



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED

05/22/26

04:59 PM

A2507016

Joint Application of Charter
Communications, Inc., Charter
Communications Holdings, LLC, and
Cox Enterprises, Inc. for Approval
Pursuant to Public Utilities Code Section
854 of the Indirect Transfer of Control of
Cox California Telecom, LLC (U-5684C).

Application 25-07-016

**OPENING BRIEF
OF THE PUBLIC ADVOCATES OFFICE**

NOAH STID

Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-1949
E-mail: Noah.Stid@cpuc.ca.gov

May 22, 2026

607360324

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF AUTHORITIES.....	
I. INTRODUCTION.....	1
II. BACKGROUND.....	1
III. SUMMARY OF SETTLEMENT BENEFITS.....	2
A. The Agreement provides affordable high-speed broadband services to low-income Californians.....	3
B. The Agreement caps promotional pricing at current levels and limits geographic pricing disparities to \$15 per month	7
IV. RESPONSE TO THE ASSIGNED COMMISSIONER’S SCOPING QUESTIONS.....	10
A. The benefits provided by the Agreement satisfy the requirements of Pub. Util. Code Section 854.	10
1. The Agreement Satisfies Section 854(a).....	10
2. The Agreement satisfies Section 854(b) and (c).....	11
B. The Agreement advances achievement of the Commission’s Environmental and Social Justice Goal 3.4 to provide access to essential communications services at affordable rates.	13
C. The Agreement will not harm public safety.	14
V. CONCLUSION.....	16
ATTACHMENT A	
ATTACHMENT B	

TABLE OF AUTHORITIES

Page(s)

California Public Utilities Code

§ 854 2, 10, 13, 16
§ 854(a)..... 2, 10
§ 854(b)..... 10, 11
§ 854 (b)(1)..... 13
§ 854(c)..... 11, 12
§ 854(c)(6) 13
§ 854 (c)(8) 13

Commission Decisions

D.24-09-037..... 11
D.25-08-050..... 3, 4
D.26-01-023..... 7, 10

Commission Rules of Practice and Procedure

13.12 1

I. INTRODUCTION

Pursuant to Rule 13.12 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure and the schedule provided in the *Administrative Law Judge's Ruling providing Log-In Information and Instructions for Evidentiary Hearings*, issued March 2, 2026, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits its opening brief (Opening Brief) in Application (A.) 25-07-016 (Joint Application).

Through this Opening Brief, Cal Advocates recommends that the Commission adopt the settlement agreement (Agreement) reached between Cal Advocates and Charter Communications, Inc. (Charter) and jointly filed with the Commission through the *Joint Motion of Charter and the Public Advocates Office for Adoption of Settlement Agreement* on May 1, 2026. The Agreement provides multiple tiers of high speed, affordable broadband service for low-income Californians. The Agreement also provides low-income Charter customers with the option to obtain broadband service for zero out of pocket cost after application of the California LifeLine subsidy, or to choose to pay more for higher bandwidth service at a discounted rate. Moreover, the Agreement caps Charter's promotional pricing statewide to ensure that all Californians in the post-merger Charter service area are not subjected to discriminatory pricing based on the level of competition in their neighborhood. Finally, the Agreement satisfies the Assigned Commissioner's scoping issues, advances the goals of the Commission's Environmental and Social Justice (ESJ) Action Plan and does not diminish public safety. For all of the above reasons, the Agreement is in the public interest, and the Commission should adopt the Agreement in its Final Decision at the August 13, 2026 voting meeting.

II. BACKGROUND

On July 30, 2025, Charter Communications, Inc. (Charter), Charter Communications Holdings, LLC, and Cox Enterprises, Inc. (CEI) (collectively, "Joint Applicants") submitted an application (Joint Application) requesting Commission authorization for a proposed transaction that would effectuate the transfer of control of CEI subsidiary Cox California Telcom, LLC (U-5684-C) (Cox California Telecom), its

parent Cox Communications, Inc. (Cox) and Cox's other subsidiaries that operate residential cable, voice, mobile, and enterprise businesses.¹

Cal Advocates filed a protest to the Joint Application on September 5, 2025.² Cal Advocates' protest raised concerns regarding broadband affordability, among other issues.³ On December 9, 2025, the assigned Commissioner issued a Scoping Memo and Ruling (Scoping Ruling), which identified the following scoping issues for parties to address: (1) whether the Joint Application meets the requirements of Section 854,⁴ (2) whether granting the Joint Application impacts environmental and social justice communities and the achievement of the nine goals of the Commission's ESJ Action Plan; and (3) whether granting the Joint Application impacts public safety.⁵ Over the following months, Cal Advocates engaged in extensive discovery, and served comprehensive testimony addressing the assigned Commissioner's scoping issues. Following service of testimony, Cal Advocates and Charter engaged in settlement negotiations and announced a settlement in principle to the service list of A.25-07-016 on April 17, 2026. Evidentiary hearings occurred from April 20 through April 23, 2026. Cal Advocates and Charter filed the Agreement with the *Joint Motion of Charter and the Public Advocates Office for Adoption of Settlement Agreement* on May 1, 2026 (Settlement Motion).

III. SUMMARY OF SETTLEMENT BENEFITS

As summarized below, the Agreement between Charter and Cal Advocates will provide substantial benefits to California consumers over the coming years. Given these

¹ A.25-07-016, *Joint Application of Charter Communications, Inc., Charter Communications Holdings, LLC, and Cox Enterprises, Inc. for Approval Pursuant to Public Utilities Code Section 854 of the Indirect Transfer of Control of Cox California Telcom, LLC (U-5684-C)*, filed on July 30, 2025; A.25-07-016, *Assigned Commissioner's Scoping Memo and Ruling*, December 9, 2025, (Scoping Ruling) at 2.

² *Protest of the Public Advocates Office to the Joint Application*, September 5, 2025 (Cal Advocates' Protest).

³ Cal Advocates' Protest at 12, 15-17.

⁴ Unless otherwise noted, all statutory references are to the California Public Utilities Code.

⁵ Scoping Ruling at 3-4.

substantial benefits for Californians, Cal Advocates respectfully urges the Commission to adopt the Agreement in its final decision as a condition of approval in granting the Application.

A. The Agreement provides affordable high-speed broadband services to low-income Californians

The Agreement contains meaningful affordability provisions for low-income customers that will take effect within 180 days following the close of the transaction and for a period of five years thereafter.⁶ These provisions provide impactful protection and benefits to low-income consumers, which are one of the ESJ communities identified by the Commission in its ESJ Action Plan.⁷ Under the Agreement, Charter will establish and provide the following plans (New California LifeLine Service Tiers) to low-income Californians:⁸

- 1) Standalone 100/20 megabits per second (Mbps) residential broadband service for \$20 per month.
- 2) Standalone 500/20 Mbps residential broadband service for \$50 per month.
- 3) Bundled 100/20 Mbps residential broadband and wireline voice service for \$30 per month.
- 4) Bundled 500/20 Mbps residential broadband and wireline voice service for \$50 per month.

The New California LifeLine Service Tiers will be available to eligible residential broadband customers that are enrolled in the California LifeLine Broadband Pilot Program (LifeLine Pilot).⁹ Although the LifeLine Pilot is currently authorized for three

⁶ Agreement at paragraphs 1, 5.

⁷ *Environmental & Social Justice Action Plan*, Version 2.0, April 7, 2022 at 2.

⁸ Agreement at 6. All the prices identified in the Agreement have not included applicable government-imposed taxes and fees.

⁹ Decision (D.) 25-08-050, *Decision Approving Home Broadband Pilot*, August 28, 2025.

years,¹⁰ the Agreement requires Charter to continue offering these services at the same price for a five-year term.¹¹

The LifeLine Pilot currently provides subsidies of \$20 per month for standalone fixed broadband service and \$30 per month for bundled broadband and voice service.¹² As a result, the New California LifeLine Service Tiers allow eligible low-income customers to have standalone 100/20 Mbps broadband service at no cost and bundled 500/20 Mbps and voice services at \$20 per month following application of the LifeLine Pilot subsidy. The Agreement therefore provides a 100/20 Mbps broadband option for low-income consumers who cannot afford anything above a zero-out-of-pocket price for broadband service, as well as a 500/20 tier for low-income customers who are willing to pay \$20-30 out of pocket for higher bandwidth service.

In addition, for low-income customers who are not enrolled in the LifeLine Pilot, but can demonstrate enrollment in at least one state or federal low-income assistance programs identified in the Agreement, Charter will provide 100/20 Mbps broadband service for \$20 per month (Standalone Non-LifeLine Service Tier).¹³ This provision extends the affordability benefits of the Agreement to low-income customers who may not be enrolled in LifeLine, to ensure that all low-income customers may benefit regardless of whether they enroll in the LifeLine Pilot.

The New California LifeLine Service Tiers and the Standalone Non-LifeLine Service Tier will provide low-income customers with faster broadband access at cheaper prices than any current offerings from Charter. These improvements will directly benefit low-income customers within Charter and Cox's combined California service areas. For example, Charter's only current low-income internet offering provides download speeds

¹⁰ D.25-08-050, Ordering Paragraph (OP) 2 at 53.

¹¹ Agreement at 5.

¹² D.25-08-050, OP 3 at 53.

¹³ Agreement at paragraph 5.

of 50/10 Mbps for \$25 per month,¹⁴ which does not meet the Federal Communications Commission's (FCC) current fixed broadband speed benchmark of 100/20 Mbps.¹⁵ However, under the terms of the Agreement, these consumers will have access to a faster 100/20 Mbps plan that offers double the download and upload speed and is \$5 cheaper, or a 500/20 Mbps plan with ten times the download speed for \$5 more per month after application of the available LifeLine subsidy.¹⁶ LifeLine Consumers may also bundle the 500/20 Mbps plan with wireline voice service at no additional cost.¹⁶ Therefore, the Agreement ensures that post-merger Charter's eligible low-income customers will have access to affordable broadband service at substantially higher speeds than those that are currently available through Charter's only low income offering.

Cal Advocates performed analysis to estimate consumer savings available as a result of the new service tiers provided for in the Agreement and described above. Based on the five customer scenarios detailed in Attachment A, after accounting for LifeLine Pilot subsidies, the New California LifeLine Service Tiers for standalone broadband are expected to generate savings ranging from approximately \$1,800 to \$3,000 per eligible customer in Charter's service area and from approximately \$597 to \$3,600¹⁷ per eligible customer in Cox's service area over the five-year term.¹⁸ Applying the savings per eligible customer to the approximately 397,000 households in Charter's service area and 32,000 households in Cox's service area that are estimated to be eligible for the LifeLine Pilot and the New California LifeLine Service Tiers,¹⁹ these affordability provisions

¹⁴ Exh. Cal Adv-02, *Direct Testimony of Christopher Bartulo on Impacts to ESJ Communities*, Table 2 at 12.

¹⁵ FCC 24-27 at 13, paragraph 22.

¹⁶ Agreement at paragraph 4.

¹⁷ If Cox's mandatory \$15 monthly "Panoramic Wifi" fee is incorporated, this savings estimate rises to \$4,500 over the five-year term. See Cox Wifi FAQs, "Why am I required to rent the Panoramic Wifi Gateway?" at <https://www.cox.com/residential/internet/wifi.html>, and pricing at <https://www.cox.com/static/rc-new/520-3368-RC-SD.pdf>.

¹⁸ Attachment A.

¹⁹ Exh. Cal Adv-02, *Direct Testimony of Christopher Bartulo on Impacts to ESJ Communities*, Table 1 at 10. Table 1 defines low-income households based on the Commission's ESJ Action Plan, which classifies
(continued on next page)

provide the opportunity for eligible households in Charter’s service area to save up to a collective \$1.2 billion,²⁰ and for eligible households in Cox’s service area to save up to a collective \$144 million,²¹ over the five-year term of the Agreement.

The Agreement also includes outreach and consumer awareness provisions designed to increase participation in low-income broadband programs.²² During the five-year term, Charter must spend at least \$300,000 annually in California on advertising, outreach, and related marketing efforts to inform consumers about the availability of the New California LifeLine Service Tiers and the Standalone Non-LifeLine Service Tier.²³ Charter will also provide a webpage to advertise and inform customers about the availability of these new low-income tiers.²⁴ Charter’s webpage and other advertisements will include language that makes customers aware that they can receive assistance with these programs at Charter-owned (Spectrum) stores.²⁵ These outreach commitments ensure that eligible low-income households will be informed of and able to access the affordable, high-speed broadband services provided under the Agreement.

The New California LifeLine Service Tiers and the Standalone Non-LifeLine Service Tier established in the Agreement provide substantial new benefits to low-income consumers. Consistent with the pricing established by the settlement reached in

low-income households as households with incomes below 80% of the area median income. However, the Agreement uses the eligibility criteria applicable to the LifeLine Pilot Program, which relies on current California LifeLine eligibility standards. To estimate the number of eligible households, Cal Advocates used a threshold of 150% of the federal poverty level. Income data at the census block group level were obtained from the American Community Survey (ACS) five-year estimates, Table ACSDT5Y2023.B19013.

²⁰ The product of Charter’s approximately 397,000 eligible households and the maximum saving per eligible customer of **\$3,000**.

²¹ The product of Cox’s approximately 32,000 eligible households and the maximum saving per eligible customer of \$4,500.

²² Charter and the California Emerging Technology Fund also contemporaneously filed a settlement, which further promotes access and participation for low-income customers. *See Joint Motion of Charter Communications Inc. and California Emerging Technology Fund for Adoption of Settlement Agreement*, filed May 1, 2026, at 15-17.

²³ Agreement at 9.

²⁴ Agreement at 9.

²⁵ Agreement at 9.

A.24-10-006 in 2025 and adopted in D.26-01-023,²⁶ this Agreement provides 100/20 broadband service to qualifying low-income customers at zero out of pocket cost following application of the California LifeLine subsidy. For those low-income customers not enrolled in the California LifeLine pilot program, the same plan is available for \$20 a month. For low-income customers who require higher speed service, the Agreement provides for an affordable 500/20 broadband plan. In short, the Agreement establishes affordable high-speed broadband services for low-income consumers in post-merger Charter's service area for a term of five years.

B. The Agreement caps promotional pricing at current levels and limits geographic pricing disparities to \$15 per month

In addition to providing affordable high-speed broadband access to low-income customers, the Agreement also addresses pricing for non-low-income customers by capping post-merger Charter's statewide promotional pricing at current levels (\$30 per month for 100/20 Mbps service, \$50 per month for 500/20 Mbps service, and \$70 per month for 1 Gbps/35 Mbps service) for a three-year period.²⁷ The Agreement ensures that customers in less competitive areas where Charter is the sole gigabit-capable provider²⁸ will benefit from more competitive pricing available in areas with multiple gigabit-capable providers. This will increase affordability throughout the post-merger Charter's service area.

Cal Advocates sought restrictions on promotional pricing, which are important because promotional pricing has a significant impact on broadband affordability statewide.²⁹ Although standard broadband prices displayed on broadband consumer

²⁶ See D.26-01-023, *Decision Granting Transfer Of Control Subject To Conditions*, issued January 20, 2026 in A.24-10-006, at Ordering Paragraph 32, Appendix A.

²⁷ Agreement at paragraphs 14-15.

²⁸ Gigabit broadband service is a high-speed internet connection that delivers data transfer rates of up to 1 gigabit per second (Gbps), which is 1,000 megabits per second (Mbps).

²⁹ Exh. Cal Adv-07, *Direct Testimony of Ernesto Falcon*, at 7. Also see generally, Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 *Broadband Competition and Pricing Strategies in California's Urban Markets*, January 14, 2026 (Cal Advocates' Competitive Report).

<https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/reports-and->

(continued on next page)

labels for each standalone broadband internet access service are generally consistent statewide, providers typically offer lower promotional pricing to influence new customers to sign up for broadband services or to consider switching providers to get a better deal.³⁰ Therefore, while promotional pricing is temporary, it is important to the overall pricing of broadband in California because it reflects providers' efforts to attract and retain customers in broadband markets.

Cal Advocates' Broadband Competition and Pricing Strategies in California's Urban Markets report (Cal Advocates' Competitive Report)³¹ analyzes four major broadband providers, including Charter and Cox, broadband pricing behavior in relation to competitive conditions across four California urban markets. The data show that broadband providers substantially lower their promotional prices in response to market competition, particularly at higher speed tiers, such as gigabit service.³² In competitive areas, promotional prices were generally approximately \$15 to \$40 lower than prices in less competitive areas.³³ The proposed transaction would expand Charter's footprint in locations where it is the sole gigabit-capable provider available to consumers.³⁴ Post-merger, more than 2.6 million locations in California would have Charter as the sole gigabit-capable provider, meaning that Charter would face weaker competitive pricing

[analyses/260114-public-advocates-broadband-competition-and-pricing-strategies-in-california-urban-markets.pdf](https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/reports-and-analyses/260114-public-advocates-broadband-competition-and-pricing-strategies-in-california-urban-markets.pdf).

³⁰ Octavio Blanco, *How to Lower Your Cable and Internet Bills*, Consumer Reports (June 9, 2021), <https://www.consumerreports.org/electronics-computers/telecom-services/how-to-lower-your-cable-and-internet-bills-a9803471134/>.

³¹ Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 *Broadband Competition and Pricing Strategies in California's Urban Markets*, January 14, 2026 (Cal Advocates' Competitive Report). <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/reports-and-analyses/260114-public-advocates-broadband-competition-and-pricing-strategies-in-california-urban-markets.pdf>.

³² Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 Cal Advocates' Competitive Report at 4.

³³ Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 Cal Advocates' Competitive Report at 4.

³⁴ Exh. Cal Adv-01, *Direct Testimony of Bixia Ye on Broadband Availability and Financial Condition* at 1-2 through 1-5.

pressure in those areas.³⁵ Cal Advocates expressed concern that this lack of competition would incentivize post-merger Charter to charge higher promotional prices given that it would not have to compete for customers.³⁶ The Agreement directly addresses this concern by capping Charter's promotional pricing at the current levels for three years.³⁷ Charter remains free to lower its promotional prices below current levels in response to market competition. However, if Charter lowers its promotional prices in competitive areas by more than \$15, the Agreement requires Charter to adjust statewide promotional pricing downward so that the difference between promotional prices in competitive and less competitive areas does not exceed \$15 per month.³⁸

The promotional pricing restrictions in the Agreement will make California the first state to implement broadband pricing protections designed to protect all customers from excessive pricing disparities. These protections will ensure that residents of less competitive areas will benefit from competitive pricing in other parts of the state, even though Charter will be the sole gigabit-capable provider in those areas. As shown in Attachment B, the promotional pricing protections limit the disparity between promotional prices in competitive and less competitive areas to no more than \$15 per month. Based on pricing differentials observed in Cal Advocates' Competitive Report, these protections could generate monthly savings of approximately \$15 for gigabit customers in Charter's service area and approximately \$35 for gigabit customers in Cox's service area. Applying these estimated monthly savings to approximately 2.6 million locations where post-merger Charter would be the sole gigabit-capable provider, the Agreement has the potential to generate annual consumer savings of up to approximately \$596 million.³⁹

³⁵ Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 Cal Advocates' Competitive Report, Table 2 at 13-14.

³⁶ Exh. Cal Adv-07, *Direct Testimony of Ernesto Falcon* at 6-7.

³⁷ Agreement at paragraphs 14-15.

³⁸ Agreement at paragraphs 14-15.

³⁹ Attachment B, at B-2.

These savings estimates are derived from observed promotional pricing differentials identified in Cal Advocates' Competitive Report and are intended to demonstrate the potential consumer benefits associated with the promotional pricing protections contained in the Agreement. These estimates are conservative because they do not reflect any additional consumer benefits that may result from limiting potential future increases in post-merger Charter's statewide promotional pricing absent the Agreement.

IV. RESPONSE TO THE ASSIGNED COMMISSIONER'S SCOPING QUESTIONS

Cal Advocates submits the following responses to each issue identified in the assigned Commissioner's Scoping Memo and Ruling issued on December 9, 2025.

A. The benefits provided by the Agreement satisfy the requirements of Pub. Util. Code Section 854.

The affordability and pricing commitments set forth in the Agreement and described above demonstrate meaningful and enforceable public interest benefits for Californian consumers. These benefits satisfy the applicable public interest requirements of Section 854(a), (b) and (c). Therefore, Cal Advocates respectfully requests that the Commission adopt the Agreement as proposed by Charter and Cal Advocates.

1. The Agreement Satisfies Section 854(a).

Section 854(a) states, in relevant part:

No person or corporation . . . shall merge, acquire, or control either directly or indirectly any public utility organized and doing business in this state without first securing authorization to do so from the commission Any merger, acquisition, or control without prior authorization shall be void and of no effect.

The purpose of Section 854(a) is to enable the Commission to review a proposed transaction before it takes place, so that the Commission can take such actions as the public interest may require.⁴⁰ In evaluating whether Section 854(a) is satisfied, the

⁴⁰ D.26-01-023, *Granting Transfer of Control Subject to Conditions*, issued January 15, 2026 in
(continued on next page)

Commission looks to ensure that a transaction does not harm ratepayers and is not adverse to the public interest.⁴¹

As described above in sections III.A and B, the Agreement provides affordable high-speed broadband services to low-income Californians for a five-year period and caps post-merger Charter’s promotional pricing for a three-year period. These benefits further the public interest by providing new affordability commitments to post-merger Charter customers that would not exist absent the adoption of the Agreement. Taken as a whole, the Agreement ensures that the proposed transaction provides benefits to further the public interest and is not adverse to ratepayers. To the contrary, the Agreement ensures that low-income Charter customers will have access to affordable, high speed broadband service that they can bundle with voice service for the term of the Agreement. Therefore, the Commission should adopt the Agreement as a condition of approval for the proposed transaction, which will satisfy the requirements of Section 854(a).

2. The Agreement satisfies Section 854(b) and (c)

Section 854(b) states as follows:

(b) Before authorizing the merger, acquisition, or control of any electrical, gas, or telephone corporation organized and doing business in this state, if any utility that is a party to the proposed transaction has gross annual California revenues exceeding five hundred million dollars (\$500,000,000), the commission shall find that the proposal does all of the following:

- (1) Provide short-term and long-term economic benefits to ratepayers.
- (2) Equitably allocate, where the commission has ratemaking authority, the total short-term and long-term forecasted economic benefits, as determined by the commission, of the proposed merger, acquisition, or control, between shareholders and ratepayers. Ratepayers shall receive not less than 50 percent of those benefits.
- (3) Not adversely affect competition. In making this finding, the commission shall request an advisory opinion from the Attorney General

A.24-10-006, at 19.

⁴¹ D.24-09-037, which stated that “Ultimately, the key question that the Commission must decide in a transfer of control proceeding under Pub. Util. Code Section 854(a) is whether the transaction will be ‘adverse to the public interest.’”

regarding whether competition will be adversely affected and what mitigation measures could be adopted to avoid this result.

(4) For an electrical or gas corporation, ensure the corporation will have an adequate workforce to maintain the safe and reliable operation of the utility assets.

Moreover, Section 854(c) states as follows:

Before authorizing the merger, acquisition, or control of any electrical, gas, or telephone corporation organized and doing business in this state, if any entity that is a party to the proposed transaction has gross annual California revenues exceeding \$500 million, the commission shall consider each of the criteria listed in paragraphs (1) to (8), inclusive, and find, on balance, that the merger, acquisition, or control proposal is in the public interest:

- (1) Maintain or improve the financial condition of the resulting public utility doing business in the state.
- (2) Maintain or improve the quality of service to public utility ratepayers in the state.
- (3) Maintain or improve the quality of management of the resulting public utility doing business in the state.
- (4) Be fair and reasonable to affected public utility employees, including both union and nonunion employees.
- (5) Be fair and reasonable to the majority of all affected public utility shareholders.
- (6) Be beneficial on an overall basis to state and local economies and to the communities in the area served by the resulting public utility.
- (7) Preserve the jurisdiction of the commission and the capacity of the commission to effectively regulate and audit public utility operations in the state.
- (8) Provide mitigation measures to prevent significant adverse consequences that may result.

As discussed in Sections III.A and B above, the Agreement provides affordable high-speed broadband services to low-income Californians for a five-year period and caps post-merger Charter's promotional pricing for a three-year period. In addition, the Agreement includes consumer outreach commitments designed to increase awareness and

participation in low-income broadband programs. If adopted, these provisions of the Agreement ensure that the Joint Application satisfies Section 854 (b)(1), which requires that the Joint Application provide short-term and long-term economic benefits to customers. Moreover, these provisions ensure that the Joint Application will satisfy Section 854(c)(6), which requires that the transaction will be beneficial on an overall basis to state and local economies and the communities served by the post-merger company.

Section 854 (c)(8) requires mitigation measures to prevent significant adverse consequences that may result from the Joint Application. As discussed in Section III.B above, the cap on post-merger Charter’s promotional pricing helps mitigate the risk of higher broadband prices in less competitive areas of California. Moreover, the new affordability requirements that Charter commits to provide through the Agreement will mitigate affordability concerns. Taken as a whole, the terms of the Agreement are in the public interest and satisfy the requirements of Section 854.

B. The Agreement advances achievement of the Commission’s Environmental and Social Justice Goal 3.4 to provide access to essential communications services at affordable rates.

The Agreement ensures that the Joint Application provide meaningful benefits to ESJ communities. The Commission includes low-income households among the ESJ communities that the Commission aims to support through its policy and programs.⁴² The Commission’s ESJ Action Plan includes Goal 3.4, which sets forth the objective to “[e]nsure implementation of new investments that offer ESJ communities’ access to essential communications services at affordable rates.”⁴³ As discussed in Section III.A above, the Agreement provides affordable high-speed broadband services to low-income Californians for a five-year period, thereby providing access at substantially lower prices than currently available to Charter customers.⁴⁴ These benefits are aimed directly at

⁴² *Environmental & Social Justice Action Plan*, Version 2.0, April 7, 2022 at 2.

⁴³ *Environmental & Social Justice Action Plan*, Version 2.0, April 7, 2022 at 24.

⁴⁴ See Attachment A for the comparison of broadband prices for low-income customers before and post-merger.

benefitting low-income consumers, who can qualify for the New California LifeLine Service Tiers through enrollment in the LifeLine Pilot, or by showing enrollment in a list of state and federal assistance programs to access the Non-LifeLine Service Tier.⁴⁵ Thus, the Agreement directly advances the Commission's stated goal of providing communications services to ESJ communities at affordable rates.

In addition, Cal Advocates' analysis found that broadband providers generally charge higher promotional prices in less competitive areas, such as locations with no or only one gigabit-capable broadband provider.⁴⁶ As discussed in Section II.B above, the promotional pricing protections included in the Agreement help protect vulnerable customers in low-competition areas from excessive pricing disparities. These protections would therefore also directly benefit ESJ communities located in less competitive broadband markets by ensuring that the prices they face vary no more than \$15 above pricing in competitive areas, thus advancing the Commission's ESJ Action Plan Goal 3.4. These benefits also are expected to expand broadband access to low-income consumers, making it easier for them to participate and engage with the Commission's processes and make their voices heard. For these reasons, the Agreement advances the Commission's ESJ Action Plan goals and should be adopted.

C. The Agreement will not harm public safety.

Cal Advocates carefully evaluated the Joint Application's potential impact on public safety in response to the Scoping Ruling. Cal Advocates noted in its testimony that both Charter and Cox provide mobile voice telephone service through a hybrid mobile virtual network operator (Hybrid-MVNO) model, which currently exists in a gap in Commission service quality regulations.⁴⁷ Cal Advocates maintains its concern with this regulatory gap. The Agreement acknowledges this issue by confirming that the

⁴⁵ Agreement at paragraph 5.

⁴⁶ Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 Cal Advocates' Competitive Report, at 4.

⁴⁷ See generally, Exh. Cal Adv-04, *Direct Testimony of Joshua Srago on Public Safety*.

service quality rules applicable to wireless voice services are an “outstanding question.”⁴⁸ The Agreement notes Charter and Cal Advocates’ consensus that the question of what service quality rules are applicable to MNOs and MVNOs will be appropriately addressed in a generally applicable rulemaking, rather than a proceeding limited to two companies.⁴⁹

This approach is reasonable, because there are presently multiple proceedings in which the Commission may resolve this issue and apply it to the whole market, rather than only to post-merger Charter. The Commission has initiated Rulemaking 26-02-017, *Order Instituting Rulemaking Proceeding to Consider Service Quality Rules for Wireless Carriers*, which will consider applicable service quality standards for wireless voice service.⁵⁰ In addition, in the separate Rulemaking 25-07-014, *Order Instituting Rulemaking to Update Communications Emergency Preparedness and Network Resiliency Program*, the Commission is considering potential modifications to existing network resiliency requirements applicable to communications service providers.⁵¹ This proceeding will evaluate and identify strategies in connection with the backup power requirements, including network redundancy; network hardening; installing temporary facilities during emergencies (restoration); communication and coordination with other utilities, emergency responders, and the public; and preparedness planning with qualified staff.⁵²

Together, these two proceedings will establish regulatory requirements applicable to post-merger Charter’s mobile offerings and will establish and ensure compliance with public safety and network resiliency obligations. The Agreement confirms that these

⁴⁸ Agreement at paragraph 16.

⁴⁹ Agreement at paragraph 16.

⁵⁰ Rulemaking 26-02-017, *Order Instituting Rulemaking Proceeding to Consider Service Quality Rules for Wireless Carriers*, February 26, 2026.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M601/K572/601572628.PDF>

⁵¹ Rulemaking 25-07-014, *Order Instituting Rulemaking to Update Communications Emergency Preparedness and Network Resiliency Program*, July 24, 2025.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M575/K209/575209768.PDF>

⁵² Order Instituting Rulemaking 25-07-014, at 3.

questions should be resolved in a generally applicable, statewide rulemaking.⁵³ Accordingly, the Commission’s ongoing rulemaking proceedings provide the appropriate regulatory framework to address these broader public safety and network resiliency issues relating to MNO and MVNO providers, and Cal Advocates recommends that these questions should be resolved on a state and market wide basis through those proceedings rather than applying a distinct set of rules to the particular Applicants of this Joint Application.

V. CONCLUSION

The Agreement provides substantial benefits to Californian consumers, including affordable high-speed broadband services for low-income customers, consumer outreach commitments designed to improve participation in low-income broadband programs, and protections against excessive promotional pricing disparities. The delivery of these benefits through the Agreement will ensure that the Proposed Transaction is in the public interest and satisfies the applicable requirements of Section 854. Moreover, the Agreement advances the goals of the Commission’s ESJ Action Plan to provide affordable and high-quality communications services and will not negatively impact public safety. Therefore, Cal Advocates respectfully requests that the Commission adopt the Agreement as a condition of approval for the Joint Application.

Respectfully submitted,

/s/ NOAH STID
Noah Stid
Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-1949
E-mail: Noah.Stid@cpuc.ca.gov

May 22, 2026

⁵³ Agreement at paragraph 16.

Attachment A: Calculation of Consumer Saving for Low-Income Customers

		Charter Service Area	100 Mbps	500 Mbps
Inputs	A	Charter current rack rate ¹	\$50	\$80
	B	Charter current promotional pricing for year one ²	\$30	\$50
	C	Settlement Agreement pricing for New California LifeLine Service Tiers	\$20	\$50
	D	LifeLine Broadband Pilot Program subsidy	\$20	\$20
Settlement Scenario	$E = (C-D)*60$ months	Cost to consumer to enroll in New California LifeLine Service Tiers, with LifeLine subsidy applied, over 5 years	\$0	\$1,800
Customer Scenario 1	$F = A*60$ months	Cost to consumer pre-settlement to subscribe at rack rate over 5 years	\$3,000	\$4,800
	$G = F - E$	Savings: Settlement Scenario vs Customer Scenario 1	\$3,000	\$3,000
Customer Scenario 2	$H = F - (D*60)$	Cost to consumer pre-settlement to subscribe at rack rate, with LifeLine subsidy applied, over 5 years	\$1,800	\$3,600
	$I = H - E$	Savings: Settlement Scenario vs Customer Scenario 2	\$1,800	\$1,800
Customer Scenario 3	$J = (B*12) + (A*48)$	Cost to consumer pre-settlement to subscribe at promotional pricing for 1 year and rack rate for 4 years	\$2,760	\$4,680

¹ Exh. Cal Adv-03, *Direct Testimony of Elizabeth Louie on Low-Income Broadband Affordability*, Exhibit A-2 Charter Response to Cal Advocates Data Request 02 - Confidential Attachment 1-A.

² Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 Cal Advocates' Competitive Report, Table 2 at 13-14.

	$K = J - E$	Savings: Settlement Scenario vs Customer Scenario 3	\$2,760	\$2,880
--	-------------	--	----------------	----------------

		Cox Service Area	100 Mbps	500 Mbps
Inputs	A	Cox current rack rate ³	\$50	\$90
	B	Cox current Connect2Compete rate ⁴	\$9.95	--
	C	Settlement Agreement pricing for New California LifeLine Service Tiers	\$20	\$50
	D	LifeLine Broadband Pilot Program subsidy	\$20	\$20
Settlement Scenario	$E = (C-D)*60$ months	Cost to consumer to enroll in New California LifeLine Service Tiers, with LifeLine subsidy applied, over 5 years	\$0	\$1,800
Customer Scenario 1	$F = A*60$ months	Cost to consumer pre-settlement to subscribe at rack rate over 5 years	\$3,000	\$5,400
	$G = F - E$	Savings: Settlement Scenario vs Customer Scenario 1⁵	\$3,000	\$3,600
Customer Scenario 2	$H = F - (D*60)$	Cost to consumer pre-settlement to subscribe to Connect2Compete over 5 years	\$597	--

³ Exh. Cal Adv-03, *Direct Testimony of Elizabeth Louie on Low-Income Broadband Affordability*, Exhibit A-6: CEI Objections and Responses PAO DR 1 CONFIDENTIAL, Attachment 1-8.

If incorporating Cox's mandatory \$15 monthly fee for Panoramic Wifi, the "rack rates" rise to \$65 and \$105, respectively. See Cox Wifi FAQs, "Why am I required to rent the Panoramic Wifi Gateway?" at: <https://www.cox.com/residential/internet/wifi.html>, and pricing at <https://www.cox.com/static/rc-new/520-3368-RC-SD.pdf>.

⁴ Exh. Cal Adv-03, *Direct Testimony of Elizabeth Louie on Low-Income Broadband Affordability*, Exhibit A-6: CEI Objections and Responses PAO DR 1 CONFIDENTIAL, Attachment 1-8.

⁵ If incorporating the mandatory Panoramic Wifi fee into the rack rate, as discussed in footnote 4, the savings over the 5-year term rises to \$3,900 and \$4,500 respectively.

	I = H - E	Savings: Settlement Scenario vs Customer Scenario 2	\$597	--
--	-----------	--	--------------	----

Attachment B: Calculation of Consumer Savings from the Promotional Pricing Cap

	Charter Service Area	100 Mbps	500 Mbps	1 Gbps
A	Charter's current promotional price in less competitive areas ¹	\$30	\$50	\$70
B	Charter's current promotional price in competitive areas ²	\$30	\$50	\$40
C = A - B	Difference between Charter's promotional prices in less competitive areas and its promotional prices in competitive areas	\$0	\$0	\$30
D	Maximum allowed \$15 (Settlement Agreement)	\$15	\$15	\$15
E = C - D	Monthly savings per customer	\$0	\$0	\$15
F	Locations currently served by Charter as sole gigabit-capable provider of 2,119,162 plus overlap locations that Charter would become sole gigabit-capable provider locations of 12,320 post-merger ³	2,131,482		
G = E * F	Monthly savings for locations where Charter is the sole gigabit-capable provider	0	0	\$31,972,230
H = G * 12 months	Annual savings for locations where Charter is the sole gigabit-capable provider	\$0	\$0	\$383,666,760

¹ Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 *Broadband Competition and Pricing Strategies in California's Urban Markets*, January 14, 2026 (Cal Advocates' Competitive Report), Table 2 at 13-14. <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/reports-and-analyses/260114-public-advocates-broadband-competition-and-pricing-strategies-in-california-urban-markets.pdf>

² Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 Cal Advocates' Competitive Report, Table 2 at 13-14.

³ Exh. Cal Adv-01, *Direct Testimony of Bixia Ye on Broadband Availability and Financial Condition*, at 1-3 and Table 1-1 at 1-4.

	Cox Service Area	300 Mbps	500 Mbps	1 Gbps
a	Cox's current promotional price in less competitive areas ⁴	\$50	\$70	\$90
b	Cox's current promotional price in competitive areas ⁵	\$50	\$60	\$70
c = A	Post-merger capped promotional prices under the Settlement Agreement	\$30	\$50	\$70
d = B	Post-merger, Cox's promotional prices in competitive areas ⁶	\$30	\$50	\$40
e = a - d	Difference between Cox's current promotional prices in less competitive areas and post-merger promotional prices in competitive areas	\$20	\$20	\$50
f	Maximum allowed \$15 (Settlement Agreement)	\$15	\$15	\$15
g = e - f	Monthly savings per customer	\$5	\$5	\$35
h	Locations currently served by Cox as sole gigabit-capable provider ⁷	504,937		
i = g * h	Monthly savings for locations where Cox is the sole gigabit-capable provider	\$2,524,685	\$2,524,685	\$17,672,795
j = i * 12 months	Annual savings for locations where Cox is the sole gigabit-capable provider	\$30,296,220	\$30,296,220	\$212,073,540

	Charter and Cox Service Areas	100-300 Mbps	500 Mbps	1 Gbps
H + j	Range of Total Annual Savings for combined areas	\$30,296,220	\$30,296,220	\$595,740,300

⁴ Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 Cal Advocates' Competitive Report, Table 2 at 13-14.

⁵ Exh. Cal Adv-08, *Exhibits to the Direct Testimony of Bixia Ye*, Exhibit D-14 Cal Advocates' Competitive Report, Table 2 at 13-14.

⁶ As determined by using Charter's current promotional price in **competitive** areas.

⁷ Exh. Cal Adv-01, *Direct Testimony of Bixia Ye on Broadband Availability and Financial Condition*, Table 1-1 at 1-4.

