



Agenda Date: 3/19/08
Agenda Item: IIIB

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

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF SERVICE
ELECTRIC CABLE TV OF NEW JERSEY, INC. FOR) RENEWAL
RENEWAL OF ITS CERTIFICATE OF APPROVAL) CERTIFICATE OF APPROVAL
TO OWN, OPERATE, EXTEND AND MAINTAIN A)
CABLE TELEVISION SYSTEM IN THE BOROUGH)
OF HAMBURG, COUNTY OF SUSSEX, STATE OF)
NEW JERSEY) DOCKET NO. CE05060577

SERVICE LIST ATTACHED

BY THE BOARD:

On May 12, 1981, the Board granted Service Electric Cable TV of New Jersey, Inc. d/b/a Garden State CATV ("Petitioner") a Certificate of Approval in Docket No. 806C-6692, for the construction, operation and maintenance of a cable television system in the Borough of Hamburg ("Borough"). The Petitioner subsequently dropped the Garden State CATV name. On August 5, 1993, the Board granted the Petitioner a Renewal Certificate of Approval for the Borough in Docket No. CE91051022. Although the Petitioner's above referenced Certificate expired on May 12, 2001, it is authorized to continue to provide cable television service to the Borough pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the Borough on or about August 21, 2000, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. The Borough held a public hearing but took no further action on the municipal consent application.

On June 30, 2005, pursuant to N.J.S.A. 48:5A-17(d), the Petitioner filed a petition with the Board for renewal of its Certificate of Approval for the Borough alleging that the Borough had been arbitrary and capricious by holding a public hearing but not issuing renewal municipal consent to the Petitioner. On July 20, 2005, the Borough filed an answer to the petition. After negotiations between the parties, the Borough adopted a municipal ordinance granting consent for renewal on March 5, 2007. On August 13, 2007, the Petitioner formally accepted the terms and conditions of the ordinance, and on October 23, 2007, filed an amended petition with the Board to reflect the settlement.

The Board has reviewed the application for municipal consent, the petition and amended 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, the Borough reviewed these qualifications in conjunction with the municipal consent process.
2. The design and technical specifications of the system will 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 ten years. The Board finds this period to be of reasonable duration.
5. The Borough has reserved the right to review the performance of the Petitioner with regard to the ordinance and to seek redress administratively through the Board. Any determination by the Borough that the Petitioner has failed to substantially comply with the material terms and conditions of the ordinance shall only occur after written notice and an opportunity to cure said deficiency. Upon determination of any such findings of non-compliance, the Borough may petition the Board for appropriate administrative action, including revocation of the franchise.
6. 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 an informational schedule of prices, terms and conditions for unregulated service, and promptly file any revisions thereto.
7. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the Borough. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
8. The Petitioner shall maintain a local business office or agent within Sussex County for the purpose of receiving, investigating and resolving complaints. Currently, the local office serving this provision is located at 320 Sparta Avenue, Sparta, New Jersey.
9. In the event the Petitioner requires that a converter or other equipment must be exchanged for the customer to maintain the current level of service, the Petitioner shall cause such exchange to be effectuated by delivery of the equipment to the customer's home, and to the extent necessary, at night or on a weekend, all at no cost to the customer.

- 10 The franchise fee to be paid to the Borough 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 Borough and may be increased as required by N.J.S.A. 48:5A-30. 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 utilize the line extension policy ("LEP") attached to the Certificate as Appendix "I." The minimum homes per mile figure is 25.
- 12 The Petitioner shall provide public, educational and governmental access channels and facilities in accordance with the Borough's ordinance and its application. The application states that the Petitioner maintains one educational access channel, for which it has hired a contractor to develop community programming. Upon reasonable written request by the Borough, the Petitioner shall produce at least four events of local programming annually.
- 13 The Petitioner shall provide standard installation and one outlet of basic monthly service, free of charge, to all school and libraries located in the Borough. The Petitioner shall also provide standard installation and one outlet of basic monthly service, free of charge, to the municipal building and the fire department, provided that such free service is not made available to areas used for commercial purposes or areas where the public congregates. To the extent that the Petitioner provides such services to its customers, it shall provide one outlet of discounted Internet access to these locations, provided that such connections are not networked to more than one such outlet and that such connections do not interfere with the Petitioner's network or other customers.
- 14 If the Petitioner implements a senior citizens 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, in any municipality where it provides service, it shall offer the same discount to residents of the Borough.

Based upon these findings, the Board HEREBY CONCLUDES, 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, willing and able to comply with all applicable rules and regulations imposed by or pursuant to State or 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 as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Borough.

This Renewal 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 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.

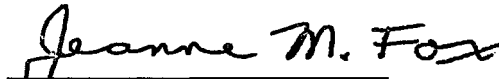
Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

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.

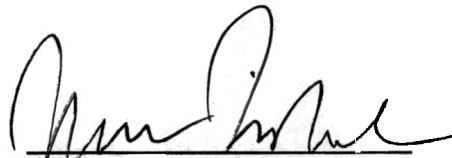
This Certificate shall expire on May 12, 2011.

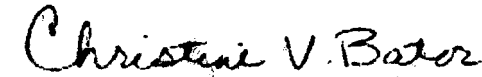
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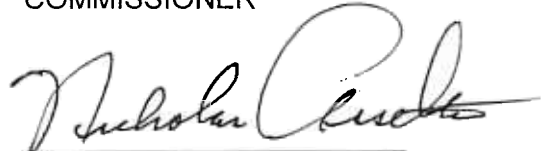
BOARD OF PUBLIC UTILITIES
BY:


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PRESIDENT


FREDERICK F. BUTLER
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JOSEPH L. FIORDALISO
COMMISSIONER

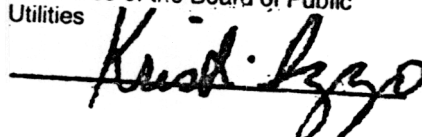

CHRISTINE V. BATOR
COMMISSIONER


NICHOLAS ASSELTA
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

SERVICE ELECTRIC CABLE TV OF NEW JERSEY, INC.
BOROUGH OF HAMBURG

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 | $\frac{\text{\# of homes in extension}}{\text{mileage of extension}}$ | = | homes per mile (HPM) of extension |
| 2. | $\frac{\text{HPM of extension}}{\text{Minimum HPM that company actually constructs in the system *}}$ | = | 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. | $\frac{\text{Total amount to be recovered from subs}}{\text{Total subscribers in extension}}$ | = | 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 that 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 area of their rights and responsibilities concerning the extension.
4. Once the share of extension costs have been paid for an individual dwelling unit, future reconnections or installations to that unit 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.

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AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE BOROUGH OF HAMBURG,
COUNTY OF SUSSEX, STATE OF NEW JERSEY
DOCKET NO. CE05060577

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