



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

CABLE TELEVISION

IN THE MATTER OF THE ALLEGED FAILURE OF) ORDER ACCEPTING
SERVICE ELECTRIC CABLE TV OF HUNTERDON,) OFFER OF SETTLEMENT
INC. TO COMPLY WITH PROVISIONS OF THE NEW)
JERSEY CABLE TELEVISION ACT, N.J.S.A. 48:5A-1)
et seq., AND/OR THE NEW JERSEY ADMINISTRATIVE)
CODE, N.J.A.C. 14:18-1.1 et seq.) DOCKET NO. CO06110831

SERVICE LIST ATTACHED

BY THE BOARD:

Service Electric Cable TV of Hunterdon, Inc., ("SECTV"), with its principal office located at 2260 Avenue A, LVIP #1, Bethlehem, PA, 18017-2170, is a cable television system operator which provides cable television services to approximately 14,014 New Jersey subscribers in the Boroughs of Alpha, Bloomsbury, Frenchtown and Milford, the Town of Phillipsburg and the Townships of Alexandria, Greenwich, Harmony, Holland, Kingwood, Lopatcong and Pohatcong. The Board's Office of Cable Television Inspection and Enforcement Bureau (hereinafter "Office") uncovered a number of non-conforming practices during the course of a compliance review. The Office served notice of its allegations that SECTV did not conform to certain provisions of the New Jersey State Cable Television Act, N.J.S.A. 48:5A-1 et seq. and the New Jersey Administrative Code, N.J.A.C. 14:18-1.1 et seq., as more specifically set forth herein below. The aforementioned statutes and regulations require all cable systems in New Jersey to provide protection to the cable consumer.

As a result of correspondence, telephone conversations and settlement conferences between SECTV and the Office, SECTV, on December 14, 2006, submitted an Offer of Settlement to the Board concerning the following alleged non-conforming practices that:

- 1 SECTV charged subscribers a yearly franchise fee exceeding the fee prescribed in N.J.S.A. 48:5A-30(a) from January 1999 to December 2004.
2. SECTV failed to provide the Office with adequate notice of changes and/or additions to rates and/or services by failing to file tariffs at least thirty (30) days prior to the

tariff's effective date as required by N.J.A.C. 14:17-6.16 and N.J.A.C. 14:18-3.3(b) and (c) for 2005.

3. SECTV failed to file its annual Telephone System Information report for 2004 with the Office on or before October 4, 2004, as required by N.J.A.C. 14:18-7.6.
4. SECTV failed to file its second quarter 2004 periodic Telephone System Performance report with the Office within ten (10) days of the end of the month for which the report was to be filed as required by N.J.A.C. 14:18-7.7.
5. SECTV did not comply with the requirements of its Offer of Settlement with the Board, dated April 5, 2004, Docket No. CO04030152, by failing to:
 - a) provide verified proof to the Office that all required periodic notices were sent to subscribers in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18 in the form of a true copy of the notices sent and proof of mailing the earlier of either thirty (30) days after the notices were sent or ten (10) days following the end of the quarter or annual period for which the notices were sent;
 - b) provide verified proof to the Office no later than May 17, 2004, that the appropriate corrective action was implemented as of April 5, 2004, the date of its Offer of Settlement to:
 - 1) ensure that its monthly billing statements identify each service for which a separate charge is imposed and the rate for each service, the date by which payment is due and the amount of accumulated late charges as required by N.J.A.C. 14:18-3.7(a) 2, N.J.A.C. 14:18-3.7(a) 6 and N.J.A.C. 14:18-3.7(a) 12;
 - 2) ensure that annual notice of all monthly service packages and corresponding rates available according to the subscriber's billing classification is provided to each subscriber as required by N.J.A.C. 14:18-3.18;
 - 3) ensure that complete tariffs showing all of the rates, terms and conditions of service and service packages are filed with this Office and maintained and provided to subscribers as required by N.J.A.C. 14:18-3.3(d), N.J.A.C. 14:18-3.4, N.J.A.C. 14:18-3.16(a)1 and 2, N.J.S.A. 48:5A-11 and N.J.S.A. 48:5A-36(b);
 - 4) ensure that subscribers receive fifteen (15) days' prior written notice before disconnecting cable services for nonpayment as required by N.J.A.C. 14:18-3.9(b);
 - 5) ensure that every new subscriber is provided with a complete copy of SECTV's tariff containing all rates, terms and conditions applicable to that type of customer as required by N.J.A.C. 14:18-3.3(d);
 - 6) ensure that going forward all tariff filings for the purpose of making changes and/or additions to rates and/or services are filed with this Office at least thirty (30) days prior to the tariff's effective date as required by N.J.A.C. 14:17-6.17;

- 7) ensure that going forward written notice of an alteration in channel allocation is filed with this Office as required by N.J.A.C. 14:18-3.17(a);
- 8) ensure that going forward an annual financial report that contains financial information about SECTV's parent is filed with this Office in accordance with N.J.A.C. 14:18-7.2 and N.J.S.A. 48-5A-44(c); and
- 9) ensure that going forward periodic telephone system performance reports are filed with this Office within the appropriate timeframe as required by N.J.A.C. 14:18-7.7.

SECTV submitted its monetary Offer of Settlement in the amount of Twenty Thousand 00/100 Dollars (\$20,000.00) in full settlement of the above alleged violations, without admission of any liability. As part of its Offer of Settlement, SECTV has agreed to the following remedial action:

SECTV shall reimburse subscribers in two equal, consecutive monthly payments the franchise fee it overcharged subscribers from January 1999 through December 2004, plus interest compounded daily, using the IRS rates for over and underpayments utilized by the Federal Communications Commission.

The Board, therefore, HEREBY ORDERS that SECTV shall submit a certified refund liability statement to the Office, verified by an Officer of the Corporation qualified to so verify, within fifteen (15) days of the date of this Order, which shall at a minimum include, but not be limited to, the following items: (a) the date, duration, number of customers that were charged franchise fees that exceeded the fee prescribed in N.J.S.A. 48:5A-30(a) for the period between January 1999 through December 31, 2004; (b) the amount of refund due for each subscriber with and without interest; and (c) the total refund amount.

The Board FURTHER ORDERS that SECTV shall submit certified proof that the appropriate corrective action has been taken and implemented and the date of such action to assure going forward that franchise fees charged to customers will be as prescribed in N.J.S.A. 48:5A-30(a). The certified proof is to be verified by an Officer of the Corporation qualified to so verify, and filed with the Office within fifteen (15) days of the date of this Order.

The Board FURTHER ORDERS that SECTV shall commence the issuance of any refunds due its subscribers pursuant to the Board's approval of its Offer of Settlement within thirty (30) days after approval of its refund liability statement by the Office, and that SECTV shall inform subscribers of the reason for the refunds. The refunds shall be denominated "BPU Refund" on subscribers' bills.

SECTV, within ten (10) days of the completion of the refund distribution to subscribers, is FURTHER ORDERED to notify the Board, in writing, of the date(s) said refunds were paid and the amounts refunded. The Board FURTHER ORDERS that SECTV, within ten (10) days of effectuating the entire refund to its subscribers, certify in writing to the Office that the refunds have been completed and provide a final accounting by subscriber and total of all such refunds.

The Office will monitor SECTV or its successor's future notice and filing requirements and procedures as set forth in the State Cable Television Act and the New Jersey Administrative Code.

The Board had reviewed the matter and **HEREBY FINDS** that the Offer represents a reasonable settlement in view of the alleged violations. Therefore, the Board **HEREBY ACCEPTS** the Offer of Settlement proffered by SECTV subject to the following provisions, conditions and/or limitations:

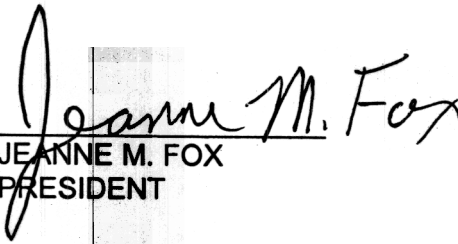
- 1 SECTV shall tender Twenty Thousand 00/100 Dollars (\$20,000.00), payable to Treasurer, State of New Jersey, within fifteen (15) days of the Board's acceptance of the Offer of Settlement and delivered to the Board's Newark office as provided for in the attached Offer of Settlement.
2. SECTV shall, on an on-going basis, provide verified proof to the Office that all required periodic notices are sent to subscribers in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18 in the form of a true copy of the notices sent and proof of mailing the earlier of either thirty (30) days after the notices were sent or ten (10) days following the end of the quarter or annual period for which the notices were sent. The Board's prior Order in Docket No. CO04030152 had the same requirement the Board hereby reaffirms that requirement.
3. SECTV shall provide verified proof, including, where appropriate, certifications of continued compliance, to the Office no later than March 19, 2007, that appropriate corrective action was implemented as of the date of its Offer of Settlement to:
 - a. ensure that subscribers are charged the franchise fee prescribed by N.J.S.A. 48:5A-30(a);
 - b. ensure that going forward all tariff filings for the purpose of making changes and/or additions to rates and/or services are filed with the Office at least thirty (30) days prior to the tariffs' effective date as required by N.J.A.C. 14:17-6.16 and N.J.A.C. 14:18-3.3(b) and (c);
 - c. ensure that going forward annual telephone system information reports are filed with this Office within the appropriate timeframe as required by N.J.A.C. 14:18-7.6;
 - d. ensure that going forward periodic telephone system performance reports are filed with this Office within the appropriate timeframe as required by N.J.A.C. 14:18-7.7; and
 - e. ensure that going forward SECTV complies with all terms and conditions of Orders and directives issued by this Board and the Director as required by N.J.S.A. 48:5A-9.
4. The Board's acceptance of the Offer of Settlement is for purposes of this proceeding only, addresses only those specific allegations and timeframes in the Offer of Settlement, and shall not be construed as limiting the Board's authority in any other matter affecting SECTV or a successor company or operator.
5. For purposes of assessing penalties for future offenses by SECTV, their parents, affiliates, subsidiaries and successors that may now or in the future operate the cable television systems that are the subject of this Offer of Settlement, such future

offenses shall be considered second or subsequent offenses, in accordance with N.J.S.A. 48:5A-51(b).

6. This Offer of Settlement does not include, and does not impact upon any party's allegations or claims, as they apply to the 2004 Customer complaint report filed by or on behalf of SECTV. To the extent that said filing may involve a potential for liability on the part of SECTV, their parents, affiliates, subsidiaries or successors, it will remain subject to enforcement or other Board action.

DATED: 1/17/07

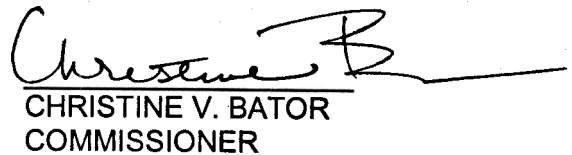
BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER

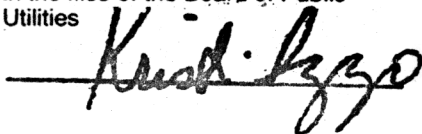

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



**IN THE MATTER OF THE ALLEGED FAILURE OF SERVICE ELECTRIC CABLE TV
HUNTERDON, INC., TO COMPLY WITH PROVISIONS OF THE NEW JERSEY CABLE
TELEVISION ACT, N.J.S.A. 48:5A-1 et seq., AND/OR THE NEW JERSEY
ADMINISTRATIVE CODE, N.J.A.C. 14:18-1.1 et seq.**

OFFER OF SETTLEMENT

DOCKET NO. CO06110831

John Capparell, General Manger
Service Electric Cable TV Hunterdon, Inc.
2260 Avenue A - LVIP #1
Bethlehem, Pennsylvania 18017-2170

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Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

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Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF CABLE TELEVISION

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N.J. OFFICE OF C.A.T.V.

Service Electric Cable T.V. of Hunterdon, Inc.
2260 Avenue A, LVIP #1
Bethlehem, Pennsylvania 18017-2170

IN THE MATTER OF THE ALLEGED
FAILURE OF SERVICE ELECTRIC CABLE
T.V. OF HUNTERDON, INC. TO COMPLY
WITH PROVISIONS OF THE NEW JERSEY
CABLE TELEVISION ACT, N.J.S.A. 48:5A-1
et seq. AND THE NEW JERSEY
ADMINISTRATIVE CODE, N.J.A.C. 14:17-1
et seq. AND N.J.A.C. 14:18-1 et seq.

OFFER OF SETTLEMENT

Docket No. CO06110831

WHEREAS, Service Electric Cable T.V. of Hunterdon, Inc. ("Service Electric" or "Company") owns and operates a cable television system in New Jersey, pursuant to N.J.S.A. 48:5A-1 et seq., and

WHEREAS, Service Electric is subject to the jurisdiction of the Board of Public Utilities (the "Board") and the Office of Cable Television ("Office" or "OCTV"), pursuant to the New Jersey Cable Television Act, N.J.S.A. 48:5A-1 et seq. ("Act"), and the New Jersey Administrative Code, N.J.A.C. 14:17-1 et seq. and N.J.A.C. 14:18-1 et seq. ("Regulations"); and

WHEREAS, New Jersey cable television companies are required to comply with the provisions of the Act, the Regulations and Board Orders issued thereunder; and

WHEREAS, as the result of OCTV's compliance review of Service Electric, the OCTV alleges that Service Electric has failed to comply with certain requirements imposed by the Act and the Regulations; and

Revised 7/13/06

WHEREAS, The OCTV specifically alleges that:

1 From January 1, 1999, through December 31, 2004, Service Electric charged subscribers a yearly franchise fee exceeding the fee prescribed in N.J.S.A. 48:5A-30a.

2. Service Electric failed to provide the Office with adequate notice of changes and/or additions to rates and/or services by failing to file tariffs at least thirty (30) days prior to the tariff effective date as required by N.J.A.C. 14:17-6.16 and N.J.A.C. 14:18-3.3(b) and (c) for 2005.

3. Service Electric failed to file its annual Telephone System Information report for 2004 with the Office on or before October 4, 2004, as required by N.J.A.C. 14:18-7.6.

4. Service Electric failed to file its second quarter 2004 periodic Telephone System Performance report with the Office within ten (10) days of the end of the month for which the report was to be filed as required by N.J.A.C. 14:18-7.7.

5. Service Electric did not comply with the requirements of its Offer of Settlement with the Board, dated April 5, 2004, Docket No. CO04030152. Service Electric failed to:

- a. provide verified proof to the Office that all quarterly and annual notices were sent to subscribers in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18 in the form of a true copy of the notices sent and proof of mailing the earlier of either thirty (30) days after the notices were sent or ten (10) days following the end of the quarter or annual period for which the notices were sent;

Revised 7/13/06

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N.J. OFFICE OF CA. TV

b. provide verified proof to the OCTV no later than May 17, 2004, that the appropriate corrective action was implemented as of April 5, 2004, the date of its Offer of Settlement, to:

- i. ensure that its monthly billing statements identify each service for which a separate charge is imposed and the rate for each service, the date by which payment is due and the amount of accumulated late charges as required by N.J.A.C. 14:18-3.7(a)2, N.J.A.C. 14:18-3.7(a)6 and N.J.A.C. 14:18-3.7(a)12;
- ii. ensure that annual notice of all monthly service packages and corresponding rates available according to the subscriber's billing classification is provided to each subscriber as required by N.J.A.C. 14:18-3.18;
- iii. ensure that complete tariffs showing all of the rates, terms and conditions of service and service packages are filed with this Office, maintained and provided to subscribers as required by N.J.A.C. 14:18-3.3(d), N.J.A.C. 14:18-3.4, N.J.A.C. 14:18-3.16(a)1 and 2, N.J.S.A. 48:5A-11 and N.J.S.A. 48:5A-36(b);
- iv. ensure that subscribers receive fifteen (15) days' prior written notice before disconnecting cable services for nonpayment as required by N.J.A.C. 14:18-3.9(b);
- v. ensure that every new subscriber is provided with a complete copy of Service Electric's tariff containing all rates, terms and

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conditions applicable to that type of customer as required by

N.J.A.C. 14:18-3-3(d);

- vi. ensure that going forward all tariff filings for the purpose of making changes or additions to rates and/or services are filed with this Office at least thirty (30) days prior to the tariff effective date as required by N.J.A.C. 14:17-6.17;
- vii. ensure that going forward written notice of an alteration in channel allocation is filed with this Office as required by N.J.A.C. 14:18-3.17(a);
- viii. ensure that going forward an annual financial report that contains financial information about Service Electric's parent company is filed with this Office in accordance with N.J.A.C. 14:18-7.2 and N.J.S.A. 48-5A-44(c); and
- ix. ensure that going forward periodic telephone system performance reports are filed with this Office within the appropriate timeframe as required by N.J.A.C. 14:18-7.7; and

WHEREAS, Service Electric wishes to amicably resolve the issues raised by the OCTV without incurring the time and expense that would be associated with a formal proceeding;

NOW, THEREFORE, Service Electric submits this OFFER OF SETTLEMENT as follows:

1. Service Electric shall pay the sum of Twenty Thousand 00/100 Dollars (\$20,000.00) in full settlement of the above alleged

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violations as provided for in the Board's Order approving this Offer of Settlement. Payment shall be made payable to "Treasurer, State of New Jersey" and delivered to the following address:

Kristi Izzo, Secretary
Board of Public Utilities
2 Gateway Center, 8th Floor
Newark, New Jersey 07102

2. Service Electric shall charge subscribers the franchise fee prescribed by N.J.S.A. 48:5A-30a.
3. Service Electric shall reimburse subscribers the franchise fee it overcharged subscribers from January 1, 1999, through December 31, 2004, in two equal, consecutive monthly payments, plus interest compounded daily, using the IRS rates for over and underpayments utilized by the Federal Communications Commission.
4. Service Electric shall submit a certified refund liability statement to the Office, verified by an Officer of the Corporation qualified to verify, within fifteen (15) days of the date of the Board's approval of its Offer of Settlement.
5. Service Electric shall commence issuance of any refunds due its subscribers pursuant to the Board's approval of this Offer of Settlement within thirty (30) days after approval of its refund liability statement by the Office, and that Service Electric shall inform subscribers of the reason for the refunds. Said refunds shall be denominated "BPU Refund" on subscribers' bills.

Revised 7/13/01

6. Service Electric within ten (0) days of the payment of the refunds to subscribers, shall notify the Board, in writing, of the date(s) said refunds were paid and the amounts refunded, and certify in writing to the Office that the refunds have been completed and provide a final accounting.
7. Service Electric shall not attempt to offset its reimbursement to subscribers by seeking to recover this amount from any of the municipalities in the Hunterdon System.
8. Service Electric shall provide verified proof, including the certification of a corporate officer, to the Office no later than thirty (30) days after the date of execution of this Offer of Settlement that it has implemented appropriate corrective action as required herein on or before the date of execution of this Offer of Settlement to:
 - a. ensure that on an on-going basis it provides verified proof to the Office that all required quarterly and annual notices are sent to subscribers in accordance with N.J.S.A. 48:5A-28(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18 in the form of a true copy of the notices sent and proof of mailing the earlier of either thirty (30) days after the notices were sent or ten (10) days following the end of the quarter or annual period for which the notices were sent.
 - b. ensure that going forward Service Electric provides the Office with notice of changes and/or additions to rates and or services by

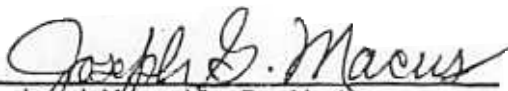
Revised 7/13/06

filing tariffs at least thirty (30) days prior to the tariff effective date as required by N.J.A.C. 14:17-6.16 and N.J.A.C. 14:18-3.3(b) and (c).

- c. ensure that going forward Service Electric files its annual telephone system information reports with the Office within the required timeframe in accordance with N.J.A.C. 14:18-7.6.
 - d. ensure that going forward Service Electric files its quarterly telephone system performance reports with the Office within the required timeframe in accordance with N.J.A.C. 14:18-7.7.
 - e. ensure that going forward Service Electric complies with all terms and conditions of Orders and directives issued by this Board and the Director as required by N.J.S.A. 48:5A-9.
9. This Offer of Settlement resolves all allegations identified herein as a result of OCTV's compliance review for the period through December 31, 2005, except as provided for in paragraph ¹² herein.
10. The execution of this Offer of Settlement shall not be deemed an admission by Service Electric of any violation of the Act or any provision of the Regulations.
11. Any violation(s) of the Act, the Regulations or a Board Order by Service Electric, their parents, affiliates, subsidiaries and successors that may now or in the future operate the cable television systems that are the subject of this Offer of Settlement, shall be deemed a second or subsequent violation, as appropriate.

pursuant to the provisions of N.J.S.A. 48:5A-51(b), for the purpose of determining the amount of any applicable penalty.

12. This Offer of Settlement does not include, and does not have an impact upon any party's allegations or claims, as they apply to the 2004 Customer Complaint Report filed by or on behalf of Service Electric. To the extent that the filing may involve a potential for liability on the part of Service Electric, their parents, affiliates, subsidiaries or successors, it will remain subject to enforcement or other Board action.

BY: 
Joseph Marcus, Vice President
Service Electric Cable T.V. of Hunterdon, Inc.

Dated: December 8, 2008