



Agenda Date: 11/10/10
Agenda Item: IIIB

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center, Suite 801
Newark, NJ 07102
www.nj.gov/bpu/

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF SERVICE)
ELECTRIC CABLE T.V. OF HUNTERDON, INC. FOR) RENEWAL CERTIFICATE OF
THE RENEWAL OF THE CERTIFICATE OF APPROVAL) APPROVAL
FOR THE CONTINUED CONSTRUCTION, OPERATION)
AND MAINTENANCE OF A CABLE TELEVISION)
SYSTEM IN THE TOWNSHIP OF HARMONY, COUNTY)
OF WARREN, STATE OF NEW JERSEY) DOCKET NO. CE10070496

Thomas C. Kelly, Esq., West Caldwell, New Jersey, for the Petitioner

Township Clerk, Township of Harmony, New Jersey, by Kelley Smith, for the Township

BY THE BOARD:

On October 9, 1980, the Board of Public Utilities ("Board") granted Sammons Communications of New Jersey, Inc. a Certificate of Approval in Docket No. 804C-6673 for the construction, operation and maintenance of a cable television system in the Township of Harmony ("Township"). Due to a transfer with required Board approval, the current holder is Service Electric Cable T.V. of Hunterdon, Inc. ("Petitioner"). On May 8, 1996, the Board granted the Petitioner a Renewal Certificate of Approval for the Township in Docket No. CE94110540. Although by its terms the Petitioner's above referenced Certificate expired on October 9, 2010, it is authorized to continue to provide cable television service to the Township 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 Township on January 4, 2010, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. On July 6, 2010, after public hearing, the Township adopted a municipal ordinance granting renewal consent to the Petitioner. On July 23, 2010, the Petitioner formally accepted the terms and conditions of the ordinance. On July 27, 2010, 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 Township.

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 Township reviewed these qualifications in conjunction with the municipal consent process.
2. The design and technical specifications of the system shall 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 15 years. The Board finds this duration reasonable.
5. The Township may review the performance of the Petitioner with regard to the ordinance at its discretion. If the Township determines that the Petitioner has failed to substantially comply with the material terms and conditions of the ordinance, the Township shall provide written notice to the Petitioner of such alleged instances of non-compliance, and shall grant the Petitioner 60 days to cure such deficiency. The Township may petition the Board for appropriate administrative action, including revocation of the franchise or reduction of the franchise term, but only after the 60-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 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 for the Township who, in this case, 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 or agent for the purpose of receiving, investigating and resolving complaints. Local offices are currently located at 383 South Main Street in Phillipsburg, New Jersey and at 2260 Avenue A, LVIP #1, Bethlehem, Pennsylvania.
9. The franchise fee to be paid to the Township 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 Township, 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 proffer service along any public right-of-way to any person's residence in the primary service area of the franchise territory as described on the map submitted with the application and on file with the Office of Cable Television at

no cost beyond charges for standard and non-standard installation. For any future construction within the Township, the Petitioner shall use the line extension policy attached to this Certificate as Appendix "I" with a homes per mile figure of 35.

- 11 The Petitioner shall upgrade its system serving the Township in accordance with its renewal application and the Township's ordinance. The Petitioner shall complete its upgrade in the Township by the end of 2010; such that, after its completion, triple play services (cable, two-way Internet and telephone) will be available to the entire Township. Within 30 days of the date of issuance of this Certificate, the Petitioner shall begin filing monthly reports with the Office of Cable Television indicating the status and/or completion of the upgrade.
12. If any new cable television services or products are made available to the Town of Phillipsburg, those products shall be made available to all customers in the Township within one year after introduction.
- 13 The Petitioner shall provide public, educational and governmental ("PEG") access channels and facilities in accordance with its renewal application. Specifically, the Petitioner shall provide access time on a channel to non-commercial PEG access entities, currently on Channel 50, which is shared with the leased access channel. The channel is shared with the Township and other surrounding municipalities. The Township school district has PEG access capabilities by fiber from the Petitioner's tower to Phillipsburg Middle School currently on Channel 262. The Petitioner shall provide the equipment as listed in the application for PEG access/local origination use.
14. The Petitioner shall provide the installation of one outlet and basic monthly service, free of charge, to the following facilities in the Township: the municipal building, Harmony Township School, each police, fire, first aid, emergency management, department of public works and Township-operated community center as well as to any new facilities in the preceding categories which may be constructed during the term of this franchise. The Petitioner shall also provide free installation of Internet services to the above referenced facilities. Monthly Internet service fees are to be paid by the Township or requesting facility.
- 15 If the Petitioner offers reduced rates for senior citizens or disabled persons in accordance with N.J.S.A. 48:5A-11.1 et seq., it shall offer the same to qualified Township residents.

Based upon these findings, the Board **HEREBY CONCLUDES**, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), that 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; that the Petitioner meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment; and that the Petitioner 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 authority to construct and operate a cable television system within the entirety of the Township.

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 of 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 October 9, 2025.

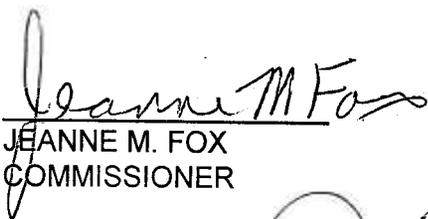
DATED:

11/10/10

BOARD OF PUBLIC UTILITIES
BY:



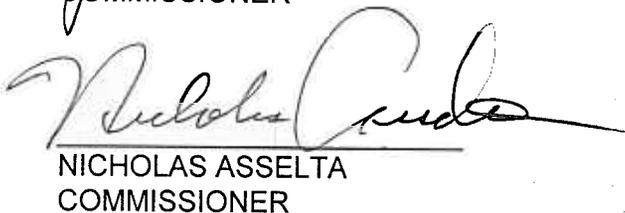
LEE A. SOLOMON
PRESIDENT



JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



NICHOLAS ASSELTA
COMMISSIONER



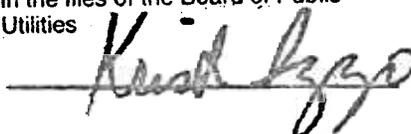
ELIZABETH RANDALL
COMMISSIONER

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

SERVICE ELECTRIC CABLE T.V. OF HUNTERDON, INC.
TOWNSHIP OF HARMONY

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. | <u>Total amount to be
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.

SERVICE ELECTRIC CABLE T.V. OF HUNTERDON, INC.
RENEWAL CERTIFICATE OF APPROVAL
TOWNSHIP OF HARMONY
DOCKET NO. CE10070496

SERVICE LIST

Thomas C. Kelly, Esq.
175 Fairfield Avenue
Unit 1C
West Caldwell, NJ 07006

Kelley Smith
Township Clerk
Township of Harmony
3003 Belvidere Road
Phillipsburg, NJ 08865

John Capparell
General Manager
Service Electric Cable TV of Hunterdon
2260 Avenue A, LVIP #1
Bethlehem, PA 18017

Alex Moreau
Deputy Attorney General
Division of Law
124 Halsey Street
Newark, NJ 07101

Celeste M. Fasone, Director
Office of Cable Television
Board of Public Utilities
Two Gateway Center, Suite 801
Newark, NJ 07102

Karen A. Marlowe
Administrative Analyst I
Office of Cable Television
Board of Public Utilities
Two Gateway Center, Suite 801
Newark, NJ 07102

Bernard Peters
Administrative Analyst II
Office of Cable Television
Board of Public Utilities
Two Gateway Center, Suite 801
Newark, NJ 07102