Agenda Date: 6/14/07 Agenda Item: III C



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 THE PETITION OF PATRIOT MEDIA AND COMMUNICATIONS CNJ, LLC FOR AN AMENDED RENEWAL CERTIFICATE OF APPROVAL TO CONTINUE TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN AND FOR THE TOWNSHIP OF CHESTER, COUNTY OF MORRIS, STATE OF NEW JERSEY

ORDER OF AMENDMENT
TO AN AUTOMATIC RENEWAL
CERTIFICATE OF APPROVAL

DOCKET NO. CE07020073 DOCKET NO. CE05010011

SERVICE LIST ATTACHED

BY THE BOARD:

On May 5, 2005, the Board granted an Automatic Renewal Certificate of Approval to Patriot Media and Communications CNJ, LLC ("Petitioner") for the Township of Chester ("Township"), in Docket No. CE05010011. The expiration date as specified by that order is May 15, 2012.

Following the Board's approval of the Renewal Certificate of Approval, the Petitioner and the Township entered into negotiations regarding amendments to the Township's October 21, 2003 municipal consent ordinance upon which the Certificate was based. On April 4, 2006, the Township adopted Ordinance No. 2006-3, which amended its current ordinance. On November 16, 2006, the Petitioner accepted the amended ordinance.

On February 1, 2007, the Petitioner filed a petition for Amendment to its Automatic Renewal Certificate of Approval, pursuant to N.J.S.A. 48:5A-47 and N.J.A.C. 14:17-6.7. In its petition, the Petitioner requested that the Board approve the amendments to the municipal consent upon which the Renewal Certificate of Approval was based. The Board has reviewed the petition for Amendment of the Certificate of Approval and the amended municipal consent ordinances. Based upon this review and the recommendation of the Office of Cable Television, the Board HEREBY FINDS that the requested amendment, as modified herein, will not adversely affect the public interest in the provision of safe, adequate and proper cable television service in this State, and THEREFORE, the Certificate of Approval should be amended as follows:

1. Section 12.

The Township amended Section 12. "Local Office or Agent" of the ordinance, by deleting it in its entirety. Section 12. contained 2 sub-sections; the first contained the required statutory provisions for a local office or agent, the second subsection required the Petitioner to have a representative present at the Township's Town Hall at One Parker Road for one weekday morning, once a month, for the purpose of receiving, investigating and resolving complaints. By deleting the section in its entirety, the Township deleted a provision which is required to be contained in all municipal consent ordinances pursuant to N.J.S.A. 48:5A-26(d) and N.J.A.C. 14:17-6.6.

The Township was contacted and declined to revise the ordinance to incorporate the required provision. Therefore, the Board notes that while the Township may revise its ordinance to remove the provision requiring a representative to be present in the municipality, the ordinance must contain a provision for a local business office or agent. Therefore, while the revisions to Section 12 of the ordinance are hereby noted, the Board herein clarifies that the following language shall replace Provision 8 of the Renewal Certificate:

"8. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office serving this provision is located at 100 Randolph Road in Somerset, New Jersey."

2. Section 9.

Subsection b of Section 9 and the accompanying Exhibit A of the ordinance were deleted by the amendment to the municipal consent ordinance, and replaced with new language. The following language shall therefore replace Provision 14 of the Renewal Certificate:

"14. The Petitioner shall provide full basic cable television service and Internet service to the following Township institutions, existing or hereafter constructed, free-of-charge: the Black River Middle School, Bragg School and Dickerson School; and the following municipal buildings: the Township Offices, the Township Police Headquarters, Township Volunteer First Aid Squad and the Township Municipal Garage."

Therefore, the Petitioner is <u>HEREBY ISSUED</u> this Amendment to the Automatic Renewal Certificate of Approval as evidence of the Petitioner's authority to construct, operate and maintain a cable television system in the Township. The Amendment shall not affect any of the remaining terms and conditions of the Certificate of Approval issued by the Board in its grant of operating authority. This Amendment to the Renewal Certificate of Approval is subject to all applicable state and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein.

The Petitioner shall adhere to the standards set forth by the Federal Communications Commission's rules and regulations, 47 <u>C.F.R.</u> §76.1 <u>et seq.</u>, including but not limited to, the technical standards 47 <u>C.F.R.</u> §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of the Certificate issued by the Board.

This Amendment to the Renewal Certificate of Approval is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

DATED: 6/20/07

BOARD OF PUBLIC UTILITIES

JEANNE M. FOX

FREDERICK F. BUTLER

COMMISSIONER

CONNIE O. HUGHES COMMISSIONER

SEPH L. FIORDALISO

COMMISSIONER

CHRISTINE V. BATOR COMMISSIONER

ATTEST:

KRISTI IZZO

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

Utilities

SERVICE LIST:

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Agenda Date: 5/5/05 Agenda Item: IIIF

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 THE PETITION OF PATRIOT

MEDIA & COMMUNICATIONS CNJ, LLC.

FOR A RENEWAL CERTIFICATE OF APPROVAL

TO CONTINUE TO CONSTRUCT, OPERATE AND
MAINTAIN A CABLE SYSTEM IN AND FOR THE

TOWNSHIP OF CHESTER, COUNTY OF MORRIS,
STATE OF NEW JERSEY

DOCKET NO. CE05010011

SERVICE LIST ATTACHED

BY THE BOARD:

On May 15, 1987, the Board granted Chester-Mendham Cable T.V., Inc. ("CMCTV") a Certificate of Approval, in Docket No. CE86020146, for the construction, operation and maintenance of a cable television system in the Township of Chester ("Township"). On September 25, 1991, the Board approved the transfer of the Certificate of Approval from CMCTV to ComVideo Systems Inc. d/b/a C-TEC Cable Systems ("ComVideo") in Docket No. CM91061133. On October 27, 1993, in Docket No. CM93080313, the Board approved the restructuring of ComVideo into three separate subsidiaries, which included RCN of New Jersey, Inc. ("RCN"). In this transaction, RCN acquired the majority voting control in C-TEC Cable Systems, the ultimate parent company of ComVideo. On October 1, 1999, the Board issued a Renewal Certificate of Approval to ComVideo in Docket No. CE98090910. The Board approved the sale and transfer of the Certificate of Approval from RCN to Patriot Media and Communications CNJ, LLC ("Petitioner"), on February 6, 2003, in Docket No. CM02090653. On December 22, 2004, the Board issued the Petitioner a Renewal Certificate of Approval in Docket No. CE04030195. Although the Petitioner's above referenced Certificate expired on December 31, 2004, the Petitioner is authorized to continue to provide cable television service to the Township pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

On January 6, 2005, the Petitioner filed with the Board for Automatic Renewal of its Certificate of Approval for the Township, pursuant to N.J.S.A. 48:5A-16, -19 and -25 and N.J.A.C. 14:17-6.9 and 14:18-13.6. The filing indicates that the Township had adopted an ordinance on October 21, 2003, granting renewal municipal consent to the Petitioner's predecessor for a term

to expire on December 31, 2004, with an automatic renewal term of seven years, five months and two weeks thereafter, to expire on May 15, 2012.

The Board has reviewed the petition for an Automatic Renewal Certificate of Approval and the Application filed therein by the Petitioner. Based upon this review and the recommendation of the Office of Cable Television, the Board <u>HEREBY FINDS</u> the following:

- 1 The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval. Further, these qualifications were reviewed by the Township in conjunction with the previous municipal consent process and the Township has voiced no objections to the Petitioner's continued performance under the municipal consent.
- 2. The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
- 3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
- 4. The franchise period as stated in the ordinance is of seven years, five months and two weeks thereafter, to expire on May 15, 2012, pursuant to N.J.S.A. 48:5A-19 and -25. The Office of Cable Television finds this period to be of reasonable duration.
- 5. The Petitioner shall provide service along any public right of way to any person's residence within the portion of the franchise territory, as described in the application, at tariffed rates for standard and non-standard installation rates. The Petitioner shall provide service to those areas of the municipality as described in the application, which have a residential density of 20 homes per mile or greater. The Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate (Appendix "I") as specified by the application. The minimum homes per mile ("HPM") figure is 20.
- 6. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain informational tariffs for unregulated service rates, and promptly file any revisions thereto.
- Pursuant to statutory requirements, the ordinance must specify a complaint officer. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
- 8. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office serving this provision is located at 100 Randolph Road in Somerset, New Jersey. Pursuant to the ordinance, the Petitioner shall have a representative present at the Township's Town Hall at One Parker Road for one weekday morning, once a month between the hours of 9:00 a.m. and 12:00 p.m., for the purpose of receiving, investigating and resolving complaints.
- 9. The franchise fee to be paid to the Township is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by

subscribers for its cable television reception service in the Township. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.

- 10. The Petitioner shall provide public, educational, and governmental ("PEG") access services and facilities as described in the application and the ordinance. The Petitioner shall provide and maintain a PEG access channel for use by the residents and institutions of the Township. The Petitioner shall continue to select events of local interest for video coverage using mobile facilities and production personnel. PEG access programming can be cablecast and the Petitioner shall provide reasonable assistance to access users.
- 11. The Petitioner shall accommodate a means whereby a duly appointed Township representative can download via e-mail, various text and/or PowerPoint presentations to an appropriate technical interface so that the content may be replayed on a scheduled basis via the PEG access channel. The Petitioner shall make reasonable efforts to install and maintain an input device, at no cost to the Township upon the direction of a duly appointed Township representative, based upon the projected usage needs of the Township to facilitate PEG programming activities.
- 12. Upon request from the Township, the Petitioner shall conduct a four-hour training seminar on PEG access equipment or facilities, not more than once a year. Upon 45 days' advance notice from the Township, the Petitioner shall make reasonable efforts to accommodate the live video recording of a selected event chosen by the duly appointed Township representative, once a calendar quarter. The Petitioner shall provide the necessary technical support and equipment to record the chosen event for playback on the PEG access channel, at a date agreed to by the parties.
- 13. Pursuant to the ordinance, the Petitioner shall provide one standard installation and full basic cable service free of charge to the following Township institutions, existing or hereafter constructed, free-of-charge: a) all state or locally accredited public schools, including the Black River Middle School, Bragg School and Dickerson School; b) all public libraries; and c) the following municipal buildings: the Township Offices, the Township Police Headquarters, and the Township Municipal Garage.
- 14. The Petitioner agrees to consider under separate arrangements with the Township, the provision of other free or discounted services to all locations in the Township as indicated above. The Petitioner agrees to install additional outlets and provide addressable converter boxes at each of the municipal locations noted in the ordinance upon request by the Township for a fee based only upon the actual cost of material plus labor. The Petitioner agrees to provide its full basic service, free of charge, to the additional outlets.
- 15. The Petitioner has agreed to offer a senior citizens discount for basic cable service pursuant to N.J.S.A. 48:5A-11.2 for persons meeting the eligibility requirements outlined in N.J.S.A. 30:4D-21 and N.J.A.C. 14:18-3.20 (d).
- 16. During the term of this consent, at the request of the Township, but not more frequently than once every twelve months from December 22, 2004, the Petitioner shall provide written information in the month of February for the previous calendar year, and

quarterly thereafter upon the request of the Township, with data that will clearly indicate how its services are being delivered throughout the Township. The Township shall, upon 30 days written notice, request the Petitioner to indicate what relevant information is needed to substantiate the service performance indicators in question. The Petitioner shall submit such information and data to the Township, as well as make every reasonable effort to answer all questions considered non-proprietary to the Township, within a reasonable period of time.

- 17. As stipulated in Section 4 of the ordinance, the Township may request operational, performance and customer care data from the Petitioner to better understand how cable services are being furnished in the Township. If hearings mandated by the renewal process are held, the Township and the Petitioner shall agree that such meetings shall take place at the municipal offices, but not more than once every calendar year from the inception of the ordinance. The information to be requested or the topics which may be discussed at these sessions are stipulated in the ordinance. The Petitioner shall notify its subscribers of such requested public meetings by announcements displayed on at least two of the Petitioner's channels during prime time for the five consecutive days preceding the scheduled public meetings.
- 18. Subject to jointly agreed upon terms and conditions, the Petitioner shall maintain professional and open communications with the designated Township officials with the objective of sharing community issues and with the intention that the Township will review reportable information that the Petitioner can use to demonstrate that service standards and customer care issues are being adequately addressed. Such communications shall either be conducted periodically face to face or via other means including appropriate mail, telephone or via e-mail.

Based upon these findings, the Board <u>HEREBY CONCLUDES</u> that, pursuant to <u>N.J.S.A.</u> 48:5A-17(a) and 28(c), the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of <u>N.J.S.A.</u> 48:5A-1 <u>et seq.</u>, that the Petitioner 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 the Petitioner 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, the Petitioner is <u>HEREBY ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to continue to construct and operate a cable television system within the entirety of the Township.

This Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the operating standards set forth by the Federal Communications Commission's rules and regulations, 47 <u>C.F.R.</u> §76.1 <u>et seq.</u> including but not limited to, the technical standards 47 <u>C.F.R.</u> §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or the Office of Cable Television and/or the terms, conditions and limitations set forth herein may

constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire May 15, 2012.

DATED May 5, 2005

BOARD OF PUBLIC UTILITIES

JEANNE M. FOX

JACK AVTER COMMYSSIONER

PRESIDENT

FREDERICK F. BUTLER

COMMISSIONER

CONNIE O. HUGHES COMMISSIONER

ATTEST:

CARMEN DIAZ

ACTING SECRETARY

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

APPENDIX "I"

Office of Cable Television Line Extension Policy

Company

Patriot Media and Communications CNJ, LLC

Municipality

Township of Chester

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.

of homes in extension mileage of extension

homes per mile (HPM) of extension

HPM of extension Minimum HPM that

2.

Minimum HPM that company actually constructs in the system *

ratio of the density of the extension to the minimum density which 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 recovered from subs
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 which the company has historically constructed at its own cost. This is a function of the operator's break even 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 and/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 30 days of such a request.
- 2. Begin construction within 60 days of receipt of any deposit monies from potential subscribers.
- 3 Complete construction within six 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:

- 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 years from the installation of the first dwelling unit in the extension no further adjustments shall be made. Installations after five years shall be at the company's standard rate.
- 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.