



Agenda Date: 10/20/10  
Agenda Item: IIIi

## STATE OF NEW JERSEY

Board of Public Utilities  
Two Gateway Center, Suite 801  
Newark, NJ 07102  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

### CABLE TELEVISION

IN THE MATTER OF CABLEVISION OF MONMOUTH, )  
LLC FOR THE CONVERSION TO A SYSTEM-WIDE )  
FRANCHISE IN SIX MUNICIPALITIES; THE TOWNSHIP )  
OF WALL, THE BOROUGH OF AVON BY THE SEA, )  
THE BOROUGH OF BELMAR, THE BOROUGH OF )  
LAKE COMO, THE TOWNSHIP OF NEPTUNE, AND )  
THE BOROUGH OF SPRING LAKE )

### SECOND ORDER OF AMENDMENT

DOCKET NO. CE10010023

Adam Falk, Vice President, Government and Regulatory Affairs, Cablevision Systems Corporation, Bethpage, New York, for the Petitioner

Township Clerk, Township of Wall, New Jersey by Lorraine Kubacz, for Wall Township;  
Borough Clerk/Administrator, Borough of Avon by the Sea, New Jersey by Timothy Gallagher, for Avon by the Sea Borough;  
Borough Clerk, Borough of Belmar, New Jersey by April Claudio, for Belmar Borough;  
Borough Clerk, Borough of Lake Como, New Jersey by Louise Mekosh, for Lake Como Borough;  
Township Clerk, Township of Neptune, New Jersey by Richard Cuttrel, for Neptune Township;  
Borough Clerk, Borough of Spring Lake, New Jersey by Jane Gillespie, for Spring Lake Borough for the municipalities.

### BY THE BOARD:

On February 11, 2010, the Board of Public Utilities ("Board") issued an order memorializing the conversion by Cablevision of Monmouth, LLC ("Cablevision of Monmouth") of its municipal consent-based franchise in the Borough of Interlaken to a System-wide Franchise in the above referenced docket number for a term of seven years to expire on January 11, 2017. On June 7, 2010, the Board issued an Order of Amendment to include the Borough of Bradley Beach.

Pursuant to N.J.S.A. 48:5A-25.1 and N.J.A.C. 14:18-14.13, a cable television operator with a municipal consent-based franchise or franchises issued prior to the effective date of P.L. 2006, c. 83 ("System-wide Cable Television Franchise Act" or "Act"), may automatically convert any or all of its municipal franchises upon notice to the Board and to the affected municipality or municipalities. In addition, pursuant to N.J.A.C. 14:18-14.14, a cable television company operating under a system-wide franchise may add municipalities to its system-wide franchise

upon notice to the affected municipality or municipalities and the Board. On July 19, 2010, Cablevision of Monmouth filed notice with the Township of Wall that it would convert its municipal consent ordinance-based franchise in the Township, thereby making it part of its Cablevision of Monmouth system-wide franchise; and confirmed that it would abide by the provisions of N.J.S.A. 48:5A-28 (h)-(n), as required by the System-wide Cable Television Franchise Act. That notice was received by the Board on July 20, 2010. Thereafter, on September 16, 2010, Cablevision of Monmouth filed notices with the Borough of Avon by the Sea, the Borough of Belmar, the Borough of Lake Como<sup>1</sup>, the Township of Neptune and the Borough of Spring Lake (collectively, "the municipalities") that it would convert its municipal consent ordinance-based franchises in the municipalities, thereby making it part of its Cablevision of Monmouth system-wide franchise; and confirmed that it would abide by the provisions of N.J.S.A. 48:5A-28 (h)-(n), as required by the System-wide Cable Television Franchise Act. That notice was received by the Board on September 17, 2010.

## DISCUSSION

Under N.J.S.A. 48:5A-25.1, a cable television operator with a municipal consent-based franchise or franchises issued prior to the effective date of P.L.2006 c. 83 may automatically convert any or all of its municipal franchises upon notice to the Board and to the affected municipality without meeting the requirements applicable to cable television operators applying for a system-wide franchise, except that the commitment requirements under N.J.S.A. 48:5A-28 (h)-(n) shall be applicable to all system-wide franchises, including conversions. N.J.S.A. 48:5A-28(h)-(n) impose requirements on all cable television companies operating under a system-wide franchise and includes commitments as to line extensions; public, educational and governmental ("PEG") access channels; interconnection with other cable television companies; free cable and Internet service to public schools and municipal buildings; training and equipment for access users; PEG access return feeds; and compliance with customer protection regulations. As noted above, Cablevision of Monmouth has committed to provide service to the aforementioned municipalities as required by these provisions.

## DISPOSITION OF CERTIFICATE OF APPROVAL AND UNDERLYING MUNICIPAL CONSENT

As discussed above, the Act allows a cable television company, operating under a municipal consent ordinance-based franchise, to "automatically convert" its system in any or all of its municipalities without approval from the Board or the impacted municipalities. N.J.S.A. 48:5A-25.1(a). Furthermore, N.J.S.A. 48:5A-19 provides that a "certificate of approval issued by the board shall be valid for 15 years from the date of issuance... or until the expiration, revocation, termination or renegotiation of any municipal consent upon which it is based, whichever is sooner."

Cablevision of Monmouth's Certificate of Approval and the underlying municipal consent ordinance from the Township of Wall expired on June 8, 2010. Cablevision of Monmouth initiated renewal proceedings with the Township and was thereby authorized to continue to provide cable television service to the Township pursuant to N.J.S.A. 48:5A-25, pending disposition of the proceedings regarding the renewal of its Certificate. Because Cablevision of Monmouth has now converted the municipal consent based-franchise to a system-wide franchise, pursuant to N.J.S.A. 48:5A-19 and N.J.S.A. 48:5A-25.1(a), the Board **FINDS** that

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Cablevision of Monmouth's Certificate of Approval for the Township of Wall has expired by operation of law.

Cablevision of Monmouth's Certificates of Approval and the underlying municipal consent ordinances in the Borough of Avon by the Sea was set to expire on August 18, 2015; in the Borough of Belmar on August 18, 2015; in the Borough of Lake Como on April 6, 2015; in the Township of Neptune on March 31, 2021; and in the Borough of Spring Lake on April 27, 2013. Because Cablevision of Monmouth has now converted these municipal consent based-franchises to a system-wide franchise, pursuant to N.J.S.A. 48:5A-19 and N.J.S.A. 48:5A-25.1(a), the Board **FINDS** that Cablevision of Monmouth's Certificates of Approval for the Borough of Avon by the Sea, the Borough of Belmar, the Borough of Lake Como, the Township of Neptune and the Borough of Spring Lake are hereby terminated.

Cablevision of Monmouth is authorized to provide cable television service to the municipalities pursuant to its converted system-wide franchise and the requirements of N.J.S.A. 48:5A-28 (h)-(n) and applicable law.

With regard to N.J.S.A. 48:5A-28(h), a system-wide cable television franchise operator is required to meet or exceed the line extension policy ("LEP") commitments of the cable television company operating under a municipal consent ordinance-based franchise at the time the franchise is granted. Therefore, because Cablevision of Monmouth was the incumbent municipal consent-based franchise holder in these municipalities, it is required to continue to provide, at a minimum, service to any residence in the six municipalities in accordance with its policies in effect at the time of conversion. Accordingly, Cablevision of Monmouth shall provide service to the primary service area ("PSA") of each municipality at no cost beyond the installation rates as contained in its schedule of prices, rates, terms and conditions on file with the Board. Accordingly, in the Township of Wall, Cablevision of Monmouth shall provide service to residential areas outside its PSA in accordance with the LEP attached to this order as Appendix "I" with a homes per mile figure ("HPM") of 25. Commercial establishments shall be constructed in accordance with Cablevision of Monmouth's commercial line extension policy attached to this order as Appendix "II." In the Borough of Avon by the Sea, the Borough of Belmar, the Borough of Lake Como, the Township of Neptune and the Borough of Spring Lake, Cablevision of Monmouth shall extend cable television service to all residents in the aforementioned municipalities at no cost beyond standard and non-standard installation rates. Commercial establishments shall be constructed in accordance with Cablevision of Monmouth's commercial line extension policy attached to this order as Appendix "II."<sup>2</sup>

Based upon the elements of the System-wide Franchise, and the legal mandates under which the Board operates, this Order **HEREBY COMMEMORATES** the addition of the municipalities to Cablevision of Monmouth's System-wide Franchise.

This Second Order of Amendment to the System-wide Franchise serves to add the Township of Wall, the Borough of Avon by the Sea, the Borough of Belmar, the Borough of Lake Como, the Township of Neptune and the Borough of Spring Lake to Cablevision of Monmouth's System-wide Franchise, and does not, in any manner, modify, change or otherwise affect the terms and conditions of that February 11, 2010 Order.

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<sup>2</sup> It is noted that the commercial line extension policy attached to this Order as Appendix "II" also applies to the Borough of Bradley Beach, which was added to Cablevision of Monmouth's System-wide Franchise on May 11, 2010 and memorialized by the Board's Order of Amendment issued on June 7, 2010.


Without limitations to the full requirements set forth in that Order, the Board reminds Cablevision of Monmouth that, under the System-wide Franchise, it 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. To the extent possible based upon the technology used in providing service, Cablevision of Monmouth 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 the System-wide Franchise.

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 subject Cablevision of Monmouth to penalties, as enumerated in N.J.S.A. 48:5A-51, and/or may constitute sufficient grounds for the suspension or revocation of the System-wide Franchise.

This Second Order of Amendment to the System-wide Franchise is issued on the representation that the statements contained in Cablevision of Monmouth's applications, notices, and other writings are true, and the undertakings therein contained shall be adhered to and be enforceable unless specific waiver is granted by the Board or the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

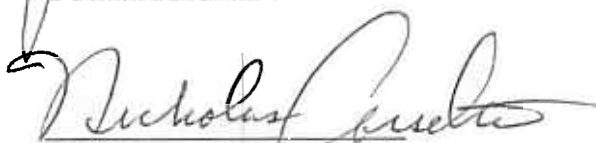
DATED: 10/20/10

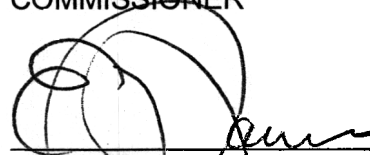
BOARD OF PUBLIC UTILITIES  
BY:

  
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PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

  
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COMMISSIONER

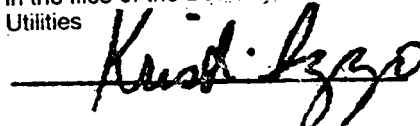
  
NICHOLAS ASSELTA  
COMMISSIONER

  
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



## APPENDIX "I"

### Office of Cable Television Line Extension Policy

Company      Cablevision of Monmouth, LLC  
Municipality    Township of Wall

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.

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|----|--|
|    | $\frac{\text{\# of homes in extension}}{\text{mileage of extension}} = \text{homes per mile (HPM) of extension}$   |
| 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. | $\text{Total cost of building the extension times "A"} = \text{company's share of extension cost}$   |
| 4. | $\text{Total cost of building extension less company's share of extension cost} = \text{total amount to be recovered from subscribers}$  |
| 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:

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:

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.

## **APPENDIX "II"**

### **CABLEVISION OF MONMOUTH, LLC SYSTEM-WIDE FRANCHISE**

#### **COMMERCIAL LINE EXTENSION RATE POLICY**

1. Intent. It is the intent of CABLEVISION that a rate policy be established under which any businesses within the company's franchise areas would have the opportunity to obtain cable television service.

2. Applicability. This line extension rate shall apply to all cable television service extensions, aerial and underground, on public and private lands, provided by CABLEVISION.

3. Definitions.

(a) Line or Service. That situation where the company must extend its existing trunk line and/or distribution cable in order to make a tap available from which a drop line can be run so as to provide cable television service to the applicant's premises. The line or service extension shall include, but not be limited to, all poles, cables, amplifiers, extenders, splitters, taps, right-of-way acquisitions and clearing, trenching, backfilling and any other one-time costs incurred by CABLEVISION in connection with extending service to the applicant. A line or service extension shall not include facilities provided by CABLEVISION pursuant to its applicable installation rates then existing.

(b) Applicant. Any person, firm, corporation or association that applies to CABLEVISION for service to a commercial establishment in the franchise area.

(c) Commercial Establishment. Any building or structure, or portion thereof, not used for residential purposes including, but not limited to, profit and non-profit corporations or associations, which has requested the installation of cable television service requiring line or service extension as defined herein.

(d) Drop Line. That cable which connects the subscriber's television receiver to the cable transmission system by way of a tap.

(e) Tap. A connecting device inserted in the cable transmission line which allows for the connection of a drop line. An aerial or underground "drop line" constitutes a transmission cable running from the distribution or feeder cable to the subscriber's connection or receiver.

(f) Trunk Line. Transmission cable running from headend to trunk amplifiers and through each trunk amplifier in cascade in the system from which connections for distribution and feeder cable are provided.

(g) Distribution or Feeder Cable. Transmission cable which extends from the distribution amplifiers serving specific areas within the system and from which drop lines are extended.



(h) Qualified Subscriber. Any applicant who, as a potential subscriber, has committed to purchase at least the basic service from CABLEVISION for a period of not less than two (2) years.

#### 4. Schedule.

(a) Within thirty (30) days after the date on which the service is requested, but not more than ninety (90) days from the date upon which the request for service was made, CABLEVISION shall furnish the applicant with (1) an estimate request form, (2) a copy of this line extension policy, and (3) notification that service can only be provided by means of a line or service extension.

(b) If the applicant requests a written estimate within thirty (30) days after being advised that service can only be provided by means of a line or service extension, CABLEVISION shall, within sixty (60) days of such request, furnish a written estimate, a construction schedule, and a service extension contract to be signed by the applicant.

(c) The applicant must return a signed service extension agreement within thirty (30) days after receipt of the material described in Paragraph (b) together with a check in the amount of \$50.00 representing a service extension deposit which will be credited against the applicant's contribution in aid of construction invoice to the applicant which must be signed and returned to CABLEVISION with the full payment before construction will commence.

(d) If the applicant fails to meet any of the applicable deadlines or any of the terms herein before set forth without the approval of CABLEVISION, any obligations pertaining to the proposed line or service extension shall cease and be of no further force or effect.

#### 5. Commercial Line Extension Rate Charges.

A commercial establishment requesting line or service extension shall bear all of the following costs to make a tap available from which a drop line may be installed:

(a) The actual cost to CABLEVISION of materials and equipment necessary to make service available plus shipping charges and applicable taxes.

(b) The actual labor costs incurred by CABLEVISION, exclusive of benefits

(c) The actual costs of designs, surveys, prints and engineering or other such labor involved in the preparation or actual construction required.

(d) The direct costs of any easements, make-ready or other third party actions required to perform and complete construction such as, but not limited to, power companies, telephone companies, road work, trenching or the like.

(e) In addition, the applicant shall pay to CABLEVISION a sum equal to twenty percent (20%) of the entire actual cost of construction as set forth above.

(f) In the event additional commercial subscribers come on-line in an area in which service extension has been provided in accordance herewith, each additional subscriber

shall, in addition to the applicable installation rate, be required to contribute their pro-rata share of the original construction costs. Said pro-rata share shall be derived by dividing the original construction cost by the number of then existing on-line subscribers including the additional subscriber(s).

(g) Any funds collected from additional subscribers will be retained by CABLEVISION in an interest-bearing account and distributed equitably so as to equalize all subscriber construction contributions. Distribution will be made two years after the original service extension was provided. After said two year period, there shall be no further apportionment of the original construction cost.

6. Record Keeping and Annual Reports. CABLEVISION shall maintain appropriate records of its costs, subscriber and applicant billings, and revenues resulting from a request for or the construction of a service extension.

7. Ownership of Facilities. CABLEVISION shall own and maintain the facilities for which a service extension is made and any applicant-subscriber shall not acquire any interest herein.

8. Method of Service Extension. CABLEVISION reserves the right to provide either an aerial or underground service extension.

9. Term of Service. The minimum term of at least basic subscriber service for an applicant requesting service extension, or his successors and assigns, shall be twenty-four (24) months after the service extension has been energized. Said term shall be guaranteed by the applicant in the service extension contract specified in Paragraph 4(c) hereof.

**SERVICE LIST**

**IN THE MATTER OF CABLEVISION OF MONMOUTH, LLC  
FOR THE CONVERSION TO A SYSTEM-WIDE FRANCHISE IN THE  
TOWNSHIP OF WALL; THE BOROUGH OF AVON BY THE SEA, THE BOROUGH OF  
BELMAR, THE BOROUGH OF LAKE COMO, THE TOWNSHIP OF NEPTUNE AND THE  
BOROUGH OF SPRING LAKE  
DOCKET NO. CE10010023**

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