Agenda Date: 2/1/06
Agenda Item: III M

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

CABLE TELEVISION

IN THE MATTER OF CABLEVISION OF MONMOUTH, INC. - LAKEWOOD FOR APPROVAL OF THE FILINGS OF FCC FORMS 1240, AN ANNUAL UPDATING OF THE MAXIMUM PERMITTED RATE FOR THE REGULATED BASIC CABLE SERVICE USING THE OPTIONAL EXPEDITED RATE PROCEDURES))))	ORDER ADOPTING STIPULATIONS

DOCKET NO. CR05110913

(SERVICE LIST ATTACHED)

BY THE BOARD:

On November 1, 2005, Cablevision of Monmouth, Inc. -Lakewood ("Petitioner") filed Federal Communications Commission ("FCC") Form 1240, Docket Number CR05110913, seeking approval by the Board of Public Utilities ("Board") for an annual rate adjustment in their maximum permitted rates resulting from adjustments for inflation, programming costs, channel changes and copyright fees pursuant to the Cable Television Consumer Protection and Competition Act of 1992, 47 U.S.C. § 543 et seq., and provisions of the New Jersey Cable Television Act, N.J.S.A. 48:5A-1 et seq.

The Board, at its public meeting on January 10, 1996, in Docket Number CX95120636, approved the implementation of Optional Expedited Rate Procedures for the processing of certain filings made with the Office of Cable Television. The intended purpose of these procedures is to grant final rates as quickly as possible to any cable company that chooses this process. In the spirit of cooperation based on the principles of Alternate Dispute Resolution, the discovery content is limited, thereby reducing the timeframe for settlement.

Petitioner chose to pursue its filings with the Board through the approved procedures. To that end, a pre-transmittal conference was held on December 2, 2005 and attended by representatives of the Petitioner, the Division of the Ratepayer Advocate and Board Staff. Petitioner agreed to waive its Office of Administrative Law ("OAL") litigation rights for these matters. It should be noted that Petitioner's waiver was a knowing, voluntary and intelligent waiver of its litigation rights at the OAL and that the waiver did not constitute a circumvention of the FCC rules nor did it affect Petitioner's right to appeal in that forum.

Petitioner notified its customers of the rate increase by way of a newspaper announcement informing them of their opportunity to submit written comments to the Board for a period of thirty days. The notice appeared in the Asbury Park Press on November 21, 2005. No comments or resolutions were received as a result of the public notices.

After review by Staff and the Ratepayer Advocate of the supporting documentation, schedules and other discovery requests, a settlement conference was held on December 8, 2005. On January 10, 2006, the parties entered into a Stipulation of Settlement.

The Board has reviewed the Stipulation of Settlement and FINDS it to be reasonable, in the public interest and in accordance with the law. Therefore, the Board HEREBY ADOPTS the Stipulation of Settlement (attached hereto) as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board FURTHER ORDERS that, subject to the ongoing review before the Federal Communications Commission, should these cable systems, or any part thereof, merge and/or migrate to another system, be upgraded and/or rebuilt, its ownership or control be otherwise sold or transferred to another entity, the basic service tier rate that will be eliminated or superseded as a result of the merger, migration, upgrade, rebuild, sale or transfer must be "trued-up" [47 C.F.R. § 76.922 (e) (3)]. The final true-up for the affected systems, or any parts thereof, should be calculated on FCC Form 1240 and begin where the last true-up period ended on its prior FCC Form 1240. This true-up calculation should be filed with the Board when all the affected subscribers are being charged the rate resulting from the merger, migration, upgrade, rebuild, sale or transfer and may be filed in conjunction with the annual rate adjustment cycle (Form 1240) established as a result of said merger, migration, upgrade, rebuild, sale or transfer.

The cable systems, or any part thereof, may be subsequently deregulated as a result of a finding by the Board, the FCC or other party of competent jurisdiction that these systems or any portion thereof, is subject to effective competition. Should that occur, the last basic service rate established as a result of a prior FCC Form 1240, or such subsequent rate calculation method as may be heretofore adopted by the Board, the FCC or any other party of competent jurisdiction, prior to the deregulation of any rate that is now or may in the future be subject to the Board's jurisdiction, must be trued-up for the period of time that the affected rates were subject to regulation by the Board.

The above referenced true-up procedure does not exclude any cable system party to this order

DATED: 2/2/06

BOARD OF PUBLIC UTILITIES
BY:

Jeanne M. Fox

JEANNE M. FOX
PRESIDENT

Frederick F. Butler

FREDERICK F. BUTLER
COMMISSIONER

Connie O. Hughes

CONNIE O. HUGHES
COMMISSIONER

JOSEPH L. FIORDALISO
COMMISSIONER

ATTEST:

Kristi Izzo

KRISTI IZZO
SECRETARY

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

Kristi Izzo

IN THE MATTER OF
CABLEVISION OF MONMOUTH, INC. -
LAKEWOOD
FCC FORM 1240 USING THE
OPTIONAL EXPEDITED RATE PROCEDURES

DOCKET NUMBER: CR05110913

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ECI

IN THE MATTER OF CABLEVISION OF MONMOUTH, INC.-LAKEWOOD'S FILING OF FCC FORM 1240 UPDATING THE MAXIMUM PERMITTED RATE) FOR REGULATED CABLE SERVICE USING THE OPTIONAL EXPEDITED RATE PROCEDURES)

CABLE TELEVISION

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

BPU DOCKET NUMBER CR05110913

STIPULATION OF FINAL RATES

The undersigned parties, as a result of a review of the Federal Communications Commission ("FCC") Form 1240 and timely filed public comments in this matter hereby stipulate to the following findings of fact and conclusions of law for consideration by the Board of Public Utilities ("Board"); and,

As part of the Optional Expedited Rate Procedures (Approved January 12, 1996, Docket No. CX95120636), Cablevision of Monmouth, Inc.-Lakewood ("Petitioner") agreed to waive the Company's litigation rights at the Office of Administrative Law ("OAL") in this proceeding. It should be noted that Petitioner's waiver was a knowing, voluntary and intelligent waiver of its litigation rights at the OAL and that the waiver did not constitute a circumvention of the FCC rules nor did it affect the Company's right to appeal in that forum.

WHEREAS, the Cable Television Consumer Protection and Competition Act of 1992,Pub. L. No. 102-385, 106 Stat. 1460 (1992), codified at 47 U.S.C. § 543 et seq., (the "Federal Act"), classified the delivery of cable television services into two separate rate regulated categories: (i) "basic service" (consisting primarily of "off-the-air" and public educational and governmental channels) and associated equipment and installation and (ii) cable programming services ("CPS") (consisting of other regulated tiers of channels) and associated equipment; and

WHEREAS, under the Federal Act, basic service is regulated by the "franchising authority"; and

WHEREAS, under the provisions of the New Jersey Cable Television Act ("New Jersey Act"), N.J.S.A. 48:5A-1 et seq., the franchising authority is the Board; and

WHEREAS, the Federal Act required the FCC to issue regulations governing the standards to be used by franchising authorities in regulating basic service rates; and

WHEREAS, under the regulations adopted March 30, 1994, 47 C.F.R. § 76.900 et seq., a cable operator may adjust its rates by electing the annual rate adjustment system under the regulations adopted September 15, 1995 (47 C.F.R. § 76.922) by filing a Form 1240 and a Form 1205 on the same date; and

WHEREAS, on November 1, 2005, Petitioner, serving Lakewood, filed a Form 1240, Docket Number CR05110913 with the Board seeking approval of inflation, external cost and channel change adjustments for a total decrease in the Maximum Permitted Rate ("MPR") of 3.7% for the rate cycle of February 1, 2006 to January 31, 2007 for a rate decrease from $14.08 to

$13.56, exclusive of franchise fees, which would result in a total decrease in the MPR for basic service of $.52 per month. The Operator Selected Rate ("OSR") will be $13.56 effective February 1, 2006 for the same rate cycle of February 1, 2006 to January 31, 2007. However, during this period, if Petitioner chooses to decrease the OSR, with proper notice to its subscribers and the Board, this decrease will not affect the established rate cycle; and

WHEREAS, the Board Staff ("Staff") and the Ratepayer Advocate, upon review of the FCC Form 1240, supporting documentation and schedules thereto agree that the proposed MPR and OSR rates are just and reasonable; and

WHEREAS, Staff, the Ratepayer Advocate and Petitioner have engaged in discussions of this matter; and

WHEREAS, Staff, the Ratepayer Advocate and Petitioner have concluded that the Company is entitled to the above-referenced adjustment which it seeks in its FCC Form 1240 filing;

NOW, THEREFORE, Staff, the Ratepayer Advocate, and Petitioner hereby STIPULATE AS FOLLOWS:

Petitioner notified its customers of the proposed MPR rate decrease via a newspaper announcement and has informed them of their opportunity to submit written comments for a period of thirty (30) days.

2. The effective date for the decrease in the MPR for basic service due to inflation, external costs and channel changes under Docket Number CR05110913 and the OSR is February 1, 2006.

3 The rate cycle established under Docket Number CR05110913 is February 2006 to January 31, 2007.

4. This stipulated rate decrease shall be subject to the approval of the Board and all revenues collected as a result of this adjustment shall be subject to refund, pursuant to the rules and regulations of the FCC as well as those of the Board if the Board finds this rate decrease to be unjustified in whole or in part or in any way implemented improperly.

5. This Stipulation of Settlement resolves all issues raised by this filing which are the subject of the within matter.

6. The signatories agree that, except as expressly provided herein, this Stipulation has been made exclusively for the purpose of this proceeding and that the Stipulation contained herein, in total or by specific items, is in no way binding upon the parties in other proceedings before the Board or in other forums or jurisdictions, nor are the contents of this Stipulation, in total or by specific items, by inference, inclusion, or deletion, in any way to be considered or used by another party as any indication of the position of any party hereto on any issue

litigated or to be litigated in other proceedings.

This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the parties expressly and jointly state that they would not have signed the agreement had any term been modified in any way. Each party is entitled to certain procedures in the event that any modification is made to the terms of this Stipulation. That is, each signatory party must be given the right to be placed in the position it was in before the Stipulation was entered. Therefore, if any modification is made to the terms of this Stipulation, it is essential that each party be given the option, before the implementation of any new rate resulting from this action, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

The parties believe these provisions are fair to all concerned and therefore, they are made an integral and essential element of this Stipulation. This being the case, all parties expressly agree to support the right of any other party to this Stipulation to enforce all terms and procedures detailed herein.

GLORIA J. FURLONG
OFFICE OF CABLE TELEVISION

DATED: 1/10/06

By: Gloria J. Furlong
Supervising Administrative Analyst

SEEMA SINGH, ESQ.,
RATEPAYER ADVOCATE

DATED: 1/10

By: Jose Rivera-Benitez
Jose Rivera-Benitez, Esq.
Assistant Deputy Ratepayer Advocate

CABLEVISION OF MONMOUTH, INC.-
LAKEWOOD

DATED 12/27/05

By: [signature]
Joseph Massa
Vice President-Regulatory Compliance