Agenda Date: 2/20/13 Agenda Item: IIIA



STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF SERVICE)	RENEWAL CERTIFICATE OF
ELECTRIC CABLE T.V. OF HUNTERDON, INC. FOR A	Ĺ	APPROVAL
RENEWAL CERTIFICATE OF APPROVAL FOR THE	í	
CONTINUED CONSTRUCTION, OPERATION AND	Ś	
MAINTENANCE OF A CABLE TELEVISION AND CABLE	Ś	
COMMUNICATIONS SYSTEM IN THE TOWN OF	í	
PHILLIPSBURG, COUNTY OF WARREN, STATE OF	Ś	DOCKET NO. CE12121057
NEW JERSEY	,	_ + +

Parties of Record:

Thomas C. Kelly, Esq., on behalf of the Petitioner Victoria L. Kleiner, Acting Town Clerk, Town of Phillipsburg

BY THE BOARD:

On April 8, 1981, the Board of Public Utilities ("Board") granted Sammons Communications of New Jersey, Inc. ("Sammons") a Certificate of Approval in Docket No. 805C-6685 for the construction, operation and maintenance of a cable television system in the Town of Phillipsburg ("Town"). On December 9, 1992, the Board granted Sammons a Renewal Certificate of Approval for the Town in Docket No. CE91071242. Due to a transfer with required Board approval, the current holder is Service Electric Cable T.V. of Hunterdon, Inc. ("Petitioner"). On January 5, 2001, the Board granted the Petitioner a Renewal Certificate of Approval for the Town in Docket No. CE00100772. Although by its terms the Petitioner's above referenced Certificate expired on January 5, 2013, it is authorized to continue to provide cable television service to the Town 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 Town on March 30, 2012, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. The Town, after public hearing, adopted a municipal ordinance granting renewal consent to the Petitioner on September 4, 2012. On November 16, 2012, the Petitioner formally accepted the terms and conditions of the ordinance. On December 4, 2012, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Town.

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 <u>HEREBY FINDS</u> the following:

- The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval. Further, the Town reviewed these qualifications in conjunction with the municipal consent process.
- 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.
- The franchise period as stated in the ordinance is 15 years from the date of issuance of this Certificate. The Board finds this period to be of reasonable duration.
- 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 and file with the Board an informational schedule of prices, terms and conditions for unregulated service, and promptly file any revisions thereto.
- 6. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the Town. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
- 7. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. Local offices are currently located at 383 South Main Street, Phillipsburg, New Jersey and at 2260 Avenue A, LVIP #1, Bethlehem, Pennsylvania.
- 8. The franchise fee to be paid to the Town 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 Town, and shall 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.
- 9. The Petitioner shall proffer service along any public right-of-way to any person's residence in the primary service area of the franchise territory as described on the map submitted with the application and on file with the Office of Cable Television at no cost beyond charges for standard and non-standard installation. For any future construction within the Town, the Petitioner shall use the line extension policy attached to this Certificate as Appendix "I" with a homes per mile figure of 35.
- 10. The Petitioner shall provide educational and governmental ("EG") access channels and facilities in accordance with its renewal application. Specifically, the Petitioner shall provide access time on a channel to non-commercial EG access

entities, currently on Channel 50, which is shared with the leased access channel. The channel is shared with the Town and other surrounding municipalities. The Town school district has EG access capabilities by fiber from the Petitioner's tower to Phillipsburg Middle School and is currently located on Channel 262. The Petitioner shall provide the equipment as listed in the application for EG access/local origination use.

- 11. The Petitioner shall lend to the Town, for EG access cablecasts, videotapes of programming related to the Town or matters of particular interest to the Town which are in the Petitioner's possession or control and which have been previously shown on the Petitioner's channel or such other channel the Petitioner uses for its own originated programming, provided that the Petitioner may withhold such videotapes on reasonable grounds, including but not limited to, the rights of copyright holders or its other commitments with respect to such programming.
- 12. The Town has implemented an Access Committee which has established procedures, operational guidelines and programming safeguards for the production of and distribution of programming of the type contemplated by EG access. The Petitioner shall meet periodically with the Committee to assist it in understanding its roles and obligations. The Town shall designate a Town representative to inform the Petitioner from time to time with respect to local programming ideas or events for the Petitioner to consider for the Petitioner's local origination channel.
- 13. The Petitioner shall provide the installation of one outlet and basic monthly cable service, free of charge, to each existing or new school and/or library in the Town.
- 14. At the request of the Town, and upon reasonable notice, the Petitioner and the Town or its authorized representatives shall meet at least once annually to address the adequacy or inadequacy of the Petitioner's customer service and such other matters of mutual interest. Such meetings shall be open to the public.

Based upon these findings, the Board <u>HEREBY CONCLUDES</u>, pursuant to <u>N.J.S.A.</u> 48:5A-17(a) and 28(c), that the Petitioner has the municipal consent necessary to support the petition; that such consent and issuance thereof are in conformity with the requirements of <u>N.J.S.A.</u> 48:5A-1 <u>et seq.</u>; 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 that the Petitioner is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is <u>HEREBY ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Town.

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 <u>C.F.R.</u> § 76.1 <u>et seq.</u>, including, but not limited to, the

technical standards 47 <u>C.F.R.</u> § 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 contained therein 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 seg.

This Certificate shall expire 15 years from the date of its issuance.

This order shall be effective on March 4, 2013.

DATED: 2/20/13

BOARD OF PUBLIC UTILITIES

BY:

ROBERT M. HANNA

PRESIDENT

DEANNE M. FOX

COMMISSIONER

OSEPH L. FIORDALISO

COMMISSIONER

MARY-ANNA HOLDEN

COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY

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

APPENDIX "I"

OFFICE OF CABLE TELEVISION LINE EXTENSION POLICY

SERVICE ELECTRIC CABLE TV OF HUNTERDON, INC. TOWN OF PHILLIPSBURG

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.	# of homes in extension mileage of extension	==	homes per mile (HPM) of extension
2.	HPM of extension 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.	Total amount to be recovered from subs Total subscribers in extension	= on	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.
- Begin construction within 60 days of receipt of any deposit monies from potential subscribers.
- Complete construction within six months of receipt of any deposit monies from potential subscribers.
- 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.
- The company shall keep accurate records of the cost of the extension, the amounts paid by subscribers and any appropriate adjustments.
- The company shall notify subscribers in the extension of their rights and responsibilities concerning the extension.
- 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.
- 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.
- 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.

IN THE MATTER OF THE PETITION OF SERVICE ELECTRIC CABLE T.V. OF HUNTERDON, INC. FOR A RENEWAL CERTIFICATE OF APPROVAL FOR THE CONTINUED CONSTRUCTION, OPERATION AND MAINTENANCE OF A CABLE TELEVISION AND CABLE COMMUNICATIONS SYSTEM IN THE TOWN OF PHILLIPSBURG, COUNTY OF WARREN, STATE OF NEW JERSEY

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