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STATE OF HAWAII
CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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VIA EMAIL & U.S. MAIL

January 26, 2017

Jodi Shin Yamamoto, Esq.
Yamamoto & Caliboso LLLC
1099 Alakea Street, Suite 2100
Honolulu, HI 96813

**Re: Application for Renewal of Kauai County Cable Television Franchise by
Oceanic Time Warner Cable LLC**

Dear Ms. Yamamoto:

On December 16, 2016, Oceanic Time Warner Cable LLC submitted a written application for renewal of its Kauai County franchise ("Application"). The Application was accepted by the Department of Commerce and Consumer Affairs ("Department") on December 30, 2016.

As you are aware, the Department may request additional information throughout the application process. The Department requires certain additional information in order to proceed with the processing of the Application under Chapter 440G, Hawaii Revised Statutes. Accordingly, please provide the required information set forth in the attached Department of Commerce and Consumer Affairs Request for Clarification of Application on or before **Wednesday, February 15, 2017**.

Thank you for your cooperation and attention to this matter. If you have any questions, please feel free to call me at (808) 586-2620.

Sincerely,

JI SOOK (LISA) KIM
Cable Television Administrator

c: Catherine P. Awakuni Colón, Director

**APPLICATION FOR RENEWAL OF THE KAUAI COUNTY
CABLE TELEVISION FRANCHISE BY OCEANIC TIME WARNER
CABLE LLC**

**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
REQUEST FOR CLARIFICATION OF APPLICATION**

January 26, 2017

Each question should be answered separately, and copies of source documents should reference the question being answered. The certification provided by Oceanic Time Warner Cable LLC ("Applicant" or "Oceanic") in the Application concerning the accuracy of the information is also applicable to the Applicant's responses to these questions.

The Applicant shall answer each question fully and completely, and to the extent the question or any subpart thereof is not applicable, the Applicant should explain why it is not applicable. This is an ongoing request for information. If any of the requested documents are executed or finalized, or updated and amended after the date Applicant submits its response and during the franchise application process, then Applicant shall provide these documents immediately to the Department.

1. State the length of the new franchise term requested by Applicant.
2. **Refer to II.E. Technology Change and Kauai County Cable System Infrastructure (pages 6-7 of the Application).** Explain how Applicant will upgrade and maintain services for the Kauai franchise on par with services available on Oahu.
3. **Refer to II.F. Franchise Compliance Review (page 7 of the Application).** Applicant has from time to time missed deadlines for the submission of required reports to the Department of Commerce and Consumer Affairs ("DCCA"), and DCCA has to remind Applicant to submit timely reports. Applicant states that "[w]ith [Charter Communications, Inc.'s ("Charter")] oversight, Oceanic will strive to submit reports on a timely basis." State the specific steps Applicant will take to ensure that all reports required by the Hawaii Revised Statutes, Hawaii Administrative Rules, and Decision and Orders are submitted on a timely basis.
4. **Refer to II.F. Franchise Compliance Review (page 7 of the Application).** The Application states that bulk services are "provided at significant discounts from the standard subscriber rate to all bulk [multiple

dwelling unit ("MDU")] customers, included those serving senior citizens, when bulk agreements are negotiated."

- a. If any, provide information on the number of senior citizen MDUs **not** receiving discounts on Kauai and the status of the negotiations for those MDUs.
 - b. Describe any current or future plans for senior citizen cable service discounts for individual (non-bulk) cable subscribers.
5. **Refer to IV.A.1. (page 17 of the Application) and IV.A.3.c. (page 19 of the Application).** Applicant does not list any officers or directors for Oceanic. However, Applicant states that "Oceanic's officers and directors will be responsible for directing Oceanic's operations. . . ." Please identify Oceanic's officers and directors.
6. **Refer to IV.C.1. Financial Qualifications (pages 24-25 of the Application).** Applicant states that Oceanic does not have audited financial statements and that Charter's unaudited SEC Form 10-Q for the period ending September 30, 2016, attached as Exhibit A to the Application, would be the most applicable financial statement.
 - a. Please provide Oceanic's unaudited financial statement for the Kauai franchise as of September 30, 2016 and for the nine (9) months ended September 30, 2016.
 - b. For the Kauai franchise, confirm that there have been no significant changes in Applicant's liabilities, member's capital, revenues and expenses, obligations to its parent company, and statements of cash flows since the last reviewed financial statement.
7. **Refer to IV.C.7.b. Projected Growth of Other Services (pages 27-28 of the Application).** In the Application, Applicant provides the projected growth of Oceanic's parent company Charter. Please provide the projected growth of Oceanic as it pertains to the Kauai franchise.
8. **Refer to II.C. History and Experience (page 5 of the Application) and IV.D.2.b. Equitable Extension of Service policy (page 30 of the Application).**
 - a. Applicant has stated that its current policy for extension of service to underserved and underdeveloped areas will remain the same (i.e., extension of service to all areas where a minimum of 25 homes per mile of strand or conduit is developed). Provide either the number of homes, or the percentage of homes, on Kauai that are not served due to Applicant's 25 homes per mile line extension

policy. Additionally, identify which areas are especially challenging to meet the 25 homes per mile criteria and why.

- b. The DCCA has received periodic inquiries from consumers concerning the high cost of construction fees to connect outlying residential subdivisions on Kauai to Applicant's cable system. What efforts, if any, is Applicant willing to offer to assist consumers in undeveloped and unserved areas/subdivisions to help pay for construction costs to connect up these residents?
- c. Applicant states that "Oceanic currently passes over 38,000 homes on Kauai." Please describe any plans to increase/extend the passings on Kauai during the next proposed franchise period. Also, describe any plans to extend infrastructure in unserved areas such as Waena.
- d. Explain why the annual monitoring of requests from underdeveloped areas cannot occur more frequently.

9. **Refer to IV.H.2. Public, Educational, and Government ("PEG") Access – Operating Funding and Capital Payments (page 37 of the Application).** State Applicant's proposed plans and schedule for access operating funding and capital funding for facilities and equipment and include the following:

- a. The amount Applicant proposes for the annual access operating fee payments to the Director or the Director's designee for PEG access purposes. If this proposed payment is based on a percentage of revenue, explain how the percentage will be calculated; and
- b. The amount Applicant proposes for the annual capital fund payments to the Director or the Director's designee for PEG access purposes. Explain how Applicant proposes to calculate this amount.

10. **Refer to IV.I. Customer Service Operations (page 40 of the Application).**

- a. Provide the specific process Applicant will follow regarding resolution of complaints and inquires referred by the DCCA.
- b. Once a complaint escalates, state the procedures the Applicant will follow to resolve the issue and timeframe objectives for resolution.

11. State Applicant's proposed plans and schedule of expenditures for and in support of the Hawaii Public Television Foundation, dba PBS Hawai'i.