



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 AND COMMUNICATIONS)
CNJ, LLC FOR MODIFICATION OF THE)
TERMS AND CONDITIONS OF A MUNICIPAL)
CONSENT ISSUED BY THE TOWNSHIP OF)
HILLSBOROUGH, COUNTY OF SOMERSET,)
STATE OF NEW JERSEY)

ORDER OF AMENDMENT
TO A RENEWAL
CERTIFICATE OF APPROVAL

DOCKET NO. CE07080644
DOCKET NO. CE98050308

SERVICE LIST ATTACHED

BY THE BOARD:

On February 3, 1999, the Board granted a Renewal Certificate of Approval to RCN of New Jersey, Inc. ("RCN") for the Township of Hillsborough ("Township"), in Docket No. CE98050308. The expiration date as specified by that order is June 19, 2010. On February 6, 2003, in Docket No. CM02090653, the Board approved the sale and transfer of the Certificate of Approval from RCN to Patriot Media & Communications CNJ, LLC ("Petitioner").¹

The Petitioner and the Township entered into negotiations regarding amendments to the Township's November 25, 1997 municipal consent ordinance upon which the above referenced Certificate was based. On July 10, 2007, the Township adopted Ordinance No. 2007-28, which amended its 1997 ordinance, and on July 24, 2007 passed a resolution confirming that all construction commitments had been met. The Township's November 25, 1997 municipal consent ordinance required the Petitioner to maintain a performance bond in the amount of \$100,000.00 until the completion of the rebuild in the Township. The statutorily mandated amount is \$25,000.00. The Petitioner's predecessor requested that the Township release it from its obligation to maintain this bond by letter dated November 7, 2002. The initial rebuild

¹ On August 24, 2007, in Docket No. CM07040250, the Board approved the acquisition of Patriot Media Holdings, LLC by Comcast Cable Communications Holding, Inc. The Petitioner is a wholly owned subsidiary of Patriot Media Holdings, LLC. Thereafter, on September 14, 2007, Patriot Media Holdings, LLC notified the Board that it changed its name to Comcast Holdings, LLC, and that the Petitioner changed its name to Comcast of Central New Jersey II, LLC.

was completed in 2002; however, there was an ongoing rebuild in the Township which was not completed until 2004. The Township did not certify that all construction requirements had been met until July 24, 2007.

On August 3, 2007, the Petitioner accepted the amended ordinance. On August 30, 2007, pursuant to N.J.S.A. 48:5A-47 and N.J.A.C. 14:17-6.7, the Petitioner filed a petition with the Board seeking approval of the amendments to the terms and conditions of the municipal consent ordinance, and amendment of the Renewal Certificate of Approval,. The Board has reviewed the petition for modification of the terms and conditions of the municipal consent ordinance and for amendment of the Certificate of Approval. Based upon this review and the recommendation of the Office of Cable Television, the Board **HEREBY FINDS** that the requested amendments, will not adversely affect the public interest in the provision of safe, adequate and proper cable television service in this State, and **THEREFORE**, the Certificate of Approval IS **HEREBY AMENDED** as follows:

1. Section 4. "Franchise Term" of the ordinance and Provision No. 4 of the Renewal Certificate of Approval shall state that the franchise period shall be fifteen years with an automatic renewal provision for a term of five years thereafter pursuant to N.J.S.A. 48:5A-19 and -25 and N.J.A.C. 14:18-13.6 et seq.
2. Section 20. "Service to Certain Institutions" of the ordinance, and Provision No. 17 of the Renewal Certificate of Approval shall state that, in addition to the requirement for free cable services, the Petitioner shall provide, free of charge, standard residential high-speed cable modem service on one outlet to each public and private elementary, secondary and post-secondary school, library, and municipal building as well as any fire station, police station and rescue squad located in the Township.
3. Provision No. 18 of the Renewal Certificate of Approval shall read as follows:
"Pursuant to N.J.S.A. 48:5A-28(d), the Petitioner shall provide a performance bond in the amount of \$25,000.00 for the life of the franchise. The Petitioner has represented that all required construction in the Township is complete, and therefore, the Petitioner is hereby released from the requirement to maintain a performance bond in the amount of \$100,000.00 for the Township."

Therefore, the Petitioner is **HEREBY ISSUED** this Amendment to the Renewal Certificate of Approval as evidence of the Petitioner's authority to construct, operate and maintain a cable television system in the Township. The Amendment shall not affect any of the remaining terms and conditions of the Certificate of Approval issued by the Board in its grant of operating authority. This Amendment to the Renewal Certificate of Approval 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.

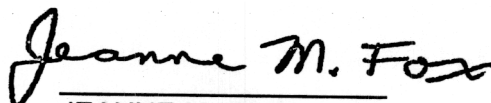
The Petitioner shall adhere to the standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. §76.1 et seq., including but not limited to, the technical standards 47 C.F.R. §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated 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 the Certificate issued by the Board.

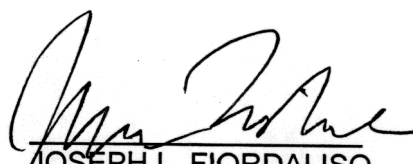
This Amendment to the Renewal Certificate of Approval is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television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

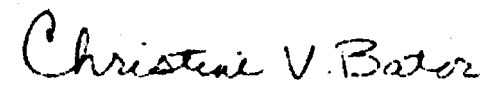
DATED: 1/17/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

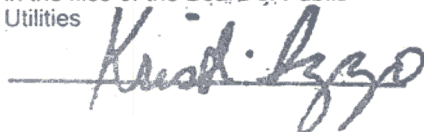

JOSEPH L. FIORDALISO
COMMISSIONER


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



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AGENDA DATE: 2/3/99

99FEB-8 AM11:54
N.J. OFFICE OF PUBLIC UTILITIES

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF
RCN OF NEW JERSEY, INC. FOR RENEWAL
OF ITS CERTIFICATE OF APPROVAL TO
OWN, OPERATE, EXTEND, AND MAINTAIN
A CABLE TELEVISION SYSTEM IN THE
TOWNSHIP OF HILLSBOROUGH, COUNTY OF
SOMERSET, STATE OF NEW JERSEY

RENEWAL
CERTIFICATE OF APPROVAL

DOCKET NO. CE98050308

Alampi, Arturi, D'Argenio and Guaglardi, Englewood Cliffs, New Jersey, by
Robert Goode, Esq., for the Petitioner.

Township Clerk, Township of Hillsborough, New Jersey, by Gregory J.
Bonin, for the Township.

BY THE BOARD:

On June 19, 1980, the Board granted Hillsborough Cablevision a Certificate of Approval in Docket No. 7911C-6581 for the construction, operation and maintenance of a cable television system in the Township of Hillsborough ("Township"). On December 18, 1986, the Board approved the merger of several subsidiaries including Hillsborough Cablevision into ComVideo Systems Inc. d/b/a C-TEC Cable Systems in Docket No. CM86111216. On October 27, 1993, in Docket No. CM93080313, the Board approved the restructuring of ComVideo into three separate subsidiaries which included RCN of New Jersey, Inc. ("Petitioner"). In this transaction, the Petitioner acquired the majority voting control in C-TEC Cable Systems, the ultimate parent company of ComVideo. Although the Petitioner's Certificate expired on June 19, 1995, it is authorized to continue to provide cable television service to the Township pursuant to N.J.S.A. 48:5A-25.

The Petitioner filed an application for the renewal of its municipal consent with the Township on November 16, 1994, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. On November 25, 1997, after public hearing, the Township adopted an ordinance granting renewal municipal consent to the Petitioner. On December 9, 1997, the Petitioner accepted the terms and conditions of the ordinance, in accordance with N.J.S.A. 48:5A-24.

On May 21, 1998, 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. 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 reviewed by the Township in conjunction with the municipal consent process. See N.J.S.A. 48:5A-22 to 29 and N.J.A.C. 14:18-13.

2. The design and technical specifications of the system will ensure 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 fifteen years. The Office of Cable Television finds this term to be of reasonable duration. Furthermore, if the Township determines that the Petitioner has not materially complied with the terms of the ordinance, after providing written notice and a reasonable opportunity to cure, then the Township shall request that the Board take appropriate action, including reduction of the franchise term.
5. 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.
6. Pursuant to N.J.S.A. 48:5A-26(b), the ordinance specifies a complaint officer. In this case it is the Office of Cable Television. All complaints shall be received and processed in accordance with N.J.A.C. 14:17-6.5.
7. The Petitioner will maintain a local business office within the Township for the purpose of receiving, investigating and resolving complaints. The current local office serving this provision is located at 279 Amwell Road in the Township of Hillsborough.
8. 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.
9. Within 36 months of the issuance of this Certificate, the Petitioner shall rebuild the system to a capacity of 750 MHz.
10. The Petitioner shall provide service to any residence or business located in the Township, in accordance with its stated installation charges and line extension policy ("LEP") attached to the Certificate (Appendix "I") as set forth in its application. The minimum homes per mile ("HPM") figure is 25. The Petitioner will extend service at standard and non-standard installation rates to the areas of the Township specified in the ordinance, within 4 years of the issuance of this Certificate. Prior to the completion of the construction of the specified additional cable plant and upon completion of construction, the Petitioner shall apply the LEP to new residential streets and unserved commercial areas.

In accordance with the application and the ordinance, the Petitioner shall provide public, educational and governmental ("PEG") access facilities and technical support. Upon completion of the rebuild, the Petitioner shall provide a total of 2, two-way capable access channels to the Township. The first access channel shall be the existing educational access channel and shall continue to be located at Hillsborough High School. The second channel shall be the governmental access channel, which will be located in the municipal complex and shall include a return line to the Petitioner's headend.

The Petitioner shall provide the Township with the total amount of \$30,000.00 for the funding of equipment for the educational access channel, the governmental access channel and/or for equipment to activate the institutional networks, as shall be deemed appropriate by the Township. Within 60 days of issuance of this Certificate, the Petitioner shall pay the Township \$15,000.00 and shall continue to provide \$5,000.00 per year for the second, third and fourth years until the entire amount is paid. The Township agrees to consult with representatives of the Petitioner concerning the acquisition of equipment.

13. The Petitioner shall continue to make its production facility in Hillsborough Township available to Township residents until such time as the Township's governmental access studio is completed or its educational access studio is upgraded. The Petitioner shall also provide production training courses as described in the ordinance.
14. The Petitioner shall provide a fiber backbone, broad band fiber optic connection capable of supporting a Wide Area Network to support video, data and multi media applications for educational and municipal administration, which may be connected to equipment provided and maintained by the Township, or its designee and shall be completed concurrently with the rebuild. In relation to the preceding requirement, the Petitioner shall provide, at its own cost, four strands of active fiber optic cable capable of supporting data and video communications connecting the Township's schools, libraries, governmental and quasi-governmental entities, as designated in advance by the Township.
15. The Petitioner shall meet with the Township's Cable Advisory Committee quarterly to communicate complaints and shall provide such information as required by the ordinance. The Petitioner shall also conduct a survey of Township's subscribers as required by the ordinance.
16. The Petitioner has agreed to offer a senior citizens/disabled discount for persons meeting the eligibility requirements pursuant to N.J.S.A. 30:4D-21 and N.J.A.C. 14:18-3.20.
17. The Petitioner shall provide, free-of-charge, the standard installation of one outlet and basic cable service, expanded basic and a la carte cable service to each existing school, library, and municipal building as well as each fire, police and rescue squad location in the Township. The Petitioner shall provide additional outlets to each of the above upon request for a fee based upon cost and materials and will provide free basic

cable service, expanded basic and a la carte monthly cable service to the additional outlets.

18. Pursuant to N.J.S.A. 48:5A-28(d), the Petitioner shall provide a performance bond in the amount of \$25,000.00 for the life of the franchise. During the period of construction, the Petitioner shall provide an additional amount in the sum total of \$100,000.00 for the performance bond.

It is noted that the Township's ordinance contains a provision which is approved herein. Specifically, the ordinance at Section 26. Performance Bond sets forth that the Petitioner shall increase the amount of the performance bond from \$25,000.00 to \$100,000.00 during the period of the system rebuild. The Cable Television Act requires that, within its application for renewal municipal consent, the Petitioner must include evidence of a commitment for a performance bond in an amount of not less than \$25,000.00, pursuant to N.J.S.A. 48:5A-28(d). Although the municipality must approve the amount, the sufficiency and reasonableness of the performance bond is subject to review by the Office of Cable Television and approval by the Board. The purpose of this performance bond is to ensure all undertakings as promised in the municipal consent application and the ordinance.

As noted above, the municipality within its ordinance requested a \$100,000.00 performance bond during the system rebuild, which is thereafter reduced to \$25,000.00 upon completion of the system rebuild. It is also noted that the Petitioner has agreed to the higher performance bond. Furthermore, the Office of Cable Television has reviewed the increase in performance bond for sufficiency and reasonableness, pursuant to N.J.S.A. 48:5A-28(d), and has recommended that the Board approve the provision. Therefore, the Board HEREBY FINDS the amounts to be reasonable, that the parties agreed to the higher amount and that the Office of Cable Television has reviewed the matter and recommends approval. Accordingly, the Board HEREBY APPROVES the request for a performance bond of \$100,000.00 which shall be reduced to \$25,000.00 upon completion of the system rebuild within the Township.

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 sufficient financial and technical capacity and 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. Section 76.1 et seq. Any modifications to the provisions thereof shall be incorporated into this Certificate. Additionally and more specifically, the Petitioner shall adhere to the technical standards of 47 C.F.R. Part 76,

Subpart K

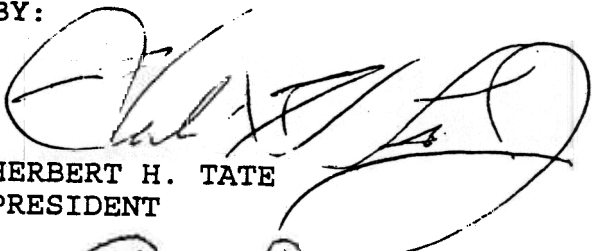
Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions, and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

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 June 19, 2010.

DATED: *FEBRUARY 3, 1999*

BOARD OF PUBLIC UTILITIES
BY:



HERBERT H. TATE
PRESIDENT



CARMEN J. ARMENTI
COMMISSIONER

ATTEST:



MARK W. MUSSER
SECRETARY

APPENDIX "I"

Office of Cable Television
Line Extension Policy

Docket No. BPU Docket No. CE98050308
Company RCN of New Jersey, Inc.
Municipality Township of Hillsborough

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. $\frac{\text{HPM of extension}}{\text{Minimum HPM that company actually constructs in the system *}} = \text{ratio of the density of or "A" the extension to the minimum density which the company constructs in the system}$
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.