

Agenda Date: 4/27/11 Agenda Item: IIIB

# STATE OF NEW JERSEY Board of Public Utilities Two Gateway Center, Suite 801 Newark, NJ 07102 www.nj.gov/bpu/

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**CABLE TELEVISION** 

IN THE MATTER OF THE PETITION OF COMCAST OF NEW JERSEY II, LLC FOR A RENEWAL CERTIFICATE OF APPROVAL TO CONTINUE TO OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN AND FOR THE TOWNSHIP OF MAPLEWOOD, COUNTY OF ESSEX, STATE OF NEW JERSEY

RENEWAL CERTIFICATE OF APPROVAL

DOCKET NO. CE11010015

Dennis C. Linken, Esq., Stryker, Tams and Dill, Newark, New Jersey, for the Petitioner

Township Clerk, Township of Maplewood, by Elizabeth Fritzen, for the Township

BY THE BOARD:

On September 4, 1975, the Board granted Suburban Cablevision ("Suburban") a Certificate of Approval in Docket No. 7412C-6061 for the construction, operation and maintenance of a cable television system in the Township of Maplewood ("Township"). On March 3, 1986, the Board granted Suburban an Automatic Renewal Certificate of Approval for the Township in Docket No. CE85060616. Through a series of transfers with required Board approvals, Comcast Cablevision of New Jersey, Inc. became the holder of the Certificate. On October 8, 1997, the Board granted Comcast Cablevision of New Jersey, Inc. a Renewal Certificate of Approval for the Township in Docket No. CE95080357. On February 4, 1998, the Board issued an Order Amending the Renewal Certificate of Approval. Based on a name change, the holder of the Certificate was Comcast Cablevision of New Jersey II, LLC. On February 2, 2006, the Board granted Comcast Cablevision of New Jersey II, LLC an Automatic Renewal Certificate of Approval for the Township in Docket No. CE05070627. Based on an additional name change, Comcast of New Jersey II, LLC ("Petitioner") is the current holder of the Certificate. Although by its terms the Petitioner's above referenced Certificate expired on September 4, 2010, 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.

The Petitioner filed an application for the renewal of its municipal consent with the Township on December 2, 2009, pursuant to <u>N.J.S.A.</u> 48:5A-23 and <u>N.J.A.C.</u> 14:18-13.1 <u>et seq</u>. The Township, after public hearing, adopted a municipal ordinance granting renewal consent to the

Petitioner on November 15, 2010. On December 1, 2010, the Petitioner formally accepted the terms and conditions of the ordinance. On January 11, 2011, pursuant to <u>N.J.S.A.</u> 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Township.

The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval, and the municipal consent ordinance. 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, the Township reviewed these qualifications in conjunction with the municipal consent process.
- 2. The design and technical specifications of the system will 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 15 years. The Board finds this period to be of reasonable duration.
- 5. The Township may review the performance of the Petitioner with regard to the ordinance at its discretion. If the Township determines that the Petitioner has failed to substantially comply with the material terms and conditions of the ordinance, the Township shall provide written notice to the Petitioner of such alleged instances of non-compliance, and shall grant the Petitioner 90 days to cure such deficiency. The Township may petition the Board for appropriate administrative action, including revocation of the franchise or reduction of the franchise term, but only after the 90-day opportunity to cure has passed and the deficiency has not been cured.
- 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 and file with the Board an informational schedule of prices, terms and conditions for unregulated service and promptly file any revisions thereto.
- 7. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the Township. In this case, it is the Township Administrator. All complaints shall be received and processed in accordance with the Township's ordinance and applicable rules.
- 8. The Petitioner shall maintain a local business office for the purpose of receiving, investigating and resolving complaints. Currently, the primary local business office serving this provision is located at 800 Rahway Avenue, Union, New Jersey. The Petitioner also currently maintains a local business office at 275 Prospect Avenue, West Orange, New Jersey.

- 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, and shall be increased as required by <u>N.J.S.A.</u> 48:5A-30. 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 service to any residence or business along any public right-of-way in the Primary Service Area at no cost beyond standard and non-standard installation charges as set forth in the Petitioner's application. For any extension outside of the Primary Service Area, the Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate. The minimum homes per mile figure is 35.
- 11 The Petitioner shall provide public, educational and governmental access channels and facilities in accordance with its renewal application and the ordinance. Specifically, the Petitioner shall maintain one dedicated local access channel for the purpose of cablecasting non-commercial access programming by the Township.
- 12. The Petitioner shall also maintain a system-wide public access channel for use by qualified individuals and organizations in the municipalities served by the Petitioner's system. The Petitioner shall allow the Township to use its mobile production vehicle for the purpose of producing non-commercial community governmental or educational access programming. The Petitioner shall provide basic training to users of the production vehicle and shall provide other technical assistance and training upon written request for local residents for the purpose of producing PEG access programming, to the extent the Petitioner offers such technical assistance and training.
- 13. Within one year of this Certificate, the Petitioner shall provide an additional return line at a location of the Township's choosing, provided that the location is within 200 feet of the Petitioner's active cable television plant. Upon completion of the return line, the Petitioner shall provide the Office of Cable Television proof of satisfaction of this obligation.
- 14. Upon written request of the Township, the Petitioner shall, within one year of the request, provide a second dedicated, digital local access channel and return line for use by the Township.
- 15. Within 90 days of issuance of this Certificate, the Petitioner shall pay the Township a one-time grant in the amount of \$45,000.00 for access-related needs. Upon payment, the Petitioner shall provide the Office of Cable Television with proof of satisfaction of this obligation.
- 16. The Petitioner shall provide one standard installation and monthly basic cable television service, free of charge, to each school in the Township, public and private, elementary, intermediate and secondary. To qualify for free installation, the facility must be within 200 feet of the Petitioner's active cable television plant.

Each additional outlet installed, if any, shall be paid for on a materials/equipment plus labor basis by the school requesting the installation. Monthly service charges shall be waived on additional outlets.

- 17. The Petitioner shall provide one standard installation and basic cable service, free of charge, to the following locations in the Township: all police, fire and emergency management facilities; each public library; Township Hall; Department of Public Works facility; Senior Citizen Drop-in Center at Maplecrest Park; Unity Auditorium at the Civic House at Memorial Park; DeHart Community Center; 1978 Maplewood Arts Center; and the Burgdorff Cultural Center. To qualify for free installation, the facility must be within 200 feet of the Petitioner's active cable television plant. Each additional outlet installed, if any, shall be paid for on a materials plus labor basis by the Township. Monthly service charges shall be waived on all additional outlets, except for required additional equipment.
- 18. The Petitioner shall provide or continue to provide installation of one nonnetworked outlet of Internet service via high speed cable modem, free of charge, to each public or private elementary, middle or secondary schools, and to each public library facility in the Township. To qualify for free installation, the facility must be within 200 feet of the Petitioner's active cable television plant. The connection shall be installed in a location accessible for student or community use, and shall not be restricted to administrative use.
- 19. At the request of the Township, the Petitioner and the Township's designee shall meet at least once annually to review all matters relating to cable television in the Township, with the minutes of such meetings to be delivered to the Petitioner and to be filed with the Township.

Based upon these findings, the Board <u>HEREBY</u> <u>CONCLUDES</u>, pursuant to <u>N.J.S.A.</u> 48:5A-17(a) and 28(c), that 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</u> <u>seq.</u>; that the Petitioner has complied or is ready, willing and able to comply with all applicable rules and regulations imposed by or pursuant to State or 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 that the Petitioner is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is <u>HEREBY</u> <u>ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Township.

This Renewal 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 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 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 on September 4, 2025.

DATED: 4/27/11

BOARD OF PUBLIC UTILITIES BY:

LEE A. SOLOMON

PRESIDENT

JEANNE M. FOX

COMMISSIONER

Im Time

ÓSEPH L. FIORDALISO COMMISSIONER

NICHOLAS ASSELTA COMMISSIONER

ATTEST: KRIS SECRETARY

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

Utilities

# APPENDIX "I" OFFICE OF CABLE TELEVISION LINE EXTENSION POLICY

## COMCAST OF NEW JERSEY II, LLC TOWNSHIP OF MAPLEWOOD

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.	<u>HPM of extension</u> 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 <u>recovered from subs</u> Total subscribers in extensio	= on	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.

<sup>\*</sup> 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 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:

- 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 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.
- 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.

#### <u>COMCAST OF NEW JERSEY II, LLC</u> <u>RENEWAL CERTIFICATE OF APPROVAL</u> <u>TOWNSHIP OF MAPLEWOOD</u> <u>DOCKET NO. CE11010015</u>

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