



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

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF
PATRIOT MEDIA & COMMUNICATIONS)
CNJ, LLC FOR A RENEWAL CERTIFICATE)
OF APPROVAL TO CONTINUE TO)
CONSTRUCT, OPERATE, AND MAINTAIN A)
CABLE SYSTEM IN AND FOR THE)
TOWNSHIP OF BEDMINSTER, COUNTY OF)
SOMERSET, STATE OF NEW JERSEY)

RENEWAL
CERTIFICATE OF APPROVAL

DOCKET NO. CE05020154

SERVICE LIST ATTACHED

BY THE BOARD:

On May 15, 1987, the Board granted Chester-Mendham Cable T.V., Inc. a Certificate of Approval, in Docket No. CE86020145, for the construction, operation and maintenance of a cable television system in the Township of Bedminster ("Township"). Due to a series of Board approved transfers, the Certificate was transferred to RCN of New Jersey, Inc. ("RCN"). On February 6, 2003, in Docket No. CM02090653, the Board approved the sale and transfer of the Certificate of Approval from RCN to the current holder of the certificate, Patriot Media & Communications CNJ, LLC ("Patriot" or "Petitioner").

The Petitioner's predecessor, RCN, filed an application for the renewal of its municipal consent with the Township on January 4, 2002, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. On October 20, 2003, after public hearing, the Township adopted an ordinance granting renewal municipal consent to the Petitioner and subsequently amended the ordinance on December 20, 2004. On January 6, 2005, the Petitioner accepted the terms and conditions of the ordinance, as amended, in accordance with N.J.S.A. 48:5A-24. On February 16, 2005, pursuant to N.J.S.A. 48:5A-16, Petitioner filed with the Board for a renewal of its Certificate of Approval for the Township. Although the Petitioner's above referenced Certificate expired on May 15, 2002, 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.

Prior to the filing of the above petition, the Board, in response to numerous complaints, initiated an investigation of the adequacy of RCN's operations and customer services. In order to resolve the issues raised during the Board's investigation, the Office of Cable Television and its counsel entered into an Administrative Consent Agreement with RCN to settle the service quality

matters and customer service issues. The consent agreement obligates RCN, or any subsequent successor, to a number of conditions, including completion of all phases of a rebuild/upgrade for all of RCN's systems by December 31, 2004, and completion of a rebuild in the Township by July 31, 2004. On February 5, 2003, the parties signed the Administrative Consent Agreement, which includes a construction schedule for the completion of the rebuild. The Board approved that agreement in Docket No. CX01070460 and formally accepted by Order issued on February 13, 2003.

During the course of the above investigation, the Board was informed that RCN had entered into an agreement with Patriot for the sale of its Central New Jersey cable television system. According to the sale agreement, Patriot would acquire RCN's Central New Jersey assets and assume all of RCN's obligations, including the Administrative Consent Agreement and its pledged infrastructure rebuild/upgrade. The Board approved the sale and transfer of the Certificate of Approval from RCN to the Petitioner on February 6, 2003, in Docket No. CM02090653.

The Board has reviewed the application for municipal consent, the petition and the municipal consent ordinance and the amended municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board **HEREBY FINDS** the following:

- The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval. Further, these qualifications were 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 three years from the expiration of the prior Certificate of Approval, with an automatic renewal provision for a term of seven years thereafter pursuant to N.J.S.A. 48:5A-19 and -25. The Office of Cable Television finds these periods to be of reasonable duration.
 5. The Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate (Appendix "I") as specified by the ordinance. The minimum homes per mile ("HPM") figure is 25.
 6. Pursuant to the Board's order dated February 13, 2003, in Docket No. CX01070460, which was subsequently amended in Docket No. CM02090653, the Petitioner was required to complete the rebuild/upgrade of the cable system in the Township no later than July 31, 2004. The new system operates at a minimum capacity of 750 Megahertz (MHz) and is capable of providing two-way high-speed cable modem service, high quality digital cable channels, increased network reliability and improved picture quality. The Office of Cable Television has confirmed that the Petitioner completed the upgrade in the Township on September 30, 2003¹. As part of the rebuild/upgrade, the Petitioner was required to extend service along Southfield Drive in the Township no later than

¹It is noted that the Township's ordinance required that the statutory performance bond of \$25,000.00 be increased to \$50,000.00 during the period of construction. The Office of Cable Television has confirmed that the rebuild in the Township was completed by September 30, 2003, and the performance bond will remain at the requisite amount of \$25,000.00.

October 31, 2003. The Office of Cable Television has received confirmation that this construction obligation was completed.

7. 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.
8. Pursuant to statutory requirements, the ordinance must specify a complaint officer. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
9. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office serving this provision is located at 100 Randolph Road in Somerset, New Jersey.
10. 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. 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.
11. The Petitioner shall provide public, educational, and governmental ("PEG") access services and facilities as described in the application and the ordinance. The Petitioner shall also select various events of local interest for video coverage using its mobile facilities and production personnel. The Petitioner shall continue to provide one public access channel, which is shared with the local origination channel and one educational access channel. The Petitioner has provided the Township with a second public access channel, known as the government access channel which has a two-way capacity. The Office of Cable Television has received confirmation that the above commitment was satisfied.
12. Within 45 days of the issuance of the Certificate of Approval, the Petitioner shall purchase one large screen television set and VCR/DVD unit for the Township's grammar school or provide an in kind or cash equivalent and shall provide two character generators for the Township's use. Upon satisfaction, the Petitioner shall provide the Office of Cable Television with written confirmation of same.
13. Pursuant to the ordinance, the Petitioner shall provide one outlet of basic cable service and Internet service, including a cable modem, as well as the standard installation of both services to the following entities, free of charge to each municipal building including: a) each public or private accredited school; b) public library; c) the new Municipal Building; d) police department; e) public works department; and f) fire house. Each additional outlet installed, if any, shall be paid for by the institution requesting same on a material plus labor basis. Monthly charges for additional cable outlets shall be charged at the government rate for additional outlets. In addition to the above, the Petitioner shall provide one outlet of basic cable service and Internet service to the "telephone room" in the Township's new municipal building upon completion of construction.

14. The Petitioner has agreed to offer a senior citizens/disabled discount as authorized by N.J.S.A. 48:5A-11.2 in the amount of 10% for persons meeting the eligibility requirements pursuant to N.J.S.A. 30:4D-21 and N.J.A.C. 14:18-3.20.
15. The Petitioner was required to provide the Township with a one time technology grant in the amount of \$500.00 to be used at the Township's discretion, for any cable or telecommunications related purposes it deems appropriate. The Office of Cable Television has received confirmation that the above commitment was satisfied.

The ordinance adopted by the Township on October 20, 2003 granting renewal municipal consent to the Petitioner, which was subsequently amended on December 20, 2004, provided for a term of three years, to expire May 15, 2005, with an automatic renewal term of 7 years, pursuant to N.J.S.A. 48:5A-19. As was noted above, the Petitioner subsequently filed with the Board for renewal of its Certificate on February 16, 2005. In light of the Board's investigation of the Petitioner's predecessor, staff's internal review, which required additional information for confirmation of compliance with numerous provisions of the Township's ordinance and previous Board Orders, could not be completed prior to the expiration of the franchise period. Staff therefore recommends that the Board issue the approval of the renewal of the Certificate of Approval nunc pro tunc.

Having reviewed this matter, the Board **HEREBY FINDS** that the Petitioner filed the petition at the earliest possible date, that the staff initiated and completed its review in a timely fashion, that completion of the review was necessary to ensure that a substantial benefit to the Township was not irretrievably lost, and that the issuance of the Certificate, nunc pro tunc, is appropriate and necessary for compliance with state regulations and the protection of the municipality regarding the franchise commitments of the Petitioner. Furthermore, the Board finds that issuing the Certificate of Approval nunc pro tunc will not adversely affect the public interest in the provision of safe, adequate and proper cable television service.

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, nunc pro tunc, as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Township.²

Furthermore, this Renewal Certificate is issued on the following condition:

Because the Certificate will be expired upon issuance, the Petitioner shall file a petition with the Board for the automatic renewal of its Certificate of Approval pursuant to N.J.S.A. 48:5A-19 and -25, within 30 days of receipt of this Certificate.

² It is noted that a portion of the Township, known as the Hills, is served by a second cable operator, in Docket No. CM89080689, which is currently owned by CSC TKR, Inc. d/b/a Cablevision of Raritan Valley.

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.

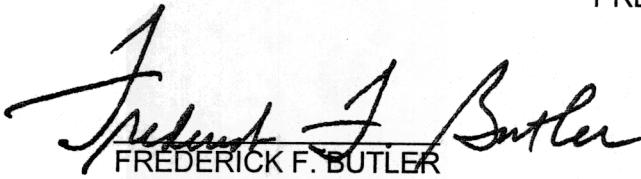
This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

DATED: 11/14/05

BOARD OF PUBLIC UTILITIES
BY:



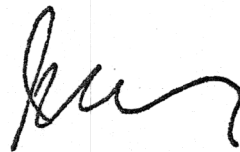
JEANNE M. FOX
PRESIDENT



FREDERICK F. BUTLER
COMMISSIONER



CONNIE O. HUGHES
COMMISSIONER



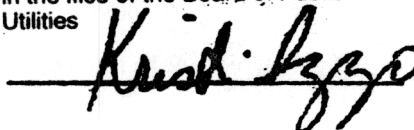
JACK ALTER
COMMISSIONER

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**

Company Patriot Media and Communications CNJ, LLC
Municipality Township of Bedminster

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.

SERVICE LIST

Richard P. DeAngelis, Esq.
Stryker, Tams & Dill
Two Penn Plaza
Newark, NJ 07105

Dorothy Wilkie
Township Clerk
Bedminster Township
One Miller Lane
Bedminster, NJ 07921

John Gdovin
Patriot Media
100 Randolph Road
Somerset, NJ 08873

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

Nancy J. Wolf
Coordinator, State and Local Planning, South
Board of Public Utilities
Office of Cable Television
Two Gateway Center
Newark, NJ 07102

Kenneth Sheehan, Esq.
Deputy Attorney General
Division of Law
State of New Jersey
124 Halsey Street
Newark, New Jersey 07102