



Agenda Date: 12/18/18
Agenda Item: 3A

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/

OFFICE OF CABLE TELEVISION
AND TELECOMMUNICATIONS

IN THE MATTER OF THE ALLEGED FAILURE OF ALTICE)
USA, INC. TO COMPLY WITH CERTAIN PROVISIONS) ORDER TO SHOW CAUSE
OF THE NEW JERSEY CABLE TELEVISION ACT,)
N.J.S.A. 48:5A-1 ET SEQ., AND THE NEW JERSEY) DOCKET NO. CS18121288
ADMINISTRATIVE CODE, N.J.A.C. 14:18-1.1 ET SEQ.)

Party of Record:

Paul Jamieson, Esq., Vice President, Government Affairs and Policy, Altice USA, Inc.

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board"), an agency within a department of the Executive Branch of State Government, with principal offices at 44 South Clinton Avenue, Trenton, New Jersey, by way of Order to Show Cause, alleges:

- 1) The Board pursuant to N.J.S.A. 48:5A-9 has been granted general power, authority and jurisdiction to receive or initiate complaints of the alleged violation of any provisions of P.L. 1972, c. 186 or of any of the rules and regulations made pursuant to P.L., c. 186 or the terms and conditions of any municipal consent or franchise granted pursuant thereto.
- 2) The Board, pursuant to N.J.S.A. 48:5A-9 is vested with the authority to supervise and regulate every CATV Company operating within this State and its property, property rights, equipment, facilities, contracts, certificates and franchises and to do all things necessary or convenient in the exercise of such power and authority.
- 3) Pursuant to N.J.S.A. 48:5A-10, the Director of the Office of Cable Television and Telecommunications ("OCTV&T"), with the approval of the Board, shall establish rules and regulations governing the provision of safe, adequate and proper cable television service, technical standards for performance, the prohibition and prevention of the imposition of any unjust or unreasonable, unjustly discriminatory or unduly preferential individual or joint rate, charge or schedule for any service supplied or imposition of any unjust or unreasonable classification.

- 4) Altice USA, Inc., ("Altice") formerly known as Cablevision Systems Corporation ("Cablevision"), owns and operates certain cable television systems as that term is defined in N.J.S.A. 48:5A-3(d), in the State of New Jersey, pursuant to applicable State and federal law, and such cable systems provide cable television services in the State of New Jersey.
- 5) Altice is subject to the jurisdiction of the Board and OCTV&T, within the Board, pursuant to the provisions of the New Jersey Cable 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.;
- 6) In September 2011, the Board issued an Order regarding a Petition by Cablevision which sought relief from several provisions of the Board's rules, including N.J.A.C. 14:18-3.8. I/M/O the Petition of Cablevision Systems Corporation for Relief Pursuant to N.J.A.C. 14:18-16.7, docket number CO11050279 (September 21, 2011). ("Rule Relief Order")
- 7) N.J.A.C. 14:18-3.8, "Method of billing" for cable television companies, provides that:
 - (a) Bills for cable television service shall be rendered monthly, bi-monthly, quarterly, semi-annually or annually and shall be prorated upon establishment and termination of service.

[. . .]
 - (c) A cable television company may, under uniform nondiscriminatory terms and conditions, require payment, in advance for a period not to exceed that for which bills are regularly rendered, as specified in its applicable filed schedule of prices, rates, terms and conditions. Any such advance payment for a greater period shall reflect appropriate discount for the additional period involved. Unless otherwise provided for in the applicable filed schedule of prices, rates, terms and conditions, initial and final bills shall be prorated as of the date of the initial establishment and final termination of service.
- 8) The Board's order granting in part the relief sought from compliance with N.J.A.C. 14:18-3.8, states that "Relief can be sought provided that the cable television company provides a sample bill to be utilized in lieu of compliance with this section for approval by the Office of Cable Television (OCTV)" and found that "the sample bill [provided by Cablevision] demonstrates that the company is billing in a proper manner and shows how Cablevision will prorate its bills pursuant to the requirements of this section." (Rule Relief Order at 6).
- 9) Based on the representations of the Company provided to the Board which indicated that Cablevision would continue to prorate its bills pursuant to the requirements of the rules and with reliance on that representation and the assurance that waiver of certain provisions of the rules "would not harm consumers" and that the Company would continue to prorate its bills, relief was granted in the Board's Order. (Rule Relief Order at 7).

- 10) By verified petition filed in November 2015, Altice N.V., Cablevision Systems Corporation and the Cablevision Entities initiated a proceeding before the Board seeking approval for Altice to acquire control of the Cablevision Cable Entities. (I/M/O the Verified Joint Petition of Altice N.V. and Cablevision Systems Corporation and Cablevision Cable Entities for Approval to Transfer Control of Cablevision Cable Entities, docket number CM15111255 ("Merger Petition").
- 11) In its filing, the Petitioner indicated that Altice shall abide by all of its obligations under existing local franchise agreements throughout the terms of such agreements, and averred that it intended to operate under existing rates, terms and service conditions. Further, the Petitioners indicated no specific plans were in place to change the customer service structure, or to undertake actions affecting the public interest. (Merger Petition at 8).
- 12) In the Board's May 2016 Order approving the Merger Petition, the Board adopted a Stipulation of Settlement wherein Altice agreed that it "will abide by applicable customer service standards, performance standards, and service metrics delineated under N.J.A.C. Title 14, including but not limited to Chapters 3, 10 and 18 and N.J.S.A. 48:5A, including but not limited to, requirements related to billing practices and termination." (Order Approving Stipulation of Settlement, I/M/O the Verified Joint Petition of Altice N.V. and Cablevision Systems Corporation and Cablevision Cable Entities for Approval to Transfer Control of Cablevision Cable Entities, docket number CM15111255, page 11 (May 25, 2016), ("Merger Order").
- 13) In October 2016, Altice issued a bill notice to customers indicating they would no longer prorate bills and provide partial credits or refunds to customers cancelling service prior to the end of the billing period.
- 14) On or about March 2017, Staff notified Altice that its actions were inconsistent with the rules and did not comport with the sample bill provided when Cablevision was granted relief from some of the provisions set forth in N.J.A.C. 14:18-3.8, in the Rule Relief Order.
- 15) On September 13, 2017, Altice responded to Staff's query regarding the prorating billing policy, indicating that based on their interpretation of the Board's Rule Relief Order, Altice is not subject to the provisions set forth in N.J.A.C. 14:18-3.8.
- 16) Since the change in policy, Board staff has received over 100 complaints from customers regarding charges incurred for services no longer rendered after termination.

The Board **HEREBY ORDERS:**

- 1) Altice to show cause before the Board why the Board should not Order that Altice cease and desist immediately its failure to properly prorate customer bills.
- 2) Altice to show cause before the Board why the Board should not find Altice's actions for failure to properly prorate customer bills from the period of October 2016 to the present constitute a violation of the Board's Rule Relief Order and the Merger Order.

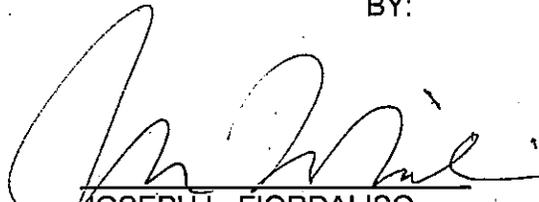
- 3) Altice to show cause before the Board why the Board should not assess a monetary penalty for Altice's failure to comply with the Board's Rule Relief Order and Merger Order, from the period of October 16, 2016 to the date of this Board Order.
- 4) Altice to show cause before the Board why the Board should not order that Altice issue refunds to all customers that have suffered harm from Altice's failure to properly prorate customer bills.
- 5) Altice to file an Answer to this Order to Show Cause and provide any and all documents or other written evidence upon which it may rely in responding to the within Order to Show Cause by January 15, 2019.
- 6) If Altice fails to respond by the designated date of January 15, 2019, the Board may commence proceedings to revoke the franchise authority granted the Company.

The Board **HEREBY DIRECTS** that a certified copy of this Order be served upon Respondent pursuant to N.J.S.A. 48:2-40.

This Order shall be effective December 28, 2018.

DATED: 12/18/18

BOARD OF PUBLIC UTILITIES
BY:

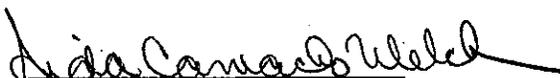

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COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


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COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

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CERTAIN PROVISIONS OF THE NEW JERSEY CABLE TELEVISION ACT,
N.J.S.A. 48:5A-1 ET SEQ., AND THE NEW JERSEY
ADMINISTRATIVE CODE, N.J.A.C. 14:18-1.1 ET SEQ.

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