

**ORIGINAL**

**NEW APPLICATION  
ARIZONA CORPORATION COMMISSION**



0000144142

**Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Telecommunications Services**

Mail original plus 13 copies of completed application to:

For Docket Control Only:  
(Please Stamp Here)

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

T-20879A-13-0083

RECEIVED  
2013 MAR 21 A 11: 22  
AZ CORP COMMISSION  
DOCKET CONTROL

Please indicate if you have current applications pending in Arizona as an Interexchange reseller, AOS provider, or as the provider of other telecommunication services.

Type of Service: None pending  
Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Date Docketed: \_\_\_\_\_

Type of Service: \_\_\_\_\_  
Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Date Docketed: \_\_\_\_\_

**A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION**

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E).
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other Private line services (Please attach complete description) [See Attachment B]

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

*Time Warner Cable Business LLC  
d/b/a Time Warner Cable  
60 Columbus Circle  
New York, NY 10023*

Arizona Corporation Commission  
**DOCKETED**  
MAR 27 2013

*West Customer Telephone: (866) 636-5895  
Email Form: <http://www.twcbc.com/West/HelpSite/EmailSupport.html>  
Website: <http://www.twcbc.com/West/>*

DOCKETED BY

*National Customer Telephone: (877) 892-4662  
Email Form: <http://www.twcbc.com/nationalsales/HelpSite/EmailSupport.html>  
Website: <http://www.twcbc.com/nationalsales/>*

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

*Time Warner Cable*

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

*Julie P. Laine  
Group Vice President & Secretary  
Time Warner Cable  
60 Columbus Circle  
New York, NY 10023  
(212) 364-8482 Tel.  
(704) 973-6239 Fax  
Julie.Laine@twcable.com*

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

*Joan S. Burke  
Law Office of Joan S. Burke  
1650 N. First Avenue  
Phoenix, AZ 85003  
(602) 535-0396 Tel.  
joan@jsburkelaw.com*

*Julie P. Laine  
Group Vice President & Secretary  
Time Warner Cable  
60 Columbus Circle  
New York, NY 10023  
(212) 364-8482 Tel.  
(704) 973-6239 Fax  
Julie.Laine@twcable.com*

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

*Stacy Hannah  
Senior Manager, Regulatory Affairs  
Time Warner Cable  
13820 Sunrise Valley Dr.  
Herndon, VA 20171  
(703) 345-2455 Tel.  
(704) 973-6239 Fax  
Stacy.Hannah@twcable.com*

*\*\* Please direct all customer complaints to [TWC.Regulatory.Complaints@twcable.com](mailto:TWC.Regulatory.Complaints@twcable.com) to ensure prompt resolution.*

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category

- Sole proprietorship  
 Partnership: \_\_\_\_\_ Limited, \_\_\_\_\_ General, \_\_\_\_\_ Arizona, \_\_\_\_\_ Foreign  
 Limited Liability Company: \_\_\_\_\_ Arizona,  Foreign (*Delaware*)  
 Corporation: \_\_\_\_\_ "S", \_\_\_\_\_ "C", \_\_\_\_\_ Non-profit  
 Other, specify: \_\_\_\_\_

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.

*A Certificate of Good Standing for the Applicant is included in Attachment A-1.*

2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).

*Applicant is a member-managed Delaware limited liability company. TWCIS Holdco LLC owns 100 percent (%) of the membership interest of Applicant. A list of the Applicant's officers is included in Attachment A-2.*

3. Indicate percentages of ownership of each person listed in A-8.2.

*Applicant is an indirect, wholly owned subsidiary of Time Warner Cable Inc. An organizational chart indicating the name and ownership is attached as Attachment A-3.*

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).  
*See Section 3 beginning on page 42.*
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).  
*See Section 3 beginning on page 42.*
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).  
*See Section 2 beginning on page 9.*
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).  
*See Section 2.8.5 on page 28.*
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).  
*See Section 2.8.2 C on page 26.*

*Applicant proposes to use the Tariff included herein as Attachment B.*

(A-10) Indicate the geographic market to be served:

- Statewide. (Applicant adopts statewide map of Arizona provided with this application).  
 Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

1. Describe in detail any such involvement. Please make sure you provide the following information:
2. States in which the Applicant has been or is involved in proceedings.
3. Detailed explanations of the Substance of the Complaints.
4. Commission Orders that resolved any and all Complaints.
5. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

*None.*

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

*None.*

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

*\*Not applicable, Applicant does not intend to provide voice services.*

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

*Applicant is an indirect, wholly owned subsidiary of Time Warner Cable Inc., a publically traded company that collectively provides a variety of communications services to over 15 million*

*residential and commercial customers in the United States, and has a market capitalization of approximately \$26 billion. Applicant proposes to offer non-voice services only. In addition, Applicant's sister company, Time Warner Cable Information Services (Arizona), LLC, currently has a bond on file with the Commission. Applicant requests that the Commission rely on that bond for purpose of this Application and certification.*

- (A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

*Applicant will provide an Affidavit of Publication soon as possible after the Hearing Division advises it of the hearing date and legal notice is published.*

- (A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

Yes

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

*Not applicable.*

- (A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

*Applicant is a new entrant not currently providing service. Applicant is seeking authority to provide the services proposed herein in the following states: AL, AZ, CA, CO, HI, ID, IL, IN, KS, KY, ME, MA, MI, MO, NE, NH, NJ, NM, NY, NC, OH, PA, SC, TN, TX, VA, WA, WV and WI.*

- (A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

*Applicant is a new entrant not currently providing service.*

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

*Applicant is affiliated with Time Warner Cable Information Services (Arizona), LLC. In addition, companies affiliated with Applicant have been certificated to provide intrastate interexchange services as described herein in Attachment C. The principal place of business for each entity is 60 Columbus Circle, New York, NY 10023.*

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance
- Decision # 64178 Facilities Based LEC

#### **B. FINANCIAL INFORMATION**

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

- Yes  No

If "No," explain why and give the date on which the Applicant began operations.

*Applicant has not been in operation for two years. Applicant was formed on January 10, 2013 and will begin operations in the second quarter 2013.*

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

A copy of the Applicant's balance sheet.

A copy of the Applicant's income statement.

A copy of the Applicant's audit report.

A copy of the Applicant's retained earnings balance.

A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

*Not available, please see section B-3.*

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

*Time Warner Cable Inc., the ultimate corporate parent of the Applicant, has committed to provide the financial resources and support necessary for its affiliate to enter the Arizona market and provide its services. Applicant will work with Staff to provide necessary assurances that adequate financial resources will be available to the Applicant Applicant's U.S. Securities and Exchange*

*Commission ("SEC") Form 10-K annual report of its ultimate corporate parent is provided in Attachment D. Additional details on financial and subscriber metrics are included in the Trending Schedules and Presentation Slides posted on the Company's Investor Relations website, and may be accessed at [www.twc.com/investors](http://www.twc.com/investors).*

(B-4) The Applicant must provide the following information.

Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

*Applicant's projected revenue for provisioning services to Arizona customers during the first twelve months following certification is approximately \$2.1 Million.*

Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

*Applicant's projected operating expenses for provisioning services to Arizona customers during the first twelve months following certification is approximately \$1.9 Million.*

Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

*The estimated and projected net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications services to Arizona customers at the end of the first 12 months of operations is approximately \$34,251.00.*

If the projected value of all assets is zero, please specifically state this in your response.

*Not applicable.*

If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

*Not applicable.*

**C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(C-1) Indicate if the Applicant has a resale agreement in operation,  
 Yes  No

*Not applicable, Applicant will not provide local exchange services.*

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes  No

If "Yes," provide the following information:

The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.

Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

*Applicant proposes to commence operations in the second quarter 2013.*

#### **E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

Yes  No

*Not applicable, Applicant will not provide local exchange services.*

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

Yes  No

*Not applicable, Applicant will not provide local exchange services.*

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

Yes  No

*Not applicable, Applicant will not provide local exchange services.*

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Julie P. Laine  
(Signature of Authorized Representative)

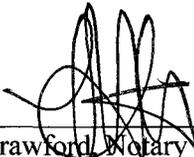
March 25, 2013  
(Date)

Julie P. Laine  
(Print Name of Authorized Representative)

Group Vice President and Secretary  
(Title)

County of Fairfax )  
Commonwealth of Virginia )

Subscribed and sworn to before me on this 25<sup>th</sup> day of March, 2013.

  
Monique Renee Crawford, Notary Public  
Reg. # 271576 Commission expires 12/31/15



**ATTACHMENT A-1: CERTIFICATE OF GOOD STANDING**

*[See attached]*

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*TIME WARNER CABLE BUSINESS LLC\*\*\***

a foreign limited liability company organized under the laws of the jurisdiction of Arizona did obtain a Certificate of Registration in Arizona on the 17th day of January 2013.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 25th Day of March, 2013, A. D.



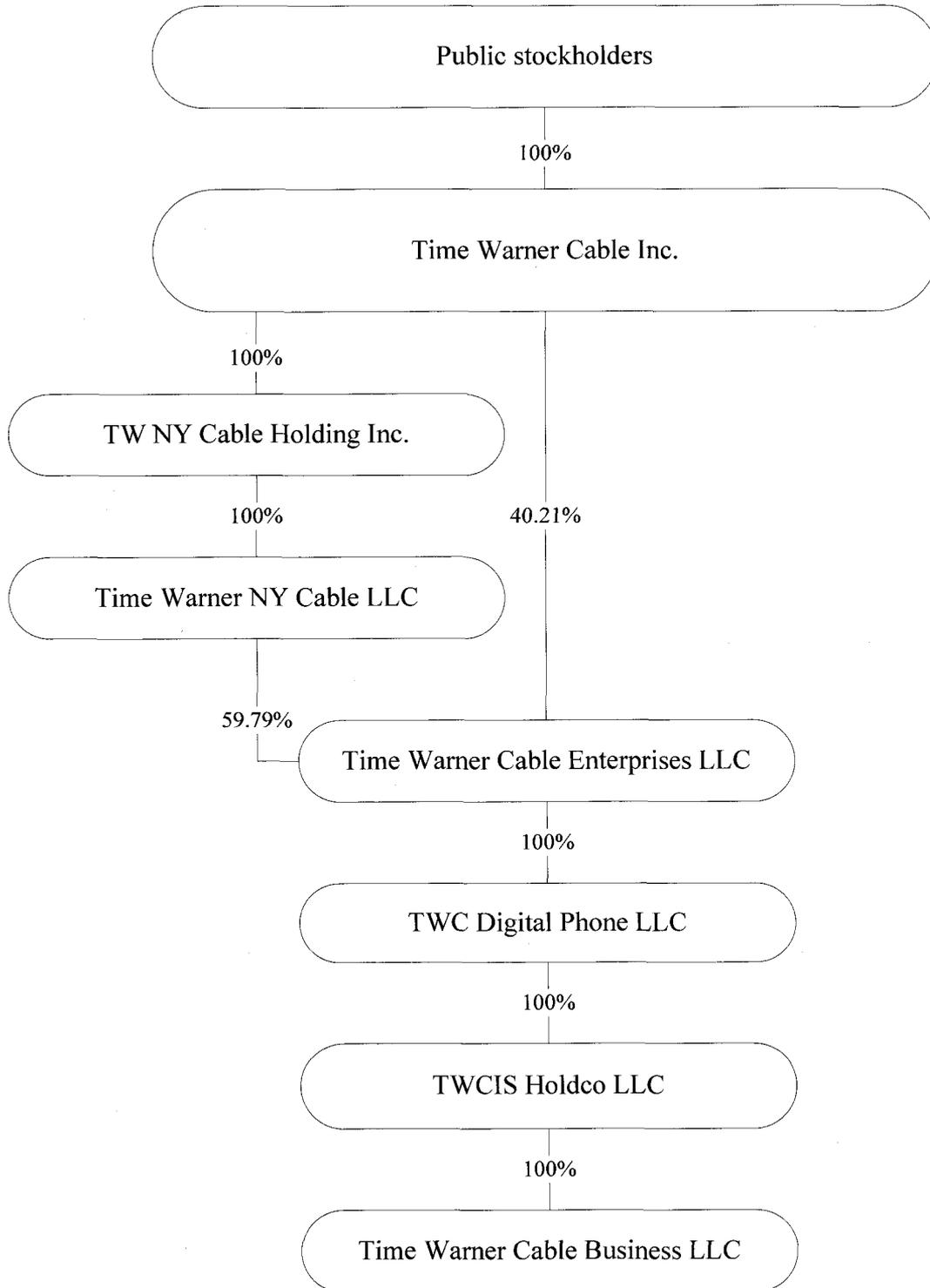
  
\_\_\_\_\_  
Jodi A. Jerich, Executive Director

By: \_\_\_\_\_ 888315

**ATTACHMENT A-2: OFFICERS**

<b>OFFICER NAME</b>	<b>OFFICER TITLE</b>
Gerald D. Campbell	President
David Flessas	Senior Vice President, Technical Operations
David A. Christman	Senior Vice President & Assistant Secretary
Mark A. Schichtel	Senior Vice President, Tax
Julie P. Laine	Group Vice President & Secretary
Ellen Alderdice	Assistant Treasurer
Meredith Garwood	Assistant Treasurer

**ATTACHMENT A-3: OWNERSHIP**



As of December 31, 2012

**ATTACHMENT B: DESCRIPTION OF SERVICE AND PROPOSED TARIFF**

Applicant is a competitive telecommunications company that intends to offer commercial customers High Capacity Transmission Services. High Capacity Transmission Services provides a point-to-point, point-to-multipoint and multipoint-to-multipoint non-voice dedicated connection between one or more customer-designated locations and/or the Company. The service may utilize Ethernet interfaces, optical fiber and/or coaxial cable facilities, is scalable from 1 Mbps to 10 Gbps and will be designed and provisioned on an Individual Case Basis (“ICB”) pursuant to contracts with Customers.

*[See attached]*

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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Time Warner Cable Business LLC

Schedule of Regulations, Services and Rates Applicable to  
Interexchange Services

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of interexchange services to business Customers only, provided by Time Warner Cable Business LLC with principal offices at 60 Columbus Circle, New York, NY 10023. This tariff is on file with the Arizona Corporation Commission and copies may be inspected during normal business hours.

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Issued:

Effective:

Issued By: Julie P. Laine, Secretary  
60 Columbus Circle  
New York, NY 10023

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 INTEREXCHANGE TELECOMMUNICATIONS TARIFF
 

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## CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION		PAGE	REVISION	
1	Original	*	26	Original	*
2	Original	*	27	Original	*
3	Original	*	28	Original	*
4	Original	*	29	Original	*
5	Original	*	30	Original	*
6	Original	*	31	Original	*
7	Original	*	32	Original	*
8	Original	*	33	Original	*
9	Original	*	34	Original	*
10	Original	*	35	Original	*
11	Original	*	36	Original	*
12	Original	*	37	Original	*
13	Original	*	38	Original	*
14	Original	*	39	Original	*
15	Original	*	40	Original	*
16	Original	*	41	Original	*
17	Original	*	42	Original	*
18	Original	*	43	Original	*
19	Original	*			
20	Original	*			
21	Original	*			
22	Original	*			
23	Original	*			
24	Original	*			
25	Original	*			

\* - indicates those pages included with this filing

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 Issued:

Effective:

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60 Columbus Circle  
New York, NY 10023

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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Issued:

Effective:

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60 Columbus Circle  
New York, NY 10023

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the Page. Pages are numbered sequentially. However, new Pages are occasionally added to the tariff. When a new Page is added between Pages already in effect, a letter is added. For example, a new Page added between Pages 14 and 15 would be 14.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each Page. These numbers are used to determine the most current Page version on file with the Commission. Because of various suspension periods, deferrals, etc., the most current Page number on file with the Commission is not always the tariff Page in effect.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
  - 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a).1.
  - 2.1.1.A.1.(a).1.(i).
  - 2.1.1.A.1.(a).1.(i).(1).

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Issued:

Effective:

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60 Columbus Circle  
New York, NY 10023

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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EXPLANATION OF SYMBOLS

The following are the only symbols used for the purposes indicated below:

- (C) - Changed regulation.
- (D) - Delete or discontinued.
- (I) - Change Resulting in an increase to a Customer's bill.
- (M) - Moved from another tariff location.
- (N) - New
- (R) - Change resulting in a reduction to a Customer's bill.
- (T) - Change in text without change in rate or regulation

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Effective:

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60 Columbus Circle  
New York, NY 10023

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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APPLICATION OF TARIFF

This tariff sets forth terms and conditions applicable to the furnishing of Services offered by the Company within the State of Arizona. Services are furnished for the use of business End Users in placing and receiving calls within the State of Arizona and will be provided where Company facilities are available.

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Issued:

Effective:

Issued By: Julie P. Laine, Secretary  
60 Columbus Circle  
New York, NY 10023

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS

1.1 EXPLANATION OF ABBREVIATIONS AND ACRONYMS

IXC – Interexchange Carrier

ICO – Independent Company

ICE – Independent Company Exchange

LATA – Local Access and Transport Area

LEC – Local Exchange Company

MTS – Message Telecommunication Service

NPA – Numbering Plan Area

PIC – Primary Interexchange Carrier

TDD – Telephone Device for the Deaf

TRS – Telecommunications Relay Service

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Issued:

Effective:

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60 Columbus Circle  
New York, NY 10023

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D.)

1.2 DEFINITION OF TERMS

Commission – Arizona Corporation Commission.

Company – Refers to Time Warner Cable Business LLC.

Completed – A call which the Company's network has determined has been answered by a person, answering machine, fax machine, computer modem device, or other mechanical answering device.

Customer – The person, firm, corporation, or other entity which orders Service and is responsible for payment of charges due and compliance with the Company's tariff regulations. This term also includes a person who was a Customer of the Company within the past 30 days and who requests Service at the same or different location.

Customer-Provided Equipment (CPE) – Equipment provided by the Customer for use with the Company's Service. CPE can include a station set, facsimile machine, key system, PBX, or other information, communication or power system.

End User – Any Customer or other person or entity that is not a carrier, except that a carrier (other than a telephone company) shall be deemed to be an "End User" when such carrier uses the Company's Service for administrative purposes.

Message – A completed telephone call.

Nonrecurring Charge – A one-time charge made under certain conditions to recover all or a portion of the cost of installing facilities or providing Service.

Recurring Charge – The monthly charge to the Customer for Service, facilities and equipment, which continue for the agreed upon duration of the Service.

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Issued:

Effective:

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60 Columbus Circle  
New York, NY 10023

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D.)

1.2 DEFINITION OF TERMS, (CONT'D.)

*Service* – Any Service(s) provided by the Company under this tariff.

*Termination of Service* – Discontinuance of both incoming and outgoing Service.

*User* – A Customer, or any other person authorized by a Customer to use Service provided under this Tariff.

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Issued:

Effective:

Issued By: Julie P. Laine, Secretary  
60 Columbus Circle  
New York, NY 10023

---

INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS

2.1 UNDERTAKING OF THE COMPANY

2.1.1 Regulatory Compliance

Company will comply with all applicable billing and termination rules of the Commission, as set forth by the Commission.

2.1.2 Application of Tariff

- A. This tariff sets forth terms and conditions applicable to the furnishing of the Services defined herein offered by the Company within Arizona.
- B. When Services and facilities are provided in part by the Company and in part by other companies, the regulations of the Company apply only to that portion of the Services or facilities furnished by it.
- C. When Services and facilities provided by the Company are used to obtain access to the regulated or unregulated services provided by another company, or are used by another company as part of the regulated or unregulated services offered by that company, the regulations of the Company apply only to the use of the Company's Service and facilities.
- D. This Tariff applies only for the use of the Company's Services within state of Arizona.
- E. The provision of Services defined herein are subject to the terms and conditions specified in this Tariff and may be revised, added to, or supplemented by superseding issues.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 UNDERTAKING OF THE COMPANY, (CONT'D.)

2.1.3 Shortage of Equipment or Facilities

- A. The furnishing of Service under this Tariff is subject to the availability on a continuing basis of all the necessary facilities and technical capabilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from carriers to furnish Service from time to time as required at the sole discretion of the Company.
- B. The Company shall not be required to furnish, or continue to furnish, facilities or Service where the circumstances are such that the proposed use of the facilities or Service would tend to adversely affect the Company's plant, property or Service.

2.1.4 Terms and Conditions

- A. Service may be provided on the basis of a minimum period of at least one month, 24 hours per day. All calculations of dates set forth in this Tariff shall be based on calendar days, unless otherwise specified herein. The Customer must pay the regular tariffed rate for the Service it subscribes to for the minimum period of service.
- B. Customers may be required to execute written agreements and service orders which shall contain or reference a specific description of the Service ordered, the rates to be charged, the duration of the Service, and the terms and conditions in this Tariff. Customers also will be required to execute any other documents reasonably requested by the Company.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 UNDERTAKING OF THE COMPANY, (CONT'D.)

2.1.4 Terms and Conditions, (Cont'd.)

- C. The Company reserves the right to refuse an application for Service made by a present or former Customer who is indebted to the Company for Service previously rendered until the debt is satisfied.
- D. This Tariff shall be interpreted and governed by the laws of Arizona.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.2 LIMITATIONS ON LIABILITY

2.2.1 Indemnification and Limits on Liability

- A. Except where the Commission, for good cause shown, determines otherwise, the Customer and any authorized or joint users, jointly and severally, shall indemnify, defend and hold harmless the Company and the Company shall not be liable for any claims, loss, damage or expenses (including attorneys' fees and court costs) involving:
1. Any act or omission of: (a) the Customer; (b) any other entity furnishing service, equipment or facilities for use in conjunction with the Service or facilities provided by the Company; or (c) common carriers, warehousemen or middle men;
  2. Any delay or failure of performance or equipment due to causes beyond the Company's control, including, but not limited to, acts of God, fires, floods, earthquakes, hurricanes, storms, or other natural catastrophes; pole hits; explosions; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties, including rights-of-way and materials; and any law, order, regulation, direct, request, or other action of any governing authority or agency thereof;
  3. Any unlawful or unauthorized use of the Company's facilities and Service or the use of the Company's facilities and/or Service in violation of this Tariff;
  4. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications or information by means of Company-provided facilities or Service, or by means of the combination of Company-provided facilities or Service with Customer-provided facilities or services;

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.2 LIMITATIONS ON LIABILITY, (CONT'D.)

2.2.1 Indemnification and Limits on Liability, (Cont'd.)

A. (Cont'd.)

5. Any infringement, breach or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company, including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by End Users or other party or parties accessing emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its users, agencies or municipalities, or the employees or agents of any one of them.
6. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in this Section 2.2;
7. Defacement of or damage to Customer premises resulting from the furnishing of Service or equipment on such premises or the installation or removal thereof;

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.2 LIMITATIONS ON LIABILITY, (CONT'D.)

2.2.1 Indemnification and Limits on Liability, (Cont'd.)

A. (Cont'd.)

8. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected, to the Company's facilities;
9. Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company;
10. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff;
11. Any act, omission or network condition resulting in the non-availability of 911, E911, or similar services for any reason including, without limitation and by way of example only, due to any failure of Service functionality or interruption of electric or network service to Customer's premises;
12. Any interruption of service, including the non-completion of End User calls due to network busy conditions or network failures;
13. Any communications, including End User calls, not actually attempted to be completed during any period that Service is unavailable;
14. Blockages by other providers of services on the public switched network;

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.2 LIMITATIONS ON LIABILITY, (CONT'D.)

2.2.1 Indemnification and Limits on Liability, (Cont'd.)

A. (Cont'd.)

- 15. Any damage to CPE resulting from use of that system with the Service;  
and
- 16. Breach in the privacy or security of communications transmitted over the Company's facilities.

- B. The Company shall be indemnified, defended and held harmless by the Customer or End User from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, insinuated, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use, or removal of any Company or Customer-provided equipment or facilities or Service provided by the Company.
- C. The Company does not guarantee nor make any warranty with respect to Service installations at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations.
- D. The Company assumes no responsibility for the availability or performance of any systems or related facilities under the control of other entities, whether or not affiliated with the Company, or for other facilities provided by other entities used for Service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or non-preemptibility as may be provided by the other entities.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.2 LIMITATIONS ON LIABILITY, (CONT'D.)

2.2.1 Indemnification and Limits on Liability, (Cont'd.)

- E. Except as otherwise stated in this Tariff, any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- F. The Company makes no warranties or representations, express or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.
- G. When the facilities of other companies are used in establishing a connection, the Company is not liable for any act, error, omission, or interruption caused by the other company or their agents or employees.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.3 LIABILITY OF THE COMPANY

2.3.1 General

- A. Except as otherwise stated in this Tariff, liability of the Company for damages arising out of either (1) the furnishing of its Service, including, but not limited to, mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these Service, or (2) the failure to furnish its Service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in Service as set forth in Section 2.7, following.
- B. Except for the extension of allowances to the Customer for interruptions in Service as set forth in Section 2.7, following, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, error, degradation or failure to provide any Service, including the partial or complete inability of Customer or End Users to access emergency 911 services during any such failure, or any failure in or breakdown of facilities associated with the Service.
- C. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.4 SERVICE AVAILABILITY

2.4.1 Notification of Service-Affecting Activities

The Company shall use reasonable efforts to provide notice of planned Service-affecting activities that may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. With some emergency or unplanned Service-affecting conditions, such as an outage resulting from a loss of power or damage to facilities or equipment, notification to the Customer may not be possible.

2.4.2 Provision of Equipment and Facilities

- A. The Company shall use reasonable efforts to make available Service to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this Tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing Service to any Customer.
- B. The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.4 SERVICE AVAILABILITY

2.4.2 Provision of Equipment and Facilities, (Cont'd.)

- C. The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the Service provided to the Customer.
- D. Equipment the Company provides or installs at the Customer's premises for use in connection with the Service the Company offers shall not be used for any purpose other than that for which the Company provided it.
- E. The Customer may be responsible for the payment of Service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer or User when the Service difficulty or trouble reported results from the use of equipment or facilities provided by any party other than the Company, including, but not limited to, the Customer or End Users.
- F. The Company shall not be responsible for the installation, operation, or maintenance of any Customer- or End User-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this Tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
  - 1. the transmission of signals by Customer-Provided Equipment or for the quality of, or defects in, such transmission; or
  - 2. the reception of signals by Customer-Provided Equipment.

2.4.3 Ownership of Facilities

Title to all facilities provided in accordance with this Tariff remains in the Company, its affiliates, agents or contractors.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 OBLIGATIONS OF THE CUSTOMER

2.5.1 General

A. The Customer shall be responsible for:

1. The payment of all applicable charges pursuant to this Tariff;
2. Damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer or of any User, or by the noncompliance by the Customer or any User with these regulations, or by fire or theft or other casualty on the Customer's or any User's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
3. Obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of lines, facilities and associated equipment used to provide Service to the Customer from the Customer's property line to the location of the equipment space described above. Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this Section prior to accepting an order for Service;
4. Not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities; and
5. Making the Company's facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which Service is interrupted for such purposes.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 OBLIGATIONS OF THE CUSTOMER, (CONT'D.)

2.5.2 Prohibited Activities and Uses

- A. The Service the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer or End User has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- B. The Company may require a Customer or End User immediately to shut down its transmission of signals if said transmission is causing interference to others.
- C. A Customer or User may not assign, or transfer in any manner, the Service or any rights associated with the Service without the written consent of the Company. The Company will permit a Customer to transfer its existing Service to another person or entity if the existing Customer has paid all charges owed to the Company for Service provided pursuant to this Tariff. Such a transfer will be treated as a disconnection of existing Service and installation of new Service.

2.5.3 Claims

Notwithstanding Section 2.2 and 2.3 herein, with respect to any Service or facility provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees and court costs for:

- A. Any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer or User or either of their employees, agents, representatives or invitees; or
- B. Any claim of any nature whatsoever brought by an End User or third party with respect to any matter for which the Company would not be directly liable to the Customer under the terms of this Tariff.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.6 CUSTOMER EQUIPMENT AND CHANNELS

2.6.1 General

A User may transmit or receive information or signals via the facilities of the Company. A User may transmit any form of signal that is compatible with the Company's equipment, but, except as otherwise specifically stated in this Tariff, the Company does not guarantee that its Service will be suitable for purposes other than those described herein.

2.6.2 Station Equipment

- A. Terminal equipment on the User's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company's point of connection.
- B. The Customer is responsible for ensuring that Customer-Provided Equipment connected to the Company equipment and facilities is compatible with such equipment and facilities. All such Customer-Provided Equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation or maintenance of such equipment and wiring shall be such as not to cause damage to Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.
- C. The Company is not responsible for malfunctions of Customer-Provided Equipment, including Customer-owned communications devices or for Service problems, including communications errors, interruptions and disconnections caused by the use of Customer-Provided Equipment.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.6 CUSTOMER EQUIPMENT AND CHANNELS, (CONT'D.)

2.6.3 Interconnection of Facilities

- A. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing communications Service and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- B. The Service may be connected to the services or facilities of other communications carriers only when agreed to by Company and in accordance with the terms and conditions of this Tariff and the tariff of the other communications carriers which are applicable to such connections.
- C. Facilities furnished under this Tariff may be connected to Customer-Provided Equipment in only accordance with the provisions of this Tariff.

2.6.4 Inspections

If the protective requirements for Customer-Provided Equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten (10) days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action it deems necessary, including the suspension of Service, to protect its facilities, equipment and personnel from harm.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.7 INTERRUPTIONS OF SERVICE

2.7.1 General

- A. A Customer may request a credit to the Customer's account, if for reasons within the Company's reasonable control, there is a failure of Services which is not due to the negligence of the Customer, or to the failure of channels, wiring, equipment, facilities or power provided by the Customer. The credit may be prorated according to the period of such interruption or failure and will be provided on the next practicable bill for Customer's services.
- B. No credit allowance will be made for:
  - 1. Interruptions due to the negligence of, or noncompliance with the provisions of this Tariff by the Customer, User, or other common carrier providing service connected to the Service of the Company;
  - 2. Interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
  - 3. Interruptions due to the failure or malfunction of non-Company equipment;
  - 4. Interruptions of Service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.7 INTERRUPTIONS OF SERVICE, (CONT'D.)

2.7.1 General, (Cont'd.)

B. (Cont'd.)

5. Interruptions of Service during any period when the Customer has released Service to the Company for maintenance purposes or for implementation of a Customer order for a change in Service arrangements; and
6. Interruption of Service due to circumstances or causes beyond the control of the Company.

C. For the purposes of applying this provision, the word “interruption” shall mean the inability to transmit information or calls that are incoming, outgoing or both due to equipment malfunction or human errors. “Interruption” does not include temporary service difficulties such as circuits busy or other network capacity shortages. The interruption allowance shall not apply where Service is interrupted by the negligence or willful act of the Customer, Users or End Users or where the Company, pursuant to the terms of this Tariff, suspends or terminates Service because of nonpayment of bills due to the Company, unlawful or improper use of facilities or Service, or any other reason covered by this Tariff.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.8 PAYMENT ARRANGEMENTS

2.8.1 Payment

The Customer is responsible for the payment of all charges for facilities and Service furnished by the Company to the Customer and to all Users.

2.8.2 Billing and Collection of Charges

- A. Charges, taxes, fees and surcharges for facilities and service, other than usage charges, are billed monthly and may be billed advance.
- B. All Customer bills are due and payable on or before the due date provided on the bill. If any portion of the amount due is not received by the Company by the due date, or if any portion of the payment is received in funds which are not immediately available, then a late payment penalty may be assessed by the Company and the Company may proceed with collection activities consistent with applicable law.
- C. When a check which has been presented to the Company by a Customer in payment for charges is returned by the bank, the Customer shall be responsible for the payment of a Returned Check Charge.

Returned Check Charge, per occurrence \$20.00

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.8 PAYMENT ARRANGEMENTS, (CONT'D.)

2.8.3 Disputed Bills

- A. If the Customer has a complaint, has a question about, or seeks to dispute charges on the bill, the Customer should contact the Company at the address, telephone number, or e-mail address provided on the bill.
- B. Unless disputed, the invoice shall be deemed to be correct and payable in full by the Customer. If the Customer is unable to resolve any dispute with the Company, then the Customer may file a complaint with the Arizona Corporation Commission, Arizona Corporation Commission 1200 W. Washington Street, Phoenix, AZ 80557-2927.

2.8.4 Late Payment Charges

- A. Customer bills are due on the due date specified on the bill. A Customer is in default unless payment is made on or before the due date specified on the bill. If payment is not received by the Customer's next billing date, a 1.5% Late Payment Charge may be applied to all amounts previously billed under this Tariff, excluding one month's Service charge, but including arrears and unpaid late payment charges.
- B. Late payment charges do not apply to those portions (and only those portions) of unpaid balances that are associated with disputed amounts. Undisputed amounts on the same bill are subject to late payment charges if unpaid and carried forward to the next bill.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.8 PAYMENT ARRANGEMENTS, (CONT'D.)

2.8.5 Deposits

The Company reserves the right to require a deposit as a condition to the initial provision of services or as a condition to the continued provision of services. Such deposit will not exceed an amount equal to two months' estimated usage and service charges, or such other amount as may be established by the Commission. If the minimum period of service for the requested facilities and service is more than one month, the Customer may also be required to deposit a sum up to an amount equal to the total charges for service for the minimum service period less any connection charge paid by the Customer.

The fact that a deposit has been made shall in no way relieve the applicant or Customer from complying with the tariff regulations for the prompt payment of bills on presentation. Each applicant from whom a deposit is collected will be given a certificate of deposit and circular containing the terms and conditions applicable to deposits, in accordance with the Rules and Regulations of the Commission pertaining to Customer deposits.

A. Interest on Deposits

Deposits will accrue interest as specified by the Commission.

B. Inadequate Deposit

If the amount of a deposit is proven to be less than required to meet the requirements specified above, the Customer shall be required to pay an additional deposit upon request.

C. Return of Deposit

When a deposit is to be returned, the Customer may request that the full amount of the deposit be issued by check. If the Customer requests that the full amount be credited to amounts owed the Company, the Company will process the transaction on the billing date and will apply the deposit to any amount currently owed to the Company, and return any remaining amount of the deposit to the Customer by check.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.8 PAYMENT ARRANGEMENTS, (CONT'D.)

2.8.6 Backbilling

The Company shall not charge Customers for previously unbilled Service or adjust upward a bill previously rendered when the period for the unbilled Service or billing adjustment is more than twenty-four (24) months prior to the mailing of the bill or the upward adjustment unless the conduct of the Customer caused or contributed to the failure of the Company to render timely accurate billing. Unless the Customer causes the late billing, the Company shall explain the reason for the late billing and shall advise the Customer that suspension/termination of Service is not permitted for charges billed in excess of six (6) months after the Service was provided. The Customer will be given the opportunity to pay the charges on a reasonable schedule pursuant to an installment plan to be agreed to with the Customer.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.9 DISCONTINUANCE OF SERVICE

2.9.1 Suspension or Termination of Service for Nonpayment

- A. The Company may suspend or terminate a Customer's service if a Customer fails to pay any billed amount by the date due, make a payment required under an agreed to payment arrangement, fails to pay or agree in writing to pay equipment or installation charges, advance payment or deposit.
- B. Customers will be notified in writing of the Company's intention to discontinue Service and be allowed not less than seven (7) days written notice from the date the suspension/disconnection notice is deposited in the U.S. mail before suspending/disconnecting the service.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.9 DISCONTINUANCE OF SERVICE, (CONT'D.)

2.9.1 Suspension or Termination of Service for Nonpayment, (Cont'd.)

- C. Service shall only be suspended during the hours between 8:00 AM and 7:30 PM, Monday through Thursday and between the hours of 8:00 AM and 3:00 PM on Friday. It shall not be suspended or terminated for nonpayment on weekends, public holidays, other federal and state holidays proclaimed by the President or the Governor, or on days when the main business office of the Company is not open for business, or during the periods from December 23rd through December 26th or December 30th through January 2nd.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.9 DISCONTINUANCE OF SERVICE

2.9.2 Exceptions to Suspension and Termination for Nonpayment

Service shall not be suspended or terminated for:

- A. Nonpayment for Service for which a bill has not been rendered;
- B. Nonpayment for Service which has not been rendered;
- C. Nonpayment of any billed charge which is in dispute during the period before a determination of the dispute is made by the Company in accordance with the Company's complaint handling procedures.
- D. Service may be suspended or terminated for nonpayment of the undisputed portion of a disputed bill or deposit if the Customer does not pay the undisputed portion after being asked to do so.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.9 DISCONTINUANCE OF SERVICE, (CONT'D.)

2.9.3 Termination for Cause Other than Nonpayment

The Company may terminate Service and sever the connection(s) from the Customer's premises under the following conditions:

- A. In the event of prohibited, unlawful or improper use of the facilities or Service, or any other violation by the Customer of this Tariff or the rules and regulations governing the facilities and Service; or
- B. If, in the judgment of the Company, any use of the facilities or Service by the Customer may adversely affect the Company's personnel, plant, property or Service. The Company shall have the right to take immediate action, including termination of the Service and severing of the connection, without notice to the Customer when injury or damage to personnel, plant, property or Service is occurring, or is likely to occur; or
- C. In the event of unauthorized use, where the Customer fails to take reasonable steps to prevent the unauthorized use of the facilities or Service received from the Company; or
- D. Company will make a reasonable effort to notify the Customer before such termination and will allow the Customer an appropriate opportunity to respond to such notice.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.9 DISCONTINUANCE OF SERVICE, (CONT'D.)

2.9.4 Prohibited, Unlawful or Improper Use of Facilities or Service

Prohibited, unlawful or improper use of the facilities or Service includes, but is not limited to:

- A. The use of facilities or Service of the Company without payment of Tariff charges;
- B. Calling or permitting others to call another person or persons so frequently or at such times of the day or in such manner as to harass, frighten, abuse or torment such other person or persons;
- C. The use of profane or obscene language;
- D. The use of the Service in a manner such that it interferes with the Service of other Customers or prevents them from making or receiving calls;
- E. The use of a mechanical dialing device or recorded announcement equipment to seize a Customer's line, thereby interfering with the Customer's use of the Service; or
- F. Permitting fraudulent use.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.9 DISCONTINUANCE OF SERVICE, (CONT'D.)

2.9.5 Abandonment or Unauthorized Use of Facilities

- A. If Company determines that facilities have been abandoned, or are being used by unauthorized persons, or that the Customer has failed to take reasonable steps to prevent unauthorized use, the Company may terminate the Service.
- B. Company may suspend or terminate service for abandonment or unauthorized use if the Company makes a reasonable attempt to determine occupancy or authorized use, or the Customer takes reasonable steps to prevent unauthorized use. A notice will be sent to the Customer five (5) days before such suspension or termination. The notification requirement is waived when previous mailings were returned by the Post Office or the Company is advised that a new occupant has moved into the location.
- C. In the event that Service is terminated for abandonment of facilities or unauthorized use and Service is subsequently restored to the same Customer at the same location:
  - 1. No charge shall apply for the period during which Service has been terminated; and
  - 2. Reconnection charges will apply when Service is restored. However, no charge shall be made for reconnection if the Service was terminated due to an error on the part of the Company.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.9 DISCONTINUANCE OF SERVICE, (CONT'D.)

2.9.6 Change in Company's Ability to Secure Access

Any change in the Company's ability (a) to secure and retain suitable facilities and rights for the construction and maintenance of the necessary facilities and equipment, or (b) to secure and retain suitable space for its plant and facilities in the building where Service is provided to the Customer may require termination of a Customer's Service until such time as new arrangements can be made. Under such circumstances, no charges will be assessed the Customer while Service is terminated, and no connection charges will apply when Service is restored.

2.9.7 Emergency Termination of Service

The Company will immediately terminate the Service of any Customer, on request, when the Customer has reasonable belief that the Service is being used by an unauthorized person or persons. The Company may require that the request be submitted in writing as a follow-up to a request made by telephone.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.10 TAXES AND OTHER CHARGES

The Customer may be responsible for payment of any Federal, Arizona or local sales, use, gross receipts, access or other taxes, charges, surcharges (however designated), franchise and permit fees, and all taxes, fees, and other exactions imposed on the Company or its Service by governmental jurisdictions, other than taxes imposed generally on the Company's net income.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.11 USE OF CUSTOMER'S SERVICE BY OTHERS

2.11.1 Customers and Authorized Users

Services provided hereunder are provided solely for the use of the Customer and End Users authorized by the Customer. Customers may not resell such Service to a third party for any form of compensation.

2.11.2 Relocation, Transfers and Assignments

A. Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the Service and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company, (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company. Transfer of all or a portion of a Customer's account, the Service or the Company's equipment by the Customer to any other person or entity, or to a new residence or other location, is prohibited.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.12 CANCELLATION OF SERVICE

If the Customer has subscribed to Service under a term agreement and cancels a service order or terminates Service before the completion of the term for any reason whatsoever other than a Service interruption (as defined in Section 2.7), the Customer agrees to pay to the Company:

2.12.1 All nonrecurring charges as specified in this Tariff; plus

2.12.2 Any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer; plus

2.12.3 All recurring charges specified in this Tariff for the balance of the then-current term.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.13 NOTICES AND COMMUNICATIONS

All notices or other communications required to be given pursuant to this Tariff will be delivered via e-mail and/or first-class mail. The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

2.14 SPECIAL CONSTRUCTION AND SPECIAL ARRANGEMENTS

2.14.1 Special Construction and Non-Routine Maintenance

- A. Subject to the agreement of the Company and to all of the regulations contained in this Tariff, special construction, special arrangements and non-routine maintenance may be undertaken on a reasonable-efforts basis at the request of the Customer. Such special construction, special arrangements and non-routine maintenance may be performed outside the Company's regular business hours or (in the Company's sole discretion and subject to any conditions it may impose) in hazardous locations. Special arrangements include any service or facility relating to a regulated service not otherwise specified under this Tariff, or for the provision of Service on an expedited basis or in some other manner different from the normal tariff conditions. In such cases, charges based on the cost of labor, material and other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customers' request, extends beyond regular business hours into time periods including, but not limited to weekends, holidays and/or nights, additional charges may apply.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.14 SPECIAL CONSTRUCTION AND SPECIAL ARRANGEMENTS, (CONT'D.)

2.14.2 Where the Company furnishes a facility or Service for which a rate or charge is not specified in this Tariff, charges will be based on the costs incurred by the Company and may include:

- Nonrecurring charges;
- Recurring charges;
- Termination liabilities; or
- Combinations thereof.

The agreement for special construction will ordinarily include a minimum Service commitment based upon the estimated service of the facilities provided.

2.14.3 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of the Customer.

2.15 INDIVIDUAL CASE BASIS ARRANGEMENTS

Rates for Individual Case Basis (ICB) arrangements may be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer for services which vary from tariffed arrangements. Rates quoted in response to such requests may be different than those specified for such service in this Tariff. ICB rates will be offered to Customers in writing and will be made available to similarly situated Customers.

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**INTEREXCHANGE TELECOMMUNICATIONS TARIFF**

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**SECTION 3 – SERVICE DESCRIPTIONS AND RATES****3.1 HIGH CAPACITY TRANSMISSION SERVICES**

High Capacity Transmission Services provides a point-to-point, point-to-multipoint and multipoint-to-multipoint dedicated connection between one or more customer-designated locations and/or the Company. The service may utilize Ethernet interfaces, optical fiber and/or coaxial cable facilities, is scalable from 1 Mbps to 10 Gbps and will be designed and provisioned on an Individual Case Basis (ICB) pursuant to contracts with Customers. All requesting Customers shall have non-discriminatory access to ICB Services and facilities at nondiscriminatory rates, terms and conditions.

**3.2 SERVICE CONNECTION AND RELATED CHARGES**

Nonrecurring charges may apply to Customer requests for connecting, moving, or changing Service. These charges will be determined on an Individual Case Basis (ICB) and will apply in addition to any other scheduled rates and charges that otherwise apply under this Tariff.

- 3.2.1 Charges for the connection, move, or change of Service may apply for work being performed during the Company's normal business hours. If the Customer requests that overtime labor be performed at a premises on the day or days of the week other than normal work hours or on holidays, or interrupts work once it has begun, an additional charge may apply based on the additional costs involved.
- 3.2.2 Changes in location of the Customer's Service from one premises to another may be treated as new Service connections with the appropriate Service Charges applying.

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SECTION 3 – SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.3 PROMOTIONAL OFFERINGS

The Company may from time to time elect to offer temporary promotional programs.

3.4 EMPLOYEE RATES

The Company may offer special rates or rate packages to its employees or employees of its affiliates.

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**ATTACHMENT C: CERTIFICATED AFFILIATES**

Time Warner Cable affiliates have been certificated by certain states to provide local and interexchange telecommunications services, as follows:

In 1993, Time Warner Cable ResCom of New York, LLC, was certificated by the New York Public Service Commission to provide local and interexchange telecommunications services in New York. On October 3, 2011, Time Warner Cable ResCom of New York, LLC was renamed Time Warner Cable Information Services (New York), LLC.

On February 11, 2003, Time Warner Cable Information Services (Maine), LLC, was certificated by the Maine Public Utilities Commission to provide local and interexchange telecommunications services in Maine.

On July 24, 2003, Time Warner Cable Information Services (North Carolina), LLC, was certificated by the North Carolina Utilities Commission to provide local and interexchange telecommunications services in North Carolina.

On January 21, 2004, Time Warner Cable Information Services (Texas), LLC, was certificated by the Texas Public Utility Commission to provide local and interexchange telecommunications services in Texas.

On February 3, 2004, Time Warner Cable Information Services (Kansas), LLC, was certificated by the Kansas Corporation Commission to provide local and interexchange telecommunications services in Kansas.

On March 12, 2004, Time Warner Cable Information Services (Missouri), LLC, was certificated by the Public Service Commission of Missouri to provide local and interexchange telecommunications services in Missouri.

On March 16, 2004, Time Warner Cable Information Services (California), LLC, was certificated by the California Public Utilities Commission to provide local and interexchange telecommunications services in California.

On May 24, 2004, Time Warner Cable Information Services (South Carolina), LLC, was certificated by the South Carolina Public Service Commission to provide local and interexchange telecommunications services in South Carolina.

On June 30, 2004, Time Warner Cable Information Services (Wisconsin), LLC, was certificated by the Wisconsin Public Service Commission to provide local and interexchange telecommunications services in Wisconsin.

On August 26, 2004, Time Warner Cable Information Services (New Hampshire), LLC, was certificated by the New Hampshire Public Utilities Commission to provide local telecommunications services in New Hampshire.

On October 22, 2004, Time Warner Cable Information Services (Hawaii), LLC, was certificated by the Hawaii Public Utilities Commission to provide local and interexchange telecommunications services in Hawaii.

On November 23, 2004, Time Warner Cable Information Services (Nebraska), LLC, was certificated by the Nebraska Public Service Commission to provide local and interexchange telecommunications services in Nebraska.

On April 4, 2005, Time Warner Cable Information Services (Massachusetts), LLC, filed with the Massachusetts Department of Telecommunications and Energy its Statement of Business Operations and initial tariff.

On August 1, 2005, Time Warner Cable Information Services (Ohio), LLC, was certificated by the Public Utilities Commission of Ohio to provide local and interexchange services in Ohio.

On August 5, 2005, Time Warner Cable Information Services (West Virginia), LLC, was certificated by the Public Service Commission of West Virginia to provide local and interexchange services in West Virginia.

On August 10, 2005, Time Warner Cable Information Services (Indiana), LLC, was certificated by the Indiana Utility Regulatory Commission to provide local and interexchange services in Indiana.

On April 28, 2006, Time Warner Cable Information Services (Kentucky), LLC was certificated to provide local and interexchange services in Kentucky.

On February 27, 2008, Time Warner Cable Information Services (Alabama), LLC was certificated to provide local and interexchange services in Alabama.

On August 31, 2008, Time Warner Cable Information Services (Washington), LLC was registered as a competitive telecommunications company in the State of Washington.

On October 28, 2008, Time Warner Cable Information Services (Colorado), LLC was certificated to provide local and interexchange telecommunications services in Colorado.

On January 28, 2009, Time Warner Cable Information Services (New Jersey), LLC was certificated to provide local and interexchange telecommunications services in New Jersey.

On June 30, 2009, Time Warner Cable Information Services (Arizona), LLC, was certificated to provide local and interexchange telecommunications services in Arizona.

On August 18, 2009 and August 25, 2009, respectively, Time Warner Cable Information Services (New Mexico), LLC, was certificated to provide local and interexchange telecommunications services in New Mexico.

On October 13, 2009, Time Warner Cable Information Services (Michigan), LLC was certificated to provide by local and interexchange telecommunications services in Michigan.

On January 28, 2010, Time Warner Cable Information Services (Pennsylvania), LLC was certificated to provide local and interexchange telecommunications services in Pennsylvania.

On January 28, 2010, Time Warner Cable Information Services (Virginia), LLC was certificated to provide local and interexchange telecommunications services in Virginia.

On July 14, 2010, Time Warner Cable Information Services (Illinois), LLC was certificated to provide local and interexchange telecommunications services in Illinois.

On December 16, 2011, Time Warner Cable Information Services (Idaho), LLC, was certificated to provide local and interexchange services in Idaho.

On January 24, 2012, Time Warner Cable Information Services (Tennessee), LLC, was certificated to provide local and interexchange services in Tennessee.

**ATTACHMENT D: SEC FORM 10-K ANNUAL REPORT  
FINANCIAL STATEMENTS EXCERPT  
Notes to Financial Statements available at:**

**<http://www.sec.gov/Archives/edgar/data/1377013/000119312513062081/d483194d10k.htm>**

# TIME WARNER CABLE INC.

## FORM 10-K (Annual Report)

Filed 02/15/13 for the Period Ending 12/31/12

Address	60 COLUMBUS CIRCLE, 17TH FLOOR NEW YORK, NY 10023
Telephone	212-364-8200
CIK	0001377013
Symbol	TWC
SIC Code	4841 - Cable and Other Pay Television Services
Industry	Broadcasting & Cable TV
Sector	Services
Fiscal Year	12/31

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**TIME WARNER CABLE INC.  
CONSOLIDATED BALANCE SHEET**

	<b>December 31,</b>	
	<b>2012</b>	<b>2011</b>
	<b>(in millions)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 3,304	\$ 5,177
Short-term investments in U.S. Treasury securities	150	—
Receivables, less allowances of \$65 million and \$62 million as of December 31, 2012 and 2011, respectively	883	767
Deferred income tax assets	317	267
Other current assets	223	187
Total current assets	4,877	6,398
Investments	87	774
Property, plant and equipment, net	14,742	13,905
Intangible assets subject to amortization, net	641	228
Intangible assets not subject to amortization	26,011	24,272
<del>Goodwill</del>	2,889	2,247
Other assets	562	452
Total assets	<b>\$49,809</b>	<b>\$48,276</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 653	\$ 545
Deferred revenue and subscriber-related liabilities	183	169
Accrued programming expense	872	807
Current maturities of long-term debt	1,518	2,122
Mandatorily redeemable preferred equity issued by a subsidiary	300	—
Other current liabilities	1,799	1,727
Total current liabilities	5,325	5,370
Long-term debt	25,171	24,320
Mandatorily redeemable preferred equity issued by a subsidiary	—	300
Deferred income tax liabilities, net	11,280	10,198
Other liabilities	750	551
<del>Commitments and contingencies (Note 18)</del>		
TWC shareholders' equity:		
Common stock, \$0.01 par value, 297.7 million and 315.0 million shares issued and outstanding as of December 31, 2012 and 2011, respectively	3	3
Additional paid-in capital	7,576	8,018
Retained earnings	363	68
Accumulated other comprehensive loss, net	(663)	(559)
Total TWC shareholders' equity	7,279	7,530
Noncontrolling interests	4	7
Total equity	7,283	7,537
Total liabilities and equity	<b>\$49,809</b>	<b>\$48,276</b>

See accompanying notes.

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**TIME WARNER CABLE INC.  
CONSOLIDATED STATEMENT OF OPERATIONS**

	<u>Year Ended December 31,</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>(in millions, except per share data)</u>		
Revenue	\$21,386	\$19,675	\$18,868
Costs and expenses:			
Cost of revenue <sup>(a)</sup>	9,942	9,138	8,873
Selling, general and administrative <sup>(a)</sup>	3,620	3,311	3,125
Depreciation	3,154	2,994	2,961
Amortization	110	33	168
Merger-related and restructuring costs	115	70	52
Asset impairments	—	60	—
<del>Total costs and expenses</del>	<u>16,941</u>	<u>15,606</u>	<u>15,179</u>
Operating Income	4,445	4,069	3,689
Interest expense, net	(1,606)	(1,518)	(1,394)
Other income (expense), net	497	(89)	(99)
Income before income taxes	3,336	2,462	2,196
Income tax provision	(1,177)	(795)	(883)
Net income	2,159	1,667	1,313
Less: Net income attributable to noncontrolling interests	(4)	(2)	(5)
Net income attributable to TWC shareholders	<u>\$ 2,155</u>	<u>\$ 1,665</u>	<u>\$ 1,308</u>
Net income per common share attributable to TWC common shareholders:			
Basic	<u>\$ 6.97</u>	<u>\$ 5.02</u>	<u>\$ 3.67</u>
Diluted	<u>\$ 6.90</u>	<u>\$ 4.97</u>	<u>\$ 3.64</u>
Average common shares outstanding:			
Basic	<u>307.8</u>	<u>329.7</u>	<u>354.2</u>
Diluted	<u>312.4</u>	<u>335.3</u>	<u>359.5</u>
Cash dividends declared per share	<u>\$ 2.24</u>	<u>\$ 1.92</u>	<u>\$ 1.60</u>

<sup>(a)</sup> Cost of revenue and selling, general and administrative expenses exclude depreciation.

See accompanying notes.

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**TIME WARNER CABLE INC.  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>Year Ended December 31,</u>		
	<u>2012</u>	<u>2011</u> <u>(in millions)</u>	<u>2010</u>
Net income	\$2,159	\$1,667	\$1,313
Change in accumulated unrealized losses on pension benefit obligation, net of income tax benefit (provision) of \$100 million in 2012, \$160 million in 2011 and \$(25) million in 2010	(167)	(250)	24
Change in accumulated deferred gains (losses) on cash flow hedges, net of income tax benefit (provision) of \$(40) million in 2012, \$12 million in 2011 and \$(2) million in 2010	<u>63</u>	<u>(18)</u>	<u>4</u>
Other comprehensive income (loss)	<u>(104)</u>	<u>(268)</u>	<u>28</u>
Comprehensive income	2,055	1,399	1,341
Less: Comprehensive income attributable to noncontrolling interests	<u>(4)</u>	<u>(2)</u>	<u>(5)</u>
Comprehensive income attributable to TWC shareholders	<u>\$2,051</u>	<u>\$1,397</u>	<u>\$1,336</u>

See accompanying notes.

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**TIME WARNER CABLE INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Year Ended December 31,</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>(in millions)</b>		
<b>OPERATING ACTIVITIES</b>			
Net income	\$ 2,159	\$ 1,667	\$ 1,313
Adjustments for noncash and nonoperating items:			
Depreciation	3,154	2,994	2,961
Amortization	110	33	168
Asset impairments	—	60	—
(Income) loss from equity-method investments, net of cash distributions	(426)	109	132
Pretax gain on sale of investment in Clearwire	(64)	—	—
Deferred income taxes	562	638	687
Equity-based compensation	130	112	109
Excess tax benefit from equity-based compensation	(81)	(48)	(19)
Changes in operating assets and liabilities, net of acquisitions and dispositions:			
Receivables	(63)	(25)	(50)
Accounts payable and other liabilities	(26)	202	(177)
Other changes	70	(54)	94
Cash provided by operating activities	<u>5,525</u>	<u>5,688</u>	<u>5,218</u>
<b>INVESTING ACTIVITIES</b>			
Capital expenditures	(3,095)	(2,937)	(2,930)
Acquisitions and investments, net of cash acquired and distributions received	(1,308)	(630)	48
Proceeds from SpectrumCo's sale of spectrum licenses	1,112	—	—
Proceeds from sale of investment in Clearwire	64	—	—
Short-term investments in U.S. Treasury securities	(150)	—	—
Other investing activities	32	37	10
Cash used by investing activities	<u>(3,345)</u>	<u>(3,530)</u>	<u>(2,872)</u>
<b>FINANCING ACTIVITIES</b>			
Short-term repayments, net	—	—	(1,261)
Proceeds from issuance of long-term debt	2,258	3,227	1,872
Repayments of long-term debt	(2,100)	—	(8)
Repayments of long-term debt assumed in acquisitions	(1,730)	(44)	—
Debt issuance costs	(26)	(25)	(25)
Proceeds from exercise of stock options	140	114	122
Taxes paid in cash in lieu of shares issued for equity-based compensation	(45)	(29)	(9)
Excess tax benefit from equity-based compensation	81	48	19
Dividends paid	(700)	(642)	(576)
Repurchases of common stock	(1,850)	(2,657)	(472)
Acquisition of noncontrolling interest	(32)	—	—
Other financing activities	(49)	(20)	(9)
Cash used by financing activities	<u>(4,053)</u>	<u>(28)</u>	<u>(347)</u>
Increase (decrease) in cash and equivalents	(1,873)	2,130	1,999
Cash and equivalents at beginning of year	5,177	3,047	1,048
Cash and equivalents at end of year	<u>\$ 3,304</u>	<u>\$ 5,177</u>	<u>\$ 3,047</u>

See accompanying notes.

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**TIME WARNER CABLE INC.  
CONSOLIDATED STATEMENT OF EQUITY**

	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss, Net	Non- controlling Interests	Total Equity
	(in millions)					
Balance as of December 31, 2009	\$ 4	\$ 9,813	\$ (813)	\$ (319)	\$ 4	\$ 8,689
Net income	—	—	1,308	—	5	1,313
Other comprehensive income	—	—	—	28	—	28
Comprehensive income	—	—	1,308	28	5	1,341
Equity-based compensation expense	—	109	—	—	—	109
Shares issued upon the exercise of TWC stock options	—	122	—	—	—	122
Taxes paid in lieu of shares issued for equity-based compensation	—	(9)	—	—	—	(9)
Cash dividends declared (\$1.60 per common share)	—	(432)	(144)	—	—	(576)
Repurchase and retirement of common stock	(1)	(217)	(297)	—	—	(515)
Other changes <sup>(a)</sup>	—	58	—	—	(2)	56
Balance as of December 31, 2010	3	9,444	54	(291)	7	9,217
Net income	—	—	1,665	—	2	1,667
Other comprehensive loss	—	—	—	(268)	—	(268)
Comprehensive income (loss)	—	—	1,665	(268)	2	1,399
Equity-based compensation expense	—	113	—	—	—	113
Shares issued upon the exercise of TWC stock options	—	114	—	—	—	114
Taxes paid in lieu of shares issued for equity-based compensation	—	(29)	—	—	—	(29)
Cash dividends declared (\$1.92 per common share)	—	(632)	(11)	—	—	(643)
Repurchase and retirement of common stock	—	(992)	(1,640)	—	—	(2,632)
Other changes	—	—	—	—	(2)	(2)
Balance as of December 31, 2011	3	8,018	68	(559)	7	7,537
Net income	—	—	2,155	—	4	2,159
Other comprehensive loss	—	—	—	(104)	—	(104)
Comprehensive income (loss)	—	—	2,155	(104)	4	2,055
Equity-based compensation expense	—	130	—	—	—	130
Excess tax benefit realized from equity-based compensation	—	62	—	—	—	62
Shares issued upon the exercise of TWC stock options	—	140	—	—	—	140
Taxes paid in lieu of shares issued for equity-based compensation	—	(45)	—	—	—	(45)
Cash dividends declared (\$2.24 per common share)	—	(143)	(557)	—	—	(700)
Repurchase and retirement of common stock	—	(562)	(1,303)	—	—	(1,865)
Acquisition of noncontrolling interest	—	(27)	—	—	(5)	(32)
Other changes	—	3	—	—	(2)	1
Balance as of December 31, 2012	<u>\$ 3</u>	<u>\$ 7,576</u>	<u>\$ 363</u>	<u>\$ (663)</u>	<u>\$ 4</u>	<u>\$ 7,283</u>

<sup>(a)</sup> Amount primarily represents the true-up of TWC's deferred income tax asset associated with vested Time Warner Inc. stock options.

See accompanying notes.