

Agenda Date: 2/1/08 Agenda Item: 3A

### 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 CERTAIN COMCAST	)	ORDER ADOPTING
CABLE COMMUNICATIONS, LLC.	)	INITIAL DECISION
SUBSIDIARIES (AS SET FORTH BELOW) RATE	)	
CHANGE UNDER AGGREGATE FCC FORM	)	
1205 DETERMINING REGULATED EQUIPMENT	)	BPU DOCKET NO. CR07030147
AND INSTALLATION COSTS	)	OAL DOCKET NO. CTV 03480-07N

(SERVICE LIST ATTACHED)

### BY THE BOARD:

On March 1, 2007, Comcast Cable Communications, LLC., Subsidiaries¹ (Comcast Consolidated systems) (collectively Comcast) filed a Company Level aggregate FCC Form 1205 with the Board of Public Utilities (Board) for the purpose of adjusting maximum permitted rates for regulated equipment and installation costs. The Board is the local franchising authority in New Jersey and is certified to regulate basic service rates and associated equipment and installation charges. FCC Form 1205 is the form used by cable operators to update their regulated rates for equipment, such as converters and remotes, and customer installations.

On March 15, 2007, the above filing was transmitted to the Office of Administrative Law (OAL) for determination and initial disposition. On June 5, 2007, a telephone pre-hearing conference was held by Administrative Law Judge Richard McGill (ALJ McGill) with Comcast, the Division of Rate Counsel (Rate Counsel) and the Board's Staff (collectively, the Parties), and plenary hearing dates were set for November 13 and 14, 2007. Comcast notified its customers of rate changes on various dates between July 18, 2007 and August 13, 2007 by way of newspaper announcements informing them of their opportunity to submit written comments to ALJ McGill, within thirty (30) days from the publication dates. No comments were received by the ALJ.

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<sup>&</sup>lt;sup>1</sup> Comcast Cable Communications, LLC. subsidiaries include Comcast of Avalon, LLC., Comcast of Burlington County, LLC., Comcast of Central New Jersey, LLC., Comcast of Garden State, L.P., Corncast of Gloucester County, LLC., Comcast of Jersey City, LLC., Comcast of Long Beach Island, LLC., Comcast of the Meadowlands, LLC., Comcast of Mercer County, LLC., Comcast of Hopewell Valley, Inc., Comcast of Lawrence, LLC., Comcast of Monmouth County, LLC., Comcast of New Jersey II, LLC., Comcast of Northwest New Jersey, LLC., Comcast of Ocean County, LLC., Comcast of Plainfield, LLC., Comcast of Southeast Pennsylvania, LLC., Comcast of South Jersey, LLC., Comcast of New Jersey, LLC (Toms River) and Comcast of Wildwood, LLC.

After extensive discovery, the Parties engaged settlement negotiations and reached a settlement in principle on October 9, 2007. ALJ McGill subsequently adjourned the scheduled hearings. On December 12, 2007, after further settlement discussions, the Parties reached final agreement and executed a Stipulation of Settlement (Stipulation), memorializing the agreement.

On January 15, 2008, ALJ McGill filed his Initial Decision (ID) with the Board, which recommended that the Stipulation be approved. ALJ McGill found that the Parties have voluntarily agreed to the settlement, and that the settlement is consistent with the law and fully disposes of all issues in controversy. The ALJ therefore concluded that the Stipulation met the requirements of N.J.A.C. 1:1-19.1.

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

DATED: 2/4/08

**BOARD OF PUBLIC UTILITIES** 

**PRESIDENT** 

FREDERICK F. BUTLER COMMISSIONER

COMMISSIONER

OSEPH L. FIORDALISO

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CHRISTINE V. BATOR COMMISSIONER

ATTEST:

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

BPU DOCKET NO. CR07030147

## IN THE MATTER OF THE APPLICATION OF CERTAIN COMCAST CABLE COMMUNICATIONS, LLC SUBSIDIARIES RATE CHANGE UNDER A COMPANY LEVEL AGGREGATE FCC FORM 1205 DETERMINING REGULATED EQUIPMENT AND INSTALLATION COSTS

### **DOCKET NO. CR07030147**

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Board of Public Utilities
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### Steven Rastatter

Telecommunications Systems Analyst Office of Cable Television Board of Public Utilities 2 Gateway Center Newark, NJ 07102

# Babette Tenzer Deputy Attorriey General State of New Jersey Division of Law 124 Halsey Street

Newark, NJ 07102



### State of New Jersey OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION
SETTLEMENT
OAL DKT. NO. CTV 03480-07
BPU DKT. NO. CR07030147

IN THE MATTER OF THE FILING OF FCC FORM 1205 FOR APPROVAL OF RATE CHANGES FOR ALL NEW JERSEY SYSTEMS OF COMCAST CABLE COMMUNICATIONS, LLC.

> Dennis C. Linken, Esq., for Comcast Cable Communications, LLC (Stryker, Tams & Dill, attorneys)

Arlene E. Pasko, Deputy Attorney General, for the Staff of the Board of Public Utilities (Anne Milgram, Attorney General of New Jersey, attorney)

Maria T. Novas-Ruiz, Assistant Deputy Public Advocate, and James W. Glassen, Assistant Deputy Public Advocate, for the Division of Rate Counsel (Stephanie A. Brand, Director, attorney)

Record Closed December 14, 2007

Decided December 20, 2007

BEFORE RICHARD McGILL, ALJ:

This matter involves the filing by Comcast Cable Communications, LLC, of FCC Form 1205 for rate revisions related to equipment and installation costs. The matter was transmitted to the Office of Administrative Law on March 6, 2007, for determination as a contested case.

Prior to hearing, the parties agreed to the amicable resolution of the matter and submitted a written Stipulation of Settlement. Having reviewed the record and the settlement terms. FIND as follows:

The parties have voluntarily agreed to the settlement as evidenced by their signatures or the signatures of their representatives.

2 The settlement fully disposes of all issues in controversy and is consistent with the law.

Therefore, I CONCLUDE that the agreement meets the requirements of N.J.A.C.

the proceedings in this matter be concluded

I hereby FILE my initial decision with the BOARD OF PUBLIC UTILITIES for consideration

This recommended decision may be adopted, modified or rejected by the BOARD OF PUBLIC UTILITIES, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended this recommended decision shall become a final decision in accordance with NUSA 52:148-10

DATE 10, 2007

RICHARD MCGILL, ALJ

Date Received at Agency

Mailed to Parties:

DATE

OFFICE OF ADMINISTRATIVE LAW

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### BEFORE THE STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES OFFICE OF ADMINISTRATIVE LAW

IN THE MATTER OF CERTAIN SUBSIDIARIES OF COMCAST CABLE COMMUNICATIONS, LLC

RATE CHANGE UNDER FCC FORM 1205 DETERMINING REGULATED EQUIPMENT AND INSTALLATION COSTS BPU DOCKET NO. CR07030147 OAL DOCKET NO. CTV 3480-07

### STIPULATION OF SETTLEMENT

### Appearances:

Stryker, Tams & Dill LLP by Dennis C. Linken, Esq., and Richard DeAngelis, Esq., for all Comcast Subsidiaries noted herein.

Staphanie A. Brand, Director, by Maria Novas-Ruiz, Esq., Assistant Deputy Public Advocate, and James Glassen, Esq. Assistant Deputy Public Advocate, on behalf of the Department of the Public Advocate, Division of Rate Counsel.

Anne Milgram, Attorney General of New Jersey, by Arlene E. Pasko, Deputy Attorney General, on behalf of the Staff of the Board of Public Utilities.

### STIPULATION OF SETTLEMENT

WHEREAS, the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992), codified at 47 <u>U.S.C.</u> § 543 et seq., (the "Federal Act"), divided the delivery of cable television services into two separate rate regulable categorics: (i) "basic service" (consisting primarily of "off-the-air" channels and public, educational and governmental channels), more commonly known as "limited basic service" or "the limited basic tier of service," and associated equipment and installation and (ii) cable programming services ("CPS") (consisting of other television channels) and associated equipment;

WHEREAS, under the Federal Act, the limited basic tier of service is regulated by the "local franchising authority," and until March 31, 1999, CPS was regulated by the Federal Communications Commission ("FCC") upon the filing of a complaint from the local franchising authority to the FCC with regard to a CPS tier rate;

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

WHEREAS, the Federal Act required the FCC to issue regulations governing the standards to be used by local franchising authorities in regulating rates charged for the limited basic tier of service;

WHEREAS, under FCC rules, 47 CFR §76.900 et seq., a cable operator may adjust its limited basic service tier rates under the annual rate adjustment system pursuant to the regulations adopted September 15, 1995, (47 CFR §76.922), by filing with the local franchising authority a FCC Form 1240, which computes the maximum permitted rate ("MPR") for the limited basic service tier;

WHEREAS, under FCC regulations adopted March 30, 1994, 47 CFR §76.900 et seq., a cable operator may adjust its equipment and installation charges annually by filing with the local franchising authority a FCC Form 1205;

WHEREAS, on March 1, 2007, pursuant to 47 <u>U.S.C.</u> § 543 <u>et seq.</u> and <u>N.J.S.A.</u> 48:5A-1 <u>et seq.</u>, the undersigned subsidiaries of Comcast Cable Communications, LLC ("Comcast"), filed, on a company level aggregated basis, a FCC Form 1205 with the Board in Docket No. CR07030147 in order to determine regulated equipment and installation rates in all of Comcast's systems;

WHEREAS, on March 15, 2007, the above rate filing was transmitted to the Office of Administrative Law ("OAL") for initial disposition;

WHEREAS, on June 5, 2007, pursuant to N.J.A.C. 1:1-13.1, a pre-hearing telephone conference was held in this matter before the Honorable Richard McGill, Administrative Law Judge ("ALJ"), wherein a pre-hearing order was issued setting forth, among other things, the issues to be decided and dates for plenary hearings;

WHEREAS, on various dates Comcast, with respect to its Form 1205 filing notified subscribers of the proposed adjustments to rates for monthly equipment rental and installation via newspaper announcements, informing them of their opportunity to submit written comments;

WHEREAS, Staff of the Office of Cable Television ("Staff") and the Division of Rate Counsel ("Rate Counsel") have requested information with respect to the issues presented in the aforementioned filings, to which Comcast responded; and

WHEREAS, Staff, Rate Counsel and Comcast (each a "Party" and collectively, "Parties"), after engaging in settlement discussions, prior to scheduled hearings, have reached agreement on the disposition of these matters;

NOW, THEREFORE, the Parties hereby STIPULATE and agree to the following for consideration by the Board:

- 1. Comcast notified its customers of the proposed rate adjustments via advertisements that were published in various newspapers around the State between July 18, 2007 and August 13, 2007, informing them of their opportunity to submit written comments for a period of thirty (30) days. Comcast did not receive any written comments.
- 2. The effective date of the Equipment and Installation rates and charges for the Comcast FCC Form 1205 filing in Docket No. CR07030147 for all Comcast systems in New Jersey is January 1, 2008.
- 3. MPRs for installation charges, including the Hourly Service Charge, will be set at the lesser of (i) five percent (5%) above the existing MPRs/operator selected rates ("OSRs"), or (ii) the proposed MPRs set forth in the filed Form 1205, in either event, rounded down to the nearest \$.05, with the exception of:
  - a. Delete Service (if technician goes to home) has been limited to \$10.75, which is the current OSR; and
  - b. Addressable Addition or Deletion (subsequent to initial installation and customer picks up or drops off converter or addressable addition or deletion), and Service Interruption or Restoration Fee have been limited to \$1.99, which is the current OSR.
- 4. MPRs for equipment charges will be the OSRs proposed in the filed Form 1205, with the exception of:
  - a. Cablecard, which will be as follows: No charge for the first Cablecard in a household and a charge of \$1.50 for each additional Cablecard in the household.
  - 5. All rates and charges, including above, are set forth on attached Exhibit A.
- 6. This Stipulation of Settlement resolves all issues raised by any Party in connection with Comcast's company-level aggregate FCC Form 1205 filing submitted to the Board in Docket No. CR07030147.
- 7. The signatories agree that, except as expressly provided herein, this Stipulation of Settlement has been made exclusively for the purpose of this proceeding and that the provisions contained herein, in total or by specific items, shall not be used against any of the Parties in any other proceeding before the Board or in other forums or jurisdictions, nor shall the contents of this Stipulation of Settlement, in total or by specific items, by inference, inclusion, or deletion, in any way be considered or used by any other Party as any indication of the position of any Party hereto on any issue litigated or to be litigated in other proceedings. All signatories acknowledge that the terms of this Stipulation of Settlement shall not be effective until approved by the Board.

- 8. This Stipulation of Settlement contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation of Settlement. 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 of Settlement, pursuant to which each of the signatory Parties hereto must be given the right to be placed in the position it was in before this Stipulation of Settlement was entered. Therefore, if any modification is made to the terms of this Stipulation of Settlement, it is essential that each Party be given the option, before the implementation of any new rate resulting from said action, either to modify its own position, to accept the proposed changes, or to resume the proceedings as if no agreement had been reached.
- 9. The Parties believe these provisions are fair to all concerned and therefore they are made an integral and essential element of this Stipulation of Settlement. This being the case, all Parties expressly agree to support the right of any other Party to this Stipulation of Settlement to enforce all terms and procedures detailed herein.

COMCAST OF AVALON, LLC
COMCAST OF BURLINGTON COUNTY, LLC
COMCAST OF CENTRAL NEW JERSEY, LLC
COMCAST OF GARDEN STATE, L.P.
COMCAST OF GLOUCESTER COUNTY, LLC
COMCAST OF JERSEY CITY, LLC
COMCAST OF LONG BEACH ISLAND, LLC
COMCAST OF THE MEADOWLANDS, LLC
COMCAST OF MERCER COUNTY, LLC, COMCAST
OF HOPEWELL VALLEY, INC., COMCAST OF
LAWRENCE, LLC (COLLECTIVELY, THE
MERCER SYSTEM)
COMCAST OF MONMOUTH COUNTY, LLC

COMCAST OF MONMOOTH COUNTY, LLC
COMCAST OF NEW JERSEY II, LLC
COMCAST OF NORTHWEST NEW JERSEY, LLC
COMCAST OF OCEAN COUNTY, LLC
COMCAST OF PLAINFIELD, LLC
COMCAST OF SOUTHEAST PENNSYLVANIA, LLC
COMCAST OF SOUTH JERSEY, LLC
COMCAST OF NEW JERSEY, LLC
COMCAST OF WILDWOOD, LLC

Dennis C. Linken, Esq.

Stryker, Tams & Dill LLP

Dated: December 11, 2007

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

STEPHANIE A. BRAND, ESQ., DIRECTOR

DIVISION OF RATE COUNSEL

Dated: December 2, 2007

Maria T. Novas-Ruiz, Esq.

Assistant Deputy Public Advocate

ANNE MILGRAM

ATTORNEY GENERAL OF NEW JERSEY

Attorney for the Staff of the Board of Public Utilities

Dated: December , 2007

Ву:\_\_\_\_\_

Arlene E. Pasko

Deputy Attorney General

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

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

Dated: December , 2007

Ву:\_\_\_\_\_

Maria T. Novas-Ruiz, Esq. Assistant Deputy Public Advocate

ANNE MILGRAM ATTORNEY GENERAL OF NEW JERSEY

Attorney for the Staff of the Board of Hublic Utilities

Dated: December <u>A</u>, 2007

Áriene E. Pasko

By: \_

Deputy Attorney General

STIPULATION SCHEDULE A 1205				
THE STATE OF THE S	A	В	С	D
BPU DKT # CR07030147	CR06030139			
	BOARD	CR07030147		("C"-"D")
COMCAST COMPANY-WIDE (w/o Patriot system)	APPROVED	COMCAST	PROPOSED	SETTLEMEN
sr 10-18-07	CURRENT	PROPOSED	SETTLEMENT	
SERVICES	RATE	MPR	RATE	ADJUSTMEN
INSTALLATION RATES	\$42.35	\$47.10	\$44.45	(\$2.65
STANDARD PRIMARY INSTALL 150' OR LESS (A OR UG)*	0.000000	\$35.18	\$35.15	**
NON-STANDED PRIMARY INSTALL OVER 150' (A OR UG) PER HOUR*	\$33.55		D. 1233227.10	1 1000
RELO OR TRANS OF SERV. ALREADY CABLED (RECONNECT)	\$24,50	\$32,58	P. 100 100 100 100 100 100 100 100 100 10	17.727.000
ADDNL OUTLET INSTALL (CABLED/NON-CABLED SAME TRIP)	\$14.45	\$17.64	\$15.15	1,111,121,121
ADDNL OUTLET INSTALL (CABLED/NON-CABLED SEP. TRIP)	\$24.25	\$27.10	\$25.45	722613
VCR / DVD / PIC. IN PIC. INSTALL (SAME TRIP)	\$7.25	\$7,66	\$7.60	2000
VCR / DVD / PIC. IN PIC. INSTALL (SEPARATE TRIP)	\$15.10	\$14.84	\$14.80	508361817
RELOCATION OUTLET (INTERIOR WORK ONLY, SAME TRIP)	\$17,10	\$21.36	\$17.95	50000
RELOCATION OUTLET (INTERIOR WORK ONLY, SEP. TRIP)	\$19.40	\$21.36	\$20.35	(\$1.01
PREMIUM SERVICE INSTALLATION (SAME TRIP)	\$0.00	\$0.00	\$0.00	\$0.00
PREMIUM SERVICE INSTALLATION (SEPARATE TRIP)	\$16.75	\$17.97	\$17.55	(\$0.42
VIDEO GAME or A/B SWITCH INSTALLATION (SAME TRIP)	\$0.00	\$0.00	\$0.00	\$0.00
VIDEO GAME or A/B SWITCH INSTALLATION (SEPARATE TRIP)	\$15.10	\$14.84	\$14.80	(\$0.04
PARENTAL CONTROL DEVICE INSTALLATION (SAME OR SEPARATE)	\$0.00	\$0.00	\$0.00	\$0.00
CONVERTER or REMOTE CONTRL UNIT INSTALLATION (SAME TRIP)	\$0.00	\$0.00	\$0.00	\$0.00
REMOTE CONTROL UNIT INSTALLATION (SEPARATE TRIP)	\$6.70	\$7.03	\$7.00	(\$0.03
REMOTE CONTROL UNIT INSTALLATION (CUSTOMER PICKS UP)	\$0.00	\$0.00	\$0.00	\$0.00
UNNESSARY TRIP CHARGE	\$6,70	\$7.03	\$7.00	(\$0.03
CONVERTER INSTALLATION (SEPARATE TRIP)	\$15.10	\$14.84	\$14.80	(\$0.04
HOURLY SERVICE CHARGE (HSC)	\$33.55	\$35.18	\$35.15	(\$0.03
SERVICE CALL (NON-CABLE RELATED PROBLEM)	\$24,70	\$28.91	\$25.90	(\$3.01
FISHING WALLS, PRE-WIRING OF POST-WIRING PER HOUR	\$33.55	\$35.18	\$35.15	(\$0.03)
RERUN OF EXTERIOR DROP (AT REQUEST of CUSTOMER)	\$42.35	\$47.10	\$44.45	(\$2.65
RECONNECT CHARGE - LIMITED BASIC or EXPANDED SERVICE	\$24,50	\$32.58	\$25.65	(\$6.93)
RECONNECT AFT TEMP, SUSPENSION OF SRVC 4 MTHS MAX.	\$24.50	\$32.58	\$25,65	(\$6.93)
RELOCATION OF DROP (EXTERIOR ONLY)	\$24.25	\$27.10	\$25.40	(\$1,70)
ADD SERVICE OTHER THAN W/ PRIMARY (SEPARATE TRIP)	\$16.75	\$17.97	\$17.55	(\$0.42)
DELETE SERVICE "DOWNGRADE" (SEP. Trip Tech goes to Home)	\$10.75	\$14.74	\$10.75	(\$3.99)
ADD OR DEL. SRVC (ADDRESS OR CUST GIVES/GETS CNVRTR)	\$1,99	\$1.99	\$1.99	\$0.00
SERVICE INTERRUPTION or SERVICE RESTORATION	\$1,99	\$1.99	\$1.99	\$0.00
N PERSON COLLECTION OF PAST DUE BALANCE	\$18.60	\$19.47	\$19.45	(\$0.02)
				1110000
EQUIPMENT RATES (MONTHLY)	\$4.00	\$3.74	\$3.70	(\$0.04)
NALOG OR DIGITAL ADDRESSABLE CONVERTER	\$0.35	\$0.35	\$0.35	\$0.00
IMITED BASIC SERVICE ONLY CONVERTER (NON-ADDRESSABLE)**	\$1.10	\$1.13	\$1.10	(\$0.03)
IMITED BASIC SERVICE ONLY CONVERTER (ADDRESSABLE)	\$0.20	\$0.25	\$0.25	\$0.00
TANDARD or UNIVERSAL REMOTE (UNIVERSAL = DIGITAL)		\$9.99	\$9.95	(\$0.04)
DIGITAL CONVERTER W/ HDTV and HDDVR	\$9.90	\$2.06		(\$2.06) (\$0.56)
CABLECARD***	\$0.00	\$2.00	reru - 31.00	(32,00) (50,50)
IOTES:				
Standard and Non-Standard Installation footage varies by system as stated in ea	ch system's tariff.			22.2
*Not available in Avalon, LBI, Garden State and Toms River.				