

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Petition of Southern Vermont Cable)
Company for consent, pursuant to 30)
V.S.A § 109, to sell substantially all of its)
Vermont assets to Comcast of)
Connecticut/Georgia/Massachusetts/New)
Hampshire/New York/North Carolina/)
Virginia/Vermont, LLC, approval,)
pursuant to 30 V.S.A. § 505, of such)
entity's abandonment of cable-television)
service in Vermont and revocation of its)
Certificates of Public Good)

Case No. 19-4845-PET

Petition of Comcast of Connecticut/)
Georgia/Massachusetts/New Hampshire/)
New York/North Carolina/Virginia/)
Vermont, LLC for a Certificate of Public)
Good, pursuant to 30 V.S.A. §§ 503 &)
504 and Vermont Public Utility)
Commission Rule 8.200, to own and)
operate the cable-television systems in)
Vermont currently owned and operated by)
Southern Vermont Cable Company)

PREFILED TESTIMONY OF
CLAY PURVIS

ON BEHALF OF THE
VERMONT DEPARTMENT OF PUBLIC SERVICE

March 4, 2020

Summary: Mr. Purvis's testimony conveys the Department's support for the joint petition filed by SVCC and Comcast and explains the reasons for that support. Mr. Purvis also introduces Department witnesses and summarizes the recommendations of each for conditions to be included in a Commission-issued CPG to Comcast.

Direct Testimony
of
Clay Purvis

1 **Q1. Please state your name and occupation.**

2 A1. My name is Clay Purvis. I am the Director for Telecommunications and Connectivity for
3 the Vermont Department of Public Service (“Department”).

4
5 **Q2. Have you previously testified before the Vermont Public Utility Commission**
6 **(“Commission”)?**

7 A2. Yes. I have previously provided testimony in Dockets 8428, 8701 and 8881, and Case
8 No. 18-3231-PET.

9
10 **Q3. What is the purpose of your testimony?**

11 A3. The purpose of my testimony is to summarize the position of the Department with respect
12 to the joint petition of Southern Vermont Cable Company (“SVCC”) and Comcast of
13 Connecticut/Georgia/Massachusetts/New Hampshire/New York/North
14 Carolina/Virginia/Vermont, LLC (“Comcast”) for a Certificate of Public Good (“CPG”)
15 and to relate the reasons the Department is in support of the joint petition. I also
16 introduce the subject matter experts testifying on behalf of the Department and
17 summarize their recommendations.

18
19 **Q4. Please identify the witnesses other than yourself that will submit testimony on behalf**
20 **of the Department and the scope of their testimony.**

1 A4. In addition to my testimony, the Department submits testimony from Carol Flint, the
2 Department's Director of Consumer Affairs and Public Information. Ms. Flint analyzes
3 Comcast's service quality, summarizes public comments filed and expressed in this
4 proceeding and discusses certain applicable criteria such as public, educational and
5 governmental ("PEG") programming, prohibition of discrimination, consumer complaints
6 and problems, hours and location of operation and consumer policies. Ms. Flint's
7 testimony shows that Comcast has a history of meeting service quality standards and will
8 provide a broad range of PEG programming.

9
10 The Department also submits testimony from Scott Wheeler, the Department's Utilities
11 Finance and Economics Analyst. Mr. Wheeler's testimony analyzes the financial
12 soundness and stability of Comcast as the acquiring entity, discusses the experience and
13 ability of Comcast to run and manage a cable television system and rates proposed to be
14 charged to SVCC customers. Mr. Wheeler's testimony shows that Comcast has the
15 financial capacity to own and operate the SVCC system.

16
17 Finally, the Department submits testimony from Aaron Brassard, the Department's Fiber
18 Optic Project Manager. Mr. Brassard addresses the technical and commercial soundness
19 of Comcast as the acquiring entity and discusses certain applicable criteria such as
20 facilities and equipment, capacity and service offerings. Mr. Brassard's testimony shows
21 that Comcast has the technical and commercial capacity to own and operate the SVCC
22 system.

1 The testimony from each Department witness addresses certain issues that arose during
2 the Department's review of the joint petition and SVCC and Comcast's responses to
3 discovery requests. Based on such information, witnesses make recommendations
4 regarding issuance of a new CPG to Comcast, as summarized herein.

5
6 **Q5. Please summarize the joint petition.**

7 A5. SVCC and Comcast have filed a joint petition for approval of (1) acquisition by Comcast
8 of the cable television system owned and operated by SVCC; (2) revocation of SVCC's
9 CPG; and (3) issuance of a new CPG to Comcast to serve the towns of Newfane, Putney,
10 Townshend and Dover. Upon approval of the joint petition, execution of the sale and
11 migration of SVCC customers to the Comcast network, Comcast will own and operate
12 the SVCC system.

13
14 **Q6. Please explain the Department's position.**

15 A6. It is the position of the Department that the proposed transaction will promote the general
16 good of the state. The Department therefore recommends that the Commission issue a
17 certificate of consent for the sale of SVCC assets to Comcast under 30 V.S.A § 109. The
18 Department also recommends that the Commission approve the acquisition of the SVCC
19 system by Comcast and issue a new CPG to Comcast to serve the towns of Newfane,
20 Putney, Townshend and Dover. It is the position of the Department that Comcast has met
21 the statutory requirements of 30 V.S.A. § 504 and Commission rule 8.214 (otherwise
22 known as the "EMCO" Criteria) for issuance of a CPG, as demonstrated in each

1 Department witness' testimony. Comcast has demonstrated that it has the financial,
2 technical, and commercial capability to acquire, own and operate the SVCC cable
3 system, which will ultimately benefit SVCC customers.
4

5 **Q7. Does the Department have any concerns about the transaction?**

6 A7. Yes. First, the Department has concerns regarding migration of the SVCC system and
7 customers to the Comcast system. While such a concern is typical with cable system
8 acquisitions, a concrete integration plan and service quality plan should be in place in
9 order to ensure a smooth transition for SVCC customers. Second, the Department is
10 concerned regarding the pricing of Comcast's video packages compared to those offered
11 by SVCC. While the package prices are not necessarily higher, consumers may see
12 pricing discrepancies depending on the content they wish to purchase. SVCC customers
13 should be given ample time to adjust to what are anticipated to be higher rates, which will
14 simultaneously give Comcast an opportunity to build goodwill with customers. Finally,
15 the Department has concerns regarding any increases in franchise fees. It may be
16 advantageous for such increases to be phased in over time in order to limit immediate
17 price impact on consumers.
18

19 **Q8. Does the Department have any recommendations for conditions to be included in a**
20 **Commission-issued CPG to Comcast?**

21 A8. Yes. The Department recommends that:

- 1 1. During the integration period, Comcast develop and file with the Department
2 quarterly service quality reports specific to SVCC customers;
- 3 2. For the first full quarter following completion of the transition of all SVCC customers
4 to the Comcast system, Comcast provide an integrated service quality report;
- 5 3. Within six months of any order approving the joint petition, Comcast collaborate with
6 the Department on a revised service quality plan to be filed with the state, with certain
7 enhanced metrics, including timing of refunds and credits, number of outages greater
8 than 24 hours and number of credits provided to customers for outages greater than
9 24 hours;
- 10 4. Within 45 days of any order approving the joint petition, Comcast submit with the
11 Commission a detailed migration plan subject to Department comment that includes
12 plans for isolated migration testing to occur before implementation; and
- 13 5. Any migration assistance, including set-top box and modem setup, be provided to
14 SVCC customers at no charge.

15
16 **Q9. Does this conclude your testimony?**

17 A9. Yes.