1,957
Franchise rights	6,231	-	6,231
Goodwill	1,391	-	1,391
Other intangible assets, net	90	-	90
Other noncurrent assets, net	7	-	7
<b>Total assets</b>	<b>\$ 9,855</b>	<b>\$ 600</b>	<b>\$ 10,455</b>
<b>Liabilities and Equity</b>			
Current Liabilities:			
Accounts payable and accrued expenses related to trade creditors	\$ 294	\$ -	\$ 294
Deferred revenue	3	-	3
Accrued expenses and other current liabilities	204	-	204
<b>Total current liabilities</b>	<b>501</b>	<b>-</b>	<b>501</b>
Long-term debt, less current portion	-	8,800	8,800
Deferred income taxes	3,053	-	3,053
Other noncurrent liabilities	34	-	34
Equity	6,267	(8,200)	(1,933)
<b>Total liabilities and equity</b>	<b>\$ 9,855</b>	<b>\$ 600</b>	<b>\$ 10,455</b>

**SpinCo**  
**Unaudited Pro Forma Condensed Combined Statement of Income**  
**For the Three Months ended March 31, 2014**

(in millions)	Comcast Cable Systems in Spin-Off Transaction	SpinCo Indebtedness	Combined SpinCo
<b>Revenue</b>	\$ 1,134	\$ -	\$ 1,134
Cost and Expenses:			
Programming and production	258	-	258
Other operating and administrative	278	-	278
Advertising, marketing and promotion	54	-	54
Depreciation	130	-	130
Amortization	7	-	7
	<u>727</u>	<u>-</u>	<u>727</u>
<b>Operating income</b>	407	-	407
Other Income (Expense):			
Interest Expense	-	(121)	(121)
	<u>-</u>	<u>(121)</u>	<u>(121)</u>
Income before income taxes	407	(121)	286
Income tax (expense) benefit	(159)	47	(112)
<b>Net Income</b>	<u>\$ 248</u>	<u>\$ (74)</u>	<u>\$ 174</u>



**SpinCo**  
**Unaudited Pro Forma Condensed Combined Statement of Income**  
**For the Year ended December 31, 2013**

(in millions)	Comcast Cable Systems in Spin-Off Transaction	SpinCo Indebtedness	Combined SpinCo
<b>Revenue</b>	\$ 4,557	\$ -	\$ 4,557
Cost and Expenses:			
Programming and production	971	-	971
Other operating and administrative	1,152	-	1,152
Advertising, marketing and promotion	241	-	241
Depreciation	518	-	518
Amortization	34	-	34
	<u>2,916</u>	<u>-</u>	<u>2,916</u>
<b>Operating income</b>	1,641	-	1,641
Other Income (Expense):			
Interest Expense	(1)	(484)	(485)
	<u>(1)</u>	<u>(484)</u>	<u>(485)</u>
Income before income taxes	1,640	(484)	1,156
Income tax expense	(640)	189	(451)
<b>Net Income</b>	<u>\$ 1,000</u>	<u>\$ (295)</u>	<u>\$ 705</u>

**SpinCo**  
**Notes to Unaudited Pro Forma Financial Information**

**Note 1. Basis of Presentation**

The unaudited pro forma financial information is provided to give effect to a spin-off of cable systems serving approximately 2.5 million Comcast Corporation (“Comcast”) subscribers (the “spin-off transaction”) into a newly formed public entity (“SpinCo”). The Unaudited Pro Forma Condensed Combined Balance Sheets are presented as if the spin-off transaction had occurred on March 31, 2014. The Unaudited Pro Forma Condensed Combined Statements of Income for the three months ended March 31, 2014 and the year ended December 31, 2013 are presented as if the spin-off transaction had occurred on January 1, 2013, the beginning of the earliest period presented. The unaudited pro forma financial information has been developed from and should be read in conjunction with the Comcast unaudited interim condensed consolidated financial statements contained in the Comcast Quarterly Report on Form 10-Q for the three months ended March 31, 2014, and the Comcast audited consolidated financial statements contained in the Comcast 2013 Annual Report on Form 10-K, as well as the unaudited pro forma financial information included in the Comcast Corporation Registration Statement on Form S-4/A filed with the Securities and Exchange Commission on May 23, 2014 and the assumptions and adjustments set forth in the explanatory notes contained therein. These filings are available at [www.cmcsa.com](http://www.cmcsa.com) under “Financials.” The spin-off transaction is presented from the historical perspective of Comcast and the unaudited pro forma financial information may not be indicative of how this business would operate as a stand-alone entity.

The unaudited financial information for the SpinCo cable systems is integrated with Comcast and is not for a stand-alone entity. The unaudited pro forma financial information reflects the preliminary allocations of assets, liabilities, revenue and expenses directly attributable to these cable systems, as well as certain other preliminary allocations deemed reasonable by management, to present the unaudited pro forma financial information. The financial information does not include costs associated with shared facilities (e.g., corporate headquarters and related administrative overhead allocations). Accordingly, the financial information in these columns does not fully reflect the financial position or results of operations as if these cable systems were stand-alone entities for the periods presented. The preliminary estimate of the amount of such costs to be allocated to the Comcast cable systems in the spin-off transaction is \$245 million for the year ended December 31, 2013.

The unaudited pro forma financial information is provided for illustrative purposes only and is based on available information and assumptions that Comcast believes are reasonable.

**Note 2. The Charter Divestiture Transactions**

The Charter divestiture transactions consist of the following three transactions: (1) the spin-

off transaction, (2) an exchange of cable systems serving approximately 1.5 million TWC subscribers for cable systems serving approximately 1.7 million Charter subscribers (the “exchange transaction”), and (3) a sale to Charter of cable systems serving approximately 1.5 million TWC subscribers for cash (the “sale transaction”). In connection with the spin-off transaction, Comcast will form SpinCo, which will hold and operate cable systems currently serving approximately 2.5 million Comcast subscribers.

Under the terms of the Comcast/Charter Transactions Agreement, the value for the spin-off transaction will be based on 7.125 times of the divested systems’ Carveout 2014 EBITDA (as defined in the Comcast/Charter Transactions Agreement). This would equate to an enterprise value estimated to be \$14.7 billion. The Carveout 2014 EBITDA was estimated using the 2013 results of the cable systems included in this unaudited pro forma financial information, adjusted for overhead allocations (as defined in the Comcast/Charter Transactions Agreement), and applying a 2014 growth rate to the 2013 amounts. The 5.10% growth rate used is based on Wall Street research consensus estimates for 2014 EBITDA for Comcast’s Cable Communications segment.

## EXHIBIT 7

Midwest Cable will begin operations with approximately 2.5 million video customers, making it the fifth largest cable provider in the United States. The company will be serving areas concentrated in the Midwest and Southeast. This strategic regional footprint should provide significant operational and technical advantages allowing Midwest Cable to offer focused and efficient service delivery and to fine-tune its operations to reflect distinctive regional considerations. The regionalized footprint should also foster operational and marketing efficiencies that will benefit Midwest Cable customers.

The company and its customers will also benefit significantly from the advanced network architecture that Comcast has deployed in recent years throughout the systems that Midwest Cable will own and operate. As a result, each future Midwest Cable system has been transitioned to an all-digital delivery platform. Further, each future Midwest Cable system has implemented a DOCSIS 3.0 data platform -- allowing Midwest Cable to offer some of the industry's fastest broadband speeds.

Immediately after the closing of the transaction, Comcast will provide some temporary transitional operational services that will allow current Comcast customers to experience a seamless transition to Midwest Cable's ownership and operation of the cable systems. In order to ensure continued high quality operation, existing Comcast field personnel, who have successfully operated these systems in the past, will join Midwest Cable. Further, through a Services Agreement with Charter Communications, Midwest Cable will be able to take advantage of Charter's established expertise in technology and operations, thereby enhancing Midwest Cable's ability to provide excellent products and services to its customers.

In addition to technology resources, the Charter Services Agreement will provide for certain customer-facing functions such as marketing, sales, billing and collections, and customer care. Once Charter implements these operational system services, certain of Midwest Cable's products and services may even be co-branded with Charter. The Charter Services Agreement clearly will enable Midwest Cable to benefit from Charter's experience, scale, and regional concentration. In exchange for the ability to use any and all services set forth in the Services Agreement, Midwest Cable will make quarterly payments equal to 4.25 percent of Midwest Cable's quarterly gross revenues. Of course, all system operational services provided by Charter will be subject to the overall supervision of Midwest Cable's independent executive management team and its independent Board of Directors.

Midwest Cable's leadership team will be comprised of cable and communications industry veterans and innovators. Michael Willner, a forty-year cable industry veteran and the co-founder and former CEO of Insight Communications will serve as President and CEO of Midwest Cable. Additionally, Matthew Siegel, who has held senior executive financial positions at both Time Warner Cable Inc. and Insight Communications, will serve as the Chief Financial Officer of Midwest Cable. Tom Rutledge, President and CEO of

Charter Communications, will serve as the Chairman of Midwest Cable's Board of Directors. Mr. Rutledge will be joined on the Board by a team of communication industry leaders, including Rick D'Avino, James Chiddix, Greg Doody, Jill Greenthal, Dennis S. Hersch, Wendell F. Holland, Gregory Maffei, and Christopher L. Winfrey. Attached hereto are the press releases announcing Mr. Willner as President and CEO, and Mr. Siegel as CFO of Midwest Cable, as well as biographies of the Midwest Cable Board members. Together, this management team will shepherd Midwest Cable's delivery of high quality, advanced services, and establish a reputation for top flight system operations and customer care.



## **Cable Industry Veteran Michael Willner Agrees to Serve as President and CEO of "SpinCo"**

**Stamford, CT and Philadelphia, PA – May 15, 2014** – Charter Communications, Inc. (Nasdaq: CHTR) and Comcast Corporation (Nasdaq: CMCSA, CMCSK) today announced that former Insight Communications, Inc. co-founder and CEO and 40-year cable industry veteran Michael S. Willner has agreed to serve as President and Chief Executive Officer of "SpinCo," the new cable company that will be spun off from Comcast upon completion of the Comcast – Time Warner Cable merger and the Comcast – Charter transactions. Willner will oversee the operations of SpinCo, which will serve approximately 2.5 million customers in Alabama, Indiana, Kentucky, Michigan, Minnesota, Tennessee and Wisconsin.

SpinCo will have a nine-member board of directors, three of whom will be appointed by Charter, including Charter President and CEO, Tom Rutledge, who will serve as the non-executive Chairman of the Board. Comcast will appoint three of the remaining six members of the board and will select three more from a list provided by Charter. These six board members will be independent of both Charter and Comcast. In addition, Charter will have a services agreement with SpinCo, which will help both companies achieve greater scale and regional efficiencies.

"A skilled operator with an impressive track record of success, Michael has been a pillar of leadership and an active ambassador for the Industry," said Tom Rutledge, President and CEO of Charter. "Michael's expertise, strategic vision, and knowledge from his years at Insight will be invaluable to the customers, employees and shareholders of SpinCo. Having him on board now – and leading the new business post-transaction – will be extremely advantageous."

"Michael is an excellent leader and the perfect choice to be at the helm of this new company," said Brian L. Roberts, Chairman and CEO of Comcast. "His deep knowledge of the cable business, combined with his experience and focus on technology, will enable him to drive growth and product innovation for customers and position SpinCo as a competitor in the industry."

"I am excited to assemble and lead a new team of executives who will be exclusively focused on creating a great company with terrific products and excellent customer service," said Willner. "I am honored to take on this task and look forward to working with Tom and his team at Charter, as well as the strong teams in place within these systems and the other MSOs and suppliers in the industry."

Willner was a co-founder and CEO of Insight Communications from 1985 through 2012, when Insight was sold to Time Warner Cable. Under Willner's leadership, Insight Communications became one of the most highly regarded operating companies in the industry. He began his career

in 1974 at Vision Cable Communications, a division of Advanced Publications and a part of the Newhouse family's media investments, where he rose to become the Chief Operating Officer. Willner currently serves as President and CEO of privately-held Penthera Partners, a software licensing company focused on cloud-to-mobile technology. He will remain involved with that company as a member of its board.

Willner twice served as Chairman of the National Cable and Telecommunications Association (NCTA), the industry's principal trade association. In addition, he was Chairman of the NCTA's political action committee (CablePAC) from 2000 until 2012, Chairman of the Board of the Cable Center from 2007 through 2011, was on the executive committee of CableLabs, and the boards of C-SPAN and the Walter Kaitz Foundation. Willner is a recipient of the NCTA's 2004 Vanguard Award for Distinguished Leadership and a member of both the Broadcasting and Cable Hall of Fame and the Cable Hall of Fame.

Willner graduated from Boston University's College of Communications in 1974.



## **MATTHEW SIEGEL NAMED CHIEF FINANCIAL OFFICER OF "SPINCO"**

**Stamford, CT and Philadelphia, PA – June 16, 2014** – Charter Communications, Inc. (Nasdaq: CHTR) and Comcast Corporation (Nasdaq: CMCSA, CMCSK) today announced that current Time Warner Cable SVP and Treasurer Matthew Siegel will serve as Chief Financial Officer of "SpinCo," the new cable company that will be spun off from Comcast upon completion of the Comcast – Time Warner Cable merger and the Comcast – Charter transactions. Siegel will continue to serve as Time Warner Cable SVP and Treasurer until the closing of the Comcast – Time Warner Cable merger.

"Matt's background, expertise in finance and knowledge of the cable industry make him a natural choice to serve as SpinCo CFO," said Michael Willner, who will serve as SpinCo CEO. "I have known Matt for many years and he is the ideal leader to oversee the financial operations of the new company. I look forward to working with him again."

In his current role as SVP and Treasurer at Time Warner Cable, Siegel oversees the Treasury functions, Investment Management, Real Estate, Risk Management and the company's Supply Chain Management. He joined Time Warner Cable in 2008 from Time Warner Inc., where he was Vice President and Assistant Treasurer. Prior to joining Time Warner Inc. in 2001, he served as Senior Vice President of Finance and Treasurer of Insight Communications.

"I am looking forward to working with Michael and the Board to build SpinCo into a great company," said Siegel. "My responsibilities at Time Warner Cable will continue to be my primary focus through the close of the transaction, after which I look forward to the work to be done at SpinCo."

Siegel graduated from the Wharton School at the University of Pennsylvania with a B.S. in Economics and earned his MBA from the University of Chicago's Graduate School of Business. He currently lives in Westport, CT with his wife and two children.



## Executive Biographies for Members of Midwest Cable's Board of Directors

- **Rick D'Avino** joined General Atlantic in 2014 and works closely with the Resources Group, investment teams and portfolio companies on all matters related to taxes. Mr. D'Avino served as Vice President and Senior Tax Counsel of the General Electric Company from 1991 through 2013. He was on the Boards of Directors of GE Capital Corporation and GE Capital Services, and of GE SeaCo, a joint venture between GE and Sea Containers Ltd. Prior to GE, Mr. D'Avino was a tax partner at King & Spalding, and served as an Attorney-Advisor and the Deputy Tax Legislative Counsel in the U.S. Treasury Department.
- **James Chiddix** has spent a career of 35 years in the cable industry, including senior roles at both major service providers and equipment suppliers. He was the Chairman and Chief Executive Officer of OpenTV Corporation prior to his retirement in 2007, having served in this position from March 2004 until April 2007. From 2007 to 2009, he served as the Vice-Chairman of the Board of OpenTV. Prior to 2004, his previous roles included President at MystroTV (a division of Time Warner) and Chief Technology Officer and Senior Vice President, Engineering and Technology at Time Warner Cable. Mr. Chiddix has served as a director of Arris Group, Inc. since July 2009, and of Magnum Semiconductor Inc. since October 2010. Mr. Chiddix previously served on the boards of Virgin Media Inc., Symmetricom Inc., Dycom Industries Inc., and Vyvo Inc. Mr. Chiddix attended the School of Electrical Engineering at Cornell University.
- **Gregory L. Doody** became Senior Vice President, Business Affairs for Vineyard Brands in January 2014. He previously served as Executive Vice President, Programming and Legal Affairs for Charter Communications, a position to which he was appointed in January 2011 after having previously served as Executive Vice President and General Counsel since December 1, 2009. He also served as Charter's Chief Restructuring Officer and Senior Counsel in connection with its Chapter 11 proceedings after being appointed on March 25, 2009. Prior to coming to work for Charter, Mr. Doody served as Executive Vice President, General Counsel, and Secretary of Calpine Corporation from July 2006 through August 2008. From July 2003 through July 2006, Mr. Doody held various positions at HealthSouth Corporation, including Executive Vice President, General Counsel, and Secretary. Mr. Doody served as an executive officer of Charter during the pendency of its Chapter 11 cases in 2009. Mr. Doody earned a J.D. degree from Emory University School of Law and received a bachelor's degree in management from Tulane University. Mr. Doody is a certified public accountant.
- **Jill A. Greenthal** is a Senior Advisor in the Private Equity Group at The Blackstone Group L.P. Before joining Blackstone in 2003, Ms. Greenthal was Co-Head of the Global Media Group, Co-Head of the Boston Office and a member of the Executive

Board of Investment Banking at Credit Suisse First Boston. Ms. Greenthal was also Co-Head of the Boston office of Donaldson, Lufkin & Jenrette, before its acquisition by CSFB. Prior to joining DLJ, she was Head of the Media Group at Lehman Brothers. Ms. Greenthal has advised and financed media companies for over 20 years, having worked in all sectors of the business. Ms. Greenthal graduated as a member of The Academy from Simmons College and received an MBA from Harvard Business School. Ms. Greenthal is on the Board of Directors of Akamai Technologies, Michaels Stores, Inc., The Weather Channel and Houghton Mifflin Harcourt. Ms. Greenthal is also a member of the Women's Executive Council of Dana-Farber Cancer Institute and a Trustee of The James Beard Foundation, Simmons College and Overseer of the Museum of Fine Arts in Boston.

- **Dennis S. Hersch** is President of N.A. Property, Inc., through which he acts as a business advisor to Mr. and Mrs. Wexner, and has done so since February 2008. He also serves as a trustee of several trusts established by Mr. and Mrs. Wexner. He was a Managing Director of J.P. Morgan Securities Inc., an investment bank, from December 2005 through January 2008, where he served as the Global Chairman of its Mergers & Acquisitions Department. Mr. Hersch was a partner of Davis Polk & Wardwell LLP, a New York law firm, from 1978 until December 2005. Mr. Hersch has served as a director at Sprout Foods, Inc., a producer of organic baby food, since 2009. Mr. Hersch also served as a director of NBCUniversal Enterprise, Inc., a subsidiary of Comcast Corporation from 2013 to May 2014, and Clearwire Corporation, a wireless, high-speed Internet service provider, from November 2008 to 2013.
- **Wendell F. Holland** served as Chairman of the Pennsylvania Public Utilities Commission and as Treasurer of the National Association of Regulatory Utility Commissioners (NARUC), in addition to serving on NARUC's Executive Committee, its Board of Directors, and as Chairman of its Audit and Investment committees. He is an attorney in private practice. Mr. Holland has organized and participated in several international programs relating to regulatory reform and energy sustainability. He has represented clients and advised governments on utility matters in more than 25 countries. Between his terms as PUC Chairman, Mr. Holland was Of Counsel at Obermayer Rebmann Maxwell & Hoppel LLP from 1999 to 2003; Vice President of American Water Works Company from 1996 to 1999, and a Partner at Leboeuf Lamb Greene and Macrae LLP from 1993 to 1995, and at Saul Ewing LLP from 2009 to 2013. Mr. Holland holds a B.S. from Fordham University and a J.D. from the Rutgers University School of Law, Camden.
- **Gregory Maffei** is the President and CEO and a director of Liberty Media Corporation and Liberty Interactive Corporation. Liberty Media owns interests in a broad range of media, communications and entertainment businesses, including SiriusXM, Charter Communications, Live Nation Entertainment and the Atlanta Braves. Liberty Interactive has interests in digital commerce businesses, including TripAdvisor, QVC, Provide Commerce, Backcountry.com, Bodybuilding.com, CommerceHub, BuySeasons, Evite, Expedia, Tree.com, Interval Leisure Group, and HSN. Liberty's

stocks have significantly outperformed the major stock indices and comparable companies under his tenure. Mr. Maffei also serves as Chairman of the Liberty-related companies Live Nation Entertainment, SiriusXM, Starz and TripAdvisor, and as a director of Charter Communications and Zillow. Prior to his joining Liberty in 2005, Mr. Maffei served as President and CFO of Oracle, Chairman, President and CEO of 360networks, CFO of Microsoft and Chairman of the Board of Expedia. Additionally, he has served as a director of Barnes & Noble, Citrix, DIRECTV, Dorling Kindersley, Electronic Arts and Starbucks Coffee. He has an MBA from Harvard Business School, where he was a Baker Scholar, and an AB from Dartmouth College.

- **Thomas M. Rutledge** was appointed as a director and President and Chief Executive Officer of Charter Communications effective on February 13, 2012. A 34 year cable industry veteran, Mr. Rutledge served as Chief Operating Officer of Cablevision from April 2004 until December 2011 and previously served as president of Time Warner Cable. He began his career in 1977 at American Television and Communications (“ATC”), a predecessor company of Time Warner Cable. Mr. Rutledge currently serves on the board of the National Cable and Telecommunications Association (“NCTA”). He served as Chairman of the NCTA from 2008 to 2010 and currently serves on the boards of CableLabs, C-SPAN, and the Cable & Telecommunications Association for Marketing (“CTAM”) Educational Foundation. In 2011, Mr. Rutledge received NCTA’s Vanguard Award for Distinguished Leadership, the cable industry’s highest honor. He is a member of the Cable Hall of Fame and was inducted into the Broadcasting and Cable Hall of Fame in 2011. He received a B.A. in economics from California University in California, Pennsylvania in 1977.
- **Christopher L. Winfrey** joined Charter Communications as Executive Vice President and Chief Financial Officer on November 1, 2010. Mr. Winfrey is responsible for all of Charter’s financial functions, including accounting, financial planning and analysis, tax and treasury, mergers and acquisitions, capital structure activities, and investor relations. He also directs Charter’s supply chain management, facilities, revenue assurance, and business intelligence teams. Prior to joining Charter, Mr. Winfrey served as Chief Financial Officer and Managing Director of Unitymedia GmbH, Germany’s second-largest provider of media and communications services via broadband cable, from March 2006 through October 2010. Mr. Winfrey was also appointed Managing Director of Unitymedia Management GmbH, Unitymedia Hessen Verwaltung GmbH, and Unitymedia NRW GmbH in March 2006 and arena Sport Rechte und Marketing GmbH in April 2008. He has held leadership and finance positions with Cablecom and NTL Europe, assuming a key role in the operational turnaround, triple-play services rollout, and capital markets development at these companies over the last decade. Mr. Winfrey graduated from the University of Florida, with a B.S. degree in Accounting. He also received his M.B.A. from the University of Florida.

**5.2 Comcast Cable Franchise Transfer of Ownership**

**August 14, 2014**

**To:** Commissioners

**From:** Karen George, Executive Director

**Subject:** Comcast Cable Franchise Transfer of Ownership

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**Transfer of Ownership to Midwest Cable**

The transfer of ownership process began with the Comcast-delivered FCC 394 forms received on June 18, 2014.

The commission has 120 days to complete its review unless it is tolled in the first 30 days (commission determines the 394 is deficient and requests further information). Attorney Bob Vose reviewed the 394 form and determined the filing was incomplete. A formal response providing notice that the filings are inaccurate and incomplete has been sent to Comcast within the 30-day period.

July 24 Letter from Comcast

August 15 Letter from Kennedy & Graven

**Financial review of Midwest Cable by MACTA**

The MACTA financial review of Midwest Cable is underway and an interim report has been provided.

August 12 Memo – Financial Analysis of Midwest Cable, LLC

**FCC comments filing for Comcast merger/transfer of ownership**

The FCC has initiated an open comment period for respondents to file comments regarding the proposed merger and transfer of ownership proceedings of Comcast. The deadline is August 24, 2014. At the direction of the executive committee, the commission will sign on to Comcast merger/transfer letters authored by the League of Minnesota Cities. The commission will sign on to additional letters being authored by NATOA and MACTA.

**Action:** None.



One Comcast Center  
Philadelphia, Pennsylvania 19103

**VIA E-MAIL AND OVERNIGHT DELIVERY**

July 24, 2014

Karen A. George  
Executive Director  
Quad Cities Communications Commission  
12254 Ensign Ave. N.  
Champlin, MN 55316

Re: Comcast Corporation/Midwest Cable, Inc. Transaction

Dear Ms. George:

We are writing in response to the letter we received on July 14, 2014, requesting certain additional information regarding the FCC Form 394 ("Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise," or the "Application") that was filed with the member cities<sup>1</sup> of the Quad Cities Communications Commission (the "Commission") for consent to the transfer of control of Comcast of Minnesota, Inc. ("Franchisee"), and questioning whether the Application is complete and accurate. As explained in the Application, this transfer will take place pursuant to an agreement between Comcast Corporation ("Comcast") and Charter Communications, Inc. ("Charter"), by which Comcast will spin-off a new, independent company, which will become Midwest Cable, Inc. ("Midwest Cable," currently known as "SpinCo"), creating a new publicly traded company whose initial ownership will be held approximately one-third by Charter and approximately two-thirds by Comcast shareholders (but not Comcast itself) (the "Transaction").

Midwest Cable's leadership team has a long history of engaging with the consumers, employees, and communities they serve, and the company expects that to continue. Midwest Cable views its relationship with the Commission as a partnership, and it expects this approval process to be the first step in a fruitful relationship with the Commission.

We understand and respect the importance of the Commission's review process, and it is our goal that the process be an efficient and cooperative one. We appreciate the Commission's interest in learning more specifics about future operational plans for the local cable system, and we will endeavor in good faith to provide the Commission with such additional information. It is worth emphasizing here that the local operating Franchisee entity will remain in place after the completion of this Transaction. As such, the Transaction will not alter the Franchisee's obligations to operate the cable system in a manner that is consistent with applicable franchise terms, nor does the Transaction mandate any specific operational changes. Further, as described below, no decisions regarding specific operational changes have been made by Midwest Cable.

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<sup>1</sup> As you identify in your letter, those member cities are the Cities of Andover, Anoka, Champlin, and Ramsey.

We disagree with the suggestion in your letter that the Application was incomplete or inaccurate. The Application included all the required information and demonstrates that the Transaction presents a terrific opportunity for Midwest Cable and the Commission's communities. The Commission may seek additional information, but our cooperation in providing such information will not affect the fact that the Application was complete as filed.

Even assuming for the sake of argument that the Application was incomplete, while franchise authorities have the right to challenge the completeness or accuracy of an FCC Form 394 Application, as long as the cable operator cures any alleged deficiencies within ten days of receipt of notice, the 120-day time frame is not tolled. Therefore, the 120-day period for consideration of the Application began on the date on which the Form 394 application was filed with the Commission's member communities, and continues uninterrupted.

We ask you to keep in mind that there are both practical and substantive limits on the information relevant to review of the Form 394. As the FCC has explained, cable operators are not "prescient" and therefore cannot "be held to unreasonable or unrealistic expectations to foretell future events."<sup>2</sup> Accordingly, federal law limits the scope of review and information the Commission may require as part of the approval process for transfer of a franchise. Beyond the information required by the FCC Form 394 or franchise agreement, a local franchising authority ("LFA") is limited to requesting "such additional information as may be reasonably necessary to determine the qualifications of the proposed transferee."<sup>3</sup> As we understand the Commission's requests for additional information, it appears that some of the information it seeks is unrelated to the Transaction under review and is beyond what is reasonably necessary to assess the qualifications of Midwest Cable. As such, it appears that this information exceeds the authority of the Commission to require as part of the review of the Application.

Subject to these reservations, in the spirit of cooperation, we respond more fully to your questions with additional information below.

### **Accuracy of Filing**

In the first section of your letter, you assert that Exhibits 2 and 7 of the Application are inaccurate. We respectfully disagree with that assertion and expect that any misunderstanding regarding those two exhibits will be resolved after considering the explanations set forth below.

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<sup>2</sup> *Memorandum Opinion & Order in MM Docket 92-264*, 10 F.C.C.R. at ¶ 55 (January 30, 1995).

<sup>3</sup> *Implementation of Sections 11 and 13 of the Cable Television and Competition Act of 1992*, Report and Order, 8 F.C.C.R. 6828, ¶ 86 (1993). See also *id.* at ¶ 85; See *Implementation of Sections 11 and 13 of the Cable Television Consumer Protection and Competition Act of 1992*, Memorandum Opinion and Order on Reconsideration, 10 F.C.C.R. 4654, 4676, ¶¶ 50-53 (1995). In addition, within the first thirty days of receiving the FCC Form 394 Application, an LFA may require the applicant to provide additional information to cure an application's inaccuracy or incompleteness. See 47 C.F.R. § 76.502(b).

Karen A. George  
July 24, 2014  
Page 3 of 10

You claim that the statement in Exhibit 2, that “Midwest Cable and the legal entity holding the franchise for the cable system that is the subject of this Form 394 have no current plans to change the terms and conditions of service or operations of the system,” is “inconsistent with the plans described in the Form 394 itself, and in various FCC and SEC filings, public statements by company officials, and press reports.”

This contention, as well as your later assertion that the statement in Exhibit 2 is “simply false,” suggests that the information provided in the Application was misunderstood. The statement that there are “no current plans to change the terms and conditions of service or operations of the system” is accurate. It reflects the fact that Midwest Cable does not yet own the Franchisee serving your community and has not yet established definitive plans for future operations. Indeed, it would be premature for Midwest Cable to have already adopted such plans. Moreover, as the remainder of Exhibit 2 articulates, “the cable system will be operated pursuant to the terms of the franchise agreement and applicable law after the consummation of the proposed transaction,” but Midwest Cable and the Franchisee do “reserve the right to make service and operational changes in accordance with the terms of the franchise agreement and applicable law.” While there will clearly be a managerial change from the existing Comcast management, that change was fully disclosed in the Form 394 and is consistent with all the statements in Exhibit 2.

You next assert that the explanation of Midwest Cable’s technical qualifications in Exhibit 7 is inaccurate because, as you state “co-branding is mandated” and “the plan is for Charter to be engaged in system operations and services from top to bottom.” Your contention misinterprets Exhibit 7. As the Application explains, “all system operational services provided by Charter will be subject to the overall supervision of Midwest Cable’s independent executive management team and its independent Board of Directors.”

While it is a significant and positive development that Midwest Cable has already secured a commitment from Charter to provide operational support, it will be up to Midwest Cable’s management team to determine which services it wants Charter to provide under the Charter Services Agreement (“CSA”). Indeed, Midwest Cable has not yet established definitive plans for which services it will request from Charter. Ultimately, the fact that Midwest Cable will be able to avail itself of a range of services pursuant to the CSA is not inconsistent with the statements in Exhibit 2 or Exhibit 7.

### **Completeness of Filing**

Next you state that that Application is incomplete without the CSA and a “list detailing all documents filed with any state or federal agency related to the transaction including, but not limited to, the MPUC, the FCC, the FTC, the FEC, the SEC, or MnDOT.”

While we will provide you with the final version of the CSA when it is filed with the Securities and Exchange Commission, it is important to note that the material terms of the CSA have been disclosed in the “Comcast/Charter Transaction Agreement Dated as of April 25, 2014” (“Comcast/Charter Agreement”), identified in the FCC Form 394 filed with the Commission and

available at <http://corporate.comcast.com/twctransaction/official-filings-together> under “Official Filings.” The Comcast/Charter Agreement sets forth the full range of services to be provided in Annex 1.<sup>4</sup> As set out in the Comcast/Charter Agreement, Midwest Cable will obtain services under the CSA at cost and will pay Charter a compensatory fee based on revenue. Given that there will be no material divergence between the terms of the final CSA and those described in the Comcast/Charter Agreement, a copy of the final, executed CSA is not necessary to understand the Transaction or review Midwest Cable’s qualifications to own and operate the cable system.

As identified in the Application, many of the relevant documents related to the Transaction, including the SEC Form 8-K, the SEC Form S-4, the Public Interest Statements filed with the FCC can be found at <http://corporate.comcast.com/twctransaction/official-filings-together>. All SEC filings are available on a continuing basis at <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001166691&owner=exclude&count=40&hidefilings=0>. Similarly, any documents filed with the FCC can be found at the FCC’s Transaction Team link for the transactions (<http://www.fcc.gov/transaction/comcast-twc>), under “Application Documents”. Also, a confidential Hart-Scott-Rodino filing was made with the Department of Justice and the Federal Trade Commission. In addition, the following two documents were filed with the Minnesota Public Utilities Commission: (1) In the Matter of Midwest Cable Phone of MN, LLC: Application for Authority to Provide Telephone Service in the State of Minnesota;<sup>5</sup> and (2) In the Matter of Midwest Cable Phone of MN, LLC: Petition for Approval to Transfer Regulated Customers and Assets.<sup>6</sup>

### **Additional Questions**

- 1. Assuming that the Midwest/Charter services agreement is not yet finalized, please provide a copy of any term sheet upon which that agreement will be based.**

As explained above, all material terms of the CSA are set forth in the Comcast/Charter Agreement.

- 2. Provide a “menu of services” that Midwest Cable will offer to customers, identifying the current Comcast service or product name and anticipated replacement product or service name, and explaining any changes or differences. Include a price list and a list of any products or services that are expected to be discontinued**

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<sup>4</sup> Public Interest Statement, Transfer of Cable Systems from Comcast to SpinCo, MB Docket No. 14-57 at 4 (June 5, 2014) (“SpinCo Public Interest Statement”) available at <http://corporate.comcast.com/twctransaction/official-filings-together> under “Official Filings.”

<sup>5</sup> Available at <https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPop&documentId={CFBA8CA2-BCEA-4F77-9C9E-F0023B674BC4}&documentTitle=20146-100523-01>

<sup>6</sup> Available at <https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPop&documentId={A00FF6EF-7F05-4E2C-B195-BEA476DBC18A}&documentTitle=20146-100522-01>



This inquiry exceeds the limitations on the scope of review of the Form 394. However, as the Application explains, “[i]mmediately after the closing of the transaction, Comcast will provide some temporary transition operational services that will allow current Comcast customers to experience a seamless transition to Midwest Cable’s ownership and operation of the cable systems.” After the transition services term has completed, Comcast will no longer provide services for Midwest Cable subscribers. Midwest Cable’s management will then determine which services it will request Charter to provide under the terms of the CSA. At present, Midwest Cable has no plans to change the current terms and conditions of service or operations of the system, but it reserves the right to consider and make such changes as company and customer needs dictate. To the extent that changes are considered in the future, Midwest Cable will provide reasonable notice of any such changes, and any such changes will be carried out in such a way as to minimize disruption to customers.

**3. Provide a narrative explaining differences between the current customer service, billing, collections, customer complaint processing, and customer disconnect practices of Comcast and Charter.**

Midwest Cable will be an independent publicly traded company with its own independent management team and board of directors. Charter will be a shareholder of Midwest Cable and will provide services to Midwest pursuant to the CSA as described in the Form 394. As such, it is neither appropriate nor necessary for the Commission to review Charter’s (or Comcast’s) policies and procedures related to customer service, billing, collections, customer complaint processing, and customer disconnect practices. Instead, the appropriate focus is on Midwest Cable, and Midwest Cable has no current plans to change policies and procedures related to customer service as a result of the change of ownership and management of the Franchisee. Any changes to Midwest Cable’s customer services will be based on addressing marketplace needs and interests within the context of the costs of any such changes. To the extent that such changes are considered in the future, Midwest Cable will provide customers with reasonable notice of any such changes, and ensure that any such changes will be carried out in such a way as to minimize disruption to customers.

**4. Provide a narrative explaining differences between the current franchise fee payment practices of Comcast and Charter such as differences in the calculation of or accounting for cable “gross revenues.”**

Regarding the Commission’s request for Comcast’s and Charter’s payment practices, Midwest Cable’s responses above are incorporated here by reference. Regardless, the proposed Transaction will not affect the obligations of the Franchisee going forward under the franchise agreement.

**5. Provide a narrative explaining differences between the current PEG support payment practices of Comcast and Charter including, specifically, each company’s understanding of the distinction between PEG operating and capital support.**

Regarding the Commission's request for Comcast's and Charter's PEG support payment practices, Midwest Cable's responses above are incorporated here by reference. Regardless, the proposed Transaction will not affect the obligations of the Franchisee going forward under the franchise agreement.

**6. Identify all Comcast "field personnel" that currently office in, or are engaged in operations in, the Minneapolis/St. Paul metro who will be retained by Midwest.**

Midwest Cable does not yet own the cable system properties and has not yet established definitive plans for future operations. As such, these questions are premature and also are not reasonably related to review of determining Midwest Cable's qualifications to own the cable system.<sup>7</sup> Midwest Cable is not in a position to make definitive statements about particular field personnel at this time. Nevertheless, as explained in the Application, "[m]any existing, experienced Comcast field personnel who have been operating the systems will come on board as part of the spin-off and ensure continued high-quality operation." It is Midwest Cable's intent that, after closing, existing cable system employees in the Commission's member communities will continue to work for the cable system.

**7. Identify the personnel that will be responsible for negotiation of franchise renewals with the member cities upon consummation of the transactions addressed by the Form 394 if the renewals are not completed at that time.**

Len Baxt will become the Executive Vice President, Chief Administrative Officer, and General Counsel of Midwest Cable. He ultimately will be responsible for coordination between the Commission and the Transferee including franchise renewals. Mr. Baxt will have authorization to renew and execute Franchise Agreements on behalf of Midwest Cable.

**8. Identify the local counsel anticipated to be involved, as needed, in renewal of the franchises upon consummation of the transactions addressed by the Form 394 if the renewals are not completed at that time.**

Midwest Cable has not identified local counsel at this time.

**9. Provide a narrative explaining Comcast's obligations or responsibilities, if any, regarding completion of franchise renewal with the member cities in relation the transactions addressed by the Form 394. Include references to the relevant sections of any agreements, filings or public documents as appropriate.**

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<sup>7</sup> *Implementation of Sections 11 and 13 of the Cable Television and Competition Act of 1992*, Report and Order, 8 F.C.C.R. 6828, ¶ 86 (1993). See also *id.* at ¶ 85; See *Implementation of Sections 11 and 13 of the Cable Television Consumer Protection and Competition Act of 1992*, Memorandum Opinion and Order on Reconsideration, 10 F.C.C.R. 4654, 4676, ¶¶ 50-53 (1995). In addition, within the first thirty days of receiving the FCC Form 394 Application, an LFA may require the applicant to provide additional information to cure an application's inaccuracy or incompleteness. See 47 C.F.R. § 76.502(b).

Prior to the closing of the Transaction, Comcast and Franchisee will continue to work in good faith toward completion of any franchise renewal with the Commission's member cities. It is Midwest Cable's intent that, upon closing of the Transaction, the Franchisee will accept the lawful terms and conditions of the franchise (and other agreements) to which it becomes a party. If a particular franchise renewal has not yet been consummated by the time the Transaction closes, Midwest Cable will step into the shoes of Comcast as the ultimate parent of the Franchisee entity with whom the Commission is negotiating the renewal.

- 10. Provide a narrative explaining Comcast's obligations or responsibilities, if any, for delivering valid, enforceable franchises to Midwest upon closing of the transactions addressed by the Form 394. Include references to the relevant sections of any agreements, filings or public documents as appropriate.**

As set forth in the Agreement the parties understand that they are obligated to use reasonable best efforts to obtain all necessary governmental approvals, including franchise transfer approvals.

- 11. Provide a copy of any agreement or term sheet related to Midwest's retention of, or future modifications to, the existing Comcast infrastructure, end-user equipment, and other system capital.**

Ownership of system facilities and equipment is covered by the Comcast/Charter Agreement which was referenced in the Application and is available at <http://corporate.comcast.com/twctransaction/official-filings-together>. Midwest Cable does not currently have any plans regarding future changes to system facilities or equipment. We can assure you, however, that if any equipment change is made, Midwest Cable will provide reasonable notice of any such changes, and any such changes will be carried out in such a way as to minimize disruption to customers.

- 12. Provide documentation of Midwest Cable's capital investment plans for the Minneapolis/St. Paul metro systems, including any changes to or investments in system facilities or equipment that are planned.**

Midwest Cable does not yet own these properties and has not yet established definitive plans for future operations. At this time, Midwest Cable has not developed any specific plans regarding changes to services impacting the Commission. Should such changes be made consistent with applicable law, Midwest Cable will carry them out in such a way as to minimize disruption to customers.

- 13. Identify any steps that Comcast is taking in preparation for the transactions addressed by the Form 394 that directly impact operation and maintenance of the system(s) serving the member cities. Particularly, indicate whether Comcast has changed its policy or practices regarding the local availability (i.e. warehousing) of system equipment and facilities such as, for example, modulators used in the I-NET.**

The information requested by this item is not within the Commission's scope of review related to the Application in that such information is not reasonably necessary to evaluate the legal, financial, and technical qualifications of Midwest Cable to become the new controlling parent of the Franchisee. That said, Comcast notes that until the Transaction closes, it is continuing to operate and maintain the cable systems serving the Commission's member communities in the ordinary course. Comcast has not changed any local operating policies in preparation for the transactions addressed by the Form 394.

**14. Identify the anticipated date of consummation of the transactions addressed by the Form 394.**

This Transaction is contingent upon the closing of the merger of Comcast and Time Warner Cable (the "Merger") as well as various regulatory reviews at the local, state, and federal level. The Transaction will close after the Merger and after regulatory approvals have been obtained.

**15. List any contingencies that may prevent consummation or delay the closing date.**

While the parties do not anticipate problems that will prevent or significantly delay closing, this Transaction is contingent upon the closing of the merger of Comcast and Time Warner Cable (the "Merger") as well as various regulatory reviews at the local, state, and federal level. The Transaction will close after the Merger and after regulatory approvals have been obtained.

**16. Provide an answer to Form 394, Part II, question 7. If the answer is "no," supply a full explanation as required.**

Question 7 of Part II of Form 394 assumes the existence of "documents, instruments, agreements or understandings" that do not exist. Therefore, the question is not applicable and the response "N/A" provided on the Application is the appropriate response.

**17. Section 10.5(e) of the franchise provides: "Grantee shall reimburse City for all the reasonable legal, administrative, consulting costs and fees associated with the City's review of any request to transfer. Nothing herein shall prevent Grantee from negotiating partial or complete payment of such costs and fees by the transferee. Grantee may not itemize any such reimbursement on Subscriber bills, but may recover such expenses in its subscriber rates." Reimbursement is required on a monthly basis as legal, administrative and consulting costs or fees associated with review of the Form 394 are incurred by the City. Reimbursement must be paid within 30 days of receipt of an invoice or bill. Please identify the appropriate address for billings.**

Midwest Cable respectfully declines your request to reimburse your member communities for the costs and expenses in processing the Application. Section 622 of the Communications Act provides, in relevant part, that for any 12-month period, the franchise fees paid by a cable operator with respect to any cable system shall not exceed 5% of such cable operator's gross

revenues.<sup>8</sup> The Commission's member communities currently receive the statutory maximum franchise fee. Significantly, the Communications Act defines a franchise fee as "any tax, fee, or assessment of any kind imposed by a franchising authority or other governmental entity on a cable operator or cable subscriber, or both, solely because of their status as such."<sup>9</sup> As the FCC and numerous courts have determined, a requirement that a cable operator reimburse a franchise authority for attorney's fees, consultant's fee, and other substantial costs related to the administration of a cable franchise falls squarely within this definition.<sup>10</sup> Moreover, parties cannot contractually waive application of the franchise fee cap.<sup>11</sup>

**18. Provide a list of all documents that have been filed with regulatory agencies in relation to the transactions addressed by the Form 394 as required by the franchises.**

See the response to the Commission's allegation of incompleteness above.

**19. In addition to the corporate parent-level changes contemplated by the Form 394, the transmittal letters accompanying the forms indicate that the franchise-holding subsidiary (Comcast of Minnesota, Inc.) will be converted to an LLC. Provide a narrative describing the transaction(s) involved.**

As you note, the current Franchisee serving the Commission's member communities is Comcast of Minnesota, Inc. Comcast of Minnesota, Inc. is a Delaware corporation. Under Delaware law, a conversion from an Inc. to an LLC is a legal right of conversion. Accordingly, immediately prior to the closing of the Transaction that is the subject of this Application, Comcast of Minnesota, Inc. will exercise its right to convert to an LLC and become Comcast of Minnesota, LLC.

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<sup>8</sup> 47 U.S.C. § 542(b).

<sup>9</sup> 47 U.S.C. § 542(g)(1).

<sup>10</sup> See *In the Matter of Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984*, 22 FCC Rcd 5101, ¶¶ 94-109 (March 5, 2007) (holding that non-incidentals costs, such as attorney fees and consultant fees, should count towards the operator's franchise fee payment and statutory cap to such payments), *aff'd*, *Alliance For Community Media v. FCC*, 529 F.3d 763 (6th Cir. 2008); *In the Matter of Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984*, 22 FCC Rcd 19633, ¶¶ 10-12 (November 6, 2007) (same, with respect to existing cable operators). *Robin Cable Systems v. City of Sierra Vista*, 842 F. Supp. 380, 381 (D. Ariz. 1993) (determining that an attempt to require a cable operator to pay franchise "processing costs" violated Section 622 prohibition, stating that "[a]ny substantial fee charged on top of the annual license fee is inconsistent with the Cable Act."); *Birmingham: Cable Comm. v. City of Birmingham*, 1989, WL 254850 (N.D. Ala. May 5, 1989) (requirement that cable operator pay consultant's fee incurred by city in conjunction with evaluation of renewal application deemed a franchise fee prohibited by Section 622); *Time Warner Entertainment Co. v. Briggs*, 1993 WL 23710 (D. Mass. Jan. 14, 1993) (requirement that cable operator pay fees incidental to awarding, renewing, extending and/or enforcing franchise deemed invalid as franchise fee in excess of federal maximum.)

<sup>11</sup> See *Amendments to Parts 1, 63, and 76 of the Commission's Rules*, Report and Order, 58 Rad. Reg. 2d 1, 35, 50 Fed. Reg. 18627, 18655 (1985); *Cable TV Fund 14-A, Ltd. v. City of Naperville*, No. 96-C-5963, 1997 WL 433628, at \*24-25 (N.D. Ill. Jul. 29, 1997) ("[T]he five percent cap on franchise fees provided in Section 542(b) of the Cable Act may not be waived.").

Karen A. George  
July 24, 2014  
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**20. Provide a corporate tree detailing the entire corporate family from franchise-holder to ultimate corporate parent. Include a corporate tree for Charter.**

As described in the Form 394, Midwest Cable will be an independent publicly traded corporation and the cable franchises in the Commission's member communities will be held by an indirect, wholly-owned subsidiary of Midwest Cable. Please refer to Exhibit 7 of the Application for a description of Midwest Cable's management structure, technical qualifications and experience in operating cable systems.

As explained above, and in the Application, Charter will be a non-controlling shareholder of Midwest Cable and will provide services to Midwest pursuant to the CSA. Charter's corporate tree is not reasonably necessary to determine Midwest Cable's qualifications to own and operate the cable system.

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We hope the above information is helpful. We look forward to working with you toward a successful Application review process. As always, please feel free to contact me at (215) 286-5585, send an email to [klay\\_fennell@comcast.com](mailto:klay_fennell@comcast.com), or send a facsimile to (215) 286-8408.

Sincerely,



Klayton F. Fennell  
Vice President, Government Affairs



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**Via E-Mail and US Mail**

August 15, 2014

Klayton F. Fennell  
Comcast Cable Communications  
One Comcast Center  
Philadelphia, PA 19103

**Re: Quad Cities Communications Commission (QCCC);  
Cities of Andover, Anoka, Champlin, Ramsey, MN**

Dear Mr. Fennell:

I represent the QCCC. I am in receipt of your July 24, 2014 response ("Response") to the QCCC's questions about the FCC Form 394s dated June 17, 2014 filed with the member cities (together, "Form 394"). I am following up because the Response includes legal argument. Contrary to the Response, the Form 394 filing remains incomplete. The 120-day review period is tolled under 47 CFR § 76.502(b).

Although the Response is on Comcast letterhead, several answers indicate that they are on behalf of Midwest Cable, Inc. ("Midwest"). Please explain your authority and clarify whether the Response, and your reply to this letter, is on behalf of Comcast or Midwest, or both. In the event you have authority to speak for Charter Communications, Inc. ("Charter"), please explain that as well.

**Accuracy of Filing**

The Response addresses the QCCC's contention that Exhibits 2 and 7 to the Form 394 are inaccurate. The QCCC said Midwest cannot accurately claim that it has "no current plans to change the terms and conditions of service or operations of the system..." The Response, p. 3, alleges that there are "no current plans" because there are no final, definitive plans and the Charter Services Agreement ("CSA") has not been finalized yet. That is a semantic argument. Form 394 is inaccurate because changes in system operations, customer service practices, service offerings, pricing, branding, etc. are obviously planned (i.e. intended and expected) even if such plans are not yet "definitive."

Because it is evident that the parties do not intend to correct the Form 394 filing, the QCCC will consider the accuracy of this representation in reaching a decision regarding the Form 394 request. No further response is required.

### **Completeness of Filing**

As noted in the QCCC's initial questions, under 47 CFR §76.502 the Form 394 was required to include "any additional information required by the terms of the franchise agreement..." Section 10.5.3 of the member city franchises requires any transfer request to be accompanied by all documents necessary to understand the proposed transaction(s), along with a list of all documents filed with any regulatory agencies in relation to the proposed transaction(s). The required list of filings has not been provided with either the Form 394 or the Response.

More importantly, the CSA is necessary to understand the transaction(s) and must be provided in order for the Form 394 to be deemed complete. The Response, p. 3-4, asserts that the CSA is unnecessary because the material terms are contained in the "Comcast/Charter Transaction Agreement." But the Response contradicts itself, stating: "Indeed, Midwest Cable has not yet established definitive plans for which services it will request from Charter."

The "Comcast/Charter Transaction Agreement" identifies a menu of services, operational assistance, and management functions that Charter may provide to Midwest. Midwest's "definitive plans" for Charter's provision of such services and support will be set forth in the CSA. Thus, the CSA is necessary to understand the proposed transaction(s).

### **Failure to Respond to Specific Questions.**

The Response does not adequately address questions 1 or 2 regarding the CSA. As indicated above, the CSA must be provided. Upon receipt of the CSA, the answers to questions 1 and 2 will be deemed complete.

The Response does not adequately address questions 3, 4, or 5 regarding Charter operational practices, or a comparison of Charter's practices to those of Comcast and Midwest. Although the parties admit that the "Comcast/Charter Transaction Agreement" does not contain "definitive plans," that agreement confirms that the plan is for Charter to be intimately involved in Midwest's operations and delivery of services from top to bottom. Charter will have an equity stake in Midwest, play a role in management of Midwest's systems, and receive a significant management fee equal to 4.5% of Midwest's total revenues. Services will even be co-branded as Charter services. Questions related to Charter's qualifications, operations and operational practices are plainly relevant. Complete answers to the foregoing questions must be provided.

The Response does not adequately address question 20 seeking complete corporate trees for Midwest and Charter. The Response merely indicates that the franchise-holder will be an indirect, wholly-owned subsidiary of Midwest without identifying or explaining the intervening corporate or management structure. The Response further indicates that Charter's corporate tree



is irrelevant. The requested corporate trees are necessary to fully understand the proposed transaction(s). The Form 394 filing will remain incomplete without such information.

### Reimbursement

The QCCC's question 17 simply requested appropriate Comcast contact information for invoices and bills to ensure that Comcast can promptly comply with its reimbursement obligations under the franchises. The question and response provided is as follows:

**Section 10.5(e) of the franchise provides: "Grantee shall reimburse City for all the reasonable legal, administrative, consulting costs and fees associated with the City's review of any request to transfer. Nothing herein shall prevent Grantee from negotiating partial or complete payment of such costs and fees by the transferee. Grantee may not itemize any such reimbursement on Subscriber bills, but may recover such expenses in its subscriber rates." Reimbursement is required on a monthly basis as legal, administrative and consulting costs or fees associated with review of the Form 394 are incurred by the City. Reimbursement must be paid within 30 days of receipt of an invoice or bill. Please identify the appropriate address for billings.**

Midwest Cable respectfully declines your request to reimburse your member communities for the costs and expenses in processing the Application. Section 622 of the Communications Act provides, in relevant part, that for any 12-month period, the franchise fees paid by a cable operator with respect to any cable system shall not exceed 5% of such cable operator's gross revenues.<sup>8</sup> The Commission's member communities currently receive the statutory maximum franchise fee. Significantly, the Communications Act defines a franchise fee as "any tax, fee, or assessment of any kind imposed by a franchising authority or other governmental entity on a cable operator or cable subscriber, or both, solely because of their status as such."<sup>9</sup> As the FCC and numerous courts have determined, a requirement that a cable operator reimburse a franchise authority for attorney's fees, consultant's fee, and other substantial costs related to the administration of a cable franchise falls squarely within this definition.<sup>10</sup> Moreover, parties cannot contractually waive application of the franchise fee cap.<sup>11</sup>

The QCCC did not request reimbursement from Midwest. Because the Response ignores the QCCC's request for appropriate contact information, the QCCC will forward its invoices to its local Comcast contact, Karly Werner. We presume Comcast will comply with the franchises (note, the correct cite is to section 10.5.5) and promptly pay amounts invoiced. If Comcast does not, I will recommend issuance of a franchise violation notice or notices and initiation of compliance proceedings. Such non-compliance will also be considered in relation to the Form 394 request.

The franchises unambiguously require Comcast to reimburse franchise transfer review costs, while also recognizing Comcast's ability to negotiate with Midwest regarding such reimbursement. Midwest incorrectly argues that its reimbursement under Section 10.5.5 would violate the 5% franchise fee cap under federal law. Midwest is not a party to the member cities' franchises, has paid no franchise fees to the member cities (or any other community), and is not a "cable operator" in such cities for purposes of Section 622. If Midwest accepts a reimbursement request by Comcast, the franchise fee cap will not be implicated.

Moreover, Midwest's legal analysis will only be relevant at such time, if ever, that Midwest assumes the franchises. As the Response recognizes, the current franchises expire in the near future and are subject to ongoing renewal proceedings. The franchises may expire prior to closing, and Midwest cannot know what requirements regarding reimbursement of transfer costs or franchise fee obligations will be contained in any renewed franchises. Midwest's analysis is purely speculative.

#### Additional Questions

Upon review of the Response, the QCCC has the following additional questions:

21. By executing the Form 394 (Section V, Part II(c)), Midwest "certified" that it will "use best efforts to comply with the terms of the [current] franchise and applicable state laws or local ordinances and related regulations..." The Response, p. 5, states that "the proposed Transaction will not affect the obligations of the Franchisee going forward under the franchise agreement." Midwest's legal argument regarding the reimbursement requirement in the current franchises is to the contrary. Midwest cannot certify its intent to comply with the members' franchises while reserving a right to claim that unspecified franchise provisions are unlawful and unenforceable. Midwest must supply a complete list of provisions in the franchises it believes are unenforceable.
22. The Form 394 and Response indicate that Comcast will provide some temporary transitional services that will allow current customers to experience a "seamless transition" to Midwest's ownership and operation of the cable system. Provide the transitional agreement between Comcast and Midwest regarding the temporary continuation of such services. Explain how Midwest will compensate Comcast for such services. Identify the services to be provided and the period during which these services are anticipated to be provided.
23. Will customers need to return any premises equipment such as set-top boxes, modems, remotes, or similar devices to Comcast and obtain a different piece of customer equipment at the time of closing of the transaction(s) or in the foreseeable future thereafter? What is the estimated timeframe between closing and any associated transition to the new equipment?

24. Indicate whether, as of the closing, the customer service representatives and system repair technicians responding to local complaints, concerns and system performance problems will be Comcast employees, Charter employees, or Midwest employees. Indicate how such personnel will identify their affiliation or employer to subscribers and the public.
25. Provide a list of all officers of Midwest as of June 1, 2014 and identify them by name and title. Identify any officers added since June 1 by name and title listing the date they joined Midwest, and any officers that have left Midwest since June 1.
26. Under the CSA, Charter will be responsible for customer-facing operations. Identify where Charter has been notified by a LFA or applicable state agency that it is not in compliance with franchise specific and/or applicable federal standards with respect to customer service requirements and procedures.
27. Identify the entity that will be responsible for calculating franchise fees and PEG fees owed to the QCCC's member cities.

#### Conclusion

The Form 394 filing remains inaccurate and incomplete. The review period will remain tolled until all information and answers timely requested by the QCCC are provided.

If, however, the Form 394 were to be deemed complete, the review period would end no earlier than on or about October 17, 2014. As a consequence, we must insist on a reply to this letter at your earliest convenience, and no later than August 25, 2014.

Yours truly,



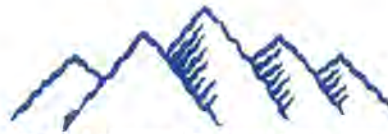
Robert J.V. Vose

RJV:jms

cc: Karly B. Werner, Government Affairs Senior Manager, Comcast  
Karen George, Executive Director, QCCC



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Memorandum

**To:** Participating LFAs and their associated legal counsels  
**From:** Garth Ashpaugh and Dick Treich  
**Date:** August 12, 2014  
**Re:** Financial Analysis of Midwest Cable, LLC

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Ashpaugh & Sculco, CPAs, PLC and Front Range Consulting, Inc. (the "Consultants") have been retained by several LFAs<sup>1</sup> to assist them in the financial analyses of the transfers of the cable television franchises now held by Comcast and which are to be spun off to a new company, Midwest Cable, LLC ("Midwest Cable").<sup>2</sup> This spin-off is part of a larger transaction that involves: (i) acquisition of Time Warner Cable, Inc. ("Time Warner") by Comcast Corporation, Inc. ("Comcast"); (ii) sale of systems by Comcast to Charter Communications, Inc. ("Charter"); (iii) swap of systems between Comcast and Charter; (iv) spin-off of systems from Comcast to Midwest Cable and, (v) the reorganization of Charter (collectively, the "Transactions").<sup>3</sup> The

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<sup>1</sup> The participating local franchise authorities that have engaged the Consultants and who will be determining whether to grant, deny or condition the request for a transfer to Midwest Cable are: Meridian Township, MI, Southfield, MI, the City of Minneapolis, MN and the Minnesota local franchise authorities of the City of Burnsville, the City of Bloomington, the City of Eagan, Northern Dakota County Cable Communications Commission, North Metro Telecommunications Commission, North Suburban Communications Commission, Quad Cities Cable Commission, Ramsey Washington County Communications Commission, South Washington County Telecommunications Commission, City of Coon Rapids, City of St. Louis Park and City of St. Paul (jointly the "Participating LFAs").

<sup>2</sup> The Consultants were not engaged to, and did not, perform an audit of Comcast, Time Warner, Charter or Midwest Cable (the "Companies"), the objective of which would be the expression of an opinion that the financial statements provide a representation of the operations for the period reviewed. Accordingly, we do not express such an opinion. Had A&S performed such additional procedures, other matters might have come to our attention that would have been reported to you. This memorandum relates only to the financial analysis of the proposed spin-off of cable systems owned by Comcast to Midwest Cable and does not extend to any financial statements of the Companies or the Participating LFAs. This report is intended solely for the information and use of the Participating LFAs and is not intended to be and should not be used by anyone other than the Participating LFAs without the express written permission of the Consultants.

<sup>3</sup> We have identified the following separate but interrelated transactions (jointly the "Transactions"): (1) Comcast acquisition of Time Warner ("Acquisition"); (2) purchase of subscribers by Charter from Comcast ("Sale"); (3) system swaps between Comcast and Charter ("Swaps"); (4) transfers of Comcast systems to SpinCo ("Transfers")

Consultants are also assisting LFAs who have authority to review other elements of the Transaction. However, this particular report focuses on the Midwest Cable spin-off.

The Participating LFAs have sent data requests including those prepared by the Consultants pertaining to additional necessary financial information to Comcast *et al* (as shown on Attachment A) to allow the Consultants to prepare a meaningful review of the proposed spin-off transaction. While the requests are not identical, those requests generally include the information detailed on Attachment B. In many cases, Comcast has responded to these financial information requests with virtually identical responses, largely refusing to provide the information that was requested. We were asked whether, based on the information that Comcast has provided, or failed to provide, if we are in a position to recommend that the requests for transfer be approved/denied or to put it another way, whether the applications and responses provided show that the Midwest Cable (and the proposed day-to-day operations of the systems by Charter) will be financially qualified to own and operate the systems being spun off.

## **Summary and Overview of Analysis**

### ***Why a Review is Appropriate.***

From the perspective of local franchising authorities and consumers, the financial issue surrounding a merger or other transfer has less to do with whether someone may profit from a transaction and more to do with the potential impact of the transaction on current and future operations and cable subscribers. If, for example, a company pays too much for a cable system, it may be forced to raise rates, cut back on day-to-day customer services or take other steps to cut costs or increase revenues to achieve its targeted financial results. If, for example, a company is required to assume debt as part of a transaction, that could affect the company's ability to issue debt in the future, and may limit the company's ability to finance service or system expansions. If, for example, a transaction has significant "transition costs" - costs associated with changing over internal systems, changing out customer premises equipment, making the systems operationally consistent, training and severing employees, etc. - the company must have enough cash on hand and sufficient cash flow to cover normal expenses but also the expected expenses and losses that can be expected to accompany the transaction, while maintaining debt service covenants and ratios that will allow the company to obtain any needed additional debt for equipment, system expansions and operational changes. Otherwise, the company is likely to be financially unstable, and is not likely to be able to comply with franchise obligations and/or provide adequate service to subscribers. A financial review allows the Consultants to evaluate whether the proposed spin-off transaction is such that the transferee has shown it begins with a stable financial footing and that it can be expected to be able to financially perform reliably over

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and (5) creation of the new Charter ("New Charter"). They are all interrelated as items 2 through 5 would not occur if the Acquisition is not approved.

the foreseeable future. One should not and cannot just assume that a deal involving experienced cable operators is a sound deal particularly when these cable operators are forming a brand new company that is not going to be operating the cable systems on a day-to-day basis. Experienced cable operators can and do go bankrupt, as was the case with Adelphia Communications filing bankruptcy in 2002.

***The Complications In This Transaction.***

In this case, the financial analysis is complicated by at least three factors.

First, we need to analyze the financial position of two companies: Midwest Cable and Charter. Midwest Cable will be the owner of the local systems, and if the transaction provides it with insufficient cash flow or borrowing capabilities, customers and franchise obligations may suffer. But, many of the critical services that affect communities and customers day-to-day will be provided by Charter pursuant to a Service Agreement<sup>4</sup> between Midwest Cable and Charter. The impact of the transactions on Charter is therefore also critical yet Charter has no performance incentive to meet these critical services as far as has been provided; to the contrary, Charter appears to have a guaranteed cost recovery type of Service Agreement. As far as we can tell, Midwest Cable does not claim that it will be in a position to operate the cable system without Charter, nor does it claim that it can actually choose a service provider other than Charter for a period of time as the spin-off transaction crafted by Comcast and Charter require Midwest Cable to use Charter for these day-to-day operations.

Second, the transaction spinning off Comcast systems to Midwest Cable does not appear to have been negotiated by Midwest Cable, which was created around the time the spin-off transaction was announced. Rather, Comcast, and Charter (and potentially with some involvement by Time Warner) developed the agreements that are at the heart of the Midwest Cable spin-off, and the financial information that would allow us to evaluate the Midwest Cable transaction would have been developed by and in the possession of those companies, not Midwest Cable. Information relevant to the Midwest Cable transaction could have been developed and be associated with any of the proposed Transactions. In fact, since the Midwest Cable transaction was developed and proposed in order to make the Comcast-Time Warner acquisition more palatable at the Federal level, it is quite likely that information critical to understanding the Midwest Cable transaction was developed as part of the development of the Comcast acquisition of Time Warner and the other contingent transactions.

Third, critical elements of the Midwest Cable transaction are missing. As part of a financial analysis, we will typically seek information sufficient to allow us to evaluate the transferee's operations against standard industry metrics, and to determine what sort of cash flows would be required to meet operational and capital expenses and generate the sort of free cash-flow/return

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<sup>4</sup> See, Comcast 8-K, filed May 28, 2014, Annex A and Annex 1 to Exhibit 2.1.

on investment expected in the industry. All that has been presented in the FCC Form 394 is a carve-out income statement and balance sheet for the Comcast systems being transferred to Midwest Cable which does not include either shared costs incurred by Comcast (overhead and customer service) or costs to be eliminated pursuant to the Service Agreement. In this case, however, critical information necessary to perform that analysis is missing. One missing expense is the amount Midwest Cable will be required to pay to Charter for services and the costs to be eliminated from Midwest Cable, and as the companies claim that the Service Agreement deal has not been completely negotiated, we are told that that amount is unknown. Without these type of *pro forma* adjustments to the carve-out financials are meaningless. However, we would expect that Charter and Comcast would have needed to make some assumptions regarding those *pro forma* amounts or in negotiating or analyzing the transaction that was presented to each company's senior management and Board of Directors in agreeing to the shareholder spin-off relative to Comcast and the investment by Charter.

### ***Our Approach to Analysis***

Taken together these factors led us to request projections and information that would have been presented to senior management and the Boards of Directors of Charter and Comcast, to investment bankers who would have prepared the fairness opinions, and to other financial analysts. We expected these internal analyses to provide us with the best way to begin our analysis of Midwest Cable and Charter.

In preparing the initial set of financial data requests, the overarching premise of the requests was to allow the Consultants to review and analyze all of the information used by the respective Boards of Directors and senior management of Comcast, Charter and Time Warner in reviewing, evaluating and approving the Transactions. This is information that currently exists that could have been provided to the Consultants but Comcast *et al* has chosen to claim confidentiality with respect to these documents notwithstanding the Consultants willingness to enter into non-disclosure agreements with any or all of the parties.

With minor exceptions, we consider the refusals to provide information to be unreasonable. Nonetheless, we have attempted a different approach to getting at the information by asking for specific past information and future projections, and a modified set of our original questions. These questions are contained in Attachment C.<sup>5</sup>

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<sup>5</sup> The exceptions are: some of the questions sent to communities that are only reviewing the Midwest Cable spin-off appeared to ask for information about the Time Warner – Comcast merger unrelated to Midwest Cable, or to Charter's ability to provide services. That was not the intent. As the foregoing suggests, some information (such as the calculation and/or allocation of Comcast cable system debt that will be assigned to Midwest Cable) would likely have been presented to investment bankers, the Board or others as part of the Time Warner-Comcast transaction. Any such information should have been provided. Likewise, some of the documents requests mistakenly indicated that we were only seeking information regarding Comcast's post-spin-off-and-merger

***Current State of the Analysis.***

As matters stand now, it is our preliminary opinion that neither Comcast, Charter, or Midwest Cable has shown that Midwest Cable or Charter are financially qualified to take over the proposed Comcast spin-off systems or take on responsibility for operating them. The sole factual support for Midwest Cable's qualifications is contained in Exhibit 6 to a Comcast FCC Form 394. Exhibit 6 contains a *pro forma* balance sheet that indicates that Midwest Cable has negative equity. That is troubling because, among other things debt-equity ratios may affect the ability of the company to borrow or the interest rates at which it may borrow.

Second, the balance sheet and income statement of Exhibit 6 contain the following caveat:

The spin-off transaction is presented from the historical perspective of Comcast and the unaudited pro forma financial information may not be indicative of how the business would operate as a stand-alone entity.

This is more than just a caution that the future is uncertain. Generally available information suggests that Charter's revenues are about \$15/sub less than Comcast each month. We know that Charter, not Comcast will be providing services (Charter will provide services on a cost plus basis, and will also receive four and a quarter per cent of gross revenues). But the analysis is based on Comcast's costs and revenues, not Charter's costs, and certainly not Midwest Cable's anticipated costs. We know that Midwest Cable will need to issue up to approximately \$9 billion in debt, but do not have any term sheets, commitment letters or projections related to the expected cost of debt. In fact, it appears that the spin-off transaction may not occur if Midwest is not able to acquire sufficient new debt, a clear risk for a new company with no historical operating results and no "guarantees" by either Comcast or Charter. That is, Exhibit 6 does not show that Midwest Cable or Charter would be financially qualified.

The Consultants prepared a list of over forty (40) data requests that would have solicit additional information to allow the Consultants to prepare an in-depth review of these complicated and inter-related Transactions. Attachment B to this memorandum is a summary of the responses generally received from Comcast depicting the overall refusal to provide this necessary financial information.

**Specific Responses**

Detailed below are examples of the non-responsive answers provided by Comcast to the initial financial data request of the Consultants. We have not attempted to address each and every answer provided by Comcast but have focused on certain non-responsive answers in each of the five (5) general categories of requests addressed by the Consultants.

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performance. In context, it should have been clear that was not the case – references to Comcast were intended to refer to the companies owning and responsible for operating systems post-merger and post-spin-off.



### ***Comcast Acquisition of Time Warner***

The Consultants asked six (6) general questions regarding the proposed acquisition of Time Warner by Comcast primarily seeking available documentation exchanged/presented to each party, including each party's Board of Directors and senior management.

Comcast refused to respond to the requests of the Midwest Cable by stating<sup>6</sup> "[t]he requested information [Financial Experts requests 1 through 6] falls outside the scope of this proceeding." As suggested at n. 3, if Comcast is saying that none of the information or projections presented either related directly to the Midwest Cable spin-off or involved information, the Transactions collectively, or show calculations and valuations that were then used in the Midwest Cable transaction, we would agree that nothing needs to be presented to the communities that are only reviewing the Midwest Cable transaction. But we think this is unlikely. For example, Comcast has stated in responses to the initial request that the goodwill and franchise rights of Midwest Cable are based on "fair value," but failed to provide detail regarding the calculation of fair value. The Consultants need to determine if Comcast has over assigned "goodwill" and "franchise rights" to Midwest Cable based on over-inflated "fair value" estimates. If the value of the transferred assets was overstated, Midwest Cable will have difficulty earning adequate returns to support operations and future investment. Additionally, it is possible that the debt to equity ratio is misrepresented by an over allocation of intangible costs, which would affect future borrowing capabilities. One component of the Time Warner acquisition was that Comcast would shed subscribers to get below a 30% household penetration. We would therefore expect that the materials prepared in connection with the Comcast acquisition of Time Warner would have addressed the valuation of the systems being spun-off, and that information should be provided to us.

### ***Comcast Sale to Charter***

Comcast has refused to respond to the requests of the LFAs to these requests by stating<sup>7</sup> "[t]he requested information [Financial Experts requests 7 through 11] falls outside the scope of this proceeding." That is not the case. The level of involvement of Charter in the operations of Midwest Cable is akin to Charter being the cable operator. As such, the financial viability of Charter is of utmost concern to the Participating LFAs reviewing the proposed transfer. Charter will be incorporating 3.0 million former Comcast subscribers into its system (1.4 million purchased and 1.6 million from the swaps). There will be cost differentials in serving these new subscribers, transition costs in accounting, operations, engineering and network, costs for equipment as Comcast's X1/X2 platforms are changed out and conformed to Charter's level of service and equipment, costs to set up the billing systems and personnel costs as new personnel are brought in from Comcast or as personnel are severed from the company.

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<sup>6</sup> See, e.g., Letter to Michael R. Bradley, July 28, 2014, page 24.

<sup>7</sup> See, e.g., Letter to Michael R. Bradley, July 28, 2014, page 24.

The financial capability of Charter is of utmost concern regarding and inextricably linked to the financial viability of Midwest Cable. While Midwest Cable will own the franchises, Charter will actually be doing the day-to-day operation, handling customer issues, etc. The following demonstrate the depth of this relationship:

From Annex A: Governance, Management and Services Framework as item 4 under Executive Management, page 33 of the Comcast 8K for the period ending 04/28/14:

Immediately following the Merger, SpinCo shall retain Charter to provide the services set forth on Annex 1, under the overall authority and supervision of the SpinCo Board and the SpinCo Executive Management team.

From Mr. Fennell's July 17, 2014, letter to Timothy W. Finnerty, Executive Director, Ramsey-Washington Suburban Cable Commission -

Although your letter seeks detail on precisely how Midwest Cable and Charter will divide operational duties on a day-to-day basis, those details (which do not implicate Midwest Cable's underlying qualifications) are still being addressed. As explained below, the FCC Form 394 itself already **identified a range of services Charter will make available to Midwest Cable, pursuant to the terms of the Charter Services Agreement ("CSA").**<sup>3</sup> The Application also explains that "all system operational services provided by Charter will be subject to the overall supervision of Midwest Cable's independent executive management team and its independent Board of Directors." It will be up to that management team to determine which services it wants Charter to provide under the CSA. (Emphasis added.)

<sup>3</sup> **A detailed listing of these services is provided in Annex 1 to the Comcast/Charter Transaction Agreement, which, as identified in Exhibit 1 to the Form 394, is available at <http://corporate.comcast.com/twctransaction/official-filings-together-under-Official-Filings>." (Emphasis added.)**

It is a significant and positive development that Midwest Cable has already secured a commitment from Charter (which will then be the nation's second largest cable operator) to provide operational support. Moreover, because Charter will have a substantial financial stake in Midwest Cable, it will have a compelling business reason to ensure that any services it provides to Midwest Cable support the best possible day-to-day operations.

From page 2 of the "Public Interest Statement, Transfer of cable systems from Comcast to SpinCo: June 5, 2014 -

That arrangement, together with Charter's financial investment in SpinCo, also will enable SpinCo to leverage Charter's scale and scope — spurring joint investment in innovation, lowering shared input costs, and enhancing each company's ability to offer high-quality programming and advanced communications services."

From the Mr. Fennell's response to our request concerning the above statement:

Through the arrangement, Midwest Cable will benefit from higher operating efficiencies and economies of scale as well as Charter's innovations and advanced services and

technologies. These factors, among others, will allow Midwest Cable to offer high-quality programming and advanced communications services to its subscribers.

The Consultants surmise, based on information currently available, that while Midwest Cable (or a subsidiary thereof) may hold the franchise, the operator of the franchise, the faces that subscribers see in the offices or on service calls and the customer service representatives that handle the calls will all be Charter employees, presumably receiving Charter paychecks and making decisions based on Charter's financial ability. When the subscriber makes a call to Midwest Cable, they will be talking to a Charter employee, listening to Charter commercials while on hold and subject to Charter marketing. Midwest Cable will pay a set fee of 4.25% of gross revenue. However, it seems likely that those funds will go into the general coffers of Charter and have no direct correlation to work done by Charter for Midwest Cable. Charter will be able to direct those funds to any need within their company. Actual work done by Charter will be billed to Midwest Cable on an as yet undefined cost plus basis providing as yet undefined services. Since Charter must first incur the costs for these services before billing Midwest Cable, it is likely that decisions on upgrades, engineering, programming, service enhancements will be competing for budget dollars with Charter's other needs and influenced by, if not dependent on, Charter's cash flow and ability to finance. The "higher operating efficiencies and economies of scale as well as Charter's innovations and advanced services and technologies" will only be available to Midwest Cable if Charter is a financially sound company.

Understanding the effects of these changes on Charter is therefore critical – especially as we are expected to rely on Charter's claimed financial incentives for ensuring that Midwest Cable succeeds as grounds for approving the transaction. We have every reason to believe the information requested would be relevant. For example, the 8-K "fairness opinion" letters provided by investment bankers is based on projections and analyses, but no projections or analyses have been provided to us, beyond the analyses in Exhibit 6.

#### ***Comcast System Swaps with Charter***

Comcast has refused to respond to the requests of the remaining Participating LFAs by stating<sup>8</sup> "[t]he requested information [Financial Experts requests 12 through 17] falls outside the scope of this proceeding." As this transaction is a key component in the chain of events that will result in the formation of Midwest Cable, Inc., the Consultants continue to believe that these 5 requests are important to the overall analysis of the ultimate spin-off to Midwest Cable. As discussed above, Charter, as New Charter, plays a key role in the operation of Midwest Cable. The costs of Charter as passed on to Midwest Cable will be a major component of Midwest Cable expenses of operating the cable system. These include the costs associated with acquiring and managing the Comcast swap systems.

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<sup>8</sup> See, e.g., Letter to Michael R. Bradley, July 28, 2014, pages 24 - 25.

***Comcast Spin-Off to Midwest Cable***

In these requests, the Consultants sought specific information regarding the spin-off transaction involving the majority of the Participating LFAs. Comcast responded on its behalf, on behalf of Charter and on behalf of Midwest Cable virtually refused to provide any additional information<sup>9</sup> as being “outside the scope of this proceeding.” The information being requested was available information that has been presented to Comcast’s and Charter’s senior management and Boards of Directors regarding the impacts of this proposed transaction. From this information, the Participating LFAs would be presented a complete financial picture of what Comcast and Charter independently thought and evaluated as the financial well-being of Midwest Cable. In Comcast’s case, it was acting on behalf of its shareholders who would own approximately 66% of Midwest Cable. In Charter’s case, “New Charter” would own 33% of Midwest Cable. It is inconceivable that such information does not already exist with both organizations and with the outside advisors that have provided “fairness opinions.” Instead, Comcast, on behalf of itself, Charter and potentially Midwest Cable, is asking the Participating LFAs to rely on “information [that] may not be indicative” of the financial results of Midwest Cable. (See the footnote to Exhibit 6.) As explained above, the Exhibit 6 information fails to show that either Midwest Cable or Charter is financially qualified to perform post-merger.

In response to request 18, the Consultants requested a copy of the “Long Form Agreement” between Comcast and Charter detailing the proposed spin-off to Midwest Cable. Notwithstanding that Midwest Cable was not a willing buyer in this transaction, Comcast has refused to provide this detailed spin-off agreement by self-determining that “there will be no material divergence” between the bullet point copy included in the SEC filing and the “Long Form Agreement.” The Participating LFAs are left with “accepting” Comcast’s determination of “material divergence” rather than being given a copy of this existing “Long Form Agreement” to independently assess the materiality of the “legal” terms in the binding “Long Form Agreement.” This again requires the Participating LFAs to accept a self-serving determination by Comcast instead of allowing the Participating LFAs to fully understand the details of the spin-off agreement.

In request 23, the Consultants sought the “Charter Service Agreement” (“CSA”) whereby the Participating LFAs would be able to understand the service that Charter will be providing to Midwest Cable. Notwithstanding Comcast’s assertion to only a bullet point list of “service” have been agreed to by Comcast and Charter and most importantly not Midwest Cable, this CSA is one of the most critical documents along with the Long Form Agreement. The CSA, we are advised, has not been fully negotiated yet. Ultimately, the absence of the completed CSA may make it impossible to conclude that Midwest Cable has the necessary financial, technical or legal qualifications to perform as franchisee. For example, Annex 1, referenced in Comcast’s

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<sup>9</sup> See, e.g., Letter to Michael R. Bradley, July 28, 2014, Responses 19, 20 and 22.

response, identifies that Charter will provide “Programming management services.” That is all the detail provided in Annex 1. What does that mean? Does it mean that Charter will negotiate all programming agreements? Does Midwest Cable senior management or Board of Directors (which are combined Comcast and Charter appointed Board members, not Board members appointed by Midwest Cable) has any right of refusal to any terms negotiated by Charter? Does Charter determine what new programming services will be launched/deleted on Midwest Cable’s system? The answers have yet to be provided, so it is not clear that Midwest Cable will have sufficient control to ensure that its system is operated in accordance with existing franchises or to meet future cable-related needs and interests.

Probably the most obvious problem, we requested details regarding the determination of the 4.25 percent gross revenues fee for the Charter provided CSA services. The response<sup>10</sup> was “[t]he 4.25 percent figure resulted from negotiation between experienced leaders of the cable companies in order to establish a fair value for the provided services. To the extent the question seeks further response, the companies object on the grounds that the question seeks information not reasonably related to determining the qualifications of the new parent company of the local franchisee.” It is unheard of in the cable industry that one company would essentially provide all day-to-day management of a cable system owned by another party it does not control and would receive a gross revenue payment based on all gross revenues plus costs. Further, the referenced negotiation between “experienced leaders of cable companies” could only be a reference to Comcast and Charter as Midwest Cable did not exist when this arrangement was made. It is not obvious that either company would have as its paramount interest in maximizing the long-term viability and value of Midwest Cable as a standalone entity capable of satisfying current franchises or future cable-related needs and interests. It is therefore important for the Consultants to understand whether the payment obligation is reasonable, if Midwest Cable has the ability to alter or renegotiate, whether it is likely to burden Midwest Cable or adversely affect the services provided in the reviewing communities. Further, Exhibit 6, while excluding significant shared services and transactional costs, also does not include the impact on the cost to be eliminated for the services provided by Charter under the “bullet point list” of services or the expense related to the 4.25 percent revenue fee and the Charter reimbursable cost. Clearly, without this information the Participating LFAs cannot reasonably assess the financial condition of Midwest Cable currently (as presented for 2013 and three months ended March 31, 2014) and has provided no projected financial results. We would expect that either the Charter or Comcast negotiators should have considered the savings in developing the revenue share if the deal is indeed fair, and if they did not, that, too, will be useful to know. Comcast again has imposed its own self-serving determination by stating in its response that any additional “information [is] not reasonably related” to the Participating LFAs review of Midwest Cable’s financial condition.

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<sup>10</sup> See, e.g., Letter to Michael R Bradley, July 28, 2014, Response 24.

## CONCLUSION

The Consultants recommend that each Participating LFA requests that Comcast/Charter/Midwest Cable respond to the financial data requests in Attachment C and take such other steps as may be appropriate in light of the current status of our analysis. Attachment C contains our original requests, repeated, as well as additional requests appropriate in light of the absence of Comcast's full and complete responses to our original requests.

**ASHPAUGH & SCULCO, CPAs, PLC**



Garth T. Ashpaugh, CPA  
President & Member

**FRONT RANGE CONSULTING, INC.**



Richard D. Treich  
CEO

Attachments

**ATTACHMENT A**

Attachment A<sup>1</sup>

	Participating LFA	Request Date	Response Date
	<b>Michigan</b>		
1	Meridian Township	July 30, 2014	
2	City of Southfield		
	<b>Minnesota</b>		
3	City of Bloomington	July 17, 2014	July 28, 2014
4	City of Burnsville	July 17, 2014	July 28, 2014
5	City of Coon Rapids	July 17, 2014	July 28, 2014
6	City of Eagan	July 17, 2014	July 28, 2014
7	City of Minneapolis	July 17, 2014	July 28, 2014
8	City of St. Louis Park	July 17, 2014	July 28, 2014
9	City of St. Paul	July 23, 2014	August 4, 2014
10	Northern Dakota County Cable Communications Commission	July 17, 2014	July 28, 2014
11	North Metro Telecommunications Commission	July 17, 2014	July 28, 2014
12	North Suburban Communications Commission	July 17, 2014	July 28, 2014
13	Quad Cities Communications Commission	July 17, 2014	July 28, 2014
14	Ramsey Washington County Communications Commission	July 22, 2014	August 4, 2014
15	South Washington County Communications Commission	July 17, 2014	July 28, 2014

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<sup>1</sup> Financial Data Request Information as of August 4, 2014.



**ATTACHMENT B**

## COMCAST RESPONSES TO THE INITIAL REQUEST

**Instructions to Comcast**

In answering the requests set forth below, please respond to each question individually. Time Warner<sup>1</sup>, Comcast<sup>2</sup>, Charter<sup>3</sup> and/or Midwest Cable LLC should provide all of the requested information **in both hard copy and electronic form (e.g., Word, Excel, or text files – do not provide as pdfs) to the maximum extent available.** To the extent information is provided in spreadsheet form, the spreadsheets must contain all original formulas, calculations and any linked files or spreadsheets. If Comcast, Time Warner, Charter and/or Midwest Cable wishes that any of the data submitted to the Consultants or Participating LFA to remain confidential, Comcast's, Time Warner's, Charter's and/or Midwest Cable's data **must be clearly labeled as such on each page of each response that contains confidential data. Data not clearly marked "confidential" at the time it is furnished will not be protected from disclosure.** The Consultants are willing to enter into a non-disclosure agreement with each of the parties to protect "confidential" information.

**Comcast Acquisition of Time Warner**

1. Please provide all presentations (including, but not limited to, fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>4</sup> of the "Company" and its Board of Directors as defined in the Merger Agreement and all parent organizations of the Company regarding this proposed transaction between Time Warner and Comcast including materials prepared and/or presented by the Company's outside advisors as identified in Section 4.23 of the Agreement and Plan of Merger. The intent of this request is to evaluate impacts on Comcast's cable television operations from the proposed acquisition. We are not seeking attorney-client privileged communications.
2. Please provide all presentations (including, but not limited to, fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>5</sup> of the "Parent" and its Board of Directors as defined in the Merger Agreement and all parent organizations of the Acquiror regarding this proposed transaction between Time Warner and Comcast including materials prepared and/or presented by the Company's outside advisors as identified in Section 5.19 of the Agreement and Plan of Merger. The intent of this request is to evaluate impacts on Comcast's cable television operations from the proposed acquisition. We are not seeking attorney-client privileged communications. The announcement of the proposed transaction indicated certain savings and efficiencies would be realized. The presentations requested must address, but are not limited to, those savings and efficiencies.
3. Please provide a complete copy of the Company Disclosure Schedule delivered to Parent. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.
4. Please provide a complete copy of the Parent Disclosure Schedule delivered to Company. The intent of this request is to evaluate impacts on Comcast's cable television operations

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<sup>1</sup> Time Warner Cable and its subsidiaries ("Time Warner").

<sup>2</sup> Comcast Corporation and its subsidiaries ("Comcast").

<sup>3</sup> Charter Communications and its subsidiaries including the proposed creation of New Charter (as defined in the 8Ks and S-4s filed by Comcast and Charter) ("Charter")

<sup>4</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Time Warner.

<sup>5</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Comcast .

**COMCAST RESPONSES TO THE INITIAL REQUEST**

from the proposed acquisition. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.

5. Please identify all savings and efficiencies Comcast has identified from the Acquisition. Please provide detailed support for the quantifications of the savings and efficiencies. The intent of this request is to evaluate impacts on Comcast's cable television operations from the Acquisition and potential financial impacts of not obtaining these saving and efficiencies. We are not seeking attorney-client privileged communications.
6. Please identify all impacts to the following on Time Warner and Comcast cable television operations from the Acquisition. Please provide detailed support for the quantifications of the savings and efficiencies as identified below. The intent of this request is to evaluate impacts on Comcast's cable television operations from the proposed acquisition. We are not seeking attorney-client privileged communications.
  - a. Customer service, including, but not limited to, call center operations and locations;
  - b. Headquarter and executive operations and locations;
  - c. System regional operations, including, but not limited to, technical and engineering functions;
  - d. Federal, regional/state and local government affairs;
  - e. Internal accounting and reporting and external reporting functions; and,
  - f. Advertising, including, but not limited to, Adlink, Spotlight and National Cable Communication, Inc. ("NCC").

**REQUESTS 1 THROUGH 6**

**RESPONSE:** The requested information falls outside the scope of this proceeding. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. By its own terms, "[t]he intent of this request is to evaluate impacts on Comcast's cable television operations from the proposed [Time Warner] acquisition." (Emphasis added.) Information regarding Comcast's future operations has no bearing on Midwest Cable's future operations.

**Comcast Sale to Charter**

7. Please provide the asset purchase agreement and other such legal documents that fully detail the terms and conditions for the sale by Comcast of approximately 1.4 million subscribers to Charter.
8. Please provide all presentations (including, but not limited, to fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>6</sup> of Comcast and its Board of Directors regarding this proposed Sale transaction between Comcast and Charter including materials prepared and/or presented by Comcast's outside advisors. The intent of this request is to evaluate impacts on Comcast's cable television operations from the proposed sale. We are not seeking attorney-client privileged communications.
9. Please provide all presentations (including, but not limited to, fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet),

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<sup>6</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Comcast.

**COMCAST RESPONSES TO THE INITIAL REQUEST**

etc.) made to senior management<sup>7</sup> of Charter and its Board of Directors regarding this proposed sales transaction between Comcast and Charter including materials prepared and/or presented by Charter's outside advisors. The intent of this request is to evaluate impacts on Charter's cable television operations from the proposed acquisition of systems from Comcast. We are not seeking attorney-client privileged communications. The announcement of the proposed transaction suggests savings and efficiencies would be realized. The presentations requested must address, but are not limited to, those potential savings and efficiencies as a result of the acquisition by Charter.

10. Please provide a complete copy of the Comcast Disclosure Schedule delivered to Charter. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.
11. Please provide a complete copy of the Charter Disclosure Schedule delivered to Charter. The intent of this request is to evaluate impacts on Charter's cable television operations from the proposed acquisition. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.

**REQUESTS 7 THROUGH 11**

**RESPONSE:** The requested information falls outside the scope of this proceeding. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. These questions relate to Comcast's sale of cable systems to Charter, not to Midwest Cable. None of the cable systems being sold to Charter serve any of the Cities identified in Attachment A to your letter.

**Comcast System Swaps with Charter**

12. Please provide the asset swap agreement and other such legal documents that fully detail the terms and conditions for the swap between Comcast and Charter of approximately 1.6 million subscribers.
13. Please provide all presentations (including, but not limited to, fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>8</sup> of Comcast and its Board of Directors regarding this proposed Swap transaction between Comcast and Charter including materials prepared and/or presented by Comcast's outside advisors. The intent of this request is to evaluate impacts on Comcast's cable television operations from the proposed Swap. We are not seeking attorney-client privileged communications.
14. Please provide all presentations (including, but not limited to, fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>9</sup> of Charter and its Board of Directors regarding this proposed Swap transaction between Comcast and Charter including materials prepared and/or presented by Charter's outside advisors. The intent of this request is to evaluate impacts on Charter's cable television operations from the proposed Swap of systems from Comcast. We are not seeking attorney-client privileged communications.

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<sup>7</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Charter.

<sup>8</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Comcast.

<sup>9</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Charter.

**COMCAST RESPONSES TO THE INITIAL REQUEST**

15. Please provide a complete copy of the Comcast Disclosure Schedule delivered to Charter. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.
16. Please provide a complete copy of the Charter Disclosure Schedule delivered to Comcast. The intent of this request is to evaluate impacts on Charter's cable television operations from the proposed Swaps. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.
17. Please list each franchise of the Swaps and indicate whether it will be going to Comcast or Charter.

**REQUESTS 12 THROUGH 17**

**RESPONSE:** The requested information falls outside the scope of this proceeding. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. These questions relate to a swap of cable systems between Comcast and Charter, to which Midwest Cable is not a party. None of the cable systems being transferred in connection with the Comcast/Charter Swaps serve any of the Cities identified in Attachment A to your letter.

**Comcast Spin-off to Midwest Cable**

18. Please provide all of the spin-off agreements and other such legal documents (potentially referred to, but not limited to, Long Form Agreements<sup>10</sup>) that fully detail the terms and conditions for the spin-off from Comcast to Midwest Cable of approximately 2.5 million subscribers other than Exhibit 2.1 to the Comcast S-4A. If there are no other controlling legal documents other than Exhibit 2.1, please affirmatively state.

**RESPONSE:** Please see our Response to Section 1, #7. As explained in the Application, all the material terms of the CSA have been disclosed in the Comcast/Charter Agreement, identified in the FCC Form 394 filed with the Cities' and available at <http://corporate.comcast.com/twctransaction/official-filings-together> under "Official Filings." The Comcast/Charter Agreement sets forth the full range of services to be provided in Annex 1.10 Further, any other "Long Form Agreements" to be executed are intended solely to implement the terms of the Comcast/Charter Agreement, and are not intended to add or alter any material terms. Given that there will be no material divergence between the terms of the Long Form Agreements and those terms already set forth in the Comcast/Charter Agreement, copies of the "Long Form Agreements" are not necessary to understand the Transaction or the qualifications of Midwest Cable.

19. Please provide all presentations (including, but not limited, to fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>10</sup> of Comcast and its Board of Directors regarding this proposed Spin-off transaction between Comcast and Midwest Cable including materials prepared and/or presented by Comcast's outside advisors. The intent of this request is to evaluate impacts on Comcast's cable television operations from the proposed Spin-off. We are not seeking attorney-client privileged communications.

**RESPONSE:** The requested information falls outside the scope of this proceeding. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. By its own terms, "the intent of this request is to evaluate the

<sup>10</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Comcast.

## COMCAST RESPONSES TO THE INITIAL REQUEST

impacts on Comcast's cable television operations...." Information regarding Comcast's future operations has no bearing on the qualifications of Midwest Cable.

20. Please provide all presentations (including, but not limited to, fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>11</sup> of Charter and its Board of Directors regarding this proposed Spin-off transaction between Comcast and Charter including materials prepared and/or presented by Charter's outside advisors. The intent of this request is to evaluate impacts on Charter's cable television operations from the proposed Spin-off of systems from Comcast. We are not seeking attorney-client privileged communications.

**RESPONSE:** The requested information falls outside the scope of this proceeding. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. By its own terms, "the intent of this request is to evaluate the impacts on Charter's cable television operations...." Information regarding Charter's future operations has no bearing on the qualifications of Midwest Cable.

21. Please provide a complete copy of the Comcast Disclosure Schedule if any delivered to Charter. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.

**RESPONSE:** There is no such schedule.

22. Please provide a complete copy of the Charter Disclosure Schedule if any delivered to Comcast. The intent of this request is to evaluate impacts on Charter's cable television operations from the proposed acquisition. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.

**RESPONSE:** The requested information falls outside the scope of this proceeding. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. By its own terms, "the intent of this request is to evaluate the impacts on Charter's cable television operations...." Information regarding Charter's future operations has no bearing on the qualifications of Midwest Cable. In any event, there is no such schedule.

23. Please provide the complete "Service Agreement" between Charter and Midwest Cable. To the extent the "Service Agreement" has not yet been negotiated, please provide a complete listing of the services that Charter will be providing to Midwest Cable.

**RESPONSE:** We will provide you with the final version of the CSA when it is filed with the Securities and Exchange Commission, but (as noted above) the material terms of the CSA have been disclosed in the "Comcast/Charter Transaction Agreement Dated as of April 25, 2014" ("Comcast/Charter Agreement"), identified in the FCC Form 394 filed with the Cities and available at <http://corporate.comcast.com/twctransaction/official-filings-together> under "Official Filings." The Comcast/Charter Agreement sets forth the full range of services to be provided in Annex 1. As set out in the Comcast/Charter Agreement, Midwest Cable will obtain services under the CSA at cost and will pay Charter a compensatory fee based on revenue. There will be no material divergence between the terms of the final CSA and those described in the Comcast/Charter Agreement.

24. Please provide all analyses and computations used by either or both Comcast and Charter in arriving at the "management fee" of 4.25% of gross revenues.

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<sup>11</sup> For example, but not limited to, the CEO, COO, CFO. etc. of Charter.

## COMCAST RESPONSES TO THE INITIAL REQUEST

**RESPONSE:** The 4.25 percent figure resulted from negotiation between experienced leaders of the cable companies in order to establish a fair value for the provided services. To the extent the question seeks a further response, the companies object on the grounds that the question seeks information not reasonably related to determining the qualifications of the new parent company of the local franchisee.

25. Please provide all analyses regarding the anticipate debt issuance by Midwest Cable that will be used to retire Comcast debt.

**RESPONSE:** Any analysis existing at the current time is confidential and proprietary.

26. Please provide any debt commitment letters that Comcast has received regarding the anticipate issuance of approximately 8.8 billion in Midwest Cable new debt.

**RESPONSE:** There are no debt commitment letters at the present time.

27. Please indicate whether the spin-off will be to all Comcast shareholder of record including the non-publically-traded Comcast B shareholders.

**RESPONSE:** The spin-off will be to all holders of Comcast common stock, including holders of Class B common stock. It should be noted that no class of common stock will receive any priority or premium, notwithstanding any special rights the holders of such class of stock might have with regard to Comcast Corporation.

28. Please explain the difference in the equity value shown in Exhibit 6 to the Form 394 and the enterprise value of "SpinCo" shown in the joint Comcast/Charter Investor Presentation of April 28, 2014.

**RESPONSE:** Exhibit 6 shows "equity" of negative \$1.933 billion. However, this "equity" figure is negative because these financial statements, including the \$9.855 billion shown on the "Total Assets" line of the Balance Sheet, are presented on a carve-out basis based on certain SEC guidance which is derived from the historical accounting basis of the SpinCo systems assets and liabilities, and is not adjusted for the fair value of the enterprise. The final footnote to the Midwest Cable pro forma financials explained that the estimated fair market enterprise value of Midwest Cable is \$14.7 billion. After reducing for \$8.8 billion in Midwest Cable indebtedness, Midwest Cable's estimated fair market enterprise value (\$14.7 billion) actually reflects a positive "equity" figure of approximately \$5.9 billion for Midwest Cable.

29. With respect to Exhibit 6, please provide:

- a. The methodology used, including all assumptions made by Comcast, Time Warner and/or Charter, by Comcast to allocate the assets, liabilities, revenues and expenses of the historical Comcast systems and those systems that are anticipated being spun-off that are currently Time Warner systems. Included, but not limited to, in the response should be the identification of the records used by Comcast to include current Time Warner systems;

**RESPONSE:** The cable systems that will comprise Midwest Cable are all legacy Comcast systems. Midwest Cable will not include any Time Warner or Charter cable systems. The cable systems' historical accounting records are maintained as part of Comcast's consolidated records. The accounting operating ledgers considered in preparation of the analysis underlying Exhibit 6 involve cable systems destined for Midwest Cable and no other cable systems. These accounting records serve as the base for the combined Midwest Cable financial statements. For those operating ledgers which are not fully comprised of cable systems that will be spun-off, an allocation methodology was adopted so

## COMCAST RESPONSES TO THE INITIAL REQUEST

as to properly represent the historical assets, liabilities, revenues and expenses of the particular systems being spun-off to Midwest Cable. The allocations were primarily based on the relative number of subscribers, however other allocations were used on particular accounts if deemed more reasonable.

b. The methodology used, including all assumptions and appraisals (whether in-house or prepared by a third party), by Comcast to estimate:

i. Property and equipment, net of \$1.957 billion;

**RESPONSE:**Property and equipment value is based on the historical cost of the underlying asset. Property and equipment is comprised of the historical assets on the operating ledgers of the cable systems that will be included in the spin-off Transaction, as well as other assets that were deemed to be part of the historical operations of the cable systems. The value of these assets was based on the historical cost of the underlying asset with no fair value adjustment. To the extent allocations were used to value assets associated with these particular cable systems, a variety of methodologies were employed to best allocate the assets at issue. Plant, for example, was allocated based on the total pro-rata amount of plant miles. Customer premises equipment and vehicles, however, were based on specific identification. Land and buildings were based on the preliminary shared asset list.

ii. Franchise rights of \$6.231 billion; and

**RESPONSE:**Franchise rights were allocated based on the estimated fair value of Midwest Cable compared to the overall "cable communications" segment of Comcast.

iii. Goodwill of \$1.391 billion;

**RESPONSE:**Goodwill was allocated based on the estimated fair value of Midwest Cable related to the overall "cable communications" segment of Comcast.

c. Please provide support for the amount shown for "Deferred Taxes" of \$3.053 billion that explains in detail the pro forma valuation at "Spin-Off";

**RESPONSE:** Deferred taxes is a preliminary estimate based on the difference between the estimated book basis of the assets to be included in the spin-off Transaction (exclusive of non-deductible goodwill), and the estimated tax basis of these assets.

d. An explanation regarding the plans of Comcast and/or Midwest Cable to change any asset depreciation rates for the properties being dedicated to Midwest Cable;

**RESPONSE:** There is no plan to change any asset depreciation rates at the current time. The basis used in spin-off scenarios is the historical cost basis of those assets and liabilities.

e. Detailed support for the identified shared facilities cost of approximately \$245 million;

**RESPONSE:** The \$245 million cost does not reflect shared facilities cost, but is an estimated allocation of overhead costs. These overhead costs include administrative support, technical support, and other back-office rules that are not performed at a regional level.

f. A list of and explanation regarding any known and measurable costs similar to the "share facilities" costs that Comcast has failed to include in Exhibit 6 – the explanation should include the reasoning for not including the costs in Exhibit 6; and,

**RESPONSE:** The shared facilities list is still being refined.



## COMCAST RESPONSES TO THE INITIAL REQUEST

- g. A list of and explanation regarding any other estimable costs, such as, but not limited to, transaction costs and integration costs, that have not been included in Exhibit 6 - the explanation should include the reasoning for not including the costs in Exhibit 6, an identification of the costs and estimates of the amounts for calendar years 2014 and 2015.

**RESPONSE:** It is not possible to calculate those future costs at the current time.

- h. Revised pro forma financials for Exhibit 6 to include a column on all schedules that shows the elimination of costs that are expected to be covered by the "Service Agreement" and a separate column that shows the "quarterly payments equal to 4.25 percent of SpinCo's quarterly gross revenues, plus the cost of the services rendered" paid to Charter. (Source - Public Interest Statement, Transfer of cable systems from Comcast to SpinCo: June 5, 2014, page 4.)

**RESPONSE:** Those pro forma financials do not exist at the current time.

30. Is Comcast going to be providing programming services to Midwest Cable whereby Midwest Cable will be able to access favorable programming rates for cable services? If so, please describe such services and all agreements (potentially, but not limited to, those referred to on Exhibit 1 to the Form 394).

**RESPONSE:** No, Comcast will not be providing programming services to Midwest.

31. Is Comcast proposing to provide any technical/engineering services such as, but not limited to, leasing its X1/X2 platforms to Midwest Cable? If so, please describe such services and all agreements.

**RESPONSE:** Please note that the Cities do not have regulatory jurisdiction over a cable operator's choice of the X1/X2 platform or other transmission technology. As the Application explains, "[i]mmediately after the closing of the transaction, Comcast will provide some temporary transition operational services that will allow current Comcast customers to experience a seamless transition to Midwest Cable's ownership and operation of the cable systems." If any equipment change is subsequently made, it will be undertaken in a manner that minimizes disruption to existing subscribers and that continues to provide customers with the level of service they expect.

32. Is Comcast proposing to provide advertising sales operations, including but not limited to Comcast Spotlight and National Cable Communications, Inc. ("NCC"), to Midwest Cable? If so, please describe such services and all agreements. Will either Comcast Spotlight or NCC have any exclusive arrangements with Midwest Cable?

**RESPONSE:** Specific plans for particular advertising services have not been established.

33. We need support for and quantification of the following statements from the "Public Interest Statement, Transfer of cable systems from Comcast to SpinCo: June 5, 2014."

- a. Page 2 – "That arrangement, together with Charter's financial investment in SpinCo, also will enable SpinCo to leverage Charter's scale and scope — spurring joint investment in innovation, lowering shared input costs, and enhancing each company's ability to offer high-quality programming and advanced communications services."

**RESPONSE:** Midwest Cable does not own these properties and has not finalized its plans for future operations. There is no existing quantification, but that does not diminish the undisputed fact that the arrangement will provide Midwest Cable resources and capabilities that would be difficult to achieve at a smaller scale and scope of operation. Through the

**COMCAST RESPONSES TO THE INITIAL REQUEST**

arrangement, Midwest Cable will benefit from higher operating efficiencies and economies of scale as well as Charter's innovations and advanced services and technologies. These factors, among others, will allow Midwest Cable to offer high-quality programming and advanced communications services to its subscribers.

- b. Page 4 – “In exchange for the ability to use any and all services set forth in the SA, SpinCo will make quarterly payments equal to 4.25 percent of SpinCo's quarterly gross revenues, plus the cost of the services rendered.”

**RESPONSE:** See Response to Request 24.

- c. Pages 9-10 – “SpinCo will benefit from the advanced network architecture Comcast has deployed throughout its systems over recent years, including a complete system migration to all-digital and full deployment of DOCSIS 3.0, enabling Comcast to offer some of the industry's fastest broadband speeds. Many existing, experienced Comcast field personnel who have been operating the systems will come on board as part of the spin-off and ensure continued high quality operation.” What portion of the 2.5 million subs are legacy Comcast systems? What portion and how many employees are former Comcast?

**RESPONSE:** There is no existing quantification, but that does not diminish the undisputed fact that the advanced network architecture of the existing Comcast systems and the availability of experienced Comcast field personnel will provide a substantial benefit to Midwest Cable. All of the 2.5 million subscribers that will compose Midwest Cable are now served by legacy Comcast systems, and Midwest Cable expects that current Comcast field personnel serving these systems will continue to work with the systems after the Transaction closes.

34. Please list each franchise of that will be transferred by Comcast to SpinCo/Midwest Cable.

**RESPONSE:** A list of the communities to be transferred by Comcast to Midwest Cable is provided in Attachment A.

**New Charter**

35. Please provide all agreements and other such legal documents that fully detail the terms and conditions for the investment by Comcast shareholders in Charter of approximately 13% of New Charter. Please indicate if the shareholders that will hold the proposed 13% interest in New Charter include the Comcast B shareholders.
36. Please provide all presentations (including, but not limited to, fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>12</sup> of Comcast and its Board of Directors regarding this proposed investment by Comcast shareholder in Charter including materials prepared and/or presented by Comcast's outside advisors. The intent of this request is to evaluate impacts on Comcast's shareholder from the proposed investment. We are not seeking attorney-client privileged communications.
37. Please provide all presentations (including, but not limited to, fairness opinions, financial projections (including, but not limited to, projection of income, cash flow and balance sheet), etc.) made to senior management<sup>13</sup> of Charter and its Board of Directors regarding this investment by Comcast shareholders in Charter including materials prepared and/or

<sup>12</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Comcast.

<sup>13</sup> For example, but not limited to, the CEO, COO, CFO, etc. of Charter.

**COMCAST RESPONSES TO THE INITIAL REQUEST**

presented by Charter's outside advisors. The intent of this request is to evaluate impacts on Charter's cable television operations from the proposed investment by Comcast shareholders. We are not seeking attorney-client privileged communications.

38. Please provide a complete copy of the Comcast Disclosure Schedule, if any, delivered to Charter. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.
39. Please provide a complete copy of the Charter Disclosure Schedule, if any, delivered to Comcast. The intent of this request is to evaluate impacts on Charter's cable television operations from the proposed investment. We are not seeking attorney-client privileged communications nor are we seeking employee-related disclosures.
40. Is Comcast going to be providing programming services to New Charter whereby New Charter will be able to access any favorable programming rates for cable services? If so, please describe such services and all agreements.
41. Is Comcast proposing to provide any technical/engineering services such as, but not limited to, leasing its X1/X2 platforms to New Charter? If so, please describe such services and all agreements.
42. Is Comcast proposing to provide advertising sales operations, including but not limited to Comcast Spotlight and National Cable Communications, Inc. ("NCC"), to New Charter? If so, please describe such services and all agreements. Will either Comcast Spotlight or NCC have any exclusive arrangements with New Charter?

**REQUESTS 35 THROUGH 42**

**RESPONSE:** These requests exceed the permissible scope of the Cities' review. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. While Charter will be a shareholder of and a vendor to Midwest Cable, Midwest Cable will be an independent publicly-traded corporation with its own management team and board of directors. As such, the impact on Charter of the transaction is not relevant to an evaluation of Midwest Cable's financial qualifications to become the controlling parent of the franchisee.

**Other Requests**

43. Please provide the per subscriber valuation including any assumption of debt for:
  - a. The acquisition of Time Warner;
  - b. The sale of Comcast systems to Charter;
  - c. The swap of systems between Comcast and Charter; and
  - d. The spin-off of Comcast systems to Midwest Cable.

**RESPONSE:** The information requested in subparts a, b, and c is not within the scope of review related to the Application in that such information is not reasonably necessary to evaluate the legal, financial, and technical qualifications of Midwest Cable to become the new controlling parent of the franchisee. With regard to the specific inquiry regarding Midwest Cable, the parties are not aware that any such valuation has been prepared.

44. Please provide all "carve-out" EBITDA financials provided between Comcast, Time Warner, Charter and/or Midwest Cable not already provided.

**COMCAST RESPONSES TO THE INITIAL REQUEST**

**RESPONSE:** The information requested regarding non-Midwest Cable entities is not within the scope of review related to the Application in that such information is not reasonably necessary to evaluate the legal, financial, and technical qualifications of Midwest Cable to become the new controlling parent of the franchisee. The parties are not aware that any such additional financials exist relating to Midwest Cable.

**ATTACHMENT C**

## CLARIFICATIONS / ADDITIONAL QUESTIONS REGARDING INITIAL FINANCIAL REQUEST

**Instructions**

Answers must be attested as accurate by Midwest Cable, Charter and Comcast, and to the extent applicable, Time Warner Cable. A statement by Comcast as to what it knows or does not know about Midwest Cable is not responsive, as Midwest Cable and Charter are each responsible for ensuring that the response to each question is full and complete. To the extent Comcast can provide proof that it is authorized by Charter/Midwest Cable and/or Time Warner to respond on their behalf, Comcast must rely on specific directions and responses from Charter/Midwest Cable and/or Time Warner that they have done the required due diligence in order to provide a full, complete and truthful answer to Comcast that would allow Comcast to act on their behalf in responding to these data requests.

**Initial Request:** Please provide all analyses and computations used by either or both Comcast and Charter in arriving at the “management fee” of 4.25 percent of gross revenues.

**RESPONSE:** The 4.25 percent figure resulted from negotiation between experienced leaders of the cable companies in order to establish a fair value for the provided services. To the extent the question seeks a further response, the companies object on the grounds that the question seeks information not reasonably related to determining the qualifications of the new parent company of the local franchisee.

Follow up requests.

45. Since Midwest Cable will be required to compensate Charter at a rate of 4.25% of its gross revenue and since that will be a major cost to Midwest Cable, it is reasonable and necessary to understand the derivation and legitimacy of the fee. This cost will relate directly to and have a major bearing the financial capability of Midwest Cable to meet it’s operational and franchise requirements. As such, please respond to the question as asked and:
  - a. identify any of the “experienced leaders of the cable companies” that negotiated the 4.25% that were not Charter, Comcast or TWC employees, officers or managers;
  - b. provide the employers and title of each person at the time of the negotiations in (a); and,
  - c. identify any rights Midwest Cable has to modify, change or cancel the Service Agreement.
46. Charter should identify the estimated amount of the “plus” that it is seeking under the cost-plus arrangement if the “plus” has not been agreed to; if it has been agreed to, in final or in principle, the amount should be identified. The response must also identify any estimate of the 4.25% and cost plus that was presented to both Comcast’s and Charter’s senior management and Board of Directors. If nothing was presented, please so state. This is an on-going request. Information should be provided as of the date of the request and then amended as the list is refined.
47. Please confirm that Midwest Cable will not reduce gross revenue for franchise fees for any deductions or fees paid to or withheld by Charter, including:
  - a. the 4.25% fee;

## CLARIFICATIONS / ADDITIONAL QUESTIONS REGARDING INITIAL FINANCIAL REQUEST

- b. any adder to programming fees; or
  - c. any of the “plus” under the cost plus arrangement.
48. If Midwest Cable cannot confirm the above, please explain the impact of each of these items on the determination of gross revenues for franchise fees.
49. Please:
- a. explain if Charter will handle billing and collections for Midwest Cable; and,
  - b. identify any fees or charges that Charter will deduct or withhold before remitting funds to Midwest Cable.

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**Initial Request:** Please provide all analyses regarding the anticipated debt issuance by Midwest Cable that will be used to retire Comcast debt.

**RESPONSE:** Any analysis existing at the current time is confidential and proprietary.

Follow up requests.

50. Please provide the requested information. The Consultants have repeatedly stated their willingness to execute non-disclosure agreements in this matter to protect confidential and proprietary information. Comcast and Charter have routinely negotiated and executed such agreements with the Consultants on an ongoing basis. The execution of an NDA will protect this information from being publically released and will allow the Consultants to provide comments/concerns/issues with these debt commitments to the Participating LFAs in summary form without public disclosure.
51. For all Comcast systems that will be spun off to Midwest Cable, please:
- a. provide a cash flow statement showing all revenues and all expenses by category for the last three years (the statement should be provided on a consolidated basis); and,
  - b. identify any debt for which the systems are responsible, and for which they would continue to be responsible post-spin-off; and any debt for which they would no longer be responsible post-spin-off.
52. For all the Comcast or Time Warner systems that will be sold to Charter, or swapped to Charter, please:
- a. provide a cash flow statement showing all revenues and all expenses by category for the last three years (the statement should be provided on a consolidated basis); and,
  - b. identify any debt for which the systems are responsible, and for which they would continue to be responsible post-transaction; and any debt for which they would no longer be responsible post-transaction.
53. As we have been told that key system operations will be provided by Charter, please provide Charter’s current balance sheet and a pro forma balance sheet for Charter post-transaction, and pro forma cash flows for Charter post-transaction through 2019, and Midwest Cable post-transaction through 2019.

## CLARIFICATIONS / ADDITIONAL QUESTIONS REGARDING INITIAL FINANCIAL REQUEST

54. Has Charter raised the funding required by the agreements? If the answer is yes, please provide the terms sheets and identify the lenders. If not, does Charter have any firm debt or equity commitment letters? If so, please provide.
55. Has Midwest Cable raised the funding, or obtained any guarantees for the funding required under the transaction? If the answer is yes, please provide the term sheets for the funding and identify the lenders or the guarantors.
56. What are Midwest Cable's target:
- Rate of return on equity;
  - Free Cash Flow (after capital expenditures)
  - EBIDTA; and,
  - Cost of debt.
57. If Midwest Cable has no such targets, please provide the information for Comcast and for Charter for the last three calendar years as of June 30. If no targets are available, please provide the actual results for the past three years for Comcast and Charter.

**Initial Request: With respect to Exhibit 6, please provide:**

- The methodology used, including all assumptions made by Comcast, Time Warner and/or Charter, by Comcast to allocate the assets, liabilities, revenues and expenses of the historical Comcast systems and those systems that are anticipated being spun-off that are currently Time Warner systems. Included, but not limited to, in the response should be the identification of the records used by Comcast to include current Time Warner systems;**

**RESPONSE:** The cable systems that will comprise Midwest Cable are all legacy Comcast systems. Midwest Cable will not include any Time Warner or Charter cable systems. The cable systems' historical accounting records are maintained as part of Comcast's consolidated records. **The accounting operating ledgers considered in preparation of the analysis underlying Exhibit 6 involve cable systems destined for Midwest Cable and no other cable systems. These accounting records serve as the base for the combined Midwest Cable financial statements.** For those operating ledgers which are not fully comprised of cable systems that will be spun-off, **an allocation methodology was adopted so as to properly represent the historical assets, liabilities, revenues and expenses of the particular systems being spun-off to Midwest Cable.** The allocations were primarily based on the relative number of subscribers, however other allocations were used on particular accounts if deemed more reasonable. (Emphasis added.)

Follow up request.

58. Please provide:
- copies of the "accounting operating ledgers considered in preparation of the analyses underlying Exhibit 6;"
  - copies of the analyses underlying Exhibit 6, including all supporting documents, worksheets, alternative calculations, assumptions and methodologies considered whether or not adopted; and,



## CLARIFICATIONS / ADDITIONAL QUESTIONS REGARDING INITIAL FINANCIAL REQUEST

- c. the allocations and supporting documents for the derivation of the allocations “adopted so as to properly represent the historical assets, liabilities, revenues and expenses of the particular systems being spun-off to Midwest Cable.”

**b. The methodology used, including all assumptions and appraisals (whether in-house or prepared by a third party), by Comcast to estimate:**

**i. Property and equipment, net of \$1.957 billion;**

**RESPONSE:** Property and equipment value is based on the historical cost of the underlying asset. **Property and equipment is comprised of the historical assets on the operating ledgers of the cable systems that will be included in the spin-off Transaction, as well as other assets that were deemed to be part of the historical operations of the cable systems.** The value of these assets was based on the historical cost of the underlying asset with no fair value adjustment. To the extent allocations were used to value assets associated with these particular cable systems, a variety of methodologies were employed to best allocate the assets at issue. Plant, for example, was allocated based on the total pro-rata amount of plant miles. Customer premises equipment and vehicles, however, were based on specific identification. Land and buildings were based on the preliminary shared asset list. (Emphasis added.)

Follow up requests.

59. Please:

- a. provide copies of “the operating ledgers of the cable systems that will be included in the spin-off Transaction” that support the historical assets;
- b. identify the “other assets that were deemed to be part of the historical operations of the cable systems” and provide copies of the ledgers that support the historical basis;
- c. copies of the analyses underlying property and equipment in Exhibit 6, including all supporting documents, worksheets, alternative calculations, assumptions and methodologies considered whether or not adopted; and,
- d. the allocations, the allocation methodologies, what assets the allocations were applied to and supporting documents for the derivation of the allocations.

60. Concerning the Deferred Tax amount on Exhibit 6 of \$3.053 billion, please provide:

- a. the listing of assets supporting that amount identifying the associated deferred tax amount with each category of assets; and,
- b. a reconciliation of the amounts per asset group totaling \$1.957 billion from the “operating ledgers of the cable systems that will be included in the spin-off Transaction” with the deferred tax balance of \$3.053 billion.

**ii. Franchise rights of \$6.231 billion; and**

**RESPONSE:** Franchise rights were allocated based on the estimated fair value of Midwest Cable compared to the overall “cable communications” segment of Comcast.

Follow up request.

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61. Please:
- a. state whether the “fair value” was based on the estimate valuation pre-merger with TWC or post-merger; if post-merger, please provide the pre-merger valuation of the “cable communications” segment of Comcast;
  - b. identify what is meant by the “cable communications” segment and describe what portions of Comcast are not treated as being part of the “cable communications segment”;
  - c. identify the base amounts of franchise rights before any allocation to Midwest Cable;
  - d. to the extent it is based on “fair value” as described in the response, please provide the valuation/appraisal supporting the fair value estimates for the “overall communications” segment and Midwest Cable including all underlying assumptions and analyses;
  - e. provide supporting documents for the base amounts of franchise rights; and,
  - f. provide the allocation methodology used to allocate franchise rights to Midwest Cable, including all supporting documents, worksheets, alternative calculations, assumptions and methodologies considered whether or not adopted.

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**iii. Goodwill of \$1.391 billion;**

**RESPONSE:** Goodwill was allocated based on the estimated fair value of Midwest Cable related to the overall “cable communications” segment of Comcast.

Follow up request.

62. Please:
- a. state whether the “fair value” was based on the estimate valuation pre-merger with TWC or post-merger; if post-merger, please provide the pre-merger valuation of the “cable communications” segment of Comcast;
  - b. identify the base amounts of goodwill before any allocation to Midwest Cable;
  - c. to the extent it is based on “fair value” as described in the response, please provide the valuation/appraisal supporting the fair value estimates for the “overall communications” segment and Midwest Cable including all underlying assumptions and analyses;
  - d. provide supporting documents for the base amounts of goodwill; and,
  - e. provide the allocation methodology used to allocate goodwill to Midwest Cable, including all supporting documents, worksheets, alternative calculations, assumptions and methodologies considered whether or not adopted.

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**e. Detailed support for the identified shared facilities cost of approximately \$245 million;**

**RESPONSE:** The \$245 million cost does not reflect shared facilities cost, but is an estimated allocation of overhead costs. These overhead costs include administrative

## CLARIFICATIONS / ADDITIONAL QUESTIONS REGARDING INITIAL FINANCIAL REQUEST

support, technical support, and other back-office rules that are not performed at a regional level.

Follow up request.

63. Please:
- a. identify the regional overhead costs by type;
  - b. provide copies of documents that support the total of overhead costs before allocation;
  - c. provide copies of the analyses underlying the amount of overhead costs in Exhibit 6, including all supporting documents, worksheets, alternative calculations, assumptions and methodologies considered whether or not adopted; and,
  - d. identify the allocations, the allocation methodologies, the costs the allocations were applied to and supporting documents for the derivation of the allocations.

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**f. A list of and explanation regarding any known and measurable costs similar to the “share facilities” costs that Comcast has failed to include in Exhibit 6 - the explanation should include the reasoning for not including the costs in Exhibit 6; and,**

**RESPONSE:** The shared facilities list is still being refined.

Follow up request. This is an on-going request. Information should be provided as of the date of the request and then amended as the list is refined.

64. Please provide:
- a. the types/categories of costs included in or being considered as “shared facilities”;
  - b. each such cost as it is identified;
  - c. the total before allocation;
  - d. the allocation factor(s); and,
  - e. the derivation of the allocation factor, including supporting documents.

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**g. A list of and explanation regarding any other estimable costs, such as, but not limited to, transaction costs and integration costs, that have not been included in Exhibit 6 – the explanation should include the reasoning for not including the costs in Exhibit 6, an identification of the costs and estimates of the amounts for calendar years 2014 and 2015.**

**RESPONSE:** It is not possible to calculate those future costs at the current time.

Follow up request. This is an on-going request. Information should be provided as of the date of the request and then amended as additional categories of costs are identified, and amended as costs are estimated (for future periods). Historical 2014 data should be provided through June 30, 2014.

65. Please provide:

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- a. the types/categories of costs included in or being considered as “those future costs;”
- b. each such cost as it is identified;
- c. if allocated, the total before allocation;
- d. the allocation factor(s); and,
- e. the derivation of the allocation factor, including supporting documents.

**h. Revised pro forma financials for Exhibit 6 to include a column on all schedules that shows the elimination of costs that are expected to be covered by the “Service Agreement” and a separate column that shows the “quarterly payments equal to 4.25 percent of SpinCo’s quarterly gross revenues, plus the cost of the services rendered” paid to Charter. (Source - Public Interest Statement, Transfer of cable systems from Comcast to SpinCo: June 5, 2014, page 4.)**

**RESPONSE:** Those pro forma financials do not exist at the current time.

Follow up requests. This is an on-going request. Information should be provided as of the date of the request and then amended as additional information is obtained.

66. Please prepare and provide the *pro formas* to the extent that none exist, and identify the source and provide the supporting data underlying the *pro formas*. Without limiting the instructions, please remember that the entities involved in the transaction that each has the responsibility to respond with the best information available to it. So the fact that data to prepare *pro formas* is not available to Comcast would not excuse a failure to respond.
67. Please provide any analysis and/or estimates assumed/presented/discussed with Comcast’s and Charter’s senior management and Boards of Directors regarding any avoided costs by Midwest Cable and the estimate of the gross revenue and cost reimbursement analyzed as part of the specific due diligence of each company in recommending approval of the SpinCo transaction. If no such data/analysis exists, so affirm.

**Initial Request:** Is Comcast proposing to provide advertising sales operations, including but not limited to Comcast Spotlight and National Cable Communications, Inc. (“NCC”), to Midwest Cable? If so, please describe such services and all agreements. Will either Comcast Spotlight or NCC have any exclusive arrangements with Midwest Cable?

**RESPONSE:** Specific plans for particular advertising services have not been established.

Follow up request. This is an on-going request. Information should be provided as of the date of the request and then amended as plans are made.

68. Please provide the requested information when it becomes available. In the meantime, please :
  - a. describe the role Charter will play with respect to advertising; and

## CLARIFICATIONS / ADDITIONAL QUESTIONS REGARDING INITIAL FINANCIAL REQUEST

- b. if Charter may be responsible for managing advertising sales, identify the entities with whom Charter contracts to sell advertising.

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**Additional Requests**

69. Please provide all documents, agreements, etc. authorizing Klayton Fennell and/or any other person affiliated with Comcast, including outside counsel, to act on behalf of Midwest Cable (also referred to as SpinCo) in the transfer process, including but not limited to providing official responses to requests from LFAs and signing the responses.
70. In the July 28, 2014 responses to Minnesota LFA requests, please:
  - a. identify by number the responses where Midwest Cable prepared or contributed to the response; and,
  - b. identify by name and title all Midwest Cable contributors to the responses.

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**RESPONSES CONCERNING CHARTER****Comcast Sale to Charter****Requests 7 through 11**

**RESPONSE:** The requested information falls outside the scope of this proceeding. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. These questions relate to Comcast's sale of cable systems to Charter, not to Midwest Cable. None of the cable systems being sold to Charter serve any of the Cities identified in Attachment A to your letter.

**Comcast System Swaps with Charter****Requests 12 through 17**

**RESPONSE:** The requested information falls outside the scope of this proceeding. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. These questions relate to a swap of cable systems between Comcast and Charter, to which Midwest Cable is not a party. None of the cable systems being transferred in connection with the Comcast/Charter Swaps serve any of the Cities identified in Attachment A to your letter.

**New Charter****Requests 35 through 43**

**RESPONSE:** These requests exceed the permissible scope of the Cities' review. The FCC Form 394 at issue in this proceeding seeks approval to transfer control of local cable franchises from Comcast to Midwest Cable. While Charter will be a shareholder of and a vendor to Midwest Cable, Midwest Cable will be an independent publicly-traded corporation with its own management team and board of directors. As such, the impact on Charter of the transaction is not relevant to an evaluation of Midwest Cable's financial qualifications to become the controlling parent of the franchisee.

## CLARIFICATIONS / ADDITIONAL QUESTIONS REGARDING INITIAL FINANCIAL REQUEST

71. Comcast and Charter are requested to provide responses to the requests referenced above. The financial capability of Charter is of utmost concern regarding and inextricably linked to the financial viability of Midwest Cable. While Midwest Cable will own the franchises, Charter will actually be doing the day-to-day operation, handling customer issues, etc. and may be a cable operator of the cable system within the meaning of the Cable Act. Moreover, the application asks the communities to rely on the ability of Charter to provide services, which at the very least means that Charter must have the technical, legal and financial ability to perform. The following demonstrate the depth of this relationship:

From Annex A: Governance, Management and Services Framework as item 4 under Executive Management, page 33 of the Comcast 8K for the period ending 04/28/14:

Immediately following the Merger, SpinCo shall retain Charter to provide the services set forth on Annex 1, under the overall authority and supervision of the SpinCo Board and the SpinCo Executive Management team.

From Mr. Fennell's July 17, 2014, letter to Timothy W. Finnerty, Executive Director, Ramsey-Washington Suburban Cable Commission -

Although your letter seeks detail on precisely how Midwest Cable and Charter will divide operational duties on a day-to-day basis, those details (which do not implicate Midwest Cable's underlying qualifications) are still being addressed. As explained below, the FCC Form 394 itself already **identified a range of services Charter will make available to Midwest Cable, pursuant to the terms of the Charter Services Agreement ("CSA").**<sup>3</sup> The Application also explains that "all system operational services provided by Charter will be subject to the overall supervision of Midwest Cable's independent executive management team and its independent Board of Directors." It will be up to that management team to determine which services it wants Charter to provide under the CSA.

<sup>3</sup> A detailed listing of these services is provided in Annex 1 to the Comcast/Charter Transaction Agreement, which, as identified in Exhibit 1 to the Form 394, is available at <http://corporate.comcast.com/twctransaction/official-filings-together> under "Official Filings."

(Emphasis added.)

It is a significant and positive development that Midwest Cable has already secured a commitment from Charter (which will then be the nation's second largest cable operator) to provide operational support. Moreover, because Charter will have a substantial financial stake in Midwest Cable, it will have a compelling business reason to ensure that any services it provides to Midwest Cable support the best possible day-to-day operations.

From page 2 of the "Public Interest Statement, Transfer of cable systems from Comcast to SpinCo: June 5, 2014 -

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That arrangement, together with Charter's financial investment in SpinCo, also will enable SpinCo to leverage Charter's scale and scope — spurring joint investment in innovation, lowering shared input costs, and enhancing each company's ability to offer high-quality programming and advanced communications services."

From the Mr. Fennel's response to our request concerning the above statement:

Through the arrangement, Midwest Cable will benefit from higher operating efficiencies and economies of scale as well as Charter's innovations and advanced services and technologies. These factors, among others, will allow Midwest Cable to offer high-quality programming and advanced communications services to its subscribers.

In addition to providing the above requested responses, please also provide responses to the following additional requests.

72. The quote above from Annex A: Governance, Management and Services Framework as item 4 under Executive Management, page 33 of the Comcast 8K for the period ending 04/28/14 states "(i)mmediately following the Merger, SpinCo **shall retain Charter to provide the services set forth on Annex 1, ...**". While Mr. Fennel's July 17, 2014, letter to Mr. Finnerty states "(a)lthough your letter seeks detail on precisely how Midwest Cable and Charter will divide operational duties on a day-to-day basis, those details (which do not implicate Midwest Cable's underlying qualifications) **are still being addressed**. As explained below, the FCC Form 394 itself already identified a range of services Charter **will make available** to Midwest Cable, pursuant to the terms of the Charter Services Agreement ("CSA")." (Emphasis added.) The phrase "shall retain Charter to provide the services set forth on Annex 1" signifies certainty that Charter will provide the services listed in Annex 1. While the phrases "are still being addressed" and "will make available" do not signify certainty. Please explain.
73. Please specifically identify with the services that will be provided by Charter under the CSA, including a detailed description of each category. (Please note that simply referring to Annex 1 or referencing general categories, such as "Field Operations" is not responsive to this request.) This is an on-going request. Information should be provided as of the date of the request and then amended as the list is refined.
74. Referencing the "identified a range of services Charter will make available to Midwest Cable, pursuant to the terms of the Charter Services Agreement ("CSA")" set out in Annex 1, please provide:
  - a. Charter's current "Corporate Services" costs per subscriber, consisting of "procurement, programming management services and product strategy", in Minnesota with its existing franchises;
  - b. Charter's current "Network Operations" costs per subscriber, consisting of "NOC management, support Internet connectivity and fiber connectivity, collocation and other business services", in Minnesota with its existing franchises;
  - c. Charter's current "Engineering & IT" costs per subscriber, consisting of "operational support for voice and data products, operational support for video products, including authentication, hosted services and cable guide, operational

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support for home security, operational support for internal infrastructure and back office transition, software development and data center resources”, in Minnesota with its existing franchises;

- d. Charter’s current “Voice Operations” costs per subscriber, consisting of “order fulfillment and provisioning, local number management and portability and support regulatory compliance”, in Minnesota with its existing franchises;
- e. Charter’s current “Field Operations” costs per subscriber, consisting of “dispatch, fleet management, activity and productivity reporting and provisioning”, in Minnesota with its existing franchises;
- f. Charter’s current “Customer Service” costs per subscriber, consisting of “order entry and provisioning, call answering and training, knowledge management system, support chat service, work order processing and personnel dispatching”, in Minnesota with its existing franchises;
- g. Charter’s current “Billing and Collections” costs per subscriber, consisting of “customer billing and billing system management, collection of customer receivables and cash management and customer disconnect support”, in Minnesota with its existing franchises;
- h. Charter’s current “Product” costs per subscriber, consisting of “website hosting and content management, web portal ordering and e-commerce, webmail hosting and transition, mobile and advanced application hosting and content management, home security monitoring and cellular phone service”, in Minnesota with its existing franchises;
- i. Charter’s current “Marketing” costs per subscriber, consisting of “marketing services and database support (e.g. Epsilon)”, in Minnesota with its existing franchises;
- j. Charter’s current “Sales” costs per subscriber, consisting of “residential sales, commercial sales, contact management and sales reporting and advertising sales”, in Minnesota with its existing franchises;
- k. Charter’s current “Business Intelligence” costs per subscriber, consisting of “customer-level data, including customer counts, work orders and revenue, audience measurement and data management”, in Minnesota with its existing franchises; and,
- l. Charter’s current “IP Licensing” costs per subscriber, consisting of “licensing of trademarks and IP”, in Minnesota with its existing franchises.

If the above requested information is not available for the Charter’s current Minnesota operations, then provide it on a regional basis that includes Minnesota. If it is not available for the Charter’s current Minnesota operations or on a regional basis, provide it for Charter as a whole.

75. Please provide the same costs per subscriber information requested above from Charter that are included in/inherent in/result from the amounts shown in Exhibit 6 as associated with the Comcast legacy systems proposed to be transferred to/spun off to Midwest Cable.



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76. Please provide Charter's current total programming costs per subscriber in Minnesota with its existing franchises.
77. Please provide Comcast's current total programming costs per subscriber included in Exhibit 6.
78. Please identify:
  - a. the number of existing Comcast employees in the jurisdictions;
  - b. the number that are being shifted to Midwest Cable, by job category;
  - c. the number to be shifted to Charter, by job category; and,
  - d. the number to be retained by Comcast, by job category.
79. Is Midwest Cable obligated to retain the remaining employees? If so, how many and for how long? If not, who is responsible for the severance costs?
80. Please identify how many Comcast employees Midwest Cable plans to retain, by job category, and identify specifically how many it would retain by state.
81. Regarding former Comcast franchise areas proposed to be part of Charter, is Charter obligated to hire any current Comcast employees? If so, how many and for how long? If not, who is responsible for the severance costs?
82. Please identify how many Comcast employees Charter plans to retain, by job category, and identify specifically how many it would retain by state.
83. Regarding former Comcast franchise areas proposed to be part of Midwest Cable, is Charter obligated to hire any current Comcast employees? If so, how many and for how long? If not, who is responsible for the severance costs?
84. Please identify how many Comcast employees Charter plans to retain, by job category, and identify specifically how many it would retain by state.
85. Please identify the estimated staff for Midwest Cable post-merger, by job category, and the estimated staff in each state by job category.
86. Please identify current Charter staff levels by category, and identify the number of current Charter employees in each state by job category.
87. Please identify the estimated staff for Charter post-merger, by job category, and the estimated staff in each state by job category.
88. Does Comcast use subcontractors for any of the work that is described in Annex 1 in MN, MI or WI? If so, identify the subcontractors.
89. Does Charter use subcontractors for any of the work that is described in Annex 1 in MN, MI or WI? Unless Charter has determined that it can and will use the same contractors identified by Comcast in response to the prior request, identify the subcontractors that will be used by Charter in connection with the provision of Annex 1 services in Midwest Cable systems in MN, MI and WI.
90. Referring to Annex 1, please provide a description of the activities associated with each listed service. For example, we need to understand whether "provisioning" under field operation would include installation services, system maintenance, operation of local offices, and so on.

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91. Please describe what day-to-day activities involving contact with subscribers would not be covered by the services listed in Annex 1, if any.
92. Please describe what day-to-day activities involving franchising authorities would not be covered by the services listed in Annex 1 if any (reporting, calculating and paying franchise fees, obtaining permits).
93. Referring to Annex 1, please provide a description of the activities associated with each listed service. For example, we need to understand whether “provisioning” under field operation would include installation services, system maintenance, operation of local offices, and so on.
94. Please describe what day-to-day activities involving contact with subscribers would not be covered by the services listed in Annex 1, if any.
95. Please describe what day-to-day activities involving franchising authorities would not be covered by the services listed in Annex 1 if any (e.g., reporting, calculating and paying franchise fees, obtaining permits).
96. Please provide Comcast’s cable (video, Internet, voice, alarm) EBITDA, which has been defined by Comcast as all revenue less direct costs and fully allocated indirect costs of the respective systems, including corporate overhead, as of December 31, 2013.
97. Please provide Comcast’s cable (video, Internet, voice, alarm) pro forma EBITDA, which has been defined by Comcast as all revenue less direct costs and fully allocated indirect costs of the respective systems, including corporate overhead, after the acquisition of Time Warner.
98. Please provide Comcast’s cable (video, Internet, voice, alarm) pro forma EBITDA, which has been defined by Comcast as all revenue less direct costs and fully allocated indirect costs of the respective systems, including corporate overhead, after the completion of all of the Transactions.
99. Please provide Comcast’s cable (video, Internet, voice, alarm) debt per subscriber as of December 31, 2013.
100. Please provide Comcast’s cable (video, Internet, voice, alarm) pro forma debt per subscriber after the acquisition of Time Warner.
101. Please provide Comcast’s cable (video, Internet, voice, alarm) pro forma debt per subscriber after the completion of all of the Transactions.

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