



Agenda Date: 10/23/08
Agenda Item: IIIF

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

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF COMCAST OF
NEW JERSEY II, LLC FOR A RENEWAL CERTIFICATE
OF APPROVAL TO CONTINUE TO CONSTRUCT,
OPERATE AND MAINTAIN A CABLE TELEVISION
SYSTEM IN AND FOR THE CITY OF SUMMIT, COUNTY
OF UNION, STATE OF NEW JERSEY

**RENEWAL
CERTIFICATE OF APPROVAL**

DOCKET NO. CE08080573

(SERVICE LIST ATTACHED)

BY THE BOARD:

On January 5, 1978, the Board of Public Utilities ("Board") granted Suburban Cablevision ("Suburban") a Certificate of Approval in Docket No. 778C-6312 for the construction, operation and maintenance of a cable television system in the City of Summit ("City"). On June 17, 1988, the Board granted Suburban a Renewal Certificate of Approval for the City in Docket No. CE87070716. Through a series of transfers with required Board approvals, Comcast Cablevision of New Jersey, Inc. ("Comcast") became the holder of the Certificate. On September 2, 1999, the Board granted Comcast a Renewal Certificate of Approval for the City in Docket No. CE99070454. Based on a name change, the current holder of the Certificate is Comcast of New Jersey II, LLC ("Petitioner"). Although by its terms the Petitioner's above referenced Certificate expired on January 5, 2008, the Petitioner is authorized to continue to provide cable television service to the City pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the City on April 18, 2007, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. The City, after public hearing, adopted a municipal ordinance granting renewal consent to the Petitioner on May 20, 2008. On June 20, 2008, the Petitioner formally accepted the terms and conditions of the ordinance. On August 5, 2008, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the City.

The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval, and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board **HEREBY FINDS** the following:

1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Renewal Certificate of Approval. Further, the City reviewed these qualifications in conjunction with the municipal consent process.
2. The design and technical specifications of the system will ensure that the Petitioner provides safe, adequate and proper service.
3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
4. The franchise period as stated in the ordinance is ten years with an automatic renewal provision of five years thereafter pursuant to N.J.S.A. 48:5A-19 and 25. The Board finds these periods to be of reasonable duration.
5. The City may review the performance of the Petitioner with regard to the ordinance at its discretion. If the City determines that the Petitioner has failed to substantially comply with the material terms and conditions of the ordinance, the City shall provide written notice to the Petitioner of such alleged instances of non-compliance, and shall grant the Petitioner 90 days to cure such deficiency. The City may petition the Board for appropriate administrative action, including revocation of the franchise or reduction of the franchise term, but only after the 90-day opportunity to cure has passed and the deficiency has not been cured.
6. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain and file with the Board an informational schedule of prices, terms and conditions for unregulated service and promptly file any revisions thereto.
7. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the City. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
8. The Petitioner shall maintain a local business office for the purpose of receiving, investigating and resolving complaints. Currently, the local business office serving this provision is located at 800 Rahway Avenue, Union, New Jersey.

9. The franchise fee to be paid to the City is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the City, and shall be increased as required by N.J.S.A. 48:5A-30. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
10. The Petitioner shall provide service to all currently served streets ("Primary Service Area") at no cost beyond standard and non-standard installation charges as indicated on the map on file with the Office of Cable Television. For any extension outside of the Primary Service Area, the Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate. The minimum homes per mile figure is 35.
11. The Petitioner shall provide public, educational and governmental access channels and facilities in accordance with its renewal application and the ordinance. Specifically, the Petitioner shall maintain one shared local access channel; currently channel 36, for the purpose of cablecasting non-commercial local governmental and educational access programming by the City's access designee or PEG designee. If the Petitioner assigns this channel a digital channel designation, it shall be in sequence with the channel numbers assigned to the two dedicated digital access channels referred to in Condition No. 12 below.
12. The Petitioner shall provide two dedicated digital local access channels for the City's exclusive use for the purposes of cablecasting non-commercial public, educational or governmental access programming as follows: the first digital PEG access channel shall be provided within 90 days of the date of issuance of this Certificate; the second digital PEG access channel shall be provided within 120 days of a written request of the City, but no sooner than the calendar year subsequent to the calendar year in which the first digital PEG access channel is provided. The Petitioner shall locate the two dedicated digital access channels sequentially within the channel line-up of its basic service programming tier. Upon provision of each of the access channels, the Petitioner shall provide the Office of Cable Television with proof of completion.
13. Within 90 days of the date of issuance of this Certificate, the Petitioner shall construct, and once constructed shall maintain, a return line from Summit High School that will enable programming content which is originated at the high school to be transmitted by the Petitioner on one of the City's access channels. Upon completion of construction and activation of the return line, the Petitioner shall provide the Office of Cable Television with proof of completion.

14. The Petitioner shall maintain the return line currently installed at the City municipal building so that throughout the term of the franchise, the City shall have the ability to originate access programming content from the City municipal building. In the event the current TV-36 studio is relocated within the municipal building, and such relocation affects the City's ability to continue to originate programming from the City municipal building, the Petitioner shall be responsible for modifying the return line so that origination of programming may continue from the City municipal building. In the event the current TV-36 studio is moved or relocated to another location in the City, the Petitioner shall, at its own cost and expense, relocate or install and maintain facilities to enable TV-36 to transmit programming from its new location.

In the event the current channel designation for TV-36 is changed by the Petitioner, the Petitioner shall reimburse the City and TV-36 for reasonable administrative costs associated with notifying persons of the channel re-designation and the re-branding of TV-36 content and materials. The total amount to be paid by the Petitioner shall not exceed \$5,000.00.

16. The Petitioner shall maintain a system-wide public access channel for use by qualified individuals and organizations in the municipalities served by the Petitioner's system.
17. The Petitioner shall continue to make available to Overlook Hospital the signals transmitting the PEG access content carried on each of the PEG access channels referenced above. If Overlook Hospital determines it wants to carry the PEG signals on its internal television system, the Petitioner shall not be responsible for any equipment or system modification that may be required by the hospital.
18. Upon reasonable notice by the City, the Petitioner shall make available a mobile production vehicle including cameras, recording and editing equipment for the purpose of producing non-commercial community governmental and educational access programming in accordance with the Petitioner's rules for use of the vehicle. The Petitioner shall provide training and assistance in the use of the production vehicle.
19. The Petitioner maintains a fully equipped and operational local production studio in Union Township for the creation of local and access programming. The Petitioner provides training at its studio upon written request for local residents for the purpose of producing PEG access programming.

Within 120 days of the date of issuance of this Certificate, the Petitioner shall provide to the City a one-time grant in the amount of \$75,000.00, which may be used to assist the City in administering the ordinance and/or acquiring equipment and services deemed useful by the City for the promotion of local access programming. Upon payment, the Petitioner shall provide the Office of Cable Television with proof of satisfaction of this obligation.

- 21 The Petitioner shall provide or continue to provide one standard installation and monthly basic cable television service, free of charge, to each school in the City, public and private, as well as one standard installation and monthly basic cable television service, free of charge, to each municipal building in the City, including but not limited to: the police station, fire station(s), emergency management facility, department of public works buildings, municipal golf course and community pool. To qualify for free installation, the facility must be within 200 feet of the Petitioner's active cable television plant. Each additional outlet installed, if any, shall be paid for on a materials, equipment plus labor basis by the City. Monthly service charges shall be waived on all additional outlets.
22. The Petitioner shall provide free installation of one non-networked outlet of Internet service via high speed cable modem to all public and private schools and public library buildings. To qualify for free installation, the facility must be within 200 feet of the Petitioner's active cable television plant. The connection shall be installed in a location accessible for community and student use, and shall not be restricted to administrative use.
23. Upon reasonable written request of the City, the Petitioner shall make a representative available at least annually to meet with the City's advisory committee or other designee to review all matters relating to cable television in the City, including but not limited to, customer service standards.

Based upon these findings, the Board **HEREBY CONCLUDES**, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of N.J.S.A. 48:5A-1 et seq., that the Petitioner has complied or is ready, willing and able to comply with all applicable rules and regulations imposed by or pursuant to State or federal law as preconditions for engaging in the proposed cable television operations, that the Petitioner has sufficient financial and technical capacity, meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment, and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is **HEREBY ISSUED** this Renewal Certificate of Approval as evidence of Petitioner's continued authority to construct and operate a cable television system within the entirety of the City.

This Renewal Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. §76.1 et seq., including but not limited to, the technical standards 47 C.F.R. §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

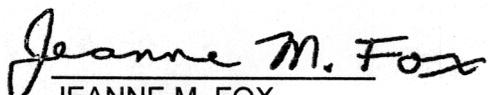
Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

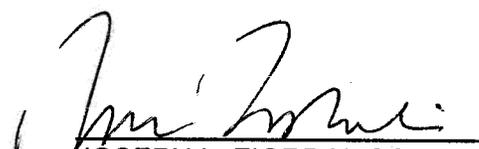
This Certificate shall expire on January 5, 2018.

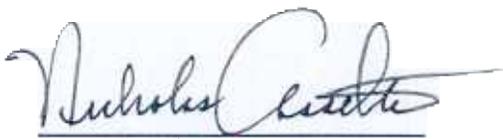
DATED: 10/23/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

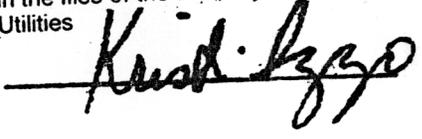

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
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


APPENDIX "I"
OFFICE OF CABLE TELEVISION
LINE EXTENSION POLICY

COMCAST OF NEW JERSEY II, LLC
CITY OF SUMMIT

A cable operator is required to absorb the cost of extensions to the system in the same proportion that the extension is to the remainder of the system.

Actual subscribers served by the extension are required to absorb the remainder of the cost.

If new subscribers are added to the extension the cost is adjusted and those who previously paid receive an appropriate rebate.

- | | | | |
|----|--|---|---|
| 1 | <u># of homes in extension</u>
mileage of extension | = | homes per mile (HPM) of
extension |
| 2. | <u>HPM of extension</u>
Minimum HPM that
company actually
constructs in the
system * | = | ratio of the density of
the extension to the
minimum density which the
company constructs in the
system ("A") |
| 3. | Total cost of building
the extension times "A" | = | company's share of
extension cost |
| 4. | Total cost of building
extension less company's
share of extension cost | = | total amount to be
recovered from
subscribers |
| 5. | Total amount to be
<u>recovered from subs</u>
Total subscribers in extension | = | each subscriber's share |

In any case, the company shall extend its plant along public rights of way to:

- 1 All residences and businesses within 150 aerial feet of the operator's existing plant at no cost beyond the normal installation rate.
2. All residences and businesses within 100 underground feet of the operator's plant at no cost beyond the normal installation rate.

* The minimum HPM that the company actually constructs in the system or municipality is the minimum number of homes that the company has historically constructed at its own cost. This is a function of the operator's break-even point and its rate of return. Unbuilt systems will use the primary service area rather than construction.

The operator's installation policies shall apply to construction beyond the public right of way.

Detailed accounting and/or financial information to support the minimum HPM shall be supplied to the Office for its approval in such form as required. The minimum HPM shall be updated as appropriate.

When a request for service is received, and unless good cause is shown, cable companies shall:

- 1 Provide a written estimate within 30 days of such a request.
2. Begin construction within 60 days of receipt of any deposit monies from potential subscribers.
3. Complete construction within six months of receipt of any deposit monies from potential subscribers.
4. Inform each home passed along the extension of the potential costs for subscribers.

Subscribers who pay for an extension shall be entitled to rebates in the following manner:

- 1 If the company acquires new subscribers subsequent to the initial calculation of step 5 above, the formula will be adjusted and those who have previously paid for the extension will be entitled to an appropriate rebate. In no event shall the amount of the rebate exceed the subscriber's contribution.
2. The company shall keep accurate records of the cost of the extension, the amounts paid by subscribers and any appropriate adjustments.
3. The company shall notify subscribers in the extension of their rights and responsibilities concerning the extension.
4. Once an individual dwelling has paid its share of the extension cost future reconnections or installations shall be made at the company's standard rates.
5. After a period of five years from the installation of the first dwelling unit in the extension no further adjustments shall be made. Installations after five years shall be at the company's standard rate.
6. Once a subscriber is installed, that person shall not normally be entitled to a refund of any monies paid for the installations, except in accordance with the rebate procedure outlined in this policy.

Definitions

Primary Service Area

The Primary Service Area (PSA) can be an entire municipality, but in many instances the PSA is a limited area within a community outside of which a line extension policy may apply. The PSA is depicted by a franchise map and narrative, presented and recorded during the franchise proceedings. It normally remains a fixed geographic area throughout the life of the franchise.

Line Extension Survey

Potential subscribers residing outside the PSA who request service are entitled to an estimate of their share of the cost to secure service. When conducting a survey and estimating costs, a cable company should factor in all potential subscribers who could practicably be included in the extension and give consideration to apparent residential construction in areas contiguous to the proposed extension.

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