



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

IN THE MATTER OF THE APPLICATION OF) CABLE
SERVICE ELECTRIC CABLE T.V. OF)
HUNTERDON, INC. FOR AUTHORITY TO) ORDER
ENTER INTO A CREDIT AGREEMENT)
) DOCKET NO. CF06110816

(SERVICE LIST ATTACHED)

BY THE BOARD:

By petition filed on November 20, 2006, Service Electric Cable T.V. of Hunterdon, Inc. ("SEH") seeks approval to enter into a new credit agreement ("Credit Agreement"). National City Bank, Cleveland, Ohio is a current lender to SEH, and will continue to act as Agent and Issuing Bank. Other lenders may ultimately participate pursuant to the terms of the Credit Agreement. The Funds borrowed under the Credit Agreement will be used, among other things, to refinance outstanding indebtedness under current financings previously approved by the Board, as described below.

SEH, a Pennsylvania corporation, with its principal place of business in Bethlehem, Pennsylvania, is a New Jersey cable television company operating its cable television business in twelve communities in the counties of Hunterdon and Warren, New Jersey. Specifically, SEH provides cable television service in Hunterdon County in the communities of Alexandria, Frenchtown, Milford, Holland, Kingwood and Bloomsbury and in Warren County in the communities of Alpha, Greenwich, Harmony, Lopatcong, Phillipsburg and Pohatcong. SEH has a total of 13,212 subscribers in New Jersey; 9,719 in its Phillipsburg system and 3,493 in its Hunterdon system.

SEH is an affiliate of Service Electric Cable T.V. Inc. ("SECTV"). SECTV owns and operates cable television systems in the Commonwealth of Pennsylvania. SEH and SECTV are borrowers under an Amended and Restated Credit Agreement, previously approved by the Board in Dkt. No. CF01080480, and a Second Amended and Restated Credit Agreement ("2003 Agreement") approved by the Board in Dkt. No. CF03100829.

While the loan closing took place on December 29, 2006, the Credit Agreement, by its terms, is not binding on SEH until approval by the Board. The Credit Agreement establishes a \$75,000,000 Senior Secured Credit Facility consisting of a) \$10,000,000 Revolving Credit Facility with a \$3,000,000 sub-limit for the issuance of Standby Letters of Credit; b) a \$40,000,000 Senior Secured Term Loan ("Term Loan A"); and c) a \$25,000,000 Senior Secured

Term Loan ("Term Loan B"). However, the total amount borrowed on December 29, 2006 was \$65 million.

The Revolving Credit Facility and Term Loan A will each have a seven year amortization period. Term Loan B will have a seven and a half year amortization period.

The summary of the Credit Agreement submitted provides for a possible incremental term loan of up to \$20,000,000. No request for approval of that incremental loan has been sought nor is such approval given herein. In the event that SEH seeks to borrow funds under the incremental term loan, SEH shall seek approval in the manner required under the Cable Television Act, N.J.S.A. 48:5A-1 et seq.

According to SEH, the primary use of the funds under the Credit Agreement will be to refinance and restructure the 2003 Agreement's outstanding balance allowing SEH to reduce its debt service payments by extending the term of the previous loan. Additionally, one of the components of the Credit Agreement is a revolving loan facility that will allow SEH to borrow and reborrow funds as needed.

Some of the loan proceeds under the 2003 Agreement were used for the deployment of digital technology including digital converters, and extension of the system's fiber optics in New Jersey. While no specifically identifiable projects are noted for New Jersey under the Credit Agreement, SEH has aggressively upgraded its system and deployed new technology in its service areas under the 2003 Credit Agreement and from cash flow. SEH maintains that it will continue to be alert to such continuing opportunities.

As has previously been noted by SEH in connection with its filings under the 2003 Credit Agreement, SEH believes that borrowing with its affiliate allows it to obtain more favorable terms and leverage. Based on the information reviewed in connection with this petition, the Board concurs with that assessment.

The material elements of the Credit Agreement were described in detail in SEH's initial filing. Subsequently, SEH filed additional information including the proposed form of Credit Agreement. The maximum amount available under the New Agreement will be less than the \$90,000,000 which was the limit under the 2003 Credit Agreement. Amortization had commenced under the 2003 Credit Agreement as contemplated therein. As is customary, SEH and its affiliate will also be responsible for commitment fees and other expenses and obligations associated with this Credit Agreement. Those fees, charges and obligations are referred to in the Summary of Terms and Conditions that were a part of SEH's filing and in the subsequently filed Credit Agreement document. Based on the size of the facility and the terms offered, the Board finds these fees to be reasonable.

The existing pledge of SEH's assets and capital stock, along with that of its affiliate SECTV, will be continued, as will other obligations similar to those granted under the 2003 Credit Agreement. SEH and SECTV will continue to be jointly and severally liable for the full amount of the loans, and will be bound by all of the material terms and conditions of the credit facility.

Notwithstanding the approval herein granted, in the event of a default, a sale of assets or a future borrowing by SEH, our approval may be necessary if the facts then present warrant such approval as contemplated by the New Jersey Cable Television Act.

The Division of Rate Counsel has reviewed this matter and recommends that the Board approve this Petition.

After review, the Board FINDS that the proposed transaction is consistent with the applicable law. The Board HEREBY AUTHORIZES Service Electric Cable T.V. of Hunterdon, Inc. to participate in the financing arrangements described herein.

This order is subject to the following provisions:

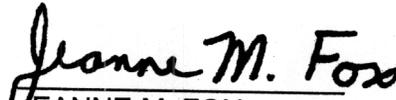
- This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by SEH.
2. This Order shall not affect or in any way limit the exercise of the authority of this Board or of this State in any pending or future petition or in any proceeding with respect to rates, franchises, services, financings, accounting, capitalization, depreciation or in any other matters affecting SEH.
 3. SEH agrees to submit to the Board, at the Board's request, copies of all financial statements or materials required to be submitted to the lenders in connection with the credit facility.
 4. In the event of default under the Credit Agreement approved herein, SEH shall notify the Board within five days of such, which will give the Board the opportunity to determine if such default would cause inadequate, unsafe or improper service in violation of N.J.S.A. 48:5A-36 and N.J.S.A. 48:5A-39.
 5. Notwithstanding anything to the contrary in the Credit Agreement approved herein, neither this proposed financing nor a default under the agreement or supporting documents constitutes an automatic transfer of SEH property, plant or equipment, or Certificates of Approval under the terms of any security agreement or other document in conjunction with the credit facility. Board approval must be sought pursuant to N.J.S.A. 48:5A-19, N.J.S.A. 48:5A-40 and N.J.S.A. 48:5A-43.
 6. Copies of interest rate protection/hedge agreements and or rate insurance/cap agreements shall be filed with the Board by SEH within 10 days after their execution. The filing shall include the amount of principal covered, the old interest rate or range, the new interest rate or range, the premium or consideration for the interest rate contract or insurance, anticipated interest expense savings and the present and future benefits of such agreements.
 7. Approval of the transactions herein shall not constitute a determination, nor in any way limit any future determination of the Board as to the treatment of indebtedness, capital structure and interest expense for ratemaking purposes, in any rate proceeding under state or federal law.

8. The Board's approval herein should not be interpreted as limiting the Board's authority over SEH to the extent that any action contemplated in the Credit Agreement approved herein would require further Board review and approval under applicable law.
9. Any approval herein shall not be construed as automatically approving any past, present or future intercompany debt or advances that may require Board approval pursuant to the applicable statutes.
10. Material deviation in the executed closing documents from the terms and conditions of the Credit Agreement approved herein will render this Order of Approval void. SEH shall file a certification within thirty days of loan closing which shall indicate that there are no material deviations in the terms of final closing documents from those previously filed with the Board.

11. Consummation of the transactions approved herein must take place no later than sixty days from the date of approval of this Order, unless otherwise extended by the Board.

DATED: 4/13/07

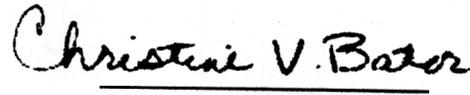
BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER

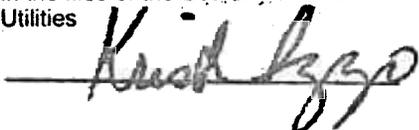

JOSEPH L. FIORDALISO
COMMISSIONER


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



SERVICE LIST

In the Matter of the Application of Service Electric Cable T.V. of Hunterdon, Inc. for Authority to Enter into a Credit Agreement

Docket No. CF06110816

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