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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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).	Application 25-07-016

JOINT APPLICANTS' REPLY COMMENTS IN SUPPORT OF SETTLEMENT AGREEMENTS

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Pursuant to Rule 12.2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure ("Rules"), Joint Applicants[1] submit these Reply Comments in response to comments filed on the Cal Advocates Settlement and the CETF Settlement (collectively, the "Settlement Agreements").[2] The Settlement Agreements are the product of arm's-length negotiations between parties with deep knowledge of California's communications landscape and the concerns of voice, internet, and mobile customers, with concrete, enforceable commitments that will provide substantial benefits to California consumers. Joint Applicants respectfully urge the Commission to adopt both without modification.

I. INTRODUCTION

For nearly four decades, the Commission has consistently reiterated "that there is 'a strong public policy favoring settlement of disputes'" that are "'fair and reasonable in light of the whole record.'"[3] Well-settled precedent clearly articulates how the Commission reaches this

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[1] Charter Communications, Inc., Charter Communications Holdings, LLC, Cox Enterprises, Inc., and Cox California Telcom, LLC (collectively, the "Joint Applicants") submitted Application 25-07-016 requesting Commission approval pursuant to Public Utilities Code Section 854 of the indirect transfer of control of Cox California Telcom, LLC (U-5684-C) to Charter (the "Transfer"). Cox California is an indirect subsidiary of Cox Communications, Inc. ("Cox"), and in turn, Cox Enterprises, Inc. ("CEI").

[2] The "Cal Advocates Settlement" refers to the Joint Motion of Charter Communications, Inc. ("Charter") and the Public Advocates Office for Adoption of Settlement Agreement. The "CETF Settlement" refers to the Joint Motion of Charter and the California Emerging Technology Fund ("CETF") for Adoption of Settlement Agreement. Cal Advocates, CETF, and Charter are referred to collectively as the "Settling Parties." *See* Joint Motion of Charter Communications, Inc. and Public Advocates Office for Adoption of Settlement Agreement, Exhibit 1, A.25-07-016 (filed Apr. 30, 2026); Joint Motion of Charter Communications, Inc. and California Emerging Technology Fund for Adoption of Settlement Agreement, Exhibit 1, A.25-07-016 (filed Apr. 30, 2026).

[3] *Application of Pac. Gas & Elec. Co. (U39-M) for Authorization, Among Other Things, to Increase Rates & Charges for Elec. & Gas Serv. Effective on Jan. 1, 2007* (2007) D.07-11-018 at 6 (quoting *In re the Application of S. Cal. Gas Co. (U904G) for Auth. to Increase its Gas Revenue Requirements to Reflect its Accomplishments for Demand-Side*

determination, recognizing that the Commission does not review "the minutiae of the parties' positions,"[4] and that, although the Commission "consider[s] individual settlement provisions" in its assessment of settlements, "in light of strong public policy favoring settlements, [it] do[es] not base [its] conclusion on whether any single provision is the optimal result."[5] Indeed, the Commission has even clarified that it "*need not find* that each separate term of a settlement meets the Commission's standards for approval of a settlement; the focus of settlement analysis is on whether the settlement as a whole can be found to meet the Rule 12.1(d) requirements;"[6] and that, when reviewing a settlement agreement, "the issue becomes the reasonableness and public interest value of that settlement, and whether it is within a range of possible outcomes."[7] Requiring all factual issues to be litigated is contrary to the Commission's strong interest in encouraging settlements.[8] The Commission has long maintained that it must "resist the temptation to alter results of a good faith negotiation process" because "parties will legitimately grow wary" of the Commission's settlement process if it "alter[s] settlements as a matter of course."[9]

Mgmt. Program Year 1994 and 1997, and Low-Income Program Years 2002 and 2003 in the 2004 Annual Earnings Assessment Proceeding ("AEAP") (2005) D.05-10-041 at 47); *Application of Pac. Gas & Elec. Co. for Authority to Revise its Gas Rates and Tariffs Effective April 1, 1991, Pursuant to Decision Nos. 87-12-039, 89-01-040, 89-05-073, and 90-04-021. Gas (U 39 G)* (1991) D.91-05-029, 1991 Cal. PUC LEXIS 254; *Application of Pac. Gas & Elec. Co., for Authorization to Establish a Rate Adjustment Procedure for Its Diablo Canyon Nuclear Power Plant; to Increase Its Electric Rates to Reflect the Costs of Owning, Operating, Maintaining and Eventually Decommissioning Units 1 and 2 of the Plant; and to Reduce Electric Rates Under Its Energy Cost Adjustment Clause and Annual Energy Rate to Reflect Decreased Fuel Expenses*, (1988) D.88-12-083, 1988 Cal. PUC LEXIS 886.

4 *Order Instituting Investigation into the Ratemaking Implications for Pac. Gas & Elec. Co. (PG&E) Pursuant to the Commission's Alternative Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for PG&E* (2003), D.03-12-035, at 21.

5 *Application of S. Cal. Edison Co. (U338E) for Authority to Recover Costs Related to the 2018 Thomas Fire and 2018 Flow Events* (2025) D.25-01-042, at 9 (citing *Application of Pac. Gas & Elec. Co. to Revise its Electric Marginal Costs, Revenue Allocation, and Rate Design* (2012) D.12-03-015, at 19).

6 *Order Instituting Investigation on the Commissions Own Motion into the Operations & Pracs. of S. California Gas Co. with Respect to the Aliso Canyon Storage Facility & the Release of Nat. Gas, & Order to Show Cause Why S. California Gas Co. Should Not Be Sanctioned for Allowing the Uncontrolled Release of Nat. Gas from Its Aliso Canyon Storage Facility. (U90Gg)* (2023) D. 23-09-002, at 27 (emphasis added).

7 *Order Instituting Investigation on the Comm'n's Own Motion into the Maint., Operations and Pracs. of Pac. Gas & Elec. Co. (U39E) with Respect to its Elec. Facilities; and Order to Show Cause Why the Comm'n Should not Impose Penalties and/or Other Remedies for the Role PG&E's Elec. Facilities had in Igniting Fires in its Service Territory in 2017* (2020) D.20-12-015, at 22.

8 *Id*. at 20.

9 *Application of the S. Cal. Edison Co. (U 338-E) for: (1) Auth. to Increase Its Energy Cost Adjustment Billing Factor, Increase Its Annual Energy Rate, and Increase Its Elec. Revenue Adjustment Billing Factor Effective June 1, 1988; (2) Auth. to Implement Modifications to its Energy Cost Adjustment Clause as More Specifically Set Forth in this Application; (3) Auth. to Revise the Incremental Energy Rate, the Energy Reliability Index, and Avoided Cost Pricing;*

When a settlement "resolves the settled issues in a reasonably balanced way [that] reflects a package of compromises"[10] by the settling parties and the Commission has determined the "overall effect" of a settlement is "fair, reasonable and in the public interest,"[11] Commission precedent unambiguously weighs strongly in favor of approving the settlement without modification.[12]

The Settlement Agreements are incontrovertibly fair and reasonable in light of the whole record.[13] Indeed, the Settling Parties have resolved outstanding issues in a fair and appropriate manner; the affordability commitments *alone* are expected to save eligible low-income consumers in the Combined Company Service Area[14] *over $1.3 billion* in estimated internet service costs,[15] and the statewide promotional pricing commitments *alone* are expected to save California consumers *approximately $596 million annually*.[16] These affordability commitments are further enhanced by Charter's commitment to invest hundreds of millions of dollars in California,

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(4) Review of the Reasonableness of Edison's Operations During the Period Dec. 1, 1986 through Nov. 30, 1987; and (5) Review of the Reasonableness of Edison Payments to Qualifying Facilities Under Nonstandard Contracts During the Period Dec. 1, 1984 through Nov. 30, 1987; And Related Matters (1993) (1993) D.93-03-21, 1993 Cal. PUC LEXIS 161 at *33.

[10] *In re the Application of Cal. Water Serv. Co. (U60W), a Cal. Corp., for an Order (1) Authorizing it to Increase Rates for Water Serv. by $80,484,801 or 11.1% in Test Year 2023, (2) Authorizing it to Increase rates on January 1, 2024 by $43,582,644 or 5.4%, and (3) Authorizing it to Increase Rates on January 1, 2025 by $43,197,258 or 5.1% in Accordance with the Rate Case Plan, and (4) Adopting other Related Rulings and Relief Necessary to Implement the Comm'n's Ratemaking Policies* (2024) D.24-03-042, at 22.

[11] *Application of S. Cal. Edison Co. (U338E) for Authority to Recover Costs Related to the 2018 Thomas Fire and 2018 Flow Events* (2025) D.25-01-042, at 36.

[12] *See, e.g.*, *Pac. Gas and Elec. Co. (U39M) for Recovery of Recorded Expenditures Related to Wildfire Mitigation and Catastrophic Events, as well as Other Recorded Costs* (2023) D 23.02.017 at 3, 16, 31 (finding settlement met 12.1(d) standard and adopting settlement without modification despite opposition from several parties); *Application of S. Cal. Edison Co. (U338E) for Approval of 2014-2018 Econ. Dev. Rates* (2015) D.15-04-006 at 12, 14-15 (finding settlement met 12.1(d) standard and adopting settlement without modification even when the litigation positions of "all interest groups are not accommodated").

[13] Rule 12.1(d), California Public Utilities Commission Rules of Practice and Procedure; *see also Application of PacifiCorp (U901E) for Approval of its 2017 Transp. Electrification Programs* (2018) D.18-09-034, at 12; *Application of S. Cal. Edison Co. (U338E) for Applying the Mkt. Index Formula and As-Available Capacity Prices Adopted in D.07-09-040 to Calculate Short-Run Avoided Cost for Payments to Qualifying Facilities Beginning July 2003 and Associated Relief* (2010) D.10-12-035 at 26.

[14] As in the Settlement Agreements, for purposes of these Reply Comments, the term "Combined Company Service Area" shall mean the combined geographic service area of Charter and Cox and their respective California subsidiaries, where they have wireline infrastructure and provide broadband, video, voice, and mobile services today. *See* CETF Settlement at 3-4 & n.5.

[15] Opening Brief of the Public Advocates Office ("Cal Advocates Opening Brief") at 5-6 (May 22, 2026).

[16] *Id.* at 9, Attachment B.

including at least $275 million to upgrade its California network to offer gigabit symmetrical speeds throughout the Charter footprint;[17] $30 million in California digital inclusion initiatives;[18] $5 million to provide loans to undercapitalized small business institutions in predominantly Environmental and Social Justice ("ESJ") California communities;[19] $2 million to expand its VetConnect Program to two additional California military bases;[20] and $1.5 million on advertising, outreach, and related marketing efforts to inform California consumers about the availability of these new low-income tiers,[21] as well as the many "concrete, measurable and enforceable obligations" that are "supported by deployment milestones, reporting requirements, annual accountability measures, performance guarantees, and consumer protection reforms."[22]

As the Commission has *also* made clear, a party's "desire for more information about a provision in the Settlement Agreement does not constitute a contested factual issue."[23] This is because Rule 12 expressly requires comments to "specify the portions of the settlement that the party opposes, the legal basis of its opposition, and the factual issues that it contests,"[24] *i.e.*, to ensure that settlement comments raise objections to specific provisions of the settlement agreement, *not* to litigate issues outside of the settlement or advocate for broader policy preferences.[25] The comments submitted by The Utility Reform Network ("TURN"), the Center

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[17] CETF Settlement, Exhibit 1 at 8.

[18] *Id.* at 6.

[19] *Id.* at 12.

[20] *Id.* at 14.

[21] Opening Brief of the California Emerging Technology Fund ("CETF Opening Brief") at 5, 17, 22 (May 22, 2026); Cal Advocates Opening Brief at 3-7.

[22] CETF Opening Brief at 7.

[23] *Investigation on the Comm'n's Own Motion into the Operations and Pracs. of S. Cal. Edison Co., Cellco P'ship LLP d/b/a Verizon Wireless, Sprint Commc'ns Co. LP, NextG Networks of Cal., Inc. and Pac. Bell Tel. Co. d/b/a AT&T Cal. and AT&T Mobility LLC, Regarding the Utility Facilities and the Canyon Fire in Malibu of October 2007* (2012) D.12-09-019, at 30.

[24] Rule 12.2, California Public Utilities Commission Rules of Practice and Procedure.

[25] *See, e.g.*, *Application of S. Cal. Edison Co. (U338E) for Authority to Recover Costs Related to the 2018 Woolsey Fire Recorded in the Wildfire Expense Memorandum Account and Catastrophic Event Memorandum Account* (2025) D.25-12-023, at 34-35 ("Under Rule 12.1(d), the issue presently before the Commission is whether the Settlement Agreement is 'reasonable in light of the whole record, consistent with law, and in the public interest,' not whether [the party] has met its burden of proof under a fully litigated case. To this point, the Commission has explained that '[W]e do not convert our settlement review into a full scale mini-hearing on the merits of the case.'" (citing *Order Instituting*

for Accessible Technology ("CforAT"), the National Institute for Workers' Rights ("NIWR"), and the Joint Advocates[26] (collectively, the "Non-Settling Intervenors") do precisely the latter. At bottom, Non-Settling Intervenors take the untenable position that the Commission should reject the Settlement Agreements unless it adds conditions that are completely unnecessary and unjustified or entirely unrelated to the terms of the Settlement Agreements. CforAT alone also requests that the Commission hold evidentiary hearings on the settlements based on manufactured disputes of fact that, as discussed below, are either entirely divorced from the Commission's precedent on settlement review or do not exist at all.

The Settlement Agreements and the Transfer satisfy the Commission's standards for settlements and provide significant public benefits while resolving contested issues between the Settling Parties. Non-Settling Intervenors identify no genuine contested issue of material fact; parties have submitted extensive pre-filed testimony, discovery, and cross-examination on each topic addressed in the Settlement Agreements. Holding a settlement hearing would not merely be unnecessary and wasteful of limited Commission resources, it would be harmful to Joint Applicants, the Transaction,[27] and Californians who stand to benefit.[28] Although the Non-Settling Intervenors may "desire for more information about a provision in the Settlement Agreement," this "does not constitute a contested factual issue."[29] There is "no requirement that every underlying factual issue be resolved prior to approving a settlement,"[30] and, in any case, the evidentiary record in this proceeding is robust and already complete. The established record amply demonstrates the reasonableness and public interest benefit of the Settlement Agreements and exceeds what is needed to support approval without modification here.

Investigation into the Operations and Pracs. of the S. Cal. Gas Co., Concerning the Accuracy of Information Supplied to the Comm'n in Connection with its Montebello Gas Storage Facility (2000) D.00-09-034 at 20)).

[26] When discussing settlement comments, the "Joint Advocates" include the following parties: California Alliance for Digital Equity ("CADE"), Digital Equity Los Angeles ("DELA"), Media Alliance, East Bay Broadband Consortium ("EBBC"), and Fresno Coalition for Digital Inclusion ("FCDI"). CforAT joined these parties on their briefs, and is included in the definition of "Joint Advocates" in citations to those documents.

[27] The Transfer is part of a larger national transaction announced on May 16, 2025, between Charter, Charter Holdings, and CEI that will result in a combination of Charter and Cox under common ownership (the "Transaction").

[28] *See* Response to Administrative Law Judge Inquiry ("Response to Fourth ALJ Inquiry") at 5-11 (Feb. 17, 2026).

[29] D.12-09-019 at 30.

[30] D.20-12-015, at 20.

II. THE SETTLEMENT AGREEMENTS SATISFY THE COMMISSION'S STANDARD UNDER RULE 12.

The Commission evaluates the Settlement Agreements under Rule 12.1(d) to ensure they are (1) reasonable in light of the whole record, (2) consistent with law, and (3) in the public interest.[31] The Commission has long recognized a strong public policy preference in favor of settlements "because they generally support worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results."[32] Even where a genuine dispute exists, which is not the case here, the appropriate standard of review is whether such a settlement "generally balances the various interests at stake, not whether it reflects a reasonable accommodation of the litigation positions of all parties. Such an outcome would defeat the purposes of a settlement and would hinder negotiations."[33]

Further, Commission precedent weighs in favor of settlements where the parties have, as the Settling Parties do here, a "sound and thorough understanding of the application, and all the underlying assumptions and data included in the record."[34] The Settling Parties "are sophisticated parties" that have "extensive experience and expertise"[35] with Commission review of telecommunications transactions. The Settling Parties also "fairly represent the interests of the public affected by the Application."[36] Indeed, Cal Advocates is "the only State entity charged with

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[31] Rule 12.1(d), California Public Utilities Commission Rules of Practice and Procedure. Although the substantive terms and conditions of any particular settlement are not precedent under Rule 12.5, Commission decisions, including those approving settlements, including contested settlements, *are* in fact precedential. These precedential Commission decisions inform the applicable standards for reviewing proposed settlements under Rule 12.1(d), evaluating when settlement hearing requests should be denied under Rule 12.3. Moreover, they demonstrate the strong public policy favoring settlement reflected in decades of Commission decisions. The Commission's settlement jurisprudence is precedential in the ordinary sense; only the negotiated terms of any particular settlement are not.

[32] *See* D.10-12-035 at 58 (quoting *In re the Application of Golden State Water Co. (U133W) for Auth. to Implement Corrective Measures for Water Quality and Fluoridate the Water in the Bay Point Customer Serv. Area and to Increase Rates by $611,669 or 9.90% in Year 1, $609,588 or 9.86% in Year 2 and $25,739 or 0.42% in Year 3* (2010) D.10-06-031 at 12).

[33] D.07-11-018 at 7-8.

[34] *Application of S. Cal. Edison Co. (U338E) for Auth. to Recover Costs Related to the 2017 Thomas Fire and 2018 Debris Flow Events Recorded in the Wildfire Expense Memorandum Account and Catastrophic Event Memorandum Account* (2025) D.25-01-042 at 10.

[35] *Application of S. Cal. Edison Co. (U338E) for Auth. to Recover Costs Related to the 2018 Woolsey Fire Recorded in the Wildfire Expense Memorandum Account and Catastrophic Event Memorandum Account* (2025) D.25-12-023 at 33.

[36] D.25-12-023 at 33.

helping ensure Californians are represented at the California Public Utilities Commission and in other forums,"[37] and it routinely participates in Commission proceedings on behalf of Californians. Over the last two decades, CETF has helped California play a leading role in advancing broadband infrastructure deployment and closing the digital divide for low-income Californians, with a network of more than 100 grantees that have helped to deliver digital literacy training to more than 800,000 California residents and got 250,000 low-income households in California online.[38] The record in this proceeding is robust, and the Settlement Agreements were proposed "after development of the evidentiary record with extensive prepared testimony."[39] The Settling Parties "have a sound and thorough understanding of the [A]pplication and all the underlying assumptions and data included in the record."[40]

As demonstrated below, the Settlement Agreements satisfy each of Rule 12.1(d)'s criteria. They are the product of extensive negotiations and reflect fair, reasonable compromises on central issues in this proceeding. They contain no terms that conflict with any applicable statute, Commission decision, or General Order, and they deliver measurable, enforceable public interest benefits to California consumers, many of which would not materialize absent approval of the Transfer.

A. The Settlement Agreements are reasonable in light of the whole record.

As the Commission has recognized, public policy strongly favors settlement of disputes "if they are fair and reasonable in light of the whole record."[41] As a practical matter, the Commission asks whether a settlement reaches a reasonable result as weighed against the "significant risk, expense, complexity, and length of further proceedings."[42] The Commission does *not* decide "whether any single provision is the optimal result," but instead determines "whether the

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[37] *About: Our Work*, The Public Advocates Office, https://www.publicadvocates.cpuc.ca.gov/about (last visited June 16, 2026).

[38] *See About Us*, CETF, https://www.cetfund.org/about-us/ (last visited June 15, 2026); *Action and Results*, CETF, https://www.cetfund.org/action-and-results/ (last visited June 16, 2026).

[39] D.25-12-023 at 33.

[40] *Id*.

[41] *See supra*, note 3.

[42] *See* D.23-09-002 at 14 (quotation marks omitted).

settlement as a whole produces a just and reasonable outcome."[43] Rather than reviewing "the minutiae of the parties' positions," the Commission "consider[s] the overall effect of the settlement" to "ensure that the overall end result is just and reasonable" as is the case here.[44] As such, "reasonableness" is evaluated based on the settlement as a whole, not on a provision-by-provision basis.[45]

During the settlement process, the Settling Parties worked together to compromise and develop solutions that represent a balance of interests and reflect the constituencies the Settling Parties represent, and the record in this proceeding additionally shows that the Settling Parties considered the interests of all affected entities, including non-party entities such as affected customers and California consumers.[46] As a result, after extensive review of the record and substantial negotiations, the Settling Parties reached agreements that resolve the issues CETF and Cal Advocates raised regarding the Transfer, consistent with the Commission's strong preference for parties to address contested issues through good-faith negotiations and mutually satisfactory compromise,[47] and the specific encouragement of both the Assigned Commissioner[48] and the Administrative Law Judge ("ALJ") in this proceeding.[49] These commitments flow directly from, and respond to, the extensive evidentiary record developed in this proceeding.

Accordingly, the Settlement Agreements "represent[] a compromise between the litigation positions of the diverse settling parties and falls within the range of possible outcomes of the

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[43] *Application of S. Cal. Edison Co. (U338E) for Authority to Recover Costs Related to the 2018 Thomas Fire and 2018 Flow Events* (2025) D.25-01-042, at 9-10 (citing *Application of Pac. Gas & Elec. Co. to Revise its Electric Marginal Costs, Revenue Allocation, and Rate Design* (2012) D.12-03-015, at 19).

[44] *Application of S. Cal. Edison Co. (U338E) for Authority to Recover Costs Related to the 2018 Thomas Fire and 2018 Flow Events* (2025) D.25-01-042, at 36 (internal quotation marks and citation omitted).

[45] *See* D.07-03-044 at 13 ("The purpose of our issue-by-issue review is not to second guess the Settlement outcome for every individual issue, but to assess whether the Settlement as a whole is reasonable in light of the entire record, consistent with applicable law, and in the public interest.").

[46] *See* Transcript of Evidentiary Hearing, A.25-07-016 (Apr. 22, 2026) ("Tr. Vol. 7") (McPeak) at 853:8-894:5; Transcript of Evidentiary Hearing, A.25-07-016 (Apr. 23, 2026) ("Tr. Vol. 8") (Brevitz) at 920:1-982:25.

[47] *See* CETF Settlement Agreement at 6; Cal Advocates Settlement Agreement at 3.

[48] *See* Joint Applicants' Post-Hearing Opening Brief ("Joint Applicants' Opening Brief") at 6 & n.23 (May, 22, 2026).

[49] *See id.* n.24.

consolidated proceedings, if litigated further."[50] For example, Non-Settling Intervenors have, throughout this proceeding, requested that the Commission impose requirements on the pricing of the broadband services offered by Charter's non-utility affiliates, both with respect to the pricing of low-income offerings and with respect to the promotional pricing that Charter offers to new customers.[51] Joint Applicants, in turn, have disputed both the necessity of these requirements and the Commission's authority to impose requirements that regulate the rates, terms, and conditions of services offered by non-utility affiliates in California. *At minimum*, the Commission's authority to impose such conditions on Charter's non-utility affiliates is a contested issue that could lead to further litigation, both within this proceeding and through subsequent judicial review.[52] The Settlement Agreements represent a reasonable compromise for resolving these disagreements, and Charter's *voluntary* commitments therein—even to the extent those commitments do not exhaustively reflect the litigation position of all parties in the proceeding—eliminate further litigation risk regarding the extent of the Commission's authority to impose such conditions *involuntarily*. Not only does this eliminate the risk of subsequent litigation, it secures defined, concrete, and specific affordable pricing commitments for all of the combined company's post-close broadband customers, indicating it represents a significant public benefit.

Modifying the Settlement Agreements as requested by the Non-Settling Intervenors would upset the negotiated balance of interests without any countervailing benefits for customers. More fundamentally, for all of the reasons discussed below, further modification is neither needed nor appropriate.

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[50] *Order Instituting Investigation on the Comm'n's Own Motion into the Rates, Operations, Pracs., Servs. & Facilities of S. Cal. Edison Co. & San Diego Gas & Elec. Co. Associated with the San Onofre Nuclear Generating Station Units 2 & 3* (2014) D.14-11-040, at 109.

[51] *See, e.g.*, Opening Brief of the Center for Accessible Technology, California Alliance for Digital Equity, Digital Equity Los Angeles, East Bay Broadband Consortium, and Fresno Coalition for Digital Equity at 40 (May, 22, 2026) ("Joint Advocates' Opening Brief") (requesting the Commission require the combined company to offer a $15/month low-income plan); Opening Brief of The Utility Reform Network ("TURN Opening Brief") at 17 (May 22, 2026) (advocating for five-year price freeze on Charter's low-income offerings).

[52] As the lengthy expert testimony that Cal Advocates submitted in this proceeding underscores, there is significant dispute regarding whether the Commission possesses authority to regulate broadband pricing and any such effort is untested. Reflecting this uncertainty, Cal Advocates' expert himself cabined his analysis to whether price controls could be maintained in areas where companies maintain monopoly power. *See* Opening Testimony of Tejas N. Narechania at 3-4.

B. The Settlement Agreements are consistent with law.

Rule 12 requires the Commission to determine whether a settlement is consistent with law.[53] To make such a determination, the Commission evaluates whether a settlement "contravenes a statute or prior Commission decision."[54] Settlement agreements satisfy this standard where "[t]here is no statutory provision or prior Commission decision that would be contravened or compromised by the Settlement."[55] Neither Settlement Agreement conflicts with any applicable statute, Commission decision, or General Order. Non-Settling Intervenors provide no credible basis under this standard for rejecting the Settlement Agreements, which are consistent with California law and demonstrably advance the Commission's goals under its ESJ Action Plan.[56]

Although CforAT asserts that the Settlement Agreements are not consistent with law regarding "disability equity, racial equity, and supplier diversity," it neither identifies nor explains how any provision in the Settlement Agreements would violate any applicable statute or regulation. Instead, it merely reiterates its opposition to federal administrative and judicial decisions, incorrectly characterizes Charter's commitments related to workforce investments, and asserts that its differing views regarding "best practices in supporting diversity" constitute a disputed issue.[57] TURN likewise contends that the Settlement Agreements will not result in public benefits pursuant to Section 854 of the Public Utilities Code ("Section 854") absent additional conditions suggested by TURN, not because the Settlement Agreements would not provide public benefits, but because TURN speculates that Charter's commitment to participate in the California LifeLine Broadband Pilot Program (the "LifeLine Pilot") *and* any substantially similar successor program could constrain the policy decisions and actions of a future Commission and the California Legislature and preclude adoption of entirely hypothetical *future* changes to the LifeLine Pilot.[58] TURN offers no reasonable explanation of how Charter would constrain future

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[53] Rule 12.1(d), California Public Utilities Commission Rules of Practice and Procedure.

[54] D.18-09-034 at 41.

[55] *Joint Application of Park Water Co. (U314W) and Apple Valley Ranchos Water Co. (U346W) for Authority to Establish an Authorized Cost of Capital for 2013 -2015* (2013) D.13-05-027 at 17.

[56] *See* CETF Settlement at 15-18; Cal Advocates Settlement at 10-11.

[57] CforAT Comments at 2, 14-15.

[58] *See* TURN Cal Advocates Comments at 9-12; TURN CETF Comments at 11-13.

Commission or legislative action, and for good reason: as TURN well knows, Charter has no authority to bind either the Commission or the Legislature and the suggestion that this entirely speculative and unrealistic concern is relevant to the Commission's review of the Settlement Agreements is meritless.

C. The Settlement Agreements contain commitments to bring substantial public interest benefits to California consumers.

When analyzing whether a settlement agreement is in the public interest, the Commission has articulated that its role is to weigh factors, including whether it is "consistent with the Commission's well-established policy of supporting the resolution of disputed matters through settlement, reflects a reasonable compromise between the diverse Settling Parties' positions, and will avoid the time, expense and uncertainty of evidentiary hearings and further litigation,"[59] and generally approves settlements upon finding they meet these factors.

The Settlement Agreements meet all of these factors: they (i) reflect the Settling Parties' diligent effort to craft a robust set of commitments that generates concrete, measurable, and enforceable consumer benefits across the Combined Company Service Area, (ii) represent a comprehensive, negotiated package of commitments, and (iii) when the Transfer is approved, will expeditiously deliver robust public interest benefits to Californians across the Combined Company Service Area,[60] while conserving party and Commission resources by resolving contested issues through mutual agreement.

Joint Applicants incorporate by reference the full explanations of the robust public benefits set forth in the Settlement Agreements,[61] including Charter's commitment to: create and maintain

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[59] D.14-11-040, at 109. Section 854 of the California Public Utilities Code requires Commission approval of any transfer of control of a public utility and directs the Commission to determine whether a proposed transaction is in the public interest. The Joint Applicants maintain that the Transfer, together with the commitments in the Settlement Agreements, satisfies Section 854(a)'s public interest standard and would amply satisfy the additional criteria of Sections 854(b) and (c) to the extent applicable. Joint Applicants reserve their rights with respect to their position that Sections 854(b) and 854(c) should not apply to this Transfer. At this stage, the Settling Parties need only demonstrate that the Settlement Agreements are in the public interest, not that the Transfer overall meets the Section 854 standard. That is the ultimate question of this proceeding.

[60] CETF Opening Brief at 13 (the commitments deliver "significant and concrete public benefits"); Cal Advocates Opening Brief at 3 (the commitments "provide impactful protection . . . to low-income consumers").

[61] In a recently filed and unfounded motion to strike, CforAT seeks to strike from the Joint Applicants' Opening and Reply Briefs all of the public interest analysis related to the commitments in the Settlement Agreements, claiming that discussion of the Settlement Agreements' benefits should be confined to Rule 12 settlement comments. *See* Motion to Strike Portions of Joint Applicants' Post-Hearing Opening Brief and Reply Brief of CforAT ("CforAT Motion to Strike") at 1 (June 9, 2026). Joint Applicants will respond to that motion in full, which will illustrate both the inconsistency of CforAT's position and the illogical outcome that it would produce. Nonetheless, out of surfeit of

four new tiers of service in California (the "New California LifeLine Service Tiers");[62] create and maintain the new standalone non-LifeLine service tier (the "Standalone Non-LifeLine Service Tier");[63] statewide promotional pricing resulting in hundreds of millions of dollars in annual savings for low-income households;[64] continuity of Cox low-income plans;[65] advertising spend to make consumers aware of its new low-income broadband services, including the New California LifeLine Service Tiers and the Standalone Non-LifeLine Service Tier;[66] robust digital inclusion investments;[67] financial investments in California to complete its network upgrades;[68] pursue future broadband grants for unserved and underserved locations if Broadband, Equity, Access, and Deployment ("BEAD") Program funding does not materialize;[69] offer free broadband and public WiFi at anchor institutions;[70] additional and specific marketing and call center training;[71] further foster Tribal community investment and consultations; and additional small business, supplier, and workforce initiatives.[72]

III. THE NON-SETTLING INTERVENORS DO NOT DEMONSTRATE ANY REASON TO REJECT OR MODIFY THE SETTLEMENTS.

Under Rule 12.2, settlement comments are defined and limited to identification of "the portions of the settlement that the party opposes, the legal basis of its opposition, and the factual issues that it contests."[73] The Commission's strong public policy preference favoring settlements also weighs in favor of the Commission's resistance to altering the results of the negotiation

caution, Joint Applicants respectfully incorporate by reference here all portions of their Opening and Reply Briefs subject to CforAT's Motion to Strike. *See* CforAT Motion to Strike, Attachments A & B.

[62] Joint Applicants' Opening Brief at 10-11 (May 22, 2026).

[63] *Id.* at 11-12.

[64] *Id.* at 13; Cal Advocates Opening Brief at 9.

[65] Joint Applicants' Opening Brief at 12.

[66] *Id.* at 12-13.

[67] *Id.* at 13-14.

[68] *Id.* at 14.

[69] *Id.* at 14-15.

[70] *Id.* at 15.

[71] *Id.* at 15.

[72] *Id.* at 16-17.

[73] Rule 12.2, California Public Utilities Commission Rules of Practice and Procedure.

process, reflecting that as long as a settlement taken as a whole is reasonable in light of the record, consistent with the law, and in the public interest, it should be adopted without modification.[74] The Commission has generally declined to modify proposed settlements, *unless* it specifically concludes that certain provisions "do not meet the standard set in Rule 12.1(d) and are unreasonable as proposed."[75] Conceding, apparently, that Non-Settling Intervenors cannot make any such showing, they instead attempt to request *additional* mitigation measures, which Joint Applicants have elsewhere explained are the same conditions previously proposed for unrelated parties based on dissimilar records, notwithstanding that they lack any transaction-specific nexus or record evidence of harm in this proceeding, are otherwise unsupported or refuted by the evidentiary record, would exceed the Commission's statutory authority, or otherwise rely on allegations outside the evidentiary record entirely.[76]

Non-Settling Intervenors' proposed modifications and additional conditions seek to relitigate their broader policy preferences through the settlement review process rather than identify any provision of the Settlement Agreements that fails to satisfy Rule 12.1(d)'s standard. The Commission should reject Non-Settling Intervenors' attempts to circumvent the Commission's clear admonition and "[l]ongstanding Commission precedent[, which] holds that Commission review of a proposed settlement is 'not to be turned into a . . . trial on the merits.'"[77] Because none of the Non-Settling Intervenors demonstrate that the Settlement Agreements' terms are unreasonable in light of the whole record, inconsistent with law, or contrary to the public interest, the Commission should adopt both Settlement Agreements without modification.

A. Non-Settling Intervenors' requests for additional conditions on topics beyond those resolved by the Settlement Agreements are improper under Rule 12.2 and should not be considered.

Joint Advocates appear to support and endorse the Settlement Agreements in their entirety, requesting that, should the Commission approve the Transfer, it "make the settlement terms in the

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[74] *See supra*, note 12.

[75] *See Application of Pac. Gas and Elec. Co. for Approval of Regionalization Proposal (U39M)* (2022) D.22-06-028 at 17; *see also* Rule 12.4, California Public Utilities Commission Rules of Practice and Procedure ("The Commission may reject a proposed settlement whenever it determines that the settlement is *not in the public interest*.") (emphasis added).

[76] *See generally* Joint Applicants' Post-Hearing Reply Brief ("Joint Applicants' Reply Brief") (June 5, 2026).

[77] D.25-01-042 at 18 (quoting D.88-12-083 at 55, 1988 Cal. PUC LEXIS 886 at *87).

CETF and Public Advocates MOUs both mandatory and enforceable."[78] This should be the beginning and end of the Commission's proper review of Joint Advocates' comments. However, Joint Advocates continue to describe what it concedes to be "*additional* mitigation measures that extend *beyond* the Settlement Agreements."[79] Joint Advocates were free to, and in fact did address those matters in detail in their opening brief[80] and reply brief;[81] and Joint Applicants' reply brief addresses the infirmities of Joint Advocates' various proposed conditions in detail, explaining why each of their requests is unwarranted.[82] Importantly, *none* of these additional requests is relevant to or a proper subject of Rule 12.2 comments, because they do not identify a disagreement with any specific commitment in the Settlement Agreements *at all*. While advancing these broader policy positions may be of interest to Non-Settling Intervenors, these proposals are completely unrelated to the Settlement Agreements and disputed issues that the Settlement Agreements fully resolved. Accordingly, because the proposed conditions are outside of the scope of the Settlement Agreements, they can be afforded no weight in the Commission's evaluation of the Settlement Agreements.

The Commission should also disregard NIWR's objections entirely because NIWR failed to properly present them in opening comments, waiving all objections under Rule 12.2. Rule 12.2 requires contesting parties to file comments specifying the settlement provisions they oppose, the legal basis for their opposition, and the factual issues they contest, and provides unambiguously that "[a]ny failure by a party to file comments constitutes waiver by that party of all objections to the settlement."[83] The Commission has enforced Rule 12.2's waiver provision in previous cases where non-settling parties failed to meet their procedural requirements without affording non-compliant parties an opportunity to cure through later filings.[84] Given that NIWR was well aware

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[78] Joint Advocates' Comments at 2.

[79] *Id.* (emphasis added).

[80] *See* Joint Advocates' Opening Brief at 37-47.

[81] *See* Joint Applicants' Reply at 20-21 (June 5, 2026).

[82] *See* Joint Advocates' Reply Brief, Appendix A at 38-60, 62, 69-96.

[83] Rule 12.2, California Public Utilities Commission Rules of Practice and Procedure.

[84] *See In re the Application of Golden State Water Co. (D 133 W) for an Order Pursuant to Pub. Utils. Code Section 851 Approving a Stipulation in a Water Rights Adjudication, and for an Order Pursuant to Section 454 approving the Ratemaking Treatment of the costs of the Adjudication and Settlement* (2007) D.07-05-041 at 3-4.

of this proceeding but chose not to seek party status until the eleventh hour,[85] causing it to miss the opening comment period on the Settlement Agreements, the Commission should strictly enforce Rule 12.2's waiver provision here.

Even if the Commission were to consider NIWR's Reply Comments on the Settlement Agreements, they would still be improper under Rule 12.2 because they do not meet the Rule's requirement to identify any specific provision of the Settlement Agreements that NIWR opposes.[86] NIWR, in fact, states plainly that "NIWR does not oppose the proposed Transfer" and that it "supports both settlements," yet then requests that the Commission impose *additional* conditions outside of the scope of the Settlement Agreements.[87] While Joint Applicants appreciate NIWR's support of the Transfer and the Settlement Agreements, an attempt to use the Rule 12.2 comment process to offer an untimely brief on the merits of the case—setting aside the infirmity of NIWR's comments under *that* standard—falls outside the scope of this comment process entirely. The Commission should decline to consider these last-minute proposals that do not comply with the Commission's Rules.

B. The Non-Settling Intervenors fail to establish that the Settlement Agreements are unreasonable in light of the entire record, inconsistent with law, or not in the public interest.

Non-Settling Intervenors contend that the commitments made in the Settlement Agreements are not in the public interest because they are not "certain (or even reasonably likely) to lead to concrete public interest benefits."[88] Even if that were the standard of review here, which it is not, they make no showing whatsoever under the precedent that guides the Commission's review and approval of settlements. This is because the Rule 12.2 settlement comment process is intentionally limited to identification of "the portions of the settlement that the party opposes, the

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[85] Joint Applicants' Opposition to the Motion of the National Institute for Worker's Rights for Party Status at 4-6 (May 26, 2026).

[86] Rule 12.2, California Public Utilities Commission Rules of Practice and Procedure.

[87] Reply Comments of the National Institute for Workers' Rights, or in the Alternative, Late-Filed Opening Comments, on the Joint Motion of Charter and Public Advocates Office for Adoption of Settlement Agreement and Joint Motion of Charter Communications, Inc. and California Emerging Technology Fund for Adoption of Settlement, at 3 (June 11, 2026) ("NIWR Reply Comments").

[88] *E.g.*, Center for Accessible Technology's Comments on Joint Motion of Charter and Public Advocates Office for Adoption of Settlement Agreement and Joint Motion of Charter Communications, Inc. And California Emerging Technology Fund for Adoption of Settlement Agreement ("CforAT Comments"), at 7 (June 1, 2026).

legal basis of its opposition, and the factual issues that it contests,"[89] and longstanding Commission precedent confirms that "Commission review of a proposed settlement is 'not to be turned into a . . . trial on the merits.'"[90] Non-Settling Intervenors make no attempt to veil their disregard for this Rule, submitting comments that are instead devoted almost entirely to their (incorrect) views about the underlying merits of the case, claiming that "The Settlements Are Insufficient to Ensure that the *Proposed Transaction* Is In the Public Interest,"[91] "[t]his Settlement represents greater commitments than what Charter previously offered to do on its own but is not adequate to make the *proposed transaction* meet the public interest standard in Public Utilities Code Section 854,"[92] or "[a]bsent significant additional mitigation measures, Joint Advocates respectfully urge the Commission to deny the *proposed transaction*."[93]

Accordingly, *none* of these comments are due any weight at all under the Commission's Rules and all should be disregarded as improper attempts to brief the merits of the underlying case through the Rule 12.2 comment process. Nonetheless, because Non-Settling Intervenors attempt to significantly expand the scope of the Commission's review, Joint Applicants address the infirmities of Non-Settling Intervenors' requests for additional conditions below. To the extent that Non-Settling Intervenors attempt to base those requests in any transaction-specific concern *at all*, they do so based on speculative harms, unsupported assumptions of bad faith, and hypothetical, unrealistic, or impossible future actions by Joint Applicants, or attempts to create disputes where none exist.

1. Objections grounded on apparent misunderstandings, nonexistent harms, or issues that have been addressed by the Settlement Agreements.

Several of the objections raised by Non-Settling Intervenors appear to be based in misreadings or misunderstandings of a provision in the Settlement Agreements, and thereby, their comments raise concerns about harms that do not reasonably exist.[94] Non-Settling Intervenors'

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[89] Rule 12.2, California Public Utilities Commission Rules of Practice and Procedure.

[90] D.25-01-042 at 18 (quoting D.88-12-083 at 55, 1988 Cal. PUC LEXIS 886 at *87).

[91] CforAT Comments at 6 (emphasis added).

[92] TURN Cal Advocates Comments at 2 (emphasis added).

[93] Joint Advocates' Comments at 2 (emphasis added).

[94] For example, CforAT dedicates significant space in its comments to rebuking Charter's and Cal Advocates' "characterization" of its "intentions and motivations" in this proceeding. CforAT Comments at 4-6. CforAT has

misunderstanding of provisions of the Settlement Agreements does not mean there is a dispute about a material fact, nor can such misreadings be used to generate a disputed issue.

For example, TURN apparently misreads the CETF Settlement, erroneously concluding that it "does not clearly allow new customers to apply for" the Standalone Non-LifeLine Service Tier (which the CETF Settlement refers to as the California Affordable Internet Service Tier).[95] Under the plain words of the CETF Settlement, "[t]his California Affordable Internet Service Tier will be available to all eligible residential broadband customers within the Combined Company Service Area, ***including both new and existing customers***." In other words, the California Affordable Internet Service Tier/Standalone Non-LifeLine Service Tier will, under the terms of *both* the CETF Settlement and Cal Advocates Settlement, be available to new *and* existing customers. While it is not apparent how TURN could reasonably read the language to suggest otherwise, TURN's perceived ambiguity does not create any material dispute (or any dispute at all).

TURN also suggests that a conflicts clause in the CETF Settlement could allow Charter to avoid overlapping obligations in its agreement with Cal Advocates.[96] Because TURN does not identify any actual inconsistency between the agreements,[97] this concern must be given no weight. In any event, a conflicts clause in one contract does not relieve a person of their obligations under another contract with a different party.[98] Further, when there are contracts with multiple parties regarding the same subject, and one agreement (CETF) incorporates by reference additional terms from the other (Cal Advocates), parties routinely designate one contract to control in the event of

questioned the public interest benefits of the Transaction in this proceeding. *See, e.g.*, Joint Advocates' Opening Brief at 20 ("Even if the Commission finds that the proposed transaction increases the combined company's ability to provide public interest benefits, there is insufficient evidence for the Commission to find that the proposed transaction will result in actual benefits to consumers."). The recitals in the Cal Advocates Settlement were a necessarily brief summary of the procedural history and applicable standard of review, and were not meant as a characterization, much less a mischaracterization, of any individual party.

[95] TURN CETF Comments at 6.

[96] TURN Cal Advocates Comments at 4-6.

[97] TURN CETF Comments at 4-5 (comparing a similar provision between the Settlement Agreements where the Cal Advocates Settlement has additional detail, but do not conflict with one another).

[98] *See, e.g.*, *Colaco v. Cavotec SA* (2018) 25 Cal. App. 5th 1172, 1202-03 (refusing to apply a provision of one contract to a party only subject to another separate contract).

a potential inconsistency.[99] Otherwise, inconsistencies have the potential to lead to protracted disputes, which would deny all parties and California consumers the benefit of the agreements. Here, this is necessitated by the fact that the relevant terms of the Cal Advocates Settlement are incorporated by reference into the CETF Settlement. For the avoidance of doubt, Charter confirms that it will perform both Settlement Agreements according to their terms and that the CETF Settlement will be interpreted consistently with the agreement CETF negotiated.

CforAT apparently also misreads the BEAD commitment Charter made to benefit the approximately 5,000 customers across its entire California footprint that remained unserved and eligible for BEAD funding at the time of the Commission's BEAD bidding process that now awaits final federal approval. CforAT characterizes this commitment as being triggered if *Charter's* provisional BEAD funding fails to receive final approval during or as a result of the National Telecommunications and Information Administration's ("NTIA") final review of California's proposed BEAD awards.[100] In fact, this obligation would take effect if California's BEAD funding results are denied for federal approval, *i.e.*, the commitment includes *any* of roughly 5,000 locations identified, irrespective of the provisional awardee, should NTIA not approve of the awards that the Commission had already selected to serve these locations. In such instances, Charter will apply for grant funding under the identified programs for those locations.[101] Read correctly, CforAT's stated concern is fully addressed.

CforAT asserts that the Cal Advocates Settlement "incorrectly characterizes CforAT's intentions and motivations in this proceeding" and, on that basis alone, urges the Commission to reject the Cal Advocates Settlement.[102] CforAT further asserts that the CETF Settlement improperly states that the settling parties' prior positions are "modified or supplanted." But the brief recital in the Cal Advocates Settlement was never intended to exhaustively characterize each party's purpose for intervening in the proceeding. In any event, neither recital is a substantive term of the Settlement Agreements, much less one that is unreasonable, unlawful, or contrary to

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[99] *See, e.g.*, *Remedial Constr. Servs., LP v. AECOM, Inc.* (2021) 65 Cal. App. 5th 658, 664 (enforcing a contractual clause that incorporated a separate agreement by reference that resolved any "conflict, variation, or inconsistency" between provisions of the two agreements).

[100] CforAT Comments at 25.

[101] CETF Settlement at 10.

[102] CforAT Comments at 4-5.

the public interest. Nothing in either statement affects the Commission's evaluation of the Settlement Agreements, and the issue requires no further response.

2. Objections are manufactured disputes, relying on factually inaccurate premises, or reflecting broader policy preferences.

Non-Settling Intervenors take issue with the Settlement Agreements by raising the suggestion they do not provide benefits above the status quo in this specific Transfer, *i.e.*, that some commitments in the Settlement Agreements are not transaction-specific and, therefore, should be discounted.[103] In a matter of considerable irony, Non-Settling Intervenors use that complaint as the basis to raise almost entirely recycled arguments and proposed conditions requested in connection with past transactions, demonstrating that their concerns relate more to their broader policy objectives rather than to an effort at tailoring any proposal to ensure a benefit in this specific Transaction.[104]

Rule 12.5 makes clear that settlement agreements from one proceeding are not precedential for future proceedings.[105] In what appears to be a fundamental misapprehension of this Rule,[106] NIWR explicitly contends, and other Non-Settling Intervenors' strongly intimate, that the Verizon/Frontier proceeding establishes the "standard" or "floor" against which this proceeding must be measured. The conditions the Commission imposed on Verizon and Frontier in that proceeding, which were negotiated by *different parties* on a *different evidentiary record* to *address different concerns* specific to *a different transaction* have no binding force here. Non-Settling Intervenors offer no support, nor could they, for claims that specific commitments made in one proceeding are the minimum acceptable requirements for all subsequent ones. The question before the Commission is not whether the Settlement Agreements replicate the conditions imposed in a separate proceeding but whether they are reasonable in light of the whole record of this proceeding,

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[103] *See* TURN Cal Advocates Comments at 2; TURN CETF Comments at 2.

[104] *See infra* note 114 (same hypothetical harm raised in Verizon/Frontier proceeding); notes 115-16 (explicitly requesting a condition at the same level as the Verizon/Frontier proceeding); note 132 (same complaint about a similar condition from the Verizon/Frontier proceeding); section III.B.2.f (discussing Tribal conditions applicable in the Verizon/Frontier proceeding that are not merited where Charter does not serve any Tribal governments, unlike Frontier).

[105] Rule 12.5, California Public Utilities Commission Rules of Practice and Procedure ("Commission adoption of a settlement is binding on all parties to the proceeding in which the settlement is proposed. Unless the Commission expressly provides otherwise, such adoption does not constitute approval of, or precedent regarding, any principle or issue in the proceeding or in any future proceeding.").

[106] NIWR Reply Comments at 8.

consistent with law, and in the public interest as required by Rule 12.1(d).[107] The Commission's transaction approval process is not a one-way ratchet, and commitments made in past transactions do not constitute the "floor" for subsequent proceedings, nor could they have any bearing whatsoever on what is reasonable in light of the record in *this proceeding*.

Turning to the remaining Non-Settling Intervenors' objections, discussed below, several reflect highly speculative, hypothetical misreadings of the Settlement Agreements and should be discounted as attempts to manufacture a disputed issue where none exists. Other comments dress up disagreements on broader policy positions as factual disputes or seek to cast concrete public benefit commitments as illusory or otherwise harmful to the public. None of these arguments contradicts the fact that the Settlement Agreements are reasonable and in the public interest.

a. Broadband Affordability

CforAT attempts to argue that Charter's commitment to allow current Cox customers on Cox low-income plans to keep their current plans *if they so choose* does not reflect a public benefit because "[i]f Charter's claims that the merger will result in lower prices for customers in Cox's service territory [are] correct," then "it will result in Cox customers potentially paying higher prices than would be the case if they change plans."[108] As Joint Applicants have reiterated many times, Cox customers will have the choice to select one of Charter's better-value packages,[109] negating this baseless concern entirely, or remain on the plan they currently enjoy *if they prefer to do so*. What remains of CforAT's stated concern is that Charter could "act after Commission approval but before the close of the transaction to materially change the eligibility criteria for Cox's low-income service offerings."[110] Put another way, CforAT suggests that the Commission should not consider this a benefit, because it must assume Charter intends to deceive the Commission and act in bad faith. Although such a suggestion is not well taken, Charter affirms that it has no intention of "materially chang[ing] the eligibility criteria for Cox's low-income service offerings" after Commission approval of the Transfer but before close of the Transaction,

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[107] Rule 12.1(d), California Public Utilities Commission Rules of Practice and Procedure.

[108] CforAT Comments at 13.

[109] *See* Joint Applicants' Opening Brief at 12.

[110] CforAT Comments at 14.

and notes that doing so would be factually impossible.[111] Charter could not change anything about Cox's service offerings, low-income or otherwise, before the close of the Transaction because Cox is still a separate company until the Transaction is completed. The reason the Settlement Agreements recognized the potential for a gap between the date of approval and the date of closing is that parties generally need to complete final steps for closing, which as a practical matter takes a certain amount of time.

Likewise, CforAT mischaracterizes the fact that both of Charter's 500/20 Mbps plans described in the Cal Advocates Settlement will be offered at the same price as "contradictory" and asserts that it "could lead to substantial uncertainty."[112] But, as the Cal Advocates Settlement makes clear, these are two separate offerings—the first is a bundled offering that will be available as one of the New California LifeLine Service Tiers, which includes wireline voice; the other is Charter's *current* promotional rate for its standalone 500/20 Mbps offering. The $50 price for the New California LifeLine Service Tier is designed as an *additional benefit* of the Cal Advocates Settlement, because Charter is including a bundled wireline voice service for the same price. Separately, Charter's *current* promotional price for its standard 500/20 Mbps offering for new customers is $50, which Charter separately commits to maintain for the three-year duration of the promotional pricing commitments in the Cal Advocates Settlement. The pricing of each plan is independent, and each offers robust service at discounted prices for California consumers. CforAT's lack of familiarity with Charter's current statewide promotional pricing for its 500/20 Mbps offering is no reasonable basis to find any cause for confusion or to assert a factual dispute.

Joint Advocates and TURN also assert that the duration of the commitments agreed to in the Cal Advocates Settlement is "significantly shorter" than the duration for "conditions the Commission has imposed on recent telecommunications mergers and acquisitions"[113] and that terms in the Settlement Agreements would constitute harmful "backsliding."[114] TURN itself, however, acknowledges that the Verizon/Frontier proceeding resulted in "five-year conditions

[111] *See* CforAT Comments at 14.

[112] CforAT Comments at 8.

[113] TURN Cal Advocates Comments at 3.

[114] TURN Cal Advocates Comments at 3-4.

[that] included provisions related to pricing,"[115] *i.e.*, the same duration as that proposed for the Standalone Non-LifeLine Service Tier and the New California LifeLine Service Tiers under the Cal Advocates Settlement.[116] Here, Charter's commitment to establish and maintain the Standalone Non-LifeLine Service Tier and the New California LifeLine Service Tiers under the Cal Advocates Settlement is for that *exact same duration*.

In contrast to the Verizon/Frontier proceeding, Charter is including offerings with 500 Mbps download speeds in the New California LifeLine Service Tiers, whereas Verizon's condition only included an offering with 300 Mbps download speeds, and *only* in Verizon's Fios (*i.e.*, its wireline) footprint.[117] Otherwise, Verizon's condition provided only a 100/20 Mbps fixed wireless broadband offering for income-eligible consumers, and only "at available locations where such services are open for sale."[118]

Indeed, the *actual* record evidence in the Verizon/Frontier proceeding demonstrates that the "condition will apply to a very small part of Verizon's business, which will be easily subsidized by the substantial revenues and profits the company earns from its wireless business."[119] As Mr. Falk explained in his testimony, "Verizon is primarily a mobile company with approximately 112 million consumer wireless (non-fixed wireless) customers, $138 billion in revenue, $50 billion in Consolidated Adjusted EBITDA, $20 billion in free cash flow in 2025, and a market capitalization of approximately $210 billion," whereas "Charter is primarily an internet company with 31.8 million customers, about $55 billion in revenue, $23 billion in Adjusted EBITDA, and $5 billion in free cash flow in 2025, and a market capitalization of approximately $30 billion."[120] The Verizon/Frontier condition applies only to Verizon fixed wireless and Fios customers, which

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[115] TURN Cal Advocates Comments at 3-4.

[116] Cal Advocates Settlement at 3-7.

[117] *See In re the Joint Application of Verizon Commc'ns Inc., Frontier Commc'ns Parent, Inc., Frontier Cal. Inc., Citizens Telecomms. Co. of Cal. Inc., Frontier Commc'ns of the Southwest Inc., Frontier Commc'ns Online and Long Distance Inc., and Frontier Commc'ns of Am., Inc. for Approval of the Transfer of Control of Frontier California Inc. (U1002C), Citizens Telecomms. Co. of Cal. (U1024C), Frontier Commc'ns of the Southwest Inc. (U1026C), Frontier Commc'ns Online and Long Distance Inc. (U7167C), and Frontier Commc'ns of Am., Inc. (U5429C), to Verizon Commc'ns Inc. Pursuant to Cal. Pub. Utils. Code Section 854* (2026) D.26-01-02 ("Verizon/Frontier Order"), Appendix A at 8.

[118] Verizon/Frontier Order, Appendix A at 8.

[119] Falk Rebuttal Testimony (Ex. 21) at 14:9-11.

[120] *Id.* at 13:14-14:1.

"represented less than 9% of total consumer connections and generated less than 15% of Verizon's consumer revenues (when assuming that all reported FWA revenue is attributed to consumer), not the company's approximately 112 million consumer wireless (non-fixed wireless) customers, who represent 91% of Verizon's connections, and generated at least 85% of Verizon's total consumer revenues."[121]

The Settlement Agreements' five-year commitment period is consistent with, and even longer than, the Commission's approach in several other recent telecommunications mergers and acquisitions, and the record confirms their reasonableness (and the significant savings that they will deliver across the entire Combined Company Service Area). The Commission imposed other conditions in the Verizon/Frontier transaction with only two- or five-year durations, as TURN recognized, and the "majority of conditions" in the Sprint/T-Mobile transaction "were five years."[122] As this reflects, Settling Parties have negotiated a reasonable duration consistent with the range in other transactions that provides public interest benefits. That Non-Settling Intervenors would prefer a different outcome, or suggest that a different proceeding based on a dissimilar record should result in a different outcome here, has no bearing on the fundamental reasonableness of the Settlement Agreements.

CforAT argues that the "downgrade alternative" condition in the Cal Advocates Settlement leaves a unilateral downgrade or disconnect decision in Charter's hands and will harm consumers.[123] CforAT asserts without explanation that the condition "creates a risk of unconscious bias, resulting in discriminatory decision making," while conceding that "a customer facing payment challenges would benefit from having their service downgraded rather than disconnected."[124] In fact, the entire premise of this condition is a proactive commitment by Charter to seek to ensure low-income LifeLine Pilot customers can remain connected, with Cal Advocates "expressly acknowledg[ing] that it will support Charter's effort to obtain approval of the Commission, if necessary," for this alternative. Charter and Cal Advocates agree that consumers

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[121] *Id.* at 14:1-14:7.

[122] TURN CETF Comments at 3.

[123] CforAT Comments at 28-29.

[124] *Id.* at 29.

will benefit from this commitment. The Commission should afford no weight to CforAT's speculative harms.

TURN and CforAT both take issue with Charter's commitments to promote its low-income broadband plans.[125] TURN discounts Charter's commitment in the CETF Settlement to spend $300,000 per year to make consumers aware of its affordable internet offerings and objects that the CETF Settlement does not specify which communities or customers will be targeted.[126] Notably, TURN suggests that the Commission "only consider the $200,000 amount required under the MOU as a potential benefit and not consider the up to $100,000 Charter can claim under the MOU for 'in-kind' advertisements on its own platforms."[127] This quibbling about the *degree* to which the Commission should consider this benefit is inappropriate for settlement comments, represents no actual dispute, and is an entirely insufficient basis for the Commission to be "skeptical of the benefits of Charter's advertising commitment," as TURN suggests.[128] In any event, in the Verizon/Frontier proceeding, the Commission accepted a commitment for the same promotional spend as in the public interest.[129] Non-Settling Intervenors do not demonstrate any rationale for the Commission to treat this commitment differently here. TURN's and CforAT's further suggestions, *i.e.*, mandatory multilingual or accessible-format advertising, in-store signage, and similar refinements, are simply requests for additional preferred terms, and ones that are already addressed by the commitment in the Cal Advocates Settlement that Charter will market these offerings "with the goal of maximizing contacts and impressions within high eligibility areas" and to make customers aware that in-person assistance is available at Charter-owned stores.[130]

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[125] Charter notes that CforAT's complaint about not knowing Charter's advertising budget compared to Charter's advertising commitment is recycled from CforAT's brief in the Verizon/Frontier proceeding, suggesting it is not a concern specific to this Transfer. A.24-10-006 Center for Accessible Technology Response to Motions to Approve Settlement and Opening Brief, at 6 (Oct. 10, 2025) at 6.

[126] TURN CETF Comments at 10.

[127] *Id*.

[128] *Id*.

[129] Verizon/Frontier Order at 122 (OP 19).

[130] Cal Advocates Settlement at 10.

b. Restriction on Promotional Pricing

Both CforAT and TURN take issue with the defined and limited circumstances in which Charter may offer even lower prices under the terms of the promotional pricing commitment,[131] and CforAT argues that "the limits on the promotional pricing commitment would provide, at best, paltry public interest benefits."[132] CforAT's characterization of statewide promotional pricing commitments as "paltry" is incorrect, and ignores that California consumers across the Combined Company Service Area stand to save approximately *$596 million every year*.[133] Attempting to justify its mischaracterization, CforAT asserts that the competitive-response exception to Charter's promotional pricing commitment "completely guts it."[134] This conclusion, however, *completely ignores* the actual terms of the commitment, which provides, in the event that Charter establishes a lower price for more than 30 days, Charter will adjust the *statewide* promotional price as necessary to ensure that the difference between the statewide promotional price and the lower promotional price does not exceed $15 per month or, in the case of an offer of free service, 20 percent of the customer's expected annual service revenue.[135] TURN lodges a related concern, but does so based on a misreading of the condition to incorrectly conclude that "Charter will have a disincentive to identify its promotions as responses to competition if it must adjust its prices statewide."[136] TURN ignores the fact that, if the promotion were not identified as falling within the competitive-response or one of the other defined and limited exceptions, it could not establish a lower price *at all*. In any event, CforAT and TURN both acknowledge that there is a public benefit, they merely dispute the magnitude of that benefit. Such matters are disagreement of policy and provide no basis for the Commission to reject the Settlement Agreements or modify the conditions.

[131] CforAT Comments at 26-27; TURN Cal Advocates Comments at 14-15.

[132] CforAT Comments at 27.

[133] Cal Advocates Opening Brief at 9.

[134] CforAT Comments at 27.

[135] Cal Advocates Settlement, Exhibit 1 at 11.

[136] TURN Cal Advocates Comments at 14.

c. Call Center Commitment

TURN objects to Charter's commitment in the CETF Settlement to provide all call center agents with access to training materials for Charter's low-income service offerings as failing to address "all problematic practices by Charter's agents."[137] TURN acknowledges that the training materials, which instruct call center agents to identify whether a caller qualifies for an affordable internet offering, are "promising in concept" but "too vague to result in public interest benefits."[138] The premise for TURN's concerns is that it is supposedly not clear whether agents "would have discretion on whether to use" such training materials, and under TURN's reading of the condition, it is not clear whether agents are even "allowed to use company time to review them."[139] As a threshold matter, the terms of the condition clearly obligate Charter "to ensure that, upon inquiry from a prospective or existing customer, call center agents are trained to identify in a professional manner and without undue delay whether or not the caller may qualify," and thus it logically follows that agents must necessarily use the training materials to be adequately trained. That language also addresses TURN's incorrect conclusion that the CETF Settlement "does not address … upselling."[140] The only remaining allegation—that the CETF Settlement does not explicitly state that an agent is allowed to review training materials on company time—is meritless. But to be clear: yes, agents will be allowed to review these training materials during their working hours.

d. Digital Inclusion and Broadband Adoption

CforAT further objects to the digital-inclusion-investment commitment in the CETF Settlement on the basis of broader structural disagreements—completely divorced from these Settlement Agreements or even this Transfer—about the efficacy of CETF's current digital inclusion model.[141] As noted above, CETF has been at the center of digital inclusion investments in nearly every major telecommunications consolidation proceeding over the past two decades, and CforAT identifies no change in CETF's organizational capacity or programmatic competence

[137] TURN CETF Comments at 6.

[138] *Id.* at 7.

[139] TURN CETF Comments at 7.

[140] CETF Settlement, Exhibit 1 at 5.

[141] CforAT Comments at 18-20.

that would distinguish this proceeding from any of those prior transactions.[142] Although CETF is a well-established and experienced expert and partner in digital access, CforAT suggests that CETF's model "may be experiencing diminishing returns" and that ongoing reliance on CETF will limit the reach of Charter's commitment.[143] This argument relies entirely on CforAT's apparent dissatisfaction with CETF's programs, and its speculation that the digital inclusion commitment will not meaningfully benefit disadvantaged communities. The basis for CforAT's concerns appears to be a CETF listening session that took place *for a wholly different transaction*.[144]

e. Broadband Infrastructure and Deployment

CforAT and TURN minimize the substantial public benefit represented by Charter's infrastructure commitment to invest at least $275 million in capital investment within three years,[145] speculating instead that Charter might simply forfeit its $8.25 million performance bond rather than fulfilling its network-evolution commitment.[146] These objections rest on speculation and ignore the specific milestones agreed upon for the investment and the specific, concrete benefit they provide. Contrary to TURN's complaint that this commitment "fails to provide for Commission oversight,"[147] the Settlement Agreements expressly permit the Settling Parties to seek relief from the Commission. TURN further appears to misread a similar condition in New York, stating that Charter's California commitment will be "weaker" as it is "limited to legacy Charter areas."[148] But TURN fails to recognize that the condition likewise applies to legacy Charter areas in New York, where *Cox has no residential presence*. In fact, Charter has committed nearly triple the $100 million it committed for infrastructure development in New York as part of its Settlement Agreements in California.[149] The notion that Charter's network evolution commitment "should not

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[142] *See supra*, note 38.

[143] CforAT Comments at 21-22.

[144] *Id.* at 20 (citing Declaration of Lisa Stringer, Executive Director of Center for Accessible Technology, in Support of Comments on CETF Settlement (June 1, 2026) (noting the CETF session was related to the Verizon/Frontier merger)).

[145] CETF Settlement at 8.

[146] CforAT Comments at 23-24; TURN CETF Comments at 17-18.

[147] TURN CETF Comments at 16.

[148] TURN CETF Comments at 15.

[149] TURN CETF Comments at 15.

count" because Charter had previously announced plans to upgrade its network is beside the point, because it ignores the fact that making the commitment transforms it from a discretionary plan into a binding obligation, subject to a fixed deadline, a performance bond, and milestone reporting.

As noted above, Charter's BEAD backstop commitment also represents a significant broadband infrastructure benefit.[150] These speculative and unfounded concerns cannot outweigh the public benefits of Charter's infrastructure commitment and provide no basis for the Commission to reject or modify the Settlement Agreements.

f. ESJ Community Investment, Small Business, and Community Workforce Development, and GO 156 Compliance

The Non-Settling Intervenors assert a range of policy objections and demands relating to ESJ community investment, small business, and workforce development that reflect their broader policy goals, not settlement-specific issues. As noted, they seek to minimize Charter's commitment to infrastructure investment; they likewise downplay Charter's commitment to digital inclusion, and they assert that Charter's commitments will not adequately benefit ESJ communities. TURN objects, in multiple instances, to the possibility that, in providing benefits under these commitments to California communities, institutions, or consumers, those recipients "may mistakenly assume" that Charter's actions reflect "an act of benevolence or generosity,"[151] rather than a commitment negotiated in connection with its application for approval. This includes, for example, Charter's commitment to provide free broadband service (500/20 Mbps) and WiFi service, at no charge, to 50 eligible anchor institutions for five years, thereby expanding free public access and ensuring Charter's free connectivity extends out to the members of the ESJ communities that these institutions serve.[152] Setting aside TURN's apparent desire to dictate the speech of the Settling Parties, it is telling that TURN *does not deny* that the public—including ESJ communities—will benefit from the Settlement Agreements.

TURN suggests Charter's Tribal consultation commitment is not an actual benefit to Tribes and urges the Commission to adopt conditions in line with earlier transactions that did not have analogous facts to the ones at hand.[153] As Charter explained in its reply brief, TURN's proposed

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[150] *Supra* Section III.B.1.

[151] TURN CETF Comments at 18.

[152] CETF Settlement at 9-10.

[153] TURN CETF Comments at 23-25.

conditions appear to reference commitments made in the Verizon/Frontier merger based on a different set of facts. In that proceeding, Frontier provided residential service to Tribal governments, where Charter does not. Charter has no franchise agreements with any Tribal entity in California.[154] Charter has committed to designating a dedicated Tribal liaison whose primary responsibility will be to engage with Tribal governments within the Combined Company Service Area and consult with Tribes regarding Charter's California capital investments and deployment activities.[155] This commitment demonstrates "Charter's intention to improve and expand Tribal outreach and Tribal-government engagement."[156]

Besides the fact that NIWR's proposed workforce equity conditions are inappropriate for Rule 12 Settlement Comments,[157] they also fail at the threshold because they lack any transaction-specific nexus. The Commission declines to impose additional conditions on settlements unless it specifically concludes that certain provisions do not meet the Rule 12.1(d) standard as proposed.[158] NIWR does not explain how its proposed conditions are necessary to remedy any specific issue in the Settlement Agreements. Its concerns about Charter's workforce practices are related to general developments in the national regulatory landscape, and not to any specific commitment in the Settlement Agreements. In essence, NIWR claims that a lack of affirmative action on its preferred diversity initiatives is tantamount to discrimination,[159] without demonstrating any evidence of discrimination whatsoever—intentional or otherwise—attributable to Joint Applicants. The Commission should give these invocations of speculative discrimination no weight, and without harm to remedy, NIWR's proposed conditions are unnecessary.

NIWR's invocation of Section 854(c) is also inappropriate.[160] The purpose of Rule 12.2 settlement comments is to identify provisions of a proposed settlement that fail to satisfy Rule 12.1(d)'s standard, not to opine on the Transfer generally or advance freestanding statutory

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[154] Joint Applicants' Reply Brief at 33.

[155] Joint Applicants' Reply Brief at 34.

[156] *Id.*

[157] *Supra* Section III.A.

[158] *See* D.22-06-028 at 17.

[159] *See* NIWR Reply Comments at 5.

[160] Joint Applicants have consistently maintained that Section 854(c) should not apply to this Transfer, and reiterate that position once again here.

arguments for commitments the Settlement Agreements do not address. Nevertheless, even when evaluated on Section 854(c) grounds, the Transfer and Settlement Agreements are both "fair and reasonable"[161] to employees and in the public interest, as Joint Applicants have demonstrated comprehensively.[162] For example, Charter has committed to maintaining a 100 percent U.S.-based sales and customer service employee workforce and to extending a minimum starting wage of at least $20 per hour to all employees of the combined company, representing a boost in wages for many current Cox employees.[163] Charter will further extend to Cox employees a comprehensive benefits package along with Charter's investment of hundreds of millions of dollars in employee training programs.[164] These policies will benefit (1) current Cox employees who will become a part of the combined company; (2) future employees of the combined company; and (3) the communities in which these employees reside.[165] NIWR's assertion to the contrary rests entirely on speculation: its foundation consists of academic studies not in the evidentiary record suggesting systemic bias in hiring and promotion generally, not evidence of actual discrimination by Charter.[166] The evidentiary record in this proceeding includes no evidence that Charter discriminates against its California workforce or is noncompliant with any applicable nondiscrimination or employment laws. NIWR, having conducted no discovery and submitted no testimony, is in no position to make that showing now. NIWR conflates the absence of affirmative diversity, equity, and inclusion programs with the presence of discriminatory practices, a leap the record does not support.[167] Cal Advocates and CETF have each independently demonstrated that the Settlement Agreements produce concrete and durable benefits for California consumers, workers, and ESJ communities that fully satisfy the Commission's ESJ goals.[168]

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[161] *See* Cal. Pub. Util. Code § 854(c)(4).

[162] Joint Applicants' Opening Brief at 18-19; Falk Opening Testimony (Ex. 29) at 8:4-15:11.

[163] Joint Application of Charter Communications, Inc., Charter Communications Holdings, LLC, and Cox Enterprises, Inc. for Approval of Indirect Transfer of Control of Cox California Telcom, LLC, A.25-07-016, at 3, 18, 36 (July 30, 2025).

[164] *Id.* at 19-20, 36.

[165] *See* Cal. Pub. Util. Code § 854(c)(6) (requiring the Commission to consider how a transaction is "beneficial on an overall basis to state and local economies and to the communities in the area served by the resulting public utility").

[166] *See* NIWR Reply Comments at 5-6.

[167] *See* NIWR Reply Comments at 5.

[168] Cal Advocates Settlement at 10-11; CETF Settlement Motion at 16-18.

Finally, it is worth noting that NIWR implies its conditions are consistent with those of the Verizon/Frontier proceeding, which it calls the "directly applicable benchmark for what the public interest requires here." First, as explained above, the premise that Verizon/Frontier is the "standard" for what is in the public interest in this proceeding is legally and factually flawed.[169] Second, NIWR's characterization is disingenuous, as it proposes conditions that go *beyond* those in the Verizon/Frontier proceeding.[170] Joint Applicants respectfully maintain that none of NIWR's proposed conditions are necessary for the Commission to find that the Settlement Agreements are reasonable in light of the record, conform to the law, and are in the public interest, as required by Rule 12(d)(1).

g. Remaining Comments

The Non-Settling Intervenors assert that the Settlement Agreements should impose more specific obligations on the combined company, including by claiming that terms such as "best efforts" are not sufficiently enforceable.[171] The alleged deficiencies in the Settlement Agreements' language are speculative, ignore the specific language that Settling Parties negotiated and agreed to after substantial negotiations, and do not support rejection or modification of the Settlement Agreements. The Settlement Agreements establish multiple avenues for enforcement and oversight, including reporting performance information to the Settling Parties and to the Commission. Settling Parties have a clear interest in ensuring that the Settlement Agreements' provisions are fully implemented to provide public interest benefits to California consumers, and generalized concerns that language is not specific enough do not explain how the Settlement Agreements would harm consumers or the public more broadly.

CforAT claims that because Charter and Cal Advocates agreed that a separate rulemaking is a more appropriate forum to resolve outstanding differences about MVNO service quality rules, the Cal Advocates Settlement is contrary to Public Utilities Code Section 854(c)(2), with TURN

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[169] *Supra* Section III.B.2.

[170] *Compare* NIWR Reply Comments at 9-10 *with* Verizon/Frontier Order at 115-25. NIWR's proposed 'Equal Opportunity Officer' and 'Equity Pay Audits' proposals do not have analogues in the Verizon/Frontier proceeding and are wholly new recommendations of NIWR without basis in the record that should be rejected. NIWR's 'Disaggregated Workforce Reporting' is similar to the Verizon/Frontier Order but requests compensation data and promotion rates which were not a part of the Verizon/Frontier Order. Verizon/Frontier Order at 119 (OP 10).

[171] *See* Joint Advocates Comments at 2-3; CforAT Comments at 1.

suggesting that Charter may oppose MVNO service quality rules in the future.[172] Even if Section 854(c) were to apply to the Commission's review of the Transfer, nothing in the Non-Settling Intervenors' contentions suggests that the Cal Advocates Settlement will diminish the quality of services to public utility ratepayers. On the contrary, the Settlement Agreements contain substantial commitments to invest in its network infrastructure that will expand coverage and improve service quality.[173] Non-Settling Intervenors offer no evidence that Charter is not meeting its service quality obligations, and decisions about a regulatory framework applicable to an entire category of service are paradigmatic examples of issues appropriately addressed through rulemaking where all relevant parties can be heard.

Because Non-Settling Intervenors offer no compelling evidence that the Settlement Agreements are unreasonable in light of the record, unlawful, and/or do not advance the public interest, the Commission should approve the Settlement Agreements consistent with Rule 12.1(d).

IV. THERE ARE NO MATERIAL DISPUTED FACTUAL ISSUES THAT JUSTIFY A SETTLEMENT HEARING.

The Commission's precedent is clear—even where the Commission has found that legal and factual issues remained in dispute, which is not the case here, "the Commission evaluates the reasonableness of the Settling Parties' proposed outcome based on the record to date and in light of the potential range of outcomes that could result if this proceeding was fully adjudicated [, as well as] the litigation risk facing the parties."[174]

To justify a settlement hearing, Non-Settling Intervenors must identify genuine contested issues of fact that are material to the Commission's settlement evaluation and cannot be resolved on the existing record. CforAT, as the sole party to request settlement hearings, does not meet the burden of demonstrating genuine material issues of fact here. Its objections are legal and policy disagreements, not factual disputes, and are properly addressed through the Rule 12.2 comment process. Holding a settlement hearing would be directly contrary to the Commission's consistent practice in comparable cases given the extensive evidentiary record developed in this proceeding.

[172] CforAT Comments at 28; TURN Cal Advocates Comments at 16-17.

[173] *See* CETF Settlement at 14-15, 18; Cal Advocates Settlement at 11.

[174] *Order Instituting Investigation on the Comm'n's Own Motion into the Maint., Operations & Practices of Pac. Gas & Elec. Co. (U39E) with Respect to its Elec. Facilities; & Order to Show Cause Why the Comm'n Should Not Impose Penalties &/or Other Remedies for the Role PG&E's Elec. Facilities had in Igniting Fires in its Serv. Territory in 2017* (2020) D.20-05-019 at 20.

A. CforAT fails to identify any actual material contested issue of fact that *necessitates* a settlement hearing.

Longstanding Commission precedent holds that "Commission review of a proposed settlement is 'not to be turned into a . . . trial on the merits' and 'must stop short of the detailed and thorough investigation that [the Commission] would undertake if it were actually trying the case.'"[175] The Commission has previously explained the purpose of settlement review is not to conduct a "full scale mini-hearing on the merits of the case."[176] Indeed, "[b]y its nature, a proceeding to determine whether a settlement is reasonable is not fully litigated and does not necessarily resolve all underlying factual disputes."[177]

Rule 12.3 provides that the ALJ may decline to hold settlement hearings if they determine that "there are no material contested issues of fact, or if the contested issue is one of law."[178] Parties requesting Rule 12.3 hearings must identify specific factual questions, not policy preferences or legal arguments, that are material to the Commission's review of the reasonableness of the settlement as a whole, are genuinely in dispute, and cannot be resolved from the existing evidentiary record. A disagreement with a settlement's terms or a preference for different or more onerous conditions is not a contested issue of fact; it is a legal and policy position to be reviewed through the Rule 12.2 comment process.[179] The Commission has consistently applied this standard to deny settlement hearing requests.[180]

CforAT purports to identify a list of "disputed" facts regarding the Settlement Agreements. In actuality, CforAT has framed its policy objections as "factual" disputes to demand a new round of evidentiary hearings when none is warranted. Many of the claimed "disputed facts," such as "[w]hether the settlement terms are ambiguous" and "[w]hether Charter and Cal Advocates have demonstrated that their agreement will maintain or improve service quality" are generalized

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[175] D.25-01-042 at 18 (quoting D.88-12-083 at 55, 1988 Cal. PUC LEXIS 886 at *87).

[176] D.25-12-023 at 35 (D.00-09-034 at 20).

[177] D.20-12-015 at 18.

[178] Rule 12.3, California Public Utilities Commission Rules of Practice and Procedure.

[179] Rule 12.2, California Public Utilities Commission Rules of Practice and Procedure.

[180] *See, e.g.*, D.10-12-035; *Application of Pac. Gas & Elec. Co. for Auth. to Increase Elec. Rates and Charges to Recover Smart Grid Costs Relating to Compressed Air Energy Storage Demonstration Project Under Am. Recovery and Reinvestment Act of 2009 (U39E)* (2010) D.10-01-025; D.12-09-019 (2012); *Order Instituting Investigation on the Comm'n's Own Motion into the Operations and Pracs. of Pac. Gas & Elec. Co. Regarding Anti-Smart Meter Consumer Groups* (2014) D.14-01-038; D.20-12-015.

grievances with the Settlement Agreements and the Transfer as a whole; they do not present a specific, material question of fact.[181] CforAT also improperly characterizes its policy disagreements regarding CETF's digital inclusion approach as factual issues.[182] However, *even when* a contesting party can demonstrate that a factual issue is in dispute—which CforAT has not successfully done—the Commission has consistently denied settlement hearings where the underlying factual dispute is not material to the Commission's review of the proposed settlement, reflecting the Commission's policy preference encouraging parties to reach settlements.[183] The Commission need not resolve every underlying factual issue with a settlement because "if every underlying factual contention had to be fully litigated, parties would be unable to settle contrary to our long-established policy."[184] Once a settlement is reached, "the issue becomes the reasonableness and public interest value of that settlement, and whether it is within a range of possible outcomes," not whether every alleged factual dispute is resolved.[185]

CforAT's hearing request is plainly unwarranted. It identifies no genuine factual question that (a) was not already extensively litigated at the evidentiary hearings, (b) is material to the Commission's Rule 12.1(d) evaluation, and (c) cannot be resolved from the existing record.

Where, as here, parties have already conducted extensive discovery, submitted pre-filed testimony and rebuttal, and subjected that testimony to cross-examination at evidentiary hearings, the record is by definition complete on the subjects addressed. Without identifying genuine and specific issues of material fact with the Settlement Agreements, a settlement hearing would be unjustified here.

B. Holding a settlement hearing would be inconsistent with Commission precedent and unjustified.

The Commission has denied Rule 12.3 settlement hearing requests in proceedings where, similar to the current proceeding, non-settling parties contested a settlement on legal and policy

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[181] *See* CforAT Comments at 2-3.

[182] *See* CforAT Comments at 3.

[183] *See* D.14-01-038; *In re the Application of Pac. Bell, a Corp., for Auth. to Increase Certain Intrastate Rates and Charges Applicable to Tel. Servs. Furnished within the State of Cal. (Telesis Audit Phase)* (1992) D.92-07-076, 1992 Cal. PUC LEXIS 680 at *21 (rejecting requests for hearings from intervenors whose comments were "heavy on 'what if' scenarios and conclusory remarks" but failed to show any actual "material factual contention about the settlement").

[184] D.20-12-015, at 20.

[185] D.20-12-015, at 22.

grounds but failed to identify genuine material factual disputes.[186] The most recent analogous precedent is the Commission's handling of the Verizon/Frontier proceeding (A.24-10-006), which involved CforAT in a substantially similar procedural posture. In that proceeding, CforAT advanced many objections materially similar to those it now presents and requested a Rule 12.3 hearing which the ALJ declined to hold.[187] Indeed, the Commission has frequently found that non-settling parties' objections to proposed settlements, such as general requests for more information about a provision in a settlement, should be addressed through the comment process and are not sufficient to merit a hearing.[188] The Commission should treat CforAT's objections here the same way.

Moreover, the narrow circumstances in which the Commission has held settlement hearings are entirely absent here. In the handful of cases in recent practice where the Commission held settlement hearings, the distinguishing features of those cases are entirely absent from this proceeding. In its decision in the PG&E Reorganization proceeding (D.03-12-035), the Commission held a separate evidentiary hearing on a proposed settlement arising from PG&E's bankruptcy reorganization.[189] In that proceeding, the Commission itself was a settling party: it had filed and litigated its own competing plan of reorganization in federal bankruptcy court, making it both a regulator and a litigant with a direct financial stake in the proposed settlement's terms.[190] The proposed settlement agreement also raised entirely novel financial and structural questions

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[186] *See, e.g.*, D.12-09-019 (denying hearing requests by two non-settling parties; finding one party's challenge to the settlement's culpability assessment factually indisputable and irrelevant to the settlement approval, and rejecting the other's proposed hearing topics as either governed by existing Commission rules or reflecting a desire for more information rather than a genuine factual dispute); D.20-12-015 (denying hearing requests on rehearing because Commission did not rely on disputed facts to evaluate settlement); *Application of Pac. Gas & Elec. Co. for Expedited Approval of the Amended Power Purchase Agreement for the Russell City Energy Co. Project (U39E)* (2009) D.09-04-010 (denying hearing requests because non-settling parties did not present any particular, material factual issues regarding the settlement).

[187] *See* A.24-10-006, Center for Accessible Technology's Response to Joint Applicants' Motion to Modify the Procedural Schedule, at 11 (Sept. 10, 2025); A.24-10-006, Center for Accessible Technology's Reply Brief, at 3-4 & 12 (Oct. 31, 2025); Verizon/Frontier Order at 103 (accepting settlements without holding additional settlement hearing).

[188] *See, e.g.*, D.10-12-035; D.10-01-025; D.12-09-019; D.14-01-038; D.20-12-015.

[189] *Order Instituting Investigation into the Ratemaking Implications for Pac. Gas & Elec. Co. (PG&E) Pursuant to the Comm'n's Alternative Plan of Reorganization under Chapter 11 of the Bankruptcy Code for PG&E, in the U.S. Bankr. Ct., N.D. of Cal., San Francisco Division, In re Pac. Gas & Elec. Co., Case No. 01-30923 DM (U 39 M)* (2003) D.03-12-035.

[190] *Id.* at 2-4.

that had never been examined in any prior Commission proceeding, including the size of a proposed regulatory asset, the fixed rate of return, and the scope of the Bankruptcy Court's ongoing jurisdiction over Commission decisions. These were genuinely novel factual questions with no regulatory antecedents. None of these circumstances are present here. The Commission is not a settling party in this proceeding; it is the regulator evaluating a transaction before it. The evidentiary record is complete, as every commitment in both Settlement Agreements addresses subjects that were thoroughly litigated and examined, and does not raise a novel factual question that the Commission cannot evaluate.

In proceedings where settlement hearings are held to resolve genuine disputed factual issues, the Commission clearly acknowledges its inability to fully evaluate proposed settlements without further fact development through a hearing. In its decision on the Southern California Edison Co. San Onofre Station investigation, for example, the ALJ ordered a Rule 12.3 hearing because the settlement itself contained specific numerical representations and financial calculations—relating to rate adjustments and cost allocations—whose meaning and derivation could not be evaluated without testimonial support.[191] The Commission, however, confined the hearing strictly to the agreement's numerical terms and rejected non-settling parties' efforts to expand it into a broader evidentiary proceeding on the underlying issues in the proceeding.[192] Neither of the Settlement Agreements here contains comparable unexplained calculations requiring testimonial interpretation. Every quantitative commitment in the Settlement Agreements derives directly from positions advanced and, crucially, previously contested in the evidentiary record. These figures can be evaluated on the existing record without any need for further testimony.

C. Granting a settlement hearing would impose severe and irreversible harm by eliminating the window for a decision before the HSR clearance deadline.

The Commission should exercise its discretion under Rule 12.3 and Rule 12.4 to decline to hold a settlement hearing in light of the adverse practical consequences it would produce. Joint Applicants' Hart-Scott-Rodino ("HSR") Act clearance expires on September 15, 2026, and the Settling Parties have committed to working in good faith toward a final Commission decision by August 13, 2026. *Any* settlement hearing, even one conducted on an expedited schedule, would

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[191] D.14-11-040.

[192] *See id.* at 67-69.

require time for the hearing itself and post-hearing briefing, in addition to the time already allocated to the Rule 12.2 comment process. The cumulative delay would almost certainly push the final Commission decision past September 15, creating substantial operational, business, and legal costs for Joint Applicants.[193] More fundamentally, if the HSR clearance expires before the Commission issues a final decision and Joint Applicants can close, Joint Applicants would necessarily have to reconsider whether to proceed with the Transaction at all given the costs and risks associated with further delay.[194] If the Transaction does not close, California consumers will lose every public interest benefit secured by both Settlement Agreements.

Since CforAT's hearing request is not based on any genuine factual dispute, the delay it would cause would risk pushing the proceeding beyond the HSR deadline without materially assisting the Commission's review.[195] CforAT's efforts to use the Settlement Agreements and their myriad public interest benefits as a vehicle to extend the proceeding further and impose additional procedural burdens that would not otherwise exist absent the Settlement Agreements is unwarranted. This is precisely the dynamic that the Commission's strong policy preference in favor of settlement is designed to prevent.[196]

Ultimately, even if the Commission were to conclude that some contested factual issue existed in connection with the Settlement Agreements—which the Joint Applicants maintain it should not—the Commission retains discretion under Rule 12.4 to decline to hold a hearing if it determines that such a hearing is unnecessary to fully evaluate the settlements. The evidentiary record already developed in this proceeding is complete and addresses every material factual issue relevant to evaluating the Settlement Agreements. No fact asserted by CforAT satisfies Rule 12.3's standard here, given the fully developed evidentiary record. The Commission should exercise its discretion under Rule 12.4 to deny the hearing requests and proceed to a decision on the Settlement Agreements based on the existing record.

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[193] *See* Response to Fourth ALJ Inquiry at 5-11.

[194] *Id.* at 5.

[195] These delays include: (1) CforAT taking approximately two months to execute an NDA with Charter, impeding discovery; (2) parties, including EBBC and NIWR waiting upwards of eight months into the proceeding to seek party status; (3) CforAT and TURN seeking to postpone the evidentiary hearing on two separate occasions—first in January, and again in April; and (4) TURN seeking to extend the Rule 12.2 settlement comment period beyond the 30 days provided by the Commission's rules, knowing that further delay would seriously risk passing the HSR deadline.

[196] *See supra*, Section I.

V. CONCLUSION

Joint Applicants submit these Reply Comments in response to the comments submitted in relation to Joint Applicants' Motions to Adopt Settlement. For the foregoing reasons, Joint Applicants respectfully request that the Commission adopt the Settlement Agreements without conditions and decline to hold any additional hearing.

Respectfully submitted,

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