



Agenda Date: 4/27/09

Agenda Item: III D

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

CABLE TELEVISION

IN THE MATTER OF COMCAST OF NEW JERSEY II,)
LLC (UNION) FOR APPROVAL OF THE FILING OF FCC)
FORM 1240, AN ANNUAL UPDATING OF THE MAXIMUM)
PERMITTED RATE FOR REGULATED BASIC SERVICE)
USING THE OPTIONAL EXPEDITED RATE)
PROCEDURES)

ORDER ADOPTING
STIPULATION

DOCKET NO. CR08090860

(SERVICE LIST ATTACHED)

BY THE BOARD¹:

On September 30, 2008, Comcast of New Jersey II, LLC (Union) ("Petitioner") filed Federal Communications Commission ("FCC") Form 1240, Docket Number CR08090860, seeking approval by the Board of Public Utilities ("Board") for an annual rate adjustment in its maximum permitted rate resulting from an adjustment for inflation, channel changes, programming costs and copyright fees pursuant to the Cable Television Consumer Protection and Competition Act of 1992, 47 U.S.C. § 543 *et seq.*, and provisions of the New Jersey Cable Television Act, N.J.S.A. 48:5A-1 *et seq.*

The Board, at its public meeting on January 10, 1996, in Docket Number CX95120636, approved the implementation of Optional Expedited Rate Procedures for the processing of certain filings made with the Office of Cable Television. The intended purpose of these procedures is to grant final rates as quickly as possible to any cable company that chooses this process. In the spirit of cooperation based on the principles of Alternate Dispute Resolution, the discovery content is limited, thereby reducing the timeframe for settlement.

Petitioner chose to pursue its filing with the Board through the approved procedures. To that end, a pre-transmittal conference was held on October 23, 2008, and attended by representatives of the Petitioner, the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") and Board Staff. The Petitioner agreed to waive its Office of Administrative Law ("OAL") litigation rights for this matter. It should be noted that the Petitioner's waiver was a knowing, voluntary and intelligent waiver of its litigation rights at the OAL and that the waiver did not constitute a circumvention of the FCC rules nor did it affect Petitioner's right to appeal in that forum.

¹ Commissioner Frederick Butler did not participate in this matter.

The Petitioner notified its customers of the rate decrease by way of newspaper announcements informing them of their opportunity to submit written comments to the Board for a period of thirty days. The notices appeared in the Home News Tribune on December 12, 2008 and in the Star Ledger on December 16, 2008. No comments or resolutions were received as a result of these public notices.

After review by Staff and Rate Counsel of the supporting documentation, schedules and other discovery requests, a settlement conference was held on November 10, 2008. On January 30, 2009, the parties entered into a Stipulation of Settlement.

The Board has reviewed the Stipulation of Settlement and FINDS it to be reasonable, in the public interest and in accordance with the law. Therefore, the Board HEREBY ADOPTS the Stipulation of Settlement (attached hereto) as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board FURTHER ORDERS that, subject to the ongoing review before the Federal Communications Commission, should these cable systems, or any part thereof, merge and/or migrate to another system, be upgraded and/or rebuilt, its ownership or control be otherwise sold or transferred to another entity, the basic service tier rate that will be eliminated or superseded as a result of the merger, migration, upgrade, rebuild, sale or transfer must be "trued-up" [47 C.F.R. § 76.922 (e) (3)]. The final true-up for the affected systems, or any parts thereof, should be calculated on FCC Form 1240 and begin where the last true-up period ended on its prior FCC Form 1240. This true-up calculation should be filed with the Board when all the affected subscribers are being charged the rate resulting from the merger, migration, upgrade, rebuild, sale or transfer and may be filed in conjunction with the annual rate adjustment cycle (Form 1240) established as a result of said merger, migration, upgrade, rebuild, sale or transfer.

The cable systems, or any part thereof, may be subsequently deregulated as a result of a finding by the Board, the FCC or other party of competent jurisdiction that these systems or any portion thereof, subject to effective competition. Should that occur, the last basic service rate established as a result of a prior FCC Form 1240, or such subsequent rate calculation method as may be heretofore adopted by the Board, the FCC or any other party of competent jurisdiction, prior to the deregulation of any rate that is now or may in the future be subject to the Board's jurisdiction, must be trued-up for the period of time that the affected rates were subject to regulation by the Board.

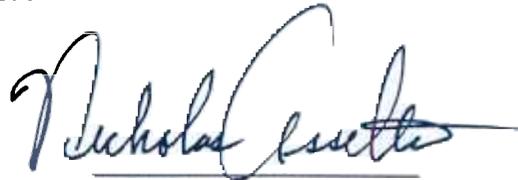
The above referenced true-up procedure does not exclude any cable system party to this order.

DATED: 4/27/09

BOARD OF PUBLIC UTILITIES
BY:

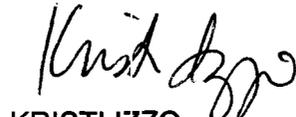

JEANNE M. FOX
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

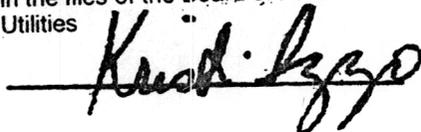

NICHOLAS ASSELTA
COMMISSIONER


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
COMCAST OF NEW JERSEY II, LLC (UNION)
FCC FORM 1240 USING THE
OPTIONAL EXPEDITED RATE PROCEDURES

DOCKET NUMBER: CR08090860

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BOARD OF PUBLIC UTILITIES
NEWARK, N.J.

IN THE MATTER OF COMCAST OF)
NEW JERSEY II, LLC'S (UNION))
FILING OF FCC FORM 1240, AN)
ANNUAL UPDATING OF THE)
MAXIMUM PERMITTED RATE FOR)
REGULATED CABLE SERVICES)
USING THE OPTIONAL EXPEDITED)
RATE PROCEDURES)

CABLE TELEVISION

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

BPU DOCKET NUMBER: CR08090860

STIPULATION OF FINAL RATES

The undersigned parties, as a result of a review of the Federal Communications Commission ("FCC") Form 1240 and timely filed public comments in this matter hereby stipulate to the following findings of fact and conclusions of law for consideration by the Board of Public Utilities ("Board"); and,

As part of the Optional Expedited Rate Procedures (Approved January 12, 1996, Docket No. CX95120636), Comcast of New Jersey II, LLC (Union) ("Petitioner") agreed to waive the Company's litigation rights at the Office of Administrative Law ("OAL") in this proceeding. It should be noted that Petitioner's waiver was a knowing, voluntary and intelligent waiver of its litigation rights at the OAL and that the waiver did not constitute a circumvention of the FCC rules nor did it affect the Company's right to appeal in that forum.

WHEREAS, the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992), codified at 47 U.S.C. § 543 et seq., (the "Federal Act"), classified the delivery of cable television services into two separate rate regulated categories: (i) "basic service" (consisting primarily of "off-the-air" and public, educational and governmental channels) and associated equipment and installation and (ii) cable programming services ("CPS") (consisting of other tiers of channels) and associated equipment; and

WHEREAS, under the Federal Act, basic service is regulated by the "franchising authority"; and

WHEREAS, under the provisions of the New Jersey Cable Television Act ("New Jersey Act"), N.J.S.A. 48:5A-1 et seq., the franchising authority is the Board; and

WHEREAS, the Federal Act required the FCC to issue regulations governing the standards to be used by franchising authorities in regulating basic service rates; and

WHEREAS, under the regulations adopted March 30, 1994, 47 C.F.R. § 76.900 et seq., a cable operator may adjust its rates by electing the annual rate adjustment system under the regulations adopted September 15, 1995 (47 C.F.R. § 76.922) by filing a Form 1240 and a Form 1205 on the same date; and

WHEREAS, on September 30, 2008, Petitioner, serving Belleville, Berkeley Heights, Bloomfield, Caldwell, Carteret, Clark, Cranford, East Orange, Essex Fells, Fairfield, Fanwood, Garwood, Glen Ridge, Harrison, Hillside, Irvington, Kenilworth, Linden, Livingston,

Maplewood, Millburn/Short Hills, Montclair, Mountainside, New Providence, Orange, Perth Amboy, Rahway, Roseland, Roselle, Roselle Park, Scotch Plains, Secaucus, South River, Springfield, Summit, Union, Verona, West Caldwell, Westfield, West Orange, Winfield and Woodbridge filed a Form 1240, Docket Number CR08090860 with the Board seeking approval of inflation, channel changes and external cost adjustments for a total decrease in the Maximum Permitted Rate ("MPR") of 1.6% for the rate cycle of January 1, 2009 to December 31, 2009 for a rate decrease from \$14.05 to \$13.83, exclusive of franchise fees, which would result in a total decrease in the MPR for basic service of \$.22 per month. The Operator Selected Rate ("OSR") will be \$13.80 effective January 1, 2009 for the same rate cycle of January 1, 2009 to December 31, 2009. However, during this period, if Petitioner chooses to decrease the OSR, with proper notice to its subscribers and the Board, this decrease will not affect the established rate cycle; and

WHEREAS, the Board Staff ("Staff") and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), upon review of the FCC Form 1240, supporting documentation and schedules thereto agree that the proposed MPR and OSR rates are just and reasonable; and

WHEREAS, Staff, Rate Counsel and Petitioner have engaged in discussions of this matter; and

WHEREAS, Staff, Rate Counsel and Petitioner have concluded that the Company is entitled to the above-referenced adjustment which it seeks in its FCC Form 1240 filing;

NOW, THEREFORE, Staff, Rate Counsel, and Petitioner hereby STIPULATE AS FOLLOWS:

1. Petitioner notified its customers of the proposed MPR rate decrease via a newspaper announcement and has informed them of their opportunity to submit written comments for a period of thirty (30) days.
2. The effective date for the decrease in the MPR for basic service due to inflation, channel changes and external costs adjustments under Docket Number CR08090860 and the OSR is January 1, 2009.
3. The rate cycle established under Docket Number CR08090860 is January 1, 2009 to December 31, 2009.
4. On September 14, 2006, in Docket Nos. CR05090826 (Toms River-Rebuild), CR05090827 (Crestwood Village/Cedar Bonnet Island), CR05110935 (South Jersey/Vineland-Vineland) and CR05110937 (South Jersey/Vineland-Franklinville South) (hereinafter the "Toms River/South Jersey Matters"), the Board issued Orders adopting Stipulations of Settlement among the Parties therein (the "Toms River/South Jersey Stipulations"), which, among other things, addressed the cost of programming pertaining to CN8, a Comcast affiliated channel, to be reported on Worksheet 7 – Line 701 of the Form 1240. Specifically, the Toms River/South Jersey Stipulations provided that, for all "Comcast" affiliated rate districts in New Jersey, Line 701 on Worksheet 7 would

be based upon rates of thirty-three cents (33¢), thirty-four cents (34¢) and thirty-five cents (35¢) per subscriber per month for CN8 (excluding the Form 1240's permitted 7.5% markup), and that these rates would be frozen for specific true-up and projected periods listed for each rate district in Exhibit B to the Toms River/South Jersey Stipulations (hereinafter, the "CN8 Agreement"). For convenience, a copy of the Toms River/South Jersey Stipulations' Exhibit B is annexed hereto as Attachment 1. It was further agreed in the Toms River/South Jersey Stipulations that for the period during which the CN8 rates shall be frozen at the above rates, such rates shall be deemed not unreasonable and that documentation in support of such rates and/or discovery requests relating to such rates shall not be necessary. Accordingly, and pursuant to the CN8 Agreement, as set forth in the Toms River/South Jersey Matters, the cost of programming pertaining to CN8 in the instant matters has been calculated at the agreed upon rate per subscriber per month in Worksheet 7 – Line 701 of the Form 1240¹. Comcast further agrees to include this paragraph in future Stipulations for all Comcast Form 1240 rate filings that include any true up or projected period subject to the CN8 rate freeze as indicated on Attachment 1.

5. The foregoing description of the CN8 Agreement is intended merely to summarize and in no way change the terms of the Agreement reached among the Parties and Approved by the Board with respect to the treatment of CN8 as set forth in the Toms River/South Jersey Matters.
6. In the event that a system listed in Attachment 1 changes its annual rate cycle, resulting in a concomitant change in the true-up and/or projected periods attributable to said system, the rate freeze periods set forth in Exhibit B to the Toms River/South Jersey Stipulations shall remain unchanged.
7. This stipulated rate decrease shall be subject to the approval of the Board and all revenues collected as a result of this adjustment shall be subject to refund, pursuant to the rules and regulations of the FCC as well as those of the Board if the Board finds this rate decrease to be unjustified in whole or in part or in any way implemented improperly.
8. This Stipulation of Settlement resolves all issues raised by this filing which are the subject of the within matter.
9. The signatories agree that, except as expressly provided herein, this Stipulation has been made exclusively for the purpose of this proceeding and that the Stipulation contained herein, in total or by specific items, is in no way binding upon the parties in other proceedings before the Board or in other forums or jurisdictions, nor are the contents of this Stipulation, in total or by specific items, by inference, inclusion, or deletion, in any way to be considered or used by another party as any indication of the position of any party hereto on any issue litigated or to be litigated in other proceedings.

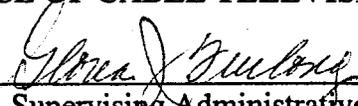
¹ Petitioner chose not to include any programming costs for CN8 in the projected period for this instant matter.

This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the parties expressly and jointly state that they would not have signed the agreement had any term been modified in any way. Each party is entitled to certain procedures in the event that any modification is made to the terms of this Stipulation. That is, each signatory party must be given the right to be placed in the position it was in before the Stipulation was entered. Therefore, if any modification is made to the terms of this Stipulation, it is essential that each party be given the option, before the implementation of any new rate resulting from this action, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

The parties believe these provisions are fair to all concerned and therefore, they are made an integral and essential element of this Stipulation. This being the case, all parties expressly agree to support the right of any other party to this Stipulation to enforce all terms and procedures detailed herein.

GLORIA J. FURLONG
OFFICE OF CABLE TELEVISION

DATED: 1/30/09

By: 
Supervising Administrative Analyst

RONALD K. CHEN, ESQ.
PUBLIC ADVOCATE OF NEW JERSEY

STEPHANIE A. BRAND, ESQ., DIRECTOR,
DIVISION OF RATE COUNSEL

DATED: 1/30/09

By: 
Jose Rivera-Benitez, Esq.
Assistant Deputy Public Advocate

COMCAST OF NEW JERSEY II, LLC
(UNION)

DATED: 1/29/09

By: 
Dennis C. Linken, Esq.
Stryker, Tams & Dill

