

BEFORE THE PUBLIC SERVICE COMMISSION  
OF UTAH

In the Matter of the Application  
Of Bresnan Broadband of Utah, LLC,      Docket No. 13-2476-01  
For Informal Adjudication of  
Indirect Transfer of Control

~~~~~  
HEARING FOR APPLICATION FOR INDIRECT  
TRANSFER OF CONTROL  
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TAKEN AT:      Heber M. Wells  
                    160 E. 300 S.  
                    Salt Lake City, Utah

DATE:            April 25, 2013

TIME:            9:00 a.m.

REPORTED BY:      Kellie Peterson, RPR

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APPEARANCES

For the Commission:  
Justin Jetter, Esq.  
DIVISION OF PUBLIC UTILITIES  
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For the Applicant:  
Thorvald A. Nelson, Esq.  
HOLLAND & HART

1 PROCEEDINGS

2 ADMINISTRATIVE LAW JUDGE REIF: I am Melanie  
3 Reif, the administrative law judge for the Utah Public  
4 Service Commission, and this morning is Thursday, April  
5 25, 2013, and this is the date and time for the hearing  
6 in docket 13-2476-01. This matter is entitled in the  
7 matter of the application of Bresnan Broadband of Utah,  
8 LLC, for informal adjudication of indirect transfer of  
9 control. Can we please take appearances, please?

10 MR. NELSON: Thank you, Your Honor. Thor  
11 Nelson with the law firm Holland and Hart, appearing  
12 today on behalf of the applicants.

13 MR. JETTER: Justin Jetter, representing the  
14 Division of Public Utilities. With me is Ron Slusher,  
15 also with the Division of Public Utilities.

16 ADMINISTRATIVE LAW JUDGE REIF: Thank you.  
17 And, Mr. Nelson, I will come back to you for just a  
18 moment. I know you have individuals joining us via  
19 telephone. Would you like to identify those  
20 individuals?

21 MR. NELSON: Of course. My understanding  
22 is, although, gentlemen, correct me if I am wrong, we  
23 have three individuals who are joining the hearing by  
24 phone and available to answer any questions. They are  
25 Mr. Charles Hudak and Mark Brown, who are here on behalf

1 of Charter, and Mr. Paul Jamieson, who is here on behalf  
2 of Cablevision. Gentlemen, did I miss anybody?

3 SPEAKER: No, that's it.

4 MR. NELSON: Okay, thank you.

5 ADMINISTRATIVE LAW JUDGE REIF: I don't know  
6 if you heard that but --

7 MR. NELSON: I did.

8 ADMINISTRATIVE LAW JUDGE REIF: All right,  
9 very good. Thor, you may -- Mr. Nelson, I apologize  
10 calling you by your first name.

11 MR. NELSON: No problem.

12 ADMINISTRATIVE LAW JUDGE REIF: Mr. Nelson,  
13 you may proceed with your application.

14 MR. NELSON: Okay. Your Honor, as a  
15 preliminary matter, I would ask that you take under  
16 advisement and consider granting a motion for the  
17 admission of pro hac vice. We have filed a motion for  
18 my admission, pro hac vice, to participate in this case  
19 some time ago, but due to a paperwork mix up that was --  
20 that motion wasn't finalize until yesterday. So just to  
21 observe the proprietary, I would ask that you take that  
22 into consideration and granting that, at least orally,  
23 to allow us to proceed.

24 ADMINISTRATIVE LAW JUDGE REIF: Indeed. And  
25 to confirm, the Commission did receive the motion and

1 did receive the confirmation from the Utah State Bar,  
2 dated yesterday, the 24th of April, indicating that an  
3 acknowledgment of the pro hac vice filing had occurred.

4 Is there any objection to Mr. Nelson being  
5 admitted on a pro hac vice status?

6 MR. JETTER: And the Division has no  
7 objection.

8 ADMINISTRATIVE LAW JUDGE REIF: Okay, thank  
9 you. Mr. Nelson, your motion is granted, and thank you  
10 for following up with the paperwork.

11 MR. NELSON: Thank you very much, Your  
12 Honor. I apologize for that little mix up. Your Honor,  
13 we are here today to consider an application for --  
14 pardon me, let me get the name right, for indirect  
15 transfer of control. The parties who are before you  
16 today requesting this application are as follows: First  
17 there is Bresnan Broadband of Utah.

18 Bresnan-Utah is a competitive, local  
19 exchange carrier who holds a certificate of public  
20 convenience and necessity that was issued by this  
21 Commission in and around Cedar City, Utah. Bresnan is  
22 currently an indirect subsidiary of Cablevision Systems  
23 Corporation. Cablevision acquired Bresnan following an  
24 acquisition that was approved by this Commission on  
25 September 2, 2010.

1 Charter Communications, who is the entity  
2 who is proposing to acquire Bresnan, is a leading  
3 broadband communications company that operates currently  
4 in 25 states, the fourth largest cable television system  
5 operator in the United States. As of this point in  
6 time, Charter does not provide any services in the State  
7 of Utah.

8 However, Charter does possess significant  
9 experience in operating telecommunication systems and  
10 currently runs 24 separate state level telephone  
11 operating companies who serve, approximately, 1.9  
12 million customers nationwide. Charter's telephone  
13 operations have a dedicated staff that is both  
14 knowledgeable and experienced in all areas of telephone  
15 management, including finance, operations, engineering,  
16 customer relations, and regulation.

17 The transactions being proposed and before  
18 you today is that Charter will acquire all of the  
19 membership units in Bresnan Broadband Holdings, that is  
20 one of the parent companies of Bresnan Broadband Utah.  
21 As a result of the transaction once it's completed and  
22 it's obtained all of the regulatory approvals, Bresnan  
23 Utah would become an indirect subsidiary of Charter.

24 At this point in time there are no changes  
25 that are anticipated in Bresnan's either certificate or

1 tariffs, under which they currently provide service to  
2 customers in Utah; however, the applicant submits that  
3 there are substantial benefits that will occur to the  
4 public should the proposed transactions be approved.

5 First of all, the proposed transaction will  
6 combine Bresnan's current well-run operation and deep  
7 knowledge of the local area that they serve here in Utah  
8 with Charter's technology, marketing and pricing and  
9 service package and Charter's experience in managing  
10 local cable and telephone operations throughout the  
11 United States.

12 As a result, the applicants believe that the  
13 proposed transaction will promote innovation,  
14 competition, and the penetration of new video and voice  
15 services into Utah. Charter intends to continue  
16 Cablevision's focus on accelerating the development and  
17 deployment of product innovation and feature  
18 enhancement. Charter is also committed to a process of  
19 simplifying pricing, which together with these new  
20 technologies, the goal being to enhance the overall  
21 value proposition to customers of the services that  
22 Charter is offering.

23 Charter has the size, the scope, the  
24 leadership, and the capital necessary to continue to  
25 promote and support Bresnan's operations in Utah. In

1 addition, Charter, over its part, will experience  
2 economic marketing and operational efficiencies as a  
3 results of the combination with all of the Bresnan  
4 systems.

5 As you may recall, Bresnan has cable and  
6 telephone systems in four states in the Rocky Mountain  
7 area; in Colorado, Utah, Wyoming, and Montana. And the  
8 combination of these two entities will allow the  
9 realization of efficiencies in a variety of areas that  
10 will make both entities stronger for it.

11 In conclusion, the outcome of the proposed  
12 combination, again if it is approved by the various  
13 regulatory agencies and allowed to proceed, will be the  
14 continued development of introduction of advanced  
15 communication products and services that are  
16 specifically targeted to meet the customers need here in  
17 Utah, and specifically priced so as to be affordable and  
18 reasonable and result in greater overall customer  
19 satisfaction and more robust competition in the  
20 marketplace here in Utah.

21 In conclusion, the transfer of control that  
22 is before you today will not interrupt or degrade  
23 Bresnan Utah services in any way and the financial and  
24 managerial support of Charter will further the  
25 development of competitive services in a competitive

1 marketplace, both to benefit of Charter's customers here  
2 in Utah, the communities which we serve, and our  
3 employees.

4 For all these reasons stated, we believe  
5 that the grant of the application is in the public  
6 interest and we believe that the rates that are charged  
7 by Bresnan, following the transaction, will continue to  
8 be just and reasonable. As a result, we ask for your  
9 approval of the proposed application.

10 We do not have a witness today, as I  
11 indicated to you earlier; however, we would request that  
12 you take administrative notice and accept into the  
13 record both the application, as well as two supplements  
14 to that application that were filed, labelled, I guess  
15 descriptively, a supplement and second supplement.  
16 Those supplements reflect filings made by the applicants  
17 before the Federal Communications Commission, where  
18 filings -- these filings occurred after the date that  
19 the filing was made here in Utah, so we supplemented  
20 that to complete the package as required by Utah rules.

21 Having said that, that concludes our  
22 presentation. That concludes what we have for you  
23 today, unless you have any questions of the witnesses as  
24 we've indicated are both available from both Cablevision  
25 and Charter. Thank you.

1 ADMINISTRATIVE LAW JUDGE REIF: Thank you,  
2 Mr. Nelson.

3 Mr. Jetter, do you have any questions of the  
4 applicant?

5 MR. JETTER: I have no question of the  
6 applicant.

7 ADMINISTRATIVE LAW JUDGE REIF: Okay.  
8 Before I ask a couple of questions, let's get your  
9 request to have the documents admitted. I think you  
10 requested to have to take judicial notice of those.

11 MR. NELSON: Yes.

12 ADMINISTRATIVE LAW JUDGE REIF: And the  
13 Commission does so, specifically the application that  
14 was filed on February 27, 2013, the supplement that was  
15 filed on March 22, 2013, and the second supplement which  
16 was filed on April 12, 2013.

17 Mr. Nelson, I do have a few questions. I  
18 don't know that you will want to call on a witness to  
19 answer them, but if you feel that I am putting you in a  
20 position of testifying on behalf of your client, feel  
21 free to ask one of your participants on the telephone to  
22 answer. But I think most of my questions are particular  
23 procedural in nature, so I don't -- I don't think that  
24 you will probably be too concerned.

25 MR. NELSON: Okay.

1 ADMINISTRATIVE LAW JUDGE REIF: My first  
2 question is the timing. When do you anticipate that  
3 this transfer will occur?

4 MR. NELSON: The general answer is, as I  
5 understand it, shortly after all of the necessary  
6 regulatory approvals have been obtained.

7 ADMINISTRATIVE LAW JUDGE REIF: Okay.

8 MR. NELSON: If you want more specifics, we  
9 can certainly -- I can certainly have the witnesses --  
10 one of challenges is understanding what the timeline is  
11 before the FCC. I suspect that that will be the last  
12 one of the approvals that happens. We have already  
13 obtained the approval -- this is this is the last state  
14 approval that is required here in Utah, and so the final  
15 impediment would be pending the FCC's actions. And I  
16 can certainly inquire with the witnesses exactly when  
17 that would be, if that would be helpful. They have more  
18 knowledge of that than I.

19 ADMINISTRATIVE LAW JUDGE REIF: Mostly what  
20 I am trying to get as is whether the applicants are  
21 requesting expedited treatment. It wasn't specifically  
22 mentioned in the application but for purposes of our  
23 action and getting you something after the hearing, it  
24 would be helpful to know whether you are under a  
25 specific time crunch.

1 MR. NELSON: Let me make an inquiry, if I  
2 might. Let me ask the witnesses if they know what the  
3 timeline is that we are looking at for the FCC approval  
4 because that would be -- obviously, we would like to get  
5 an approval in Utah as soon as possible but the specific  
6 time crunch probably relates to that.

7 So if I could, let me ask, Mr. Hudak or Mr.  
8 Brown, could you guys help us understand what the status  
9 is of the FCC and what the timeline is that we're  
10 dealing with, with obtaining their approval for the  
11 transaction?

12 MR. BROWN: This is Mark Brown. I will let  
13 Charlie, Mr. Hudak explain where we stand on the FCC  
14 timeframe.

15 MR. NELSON: Okay, great. Mr. Hudak?

16 MR. HUDAK: Sure, thank you.

17 ADMINISTRATIVE LAW JUDGE REIF: Just one  
18 moment, please, since I apologize since --

19 MR. NELSON: Oh, should we swear him in?

20 ADMINISTRATIVE LAW JUDGE REIF: Yes, I  
21 apologize. Just one little bit, this is a little  
22 awkward when we are doing this over the telephone, but  
23 since you are actually testifying, I need to put you  
24 under oath, sir. Do you swear that the testimony you're  
25 about to give is the truth?

1 MR. HUDAK: Yes, I do.

2 ADMINISTRATIVE LAW JUDGE REIF: Okay, thank  
3 you very much. You may proceed.

4 MR. HUDAK: Currently, the FCC is  
5 considering the application. They are considering  
6 several applications that the parties have filed. There  
7 is an open proceeding, there is a procedural schedule in  
8 that proceeding. The date for filing comments in that  
9 proceeding was April -- gosh, it was --

10 MR. BROWN: The 19th.

11 MR. HUDAK: April 19th, correct, and the  
12 date for filing reply comments is coming up on May 6th,  
13 and at some point after that, the FCC will rule.  
14 Currently, no comments were filed on April 19th. I  
15 don't know whether any reply comments will be filed on  
16 May 6th. If no reply comments are filed, we expect the  
17 FCC to act fairly quickly after that --

18 ADMINISTRATIVE LAW JUDGE REIF: If I could  
19 ask you to please mute your phone unless you are  
20 speaking. That is much better. Thank you. Okay, thank  
21 you, sir, for that testimony.

22 Mr. Nelson, did you need to follow through  
23 or followup with any followup questions to the  
24 information that was just provided?

25 MR. NELSON: No. I think that addresses the

1 timeline that we are operating under, and so it would be  
2 our request that the Utah Commission issue a decision  
3 quickly, as quickly as possible. Obviously, once we get  
4 past the May 6th date that Mr. Hudak testified to about  
5 the FCC, that we are expecting a decision from them  
6 shortly; therefore --

7 MR. JAMIESON: I am sorry to interrupt.  
8 Paul Jamieson. We have lost -- I can't hear what is  
9 being said.

10 ADMINISTRATIVE LAW JUDGE REIF: Are you able  
11 to hear now? Hello?

12 MR. JAMIESON: Very, very faint.

13 MR. BROWN: This is Mark. I can't hear  
14 anything. I am in the same boat you guys are in.

15 ADMINISTRATIVE LAW JUDGE REIF: I apologize.  
16 I don't know what to tell you. We can hear you. Is  
17 your microphone on?

18 MR. NELSON: My microphone is on and let me  
19 speak a little louder. Mr. Jamieson, can you hear me?  
20 At this point, I don't think they can hear me.

21 ADMINISTRATIVE LAW JUDGE REIF: Want to come  
22 up here and see if they can hear you?

23 MR. NELSON: Sure. Paul, can you hear me  
24 here? Charlie? Hello? Did we lose you guys? I don't  
25 know where they are.

1 (A discussion was held off the record.)

2 ADMINISTRATIVE LAW JUDGE REIF: Mr. Nelson,  
3 I think when we last left off, we were addressing the  
4 issue of timing, and I believe you were specifying what  
5 you would like to see, given your constraints with your  
6 schedule with the FCC.

7 MR. NELSON: Right. Thank you, Your Honor.  
8 For the benefit of the folks on the phone, I will just  
9 go backwards and state. Given the testimony of Mr.  
10 Hudak that sets forth that we are looking to early to,  
11 perhaps, mid May when an FCC decision could be rendered  
12 on our applications before them. We would request that  
13 the Utah process try to proceed in a similar timeframe,  
14 such that, that once we have obtained all the necessary  
15 regulatory approvals, the transaction could then be  
16 moved forward.

17 ADMINISTRATIVE LAW JUDGE REIF: Thank you  
18 very much for that clarification. I have one other  
19 question, please, and I believe this would also be  
20 procedural in nature. But, again, if you need to ask  
21 for clarification or would like one of the telephone  
22 participants to answer, that's not a problem. In as  
23 much as Charter does not currently not operate in Utah,  
24 do you anticipate that Charter will be applying for a  
25 CPCN in Utah?

1 MR. NELSON: No. Charter will -- Bresnan  
2 Broadband of Utah is the entity who holds the CPCN.  
3 Because the transaction being contemplated is entirely  
4 with upstream parent companies, the operating unit here  
5 in Utah will the remain the same. It will remain  
6 Bresnan Broadband of Utah. That will be the entity that  
7 holds the certificate. That's the entity who holds the  
8 tariffs on file. And immediately following the  
9 transaction, that will be the entity to who will  
10 continue to provide service to Utah customers.

11 ADMINISTRATIVE LAW JUDGE REIF: Thank you,  
12 Mr. Nelson. I appreciate that clarification. I don't  
13 have any further questions and I would like to open the  
14 opportunity now for the Division to give its  
15 presentation.

16 MR. NELSON: Thank you, Your Honor. The  
17 Division would call its witness Ron Slusher.

18 ADMINISTRATIVE LAW JUDGE REIF: Mr. Slusher,  
19 are you prepared to testify today?

20 MR. SLUSHER: Yes.

21 ADMINISTRATIVE LAW JUDGE REIF: And do you  
22 swear that the testimony you are about to give is the  
23 truth?

24 MR. SLUSHER: Yes.

25 ADMINISTRATIVE LAW JUDGE REIF: Thank you.

1 You may proceed, Mr. Jetter.

2 BY MR. JETTER:

3 Q. Will you please state your name for the record?

4 A. Ron Slusher, occupation is utility technical  
5 consultant for the Division.

6 Q. Thank you. Have you reviewed the filings in this  
7 case?

8 A. I have.

9 Q. And did you prepare a memorandum and has that  
10 been filed in this docket?

11 A. Yes.

12 Q. And is that the one dated March 28, 2013?

13 A. That is correct.

14 Q. Are recommendations in that memorandum still  
15 representing the position and the recommendation of the  
16 Division of Public Utilities?

17 A. Yes, they are.

18 MR. JETTER: Would the Commission like to  
19 take notice, administrative notice, of the memorandum  
20 filed by the Division?

21 ADMINISTRATIVE LAW JUDGE REIF: Certainly.  
22 The Commission takes administrative notice of the  
23 memorandum, dated March 28th, filed with the Commission  
24 on March 28, 2013, and the attached affidavit of Ronald  
25 Slusher.

1 MR. JETTER: Thank you.

2 Q. Mr. Slusher, do you believe that approval of this  
3 application would be in the public interest and result  
4 in rates due to consumers that are just and reasonable?

5 A. Yes, we do.

6 Q. Thank you. That's all the questions I have.

7 THE COURT: Thank you, Mr. Jetter. Mr.  
8 Nelson, any questions for the Division?

9 MR. NELSON: Thank you. We have no  
10 questions for the witnesses.

11 ADMINISTRATIVE LAW JUDGE REIF: Okay, just a  
12 couple of questions, please. Mr. Slusher, in the second  
13 paragraph of your memo, you reference the supplements  
14 that were filed. There's the specific supplement that  
15 was filed on March 22, 2013. There was a subsequent  
16 supplement that actually came after your memorandum. Do  
17 you recognize that, as well?

18 MR. SLUSHER: Yes.

19 ADMINISTRATIVE LAW JUDGE REIF: Okay. And  
20 based on those supplements, are there any concerns, any  
21 outstanding concerns?

22 MR. SLUSHER: Not on the Division's side,  
23 no.

24 ADMINISTRATIVE LAW JUDGE REIF: Okay, thank  
25 you. And with respect to your affidavit, on the last

1 page of your affidavit, you indicate that the Division  
2 expects the application will be unopposed and  
3 uncontested. To your knowledge, has the application, in  
4 fact, been unopposed and uncontested?

5 MR. SLUSHER: Yes, as of today, there have  
6 not been any interveners.

7 ADMINISTRATIVE LAW JUDGE REIF: Okay, thank  
8 you. I have no further questions.

9 I do wish to ask in general of anyone who is  
10 participating in the hearing whether they have an  
11 opposition or an objection to the application? Hearing  
12 no objection, the Commission assumes, pursuant to Rule  
13 746-349-7, that approval of the transaction is in the  
14 public interest and will use this information and issue  
15 an order within a short period of time, given the  
16 schedule that Mr. Nelson has requested.

17 Are there any questions before we adjourn?  
18 Okay, thank you for coming today, and, again, my  
19 apologies for the technical difficulties, and the  
20 Commission will issue an order as quickly as we can.  
21 Thank you very much. We are adjourned.

22 (The hearing was concluded at 9:35 a.m.)

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REPORTER'S CERTIFICATE

State of Utah )  
                  )  
County of Salt Lake)

I, Kellie Peterson, Certified Shorthand Reporter,  
Registered Professional Reporter for the State of Utah,  
do hereby certify:

THAT the foregoing proceedings were taken before  
me at the time and place set forth herein; that the  
witness was duly sworn to tell the truth, the whole  
truth, and nothing but the truth; and that the  
proceedings were taken down by me in shorthand and  
thereafter transcribed into typewriting under my  
direction and supervision;

THAT the foregoing pages contain a true and  
correct transcription of my said shorthand notes so  
taken.

IN WITNESS WHEREOF, I have subscribed my name and  
affixed my seal this 26th day of April, 2013.

\_\_\_\_\_  
Kellie Peterson, RPR