

Agenda Date: 3/20/24 Agenda Item: 3B

# STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1<sup>st</sup> Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

## OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS

IN THE MATTER OF NOTICE OF COMCAST OF NEW JERSEY II, LLC REGARDING THE CONVERSION OF ITS MUNICIPAL FRANCHISE IN THE CITY OF PERTH AMBOY TO A SYSTEM-WIDE FRANCHISE	) ) ) )	SYSTEM-WIDE CABLE TELEVISION FRANCHISE
IN THE MATTER OF THE APPLICATION OF COMCAST OF NEW JERSEY II, LLC FOR A SYSTEM-WIDE CABLE TELEVISION FRANCHISE TOWNSHIP OF EDISON, MIDDLESEX COUNTY, NEW JERSEY	) ) ) )	ORDER OF AMENDMENT DOCKET NO. CE23030148

Parties of Record:

**Stan Barrett, Esq.,** Scarinci Hollenbeck, LLC on behalf of Comcast of New Jersey II, LLC **Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On January 30, 2024, Comcast of New Jersey II, LLC ("Comcast NJ II", "Comcast" or "Petitioner") filed an application with the New Jersey Board of Public Utilities ("Board") to amend its systemwide cable television franchise to provide cable television service to the Township of Edison<sup>1</sup> ("Township" or "Edison"), pursuant to P.L. 2006, c. 83 ("System-wide Cable Television Franchise Act" or "Act"), which modified the existing State Cable Television Act ("CATV Act"), N.J.S.A. 48:5A-1 et seq., to allow for competitive system-wide franchises.

<sup>&</sup>lt;sup>1</sup> CSC TKR, LLC d/b/a Cablevision of Raritan Valley currently serves the Township of Edison as the incumbent provider under its Cable Television Franchise previously approved by the Board. <u>See In re the Petition of CSC TKR, LLC d/b/a Cablevision of Raritan Valley for Renewal of a Certificate of Approval to Continue to Operate and Maintain a Cable Television System in the Township of Edison, County of Middlesex, State of New Jersey, BPU Docket No. CE15040426, Order effective August 29, 2015.</u>

The Board previously approved a System-wide Cable Television Franchise for Verizon New Jersey, Inc. in the Township of Edison, which was renewed on December 16, 2020 and expires on December 18, 2027. See In re the Application of Verizon New Jersey, Inc., for Renewal of a System-Wide Cable Television Franchise, BPU Docket No. CE20080516, Order dated December 16, 2020.

### BACKGROUND

Comcast NJ II is a wholly owned subsidiary of Comcast Cable Communications, LLC, which collectively holds franchises in 349 New Jersey municipalities through its various affiliates. On February 17, 2023, Comcast filed notice, pursuant to N.J.A.C. 14:18-14.13, with the Board and the City of Perth Amboy that Comcast intended to convert its municipal consent ordinance-based franchise in the City of Perth Amboy to a system-wide franchise. On September 18, 2023, the Board issued Comcast NJ II a system-wide franchise in Docket No. CE23030148, with a term to expire on February 17, 2030. Comcast NJ II currently has 41 traditional municipal consent-based franchises and one (1) system-wide cable television franchise. The application for an amendment to Comcast NJ II's system-wide franchise will allow the company to extend into Edison Township, which is not part of their current system.

### APPLICATION

On January 30, 2024, Comcast NJ II filed its application for an amendment of its existing systemwide franchise in Perth Amboy with the Board, seeking approval to construct a cable television system to provide service to Edison.

Copies of the application were provided to the New Jersey Division of Rate Counsel ("Rate Counsel"), as well as to the clerk of the Township. Following its review of Comcast NJ II's application, Board Staff ("Staff") issued a request seeking additional follow-up information on February 23, 2024. On March 4, 2024, Comcast filed responses which addressed Staff's concerns.

The application stated that the Comcast NJ II's system-wide franchise will be an extension of Comcast NJ II's incumbent cable television system, which provides service to 42 municipalities located in Essex, Hudson, Middlesex, and Union counties under traditional municipal consent-based franchises, and its system-wide cable franchise. Comcast NJ II's service to Edison will be delivered with fiber to the home ("FTTH") network architecture originating from primary facilities in East Windsor and Hillsborough, and from secondary facilities located in Avenel [Section of Woodbridge], East Brunswick, and Plainfield. The system is an active/passive optical network using the IEEE 10G-EPON standard that can deliver 10Gbps symmetrical service and is designed to deliver enhanced reliability and increased capacity to accommodate increasing Internet use today and in the future. The proposed system is a two-way fiber optic distribution network that can provide high-speed Internet access, digital video, Video on Demand, High Definition television and Xfinity Voice, with all services using the Internet suite of Protocols (TCP/IP). Comcast has agreed to complete all proposed construction as described in its application.

As evidence that Comcast NJ II has authority from the Township to utilize their respective public rights-of-way to allow for the construction of the proposed cable television system, Comcast NJ II provided a copy of an ordinance adopted by Edison granting Comcast NJ II right-of-way authority to permit the installation, use and maintenance of cable television service facilities for the purposes of providing cable television services and the related use agreement executed by Edison and Comcast NJ II.

Comcast NJ II confirmed that it would abide by the provisions of N.J.S.A. 48:5A-28(h) through (n), as required by the System-wide Cable Television Franchise Act. Specifically, N.J.S.A. 48:5A-28 (h) through (n) imposes requirements on all cable television companies operating under a system-wide franchise and includes commitments as to: line extensions; public, educational and governmental ("PEG") access channels; interconnection with other cable television companies;

free cable and Internet service to public schools and municipal buildings; training and equipment for access users; PEG access return feeds; and compliance with customer protection regulations.

N.J.S.A. 48:5A-28(h) requires a cable television system-wide franchise operator to meet or exceed the line extension policy ("LEP") commitments of the incumbent cable television company operating under a municipal consent ordinance-based franchise at the time the franchise is granted, which in this instance is CSC TKR, LLC d/b/a Cablevision of Raritan Valley. Comcast NJ II is required to provide, at a minimum, service to any residence or business along any public right-of-way in the Primary Service Area in the Township at no cost beyond the installation rates contained in its schedule of prices, rates, terms and conditions filed with the Board as applicable. For any extension outside the Primary Service Area, Comcast shall provide service in accordance with the line extension policy attached to this order as Appendix "I", utilizing a homes per mile ("HPM") figure of 25 for Edison.

N.J.S.A. 48:5A-28(i) requires a cable television company operating under a system-wide franchise to provide two (2) PEG access channels upon request of a municipality. Comcast NJ II has agreed to provide two (2) PEG access channels for use by the Township, which will be made available within a reasonable timeframe after Comcast begins offering cable television service within the Township. Further, upon written request of any municipality, Comcast will provision the access channels in the same manner and quality as commercial channels, and will provide notice of the PEG channel designations as required by applicable statute and rules. Pursuant to this section, the Township would be responsible for the management, operations and programming of the PEG access channels that are in its control. Pursuant to N.J.A.C. 14:18-15.4(b), either Comcast or the Township may request assistance from the OCTV&T for resolution of any disputes regarding the terms and conditions of the provision of the access channels. N.J.S.A. 48:5A-28(i) also requires all cable television companies operating in a municipality to provide PEG access interconnection on reasonable terms and conditions with all other cable television companies.

N.J.S.A. 48:5A-28(j) and (k) require a cable television operator under a system-wide franchise to provide a single outlet of free basic cable television service and free Internet service, to any fire station, public school, police station, public library, or other building used for municipal purposes. Comcast NJ II has committed to install cable and Internet services to any qualified building within 90 days of written request by the Township, free of charge, provided that the location is passed by active cable television plant. Pursuant to N.J.A.C. 14:18-15.5(b), either party may request assistance from the OCTV&T for resolution of any disputes regarding the provision of these services.

N.J.S.A. 48:5A-28(I) requires a cable television company operating under a system-wide franchise to provide equipment and training for PEG access users, without charge, on a schedule to be agreed upon between the municipality and the cable television company. Comcast NJ II has committed to provide use of video production equipment, without charge, for qualified access users to create access content, and provide training in accordance with a schedule agreed upon by the Township and Comcast NJ II, but in a number not to exceed four times per year, in conformance with N.J.A.C. 14:18-15.6, unless Comcast NJ II reaches an alternative agreement regarding the provision of training with the Township. Furthermore, pursuant to N.J.A.C. 14:18-15.6(d), either party may request assistance from the OCTV&T for resolution of any disputes regarding the provision of these services.

N.J.S.A. 48:5A-28(m) requires a cable television company operating under a system-wide franchise to provide a return line. Comcast NJ II has committed to provide a return line, upon written request, from any one location in the Township to Comcast NJ II's cable television system

for PEG access use, which, at a minimum, will provide the Township with the ability to cablecast live or taped access programming in real time to Comcast NJ II customers. Furthermore, pursuant to N.J.A.C. 14:18-15.4(c), either party may request assistance from the OCTV&T for resolution of any disputes regarding the provision of these services.

N.J.S.A. 48:5A-28(n) requires Comcast to continue to "meet any consumer protection requirements applicable, pursuant to board regulations, to cable television companies operating under certificates of approval." Comcast has certified in its application that it will meet the requirements of this Section.

Comcast has also committed to maintaining, under its system-wide franchise, the same liability limits required under N.J.S.A. 48:5A-28 (f). Comcast will continue to maintain commercial general liability insurance coverage with respect to claims related to bodily injury, property damage or other claims arising out of Comcast's construction and operation of its cable television system in amounts that are at least: 1) \$150,000 for bodily injury or death to any one person, within the limit, however, of \$500,000 for bodily injury or death resulting from any one accident, 2) \$100,000 for property damage resulting from any one accident, and 3) \$50,000 for other commercial general liability claims.

The System-wide Cable Television Franchise Act requires cable television companies operating under a system-wide franchise to pay increased franchise fees from 2% of basic cable television service revenues to 3.5% of gross cable television service revenues, as well as an amount not to exceed 0.5% of gross revenues for a CATV Universal Access Fund. N.J.S.A. 48:5A-30.

Pursuant to N.J.A.C. 14:18-5.1, all cable television operating companies are required to maintain "in or within reasonable proximity of its service area, a local business office, the current location of which shall be furnished to the Office where applications for service, complaints, service inquiries, bill payments, and so forth will be received." Comcast currently maintains local offices at 899 St. Georges Ave., Suite 13, Woodbridge, New Jersey, and any modification to the location of the office will be subject to the approval process specified at N.J.A.C. 14:18-5.1(c).

Finally, the requirements set forth in N.J.S.A. 48:5A-25.2(a) are not applicable to Comcast, as Comcast NJ II does not provide more than 40 percent of the local exchange telephone service market in the State.

# PUBLIC HEARINGS

Pursuant to N.J.S.A. 48:5A-16(f), two (2) virtual public hearings were held in this matter on February 27, 2024. In accordance with N.J.S.A. 48:5A-18(a), notice of the public hearings was posted on the Board's website and in newspapers of general circulation throughout the State more than 10 days in advance of the hearings. The notice indicated that written comments could be filed until March 4, 2024, or five (5) days following the public hearings. At the hearings, the public was invited to provide oral and/or written comment on the application, and the hearings were transcribed by a court reporter, with the transcripts included in the record of this matter. Several members of the public spoke at both hearings, including Edison's Mayor, Sam Joshi. At both hearings, Comcast NJ II discussed company highlights and the positive benefits the application will have for the Township. Comcast provided a broad overview of the application presented to the Township which will provide fiber to the home with an advanced system that will provide enhanced services and a reliable cable system to the residents of Edison. Rate Counsel noted the importance of public comment and stated that it would provide written comments to the Board regarding the application and the issuance of the System-wide Cable Television Franchise.

At the second public hearing, Mayor Joshi spoke in favor of Comcast NJ II's application for Edison being granted. The Mayor claimed that his number one issue from residents over the past several years is the concern about the stability of the cable system and internet service and the associated costs for those services. He noted his residents' reliance on a stable system to provide service to those working from home and the negative impact of poor service on learning and health care. Mayor Joshi noted that the services being proposed to Edison as outlined in the application filed by Comcast NJ II would provide the benefits of the FTTH, a more stable cable service, better internet service and the hope with increased competition his residents would have better service and decreased costs.

Several residents spoke at both hearings, expressing overall support for the addition of Comcast NJ II as a cable and internet service provider in Edison. A common concern voiced by resident commenters involved their perceived lack of competition, high rates, and poor internet service in Edison. Residents were also interested in the time frame for the extension of Comcast's plant, identification of areas planned to be serviced, and when the services would be made available to them. An inquiry regarding the number of channels that would provide Hindi as well as other Indian and non-English language programming to meet the needs of the residents was also made. A number of residents requested information on the technical ability of the system.

Written comments were due by March 4, 2024. On March 4, 2024, Rate Counsel filed written comments with the Board stating that it reviewed the application and supporting documentation and believes that Comcast has substantially met the provision of service requirements delineated under the State Cable Act and under the applicable section of the Board's regulation; however, Rate Counsel suggested the Board address concerns regarding the equipment and training schedule and the designation of the local office, and that the Board not approve the application unless Comcast had submitted satisfactory responses to Board Staff's inquiries.

On March 7, 2024, Comcast NJ II filed a letter in response to Rate Counsel's Comments.

First, Comcast indicated that it had fully and completely responded to Staff's February 23, 2024 inquiries in its letter dated March 4, 2024.

Next, regarding the equipment and training schedule, Comcast stated its commitment in its application at Section IV, Subsection 2(b) accurately reflects the company's legal obligations with respect to access training as delineated in N.J.A.C. 14:18-15.6. Comcast further stated that its response preserves the possibility of additional training should Comcast and the Township reach an agreement to that effect.

Regarding the local office requirement, Comcast stated that its existing Xfinity store locations in the townships of Woodbridge and East Brunswick satisfy the local office requirement set forth in N.J.A.C. 14:18-5.1(a) because: (i) Comcast's Woodbridge Xfinity store location is within the service area of Comcast of New Jersey II, LLC; (ii) both the Woodbridge and East Brunswick Xfinity store locations are, like the Township of Edison, located in Middlesex County; and (iii) both the Woodbridge and East Brunswick Xfinity stores (like all Xfinity stores) are capable of "receiving, investigating and resolving all complaints regarding the quality of service, equipment malfunctions, and similar matters," as required by N.J.S.A. 48:5A-26(d), and of receiving, investigating, and resolving "applications for service, service inquiries, bill payments, and so forth," as required by N.J.A.C. 14:18-5.1(a). No other comments were filed electronically thereafter by any party or member of the public.

## DISCUSSION

In determining whether to issue Comcast NJ II a system-wide cable television franchise, the Board may only consider that which is allowed by the State Cable Act, which provides, at N.J.S.A. 48:5A-16(f), that "[i]n determining whether a system-wide cable television franchise should be issued, the board shall consider only the requirements of sections 17 and 28 of P.L. 1972, c.186 (C. 48:5A-17 and C. 48:5A-28)."

N.J.S.A. 48:5A-17 permits the Board to issue a system-wide cable television franchise following its review of the application, where it finds the applicant has complied or is ready, willing and able to comply with all applicable rules and regulations imposed or pursuant to State or federal law as preconditions for providing cable television service. N.J.S.A. 48:5A-28 sets forth the elements in the application for a system-wide cable television franchise and the required commitments of a system-wide cable television franchise applicant. The Board's review of the application ensures that Comcast NJ II's application satisfies the requirements set forth by the Legislature.

Rate Counsel's comments were in favor of the Board approving the application, with several suggestions which were addressed by Comcast in its March 7, 2024 comments. Rate Counsel stated that Comcast's proposal for equipment and training contained language which might unfairly impact the municipality. However, Staff finds that Comcast's proposal is consistent with Board's rules at N.J.A.C.14:18-15.6, which provides in part that "[s]uch training shall be offered upon request of the municipality; and shall be provided in accordance with a schedule agreed upon by the municipality and the cable television company. The cable television company shall not be required to provide training for any group of less than six participants, nor shall the cable television company be required to provide training for any municipality more than four times a year, unless otherwise agreed to by the municipality and the cable television company." Rate Counsel further stated that the Board should require Comcast to maintain local offices for the purpose of receiving, investigating and resolving customer complaints, which are local to Edison. However, Comcast's application indicates that it will use the local office currently located in Woodbridge Township, which meets the statutory criteria for a local office pursuant to N.J.S.A.48:5A-26(d). Additional local offices located throughout Comcast's service territory were also provided in the Appendix of the application where customers may also conduct service.

#### **CONCLUSION**

Based upon these findings, the Board <u>HEREBY CONCLUDES</u> that, pursuant to the System-wide Cable Television Franchise Act and the Cable Television Act, Comcast NJ II has complied or is ready 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 Comcast NJ II 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 is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, Comcast NJ II is <u>HEREBY</u> <u>ISSUED</u> this Amendment of the System-wide Cable Television Franchise to include Edison Township, for a period to expire February 17, 2030, as evidence of Comcast NJ II's authority to operate a cable television system within the jurisdiction set forth in its application, subject to the following conditions:

1. All of the commitments, statements and promises contained in the application for a System-wide Cable Television Franchise and any amendments thereto submitted in

writing to the Board, except as modified herein, are hereby adopted and binding upon Comcast NJ II as terms and conditions of this System-wide Cable Television Franchise, and included as conditions as if fully set forth herein. The application and any other relevant writings submitted by Comcast NJ II shall be considered a part of this Systemwide Cable Television Franchise and made part hereof by reference.

- 2. Comcast may convert and add existing municipal consent-based franchises and affected municipalities to its system-wide franchise authorization, pursuant to the requirements set forth in N.J.S.A. 48:5A-25.1.
- 3. The Petitioner shall be required to complete all proposed construction within the service area as described in its application. The Petitioner shall provide the OCTV&T with construction status reports every 30 days beginning within 60 days of the effective date of this franchise. The reports shall include, but not be limited to: a) account of the total miles of plant projected, both aerial and underground; b) the total miles of plant yet to be built, both aerial and underground; c) the number, dates of submission, and a percentage of the total make-ready surveys submitted to the utilities; d) the number, dates received, and a percentage of the total make-ready (e.g. total miles released by utilities); e) licenses received; f) miles of fiber stranded; g) miles of cable stranded; h) miles of aerial plant constructed; i) miles of underground fiber constructed; j) miles of underground plant constructed; and I) miles of activated plant.
- 4. Comcast will provide any and all final maps for each phase of the buildout as noted in the application at least two (2) business days and not less than 48 hours prior to activation of service. In the absence of staff receiving the maps in a timely manner, Comcast shall not activate service. Rate Counsel shall be provided the maps at the same time as the Board, subject to any appropriate confidentiality agreements.
- 5. Comcast NJ II shall comply with N.J.S.A. 48:5A-28(h), and shall provide service to all residents passed by cable television service in accordance with the LEP included in its application (Appendix "I"), with a HPM of no greater than 25. Where residents of a municipality are currently offered service by the existing cable television company in accordance with an LEP with an HPM of 25, the Petitioner shall be required to offer service in accordance with the attached LEP with an HPM at least as favorable as the existing cable television company. Additionally, the terms and conditions associated with the LEP shall meet or exceed those provided by the incumbent cable operator and limitations or restrictions imposed in the LEP beyond those that exist in the incumbent's LEP shall be null and void, and instead shall be modified to match those provided by the incumbent's LEP. In this application, the HPM figure is 25 for Edison.
- Under N.J.A.C. 14:18-5.1(a), Comcast shall maintain a local business office where applications for service, complaints, service inquiries, bill payments, and so forth will be received. Currently, Comcast NJ II maintains a local office at 899 St. Georges Ave., Suite 13, Woodbridge, New Jersey. Comcast NJ II shall maintain its local office in accordance with applicable law.
- 7. The designated complaint officer for all municipalities in Comcast NJ II's System-wide Cable Television Franchise is the OCTV&T. All complaints shall be received and processed in accordance with applicable rules.

- Comcast NJ II shall pay a franchise fee to Edison in the amount of 3.5% of its gross revenues, as defined by N.J.S.A. 48:5A-3(x) and 30(d), paid by subscribers in the Township.
- 9. Comcast NJ II shall pay to the State Treasurer, in accordance with its CATV Universal Access Fund now existing or as will exist in the future, an amount of up to 0.5% of its gross revenues, as defined by N.J.S.A. 48:5A-3(x) and 30(d), paid by subscribers in the Township.
- 10. Comcast NJ II shall maintain an informational schedule of prices, rates, terms and conditions for unregulated service and promptly file any revisions thereto.
- 11. Upon written request of a municipality served by its System-wide Cable Television Franchise, Comcast NJ II shall provide or continue to provide and maintain a return line or other method of interconnection from any one location in the municipality, without charge, to a location of interconnection in its cable television system in order to allow live or taped cablecasting of PEG access programming by the municipality. The return line or interconnection shall be provided in accordance with N.J.A.C. 14:18-15.4
- 12. Upon written request of a municipality served by its System-wide Cable Television Franchise, Comcast NJ II shall provide and maintain up to two (2) PEG access channels. If a municipality requests more than two (2) PEG access channels, the municipality shall demonstrate the need for the additional PEG access channels in accordance with N.J.A.C. 14:18-15.4(a)(1). The municipality shall assume all responsibility for the management, operations and programming of the PEG access channels in accordance with N.J.A.C. 14:18-15.4(a)(4).
- 13. Pursuant to N.J.S.A. 48:5A-28(I), Comcast NJ II shall provide equipment and training for municipalities covered by the system-wide cable television franchise without charge, for use in the development of local programming content that can be shown on PEG access channels. Comcast NJ II shall provide training pursuant to a schedule agreed upon between the Township and Comcast NJ II.
- 14. Upon written request of a municipality served by its System-wide Cable Television Franchise, Comcast NJ II shall install and maintain, without charge, one service outlet activated for basic cable television service and, as set forth in the application, Internet service, to each fire station, public school, police station, public library and any other such building used for municipal purposes, in accordance with N.J.S.A. 48:5A-28(j) and N.J.A.C. 14:18-15.5.
- 15. Pursuant to N.J.S.A. 48:5A-28(d) and N.J.A.C. 14:18-14.3, Comcast NJ II shall maintain sufficient bond for the faithful performance of all undertakings by the applicant as represented in the application; and shall have sufficient insurance including the Board, all municipalities served and the applicant as insureds, with respect to all liability for any death, personal injury, property damage or other liability arising out of the applicant's construction and operation of its cable television system.
- 16. Pursuant to N.J.S.A. 48:5A-28(n), Comcast NJ II shall comply with any applicable consumer protection requirements.

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This System-wide Cable Television Franchise is subject to all applicable State and federal laws, the rules and regulations of the OCTV&T, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. Comcast NJ II shall adhere to the applicable operating standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. §76.1 <u>et seq.</u> 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 System-wide Cable Television Franchise.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or the OCTV&T and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this System-wide Cable Television Franchise.

This System-wide Cable Television Franchise is issued on the representation that the statements contained in Comcast NJ II's application are true, and the undertakings therein contained shall be adhered to and be enforceable unless specific waiver is granted by the Board or the OCTV&T pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

Comcast NJ II's System-wide Cable Television Franchise shall expire on February 17, 2030.

This Order shall be effective on March 27, 2024.

DATED: March 20, 2024

DR. ZENON CHRISTODOULOU

COMMISSIONER

BOARD OF PUBLIC UTILITIES BY:

CHRISTINE GUHL-SADOVY PRESIDENT

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COMMISSIONER

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ATTEST:

**R**Rł GOLDEN SECRETARY

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

### **APPENDIX "I"**

#### Office of Cable Television and Telecommunications Line Extension Policy

Company: Comcast New Jersey II, LLC

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.	HPM of extension Minimum HPM that company actually constructs in the system*	=	ratio of the density of the extension to the minimum density that 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 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 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 thirty (30) days of such a request.
- 2. Begin construction within sixty (60) days of receipt of any deposit monies from potential subscribers.
- 3. Complete construction within six (6) 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 (5) years from the installation of the first dwelling unit in the extension, no further adjustments shall be made. Installations after five (5) 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.

# IN THE MATTER OF NOTICE OF COMCAST OF NEW JERSEY II, LLC REGARDING THE CONVERSION OF ITS MUNICIPAL FRANCHISE IN THE CITY OF PERTH AMBOY TO A SYSTEM-WIDE FRANCHISE

IN THE MATTER OF THE APPLICATION OF COMCAST OF NEW JERSEY II, LLC FOR A SYSTEM-WIDE CABLE TELEVISION FRANCHISE TOWNSHIP OF EDISON, MIDDLESEX COUNTY, NEW JERSEY

DOCKET NO. CE23030148

#### SERVICE LIST

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