



**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 ALLEGED FAILURE OF )	ORDER ACCEPTING
TWFANCH-ONE CO., D/B/A TIME WARNER CABLE OF )	OFFER OF SETTLEMENT
NEW YORK AND NEW JERSEY TO COMPLY WITH )	
CERTAIN PROVISIONS OF THE NEW JERSEY CABLE )	
TELEVISION ACT, <u>N.J.S.A. 48:5A-1 ET SEQ.</u> , THE NEW )	
JERSEY ADMINISTRATIVE CODE, <u>N.J.A.C. 14:17-1.1</u> )	
<u>ET SEQ.</u> AND <u>N.J.A.C. 14:18-1.1 ET SEQ.</u> , AND )	
CERTAIN PROVISIONS OF BOARD ORDERS )	DOCKET NO. CO09120977

Dennis Linken, Esq., Stryker, Tams & Dill LLP, Newark, New Jersey for Petitioner

BY THE BOARD:

TWfanch-One Co. d/b/a Time Warner Cable of New York and New Jersey ("Time Warner"), with its New Jersey principal office located at 200 Roosevelt Place, Palisades Park, New Jersey, 07650, is a cable television system operator which provides cable television services to New Jersey customers in fourteen (14) municipalities in Bergen and Hudson counties.

The Board's Office of Cable Television Inspection and Enforcement Bureau (hereinafter the "Office") uncovered a number of alleged violations during the course of a compliance review conducted as part of its review of a pending petition, Docket No. CM09080719, wherein Time Warner and Time Warner Entertainment Company, L.P., ("TWE") is seeking approval to merge Time Warner with and into TWE, with TWE as the surviving entity. Time Warner and TWE further seek approval with respect to the transfer of the Certificates of Approval held by Time Warner, pertaining to the ownership and operation of its cable television system in New Jersey to TWE. The Office served notice of its allegations that Time Warner 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. 14:17-1.1 et seq. and N.J.A.C. 14:18-1.1 et seq., as more specifically set forth in Attachment 1 (Schedule of Alleged Violations). The aforementioned statutes and regulations require that all cable systems in New Jersey operate in a manner that protects the rights of the cable consumer.

As a result of correspondence, telephone conversations and settlement conferences between Time Warner and the Office, on December 10, 2009, Time Warner submitted an Offer of Settlement concerning the non-conforming practices outlined on the attached schedule of the alleged violations. In the Offer of Settlement submitted by Time Warner, Time Warner did not admit to any violations and made a monetary offer in the amount of \$85,000.00 in order to resolve all issues concerning the violations alleged by the Office.

The Board has reviewed the matter and HEREBY FINDS that the Offer represents a reasonable settlement of the alleged violations. Therefore, the Board HEREBY ACCEPTS the Offer of Settlement proffered by Time Warner subject to the following conditions:

1. Time Warner or its successor TWE shall tender \$85,000.00, payable to Treasurer, State of New Jersey within fifteen (15) days of the Board's acceptance of the Offer of Settlement.
2. TWE shall, on an on-going basis, provide verified proof to the Office that all required quarterly and annual notices are sent to customers 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 thirty (30) days of the completion of such notices or ten (10) days following the end of the quarter or annual period for which the notice was sent. This requirement is consistent with the Board's prior Orders in Docket Nos. CO07030170 and CO08100894.
3. TWE, the surviving entity, shall provide verified proof, including, where appropriate, certifications of continued compliance, to the Office no later than February 15, 2010, that appropriate corrective action was implemented as of the date of its Offer of Settlement to ensure specifically that:
  - a. TWE shall maintain complete copies of its current schedule showing all prices, rates, terms, conditions of service and service packages and disclose same to customers as required by N.J.S.A. 48:5A-11(d), N.J.S.A. 48:5A-36(b), N.J.A.C. 14:18-3.3 (b) and (d) and N.J.A.C. 14:18-3.4(d).
  - b. TWE provides annual notice of the availability of parental lock devices in a timely manner as required by 47 U.S.C. § 544(d) 2, N.J.A.C. 14:18-3.14(a) 1 and N.J.A.C. 14:18-3.18(a) 5.
  - c. TWE provides its customers annual notice of the availability of hearing impaired devices, as required by 47 U.S.C. § 543 (e) (2), N.J.A.C. 14:18-3.14(a) 2 and N.J.A.C. 14:18-3.18(a) 4.
  - d. TWE shall file with the Office written notice of an alteration of channel allocation at least thirty (30) days prior to the effective date as required by N.J.A.C. 14:18-3.17(a).
  - e. TWE shall provide notice of all monthly service packages and corresponding rates available according to the customer's billing classification, including those that are grandfathered and otherwise unavailable to new customers, as required by N.J.A.C. 14:18-3.18(a)1.

- f. TWE provides quarterly notice of outage credit availability in a timely manner as required by N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18(b) 1.
- g. TWE provides quarterly notice of the complaint officer and the Office's toll free telephone number in a timely manner as required by N.J.S.A. 48:5A-26(c) and N.J.A.C. 14:18-3.18(b) 2.
- h. Pursuant to N.J.A.C. 14:18-3.23, TWE shall ensure that the cost charged to customers to replace lost or stolen converters or other auxiliary equipment shall be in an amount not to exceed the cable operator's current replacement cost of the equipment. The cost charged to customers for damaged equipment shall not exceed the reasonable repair costs or actual replacement cost, whichever is lesser.
- i. TWE shall file with the Office monthly outage reports where service to customers was interrupted for at least two (2) hours and which affected fifty (50) or more customers within the appropriate timeframe as required by N.J.A.C. 14:18-6.6(a)1.
- j. TWE obtains Office approval for the written and annual notice seeking the customer's consent for the release of personally identifiable information, as defined by N.J.S.A. 48:5A-55(d), prior to sending the notice to customers as required by N.J.A.C. 14:18-6.7(b) 3.
- k. TWE shall file other periodic reports as directed by the Board or Office as required by N.J.S.A. 48:5A-44(c), N.J.A.C. 14:18-7.1(c) and N.J.A.C. 14:18-7.2.
- l. TWE shall ensure its customers have adequate access to personnel so that customer phone calls are answered within the thirty (30) second hold time as required by 47 C.F.R. §76.309(c) and N.J.A.C. 14:18-7.8(a)2.
- m. TWE shall comply 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.

The Office will monitor Time Warner 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'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 Time Warner or a successor company or operator.

For purposes of assessing penalties for future offenses by Time Warner, 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, third or subsequent offenses, in accordance with N.J.S.A. 48:5A-51(b).

This Offer of Settlement also does not include, and shall not have an impact upon, any party's allegations or claims as they apply to alleged violations of New Jersey's Underground Facility

Protection Act, N.J.S.A. 48:2-73 et seq. To the extent that there is a potential for liability on the part of Time Warner, its parents, affiliates, subsidiaries, and successors, as a result of alleged Underground Facility Protection Act violations, that liability will remain subject to enforcement or other Board appropriate action.

This Offer of Settlement does not relieve Time Warner, their parents, affiliates, subsidiaries and successors, from any liability for violations not specifically enumerated in Attachment 1 or those that occurred after September 30, 2009.

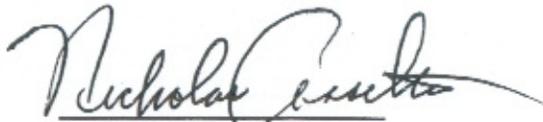
DATED: 12/17/09

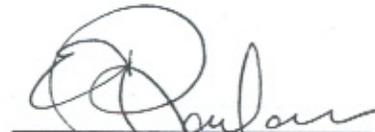
BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

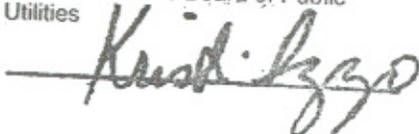
  
NICHOLAS ASSELTA  
COMMISSIONER

  
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



IN THE MATTER OF THE ALLEGED FAILURE OF TWFANCH-ONE CO. D/B/A TIME WARNER CABLE OF NEW YORK AND NEW JERSEY TO COMPLY WITH CERTAIN PROVISIONS OF THE NEW JERSEY CABLE TELEVISION ACT, N.J.S.A. 48:5A-1 et seq., THE NEW JERSEY ADMINISTRATIVE CODE, N.J.A.C. 14:17-1.1 et seq. AND N.J.A.C. 14:18-1.1 et seq., AND CERTAIN PROVISIONS OF BOARD ORDERS

OFFER OF SETTLEMENT

DOCKET NO. CO09120977

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**ATTACHMENT 1  
SCHEDULE OF ALLEGED VIOLATIONS**

**OFFER OF SETTLEMENT**

**DOCKET NO. CO09120977**

1. Time Warner failed to provide customers with adequate information and assure they are served under the most advantageous schedule and demanding different compensation for cable television services, by failing to identify the correct rate for "DTV Value + Road Runner or Earthlink" in the company's applicable schedule of rates, terms, and conditions, pursuant to N.J.S.A. 48:5A-11(d), N.J.S.A. 48:5A-36(b), N.J.A.C. 14:18-3.3(b) and (d) and N.J.A.C. 14:18-3.4(d) in 2009.
2. Time Warner failed to provide in a timely manner annual notice of the availability of parental lock devices, pursuant to 47 U.S.C. § 544(d) 2, N.J.A.C. 14:18-3.14(a) 1 and N.J.A.C. 14:18-3.18(a) 5 in 2009.
3. Time Warner failed to provide an annual notice of the availability of devices for hearing impaired, pursuant to 47 U.S.C. § 543(e) 2, N.J.A.C. 14:18-3.14(a) 2 and N.J.A.C. 14:18-3.18(a) 4 in 2008 and 2009.
4. Time Warner failed to provide notice of all monthly service packages and corresponding rates available to residential customers, pursuant to N.J.A.C. 14:18-3.18(a)1 in 2009.
5. Time Warner failed to provide notice of all monthly service packages and corresponding rates available to non-residential customers, pursuant to N.J.A.C. 14:18-3.18(a)1 in 2008.
6. Time Warner failed to provide in a timely manner quarterly notice of outage credit availability, pursuant to N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18(b) 1 for the third quarter of 2009.
7. Time Warner failed to file with the Office written notice of an alteration of channel allocation at least thirty (30) days prior to the effective date, pursuant to N.J.A.C. 14:18-3.17(a) in 2008.
8. Time Warner failed to provide in a timely manner quarterly notice of the complaint officer and the Office's toll free telephone number, pursuant to N.J.A.C. 14:18-3.18(b)2 and N.J.S.A. 48:5A-26(c) for the third quarter of 2009.
9. Time Warner failed to comply with the cost charged to customers to replace lost or stolen converters or other auxiliary equipment, which shall be in an amount not to exceed the cable television operator's current replacement cost of the equipment, pursuant to N.J.A.C. 14:18-3.23(a) in 2009.

10. Time Warner failed to file with the Office in a timely manner monthly outage reports where service to customers was interrupted for at least two (2) hours and which affected fifty (50) or more customers, pursuant to N.J.A.C. 14:18-6.6(a)1 for the month of November 2008.
11. Time Warner failed to obtain Office approval for the 2009 written and annual notice seeking the customer consent for the release of personally identifiable information, as defined by N.J.S.A. 48:5A-55(d), prior to sending the notice to customers, pursuant to N.J.A.C. 14:18-6.7(b)3.
12. Time Warner failed to file other periodic reports with the Office, pursuant to N.J.A.C. 14:18-7.1(c), N.J.A.C. 14:18-7.2 and N.J.S.A. 48:5A-44(c) in 2009.
13. Time Warner failed to comply with the FCC Customer Service Standard requiring that a customer's wait time shall not exceed thirty (30) seconds from when the connection is made, pursuant to 47 C.F.R. §76.309(c) and N.J.A.C. 14:18-7.8(a) 2 for the third quarter of 2008 through the third quarter of 2009.
14. Time Warner failed to comply with Board Orders in Docket Numbers CO07030170 and CO08100894, by not providing in a timely manner a true copy of the notices and verified proofs of mailing to the Office that its third quarter 2009 quarterly notices and its 2008 and 2009 annual notices had been sent to customers 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 thirty (30) days of the completion of such notices or ten (10) days following the end of the quarter or annual period for which the notice was sent, pursuant to N.J.A.C. 14:17-11.1.

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

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of New York and New Jersey

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IN THE MATTER OF THE ALLEGED )  
FAILURE OF TWFANCH-ONE CO., d/b/a )  
TIME WARNER CABLE OF NEW YORK )  
AND NEW JERSEY, TO COMPLY WITH )  
CERTAIN PROVISIONS OF THE NEW )  
JERSEY CABLE TELEVISION ACT, N.J.S.A. )  
48:5A-1 ET SEQ., THE NEW JERSEY )  
ADMINISTRATIVE CODE, N.J.A.C. 14:17- )  
1.1 ET SEQ., AND N.J.A.C. 14:18-1.1 ET )  
SEQ., AND CERTAIN PROVISIONS OF )  
BOARD ORDERS )  
\_\_\_\_\_ )

OFFER OF SETTLEMENT

Docket No. CO0912 0977

WHEREAS, TWFanch-one Co., d/b/a Time Warner Cable of New York and New Jersey ("Time Warner Cable" or the "Company"), owns and operates a cable television system in New Jersey (the "Bergen System"), pursuant to N.J.S.A. 48:5A-1 et seq.; and

WHEREAS, Time Warner Cable is subject to the jurisdiction of the Board of Public Utilities (the "Board" or "BPU") and the Office of Cable Television ("OCTV"), within the BPU, pursuant to the New Jersey Cable Television Act, N.J.S.A. 48:5A-1 et seq. (the "Act"), and the New Jersey Administrative Code, N.J.A.C. 14:17-1.1 et seq. and N.J.A.C. 14:18-1.1 et seq. (the "Regulations"); and

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

**WHEREAS**, the OCTV has conducted an investigation with regard to Time Warner Cable's compliance with the Act, the Regulations and Board Orders; and

**WHEREAS**, as a result of said investigation the OCTV has alleged that certain obligations imposed upon Time Warner Cable under the Act, the Regulations and certain Board Orders were not timely met and/or that Time Warner Cable failed to adequately comply with such requirements; and

**WHEREAS**, while the Company disputes some or all of the OCTV's allegations, it nevertheless wishes to amicably resolve the issues raised by the OCTV without the need for expensive and time-consuming litigation;

**NOW, THEREFORE**, Time Warner Cable submits this Offer of Settlement as follows:

1. The OCTV has alleged that Time Warner Cable has failed to comply with:
  - a. Certain provisions of the Act and the Regulations pertaining to customer notices and certain Board Orders pertaining to certification regarding same;
  - b. Certain provisions of the Regulations pertaining to customer service standards;
  - c. Certain provisions of the Act and the Regulations pertaining to notices and reports to be filed with the OCTV;
  - d. Certain provisions of the Act and the Regulations pertaining to schedules of all rates, terms and conditions to be filed with the Board; and

- e. Certain provisions of the Regulations pertaining to the cost charged to customers for lost, stolen or damaged equipment or other auxiliary equipment.
2. Time Warner Cable will pay to the State of New Jersey the sum of Eighty-five Thousand Dollars (\$85,000.00) in full settlement of any violations or potential violations of the Act, the Regulations or Board Orders up to and inclusive of September 30, 2009 and which have been or could have been alleged by the Board or the OCTV against Time Warner Cable. Upon approval by the Board of this Offer of Settlement and payment as required hereinabove, the Board and the OCTV release Time Warner Cable, its parents, affiliates, subsidiaries, and successors, from any and all liability with respect to such violations or potential violations.
3. This Offer of Settlement does not include, and shall not have an impact upon, any party's allegations or claims, as they apply to alleged violations of New Jersey's Underground Facility Protection Act, N.J.S.A. 48:2-73, et seq. To the extent that there is a potential for liability on the part of Time Warner Cable, its parents, affiliates, subsidiaries, and successors, as a result of such alleged violations, if any, it will remain subject to enforcement or other Board appropriate action.
4. Time Warner Cable agrees to take the following action: to the best of its ability, going forward,
  - a. it will ensure that subscribers have adequate access to Company personnel by answering subscriber phone calls within the 30 second hold time as required by N.J.A.C. 14:18-7.8(a)2 and 47 C.F.R. §76.309(c);

- b. it will comply with those provisions of the Act and Regulations pertaining to customer notices;
  - c. it will comply with those provisions of the Act and the Regulations pertaining to notices and reports to be filed with the OCTV;
  - d. it will comply with those provisions of the Act and the Regulations pertaining to schedules of all rates, terms and conditions to be filed with the Board;
  - e. it will comply with those provisions of the Regulations pertaining to the cost charged to customers for lost, stolen or damaged equipment or other auxiliary equipment; and
  - f. it will comply with all terms and conditions of Orders and directives issued by the Board and the Director as required by N.J.S.A. 48:5A-9.
5. In the event of any future repeated violation(s) of the provisions of the Act, the Regulations or Board Orders which are the subject of this Offer of Settlement, Time Warner Cable agrees that any such violation(s) shall be considered as second, third or subsequent violations, 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.
6. By executing this Offer of Settlement, Time Warner Cable does not waive its right to seek relief from any of the obligations imposed by paragraph 4 above, (i) in the event that the law shall change, so as to impose a lesser or no standard upon Time Warner Cable, and (ii) in the event that the Federal Communications

Commission shall make a finding of "effective competition" with respect to Time Warner Cable's Bergen System.

7. Neither the execution of this Offer of Settlement nor approval by the Board of this Offer of Settlement shall be deemed an admission by Time Warner Cable of any violation of the Act, the Regulations or any Board Orders nor a determination by the Board or the OCTV that such a violation has occurred.

BY:   
Dennis C. Linken  
Attorney for TWFanch-one Co., d/b/a  
Time Warner Cable of New York and New Jersey

Dated: 12/9/09