



Agenda Date: 8/18/10  
Agenda Item: IIIA

**STATE OF NEW JERSEY**  
*Board of Public Utilities*  
Two Gateway Center  
Newark, NJ 07102  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF CABLEVISION )	RENEWAL
OF MONMOUTH, LLC FOR RENEWAL OF A )	CERTIFICATE OF APPROVAL
CERTIFICATE OF APPROVAL TO CONTINUE TO )	
OPERATE AND MAINTAIN A CABLE TELEVISION )	
SYSTEM IN THE TOWNSHIP OF FREEHOLD, COUNTY )	
OF MONMOUTH, STATE OF NEW JERSEY )	DOCKET NO. CE09120999

James Eric Andrews, Esq., Schenck, Price, Smith & King, Florham Park, New Jersey,  
for the Petitioner

Township Clerk, Township of Freehold, New Jersey, by Teresa Warner, for the Township

**BY THE BOARD:**

On March 19, 1980, the Board granted Monmouth Cablevision Associates a Certificate of Approval in Docket No. 7910C-6562 for the construction, operation and maintenance of a cable television system in the Township of Freehold ("Township"). Due to a Board approved transfer, the Certificate was held by Cablevision of Monmouth, Inc. and on October 8, 1997, the Board issued a Renewal Certificate of Approval to Cablevision of Monmouth, Inc. in Docket No. CE95110527. Based on a name change, the current holder of the Certificate is known as Cablevision of Monmouth, LLC ("Petitioner"). Although by its terms the above referenced Certificate expired on March 19, 2005, the Petitioner 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 July 1, 2004, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. The Township, after public hearing, adopted an ordinance granting renewal municipal consent to the Petitioner on April 28, 2009. The Petitioner formally accepted the terms and conditions of the ordinance on September 21, 2009.

On December 15, 2009, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate 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 Certificate of Approval. Further, these

qualifications were previously reviewed by the Township 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 ten years from the date of issuance of this Certificate. The Board finds this period to be of reasonable duration.
5. The Petitioner shall provide service to any residence along any public right-of-way in the Primary Service Area at no cost beyond standard and non-standard installation charges. For any extension outside of the Primary Service Area, the Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate as Appendix "I".<sup>1</sup> The minimum homes per mile figure is 25.
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 informational tariffs for unregulated service rates, 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 Township. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with applicable rules.
8. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. Currently, the local office serving this provision is located at 4340 Route 9 South in Freehold, New Jersey.
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 provide public, educational and governmental ("PEG") access services, equipment and facilities as described in the application and the ordinance. The Petitioner shall provide one non-commercial educational and governmental ("EG") access channel for use by the Township. The Petitioner provides a public access studio which has VHS and some S-VHS equipment. Upon completion of a training course, access users can produce their own programming that is aired on

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<sup>1</sup>It is noted that the Township's municipal consent ordinance contained language regarding the applicability of a line extension policy (LEP) in residential areas that was unclear. On June 10, 2010, the Township confirmed that its intention was to utilize the LEP in residential areas with a HPM figure of 25, but did not wish to go through the process to amend the municipal consent ordinance. The requirement in Condition No. 5 reflects the Petitioner's policies and the Township's previous municipal consent ordinance inclusion of a residential LEP.

the public access channel. All EG access support provided by the Petitioner shall be for the exclusive use of the Petitioner's customers in the Township.

11. The Petitioner shall continue to provide and maintain the access return line at One Municipal Plaza for use by the Township in the production of non-commercial educational and governmental access programming on the cable system. Based on need, the Petitioner shall provide the Township with one additional channel for PEG access purposes upon 120 days advance written notice from the Township. Need for the additional PEG channel shall be conditioned upon the usage formula stipulated in the Township's ordinance.
12. Within sixty days of the Petitioner's acceptance of the adopted ordinance, the Petitioner was required to provide the Township with an initial grant in the amount of \$12,000.00. In addition, beginning the second year of the franchise term and annually thereafter, and within 60 days from the receipt of a written request from the Township, the Petitioner shall pay the Township an annual grant of \$3000.00 per year for each of the following nine years, which may be used for any cable and/or telecommunications related purpose. The Petitioner shall be relieved of any remaining payments if it converts its system to a system-wide franchise pursuant to N.J.S.A. 48:5A-25.1(a). Upon payment of each portion of the contribution, the Petitioner shall provide the Office of Cable Television with proof of satisfaction of this obligation. The Office of Cable Television has confirmed that the initial payment of \$12,000.00 was made to the Township.
13. Upon written request of the Township, the Petitioner shall provide, free of charge, standard installation and monthly basic cable service, to the following entities located in the Township: to all state or locally accredited elementary and secondary public schools, and all municipal public libraries, as well as all municipally owned buildings located within the Township that are used for governmental purposes, as listed in the ordinance at Exhibit "A" as follows: one outlet to the Department of Public Works, the Water Department and the Recreation Center; two outlets to the Senior Center; and four outlets to the Police Department and the Municipal Building.
14. Upon written request of the Township, the Petitioner shall provide, free of charge, one cable modem and monthly Internet access service, including standard installation, to: the Township municipal building, all state or locally accredited elementary and secondary schools and all municipal public libraries within the Township.
15. The Petitioner shall implement a senior citizens' discount in the amount of 10% off the basic monthly rate of broadcast basic service for persons meeting the eligibility requirements set forth in N.J.S.A. 30:4D-21 and N.J.A.C. 14:18-3.20, as authorized by N.J.S.A. 48:5A-11.2. In the event that the Petitioner shall be required to increase the franchise fee in accordance with N.J.S.A. 48:5A-30(d), then at such time as the new franchise fee is instituted, the Petitioner shall no longer be obligated to maintain or offer the senior discount specified in the ordinance.

Based upon these findings, the Board **HEREBY CONCLUDES** that, 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 to comply with all applicable rules and regulations imposed by or pursuant to State and 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 authority to construct and operate a cable television system within the entirety of the Township.

This 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 operating 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 the 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 be 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.

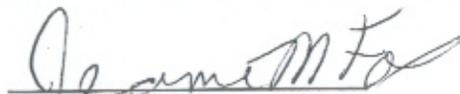
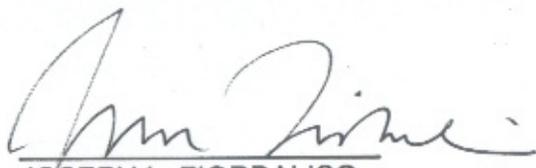
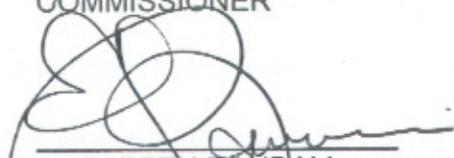
This Certificate shall expire ten years from the date of its issuance.

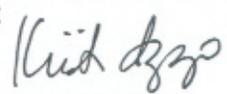
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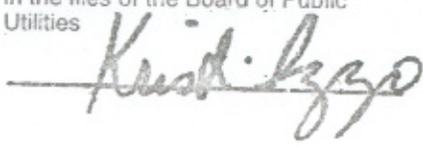
BOARD OF PUBLIC UTILITIES  
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ATTEST:  
  
KRISTI IZZO  
SECRETARY

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**

Company      Cablevision of Monmouth, LLC  
Municipality    Township of Freehold

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.     $\frac{\text{\# of homes in extension}}{\text{mileage of extension}} = \text{homes per mile (HPM) of extension}$
2.     $\frac{\text{HPM of extension}}{\text{Minimum HPM that company actually constructs in the system}^*} = \text{ratio of the density of the extension to the minimum density which the company constructs in the system ("A")}$
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.     $\frac{\text{Total amount to be recovered from subs}}{\text{Total subscribers in extension}} = \text{each subscriber's share}$

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 which 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.

CABLEVISION OF MONMOUTH, LLC  
RENEWAL CERTIFICATE OF APPROVAL  
TOWNSHIP OF FREEHOLD  
DOCKET NO. CE09120999

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