



Agenda Date: 6/17/15
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)
COMCAST OF NEW JERSEY II, LLC FOR A) RENEWAL CERTIFICATE OF
RENEWAL CERTIFICATE OF APPROVAL TO) APPROVAL
CONTINUE TO CONSTRUCT, OPERATE AND)
MAINTAIN A CABLE TELEVISION SYSTEM IN)
AND FOR THE TOWNSHIP OF SCOTCH PLAINS,)
COUNTY OF UNION, STATE OF NEW JERSEY) DOCKET NO. CE15030387

Parties of Record:

Dennis C. Linken, Esq., Scarinci Hollenbeck, LLC, for the Petitioner
Bozena Lacina, Clerk, Township of Scotch Plains, New Jersey

BY THE BOARD:¹

On June 27, 1979, the Board of Public Utilities ("Board") granted Suburban Cablevision ("Suburban") a Certificate of Approval in Docket No. 794C-6464 for the construction, operation and maintenance of a cable television system in the Township of Scotch Plains ("Township"). On April 19, 1989, the Board granted Suburban a Renewal Certificate of Approval for the Township, in Docket No. CE89010095. Due to a Board-approved acquisition transaction, Comcast Cablevision of New Jersey, Inc. ("Comcast") became the holder of the Certificate. On August 18, 1999, the Board granted Comcast a Renewal Certificate of Approval for the Township, in Docket No. CE99060391. Based on a name change, the current holder of the Certificate is Comcast of New Jersey II, LLC ("Petitioner"). Although by its terms the Renewal Certificate expired on June 27, 2014, 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 this proceeding regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the Township on September 24, 2013 pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. On December 16, 2014, the Township, after a public hearing, adopted a municipal ordinance granting renewal consent to the Petitioner. On January 21, 2015, the Petitioner formally

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

accepted the terms and conditions of the ordinance. On March 31, 2015, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval.

The Board 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 **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 Township reviewed these qualifications in conjunction with the municipal consent process. N.J.S.A. 48:5A-22 to -29; N.J.A.C. 14:18-13 et seq.
2. The design and technical specifications of the system will ensure that the Petitioner provides safe, adequate and proper service.
3. The Petitioner represented that all previously required construction within the franchise territory is complete.
4. The franchise period, as provided in the ordinance, is 15 years. The Board finds this duration to be reasonable.
5. The Township may review the performance of the Petitioner with regard to the ordinance at its discretion. If the Township determines that the Petitioner failed to substantially comply with the material terms and conditions of the ordinance, the Township shall provide written notice to the Petitioner of such alleged instances of non-compliance, and shall grant the Petitioner 90 days to cure such deficiency. The Township may petition the Board for appropriate administrative action, including revocation of the franchise or reduction of the franchise term, but only after the 90-day opportunity to cure has passed and the deficiency has not been cured.
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 and file with the Board 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 Township. 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 for the purpose of receiving, investigating and resolving complaints. Currently, the primary local business office serving this provision is: 800 Rahway Avenue, Union, New Jersey.
9. Pursuant to N.J.S.A. 48:5A-30, the franchise fee to be paid to the Township is specified to be 3.5% of the Petitioner's gross revenues, as defined in N.J.S.A. 48:5A-3(x), derived from cable television charges or fees paid by subscribers for its cable television service in the Township. 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.

10. 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 as set forth in the Petitioner's application. 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 35.
11. The Petitioner shall provide public, educational and governmental ("PEG") access channels and facilities in accordance with its renewal application and the ordinance. Specifically, the Petitioner shall continue to provide the Township with a dedicated local access channel for the purpose of cablecasting non-commercial access programming by the Township.
12. Within one year of written request of the Township, the Petitioner shall provide a second dedicated local access channel and return line and necessary equipment for signal transmission. The origination site and return line shall be at a site of the Township's choosing, provided that the site is within 200 feet of the Petitioner's active cable distribution plant.
13. Within one year of written request of the Township, the Petitioner shall provide an additional return line for the Township's access channel at a site of the Township's choosing. Additionally, the Township may request, in writing, an additional return line for the Township's access channel at a site of the Township's choosing, which shall be requested no sooner than one year from the completion of the first additional return line and which shall be provided no later than one year of the Township's request. The locations of the return lines shall be located within 200 feet of the Petitioner's active cable distribution plant and shall terminate at the Township's studio location at Township Hall.
14. The Petitioner shall maintain a system-wide public access channel for use by qualified individuals and organizations in the municipalities served by the Petitioner's system. The Petitioner shall continue to make available a mobile production vehicle unit with cameras, recording and editing equipment for the community for the purpose of community access programming production. Upon reasonable advance notice, the Petitioner shall provide training for potential access users and groups.
15. Within six months of issuance of this Certificate, the Petitioner shall pay the Township a one-time access-related technology grant in the amount of \$75,000.00. Upon payment, the Petitioner shall provide the Office of Cable Television with proof of satisfaction of this obligation.
16. In the event the Petitioner changes the current channel designations for local access channels, the Petitioner shall take reasonable measures to inform Township customers of the changes and shall reimburse the Township for reasonable administrative costs associated with notifying persons of the channel

re-designations and re-branding content and materials. The total amount to be reimbursed by the Petitioner shall not exceed \$5,000.00.

17. The Petitioner shall provide standard installation and basic cable television service, free of charge, on one outlet to each school in the Township, public and private, elementary, intermediate and secondary. To qualify for free installation, the facility must be within 200 feet of the Petitioner's active cable television plant. Each additional outlet installed, if any, shall be paid for on a materials plus labor basis by the school requesting the installation. Monthly service charges, except equipment, shall be waived on all additional outlets.
18. The Petitioner shall provide one standard installation and basic cable television service, free of charge, to each police, fire, emergency management facility and public library within the Township. To qualify for free installation, the facility must be within 200 feet of the Petitioner's active cable television plant. Each additional outlet installed, if any, shall be paid for on a materials plus labor basis by the Township. Monthly service charges, except equipment, shall be waived on all additional outlets.
19. The Petitioner shall continue to provide one non-networked outlet of basic Internet service, via high speed cable modem, free of charge, to each school in the Township, public and private, elementary, intermediate or secondary. To qualify for free installation, the facility must be within 200 feet of the Petitioner's active cable television plant. The connection shall be installed in a location accessible for student use, and shall not be restricted to administrative use.
20. Upon reasonable written request of the Township, the Petitioner's representatives shall appear at least once annually, at a public meeting of the governing body, or before the Township's Cable Television Advisory Committee, to discuss matters pertaining to the provision of cable television service to residents of the Township and other related issues as the Township and the Petitioner may see fit.

Based upon these findings, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), the Board **HEREBY CONCLUDES**, as follows: the Petitioner has the municipal consent necessary to support the petition, such consent and issuance thereof are in conformity with the requirements of N.J.S.A. 48:5A-1 et seq.; the Petitioner 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; 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, own, operate, and maintain 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 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 shall be adhered to and enforceable unless a 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 June 27, 2029.

This Order shall be effective on June 26, 2015.

DATED: *June 18, 2015*

BOARD OF PUBLIC UTILITIES
BY:

[Signature]
RICHARD S. MROZ
PRESIDENT

[Signature]
JOSEPH L. FIORDALISO
COMMISSIONER

[Signature]
MARY-ANNA HOLDEN
COMMISSIONER

[Signature]
DIANNE SOLOMON
COMMISSIONER

ATTEST: *[Signature]*
IRENE KIM ASBURY
SECRETARY

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

[Signature]

APPENDIX "I"
OFFICE OF CABLE TELEVISION
LINE EXTENSION POLICY

COMCAST OF NEW JERSEY II, LLC
TOWNSHIP OF SCOTCH PLAINS

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. <u># of homes in extension</u> mileage of extension | = | homes per mile (HPM) of extension |
| 2. <u>HPM of extension</u> 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 <u>recovered from subs</u> 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 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.

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DOCKET NO. CE15030387

SERVICE LIST

Dennis C. Linken, Esq.
Scarinci Hollenbeck
Post Office Box 790
Lyndhurst, NJ 07071-0790

Bozena Lacina
Township Clerk
Township of Scotch Plains
430 Park Avenue
Scotch Plains, NJ 07076

Charles L. Smith, III, Senior Director
Government and Regulatory Affairs
Comcast
800 Rahway Avenue
Union, NJ 07083

Veronica Beke
Deputy Attorney General
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Lawanda R. Gilbert, Esq., Acting Director
Board of Public Utilities
Office of Cable Television
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Karen A. Marlowe
Administrative Analyst I
Board of Public Utilities
Office of Cable Television
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350