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



# 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	)	RENEWAL CERTIFICATE OF
COMCAST OF CENTRAL NEW JERSEY II, LLC,	)	APPROVAL
FOR A RENEWAL CERTIFICATE OF APPROVAL	)	
TO CONTINUE TO CONSTRUCT, OPERATE AND	)	
MAINTAIN A CABLE TELEVISION SYSTEM IN	)	
AND FOR THE TOWNSHIP OF LONG HILL,	)	
COUNTY OF MORRIS, STATE OF NEW JERSEY	)	DOCKET NO. CE12050429

#### Parties of Record:

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC, for the Petitioner Neil Henry, Acting Clerk, Township of Long Hill, New Jersey

### BY THE BOARD:

On August 1, 2001, the Board granted CSC TKR, Inc. d/b/a Cablevision of Morris ("CSC") a Certificate of Approval in Docket No. CE00120977 for the construction, operation and maintenance of a cable television system in the Township of Long Hill ("Township"). Due to a series of Board approved transfers, the Certificate of Approval was held by Patriot Media & Communications CNJ, LLC ("Patriot")<sup>1</sup>. With required Board approval, Comcast Cable Communications Holdings, Inc. acquired control of Patriot, as a result of which Patriot became a wholly-owned indirect subsidiary of Comcast Corporation ("Comcast"). Based on a name change, Comcast of Central New Jersey II, LLC ("Petitioner") is the current holder of the Certificate. Although the Petitioner's above referenced Certificate expired on August 1, 2011, the Petitioner is authorized to continue to provide cable television service to the Township pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

<sup>&</sup>lt;sup>1</sup> It is noted that Patriot was the holder of a second Certificate for the entirety of the Township of Long Hill (f/k/a Township of Passaic), owned by its predecessor, RCN of New Jersey, Inc. ("RCN"). Pursuant to the Board's Order issued on September 24, 2003 in Docket No. CM03060464 approving the transfer of Certificate of Approval from CSC to Patriot, RCN's Certificate of Approval was allowed to expire based upon certain conditions being met. Without objection from the Township, the RCN Certificate of Approval expired on July 7, 1997 and the franchise obligations were superseded by the CSC Certificate of Approval, the subject of the present Renewal Petition.

The Petitioner filed an application for the renewal of its municipal consent with the Township on October 29, 2010, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. The Township, after public hearing, adopted an ordinance granting renewal municipal consent to the Petitioner on February 22, 2012. The Petitioner formally accepted the terms and conditions of the ordinance on February 27, 2012. On May 23, 2012, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate 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 <u>HEREBY FINDS</u> 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.
- The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
- 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 15 years. The Board finds this franchise period to be of reasonable duration.
- 5. The Township has reserved the right to review the Petitioner's performance with regard to the ordinance. In the event that the Township shall find that the Petitioner has not substantially complied with the material terms and conditions of the ordinance, the Township shall have the right to petition the Board for appropriate administrative action, pursuant to N.J.S.A. 48:5A-47; provided, however, that the Township shall first have given the Petitioner written notice of all alleged instances of non-compliance and an opportunity to cure same within 90 days of that notification.
- 6. The Petitioner shall provide service to any residence or business along any public right-of-way in the Primary Service Area at no cost beyond standard and non-standard installation charges. For any extension outside of the Primary Service Area, the Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate. The minimum homes per mile figure is 15.
- 7. 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, informational schedules of prices, terms and conditions for unregulated service, and promptly file any revisions thereto.
- Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive
  and act upon complaints filed by subscribers in the Township. In this case, it is the Office
  of Cable Television. All complaints shall be received and processed in accordance with
  any applicable rules.
- The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The Petitioner currently maintains a local office at 279 Amwell Road, in Hillsborough, New Jersey.

- 10. 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 or any additional amount 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 continue to provide one educational access channel, one governmental access channel and one dedicated system-wide public access channel for use by qualified residents and organizations of the Township for the purpose of cablecasting non-commercial educational and public access programming.
- 12. Within six months of issuance of this Certificate, the Petitioner shall provide the Township with a one-time grant of \$30,000.00 for the access related needs of the Township. Upon payment, the Petitioner shall submit proof of satisfaction of this provision to the Office of Cable Television.
- 13. The Petitioner shall provide installation and basic cable television service, on one outlet, free of charge, to each school in the Township, public and private, elementary, intermediate and secondary including Central School, Millington School and Gillette School. In order to qualify for free installation, the school must be located within 200 feet of active cable distribution plant. Each additional outlet installed, if any, shall be paid for on a materials plus labor basis by the school requesting service. The Petitioner shall waive monthly service charges for any such additional outlets.
- 14. The Petitioner shall provide installation and basic cable television service, on one outlet, free of charge, to each police, fire, emergency management facility, and public library, including Town Hall, Old Town Hall, Free Public Library, Police Headquarters, Lounsberry Meadow Senior Center, Department of Public Works Facility, First Aid Squad, Stirling Fire Company, Millington Fire Company and Senior Center located in the Township. In order to qualify for free installation, the facility must be located within 200 feet of active cable distribution plant. The Township shall pay for each additional outlet installed to any of the above facilities on a materials plus labor basis, however, the Petitioner shall waive monthly service charges for any such additional outlets.
- 15. The Petitioner shall provide free monthly Internet service via high-speed cable modem on one non-networked personal computer to the public library and each school in the Township, public and private, elementary, intermediate and secondary. To qualify for free installation, the facility must be located within 200 feet of active cable distribution plant. The Internet service shall be installed on a personal computer that is accessible to students and library patrons, and shall not be used for administrative purposes only.

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 and 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 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 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 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 this Certificate.

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 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 be 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 on August 1, 2026.

This order shall be effective on March 4, 2013.

DATED: 2/20/13

BOARD OF PUBLIC UTILITIES

**PRESIDENT** 

NNE M. FOX

OMMISSIONER

JØSEPH L. FIORDALISO

COMMISSIONER

COMMISSIONER

ATTEST:

KRISTI IZZO

SECRETARY

## APPENDIX "I"

# Office of Cable Television Line Extension Policy

Company Comcast of Central New Jersey II, LLC

Municipality Township of Long Hill

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	=	homes per mile (HPM)
	mileage of extension		of extension

2.	HPM of extension	=	ratio of the density
	Minimum HPM that		of the extension to the
	company actually		minimum density which the
	constructs in the		company constructs in the
	system *		system ("A")

3.	Total cost of building	=	company's share of
	the extension times "A"		extension cost

4.	Total cost of building	=	total amount to be
	extension less company's		recovered from
	share of extension cost		subscribers

5. To	Total amount to be	=	each subscriber's share
	recovered from subs		
	Total subscribers in		
	evtension		

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.
- All residences and businesses within 100 underground feet of the operator's plant at no cost beyond the normal installation rate.

<sup>\*</sup> 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 breakeven 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.
- 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.
- 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.
- 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.
- 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 COMCAST OF CENTRAL NEW JERSEY II, LLC, FOR A RENEWAL CERTIFICATE OF APPROVAL TO CONTINUE TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN AND FOR THE TOWNSHIP OF LONG HILL, COUNTY OF MORRIS, STATE OF NEW JERSEY - DOCKET NO. CE12050429

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