



Agenda Date: 2/24/16
Agenda Item: 3A-1

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CABLE TELEVISION

IN THE MATTER OF THE ALLEGED FAILURE OF)
TIME WARNER CABLE INFORMATION SERVICES)
(NEW JERSEY), LLC TO COMPLY WITH CERTAIN)
PROVISION OF A BOARD ORDER AND THE)
ALLEGED FAILURE OF TIME WARNER CABLE NEW)
YORK CITY, LLC TO COMPLY WITH CERTAIN)
PROVISIONS OF THE NEW JERSEY CABLE)
TELEVISION ACT, N.J.S.A. 48:5A-1 ET SEQ., THE)
NEW JERSEY ADMINISTRATIVE CODE, N.J.A.C.)
14:17-1.1 ET SEQ. AND N.J.A.C. 14:18-1.1 ET SEQ.,)
AND CERTAIN PROVISIONS OF BOARD ORDERS)

ORDER ACCEPTING OFFER
OF SETTLEMENT

DOCKET NO. CO15091102

Parties of Record:

Dennis Linken, Esq. Scarinci & Hollenbeck, LLC, on behalf of Time Warner Cable Information Services (New Jersey), LLC and Time Warner Cable New York City LLC

BY THE BOARD:

Time Warner Cable Information Services (New Jersey), LLC ("TWCIS"), an indirect subsidiary of Time Warner Cable Inc. ("TWC"), is a telecommunications provider subject to the jurisdiction of the Board of Public Utilities (the "Board" or "BPU") pursuant to the New Jersey Public Utilities Act, N.J.S.A. 48:2-1 et seq. Time Warner Cable New York City, LLC ("TWCNY"), also an indirect subsidiary of TWC, owns and operates a cable television system in New Jersey pursuant to N.J.S.A. 48:5A-1 et seq.

The Board's Office of Cable Television and Telecommunications (hereinafter "OCTV&T" or "Office") uncovered a number of apparent deficiencies during the course of a compliance review conducted as part of its review of a pending petition, Docket No. CM15070770, wherein Charter Communications, Inc. ("Charter"), TWC, and TWCNY seek approval of the transfer of control of TWCNY, an indirect subsidiary of TWC to a subsidiary of Charter, CCH I, LLC ("New Charter"). The Office alleged that TWCIS was not conforming to certain provisions of the New Jersey Public Utilities Act, N.J.S.A. 48:2-1 et seq. and TWCNY was not conforming to certain provisions of the New Jersey State Cable Television Act, N.J.S.A. 48:5A-1 et seq. and the New

Jersey Administrative Code, N.J.A.C. 14:17-1.1 et seq. and N.J.A.C. 14:18-1.1 et seq., as more specifically set forth in Attachment 1 (Schedule of Alleged Violations). The aforementioned statutes and regulations require that all telecommunications and cable systems in New Jersey operate in a manner that protects the rights of the telecommunications and cable consumer.

As a result of correspondence, telephone conversations and settlement conferences between TWCIS, TWCNY and the OCTV&T, on February 22, 2016, TWCIS and TWCNY submitted an Offer of Settlement ("Offer") concerning the non-conforming practices outlined on the attached schedule of the alleged violations. In the Offer of Settlement submitted by TWCIS and TWCNY, TWCIS and TWCNY did not admit to any violations and made a monetary offer in the amount of \$300,000.00 in order to resolve all issues concerning the violations alleged by the Office.

The Board has reviewed the matter and **HEREBY FINDS** that the Offer represents a reasonable settlement of the alleged violations. Therefore, the Board **HEREBY ACCEPTS** the Offer of Settlement proffered by TWCIS and TWCNY subject to the following conditions:

1. TWCIS and TWCNY shall tender \$300,000.00, payable to Treasurer, State of New Jersey within fifteen (15) days of the effective date of the Board Order accepting this Offer of Settlement.
2. TWCNY, their parents, affiliates, subsidiaries, successors or assigns, shall provide, on an on-going basis, proofs, in the form of a true copy of notices and verified proofs of mailing, to the Office that all required quarterly and annual notices were sent to customers on the earlier of thirty (30) days of the completion of such notices or ten (10) days following the end of the quarter or annual period for which the notice was sent in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18. This requirement is consistent with the Board's prior Orders in Docket Nos. CO07030170, CO08100894 and CO09120977.
3. TWCIS, TWCNY, their parents, affiliates, subsidiaries and successors shall provide verified proof, including, where appropriate, certifications of continued compliance, to the Office no later than April 25, 2016, that appropriate corrective action was implemented as of the date of its Offer of Settlement to ensure that:
 - a. TWCNY provides a consumer education program on compatibility matters to their subscribers in writing at the time they first subscribe and at least once a year thereafter. Cable operators may choose the time and means by which they comply with the annual consumer information requirement. This requirement may be satisfied by a once-a-year mailing to all subscribers. The information may be included in one of the cable system's regular subscriber billings, as required by 47 C.F.R. § 76.1622.
 - b. TWCNY files a statement within the required timeframe as to the date on which it proposed to make the schedule of all prices, rates, terms and conditions or change effective. The date of the statement shall not be earlier than thirty (30) days after the filing unless otherwise permitted by the Office with the approval of the Board except where advance notice is sufficient under N.J.A.C. 14:18-3.16, as required by N.J.A.C. 14:17-6.16(a)4.

- c. TWCNY provides to every new customer a complete copy of the cable television company's current schedule of all rates, terms, and conditions applicable to that type of customer, for example, residential, commercial, etc., as required by N.J.A.C. 14:18-3.3(d).
- d. TWCNY ensures all bills shall show a full itemization of any other separate fees or charges, including but not limited to, any Form 1235 add-on fees, as required by N.J.A.C. 14:18-3.7(a)9.
- e. TWCNY ensures all bills for cable television service shall be prorated upon establishment and termination of service, as required by N.J.A.C. 14:18-3.8(a).
- f. TWCNY provides customers fifteen (15) days' written notice prior to disconnection for non-payment, as required by N.J.A.C. 14:18-3.9(b).
- g. TWCNY provides each subscriber to its cable television reception service, at the time that person becomes a subscriber, notice of the complaint officer and the Office's toll free telephone number, as required by N.J.S.A. 48:5A-26(c).
- h. TWCNY complies with the cost charged to customers to replace lost or stolen converters or other auxiliary equipment, which shall be in an amount not to exceed the cable television operator's current replacement cost of the equipment. TWCNY also complies with the cost charged to customers for damaged equipment, which shall not exceed the reasonable repair costs or actual replacement cost, whichever is lesser, as required by N.J.A.C. 14:18-3.23.
- p. TWCNY provides, upon a new request for service, an initial written notice of customer consent for the release of personally identifiable information, in association with complaints received at its offices, as required by N.J.A.C. 14:18-6.7(b)1.
- q. TWCNY files with the Office an annual detailed report of the number and character of complaints made by customers and communicated to the company within the appropriate timeframe, as required by N.J.A.C. 14:18-6.7(g).
- r. TWCNY files with the Office a complete cable facts questionnaire no later than March 1st of each year, as required by N.J.A.C. 14:18-7.1(a).
- s. TWCNY files other periodic reports with the Office, as required by N.J.A.C. 14:18-7.1(c), N.J.A.C. 14:18-7.2 and N.J.S.A. 48:5A-44(c).
- t. TWCNY files with the Office its telephone system information report pursuant to N.J.A.C. 14:18-7.6, demonstrating compliance with the provisions of N.J.A.C. 14:18-7.8.

- u. TWCNY files with the Office its periodic telephone system performance reports within the appropriate timeframe, as required by N.J.A.C. 14:18-7.7(c).
- v. TWCNY ensures its customers have adequate access to personnel so that customer phone calls are answered within the thirty (30) second hold time as required by 47 C.F.R. §76.309(c) and N.J.A.C. 14:18-7.8(a)2.
- w. TWCNY complies with all terms and conditions of Orders and directives issued by this Board and the Director as required by N.J.S.A. 48:5A-9.
- x. TWCIS complies with all terms and conditions of Orders and directives issued by this Board as required by N.J.S.A. 48:2-1 et. seq.

The Office will monitor TWCIS or its successor's future procedures as set forth in the New Jersey Public Utilities Act and TWCNY or its successor's future notice and filing requirements and procedures as set forth in the State Cable Television Act and the New Jersey Administrative Code.

The Board's acceptance of the Offer of Settlement is for purposes of this proceeding only, addresses any and all allegations or potential allegations in the Offer of Settlement, and shall not be construed as limiting the Board's authority in any other matter affecting TWCIS and TWCNY or a successor company or operator.

For purposes of assessing penalties for future offenses by TWCIS and TWCNY, their parents, affiliates, subsidiaries and successors that may now or in the future operate the telecommunication system or cable television system that is the subject of this Offer of Settlement, such future offenses shall be within the range permitted for violations under N.J.S.A. 48:2-42 and shall be considered second, third or subsequent offenses for violations, in accordance with N.J.S.A. 48:5A-51(b).

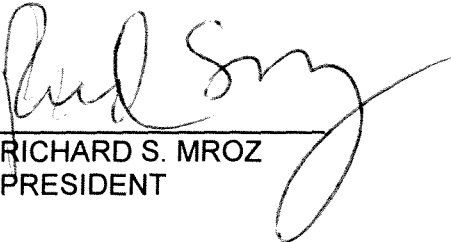
This Offer of Settlement also does not include, and shall not have an impact upon, any party's allegations or claims as they apply to alleged violations of New Jersey's Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. To the extent that there is a potential for liability on the part of Time Warner, its parents, affiliates, subsidiaries, and successors, as a result of alleged Underground Facility Protection Act violations, that liability will remain subject to enforcement or other Board appropriate action.

This Offer of Settlement relieves TWCIS, TWCNY, their parents, affiliates, subsidiaries and successors, from any liability for violations or potential violations of the State Public Utilities Act, State Cable Television Act and the New Jersey Administrative Code, which have been or could have been alleged by the Board up to and including December 16, 2015.


This Order shall be effective on March 5, 2016.

DATED: 2.24.16

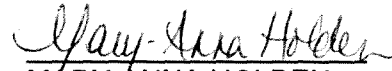
BOARD OF PUBLIC UTILITIES
BY:




RICHARD S. MROZ
PRESIDENT



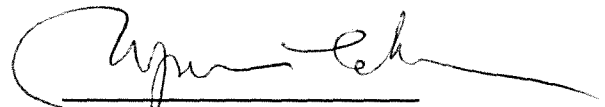
JOSEPH L. FIORDALISO
COMMISSIONER



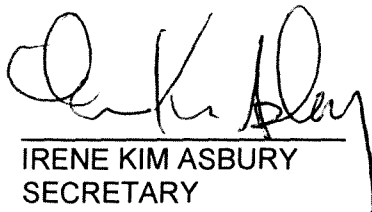
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

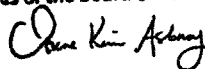


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 

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



IN THE MATTER OF THE ALLEGED FAILURE OF TIME WARNER CABLE INFORMATION SERVICES (NEW JERSEY), LLC, TO COMPLY WITH CERTAIN PROVISIONS OF BOARD ORDER AND THE ALLEGED FAILURE OF TIME WARNER CABLE NEW YORK City, LLC TO COMPLY WITH CERTAIN PROVISIONS OF THE NEW JERSEY CABLE TELEVISION ACT, N.J.S.A. 48:5A-1 et seq., THE NEW JERSEY ADMINISTRATIVE CODE, N.J.A.C. 14:17-1.1 et seq. AND N.J.A.C. 14:18-1.1 et seq., AND CERTAIN PROVISIONS OF BOARD ORDERS

OFFER OF SETTLEMENT
DOCKET NO. CO15091102

SERVICE LIST

Cathleen Sims DeVito, Senior Director
Northeast Government Relations
Time Warner Cable, Northeast-NYC
120 East 23rd Street, 7th Floor
New York, NY 10010
cathleen.sims@twcable.com

Dennis Linken, Esq.
Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
Post Office Box 790
Lyndhurst, NJ 07071-0790
dlinken@scarincihollenbeck.com

Lawanda R. Gilbert, Director
Board of Public Utilities
Office of Cable Television &
Telecommunications
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
lawanda.gilbert@bpu.state.nj.us

William H. Furlong, Chief
Bureau of Inspection & Enforcement
Board of Public Utilities
Office of Cable Television &
Telecommunications
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
william.furlong@bpu.state.nj.us

Irene Kim Asbury, Esq.
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
irene.asbury@bpu.state.nj.us

Harold Bond, Chief
Bureau of Engineering and Rates
Board of Public Utilities
Office of Cable Television &
Telecommunications
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
harold.bond@bpu.state.nj.us

Amy Drummond
Administrative Analyst 4
Board of Public Utilities
Office of Cable Television &
Telecommunications
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
amy.drummond@bpu.state.nj.us

Carol Artale, Esq.
Legal Specialist
Board of Public Utilities
Counsel's Office
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
carol.artale@bpu.state.nj.us

Patricia Krogman, Esq.
Caroline Vachier, Esq.
Deputy Attorney General
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
patricia.krogman@dol.lps.state.nj.us
caroline.vachier@dol.lps.state.nj.us

**ATTACHMENT 1
SCHEDULE OF ALLEGED VIOLATIONS**

OFFER OF SETTLEMENT

DOCKET NO. CO15091102

1. TWCNY failed to provide a consumer education program on compatibility matters to their subscribers in writing at the time they first subscribe and at least once a year thereafter in 2012 through 2014. Cable operators may choose the time and means by which they comply with the annual consumer information requirement. This requirement may be satisfied by a once-a-year mailing to all subscribers. The information may be included in one of the cable system's regular subscriber billings, pursuant to 47 C.F.R. § 76.1622.
2. TWCNY failed to file a statement within the required timeframe as to the date on which it proposed to make the schedule of all prices, rates, terms and conditions or change effective in 2014, pursuant to N.J.A.C. 14:17-6.16(a)4. The date of the statement shall not be earlier than thirty (30) days after the filing unless otherwise permitted by the Office with the approval of the Board except where advance notice is sufficient under N.J.A.C. 14:18-3.16.
3. TWCNY failed to provide every new customer a complete copy of the cable television company's current schedule of all rates, terms, and conditions applicable to that type of customer, for example, residential, commercial, etc. as required by N.J.A.C. 14:18-3.3(d) for 2012.
4. TWCNY failed to ensure that all bills shall show a full itemization of any other separate fees or charges, including but not limited to, any Form 1235 add-on fees as required by N.J.A.C. 14:18-3.7(a)9 for 2012.
5. TWCNY failed to ensure that all bills for cable television service shall be prorated upon establishment and termination of service as required by N.J.A.C. 14:18-3.8(a) for 2012.
6. TWCNY failed to provide customers fifteen (15) days' written notice prior to disconnection for non-payment as required by N.J.A.C. 14:18-3.9(b) for 2012.
7. TWCNY failed to provide each subscriber to its cable television reception service, at the time that person becomes a subscriber, notice of the complaint officer and the Office's toll free telephone number, pursuant to N.J.S.A. 48:5A-26(c) in 2012.
8. TWCNY failed to comply with the cost charged to customers to replace lost or stolen converters or other auxiliary equipment, which shall be in an amount not to exceed the cable television operator's current replacement cost of the equipment in 2012. TWCNY also failed to comply with the cost charged to customers for damaged equipment, which shall not exceed the reasonable

repair costs or actual replacement cost, whichever is lesser, pursuant to N.J.A.C. 14:18-3.23.

9. TWCNY failed to provide, upon a new request for service, an initial written notice of customer consent for the release of personally identifiable information, in association with complaints received at its offices, pursuant to N.J.A.C. 14:18-6.7(b)1 in 2012.
10. TWCNY failed to file with the Office in a timely manner an annual detailed report of the number and character of complaints made by customers and communicated to the company in 2013 and 2014, pursuant to N.J.A.C. 14:18-6.7(g).
11. TWCNY failed to file with the Office in a timely manner a complete cable facts questionnaire no later than March 1st of each year, pursuant to N.J.A.C. 14:18-7.1(a) for 2012.
12. TWCNY failed to file other periodic reports with the Office, pursuant to N.J.A.C. 14:18-7.1(c), N.J.A.C. 14:18-7.2 and N.J.S.A. 48:5A-44(c) in 2012.
13. TWCNY failed to file with the Office in a timely manner annual telephone system information reports as required by N.J.A.C. 14:18-7.6(b) in 2013 and 2014.
14. TWCNY failed to file with the Office in a timely manner periodic telephone system performance reports as required by N.J.A.C. 14:18-7.7(c) beyond the required time for the second quarter of 2012, fourth quarter of 2012 through first quarter of 2013 and third quarter of 2013 through second quarter of 2014.
15. TWCNY failed to comply with the FCC Customer Service Standard requiring that a customer's wait time shall not exceed thirty (30) seconds from when the connection is made, pursuant to 47 C.F.R. §76.309(c) and N.J.A.C. 14:18-7.8(a) 2 for the first quarter of 2012 through the third quarter of 2014 and third quarter of 2015.
16. TWCNY failed to comply in a timely matter with the following condition of the Board Order issued in Docket Number CM12030252: "Petitioners shall certify, for each system under their control, as well as each system to be acquired as part of this docket the following items: a) that all New Jersey cable television systems under their respective ownership and/or control are in full compliance with Article 820 of the National Electrical Code as previously certified; b) that all Board-ordered requirements or conditions arising out of any and all Offers of Settlement and Certificates of Approval have been or are being satisfied within the time frame set forth therein; c) that billing records are available for all customers in New Jersey cable television systems under their respective ownership and/or control and the ability to provide the Board and Office with copies of such records for three (3) years in accordance with N.J.A.C. 14:18-3.7; d) that within ninety (90) days from the date of closing of the Transaction, Time Warner Cable New York City, LLC

("TWCNYC") will provide certification that the Bergen System is and will remain fully compliant with Emergency Alert System ("EAS") obligations imposed by the FCC on digital programming services, effective December 31, 2006, and will retain the current levels of EAS functionality as currently being provided under the State Operational Plan. Should petitioners be unable to complete their review of their respective systems within ninety (90) days of closing, each petitioner shall file a certified report with the OCTV prior to the expiration of the ninety (90) day period setting forth its progress on the requirements set forth above in "a" through "d." Petitioners will at that time have the option of requesting an extension of time of up to ninety (90) days to finalize the review of their systems and certify to same with regard to the provisions of "a" through "d" set forth above, pursuant to N.J.A.C. 14:17-11.1."

17. TWCNY failed to comply with Board Orders in Docket Numbers CO07030170, CO08100894 and CO09120977 by not providing in a timely manner a true copy of the notices and verified proofs of mailing to the Office that its first quarter 2012 through first quarter 2015 and third quarter 2015 quarterly notices and 2012, 2013, 2014 and 2015 annual notices had been sent to customers in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18, in the form of a true copy of the notices sent and proof of mailing the earlier of thirty (30) days of the completion of such notices or ten (10) days following the end of the quarter or annual period for which the notice was sent, pursuant to N.J.A.C. 14:17-11.1.
18. TWCNY and TWCIS failed to comply or timely comply with the following condition of the Board Order issued in Docket Number TE04091033: "The total usage by TWCIS of the Time Warner's New Jersey cable television fiber backbone and coaxial bandwidth facilities for the provision of telephony services by TWCIS or any other entity in the aggregate shall be at all times less than 5% of any fiber facilities over any given fiber backbone route, and less than 16 megahertz (MHz) of its total coaxial facility bandwidth, unless otherwise provided for through explicit Board approval. At least 90 days prior to the provision of and actual use of Time Warner's New Jersey cable television fiber backbone and coaxial bandwidth facilities by TWCIS and/or any other entity for the provision of telecommunications services, Time Warner will file with the Board certifications that the proposed facility usage is less than 5% of any fiber facilities over any given fiber backbone route, and less than 16 megahertz (MHz) of its total coaxial facility bandwidth, together with an appropriate accounting and valuation of the market value of the facilities, billing systems and personnel to be used by TWCIS. In addition, Time Warner shall certify that the proposed payments by TWCIS under the Inter-Company Services Agreement are sufficient to appropriately compensate Time Warner for the use of its facilities, systems and personnel, and affirm that similar terms would be extended to any third party user seeking use of its facilities, systems and personnel in a similar manner. In the absence of such a showing, Time Warner will be required to file an appropriate petition, pursuant to N.J.S.A. 48:5A-40 and/or 41, in order to obtain the necessary Board approval prior to the use of such cable television

facilities for the provision of telecommunications services pursuant to N.J.S.A.
48:2-1 et seq.”

DENNIS C. LINKEN | Partner
dlinken@scarincihollenbeck.com
Phone: 201-806-3426 | Direct Fax: 201-806-3454

February 22, 2016

Via Electronic and FedEx Overnight Mail

Lawanda R. Gilbert, Director
Office of Cable Television & Telecommunications
44 South Clinton Ave., 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350

Re: Time Warner Cable New York City LLC and
Time Warner Cable Information Services (New Jersey), LLC
Offer of Settlement

Dear Director Gilbert:

We write on behalf of Time Warner Cable New York City LLC and Time Warner Cable Information Services (New Jersey), LLC (together, "TWC"), in connection with the above-captioned matter.

Pursuant to our discussions, we enclose herewith a combined Offer of Settlement with respect to TWC and executed on behalf of the Company. It is our understanding that the Offer of Settlement will be presented to the Board of Public Utilities for its consideration at its regular agenda meeting of February 24, 2016.

I thank you for your kind attention. Needless to say, should any questions arise, please do not hesitate to contact me.

Very truly yours,



Dennis C. Linken
For the Firm

enc.

cc: Christopher Psihoules, Deputy Attorney General
(christopher.psihoules@dol.lps.state.nj.us)
Paul Flanagan, Executive Officer (paul.flanagan@bpu.state.nj.us)
Kenneth Sheehan, Chief of Staff (kenneth.sheehan@bpu.state.nj.us)
Harold Bond, Administrative Analyst I (harold.bond@bpu.state.nj.us)
Carol Ann Entenza-Artale, Legal Specialist (carol.artale@bpu.state.nj.us)
William H. Furlong, Bureau Chief (william.furlong@bpu.state.nj.us)
Amy Drummond, Administrative Analyst I (amy.drummond@bpu.state.nj.us)

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS

SCARINCI & HOLLENBECK, LLC

Attorneys at Law

1100 Valley Brook Avenue

P.O. Box 790

Lyndhurst, New Jersey 07071-0790

Telephone: (201) 896-4100

Attorneys for Time Warner Cable Information Services (New Jersey), LLC and
Time Warner Cable New York City LLC

IN THE MATTER OF THE ALLEGED)	
FAILURE OF TIME WARNER CABLE)	OFFER OF SETTLEMENT
INFORMATION SERVICES (NEW JERSEY),)	
LLC, TO COMPLY WITH CERTAIN)	
PROVISIONS OF A BOARD ORDER AND)	Docket No. CO15091102
THE ALLEGED FAILURE OF TIME WARNER)	
CABLE NEW YORK CITY LLC TO COMPLY)	
WITH CERTAIN PROVISIONS OF THE NEW)	
JERSEY CABLE TELEVISION ACT, <u>N.J.S.A.</u>)	
<u>48:5A-1 ET SEQ.</u> , THE NEW JERSEY)	
ADMINISTRATIVE CODE, <u>N.J.A.C. 14:17-1.1</u>)	
<u>ET SEQ.</u> , AND <u>N.J.A.C. 14:18-1.1 ET SEQ.</u> ,)	
AND CERTAIN PROVISIONS OF BOARD)	
ORDERS)	

WHEREAS, Time Warner Cable Information Services (New Jersey), LLC ("TWCIS"), an indirect subsidiary of Time Warner Cable Inc. ("TWC"), is a telecommunications provider subject to the jurisdiction of the Board of Public Utilities (the "Board" or "BPU") pursuant to the New Jersey Public Utilities Act, N.J.S.A. 48:2-1 et seq.; and

WHEREAS, TWCIS is authorized in accordance with an Order issued by the Board on January 28, 2009, in Docket No. TE04091033 (the "TWCIS Order"), to provide local exchange and interexchange telecommunications services throughout the State of New Jersey, pursuant to

N.J.S.A. 48:2-1 et seq.; and

WHEREAS, TWCIS is required to comply with the lawful provisions of the TWCIS Order; and

WHEREAS, BPU Staff ("Staff") has conducted an investigation with regard to TWCIS's compliance with the TWCIS Order; and

WHEREAS, as a result of said investigation, Staff has alleged that certain obligations imposed upon TWCIS under the TWCIS Order were not timely met and/or that TWCIS has failed to adequately comply with said provisions of the TWCIS Order, as set forth more fully below; and

WHEREAS, Staff has alleged that TWCIS and/or TWCIS' affiliate, Time Warner Cable New York City LLC ("TWCNY") have failed to comply or timely comply with provisions in the TWCIS Order requiring certified filings regarding usage of Time Warner Cable's New Jersey cable television fiber backbone and coaxial bandwidth facilities by affiliated entities for the provision of telecommunications services, and compensation arrangements for such usage TWCIS Order Requirements¹; and

WHEREAS, TWCIS has submitted to Staff extensive documents and materials which TWCIS believes demonstrate its full and timely compliance with the TWCIS Order

¹ "The Board FURTHER DIRECTS that, at least 90 days prior to the provision of and actual use of Time Warner's New Jersey cable television fiber backbone and coaxial bandwidth facilities by TWCIS and/or any other entity for the provision of telecommunications services; Time Warner will file with the Board certifications that the proposed facility usage is less than 5% of any fiber facilities over any given fiber backbone route, and less than 16 megahertz (MHz) of its total coaxial facility bandwidth, together with an appropriate accounting and valuation of the market value of the facilities, billing systems and personnel to be used by TWCIS. In addition, Time Warner shall certify that the proposed payments by TWCIS under the Inter-Company Services Agreement are sufficient to appropriately compensate Time Warner for the use of its facilities, systems and personnel, and affirm that similar terms would be extended to any third party user seeking use of its facilities, systems and personnel in a similar manner. In the absence of such a showing, Time Warner will be required to file an appropriate petition, pursuant to N.J.S.A. 48:5A-40 and/or 41, in order to obtain the necessary Board approval prior to the use of such cable television facilities for the provision of telecommunications services" (the "TWCIS Order Requirements"). TWCIS Order at 3-4.

Requirements.² Staff, however, asserts otherwise; and

WHEREAS, while TWCIS and TWCNY dispute Staff's allegations, they nevertheless wish to amicably resolve the issues raised by Staff without the need for time-consuming and expensive litigation; and

WHEREAS, on October 25, 2013, Time Warner Cable Business LLC ("TWCB"), also an indirect subsidiary of TWC, filed a Petition with the Board, and on August 19, 2014, TWCB filed an Amended Petition with the Board, in Docket No. TE13100988 (the "TWCB Petition"); and

WHEREAS, pursuant to the TWCB Petition, TWCB has requested authorization to provide facilities-based non-voice interexchange telecommunications services in the State of New Jersey; and

WHEREAS, during the course of its review of the TWCB Petition, Staff has inquired as to the proposed usage by TWCB of its affiliates' facilities, systems and personnel and compensation therefor; and

WHEREAS, TWCNY, also an indirect subsidiary of TWC, owns and operates a cable television system in New Jersey, pursuant to N.J.S.A. 48:5A-1 et seq. (the "Act"); and

WHEREAS, TWCNY is subject to the jurisdiction of the Board and the Office of Cable Television and Telecommunications ("OCTV&T"), within the Board, pursuant to the Act, and the New Jersey Administrative Code, N.J.A.C. 14:17-1.1 et seq., and N.J.A.C. 14:18-1.1 et seq.

² May 9, 2006 – Responses to discovery questions OCTV-1 through -18;
September 12, 2007 – Updated responses to discovery questions OCTV-9 and -15;
January 17, 2008 – Updated responses to discovery questions OCTV-1 through -18;
December 16, 2008 – Updated Competitive Local Exchange Carrier Questionnaire;
March 14, 2011 – Usage and compensation information;
June 1, 2011 – Additional usage and compensation information;
March 14, 2012 – Further usage and compensation information;
September 1, 2015 – Usage and compensation information, including routing and capacity data, Intercompany Services Agreement and Deloitte Study.

(the "Regulations"); and

WHEREAS, New Jersey cable television companies are required to comply with the provisions of the Act, the Regulations and Board Orders issued thereunder; and

WHEREAS, the OCTV&T has conducted an investigation with regard to TWCNY's compliance with the Act, the Regulations and Board Orders; and

WHEREAS, as a result of said investigation, the OCTV&T has alleged that certain obligations imposed upon TWCNY under the Act, the Regulations and certain Board Orders were not timely met and/or that TWCNY has failed to adequately comply with certain provisions of the Act, the Regulations and/or Board Orders; and

WHEREAS, the OCTV&T has alleged that TWCNY has failed to comply with:

- a. requirements pertaining to schedules of rates, terms and conditions to be filed with the Board;
- b. requirements pertaining to bills for service and charges included therein and to the form of bills;
- c. requirements pertaining to customer service standards;
- d. requirements pertaining to Board Orders, filings, notices and reports to be submitted to the Board and notices and documents to be provided to subscribers; and
- e. certain provisions of the Regulations pertaining to the cost charged to customers for lost, stolen or damaged equipment (collectively, the "Cable Requirements"); and

WHEREAS, while TWCNY disputes some or all of the OCTV&T's allegations, it nevertheless wishes to amicably resolve the issues raised by the OCTV&T without the need for time-consuming and expensive litigation;

NOW, THEREFORE, TWCIS and TWCNY submit this Offer of Settlement, as follows:

1. TWCIS and TWCNY, together, will pay to the State of New Jersey the sum of Three Hundred Thousand Dollars (\$300,000.00) in full settlement of any and all violations or

potential violations of the Act, the Regulations and/or Board Orders (including the TWCIS Order, the TWCIS Order Requirements and the Cable Requirements), which have been or could be alleged by the Board or the Staff against TWCIS, TWCNY or their parents, affiliates, subsidiaries or successors, up to and including December 16, 2015. Upon approval by the Board of this Offer of Settlement and payment by or on behalf of TWCIS and TWCNY as required hereinabove, the Board and Staff deem the TWCIS Order Requirements to be waived and release TWCIS, TWCNY and their parents, affiliates, subsidiaries and successors from any and all liability and claims with respect to such violations or potential violations.

2. Staff agrees to recommend that TWCB be authorized by the Board to provide facilities-based non-voice interexchange telecommunications services in the State of New Jersey in accordance with applicable law.

3. This Offer of Settlement does not include, and shall not have an impact upon, any party's allegations or claims as they apply to alleged violations of New Jersey's Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. To the extent that there is a potential for liability on the part of TWCIS, TWCNY or their parents, affiliates, subsidiaries, or successors, as a result of alleged violations of New Jersey's Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq., if any, it will remain subject to enforcement or other appropriate Board action.

4. Except as to the TWCIS Order Requirements contained in the TWCIS Order, this Offer of Settlement shall not relieve TWCNY, TWCIS or their parents, affiliates, subsidiaries or successors, from any liability for violations, if any, of the Act, the Regulations or Board Orders that may occur after December 16, 2015.


5. Any future repeated violation(s) of the Cable Requirements by TWCNY or its parents, affiliates, subsidiaries or successors that may now or in the future operate the cable

television system that is the subject of this Offer of Settlement, shall be deemed to be a second, third or subsequent violation, as appropriate, pursuant to the provisions of N.J.S.A. 48:5A-51(b), for the purpose of determining the amount of any applicable penalty.

6. TWCNY agrees to take the following actions: Going forward, it will endeavor to:
 - a. provide to customers and/or the Board in a timely fashion such notifications and/or documents as may be required under pertinent Board Orders, Regulations or the Act;
 - b. ensure all customers' bills for service conform to N.J.A.C. 14:18-3.7 and N.J.A.C. 14:18-3.8;
 - c. comply with the Federal Communications Commission and State telephone customer service standards as set forth in 47 C.F.R. § 76.309(c) and N.J.A.C. 14:18-7.8(a) 2 and 3;
 - d. submit to the Board in a timely fashion such filings, notices and reports as are required under pertinent Regulations; and
 - e. comply with those provisions of the Regulations pertaining to the cost charged to customers for lost, stolen or damaged equipment.

7. The execution of this Offer of Settlement shall neither be deemed an admission by TWCIS, TWCNY or their parents, affiliates, subsidiaries, or successors, of any violation of the Act, the Regulations or any Board Order, including the TWCIS Order, nor a determination by the Board or Staff that such a violation has occurred, nor shall Board approval of this Offer of Settlement be deemed a determination that a violation has occurred.

8. Except as described above regarding the TWCIS Order Requirements and the Cable Requirements, the execution of this Offer of Settlement shall not be relied upon by TWCIS, TWCNY or their parents, affiliates, subsidiaries or successors in an attempt to mitigate any future claim that any such entity has violated the terms and conditions of the Act, the Regulations or any Board Order.

BY: 
Dennis C. Linken
Attorney for Time Warner Cable Information
Services (New Jersey), LLC and Time Warner Cable
New York City LLC

Dated: February 22, 2016