

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

August 16, 2010

IN RE:

**PETITION OF CHARTER FIBERLINK-
TENNESSEE, LLC FOR FINANCING
APPROVAL**

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**DOCKET NO.
10-00085**

ORDER APPROVING FINANCING TRANSACTIONS

This matter came before Director Mary W. Freeman, Director Eddie Roberson and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 21, 2010 for consideration of the *Petition for Financing Approval* (“*Petition*”) filed on April 30, 2010 by Charter Fiberlink-Tennessee, LLC (“Charter Fiberlink”). Charter Fiberlink is a Delaware limited liability company and is a member of a large corporate family whose ultimate corporate parent is Charter Communications, Inc. (“Charter”). In Tennessee, Charter Fiberlink is authorized to provide facilities-based local exchange, interexchange and resold local telephone services pursuant to Authority Order in Docket No. 03-00521 issued on February 23, 2004.

THE PROPOSED FINANCING TRANSACTIONS

In an Order issued on April 17, 2009 in Docket No. 09-00018, the Authority approved Charter Fiberlink’s financing request whereby Charter Fiberlink would participate in a loan transaction (the “Credit Facility”) with various lenders (the “Lenders”) that provided operating subsidiaries of Charter (including Charter Fiberlink) with access to multiple secured revolving credit loans and term loans. Charter Fiberlink now proposes, along with its subsidiaries, to participate in a financing transaction whereby the Credit Facility will be amended, a new revolving credit facility

will be created, and the maturity dates of a portion of the term loans and the loans under the existing revolving Credit Facility will be extended. Specifically, pursuant to further amendment and restatement of the Credit Facility, certain Lenders have agreed to a new revolving credit facility in the amount of \$1.3 billion, and any drawn amounts will mature in March 2015 (rather than March 2013 under the existing facility). In addition, certain Lenders have agreed to extend by two and one-half years the maturity date of approximately \$3 billion in term loans under the Credit Facility. The extended term loan debt will now mature in September 2016 (rather than March 2014).

As a result of the amendment and restatement of the Credit Facility, the total amount of loans available to Charter under the Credit Facility would increase from approximately \$8.177 billion to approximately \$8.4 billion. Similar to the prior financing transaction, Charter Fiberlink would become a guarantor under the amended Credit Facility and would grant a security interest in all of its assets to the Lenders as collateral. Further, Charter Fiberlink's parent would pledge all of its equity interests in Charter Fiberlink as collateral to the Lenders pursuant to the terms of the amended Credit Facility.

In addition to the above-referenced proposed financing transactions, Charter Fiberlink seeks approval to participate in two Senior Second Lien Notes ("Notes") transactions that were completed by Charter in 2004 and 2008. Upon becoming a participant in the Notes offerings, Charter Fiberlink will become a guarantor of Charter's obligations under the 2004 and 2008 Notes, and Charter Fiberlink will grant a security interest in all of its assets as collateral for Charter's obligations under the Notes. Further, Charter Fiberlink's parent will pledge all of its equity interests in Charter Fiberlink as collateral for Charter's obligations under the Notes.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann. § 65-4-109 (2004) provides:

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the authority for such proposed issue. It shall be the duty of the authority after hearing to approve any such proposed issue

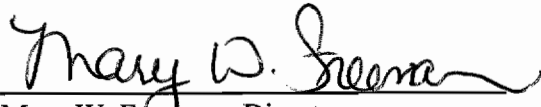
maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the authority.


At a regularly scheduled Authority Conference held on June 21, 2010, the panel voted unanimously to approve the *Petition* and made the following findings:

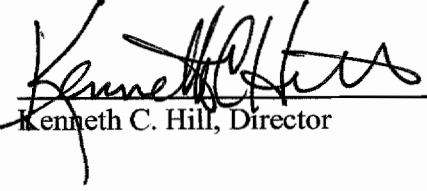
1. The proposed financing transaction is subject to Authority approval pursuant to Tenn. Code Ann. § 65-4-109 (2004).
2. The proposed financing transaction is being made in accordance with laws enforceable by this agency.
3. The proposed financing transaction is in the public interest because it will strengthen Charter-Fiberlink's ability to compete in the market for telecommunications services in Tennessee.

IT IS THEREFORE ORDERED THAT:

1. Charter Fiberlink-Tennessee, LLC is authorized to enter into the financing transaction described in the *Petition for Financing Approval*.
2. The authorization and approval given hereby shall not be used by any party, including but not limited to any lending party, for the purpose of inferring an analysis or assessment of the risks involved.
3. This decision is not intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee or any political subdivision thereof.


Mary W. Freeman, Director


Eddie Roberson, Director


Kenneth C. Hill, Director