

Agenda Date: 12/3/13 Agenda Item: IIID

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 <u>www.ni.gov/bpu/</u>

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF COMCAST OF CENTRAL NEW JERSEY II, LLC FOR A RENEWAL CERTIFICATE OF APPROVAL TO CONTINUE TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN AND FOR THE TOWNSHIP OF HILLSBOROUGH, COUNTY OF SOMERSET, STATE OF NEW JERSEY AUTOMATIC RENEWAL CERTIFICATE OF APPROVAL

DOCKET NO. CE10080625

Parties of Record:

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC, for the Petitioner **Pameia Borek, Clerk,** Township of Hillsborough, New Jersey

BY THE BOARD:

On June 19, 1980, the Board granted Hillsborough Cablevision a Certificate of Approval in Docket No. 7911C-6581, for the construction, operation and maintenance of a cable television system in the Township of Hillsborough ("Township"). Due to a series of Board approved transfers, the Certificate was held by RCN of New Jersey, Inc. ("RCN") and on February 3, 1999, the Board issued RCN a Renewal Certificate of Approval in Docket No. CE98050308. Through a subsequent Board approved transfer, the Certificate was held by Patriot Media and Communications CNJ, LLC ("Patriot"). On July 10, 2007, the Township adopted an ordinance amending its municipal consent ordinance of November 25, 1997. On August 3, 2007, the Petitioner's predecessor accepted the amended ordinance which provided, in part, for an automatic renewal term of five years. On January 17, 2008, the Board issued an Order of Amendment to a Renewal Certificate of Approval. With required Board approval, Comcast of Central New Jersey II, LLC ("Petitioner") is the current holder of the Certificate.

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On August 20, 2010, the Petitioner notified the Township of its intention to exercise its right under the automatic renewal provision of the Township's municipal consent and the Renewal Certificate of Approval, for an automatic renewal term of five years to expire on June 19, 2015. On August 30, 2010, the Petitioner filed with the Board for Automatic Renewal of its Certificate of Approval for the Township, pursuant to <u>N.J.S.A.</u> 48:5A-16, -19 and -25 and <u>N.J.A.C.</u> 14:17-6.9 and 14:18-13.6. Although the Petitioner's above referenced Certificate expired on June 19, 2010, the Petitioner is authorized to continue to provide cable television service to the Township, pursuant to <u>N.J.S.A.</u> 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate.

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</u> FINDS the following:

- 1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval.
- 2. The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
- 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 five years. The Board finds this franchise period reasonable.
- 5. The Petitioner shall provide service to any residence along any public right-of-way in the Primary Service Area, which was defined in the Board's February 3, 1999 Renewal Certificate of Approval, the ordinance and the application accompanying the petition for Automatic Renewal Certificate of Approval, at no cost beyond standard and non-standard installation charges. For any extension outside of the Primary Service Area, the Petitioner shall utilize the line extension policy attached to the Certificate. The minimum homes per mile figure is 25.
- 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, informational schedules of prices, terms and conditions for unregulated service, and promptly file any revisions thereto.
- 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 Office of Cable Television. All complaints shall be received and processed in accordance with any applicable rules.
- The Petitioner shall maintain a local business office within the Township for the purpose of receiving, investigating and resolving complaints as described in the ordinance. The Petitioner currently maintains a local office at 279 Amwell Road, Hillsborough, 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 or any additional amount 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 public, educational, and governmental access equipment and facilities as described in the application and the ordinance. The Petitioner shall continue to provide a total of 2 two-way capable access channels to the Township. The first access channel shall be an educational access channel which is located at Hillsborough High School. The second channel shall be the government access channel, which is located in the municipal complex.
- 11. The Petitioner shall continue to make its production facility in Hillsborough Township available to the Township's residents until such time as the Township's governmental access studio is completed or its educational access studio is upgraded. The Petitioner shall also provide production training courses as described in the ordinance.
- 12. The Petitioner shall continue to provide a fiber backbone, broadband fiber optic connection capable of supporting a Wide Area Network to support video, data and multimedia applications for educational and municipal administration, which may be connected to equipment provided and maintained by the Township, or its designee. In relation to the preceding requirement, the Petitioner shall continue to provide, at its own cost, four strands of active fiber optic cable capable of supporting data and video communications connecting the Township's schools, libraries, governmental and quasi-governmental entities, as designated in advance by the Township.
- 13. The Petitioner shall provide standard installation and basic cable service, expanded basic and a la carte cable service or a similar tier of cable television service, on one outlet, free of charge, to each existing school, library and municipal building as well as each fire station, police station, substation and rescue squad location in the Township. The Petitioner shall provide additional outlets to each of the above upon request for a fee based upon cost and materials and will provide free basic cable service and a la carte cable service or a similar tier of cable television service to the additional outlets.
- 14. The Petitioner shall provide, free of charge, standard residential high-speed cable modern service on one outlet to each public and private elementary, secondary and post-secondary school, library, and municipal building as well as any fire station, police station, substation and rescue squad located in the Township.
- 15. The Petitioner shall meet with the Township's Cable Advisory Committee quarterly to communicate complaints and shall provide such information as required by the ordinance. The Petitioner shall also conduct a survey of the Township's subscribers as required by the ordinance.

 The Petitioner shall continue to offer a senior citizens/disabled discount for persons meeting the eligibility requirements pursuant to <u>N.J.S.A.</u> 30:4D-21 and <u>N.J.A.C.</u> 14:18-3.20.

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 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 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 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 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 be enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in <u>N.J.S.A.</u> 48:5A-1 et seq.

This Certificate shall expire June 19, 2015.

This Order shall be effective on December 30, 2013.

DATED: 12/18/13

BOARD OF PUBLIC UTILITIES BY:

ROBERT M. HANN PRESIDENT

ÁNNE M. FOX COMMISSIONER

MÁRY-ÁNNA HOLDEN COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY

I HEREBY CERTIFY that \$ a true copy of \$

JOSEPH L. FIORDALISO

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DIANNE SOLOMON COMMISSIONER

APPENDIX "I" Office of Cable Television Line Extension Policy

Company Comcast of Central New Jersey II, LLC Municipality Township of Hillsborough

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	1	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 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.
- 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 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 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.
- Begin construction within 60 days of receipt of any deposit monies from potential subscribers.
- 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.
- 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.

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