

290 Harbor Drive
Stamford, CT 06902
Tel 203-328-0671
Fax 203-328-4042
julie.laine@twcable.com

Julie P. Laine
Vice President & Chief Counsel, Telephony



June 24, 2008

RECEIVED

JUN 25 2008

PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT MAIL

Brent Kirtley
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

**Re: Time Warner Cable Information Services (Kentucky), LLC
Notice of *Pro Forma* Transfer of Control**

Dear Mr. Kirtley:

Time Warner Cable Information Services (Kentucky) ("TWCIS (Kentucky)") hereby advises the Public Service Commission ("Commission") of an internal restructuring (the "Transaction") that will result in a *pro forma* change of control of TWCIS (Kentucky). TWCIS (Kentucky) is an indirect subsidiary of Time Warner Cable Inc. ("TWC"). At present, approximately 84 percent of the common stock of TWC (representing a 90.6 percent voting interest) is owned indirectly by Time Warner Inc., which is a widely held public company with no shareholder holding a ten percent or greater equity or voting interest (and which, together with TWCIS (Kentucky) and TWC, are called the "Companies" herein). Thus, the current public shareholders of Time Warner Inc. ultimately control TWCIS (Kentucky), and will continue to do so (through their control of TWC) after the Transaction is complete. As discussed in greater detail herein, to effect the Transaction, Time Warner Inc. proposes to distribute its equity interest in TWC to some or all of the public shareholders of Time Warner Inc. The Companies expect to complete the Transaction by the fourth quarter 2008, or sooner.

Based on a review of Kentucky law, it is the understanding of TWCIS (Kentucky) that state regulatory approval to complete the Transaction is not required in Kentucky. Accordingly, the Companies submit this letter in order to ensure the continuing accuracy of the Commission's records. An original and one copy of this letter, along with one further copy to be date-stamped and returned to us, are enclosed. Please date-stamp the extra copy of this letter provided for that purpose and return it in the enclosed postage-prepaid envelope.

For the information of the Commission, TWCIS (Kentucky) further states as follows:

I. THE COMPANIES

A. Time Warner Inc.

Time Warner Inc. is a publicly traded Delaware corporation with principal offices located at One Time Warner Center, New York, NY 10019-8016, tel. (212) 484-8000. Time Warner Inc. is a leading media and entertainment company with extensive operations spanning film, television, online content and interactive services, and magazine publishing. Its operations include TWC; AOL LLC, a leading provider of Internet access, content, and services; Time Inc.; Home Box Office; Turner Broadcasting System; and Warner Bros.

B. Time Warner Cable Inc. and Time Warner Cable Information Services Kentucky, LLC

TWC is a Delaware corporation with its principal place of business located at 290 Harbor Drive, Stamford Connecticut, 06902-7441, tel. (203) 328-0600. TWC is the second-largest cable operator in the United States and provides video, high-speed data, and Voice Over Internet Protocol services to customers in 27 states across the nation.

Time Warner Inc. holds an equity interest that provides approximately 84 percent economic interest and a 90.6 percent voting interest in TWC. This interest is composed of two classes of TWC stock: Class A, which has one vote per share, and Class B, which has 10 votes per share. Time Warner owns a majority of both share classes.¹ The remaining shares of TWC are publicly-traded.

In Kentucky, TWC's wholly-owned, indirect subsidiary, TWCIS (Kentucky), is authorized to resell and provide facilities-based local exchange and interexchange telecommunications services.²

II. DESCRIPTION OF THE TRANSACTION

The Transaction is governed by a Separation Agreement, dated May 20, 2008, among Time Warner Inc., TWC, and certain of their respective subsidiaries that provides for a structural separation of TWC from Time Warner Inc.³ TWCIS (Kentucky) therefore notifies the Commission of a pending *pro forma* transfer of control that will result from the Transaction, in

¹ Additionally, Time Warner Inc. indirectly holds 12.43% non-voting equity interest in Time Warner NY Cable LLC ("TWNKY"), a subsidiary of TWC.

² TWCIS (Kentucky) filed its Notice of Intent in compliance with Administrative Case Nos. 359 and 370 on March 10, 2006, amended on March 21, 2006.

³ The Separation Agreement is available online at:
<http://www.sec.gov/Archives/edgar/data/1105705/000095014408004413/g13642exv99w1.htm>

which Time Warner Inc. will distribute to some or all of its shareholders all of the shares it holds in TWC, so that such Time Warner Inc. shareholders will hold these shares of TWC directly, rather than indirectly as they do today. The Transaction will not result in any substantial change in control of TWC or any TWC subsidiary. Rather, the public shareholders of Time Warner Inc. will retain ultimate control of TWC and its subsidiaries (including TWCIS (Kentucky)) and, as a result of the Time Warner Inc. distribution, will exercise that control through their direct ownership of TWC, not indirectly through Time Warner Inc. Illustrative charts depicting the corporate structure both before and after this *pro forma* transfer of control are attached hereto as Exhibit A.

This *pro forma* transfer of control will be seamless and transparent to TWCIS (Kentucky)'s customers. TWCIS (Kentucky) will continue to offer service to its customers under the same name, and will continue to be led by its existing, experienced management team. No existing service will be discontinued, reduced, or impaired as a result of the Transaction, nor will the Transaction cause any change to any customer's service provider. Thus, the Transaction will not cause any interruption in service to customers, nor will it cause any change to the rates, terms or conditions governing TWCIS (Kentucky)'s services.

To effect the Transaction, following a series of internal steps, Time Warner Inc. will transfer to its shareholders its entire ownership in TWC either through a "spin-off" or a "split-off" or a combination thereof. If a spin-off is elected, Time Warner Inc. will distribute to all of its shareholders a *pro rata* number of shares of TWC. If a split-off is elected, Time Warner Inc. will offer its shareholders the opportunity to exchange their shares of Time Warner Inc. stock for a specified number of shares of TWC stock. Following the split-off, any shares of TWC not distributed pursuant to the exchange would be distributed on a *pro rata* basis to all Time Warner Inc. shareholders. As a result of the consummation of the Transaction, Time Warner Inc. will no longer have any ownership interest in TWC, and Time Warner Inc. will no longer be the indirect parent of TWCIS (Kentucky).⁴ TWC will be managed by its own board of directors.⁵ After consummation of the Transaction, the shareholders of Time Warner Inc. who receive shares of TWC either through the spin-off or split-off, together with the current public shareholders of TWC, will control TWC directly.

III. PUBLIC INTEREST STATEMENT

The Transaction will serve the public interest in Kentucky by benefiting customers and improving execution at both Time Warner Inc. and TWC. *First*, by separating the Time Warner Inc. media content businesses from the TWC content delivery and communications services platforms, the Transaction will allow both companies to focus more directly on their respective areas of expertise. This enhanced management focus and flexibility, in turn, will improve the

⁴ The transaction will not otherwise affect the structure of TWC's ownership interest in TWCIS (Kentucky).

⁵ Jeffrey Bewkes, President & CEO of Time Warner Inc. intends to resign as a Director of TWC upon consummation of the Transaction.

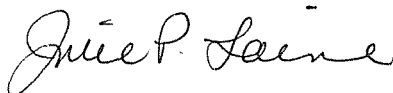
prospects of both companies for growth and enable each of them to better execute their respective business plans, to the ultimate benefit of their customers.

Second, as indicated above, the Transaction will be effected in a manner that is seamless and transparent to customers. Indeed, because the Transaction is *pro forma*, it will not result in any substantial transfer of control of TWCIS (Kentucky), nor will the Transaction cause any change to any customer's carrier or to the rates, terms and conditions that govern TWCIS (Kentucky)'s services. In addition, the Transaction will not cause any interruption or change to any customer's services. TWCIS (Kentucky) will continue to offer competitive services bringing broader customer choice, innovation, and enhanced service capabilities to Kentucky.

IV. CONCLUSION

Again, this letter constitutes notification to the Commission of a transaction for which TWCIS (Kentucky) believes no approval is required. For the reasons stated above, TWCIS (Kentucky) respectfully submits that the Transaction will serve the public interest, convenience, and necessity. Questions regarding this letter may be directed to the undersigned.

Respectfully submitted,



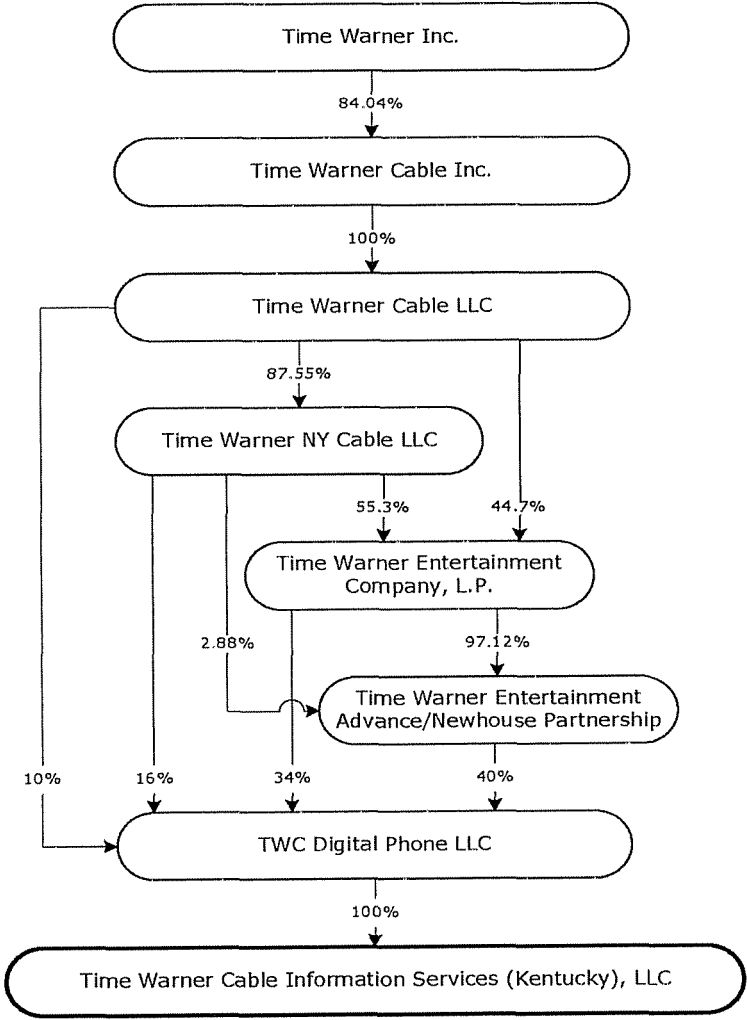
Julie P. Laine

TIME WARNER CABLE INFORMATION
SERVICES (KENTUCKY), LLC

EXHIBIT A

Pre-Transaction Corporation Structure

Time Warner Cable Information Services (Kentucky), LLC



Post-Transaction Corporation Structure

Time Warner Cable Information Services (Kentucky), LLC

