

1                                   **BEFORE THE PUBLIC UTILITIES COMMISSION**  
2                                   **OF THE STATE OF CALIFORNIA**

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

Application 25-07-016

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11                                   **REBUTTAL TESTIMONY OF JEFFREY B. MURPHY**

12                                   **SENIOR VICE PRESIDENT, CORPORATE FINANCE AND DEVELOPMENT**

13                                   **CHARTER COMMUNICATIONS, INC.**

14                                   **ON BEHALF OF JOINT APPLICANTS**

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16                                   **MARCH 4, 2026**  
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**SUBJECT INDEX**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

**I. INTRODUCTION..... 1**

**II. FINANCIAL HEALTH OF THE COMBINED COMPANY ..... 1**

**III. MARKET AND INVESTOR REACTIONS ..... 12**

**IV. PROJECTED REVENUES AND SYNERGIES..... 14**

1 **I. INTRODUCTION**

2 **Q: Please state your name, occupation, and business address.**

3 My name is Jeffrey B. Murphy. I am the Senior Vice President of Corporate Finance and  
4 Development at Charter Communications, Inc. (“Charter”). My business address is 400  
5 Washington Boulevard, Stamford, Connecticut 06902.

6 **Q: In your opening testimony, you described your professional qualifications. Do your  
7 professional qualifications remain the same as set forth in that opening testimony?**

8 Yes.

9 **II. FINANCIAL HEALTH OF THE COMBINED COMPANY**

10 **Q: Have you reviewed the testimony submitted by Bixia Ye?**

11 Yes, I have.

12 **Q: The testimony of Bixia Ye states that the Transaction will materially increase  
13 Charter’s post-merger debt obligations, thereby increasing financial risk and pressure on  
14 post-merger operations.<sup>1</sup> Does the increased debt of the combined company, relative to  
15 Charter on a standalone basis today, indicate that the Transaction will fail to maintain or  
16 improve the financial condition of the combined company?**

17 No, it does not.

18 I note that most of Ms. Ye’s testimony addresses Charter’s financial health. My  
19 understanding is that the focus of the inquiry in this proceeding is how the Transaction will affect  
20 the financial health of the licensed entity, Cox California Telcom, LLC. Charter conducts its  
21 operations and reports its financial results on a consolidated basis, as it will continue to do after  
22 the Transaction, so my testimony will address the financial condition of the combined company

23 \_\_\_\_\_  
24 <sup>1</sup> Intervenor Testimony of Bixia Ye on Behalf of the Public Advocates Office of the California Public  
Utilities Commission, February 11, 2026, at 2—1:19-20 (“Ye Testimony”).

1 overall, as Ms. Ye does.

2 It is true, as Ms. Ye states, that on an absolute dollars basis the combined company will  
3 mathematically have a greater amount of total debt than either Charter or Cox does on a standalone  
4 basis. However, Ms. Ye’s analysis ignores a number of factors that such financial analysis would  
5 normally consider in making an assessment of how this additional debt will affect the combined  
6 company after the Transactions.

7 First, Ms. Ye’s assessment of the total amount of debt uses outdated information that  
8 overstates the incremental debt that Charter will incur and total debt that Charter will bear after  
9 the Transaction’s close. Charter’s standalone net debt as of December 31, 2025, was \$94.1 billion.<sup>2</sup>  
10 As part of the Liberty Broadband transaction announced in November 2025, Charter will assume  
11 Liberty Broadband’s net debt at closing. Liberty Broadband’s net debt as of December 31, 2025,  
12 was \$1.7 billion, approximately \$0.9 billion lower than the older figure cited by Ms. Ye.<sup>3</sup> Charter  
13 will issue \$4.0 billion of new debt to fund the cash consideration due to Cox Enterprises, Inc.  
14 (“CEI”) and assume approximately \$12.6 billion of existing Cox Communications debt and  
15 finance lease obligations at the close of the Transaction. Based on the above, an estimate of the  
16 combined company’s net debt as of December 31, 2025, pro forma for the Transaction, would be  
17 \$112.4 billion. It is important to note that this is a “point in time” figure that assumes no further  
18 deleveraging prior to the eventual closing of the Liberty Broadband transaction and the  
19 Transaction.

20 Second, Ms. Ye’s analysis incorrectly asserts that the \$12.6 billion existing Cox  
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22 <sup>2</sup> Charter Communications, Inc., Annual Reports (Form 10-K) (Jan. 30, 2026),  
23 <https://ir.charter.com/node/35981/html>.

24 <sup>3</sup> Liberty Broadband Corporation, Annual Reports (Form 10-K) (Feb. 5, 2026),  
<https://www.libertybroadband.com/investors/financial-information/sec-filings-in/content/0001104659-26-010397/0001104659-26-010397.pdf>.

1 Communications debt and finance leases are incremental.<sup>4</sup> This assertion ignores the fact that the  
2 combined company will assume not only the obligation of Cox’s debt, but also the benefit of Cox’s  
3 Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (“Adj. EBITDA”) and  
4 cash flow production, which will continue to support the debt even when the companies are  
5 combined.

6 Third, Ms. Ye asserts that the debt associated with the Liberty Broadband transaction and  
7 the Transaction represents a material increase. As I detail below, Charter already manages its  
8 balance sheet as if the debt assumed with the Liberty Broadband transaction belongs to Charter  
9 today. The debt that will be raised to provide the \$4.0 billion cash consideration to CEI in the  
10 Transaction *is* incremental debt, as Ms. Ye points out. However, the combined \$5.7 billion  
11 increase represents just 0.20x Adj. EBITDA of the combined company.<sup>5</sup>

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23 <sup>4</sup> Ye Testimony, at 2—2:15-20.

24 <sup>5</sup> Based on the most recent “last twelve months” financial statements from each of Charter, Liberty and  
Cox.

1 As can be seen in the table below, the net effect of the Transaction, taking into account  
2 the incremental Adj. EBITDA acquired from Cox in the Transaction,<sup>6</sup> would be de-leveraging.

3

4 (billions)	Charter pro forma for Liberty Broadband	Cox <sup>7</sup>	Transaction- Related	Combined
5 Net Debt	\$95.8	\$12.6	\$4.0	\$112.4
6 Adj. EBITDA	\$22.7	\$4.9	--	\$27.6
7 Net Leverage	4.22x			4.06x

8 **Q: What are Charter's plans for post-Transaction leverage?**

9 Notwithstanding the fact that the incremental leverage in the transaction is modest, Charter  
10 has been prudent in its approach to leverage after the Transaction. Since the Liberty Broadband  
11 transaction was announced in November 2024, Charter has managed its debt and leverage levels  
12 on a pro forma basis assuming the Liberty Broadband transaction would close. At the  
13 announcement, Charter committed to investors and the credit rating agencies that it would  
14 moderate net leverage to the midpoint of its 4.0 to 4.5 times last twelve months Adj. EBITDA  
15 range, pro forma for the Liberty Broadband transaction.

16 With the announcement of the Transaction with Cox, Charter further moderated this  
17 leverage policy guidance, reducing its net leverage target from the midpoint of a 4.0 to 4.5 times  
18 range to the midpoint of a 3.5 to 4.5 times range within three years of transaction close.<sup>8</sup> In  
19 Charter's full year 2025 earnings release on January 31, 2025, Charter further reduced this target

21 <sup>6</sup> Derived using Cox's financial statements for the nine months ending September 30, 2025, publicly filed  
22 by Charter in Form 8-K on January 6, 2026. Charter Communications, Inc., Report (Form 8-K) (Jan. 6,  
2026), <https://ir.charter.com/node/35836/html>.

23 <sup>7</sup> Cox EBITDA is latest twelve months as of September 30, 2025.

24 <sup>8</sup> See Charter Communications & Cox, *Charter Communications and Cox Communications Agree to  
Transformative Combination* at 4 (May 16, 2025), [https://ir.charter.com/static-files/17f74638-d569-448c-  
be88-76d00f9c6fff](https://ir.charter.com/static-files/17f74638-d569-448c-be88-76d00f9c6fff).

1 range to 3.5 to 3.75 times Adj. EBITDA.

2 **Q: Ms. Ye’s testimony asserts that Charter has not provided a plan for how it will de-**  
3 **leverage after the Transaction. Are you able to comment on that assertion?**

4 Charter publicly announced as part of its full year 2025 earnings presentation a modified  
5 leverage policy that would reduce its post-Transaction target net leverage ratio from the previously  
6 announced 3.5 to 4.0 times Adj. EBITDA to a lower 3.50 to 3.75 times Adj. EBITDA target net  
7 leverage ratio, which would still be achieved within three years of closing.<sup>9</sup> While Ms. Ye seeks  
8 “a concrete, time-bound, or enforceable deleveraging plan,”<sup>10</sup> Charter’s public commitment to  
9 achieving its deleveraging targets has the same practical effect. Charter made this policy change  
10 publicly, and we expect that investors and the credit rating agencies will hold Charter management  
11 accountable for achieving it. There are significant risks and costs of failing to achieve publicly  
12 announced leverage goals—such as potential downgrades by the credit rating agencies, which  
13 would impact Charter’s financing costs—that provide strong incentives for Charter to meet our  
14 targets.

15 Charter has consistently generated strong free cash flow sufficient to service its debt  
16 obligations while maintaining substantial capital investments, and it is well-situated to continue to  
17 do so following the Transaction while moving to its lower net leverage target. For the full year  
18 2025, Charter generated net cash flows from operating activities of \$16.1 billion and free cash  
19 flow of \$5.0 billion, a year in which the company invested \$11.7 billion in capital expenditures,  
20 representing 21.3% of revenues.

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22 <sup>9</sup> Charter’s Full Year 2025 Earnings Presentation is provided here: [https://ir.charter.com/static-](https://ir.charter.com/static-files/991e6bf4-a76f-4d84-a2de-751411e6ef85)  
23 [files/991e6bf4-a76f-4d84-a2de-751411e6ef85](https://ir.charter.com/static-files/991e6bf4-a76f-4d84-a2de-751411e6ef85). Charter’s Full Year 2025 Earnings Call Transcript is  
24 provided here: [https://finance.yahoo.com/quote/CHTR/earnings/CHTR-Q4-2025-earnings\\_call-](https://finance.yahoo.com/quote/CHTR/earnings/CHTR-Q4-2025-earnings_call-407201.html)  
[407201.html](https://finance.yahoo.com/quote/CHTR/earnings/CHTR-Q4-2025-earnings_call-407201.html) (“Charter 2025 Full Year Earnings Call Transcript”).

<sup>10</sup> Ye Testimony, at 2—6:12.

1 Charter's base case plan is that deleveraging will be achieved by a combination of Adj.  
2 EBITDA growth and debt retirement from free cash flow. As detailed more fully below, due to  
3 an expected reduction in capital expenditures as the company completes several major project-  
4 based initiatives, Charter expects that its free cash flow will increase to approximately \$9.0 billion  
5 per year once several sizeable capital expenditure projects are completed by the end of 2027.<sup>11</sup> As  
6 noted by Charter's CFO on the full year 2025 earnings call, if all of this excess free cash flow were  
7 directed to deleveraging, the company could reduce net leverage by up to 0.5x per year on a  
8 standalone basis over the next several years in order to meet its net leverage targets.<sup>12</sup> It should be  
9 noted that this does not include the additional deleveraging potential from Cox's free cash flow,  
10 which was \$2.9 billion of net cash flows from operating activities in the nine months ended  
11 September 30, 2025, the latest period for which financials are available.<sup>13</sup> As described more fully  
12 below, financial market participants understand Charter's ability to service its debts and achieve  
13 its deleveraging targets and responded positively to the announcement of the company's post-  
14 transaction leverage policy.

15 **Q: What factors should be considered as part of a more comprehensive assessment of**  
16 **Charter's financial health?**

17 Financial analysts who assess the financial health of companies, including credit rating  
18 agencies and investment banking research analysts, generally look at a comprehensive financial  
19 picture of a company's revenues, cash flow, assets, liabilities, and obligations, amongst other  
20 factors. For that reason, any meaningful assessment of the combined company's financial health

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22 <sup>11</sup> Spectrum, *Charter Communications Third Quarter 2025 Results* at 16 (Oct. 31, 2025),  
23 <https://ir.charter.com/static-files/4aaaa5e1-296a-47fc-bfb3-971eda05ebcc> ("Charter 2025 Earnings  
Presentation").

<sup>12</sup> Charter 2025 Full Year Earnings Call Transcript.

24 <sup>13</sup> See Charter's January 6, 2026 Form 8-K, *supra* n.6, at 4.

1 should look at a broader set of Charter's and Cox's combined financial metrics beyond simply  
2 their combined debt. Of particular importance are the combined revenues, Adj. EBITDA, and cash  
3 flow the companies will have access to in order to pay future operating costs, make future  
4 investments, and service future debt obligations. If one looks at the complete financial picture,  
5 Charter is clearly in a strong financial position today, as evidenced by key financial metrics. The  
6 combined company's financial position will be further strengthened by the Transaction.

7 Charter today has sufficient financial resources to maintain operations and serve its  
8 customers, including those in California, as evidenced by metrics that include the company's  
9 substantial revenue, cash flow, and proven ability to service its debt while maintaining necessary  
10 capital investments. As I discuss below, Charter's revenues, EBITDA, and cash flow have each  
11 increased from 2023 to 2024 and again from 2024 to 2025. I also provide an overview of the pro  
12 forma combined financials of the combined company, based on actual numbers included in the  
13 Definitive Proxy Statement for the Transaction or in updated pro forma financial information filed  
14 with the SEC as part of a bond offering conducted in early January 2026.

15 First, the following metrics demonstrate the strength of Charter's standalone pre-  
16 Transaction financials, including Charter's recently released full year 2025 results.

17 **Revenue:** Charter's total revenue of \$54.8 billion was essentially flat in 2025 compared to  
18 2024 (excluding the effect of a non-political election year on advertising revenues), reflecting  
19 ongoing secular declines in video and voice customers. Revenues for residential internet, mobile  
20 service, and total connectivity increased in 2025 by 1.7%, 22.0%, and 4.1% respectively. From  
21 2024 to 2025, mid-market and large business revenue increased by 3.2% and total commercial  
22 revenue, including small business, increased by 0.9%.

23 **EBITDA:** Full year 2025 Adj. EBITDA totaled \$22.7 billion, 0.6% higher than in 2024,  
24

1 notwithstanding the impact of diminished advertising revenues associated with a non-political  
2 year.

3 **Capital Expenditures:** Charter invested \$11.7 billion in capital expenditures during 2025,  
4 representing a reinvestment ratio of 21.3% of 2025 revenues, an increase from \$11.3 billion and  
5 20.5%, respectively, in 2024. Charter's substantial investments in 2024 and 2025 included \$3.7  
6 billion associated with network upgrade and rebuild, including our network evolution project to  
7 deliver multi-gigabit speeds across our entire footprint, and \$4.4 billion associated with our  
8 subsidized rural construction initiative to deliver services to previously unserved and underserved  
9 locations. After these large projects are completed by the end of 2027, Charter expects capital  
10 expenditures to return to a normalized level of less than \$8.0 billion, which would imply a steady  
11 state reinvestment ratio of 14.6% compared to 2025 revenues.<sup>14</sup>

12 **Cash flow:** Charter generated standalone cash flow from operations and free cash flow of  
13 \$16.1 billion and \$5.0 billion in 2025, respectively, as compared to \$14.4 billion and \$4.3 billion  
14 in 2024. Charter's cash flow from operations in 2025 was 3.19x of its fiscal year 2025 net interest  
15 expense. The company expects free cash flow to increase to \$9 billion by 2028 as the large projects  
16 mentioned above are completed, and capital expenditures return to a normalized level.

17 **Assets:** Charter had current assets of over \$5.1 billion, and total assets of \$154 billion, as  
18 of December 31, 2025.

19 **Debt:** As of December 31, 2025, total principal amount of debt was \$94.6 billion, and  
20 Charter's credit facilities provided approximately \$4.4 billion of additional liquidity in excess of  
21 Charter's \$0.5 billion cash position. Charter actively manages its balance sheet to preserve  
22 financial flexibility. As of December 31, 2025, pro forma for a \$3.0 billion refinancing completed  
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24 <sup>14</sup> Charter 2025 Earnings Presentation, at 13.

1 in early January 2026, the Company's debt was 87% fixed rate and had an average maturity of  
2 12.2 years, with 98% of maturities after 2027. Charter has just \$1.6 billion of debt due over the  
3 next two years, as compared to \$5.0 billion of annual free cash flow.

4 **Leverage:** For the decade since the closing of the Time Warner Cable and Bright House  
5 Networks transactions, Charter has operated successfully within its stated leverage target range of  
6 4.0 to 4.5 times Adj. EBITDA.

7 **Q: How will these financial metrics be impacted by the Transaction?**

8 The Transaction will both maintain and improve Charter's financial health and ability to  
9 meet expenses, service its debt, and continue to make investments in the business.

10 As part of its January bond offering, Charter published pro forma financial information for  
11 the nine-month period ending September 30, 2025.<sup>15</sup> This pro forma financial information  
12 includes only the effects of the Transaction and excludes Liberty Broadband. Although the pro  
13 forma financials are not for a complete year and do not include a cash flow statement, they do  
14 provide some helpful, measurable indications of the combined company's financial strength.

15 Pro forma combined revenue for the nine-month period ending September 30, 2025 was  
16 \$50.6 billion, EBITDA (determined based on publicly available information) was approximately  
17 \$21.0 billion, income from operations was approximately \$11.5 billion, and net income was  
18 approximately \$3.4 billion. The combined companies' profitability is essentially unchanged from  
19 standalone Charter across key measures; EBITDA margin was approximately 41% and operating  
20 income margin was approximately 23% in both cases. Net interest expense, including the impact  
21 of the \$4.0 billion incremental debt for the full period, was \$4.5 billion. This implies an interest  
22 coverage ratio (EBITDA divided by interest expense, a commonly used measure of financial  
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24 <sup>15</sup> Charter's January 6, 2026 8-K, *supra* n.6.

1 health) in the period of approximately 4.7x, a slight improvement from 4.5x for Charter on its own.

2 Based on this healthy financial profile and the prudent adjustments made to the companies'  
3 post-transaction leverage policy, Charter accordingly expects that the combined company will  
4 continue to generate, and otherwise have access to, sufficient liquidity to continue to meet its cash  
5 needs (including paying cash obligations as and when they become due and payable) and does not  
6 anticipate any significantly increased risk associated with the Transaction in its ability to do so.

7 **Q. Ms. Ye's testimony states that it would be speculative to consider the greater**  
8 **resources of the combined company as enabling it to effectively service the increased debt**  
9 **that it will carry relative to Charter on a standalone basis.<sup>16</sup> Can you comment on that**  
10 **assertion?**

11 I do not agree with the framing set forth in Ms. Ye's testimony. As mentioned above, the  
12 combined company will have more debt than Charter does today on a standalone basis, but that  
13 debt comes with assets that produce cash flow to service that debt. It would not be logical to  
14 consider the impact of the Transaction on the company's debt service obligations without also  
15 considering the benefit of the Transaction to the company's ability to satisfy those obligations.

16 I would also clarify that the financial metrics for the combined company that I have set  
17 forth above are not speculative. Although Charter's deleveraging plan incorporates projections  
18 regarding the company's future revenues and free cash flow, the financial metrics for the combined  
19 company represent the historical results of the two companies, adjusted for the effects of the  
20 combination as set forth in Charter's definitive proxy statement related to the Transaction and  
21 other subsequent SEC filings, and do not depend upon the success of future planned initiatives.

22 **Q: Does your testimony about the financial health of the combined company rely upon**  
23

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24 <sup>16</sup> Ye Testimony, at 2—4:3-11.

1 **assumptions about Charter’s ability to operate Cox’s business more profitably than Charter**  
2 **does today?**

3 No. The financial metrics set forth in my testimony are based upon historical revenues,  
4 assets, and debt service obligations for the companies as reflected in their financial statements and  
5 Charter’s SEC filings. The financial health of the combined company, as I have explained it here,  
6 does not depend upon expected increases in the profitability of the legacy Cox operations within  
7 the combined company.

8 However, Charter does believe that the combined company will be both more efficient than  
9 Cox on a standalone basis—for example through scale benefits associated with procurement—and  
10 better positioned to realize more revenues from homes passed by Cox’s network than Cox does  
11 today. Charter has historic information about its own business, including the rate at which homes  
12 passed by Charter’s network purchase its services and the revenues it has historically realized from  
13 those sales. Charter’s forecast that the combined company will be able to realize improved  
14 revenues under Charter’s management from homes passed by Cox’s network relative to under  
15 Cox’s operation of the network today, therefore, is not purely speculative, but rather represents a  
16 forecast informed by recent experience.

17 **Q: Ms. Ye’s testimony points to a \$2.0 billion debt issuance that Charter undertook in**  
18 **September of 2025.<sup>17</sup> Does that recent debt issuance have any relevance to Charter’s plans**  
19 **to de-leverage?**

20 No. Ms. Ye’s testimony ignores the fact that it is common for companies to finance their  
21 operations, capital expenditures, and other initiatives with debt. Basic finance theory holds that a  
22 company should optimize its cost of capital by funding through a balance of both debt and equity,  
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24 <sup>17</sup> Ye Testimony, at 2—5:3-8.

1 as equity also has a cost (the returns required by equity investors) which is generally higher than  
2 the cost of debt. Charter’s capital structure and leverage policy reflect this. The Company’s ability  
3 to access both the loan and bond markets and attract a diverse set of leading banks and blue-chip  
4 investors is a testament to the strength of the company. Charter proactively refinances its debt  
5 balances well in advance of maturity. As indicated by “repay certain indebtedness” appearing first  
6 in the use of proceeds statement quoted by Ms. Ye, the majority of the September 2025 debt  
7 issuance was used to refinance existing debt that was due in late 2026.<sup>18</sup> Charter’s subsequent  
8 \$3.0 billion offering in January 2026 was used entirely to refinance debt that was due in mid-2026  
9 and mid-2027.<sup>19</sup> These transactions are not in tension with Charter’s long-term plans to reduce its  
10 leverage after the transaction.

### 11 **III. MARKET AND INVESTOR REACTIONS**

#### 12 **Q: How has the market responded to the Transaction and Charter’s risk profile?**

13 The market has responded positively to Charter’s financing plans and adjusted leverage  
14 policy. As I stated in my opening testimony, numerous analyses from independent credit agencies  
15 support Charter’s position on its ability to service its debt, both on a standalone basis and for the  
16 combined company following the Transaction. Moody’s, S&P, and Fitch all affirmed Charter’s  
17 credit ratings after Charter announced the Transaction and its policy (at the time) to achieve post-  
18 Transaction net leverage of 3.5 to 4.0 Adj. EBITDA, with Moody’s updating Charter’s outlook  
19 from “negative” to “stable” and Fitch placing Charter’s credit ratings on “Ratings Watch Positive.”  
20 S&P Global described the Transaction as “leverage neutral,” and Fitch stated that it expected  
21 Charter’s free cash on hand to “more than cover annual debt maturities.” And as noted above, the

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22 <sup>18</sup> Charter Communications Inc., Report (Form 8-K) (Sept. 2, 2025),  
23 <https://ir.charter.com/node/35601/html>.

24 <sup>19</sup> Charter Communications Inc., Report (Form 8-K) (Jan. 13, 2026),  
<https://ir.charter.com/node/35866/html>.

1 combined company plans to further reduce its long-term target net leverage ratio after closing to  
2 3.50 to 3.75 times, lower than the 3.5 to 4.0 times leverage range that the independent credit  
3 agencies viewed positively in their initial assessments of the Transaction.

4 Bond investors feel similarly positive about Charter's risk profile post-Transaction.  
5 Charter has conducted two bond financing transactions since the announcement of the Transaction  
6 in May 2025, one in September 2025 and the other in January 2026. The primary use of proceeds  
7 was the refinancing of existing debt, and in both transactions, there was far more demand for the  
8 bonds than bonds available to be purchased. This dynamic allowed Charter to price the September  
9 bonds at a lower rate than, and the January bonds essentially at the same rate as, the existing bonds  
10 were yielding. These outcomes compare favorably to the general rule that bond investors require  
11 a "new issue concession" to be compensated for buying new bonds.

12 Moreover, as of February 18, 2026, Charter's existing debt was trading at lower yields on  
13 a weighted average basis than before the Transaction was announced. This implies that the market  
14 assessed Charter's bonds as lower risk, in part based on the prospect of the Transaction and  
15 Charter's revised target net leverage ratio policy. As a result, investors require less compensation  
16 to lend to Charter and Charter can therefore finance on average more cheaply.

17 Both the September 2025 and January 2026 debt issuances and the yield performance of  
18 Charter's existing debt suggest that the market remains confident in Charter's financial condition  
19 and remains ready to invest in the company.

20 **Q: How do Charter's own investors view the Transaction?**

21 Charter's own investors overwhelmingly agreed that the Transaction was in the best  
22 interests of the company's long-term financial future. The Transaction was approved by 99% of  
23 all shareholders, including many independent shareholders.

1 **IV. PROJECTED REVENUES AND SYNERGIES**

2 **Q: Ms. Ye's testimony includes a graph showing Charter's internet customers over**  
3 **time.<sup>20</sup> Does that chart indicate that Charter is facing financial pressure to raise prices or**  
4 **decrease investment?**

5 No, neither. Ms. Ye's testimony again focuses on one isolated operational metric. A  
6 comprehensive analysis of the company's financial health would assess the trajectory of the  
7 company's revenues more generally rather than focusing solely on one metric in isolation. As I  
8 described earlier in the testimony, Charter is in strong financial health, and the Transaction will  
9 both maintain and benefit the financial health of the combined company.

10 According to Charter's 10-K filed on January 30, 2026, Charter's total revenue of \$54.8  
11 billion was essentially flat in 2025 compared to 2024, excluding the effect of a non-political  
12 election year on advertising revenues.<sup>21</sup> Charter's overall revenue across its service lines remains  
13 healthy and does not indicate any challenge in servicing its debt and making necessary future  
14 investments. For example, overall connectivity revenue grew 4.1% to \$27.5 billion in 2025, driven  
15 by Internet revenue growth of 1.7%, to nearly \$24 billion. Mobile service revenues grew by 22%  
16 to \$3.8 billion, following an increase of approximately 1.9 million mobile lines during the year. It  
17 is important to note that this revenue growth was achieved even though isolated operational metrics  
18 were mostly flat, *e.g.*, monthly residential revenue per residential customer rose just 0.3% and  
19 monthly small business revenue per small business customer declined 0.3% in 2025 as compared  
20 to 2024.

21 Ms. Ye's testimony also argues that the combined company will have incentives to charge  
22 higher prices due to reductions in its number of internet customers. I understand that Mr. Keating

23 \_\_\_\_\_  
24 <sup>20</sup> Ye Testimony, at 2—7:14.

<sup>21</sup> Charter's January 30, 2026 Form 10-K, *supra* n.2.

1 will be addressing Charter's pricing incentives as an economic matter, and that my colleague Mr.  
2 Andreski will discuss Charter's pricing policies. I will therefore not address this argument here  
3 other than to note that its predicate—that Charter is facing financial pressure due to a modest  
4 decrease in internet customers—is not a complete picture of the company's financial performance.

5 **Q: The testimony of David Brevitz addresses the potential synergies from the**  
6 **Transaction. Can you address the amount of the projected synergies?**

7 Mr. Brevitz's testimony is focused on the expected synergies from the Transaction, and  
8 who will receive the benefit of those synergies. I would emphasize that the projected cost  
9 synergies from the Transaction that are set forth in Charter's SEC filings are high-level initial  
10 estimates that were calculated prior to Charter gaining full access to Cox's operations and are  
11 primarily related to procurement savings and efficiencies in certain corporate functions. They are  
12 not meant to be specific and precise projections of the cost savings that the combined company  
13 will realize. I would also emphasize that the projected cost synergies are not the principal driver  
14 of the Transaction, but rather the benefits that will arise from the combined company expanding  
15 Charter's successful business model—including its products and service offerings—into the  
16 legacy Cox footprint and realizing improved business outcomes from doing so.

17 **V. CONCLUSION**

18 **Q: Does this conclude your rebuttal testimony?**

19 Yes.  
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