Agenda Date: 9/30/14 Agenda Item: 3C



STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.goy/bpu/

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF COMCAST OF)	ORDER OF APPROVAL
SOUTH JERSEY, LLC, FOR PERMISSION TO CLOSE)	
CERTAIN CUSTOMER OFFICES (CITY OF)	
NORTHFIELD, COUNTY OF ATLANTIC, STATE OF)	
NEW JERSEY; CITY OF OCEAN CITY, COUNTY OF)	
CAPE MAY, STATE OF NEW JERSEY; AND CITY OF)	
VENTNOR, COUNTY OF ATLANTIC, STATE OF NEW)	DOCKET NOS. CO13040296,
JERSEY) PURSUANT TO N.J.A.C. 14:18-5.1)	CO13040297 & CO13040298

Parties of Record:

Dennis C. Linken, Esq., Scarinci Hollenbeck, for Petitioner **Stefanie A. Brand, Esq.**, **Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

This matter concerns a Petition filed on April 4, 2013 by Comcast of South Jersey, LLC ("Petitioner" or "Comcast"), a cable company holding Certificates of Approval and conducting cable television business in the State of New Jersey and with its principal office located at 1846 N. West Boulevard, Vineland, New Jersey for approval to close three separate customer service offices: 1) 625 Tilton Road, Northfield City, Atlantic County ("Northfield"); 2) 341 West Ave., Ocean City, Cape May County ("Ocean"); and 3) 309 Dorset Ave., Ventnor City, Atlantic County ("Ventnor"). Both the Ocean and Ventnor offices were damaged by Superstorm Sandy and were not reopened. Currently, only the Northfield office remains open, and a customer service trailer is being provided in Ocean City. Petitioner proposes to redirect its customers to another of its existing customer service locations at 901 West Leeds Avenue, Absecon City, Atlantic County ("Pleasantville"). This office is located approximately 3.7, 12.7 and 7.6 miles, respectively away from the affected offices in Northfield City, Ocean City and Ventnor City.

Petitioner asserts that the closing of its Northfield, Ocean and Ventnor offices and redirection of its customers to its existing Pleasantville office is reasonable and will serve the public interest for several reasons including:

- 1. The Pleasantville location provides customers with extended hours of operation, including Saturday hours.
- 2. The number of available parking spaces at the Pleasantville location is sufficient for the amount of customers that use the office.
- 3. The new office is located approximately 3.7 miles away from the Northfield office, 12.7 miles from the Superstorm Sandy closed Ocean City office and 7.6 miles from the Superstorm Sandy closed Ventnor office and will continue to allow customers to travel by a combination of public buses and walking.

Petitioner indicates that no adverse impact is expected on the level of service provided to customers as a result of the change. The various customer services will continue to be provided through its trained Customer Service Representatives. Customers will be allowed to: pick-up, drop-off or exchange set top boxes, access public information files, submit applications for new Comcast service or make changes to existing service, present service inquiries, tender complaints and bill payments and schedule installation and service calls. The employees from the three offices will eventually all be relocated to the Pleasantville office. The Pleasantville office is open to transact business on Monday through Friday from 9:00 a.m. to 7:00 p.m., and on Saturday from 9:00 a.m. to 5:00 p.m.

As required by N.J.A.C. 14:18-5.1(c), Petitioner posted notice of the proposed change of location on June 14, 2013, at each of the three office locations which Petitioner is proposing to close, however, the notice at the Ventnor location was allegedly removed. Notice was also published on June, 14, 2013 in The Press of Atlantic City, a newspaper of general circulation in Petitioner's service area, informing area subscribers of the proposal and their right to file written comments or objections with the Board by July 14, 2013. Also, on June 13, 2013, Petitioner sent notice of its petition to the mayors of the 12 municipalities affected by the proposed closings in its service area. According to Comcast, these three offices currently serve the following 12 municipalities: Absecon City, City of Atlantic City, Egg Harbor Township, Linwood City, Longport Borough, Margate City, Northfield City, City of Ocean City, City of Sea Isle City, Somers Point City, Upper Township and Ventnor City.

Petitioner further states that the buildings where the offices were located in Ocean and Ventnor, which were damaged by Superstorm Sandy, have not been repaired by the property owner. These offices appear to have been vacant since Superstorm Sandy.

COMMENTS

Objections to the Petition were received from three of the affected municipalities regarding the Ocean City and Ventnor proposed office closing. Ocean City filed an "Answer" to Comcast's proposed office closing on July 12, 2013, Ventnor submitted an "Answer" dated July 16, 2013 and Margate submitted an "Answer" dated July 30, 2013. Each essentially stated a belief that sending customers to Comcast's Pleasantville office for services would be contrary to the public interest, unreasonable and would not better serve subscribers. In addition, Margate and Ventnor stated that they believe Comcast has a franchise commitment to maintain an office within the City of Ventnor. Ocean City stated that they also believe that Comcast is required by franchise commitment to maintain a local office within the City of Ocean City.

On December 3, 2013, Comcast filed individual Replies to the Answers filed by Ocean City, Ventnor and Margate, respectively, where they pointed out that none of the municipal

ordinances approving Comcast's franchises in the respective towns required that a local office be maintained within the respective townships. Comcast noted that pursuant to N.J.A.C. 14:18-5.1, Comcast is only required to maintain a local business office "in or within reasonable proximity of its service area," and maintains that the Pleasantville office meets this requirement "by any reasonable standard." Comcast argues that the proposed office closing is not unreasonable and will not unduly prejudice the public interest due to the numerous readily available alternative options provided for customers to accomplish their transactions by means other than through visiting the local office, including online, mail-in or telephone.

In addition, a total of 43 letters were received from customers in the affected area. The commenters mostly stated that the present office is convenient for paying bills and exchanging equipment in person, and that there is a lack of transportation to the Pleasantville office. In addition, a few commenters noted their concerns about loss of jobs and longer wait times for service. The Board acknowledged receipt of the individual comments. The Board also notes that pursuant to the Petition, the Comcast employees would retain their positions and be transferred to the Pleasantville office.

By letter dated September 17, 2014, the New Jersey Division of Rate Counsel ("Rate Counsel") filed comments with the Board stating they did not object to the approval of Comcast's petition, but recommended that such approval should be conditioned on Comcast providing existing customers with truck rolls for service requests at no additional charge, free overnight shipping for equipment returns, and continued provision of the existing temporary trailer for a limited time as determined by the Board. On September 26, 2014, Comcast filed its response to Rate Counsel's comments, noting that Rate Counsel's recommendations have already been met by Comcast, since, it does not charge for a "truck roll" attributable to problems with its equipment or facilities, and a recently implemented program allows for customers to return equipment to Comcast, free of charge, by depositing it at a UPS facility for shipping to Comcast. With Rate Counsel's recommendations being met, Comcast requests Board approval of the Petition.

On September 26, 2014, the Board received a letter from Ocean City requesting a postponement of the matter as it pertains to Ocean City, and that the matter be transferred to the Office of Administrative Law ("OAL") as a contested case.

DISCUSSION

With regard to Ocean City's request for the matter to be transmitted to the OAL as a contested case, there is nothing in N.J.A.C. 14:18-5.1 which mandates hearings. In the absence of a statutory requirement, there is no need for an evidentiary hearing unless there are disputed issues of material fact with respect to the matter at issue. See, Frank v. Ivy, 120 N.J. 73, 97 (1990); I/M/O the Board of Examiners of Electrical Contractors, 356 N.J. Super. 42, 49 (App. Div. 2002). The relevant dispute revolves around the interpretation of the language in the franchise agreement and whether it requires an office to be located within the municipality. This is a legal question, not requiring an evidentiary hearing. The Board HEREBY FINDS that no disputed issues of material fact were identified in the submission of Ocean City which could provide a basis for hearings.

The Board has reviewed the franchise agreement. Contrary to the contentions of Ocean City, Ventnor and Margate, the proposed office closings are not in contravention of the franchises currently in effect for the respective municipalities. None of the franchises require that the local service office be located within the respective municipalities.

Pursuant to N.J.A.C. 14:18-5.1(c), Comcast is required to demonstrate in its petition seeking to close or relocate a local business office that the proposed action "is not unreasonable" and "will not unduly prejudice the public interest". Based on review of the record provided and the recommendation of Staff, as discussed below, the Board is persuaded that an adequate investigation has been conducted that supports a finding that the proposed transaction meets the required guidelines as enumerated above and should be approved subject to conditions. Several rounds of discovery were conducted by Staff, as well as an informal inspection of the respective offices. The public and affected municipalities were given notice and an opportunity to comment. Although Petitioner adequately demonstrated that the petition was not unreasonable on its face, Staff found that, in light of the unique location of these offices on the "barrier islands" which were damaged by Superstorm Sandy, and the seasonal populations which they serve, special accommodations are necessary to ensure that the office closings did not unduly prejudice the public interest in these areas.

Comcast has been providing service via trailers in Ocean City following the loss of the Ocean City office that was damaged by Superstorm Sandy. With Ocean City customers being required to travel the farthest (12.7 miles) to reach the Pleasantville location, Staff finds that the removal of the trailer would have the greatest impact in this area and adversely affect customers on the barrier islands. Staff recommends therefore that Comcast continue to maintain the Ocean City trailer to ensure that adequate customer service is provided to customers on the barrier islands.

Accordingly, based upon the petition, supporting documentation, and comments, the Board HEREBY FINDS that the proposed change in office locations conforms to all existing conditions regarding office location in the Certificates of Approval currently in effect for the municipalities served by the Petitioner. Therefore, the Board HEREBY ORDERS that Petitioner's request to close its three existing customer service offices located at 625 Tilton Road, Northfield City, County of Atlantic, State of New Jersey 08225, 341 West Ave., Ocean City (closed damaged by Superstorm Sandy), County of Cape May, State of New Jersey 08226, and 309 Dorset Ave., Ventnor City (closed damaged by Superstorm Sandy), County of Atlantic, State of New Jersey 08406 and redirect its customers to its existing Pleasantville office, be GRANTED subject to the following conditions:

- 1. Petitioner shall keep at minimum, a "seasonal office" (April 15th October 15th) on the barrier islands similar to the service provided now by use of the Ocean City trailer.
- Petitioner shall notify the Board immediately if it withdraws the customer service trailer located in Ocean City, and provide an explanation as to how it will provide service to the barrier islands.
- Comcast shall continue to provide customers with the ability to return equipment to Comcast, free of charge, by depositing it at a UPS facility for shipping to Comcast, as asserted in their September 26, 2014 response to Rate Counsel's comments in this matter.
- Comcast shall not charge for a "truck roll" attributable to problems with its equipment or facilities, as asserted in their September 26, 2014 response to Rate Counsel's comments in this matter.
- 5. Comcast shall relocate any and all employees affected by the office closings to its Pleasantville office, as noted in Comcast's Petition.

This Order shall be effective on October 10, 2014, and will be null and void if Comcast does not complete the relocation of its customer service facility and functions within 180 days from the effective date of this Order.

DATED: 10/2/14

BOARD OF PUBLIC UTILITIES

PRESIDENT

JØSEPH L. FIORDALISO

COMMISSIONER

ATTEST:

IN THE MATTER OF THE PETITION OF COMCAST OF SOUTH JERSEY, LLC, FOR PERMISSION TO CLOSE CERTAIN CUSTOMER OFFICES (CITY OF NORTHFIELD, COUNTY OF ATLANTIC, STATE OF NEW JERSEY; CITY OF OCEAN CITY, COUNTY OF CAPE MAY, STATE OF NEW JERSEY; AND CITY OF VENTNOR, COUNTY OF ATLANTIC, STATE OF NEW JERSEY) PURSUANT TO N.J.A.C. 14:18-5.1
BPU DOCKET NOS. CO13040296, CO13040297 & CO13040298

SERVICE LIST

Dennis C. Linken, Esq. Scarinci Hollenbeck Attorneys At Law 1100 Valley Brook Avenue Post Office Box 790 Lyndhurst, NJ 07071

Lawanda Gilbert, Esq., Acting Director Office of Cable Television Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, NJ 08625-0350

David Wand, Esq.
Geoffrey Gersten, Esq.
Deputy Attorney General
State of New Jersey
Division of Law
Board of Public Utilities Section
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101

John Scott Abbott, Esq. 9 South Washington Avenue Margate, NJ 08402-2301

Amy R. Weintrob, Esq. Hankin Sandman & Palladino 30 South New York Avenue Atlantic City, NJ 08401 Dorothy F. McCrosson, Esq. McCrosson & Stanton 200 Asbury Avenue Ocean City, NJ 08226

William H. Furlong, Bureau Chief Steven Rastatter, TSA 1 Nancy Wolf, AA1 Office of Cable Television Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, NJ 08625-0350

Carol Artale, Esq.
Legal Specialist
Counsel's Office
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Stefanie A. Brand, Esq., Director Christopher White, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625