

Friend, Hudak & Harris, LLP
Attorneys at Law
Three Ravinia Drive | Suite 1700
Atlanta, GA 30346

770.399.9500 | FH2.com
770.395.0000 Facsimile



LArredondo@fh2.com

July 22, 2019

VIA FEDEX OVERNIGHT

Clerk of the Commission
RI Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Time Warner Cable Business LLC; Statement of Business Operations

Dear Sir/Madam:

Time Warner Cable Business LLC, by its undersigned counsel, hereby submits its Statement of Business Operations for authorization to operate as a provider of Interexchange Service in the State of Rhode Island.

An original and four (4) copies of Time Warner Cable Business's application are enclosed. Please date-stamp the extra copy and return it to us in the self-addressed, postage-paid envelope provided. Furthermore, this application includes a check in the amount of \$300 to cover the fee.

Should you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Very truly yours,

FRIEND, HUDAK & HARRIS, LLP

A handwritten signature in blue ink, appearing to read 'Laura Arredondo-Santisteban'.

Laura Arredondo-Santisteban
Counsel to Time Warner Cable Business LLC

LAS/nh
Enclosure

cc: Michael R. Moore, Esq. (*via Electronic Mail and with Enclosure*)
Group Vice President – Telephone Regulatory
Charter Communications, Inc.
Charles A. Hudak, Esq. (*via Electronic Mail and with Enclosure*)

**BEFORE THE
RHODE ISLAND PUBLIC UTILITIES COMMISSION**

In The Matter of)
)
Time Warner Cable Business LLC)
)
For Authority to Provide) Docket No. _____
Facilities-Based Interexchange)
Telecommunications Services)
Within the State of Rhode Island)

STATEMENT OF BUSINESS OPERATIONS

Time Warner Cable Business LLC (“Time Warner Cable Business” or “Applicant”), pursuant to the Rhode Island Public Utilities Commission (“Commission”) order in Docket No. 2129, hereby files this Statement of Business Operations (“SBO”) for authority to provide facilities-based interexchange telecommunications services in the State of Rhode Island. Applicant is an indirect subsidiary of Charter Communications, Inc. (“Charter”), a leading broadband communications company and the second largest cable operator in the United States. Applicant seeks certification to provide new and existing business customers with seamless services on a nationwide basis.

In support of this application, Applicant hereby provides the following information:

a. Corporate name, complete address, telephone/fax numbers, e-mail address.

Time Warner Cable Business LLC
12405 Powerscourt Drive
St. Louis, Missouri 63131
Tel: 1-800-892-4357
Fax: 314-288-3555

Applicant is a limited liability company organized under the laws of Delaware. As indicated above, Applicant is an indirect subsidiary of and managed by Charter, which is a publicly traded communications company that provides a full range of advanced broadband services, including Spectrum TV® video entertainment programming, Spectrum Internet® access, and Spectrum Voice®. Spectrum Business® similarly provides scalable, tailored, and cost-effective broadband

communications solutions to business organizations, such as business-to-business Internet access, data networking, business telephone, video and music entertainment services, and wireless backhaul. Applicant's Certificate of Formation is attached as Attachment 1. Applicant's authorization to transact business from the Rhode Island Secretary of State is Attachment 2. As an indirect subsidiary of Charter, Applicant will offer its business services to customers using the Spectrum brand name. Applicant does not intend to operate under a trade name or obtain a fictitious name statement from the Rhode Island Secretary of State.

Applicant is currently authorized to provide interexchange service in the following states: Alabama, Arizona, California, Colorado, Florida, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Massachusetts, Michigan, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, West Virginia, and Wisconsin. Applicant plans to seek or is seeking authority to provide interexchange telecommunications services in Alaska, Arkansas, Delaware, Iowa, North Dakota, Oklahoma, South Dakota, and Utah.

b. Local company name, complete address, telephone/fax numbers, e-mail address.

Same as (a), above.

c. Business locations.

Applicant does not have a business office in the State of Rhode Island. Applicant's Rhode Island operations will be managed by Charter from Charter's corporate headquarters in Connecticut, located at 400 Atlantic Street, Stamford, Connecticut, and Charter's Missouri business office located at 12405 Powerscourt Drive, St. Louis, Missouri. As Applicant's existing customer base expands in Rhode Island, it will increase its presence in the state.

d. Service agent, complete address, telephone/fax numbers, e-mail address.

Corporation Service Company
222 Jefferson Blvd., Suite 200
Warwick, Rhode Island 02888
Tel: 1-800-927-9800

e. Attorney of record, complete address, telephone/fax numbers, e-mail address.

Michael Moore, Group VP Law – Telephone Regulatory
Charter Communications, Inc.
12405 Powerscourt Drive
St. Louis, MO 63131
Tel: (314) 394-9007
Email: Michael.moore@charter.com

f. Corporate officers and major stockholders holding ten percent or greater equity.

The principal officers of Applicant, who are listed below, may be reached at Applicant's Connecticut headquarters listed in (c) above.

Officers:

Thomas Rutledge, Chairman & CEO
John Bickham, President & COO
Christopher Winfrey, CFO
Richard Dykhouse, EVP, General Counsel & Corporate Secretary

For more information about Applicant's officers and key personnel, Applicant advises that biographies of such persons can be found on its website at <https://charter.gcs-web.com/corporate-governance/company-leadership>.

g. General description of operations.

Applicant seeks authority to provide facilities-based interexchange telecommunications services to and from all points in the State of Rhode Island that are currently or become open to competition. Applicant will primarily provide point-to-point, point-to-multipoint, and multipoint-to-multipoint dedicated non-voice high capacity transmission services that connect one or more customer-designated locations and/or to the company. The service may utilize Ethernet interfaces, optical fiber and/or coaxial cable facilities, and will be designed and provisioned on an individual case basis pursuant to contracts with customers.

h. Description of customer service organization to be employed in serving carriers and users.

Applicant is responsible for all customer inquiries and complaints. Applicant's parent company operates on a nationwide basis and handles all customer service inquiries for Applicant on a nationwide basis. The contact information for customer inquiries and complaints is provided

on Charter's website, as well as customer bills. Customer service is available seven days a week, twenty-four hours a day.

i. Customer service contact, complete address, telephone/fax numbers, e-mail address.

Customer Service

12405 Powerscourt Drive
St. Louis, Missouri 63131
Tel: (800) 892-4357 or (888) 438-2427

Customer Complaint Resolution

William C. Wesselman, Director of Law – Regulatory
Charter Communications, Inc.
Greenwood Village, Colorado 80111
Tel: (888) 438-2427
Email: regulatory.complaints@charter.com

j. Regulatory contact person, complete address, telephone/fax numbers, e-mail address.

Betty Sanders, Vice President - Telephone Regulatory
Charter Communications, Inc.
12405 Powerscourt Drive
St. Louis, MO 63131
Tel: (314) 394-9876
Fax: (314) 288-3555
Email: betty.sanders@charter.com

k. Company website URL.

www.spectrum.com

l. Tariff and Financial Statement.

Applicant's initial tariff is attached as Attachment 4. Applicant attaches as Attachment 5 a copy of Charter's most recent financial statements. Time Warner Cable Business does not separately report its financial results from its manager, Charter. For purposes of this application, Applicant will rely on the financial statements of Charter to demonstrate Applicant's financial qualification to operate within Rhode Island.

WHEREFORE, with the foregoing information and attachments, Time Warner Cable Business respectfully seeks to provide interexchange telecommunications service in the State of Rhode Island.

Respectfully submitted,

Time Warner Cable Business LLC

By: Charter Communications, Inc., its Manager



Betty J. Sanders

Vice President – Telephone Regulatory

Dated: July 22, 2019

TIME WARNER CABLE BUSINESS LLC

APPLICATION

ATTACHMENT 1

Certificate of Formation

See attached.

Delaware

PAGE 1

The First State


I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "TIME WARNER CABLE BUSINESS LLC", FILED IN THIS OFFICE ON THE TENTH DAY OF JANUARY, A.D. 2013, AT 12:48 O'CLOCK P.M.

5272752 8100

130034193

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 0135777

DATE: 01-10-13

TIME WARNER CABLE BUSINESS LLC

APPLICATION

ATTACHMENT 2

Authority to Transact Business in Rhode Island

See attached.



State of Rhode Island and Providence Plantations

A. Ralph Mollis

Secretary of State

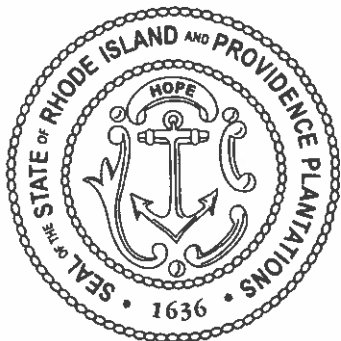
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

I, A. RALPH MOLLIS, Secretary of State of the State of Rhode Island
and Providence Plantations, hereby certify that this document, duly
executed in accordance with the provisions of Title 7 of the General Laws
of Rhode Island, as amended, has been filed in this office on this day:
January 10, 2014 1:50 PM

A handwritten signature in black ink that reads "A. Ralph Mollis".

A. RALPH MOLLIS

Secretary of State



Filing Fee: \$150.00



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Division of Business Services
148 W. River Street
Providence, Rhode Island 02904-2615

LIMITED LIABILITY COMPANY

2014 JAN 10 PM 1:50
SECRETARY OF STATE
CORPORATIONS DIV

APPLICATION FOR REGISTRATION

Pursuant to the provisions of Section 7-16-49 of the General Laws of Rhode Island, 1956, as amended, the undersigned foreign limited liability company hereby applies for a Certificate of Registration to transact business in the state of Rhode Island, and for that purpose submits the following statement:

1. The name of the limited liability company is:

Time Warner Cable Business LLC

[] This company has been duly organized in its state of formation as a low-profit limited liability company. (Check box if applicable)

2. The name, if different, under which it proposes to register and transact business in Rhode Island is:

3. The limited liability company is organized under the laws of Delaware

4. The date of its organization is January 10, 2013

5. The period of duration of the limited liability company is (if perpetual, so state) perpetual

6. The address of the limited liability company's resident agent in Rhode Island is:

450 Veterans Memorial Parkway, Suite 7A East Providence RI 02914

(Street Address, not P.O. Box) (City/Town) (Zip Code)

and the name of the resident agent at such address is C T Corporation System (Name of Agent)

7. The secretary of state is appointed the agent of the foreign limited liability company for service of process if at any time there is no resident agent or if the resident agent cannot be found or served following the exercise of reasonable diligence.

8. The address of any office required to be maintained in the state or other jurisdiction under the laws of which the limited liability company is organized is:

c/o Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801

9. The mailing address for the limited liability company is:

60 Columbus Circle

New York NY 10023

FILED

JAN 10 2014

BY CA 214535 1:50

10. Management of the Limited Liability Company (check one only):

A. The limited liability company is to be managed by its members. (If you have checked this box, go to Item No. 11 – **DO NOT LIST ANY NAMES IN SECTION B.**)

OR

B. The limited liability company is to be managed by one (1) or more managers. (If the limited liability company has managers at the time of the filing of these Articles of Organization, state the name and address of each manager.)

<u>Manager</u>	<u>Address</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

11. This application is accompanied by a certificate of good standing duly authenticated by the secretary of state or other authorized officer of the jurisdiction under which the foreign limited liability company was organized.

12. The date this Application for Registration is to become effective, if later than the date of filing, is:

(not prior to, nor more than 30 days after, the filing of this Application for Registration)

Under penalty of perjury, I declare and affirm that I have examined this Application for Registration, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: 9 January 2014

Time Warner Cable Business LLC
Print Exact Name of Limited Liability Company Making Application

By Julie P. Laine
Signature of Authorized Person

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "TIME WARNER CABLE BUSINESS LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE NINTH DAY OF JANUARY, A.D. 2014.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIV
2014 JAN 10 PM 1:50



5272752 8300

140028555

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1045983

DATE: 01-09-14

TIME WARNER CABLE BUSINESS

APPLICATION

ATTACHMENT 3

Initial Tariff

Applicant will file this tariff in compliance with the Rhode Island Public Utilities Commission's order in Docket No. 2129 under separate cover.

TIME WARNER CABLE BUSINESS LLC

APPLICATION

ATTACHMENT 4

Financial Statement

See attached.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Charter Communications, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Charter Communications, Inc. and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income, changes in shareholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(signed) KPMG LLP

We have served as the Company's auditor since 2002.

St. Louis, Missouri
January 30, 2019

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in millions, except share data)

	December 31,	
	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 551	\$ 621
Accounts receivable, less allowance for doubtful accounts of \$129 and \$113, respectively	1,733	1,635
Prepaid expenses and other current assets	446	299
Total current assets	2,730	2,555
RESTRICTED CASH	214	—
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net of accumulated depreciation of \$23,075 and \$18,077, respectively	35,126	33,888
Customer relationships, net	9,565	11,951
Franchises	67,319	67,319
Goodwill	29,554	29,554
Total investment in cable properties, net	141,564	142,712
OTHER NONCURRENT ASSETS	1,622	1,356
Total assets	\$ 146,130	\$ 146,623
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,805	\$ 9,045
Current portion of long-term debt	3,290	2,045
Total current liabilities	12,095	11,090
LONG-TERM DEBT	69,537	68,186
DEFERRED INCOME TAXES	17,389	17,314
OTHER LONG-TERM LIABILITIES	2,837	2,502
SHAREHOLDERS' EQUITY:		
Class A common stock; \$.001 par value; 900 million shares authorized; 225,353,807 and 238,506,059 shares issued and outstanding, respectively	—	—
Class B common stock; \$.001 par value; 1,000 shares authorized; 1 share issued and outstanding	—	—
Preferred stock; \$.001 par value; 250 million shares authorized; no shares issued and outstanding	—	—
Additional paid-in capital	33,507	35,253
Retained earnings	2,780	3,832
Accumulated other comprehensive loss	(2)	(1)
Total Charter shareholders' equity	36,285	39,084
Noncontrolling interests	7,987	8,447
Total shareholders' equity	44,272	47,531
Total liabilities and shareholders' equity	\$ 146,130	\$ 146,623

The accompanying notes are an integral part of these consolidated financial statements.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in millions, except per share and share data)

	Year Ended December 31,		
	2018	2017	2016
REVENUES	\$ 43,634	\$ 41,581	\$ 29,003
COSTS AND EXPENSES:			
Operating costs and expenses (exclusive of items shown separately below)	27,860	26,541	18,655
Depreciation and amortization	10,318	10,588	6,907
Other operating expenses, net	235	346	985
	<u>38,413</u>	<u>37,475</u>	<u>26,547</u>
Income from operations	<u>5,221</u>	<u>4,106</u>	<u>2,456</u>
OTHER EXPENSES:			
Interest expense, net	(3,540)	(3,090)	(2,499)
Loss on extinguishment of debt	—	(40)	(111)
Gain (loss) on financial instruments, net	(110)	69	89
Other pension benefits	192	1	899
Other expense, net	(77)	(18)	(14)
	<u>(3,535)</u>	<u>(3,078)</u>	<u>(1,636)</u>
Income before income taxes	1,686	1,028	820
Income tax benefit (expense)	(180)	9,087	2,925
Consolidated net income	1,506	10,115	3,745
Less: Net income attributable to noncontrolling interests	(276)	(220)	(223)
Net income attributable to Charter shareholders	<u>\$ 1,230</u>	<u>\$ 9,895</u>	<u>\$ 3,522</u>
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CHARTER SHAREHOLDERS:			
Basic	<u>\$ 5.29</u>	<u>\$ 38.55</u>	<u>\$ 17.05</u>
Diluted	<u>\$ 5.22</u>	<u>\$ 34.09</u>	<u>\$ 15.94</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	<u>232,356,665</u>	<u>256,720,715</u>	<u>206,539,100</u>
Diluted	<u>235,525,226</u>	<u>296,703,956</u>	<u>234,791,439</u>

The accompanying notes are an integral part of these consolidated financial statements.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(dollars in millions)

	Year Ended December 31,		
	2018	2017	2016
Consolidated net income	\$ 1,506	\$ 10,115	\$ 3,745
Net impact of interest rate derivative instruments	—	5	8
Foreign currency translation adjustment	(1)	1	(2)
Consolidated comprehensive income	1,505	10,121	3,751
Less: Comprehensive income attributable to noncontrolling interests	(276)	(220)	(223)
Comprehensive income attributable to Charter shareholders	\$ 1,229	\$ 9,901	\$ 3,528

The accompanying notes are an integral part of these consolidated financial statements.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(dollars in millions)

	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Charter Shareholders' Equity (Deficit)	Non- controlling Interests	Total Shareholders' Equity (Deficit)
BALANCE, December 31, 2015	\$ —	\$ —	\$ 2,028	\$ (2,061)	\$ (13)	\$ (46)	\$ —	\$ (46)
Consolidated net income	—	—	—	3,522	—	3,522	223	3,745
Stock compensation expense	—	—	244	—	—	244	—	244
Accelerated vesting of equity awards	—	—	248	—	—	248	—	248
Settlement of restricted stock units	—	—	(59)	—	—	(59)	—	(59)
Exercise of stock options	—	—	86	—	—	86	—	86
Changes in accumulated other comprehensive loss, net	—	—	—	—	6	6	—	6
Purchases and retirement of treasury stock	—	—	(834)	(728)	—	(1,562)	—	(1,562)
Issuance of shares to Liberty Broadband for cash	—	—	5,000	—	—	5,000	—	5,000
Converted TWC awards in the TWC Transaction	—	—	514	—	—	514	—	514
Issuance of shares in TWC Transaction	—	—	32,164	—	—	32,164	—	32,164
Issuance of subsidiary equity in Bright House Transaction	—	—	—	—	—	—	10,134	10,134
Partnership formation and change in ownership, net of tax	—	—	(364)	—	—	(364)	589	225
Purchase of noncontrolling interest, net of tax	—	—	(19)	—	—	(19)	(187)	(206)
Exchange of Charter Holdings units held by A/N, net of tax and TRA effects	—	—	405	—	—	405	(460)	(55)
Distributions to noncontrolling interest	—	—	—	—	—	—	(96)	(96)
Noncontrolling interests assumed in acquisitions	—	—	—	—	—	—	24	24
BALANCE, December 31, 2016	—	—	39,413	733	(7)	40,139	10,227	50,366
Consolidated net income	—	—	—	9,895	—	9,895	220	10,115
Stock compensation expense	—	—	261	—	—	261	—	261
Accelerated vesting of equity awards	—	—	49	—	—	49	—	49
Exercise of stock options	—	—	116	—	—	116	—	116
Changes in accumulated other comprehensive loss, net	—	—	—	—	6	6	—	6
Cumulative effect of accounting change	—	—	9	131	—	140	—	140
Purchases and retirement of treasury stock	—	—	(4,788)	(6,927)	—	(11,715)	—	(11,715)
Purchase of noncontrolling interest, net of tax	—	—	(295)	—	—	(295)	(1,187)	(1,482)
Exchange of Charter Holdings units held by A/N, net of tax and TRA effects	—	—	265	—	—	265	(298)	(33)
Change in noncontrolling interest ownership, net of tax	—	—	223	—	—	223	(362)	(139)
Distributions to noncontrolling interest	—	—	—	—	—	—	(153)	(153)
BALANCE, December 31, 2017	—	—	35,253	3,832	(1)	39,084	8,447	47,531
Consolidated net income	—	—	—	1,230	—	1,230	276	1,506
Stock compensation expense	—	—	285	—	—	285	—	285
Accelerated vesting of equity awards	—	—	5	—	—	5	—	5
Exercise of stock options	—	—	69	—	—	69	—	69
Changes in accumulated other comprehensive loss, net	—	—	—	—	(1)	(1)	—	(1)
Cumulative effect of accounting changes	—	—	—	62	—	62	7	69
Purchases and retirement of treasury stock	—	—	(2,055)	(2,344)	—	(4,399)	—	(4,399)
Purchase of noncontrolling interest, net of tax	—	—	(104)	—	—	(104)	(518)	(622)
Change in noncontrolling interest ownership, net of tax	—	—	54	—	—	54	(72)	(18)
Distributions to noncontrolling interest	—	—	—	—	—	—	(153)	(153)
BALANCE, December 31, 2018	\$ —	\$ —	\$ 33,507	\$ 2,780	\$ (2)	\$ 36,285	\$ 7,987	\$ 44,272

The accompanying notes are an integral part of these consolidated financial statements.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

	Year Ended December 31,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated net income	\$ 1,506	\$ 10,115	\$ 3,745
Adjustments to reconcile consolidated net income to net cash flows from operating activities:			
Depreciation and amortization	10,318	10,588	6,907
Stock compensation expense	285	261	244
Accelerated vesting of equity awards	5	49	248
Noncash interest income, net	(307)	(370)	(256)
Other pension benefits	(192)	(1)	(899)
Loss on extinguishment of debt	—	40	111
(Gain) loss on financial instruments, net	110	(69)	(89)
Deferred income taxes	110	(9,116)	(2,958)
Other, net	175	16	8
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:			
Accounts receivable	(98)	(84)	(160)
Prepaid expenses and other assets	(270)	76	111
Accounts payable, accrued liabilities and other	125	449	1,029
Net cash flows from operating activities	<u>11,767</u>	<u>11,954</u>	<u>8,041</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(9,125)	(8,681)	(5,325)
Change in accrued expenses related to capital expenditures	(470)	820	603
Purchases of cable systems, net	—	(9)	(28,810)
Real estate investments through variable interest entities	(21)	(105)	—
Other, net	(120)	(123)	(22)
Net cash flows from investing activities	<u>(9,736)</u>	<u>(8,098)</u>	<u>(33,554)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of long-term debt	13,820	25,276	12,344
Repayments of long-term debt	(10,769)	(16,507)	(10,521)
Payments for debt issuance costs	(29)	(111)	(284)
Issuance of equity	—	—	5,000
Purchase of treasury stock	(4,399)	(11,715)	(1,562)
Proceeds from exercise of stock options	69	116	86
Settlement of restricted stock units	—	—	(59)
Purchase of noncontrolling interest	(656)	(1,665)	(218)
Distributions to noncontrolling interest	(153)	(153)	(96)
Borrowings for real estate investments through variable interest entities	342	—	—
Distributions to variable interest entities noncontrolling interest	(107)	—	—
Proceeds from termination of interest rate derivatives	—	—	88
Other, net	(5)	(11)	1
Net cash flows from financing activities	<u>(1,887)</u>	<u>(4,770)</u>	<u>4,779</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	144	(914)	(20,734)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	621	1,535	22,269
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	<u>\$ 765</u>	<u>\$ 621</u>	<u>\$ 1,535</u>
CASH PAID FOR INTEREST	\$ 3,865	\$ 3,421	\$ 2,685
CASH PAID FOR TAXES	\$ 45	\$ 41	\$ 63

The accompanying notes are an integral part of these consolidated financial statements.