



Agenda Date: 9/9/20  
Agenda Item: IIIB

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CABLE TELEVISION AND  
TELECOMMUNICATIONS

IN THE MATTER OF THE AMENDED PETITION AND )  
APPLICATION OF SERVICE ELECTRIC CABLE T.V. )  
OF HUNTERDON, INC. FOR AUTHORITY TO AMEND )  
A CREDIT AGREEMENT ) DOCKET NO. CF20010032

**Parties of Record:**

**Thomas C. Kelly, Esq.**, Russo Tumulty Nester Thompson & Kelly, LLP, Attorney for Petitioner  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

Initially, this matter came before the Board by a petition of Service Electric Cable T.V. of Hunterdon, Inc. ("Service Electric") on January 9, 2020. Service Electric, a Pennsylvania corporation, provides cable services in the State of New Jersey. It filed its petition pursuant to N.J.S.A. 48: 5A-40 and 42 and in conformance with N.J.A.C. 14: 17-4.1, 6.1, and 6.13 seeking its approval to amend a previously approved Credit Facility (the amendment being the 2020 Credit Facility). Service Electric, a Pennsylvania corporation, with its principal place of business in Bethlehem, Pennsylvania, is a New Jersey cable television company operating its cable television business in twelve communities in the counties of Hunterdon and Warren, New Jersey. Specifically, it provides cable television service in Hunterdon County in the communities of Alexandria, Frenchtown, Milford, Holland, Kingwood and Bloomsbury and in Warren County in the communities of Alpha, Greenwich, Harmony, Lopatcong, Phillipsburg and Hopatcong.

Service Electric has been providing cable television service since 1991. Prior to that, going back to the 1970's, a former New Jersey affiliate of Service Electric had been providing service in four of the Hunterdon County communities as well as communities located in Sussex County.

Service Electric is an affiliate of Service Electric Cable T. V. Inc. ("SECTV"). SECTV owns and operates cable television systems in the Commonwealth of Pennsylvania. Service Electric and SECTV are owned by a family owned and operated corporation, Service Electric Television, Inc. Service Electric and SECTV were borrowers under Credit Agreements, previously approved by the Board in docket numbers CF 16040384 on August 24, 2016 (2016 Credit Facility), CF14030243 on May 21, 2014 (2014 Credit Facility); CF12060515 on September 13, 2012 ("2012 Credit Agreement"); CF10090653 on December 16, 2010 ("2010 Credit Agreement");

docket number CF08050354 on September 15, 2008 (“2008 Agreement”); and Docket No. CF06110816 on April 13, 2007 (“2006 Agreement”).

On April 6, 2020, the Board approved the application of Service Electric to amend its credit agreement. The approval was granted after extensive discovery by the Office of Cable Television and Telecommunications. The Office of Rate Counsel did not object to the approval that had been sought.

As has been the case with many New Jersey businesses, Service Electric fell victim to the economic uncertainties brought on by COVID 19. Its lenders determined that those uncertainties prevented them from proceeding with the proposed credit agreement. Discussions commenced among the lenders to determine how they could accomplish the intent that the parties had. To add to the economic uncertainties problem, the Board’s April 6, 2020 Order required the loan closing to be accomplished within thirty (30) days. Time had run out.

Thereafter, this petition was filed seeking to Amend the earlier petition to approve the revisions to the credit agreement that the loan parties arrived at with Service Electric. Among other changes to the loan agreement the lenders required a change in the duration of the loan. It was reduced from a five-year term to a three-year term. There was also a change in the interest rate.

In a letter dated August 12, 2020, Rate Counsel stated it does not oppose a Board grant of Petitioner’s requests in the Verified Petition.

After review, the Board **HEREBY FINDS** that the proposed transactions are to be made in accordance with law, are in the public interest and the purposes thereof are approved by the Board. Therefore, the Board **HEREBY AUTHORIZES** Service Electric Cable T.V. of Hunterdon, Inc., (“SEH”) to enter into the 2020 Credit Facility, to issue the appropriate notes, give security; to enter into the amended agreement and to take other such actions reasonably inferred therefrom. This Order is subject to the following provisions:

1. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by SEH.
2. This Order shall not affect or in any way limit the exercise of the authority of this Board or this State in any pending or future petition or in any proceeding with respect to rates, franchises, services, financing, accounting, capitalization, depreciation or in any other matters affecting SEH.
3. SEH agrees to submit to the Board, at the Board’s request, copies of all financial statements or materials required to be submitted to the lenders in connection with the credit facility.
4. SEH shall notify the Board within five days of a continuing event of default which will give the Board the opportunity to determine if such default would cause inadequate, unsafe or improper service which could be in violation of N.J.S.A. 48:5A-36 and 39.

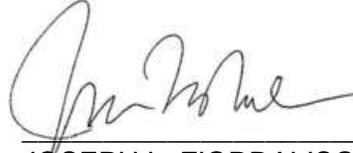
5. Notwithstanding anything to the contrary in the 2020 Credit Facility approved herein or the underlying documents making up the agreement, neither this proposed financing nor a default under the agreement or supporting documents constitutes an automatic transfer of SEH property, plant or equipment, or Certificates of Approval under the terms of any security agreement or other document in conjunction with the credit facility. Board approval must be sought pursuant to N.J.S.A. 48:5A-19, 40 and 43.
6. Approval of the transactions herein shall not constitute a determination, nor in any way limit any future determination of the Board as to the treatment of indebtedness, capital structure and interest expense for ratemaking purposes, in any rate proceeding under state or federal law.
7. The Board's approval herein should not be interpreted as limiting the Board's authority over SEH to the extent that any action contemplated in the 2020 Credit Facility would require further Board review and approval under applicable law.
8. Any approval herein shall not be construed as automatically approving any past, present or future intercompany debt or advances that may require Board approval pursuant to the applicable statutes.
9. Material deviation in the executed closing documents from the terms and conditions approved herein or from that set forth in the filing by SEH and the supplements filed by SEH will render this Order of Approval voidable. SEH shall file a certification within thirty days of loan closing which shall indicate that there are no material deviations in the final closing documents from those so filed with the Board.
10. Consummation of the transactions approved herein must take place no later than sixty days from the date of approval of this Order, unless otherwise extended by the Board.

All parties to the above transactions must comply with the New Jersey Cable Television Act and the applicable sections of the New Jersey Administrative Code.

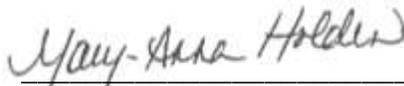
This Order shall become effective on September 19, 2020.

DATED: September 9, 2020

BOARD OF PUBLIC UTILITIES  
BY:



\_\_\_\_\_  
JOSEPH L. FIORDALISO  
PRESIDENT



\_\_\_\_\_  
MARY-ANNA HOLDEN  
COMMISSIONER



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DIANNE SOLOMON  
COMMISSIONER

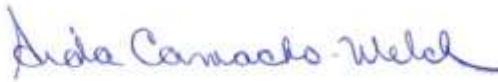


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UPENDRA J. CHIVUKULA  
COMMISSIONER



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ROBERT M. GORDON  
COMMISSIONER

ATTEST:



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AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE AMENDED PETITION AND APPLICATION OF SERVICE  
ELECTRIC CABLE T.V. OF HUNTERDON, INC. FOR AUTHORITY TO AMEND A CREDIT  
AGREEMENT - DOCKET NO CF20010032

SERVICE LIST

Division of Rate Counsel  
Post Office Box 003  
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Maria Novas-Ruiz  
Assistant Deputy Rate Counsel  
[mnovas-ruiz@rpa.nj.gov](mailto:mnovas-ruiz@rpa.nj.gov)

Thomas C. Kelly, Esq.  
Russo Tumulty Nester Thompson & Kelly  
175 Fairfield Avenue, #1A  
West Caldwell, NJ 07006  
[tkelly@russoTumulty.com](mailto:tkelly@russoTumulty.com)

Joseph Macus, Vice President  
Service Electric Cable TV of Hunterdon, Inc.  
2260 Avenue A  
Bethlehem, PA 18017  
[macus@sectv.com](mailto:macus@sectv.com)

**Division of Law**  
Public Utilities Section  
RJ Hughes Justice Complex  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625-0112

Pamela Owen, Esq.  
Assistant Section Chief  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Meliha Arnautovic, DAG  
[Meliha.arnautovic@law.njoag.gov](mailto:Meliha.arnautovic@law.njoag.gov)

Matko Ilic, DAG  
[Matko.ilic@law.njoag.gov](mailto:Matko.ilic@law.njoag.gov)

Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Dr. Benjamin Witherell  
Chief Economist  
[Benjamin.Witherell@bpu.nj.gov](mailto:Benjamin.Witherell@bpu.nj.gov)

Christine Lin  
[Christine.lin@bpu.nj.gov](mailto:Christine.lin@bpu.nj.gov)

Carol Artale, Esq.  
Deputy Chief Counsel  
[Carol.artale@bpu.nj.gov](mailto:Carol.artale@bpu.nj.gov)

Lanhi Saldana, Esq.  
Legal Specialist  
[Lanhi.saldana@bpu.nj.gov](mailto:Lanhi.saldana@bpu.nj.gov)

**Office of Cable Television and  
Telecommunications**

Lawanda Gilbert, Esq., Director  
[Lawanda.Gilbert@bpu.nj.gov](mailto:Lawanda.Gilbert@bpu.nj.gov)

Gloria Furlong  
[Gloria.Furlong@bpu.nj.gov](mailto:Gloria.Furlong@bpu.nj.gov)

William Furlong, Bureau Chief  
[William.furlong@bpu.nj.gov](mailto:William.furlong@bpu.nj.gov)

Jeffrey Kaufman  
[Jeffrey.kaufman@bpu.nj.gov](mailto:Jeffrey.kaufman@bpu.nj.gov)