

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
Nancy Lange
Dan Lipschultz
John A. Tuma
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application of Midwest Cable Phone of Minnesota, LLC for Authority to Provide Telephone Service in the State of Minnesota

ISSUE DATE: March 17, 2015

DOCKET NO. P-6927/NA-14-507

DOCKET NO. P-6927/PA-14-513

In the Matter of the Petition of Comcast Corporation and Midwest Cable Phone of Minnesota, LLC for Approval to Transfer Regulated Customers and Assets

ORDER ACCEPTING SETTLEMENT,
GRANTING CONDITIONAL AUTHORITY,
AND APPROVING TRANSFER

PROCEDURAL HISTORY

I. The Original Petitions

A. The Petition to Transfer Customers and Assets

On June 17, 2014, Comcast Corporation (Comcast) and Midwest Cable Phone of Minnesota, LLC (Midwest Cable Phone), a wholly owned, indirect subsidiary of Comcast, filed a request for permission for Comcast to transfer to Midwest Cable Phone certain intrastate telecommunications customers and associated regulated assets. The petition explained that Comcast is divesting itself of Minnesota assets and customers to reduce its nationwide market share as it seeks federal approval of its proposed acquisition of another major cable company, Time Warner Cable Inc.

To effectuate this and other transfers, Comcast created a wholly owned direct subsidiary, Midwest Cable, LLC, which owns Midwest Cable Phone. Comcast intends to spin off Midwest Cable, LLC when its acquisition of Time Warner Cable is approved, and for Midwest Cable, LLC to then become a publicly traded corporation, Midwest Cable, Inc. Midwest Cable, Inc. will be owned one-third by another major cable company, Charter Communications, Inc. (Charter), and two-thirds by Comcast shareholders, including former Time Warner shareholders.

Midwest Cable Phone would remain a wholly owned subsidiary of Midwest Cable, Inc.

B. The Petition for Authority to Provide Telephone Service

Also on June 17, Midwest Cable Phone filed an application for authority to provide telephone service in this state. The application stated that Midwest Cable Phone would provide facilities-based and resold local service, interexchange service, switched access service, and private line

service. It would also provide wholesale service to an affiliate providing VoIP (Voice over Internet Protocol) service.

Midwest Cable Phone sought conditional—as opposed to operational—authority, meaning its right to serve would be conditioned on its compliance with final regulatory requirements, such as filing tariffs and securing approval of a comprehensive 911 plan. Conditional authority serves as a bridge between uncertificated status and operational authority; it permits applicants to meet certification requirements in stages.

Midwest Cable Phone requested authority to serve all areas in Minnesota currently served by Comcast Phone of Minnesota, Inc., another wholly owned Comcast subsidiary, which holds a certificate of authority issued by the Commission. Comcast explained that it “wishes to retain its existing Certificate of Operating Authority in Minnesota in order to provide certain services to Midwest Cable Phone-Minnesota for a period of time after the transaction closes.”¹

II. Initial Comments on the Petitions

A. Minnesota Department of Commerce

The Minnesota Department of Commerce (Department), charged by statute with enforcing Minnesota’s telecommunications statutes, rules, and Commission orders issued thereunder,² conducted an investigation and analysis of the two petitions.

As the agency examined the facts, it became clear that both petitions dealt with only a small subset of Comcast’s telecommunications customers, some 1,000 to 10,000 business customers receiving landline service. These are the customers Comcast proposes to transfer to Midwest Cable Phone, the entity seeking a certificate of authority. It is this transfer for which Comcast seeks Commission approval.

The vast majority of Comcast’s telecommunications customers—some 300,000 residential customers—receive fixed, interconnected VoIP (Voice over Internet Protocol) service, which Comcast claims is not subject to the jurisdiction of this state, only to the jurisdiction of the Federal Communications Commission. Fixed, interconnected VoIP service is essentially indistinguishable from conventional telephone service. The major difference is that, with VoIP, the voice signal is transmitted using Internet Protocol—i.e., packet switching, rather than circuit switching.

These 300,000 residential customers are currently being served by a telecommunications service provider without a certificate of authority; Comcast intends to transfer them to another uncertificated provider. It does not seek approval for that transaction, which it claims is not subject to Minnesota’s jurisdiction, nor does it commit to serving the transferred customers in a manner consistent with Minnesota’s telecommunications statutes and regulations.

¹ *Petition for Approval to Transfer Regulated Customers and Assets*, p. 13.

² Minn. Stat. § 216A.07, subd. 2.

The Department rejected Comcast's jurisdictional claim and recommended (1) denying the certificate of authority for failure to meet Minnesota regulatory requirements, and (2) denying the petition to transfer customers and assets as inextricably linked with the defective application for a certificate of authority.

B. CenturyLink

CenturyLink, the incumbent local exchange carrier in the area Midwest Cable Phone seeks to serve, filed comments urging careful scrutiny of the competitive impact of the proposed transfer, especially in light of Charter's intended one-third ownership of the spun-off telecommunications company.

III. The Settlement and Supplemental Information

On February 20, 2015, the Department, Midwest Cable, Inc. a/k/a GreatLand Connections, Inc., and Midwest Cable Phone of Minnesota, LLC filed a settlement agreement, requesting Commission approval of both petitions—the application for a certificate of authority and the petition to transfer customers and assets—as supplemented by the terms of the settlement.

The settlement agreement is attached; its major terms are briefly summarized below. For convenience, Midwest Cable, Inc. a/k/a GreatLand Connections, Inc. and Midwest Cable Phone of Minnesota, LLC, its wholly owned subsidiary, are hereinafter referred to as “Midwest Cable.”

- ***Regulatory Status of Midwest Cable's VoIP Services to be Resolved in Pending Complaint Proceeding***—A pending Commission complaint proceeding, *In the Matter of the Complaint by the Minnesota Department of Commerce Against the Charter Affiliates Regarding Transfer of Customers*, Docket No. P-6716, 5615/C-14-383, (hereinafter, *Charter*) raises the same jurisdictional arguments on which Midwest Cable relies in claiming that its fixed, interconnected VoIP services are not subject to state regulation. Midwest Cable agrees to adopt the results of that proceeding, negotiated or adjudicated, and to abide by all terms, conditions, and obligations that apply to Charter, the company in that case, in regard to its fixed VoIP services.
- ***TAP and TAM***—Midwest Cable agrees to collect, remit, and report per-line fees collected from all customers, including VoIP customers, to support Minnesota's Telephone Assistance Program (TAP) and the Telecommunications Access Minnesota (TAM) program. Midwest Cable agrees to extend TAP bill credits to VoIP customers upon receiving a Commission order authorizing reimbursement under that program for credits made to VoIP customers.
- ***Annual Report and Regulatory Fees***—Midwest Cable agrees to include VoIP customers in annual reports on operating revenues and in calculating annual regulatory fees.
- ***Internet Essentials***—Midwest Cable agrees to continue for at least three years Comcast's Internet Essentials Program, which provides reduced-price high-speed internet service and reduced-price home computers to families with school-aged children.

- **Rate Freeze**—Midwest Cable agrees to a two-year rate-change moratorium for stand-alone residential voice service, to the extent that Midwest’s rate exceeds the rate of the incumbent local exchange carrier for the comparable service.
- **Notice of Future Customer Transfers**—Midwest Cable agrees to provide 90 days’ notice to the Commission and the Department of any future transfer of its VoIP customer base.
- **Customer Complaints**—Midwest Cable agrees to notify customers, including VoIP customers, that they may file complaints with the Commission, providing contact information for the Commission’s Consumer Affairs Office.
- **Stand-Alone, Voice-Grade Service**—Midwest Cable agrees to provide and publicize stand-alone, voice-grade service throughout its service area on a non-discriminatory basis, as required under Minn. R. 7812.0600, subp. 1, for at least three years.

On February 23, 2015, Comcast Corporation and Midwest Cable Phone of Minnesota, LLC filed a document titled “Supplemental Information,” intended to clarify certain provisions in the settlement agreement. The Department agreed that the clarifying language comported with its understanding of the settlement agreement. The Supplemental Information also contained two new commitments, enforceable in the same way as other commitments made in the settlement agreement:

- **No Cramming/Slamming**—Midwest Cable will not engage in cramming or slamming,³ as prohibited by Minn. Stat. §§ 237.661 and 237.663, while reserving its objection that these statutes do not apply to its VoIP operations.
- **Honest Billing Practices**—Midwest Cable will observe honest billing practices. Customers disconnected for non-payment will not be billed for services not received; customers inadvertently so billed will be reimbursed for payments.

IV. Proceedings Before the Commission

The Commission heard oral argument in this case on Friday, February 20. On Tuesday, February 24, the Commission held deliberations, after again taking comments from and asking questions of the parties. At both hearings the Department, Comcast, Midwest Cable Phone, and CenturyLink appeared.

The Department, Comcast, and Midwest Cable Phone supported the settlement agreement. They argued that accepting the settlement would promote administrative efficiency by diverting the jurisdictional issue to a docket in which it is already being developed and would, in the meantime, provide public benefits not otherwise readily obtainable. They pointed out that Comcast’s 300,000 residential customers—all served by VoIP technology—currently receive none of the protections of Minnesota telecommunications statutes and rules, whereas, under the settlement—if the transfer proceeds—they would receive a significant bundle of protections.

³ “Cramming” is billing a customer for services he or she did not order; “slamming” is changing a customer’s long distance or local service provider without his or her consent.

CenturyLink took no position on the settlement agreement.

At the February 24 hearing, petitioners made the following clarifications in the course of responding to Commission questions:

- ***Customer Numbers***—The number of customers to be transferred to the entity seeking a certificate of authority, Midwest Cable Phone, is estimated to be between 1,000 and 10,000, all business customers. Comcast also has about 300,000 residential VoIP customers, of whom about 1,000 receive unbundled, stand-alone, voice-grade service. The number of business VoIP customers with unbundled, stand-alone, voice-grade service is unknown, but is believed to be very small, probably just a handful.
- ***Compliance with Minnesota Statutes and Rules***—Midwest Cable confirmed that it will not offer and provide basic service in accordance with Commission rules to all business and residential customers in its service territory. It stated that its VoIP operations are not subject to Commission rules, just to the commitments made in the settlement agreement and the Supplemental Information.
- ***Wholesale Sales***—Midwest Cable confirmed that it will not limit its sale of wholesale telecommunications services to companies that are certificated by the Commission to serve Minnesota customers.
- ***Prohibited Practices***—Midwest Cable confirmed that Midwest Cable Phone, the applicant for a certificate of authority, would be bound by all provisions of Minn. Stat. § 237.121, prohibiting specific discriminatory or anticompetitive practices, but denied that any other Midwest Cable entity would be bound by those provisions in their entirety.
- ***Identifying Services***—Midwest Cable confirmed that the two services discussed in the settlement agreement’s second whereas clause—VoIP service and Cable Internet Phone service—are different ways of referring to the same thing. The company stated that it provides only one VoIP service, and that is fixed, interconnected VoIP two-way transmission over the public switched network. The company stated that interconnected VoIP services are not subject to all Minnesota state requirements governing telephony services.
- ***Transferring Customers***—Midwest Cable confirmed that it intends to transfer residential customers without securing prior Commission approval or prior customer consent.

FINDINGS AND CONCLUSIONS

V. Summary of Commission Action

The Commission will approve the settlement agreement, including the Supplemental Information filed by the parties, with the understanding that this approval does not reflect agreement in any respect with any of petitioners’ positions regarding Commission jurisdiction over any of their services, nor with any of their positions regarding the sale of wholesale telecommunications services to uncertificated companies.

The Commission retains all existing jurisdiction and may at any time, on its own motion or in response to a complaint, assert jurisdiction over the residential VoIP customers served by Comcast and apparently being transferred to Midwest Cable, Inc. a/k/a GreatLand Connections, Inc.

These actions are explained below.

VI. Settlement Accepted

A. The Legal Standard

Under Minn. Stat. § 237.076 “interested parties are encouraged to enter into settlements of their disputes,”⁴ and the Commission “may accept a settlement upon finding that to do so is in the public interest and is supported by substantial evidence.”⁵

The settlement offered here meets the public interest and substantial evidence test. The record demonstrates that its major provisions—diverting the legal issue of state jurisdiction to the *Charter* complaint docket while providing increased customer protections and continuing the Internet Essentials program—provide significant public benefits.

B. It Serves the Public Interest to Promptly Resolve VoIP Customers’ Regulatory Status and to Provide Increased Customer Protections in the Meantime.

The Department’s investigation and analysis of these two petitions disclosed and subjected to scrutiny the major public-interest issue in this case, the 300,000 Comcast residential customers who are receiving and will continue to receive telecommunications services without the full protection of Minnesota’s telecommunications statutes and rules. The Department pointed out that these statutes and rules—which cover issues ranging from service quality to billing practices to provider-exit procedures—provide important protections to Minnesota consumers.

CenturyLink raised the same public-interest issue, but from a competitor’s standpoint. CenturyLink pointed out that being able to ignore or cut corners on compliance with regulations imposing costs—such as those requiring dial tone within three seconds at least 98% of the time or those requiring reasonable efforts to clear 95 percent of all out-of-service troubles within 24 hours⁶—can provide clear economic advantages to providers claiming to be unregulated.

The Commission concurs on the importance of this issue. The Commission also concurs with the Department and petitioners that the settlement’s diversion of this issue to the *Charter* complaint proceeding is an orderly, efficient, and expeditious way to resolve it.

There would be no advantage to having two parallel proceedings on the VoIP jurisdictional issue; the two proceedings would clearly be joined at some point in any case. Further, petitioners’ agreement to be fully bound by the *Charter* outcome appears to achieve the same

⁴ Minn. Stat. § 237.076, subd. 1.

⁵ *Id.*, subd. 2.

⁶ Minn. R. 7810.5300 (A) and Minn. R. 7810.5800, applied to competitive carriers under Minn. R. 7812.0700, subp. 1.

result as opening an independent proceeding. And the Commission's reservation of jurisdiction preserves its ability to take a different procedural path should future developments indicate a need for independent action.

Meanwhile, the settlement agreement and Supplemental Information bind petitioners to provide these 300,000 residential customers with basic protections—enumerated above—that petitioners claim they are not legally required to provide and will not promise to provide, absent this agreement. While the Commission could take the sort of independent action discussed above to secure these protections, independent action would probably not secure the immediate relief offered by the settlement agreement, since such action would ultimately require resolution of the jurisdictional issues raised in *Charter*.

The Commission concludes that the settlement agreement provides at least as much protection for VoIP customers as any other course of action reasonably available at present.

C. It Serves the Public Interest to Continue the Internet Essentials Program.

Furthermore, the settlement agreement's promise to maintain the Internet Essentials program for at least another three years is a significant public benefit, and one the Commission probably lacks the jurisdiction to order on its own.

The Internet Essentials program is a Comcast public-service initiative under which it provides reduced-price high-speed internet service and reduced-price home computers to low-income families with school-aged children. At present some 8,000 Minnesota families participate.

These families receive free high-speed internet service for an initial six-month period, receive high-speed internet service for \$9.95 per month thereafter, and are eligible to buy home computers for \$149.⁷ This program enhances the quality of life of some 8,000 Minnesota families and makes an important contribution to Minnesota's statutory goal of achieving universal access to high-speed broadband.⁸ The continuation of the program represents a significant public benefit.

D. Conclusion

For all the reasons discussed above, the Commission concludes that the settlement agreement is in the public interest, is supported by substantial evidence, and should be approved.

VII. Further Filings Required

At hearing, petitioners confirmed that the representations, commitments, and requirements of the settlement agreement and Supplemental Information operate in addition to all representations, commitments, and requirements found in their initial petitions. They also confirmed their agreement to take the following actions prior to providing service:

⁷ Department comments dated September 26, 2014, page 4.

⁸ Minn. Stat. § 237.012.

- A. ***Tariffs/Price Lists***—Petitioners confirmed that they would file tariffs/price lists for Midwest Cable Phone’s services, as represented in their application for a certificate of authority.
- B. ***Final 911 Plan***—Midwest Cable Phone will file a final 911 plan for Commission approval.
- C. ***Interconnection Agreements***—Midwest Cable Phone will file all interconnection agreements on which it will rely in serving its customers.
- D. ***Notice to Customers***—Petitioners will provide notice of transfer to all Midwest Cable Phone customers and all customers of its VoIP affiliates.
- E. ***Consummation Notice***—Petitioners confirmed that they will file a consummation notice within 20 days of the close of the transaction.

The Commission will incorporate these requirements in the ordering paragraphs.

ORDER

- 1. The Commission approves the settlement agreement, including the further conditions and commitments contained in the parties’ February 23 filing.
- 2. The approval granted in ordering paragraph 1 does not reflect agreement in any respect with any of the petitioners’ positions regarding Commission jurisdiction over any of their services, including VoIP services to residential customers.
- 3. The Commission retains all existing jurisdiction and may at any time, on its own motion or in response to a complaint, assert jurisdiction over the residential VoIP customers served by Comcast and being transferred to Midwest Cable, Inc. a/k/a GreatLand Connections, Inc.
- 4. Before providing service, Midwest Cable Phone of Minnesota, LLC shall take the following actions:
 - A. ***Tariffs/Price Lists***—file tariffs/price lists for Midwest Cable Phone’s services, as represented in its application for a certificate of authority.
 - B. ***Final 911 Plan***—file a final 911 plan for Commission approval.
 - C. ***Interconnection Agreements***—file all interconnection agreements on which it will rely in serving its customers.
 - D. ***Notice to Customers***—provide notice of transfer to all Midwest Cable Phone customers and all customers of its VoIP affiliates.
 - E. ***Consummation Notice***—file a consummation notice within 20 days of the close of the transaction.

5. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Daniel P. Wolf
Executive Secretary



his document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service.

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February 20, 2015

VIA ELECTRONIC FILING

Mr. Dan Wolf, Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 5510-2147

Re: In the Matter of the Midwest Cable Phone of Minnesota, LLC Application for
Authority to Provide Telephone Service in the State of Minnesota
MPUC Docket No: P6927/NA-14-507

In the Matter of Midwest Cable Phone of Minnesota, LLC Petition for Approval to
Transfer Regulated Customers and Assets
MPUC Docket No: P6927/PA-14-513

Dear Mr. Wolf:

Enclosed via eFiling please find a settlement agreement (“Agreement”) between the Department of Commerce (“Department”), Midwest Cable, Inc., and Midwest Cable Phone of Minnesota, LLC (collectively “Midwest Cable”). Midwest Cable and the Department urge the Minnesota Public Utilities Commission (“Commission”) to approve the Agreement and issue orders consistent with the terms of the Agreement approving Midwest Cable’s Petition for Transfer and Application for Authority at this morning’s hearing.

We look forward to discussing the Agreement with the Commission at today’s hearing.

Respectfully submitted,

DORSEY & WHITNEY LLP

s/ Robert E. Cattanach

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*Attorney for Comcast Corporation and
Midwest Cable Phone of Minnesota, LLC*

cc: Parties of Record

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement”) is made and entered into this 19th day of February, 2015 (“Effective Date”) by and among Midwest Cable Inc. a/k/a GreatLand Connections, Inc., and Midwest Cable Phone of Minnesota LLC (collectively referred to in this Settlement Agreement as “GreatLand Connections/Midwest Cable”), and the Minnesota Department of Commerce (“Department”), having a place of business at 85 7th Place East, Suite 500, Saint Paul, Minnesota 55101 (each a “Party” and, collectively, the “Parties”).

RECITALS:

WHEREAS, a petition for approval of a transfer of regulated customers and assets was filed with the Minnesota Public Utilities Commission (Commission or MPUC) in *In the Matter of the Midwest Cable Phone of Minnesota, LLC Petition for Approval to Transfer Regulated Customers and Assets*, MPUC Docket No. P6927/PA-14-513 (Petition for Transfer) on June 17, 2014 and an application for authority to provide telephone service in Minnesota was filed with the Commission in *In the Matter of the Application of Midwest Cable Phone of Minnesota, LLC for a Certificate of Authority to Offer Facilities-Based and Resold Local, Long Distance and Local Niche Services*, MPUC Docket No.P6927/NA-14-507 (Application) on June 17, 2014. If the Petition for Transfer and Application are approved, a substantial portion of the business of Comcast in Minnesota will be transferred to GreatLand Connections/Midwest Cable.

WHEREAS, GreatLand Connections/Midwest Cable anticipates providing types of voice telephony services referred to as “VoIP” service and “Cable Internet Phone” service. For the purposes of this Settlement Agreement, “interconnected VoIP” service includes both types of service offerings.

WHEREAS, while the Parties have disagreed whether the public interest is served by approval of the Petition for Transfer and Application, the Parties have agreed to compromise, settle and resolve their disagreement amicably through the terms of this Settlement Agreement.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the Parties agree as follows:

A. TAM. GreatLand Connections/Midwest Cable agrees to collect, remit and report Telecommunications Access Minnesota (“TAM”) fees, as described in Minn. Stat. § 237.52, with respect to telecommunications services, and interconnected VoIP services.

B. TAP. GreatLand Connections/Midwest Cable agrees to collect, remit and report Telephone Assistance Plan (“TAP”) fees, as described in Minn. Stat. § 237.70, with respect to telecommunications services, and interconnected VoIP services.

C. Annual Report/Regulatory Fees. GreatLand Connections/Midwest Cable agrees to submit reports described in Minn. Stat. § 237.295, subd. 2, to disclose intrastate operating revenues for telecommunications services, and to include interconnected VoIP service revenues in those reports.

D. Internet Essentials. GreatLand Connections/Midwest Cable agrees to continue the Internet Essentials Program for a minimum of 3 years after the close of the transactions.

E. Rate Freeze. GreatLand Connections/Midwest Cable agrees to a rate change moratorium on voice services in Minnesota for a period of two years from the close of the transaction. The moratorium applies only to residential voice service not purchased in conjunction with cable or Internet services, and only to the extent that voice service rates exceed the rates charged by the incumbent local telephone company for the comparable service.

F. Transaction Notice. GreatLand Connections/Midwest Cable agrees to file, with no less than 90 days' advance notice with the Commission and the Department, a notice describing any future sale or transfer of the interconnected VoIP customer base, to permit any person to raise any matters it believes are within the Commission's jurisdiction.

G. Customer Complaints. Consistent with the terms of Minn. Rule 7812.1000, GreatLand Connections/Midwest Cable shall make customers aware that complaints may be filed with the Commission and shall include the Commission's Consumer Affairs Office contact information in an annual notice.

H. TAP Credit to Eligible Customers. GreatLand Connections/Midwest Cable will offer the TAP credit to qualifying customers of voice service. GreatLand Connections/Midwest Cable will make Minnesota customers aware of the availability of the TAP credit on its website and customer service representatives will be trained to discuss the TAP credit with qualifying customers. An application will be available to download from the GreatLand Connections/Midwest Cable website and will be mailed to customers upon request. This commitment by GreatLand Connections/Midwest Cable is contingent on the Commission, by its approval of the terms of this Settlement Agreement, making a determination that GreatLand Connections/Midwest Cable is eligible to receive TAP reimbursements for its interconnected VoIP services. If the Commission, in approving this Settlement Agreement, affirmatively does not approve reimbursement, the Parties agree that they shall file a joint petition seeking such a Commission determination within 15 days of the Commission's grant of the Petition for Transfer and Application. GreatLand Connections/Midwest Cable shall offer TAP credits to qualifying customers within 6 months of any order authorizing reimbursement or 6 months of the closing of the proposed transaction, whichever is later, unless a petition for extension of such deadline is filed, and the Commission approves a later date.

I. Single Party Service. Consistent with Minn. Rule 7812.0600, subp. 1 GreatLand Connections/Midwest Cable will continue to make available standalone voice-grade service to all customers within its service area on a non-discriminatory basis for a period of no less than 3 years. GreatLand Connections/Midwest Cable will include the standalone voice-grade service on its website and customer service representatives will be trained to discuss standalone voice-grade service with customers, including low income customers seeking to apply for the TAP credit. This commitment is to be implemented within 6 months of the closing of the

proposed transaction unless a petition for extension of such deadline is filed, and the Commission approves a later date.

J. Commission Complaint Proceeding. In addition to the above commitments, GreatLand Connections/Midwest Cable and any affiliates or subsidiaries that provide interconnected VoIP service in Minnesota will abide by all terms, conditions, and obligations that apply to Charter regarding interconnected VoIP service as a result of any Commission decision in MPUC Docket No. P5615/C-14-383 (“Complaint Proceeding”). This commitment includes compliance with any regulatory obligations regarding fixed interconnected VoIP service to which Charter may agree in any settlement or partial settlement of the Complaint Proceeding. This voluntary agreement to adopt the results of the Complaint Proceeding is subject to any change in applicable law related to the affirmation or preemption of state authority over fixed interconnected VoIP service GreatLand Connections/Midwest Cable shall not act on any such change of law except upon no less than 90 days’ advance notice to the Commission and the Department of such intended action, to permit any person to raise any matters it believes are raised by such notice.

K. Binding Nature of Commitments. GreatLand Connections/Midwest Cable and the Department intend that each of the commitments in this Settlement Agreement, under the terms and conditions described herein, shall be binding conditions in any Commission orders granting the Application and the Petition for Transfer, and neither GreatLand Connections/Midwest Cable nor the Department shall seek to include any other conditions in the orders of these two proceedings. GreatLand Connections/Midwest Cable further agrees that if the commitments and the terms and conditions for the commitments described herein are included in such orders it will be bound by and shall abide by the terms of the commitments and will not seek review of the commitments by any court or by the FCC. For avoidance of doubt, this Section K shall not be construed to prevent GreatLand Connections/Midwest Cable or its affiliates from seeking changes in the rules of the Commission or the FCC or advocating any interpretation of applicable law before any regulatory agency or court.

L. Compliance Filing. GreatLand Connections/Midwest Cable shall submit a compliance filing 6 months after Commission approval of this Settlement Agreement to demonstrate compliance with its terms.

M. Severability. If any provision of this Settlement Agreement is deemed for any reason unenforceable, then that provision will be deemed severable from the remaining terms and conditions so that it does not affect the validity and enforceability of any remaining provisions.

N. Effectiveness of Commitments. The commitments made by GreatLand Connections/Midwest Cable in Sections A through K of this Settlement Agreement shall be effective only upon consummation of the proposed transaction following Commission approval of the Petition for Transfer and Application in an order that adopts the provisions of this Settlement Agreement without significant or material changes, provided that the obligation to file a petition concerning TAP, if required, shall be effective upon Commission approval of the Petition for Transfer and Application.

O. Withdrawal of Objection. In consideration of the terms of this Settlement Agreement and the public interest benefits of the commitments made by GreatLand Connections/Midwest Cable herein, the Department will withdraw its recommendations that the Commission deny the Petition for Transfer and Application and shall support grant of the Petition for Transfer and Application before the Commission.

P. Submission to Commission. Upon execution, GreatLand Connections/Midwest Cable shall submit this Settlement Agreement to the Commission and shall state in such submission that the Parties request grant of the Petition for Transfer and Application consistent with the terms of this Settlement Agreement.

Q. Effect on Regulatory Status of Services. The negotiation and execution of this Settlement Agreement does not constitute an admission by either the Department or Great Land Connections/Midwest Cable concerning the regulatory status of any service offered by GreatLand Connections/Midwest Cable under Minnesota or federal law.

R. Entire Agreement. This Agreement constitutes the entire agreement between GreatLand Connections/Midwest Cable and the Department and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof. This Agreement can only be amended in writing, executed by duly authorized representatives of GreatLand Connections/Midwest Cable and the Department.

S. Authorization. Each of the signatories to this Agreement represents that he or she has the authority to execute the Agreement on behalf of the party listed above the signatory's name.

T. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

In consideration of the mutual promises contained herein, GreatLand Connections/Midwest Cable and the Department hereby agree to the terms of this Agreement.

MIDWEST CABLE, INC.

MINNESOTA DEPARTMENT OF
COMMERCE

MIDWEST CABLE PHONE OF
MINNESOTA, LLC

By: _____
Leonard J. Baxt
Chief Legal Officer

By: _____
William Grant
Deputy Commissioner,
Division of Energy Resources

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S. Authorization. Each of the signatories to this Agreement represents that he or she has the authority to execute the Agreement on behalf of the party listed above the signatory's name.


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MIDWEST CABLE, INC.

MINNESOTA DEPARTMENT OF
COMMERCE

MIDWEST CABLE PHONE OF
MINNESOTA, LLC

By: 
Leonard J. Baxt
Chief Legal Officer

By: _____
William Grant
Deputy Commissioner,
Division of Energy Resources

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MIDWEST CABLE, INC.

MIDWEST CABLE PHONE OF
MINNESOTA, LLC

By: _____
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Chief Legal Officer

MINNESOTA DEPARTMENT OF
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By:  _____
William Grant
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February 23, 2015

VIA ELECTRONIC FILING

Mr. Dan Wolf, Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 5510-2147

Re: In the Matter of the Midwest Cable Phone of Minnesota, LLC Application for
Authority to Provide Telephone Service in the State of Minnesota
MPUC Docket No: P6927/NA-14-507

In the Matter of Midwest Cable Phone of Minnesota, LLC Petition for Approval to
Transfer Regulated Customers and Assets
MPUC Docket No: P6927/PA-14-513

Dear Mr. Wolf:

Enclosed via eFiling please find Supplemental Information provided by Comcast Corporation and Midwest Cable Phone of Minnesota, LLC (“Petitioners”) and an Affidavit of Service in the above-captioned matters. The Supplemental Information confirms the commitments made by Petitioners in their previous filings and the settlement agreement between Midwest Cable, Inc., Midwest Cable Phone of Minnesota, LLC, and the Department of Commerce (“Department”) filed in these proceedings on February 20, 2015 (the “Settlement Agreement”). It also includes new commitments based on the discussion during the Commission hearing on Friday and Petitioners’ review of the proposals presented by Commission staff and the Department in these proceedings.

Petitioners urge the Commission to act at its scheduled meeting on Tuesday, February 24, 2015 to approve the applications in the above-referenced matters as modified by the Settlement Agreement and Supplemental Information without further modification. Prompt resolution of this matter and approval of Petitioners’ Application for Authority and Petition for Approval will preserve competition among Minnesota CLECs and in the Minnesota telecommunications market generally. Moreover, approval of the Settlement Agreement and Supplemental Information will secure additional consumer protections.

The Department has reviewed the Petitioners’ “Supplemental Information” statement and authorized Petitioners to confirm that the portion of the “Supplemental Information” statement that elaborates on and clarifies the Settlement Agreement is consistent with the Department’s understanding of the terms of that Agreement.

Petitioners also provide responses to the following factual queries raised by the Commission during the February 20, 2015 oral arguments:

- Comcast Phone of Minnesota, Inc. (“CPM”) is the Comcast entity that currently provides telecommunications service in Minnesota (i.e., Metro-E, cellular backhaul, and tariffed wholesale services).
- Comcast IP Phone II, LLC and Comcast IP Phone III, LLC (collectively “CIPP”), Comcast’s interconnected VoIP entities providing service in Minnesota, provide their VoIP offerings solely on a retail basis; they do not offer wholesale services.
- CPM offers wholesale services to CIPP, and makes the terms and conditions of its wholesale services available to any other entity who may request them.
- CIPP has an agreement with CPM whereby CPM provides local interconnection services (“LIS”) to the public switched telephone network for CIPP. LIS is a tariffed offering and is published in the Comcast phone tariff or service guide. See Comcast Website, Comcast Local Interconnection Service Guide, at http://cdn.comcast.com/~Media/PDFs/Phone%20Terms%20of%20Service/Comcast%20Local%20Interconnection%20Service/Local_Interconnection_Service.pdf?vs=1 and Comcast Digital Phone, Comcast Local Interconnection Service, at <http://www.comcast.com/corporate/about/phonetermsofservice/circuit-switched/cdpstatetariffs.html>.
- GreatLand Connections, Inc. is the name that Midwest Cable, Inc. intends to adopt once Midwest Cable, Inc. has been spun-off as an independent entity.
- Midwest Cable IP Phone of Minnesota, LLC is the name of Midwest Cable, Inc.’s Minnesota interconnected VoIP subsidiary.
- The Charter entity obtaining stock in Midwest Cable, Inc., is not a certificated Minnesota CLEC.
- Petitioners determined it was not necessary to include Charter on the Application for Authority and Petition to Transfer because Charter is not purchasing or acquiring the stock of a **telephone company currently doing business with the state**, as that term is defined in Minn. Stat. § 237.01, subd. 7, Minn. Stat. § 237.23 (emphasis added), nor is Charter acquiring ownership or control pursuant to Minn. Stats. §§ 237.16, subd. 4, 237.74, subd. 12, or Minn. Rule Part 7812.2210, Subp. 16.

Please contact me if further information is needed.

Respectfully submitted,

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s/ Robert E. Cattanach

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cc: Parties of Record

SUPPLEMENTAL INFORMATION

As a supplement to the information provided at the Minnesota Public Utilities Commission (“Commission”) hearing on February 20, 2015, Midwest Cable, Inc. a/k/a GreatLand Connections, Inc. and Midwest Cable Phone of Minnesota, LLC (“MCPM”) (collectively referred to in this Supplemental Information as “GreatLand Connections/Midwest Cable”) hereby offers the following additional information:

The following are clarifications to the Settlement Agreement:

- TAM. GreatLand Connections/Midwest Cable’s commitment in Settlement Agreement Section A to collect, remit, and report TAM applies to GreatLand Connections/Midwest Cable’s CLEC and revenues from any GreatLand Connections/Midwest Cable VoIP affiliate.
- TAP. GreatLand Connections/Midwest Cable’s commitment in Settlement Agreement Section B to collect, remit, and report TAP applies to GreatLand Connections/Midwest Cable’s CLEC and revenues from any GreatLand Connections/Midwest Cable VoIP affiliate.
- Annual Report/Regulatory Fees. Reports submitted under Settlement Agreement Section C will include revenue from GreatLand Connections/Midwest Cable’s CLEC and revenues from any GreatLand Connections/Midwest Cable VoIP affiliate.
- Internet Essentials. The Internet Essentials commitment (Settlement Agreement Section D) is effective for all eligible GreatLand Connections/Midwest Cable customers in Minnesota, current and future. GreatLand Connections/Midwest Cable shall provide Internet Essentials for at least three years following the close of the transaction.
- Rate Freeze. GreatLand Connections/Midwest Cable’s rate freeze (Settlement Agreement Section E) applies solely to residential standalone voice customers, including both current and future customers. GreatLand Connections/Midwest Cable’s rate freeze will continue for at least two years following the close of the transaction.
- Transaction Notice. The commitment expressed in Settlement Agreement Section F to provide prior notice of transactions involving VoIP customers applies to any transfers of interconnected VoIP customers by GreatLand Connections/Midwest Cable’s VoIP affiliate after consummation of the transactions described in the Petition for Transfer.
- TAP Credits. Contingent upon satisfaction of the conditions enumerated in Settlement Agreement Section H, GreatLand Connections/Midwest Cable will make TAP credits available to any GreatLand Connections/Midwest Cable

customer, current or future, who meets TAP program criteria and purchases voice service, whether on a bundled or standalone basis.

- Single Party Service. GreatLand Connections/Midwest Cable will continue to offer standalone voice-grade service (Settlement Agreement Section I) to both business and residential customers in Minnesota. GreatLand Connections/Midwest Cable shall provide single party service for at least three years following the close of the transaction.
- Commission Complaint Proceeding. In addition to the other commitments under the Settlement Agreement, GreatLand Connections/Midwest Cable will comply with any obligations applied to Charter as a result of the Charter complaint proceeding, subject to any change of law concerning the regulatory status of VoIP service (Section J of the Settlement Agreement).
- Binding Nature of Commitments. Regardless of the outcome of the Charter Complaint Proceeding, GreatLand Connections/Midwest Cable remains bound by all of the voluntary commitments made in its filings, and sections A through I of the Settlement Agreement.
- By its execution of the Settlement Agreement, GreatLand Connections/Midwest Cable intended to, and did in fact, bind all affiliates—both regulated and unregulated—to the commitments stated therein, effective as of the close of the transaction (except for the commitment related to filing a petition concerning TAP reimbursement eligibility, which is effective at the time the Commission issues an order approving the applications). In the event that the Comcast/TWC Merger is not approved by the Federal Communications Commission and/or the Department of Justice, GreatLand Connections/Midwest Cable will withdraw its petition, application, and Settlement Agreement.

Additionally, GreatLand Connections/Midwest Cable re-commits to all of the assurances made in its filings in the Petition and Transfer dockets, including the following:

- MCPM intends to assume the process and substance of Comcast Phone of Minnesota, Inc.'s existing CLEC 911 plan. MCPM will file for Commission approval a Minnesota CLEC 911 plan that will reflect the necessary changes, including to its 911 contacts and/or other substantive 911 plan information. MCPM will appropriately notify 911 agencies, counties, and other affected parties of its new 911 plan. MCPM's 911 plan will include the 911 services that it will provide to its VoIP affiliate, just as Comcast Phone of Minnesota, Inc.'s existing 911 plan does for Comcast IP Phone II, LLC and Comcast IP Phone III, LLC (*see* Minnesota PUC Docket No. 14-547, Comcast Phone of Minnesota, Inc. - 2014 911 Plan, at 5 (June 27, 2014)).
- MCPM is not currently negotiating any interconnection agreements. MCPM is willing to notify and update the Commission regarding its further negotiations for interconnection agreements. MCPM intends to adopt or assume existing interconnection agreements but if no such suitable interconnection agreements are

available, MCPM will engage in negotiations to achieve interconnection agreements.

- MCPM will file a tariff with the Commission prior to offering services.
- As stated in the Petition for Transfer and Supplemental Reply Comments in both the Petition for Transfer and Application for Authority proceedings, Comcast Corporation will provide notice of this transaction to its CLEC customers and the customers of its VoIP affiliates, Comcast IP Phone II, LLC and Comcast IP Phone III, LLC.
- As stated in the Petition for Transfer, MCPM will file a consummation notice with the Commission within 20 days after the close of the spin-off transaction.

Finally, GreatLand Connections/Midwest Cable again acknowledges the Commission's jurisdiction over its regulated CLEC entity.

Subject to the Commission's approval of the applications as modified by the Settlement Agreement and this Supplemental Information, GreatLand Connections/Midwest Cable hereby makes the following additional commitments on behalf of its VoIP affiliate:

- GreatLand Connections/Midwest Cable will not engage in cramming or slamming, consistent with Minn. Stats. §§ 237.661 and 237.663.
- GreatLand Connections/Midwest Cable will observe honest billing practices. If a customer is disconnected for nonpayment, he or she will not be billed for service not received. If a customer is inadvertently billed, such customer will be reimbursed for the payment.

These additional commitments shall be enforceable in the same way as the commitments made in the Settlement Agreement.

It is GreatLand Connections/Midwest Cable's intention that the Settlement Agreement and this Supplemental Information shall encompass all of its conditions and commitments, and the Petition for Transfer and Application for Authority shall otherwise be approved as originally filed with the Commission. In the event there is deemed to be any inconsistency between the actual Settlement Agreement and this Supplemental Information, the Settlement Agreement shall control.