



Agenda Date: 3/18/16  
Agenda Item: 3B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CABLE TELEVISION

IN THE MATTER OF THE APPLICATION OF )  
CABLEVISION OF NEW JERSEY, LLC FOR THE ) SYSTEM-WIDE CABLE TELEVISION  
RENEWAL OF ITS SYSTEM-WIDE CABLE ) FRANCHISE RENEWAL  
TELEVISION FRANCHISE ) DOCKET NO. CE15111316

**Parties of Record:**

**R. Thurman Barnes, Area Director, Government Affairs, Cablevision Systems Corporation**  
**Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel**

**BY THE BOARD:**

On June 10, 2009, the Board of Public Utilities ("Board") issued an order memorializing the conversion by Cablevision of New Jersey, Inc. ("CVNJ, Inc.") of its municipal consent-based franchise in the Borough of Fair Lawn to a System-wide Cable Television Franchise in Docket No. CE09030230, for a term of seven years to expire on March 20, 2016. Subsequently, CVNJ, Inc. underwent a name change and is now known as Cablevision of New Jersey, LLC ("Cablevision of New Jersey" or "Cablevision"). Cablevision of New Jersey has added an additional 20 municipalities to its System-wide Cable Television Franchise. The addition of these municipalities was memorialized by Orders of Amendment issued by the Board: on August 4, 2010, for six municipalities; on September 16, 2010, for five municipalities; on November 10, 2010, for two municipalities; on February 10, 2011, for five municipalities; on July 23, 2014, for one municipality; and on September 11, 2015, for one municipality. A list of the municipalities included in Cablevision of New Jersey's System-wide Cable Television Franchise is attached as Appendix "I".

**BACKGROUND**

On May 31, 2013, the Board notified Cablevision of New Jersey of its intention to review its performance under its System-wide cable television franchise pursuant to 47 U.S.C. § 546, N.J.S.A. 48:5A-19(b) and N.J.A.C. 14:18-14.16. On October 23, 2014, the Board invited Cablevision of New Jersey to file comments on its performance under its System-wide Cable Television Franchise and to assess how it will meet the future needs of the communities listed in its franchise application. Cablevision of New Jersey filed its Initial Comments with the Board on January 30, 2015. Pursuant to N.J.A.C. 14:18-14.17, on August 19, 2015, the Board issued a

report ("Ascertainment Report") on Cablevision of New Jersey's performance under its System-wide Cable Television Franchise and the future System-wide cable television franchise needs of the State and the municipalities under the System-wide cable television franchise.

On November 19, 2015, Cablevision of New Jersey filed for renewal of its System-wide Cable Television Franchise, pursuant to N.J.S.A. 48:5A-19 and N.J.A.C. 14:18-14.18. Pursuant to N.J.A.C. 14:18-14.3, the Board was required to hold two public hearings in this matter. Two hearings were held in Dumont on December 22, 2015 at 4:00pm and 6:00pm and an additional hearing was held in Paramus on January 29, 2016. Written comments were accepted between December 22, 2015 and January 21, 2016 for the Dumont hearings, and between January 29, 2016 and February 28, 2016 for the Paramus hearing. No written comments were received.

Following its review of Cablevision of New Jersey's application, Board Staff issued discovery requests to Cablevision of New Jersey on February 3, 2016, seeking additional follow-up information. Cablevision provided responses to Staff's requests on February 24, 2016.

### **PUBLIC COMMENT**

At the hearings, the public was invited to provide oral and/or written comment on the application, and the hearings were transcribed by a court reporter, with the transcripts included in the record of this matter. Mayor Peter Rustin, Borough of Tenafly, offered comments at the 4:00pm hearing on December 22, 2015. Mayor Rustin stated that the service received from Cablevision of New Jersey has improved over the years to the point where it's beyond satisfactory. He noted that he saw no reason why the System-wide cable television franchise should be denied. He stressed the importance of local access channels to municipalities and that he saw nothing in the application that would change Cablevision of New Jersey's commitments to the municipalities with regard to local access. At all three hearings, the New Jersey Division of Rate Counsel ("Rate Counsel") noted the highlights of Cablevision of New Jersey's application and stated that it would provide written comments to the Board regarding the application and the issuance of the Renewal System-wide Cable Television Franchise. On February 22, 2016, Rate Counsel filed a letter with the Board stating that it had reviewed the application and supporting documentation and did not oppose Board approval of Cablevision's application for a Renewal System-wide Cable Television Franchise. There were no other commenters.

### **DISCUSSION**

In 2006, the Legislature passed amendments to the State Cable Act which allowed Cablevision of New Jersey to apply for and receive a System-wide Cable Television Franchise from the Board (P.L. 2006, c. 83). The Legislature articulated certain restrictions and pre-conditions the Board could consider prior to approving any System-wide cable television franchise applicant. The Board is bound by the enabling statute and the adopted rules for application and enforcement.

In determining whether to issue Cablevision of New Jersey a renewal of its System-wide Cable Television Franchise, the Board may only consider that which is allowed by the State Cable Act, which provides, at N.J.S.A. 48:5A-16(f), that "[i]n determining whether a System-wide cable television franchise should be issued, the board shall consider only the requirements of sections 17 and 28 of P.L. 1972, c.186 (C. 48:5A-17 and C. 48:5A-28)."

N.J.S.A. 48:5A-17 permits the Board to issue a System-wide cable television franchise following its review of the application, where it finds the applicant has complied or is ready, willing and able to comply with all applicable rules and regulations imposed or pursuant to State or federal law as preconditions for providing cable television service. N.J.S.A. 48:5A-28 sets forth the elements in the application for a System-wide cable television franchise and the required commitments of a System-wide cable television franchise applicant. The Board's review of the application makes it clear that Cablevision of New Jersey's application satisfies the requirements set forth by the Legislature.

## **CONCLUSION**

Based upon these findings, the Board **HEREBY CONCLUDES** that, pursuant to the System-wide Cable Television Franchise Act and the Cable Television Act, Cablevision of New Jersey 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 Cablevision of New Jersey 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, Cablevision of New Jersey is **HEREBY ISSUED** this Renewal System-wide Cable Television Franchise, for a period of seven years, as evidence of Cablevision of New Jersey's authority to operate a cable television system within the jurisdiction set forth in its application, subject to the following conditions:

1. All of the commitments, statements and promises contained in the application for renewal of this System-wide Cable Television Franchise and any amendments thereto submitted in writing to the Board, except as modified herein, are hereby adopted and binding upon Cablevision of New Jersey as terms and conditions of this Renewal System-wide Cable Television Franchise, and included as conditions as if fully set forth herein. The application and any other relevant writings submitted by Cablevision of New Jersey shall be considered a part of this System-wide Cable Television Franchise and made part hereof by reference.
2. In Bergenfield Borough, Closter Borough, Fair Lawn Borough, Harrington Park Borough, Haworth Borough, Hillsdale Borough, New Milford Borough, Northvale Borough, Oradell Borough, Paramus Borough, River Vale Township, Saddle River Borough, and Woodcliff Lake Borough, Cablevision of New Jersey shall provide service to residents in residentially zoned areas at no cost beyond the installation rates contained in its schedule of prices, rates, terms and conditions filed with the Board and in commercially zoned areas in accordance with the LEP attached to this order (Appendix "II") based upon a minimum of 20 homes per mile.
3. In Bayonne City, Demarest Borough, Dumont Borough, Emerson Borough, Norwood Borough, Old Tappan Borough, Rockleigh Borough and Tenafly Borough, Cablevision of New Jersey shall provide service to any resident in the municipality at no cost beyond the installation rates contained in its schedule of prices, rates, terms and conditions filed with the Board.

4. Cablevision of New Jersey may add additional municipalities to its System-wide Cable Television Franchise without seeking approval from the Board, in accordance with N.J.A.C. 14:18-14.14. Cablevision of New Jersey must provide notice to the Board and the affected municipality via certified mail.
5. Under N.J.A.C. 14:18-5.1(a), Cablevision shall maintain a local business office where applications for service, complaints, service inquiries, bill payments, and so forth will be received. Currently, Cablevision of New Jersey maintains a local office at 5 Legion Drive, Cresskill, New Jersey. Cablevision of New Jersey shall maintain its local office in accordance with applicable law.
6. The designated complaint officer for all municipalities in Cablevision of New Jersey's System-wide Cable Television Franchise is the Office of Cable Television. All complaints shall be received and processed in accordance with applicable rules.
7. Cablevision of New Jersey shall pay a franchise fee to each municipality served in the amount of 3.5% of its gross revenues, as defined by N.J.S.A. 48:5A-3(x) and -30(d), paid by subscribers in the municipality.
8. Cablevision of New Jersey shall pay to the State Treasurer, in accordance with its CATV Universal Access Fund now existing or as will exist in the future, an amount of up to 0.5% of its gross revenues, as defined by N.J.S.A. 48:5A-3(x) and -30(d), paid by subscribers in the municipality.
9. Cablevision of New Jersey shall maintain an informational schedule of prices, rates, terms and conditions for unregulated service and promptly file any revisions thereto. Rate and channel line-up changes shall be performed in accordance with applicable rules.
10. Upon written request of a municipality served by its System-wide Cable Television Franchise, Cablevision of New Jersey shall provide or continue to provide and maintain a return line or other method of interconnection from any one location in the municipality, without charge, to a location of interconnection in its cable television System in order to allow live or taped cablecasting of PEG access programming by the municipality. The return line or interconnection shall be provided in accordance with N.J.A.C. 14:18-15.4(c).
11. Upon written request of a municipality served by its System-wide Cable Television Franchise, Cablevision of New Jersey shall provide and maintain up to two PEG access channels. If a municipality requests more than two PEG access channels, the municipality shall demonstrate the need for the additional PEG access channels in accordance with N.J.A.C. 14:18-15.4(a)1. The municipality shall assume all responsibility for the management, operations and programming of the PEG access channels in accordance with N.J.A.C. 14:18-15.4(a)4.
12. Cablevision of New Jersey shall continue to provide equipment and training for municipalities covered by the System-wide cable television franchise without charge, for use in the development of local programming content that can be shown on PEG access channels. Cablevision currently maintains a studio location at 128 Bauer Drive, Oakland, New Jersey. The hours of operation are from 9:00am to 5:00pm, Monday through Friday, by appointment, on a first come, first served basis. Cablevision provides training

at the access studio upon request. A municipality or its designee wishing to use the studio must have an access user application on file and submit a completed studio time user application. A municipality or its designee wishing to receive training must have an access user application on file and submit a completed access training application.

13. Upon written request of a municipality served by its System-wide Cable Television Franchise, Cablevision of New Jersey shall install and maintain, without charge, one service outlet activated for basic cable television service and Internet service to each fire station, public school, police station, public library and any other such building used for municipal purposes, in accordance with N.J.A.C. 14:18-15.5.
14. Pursuant to N.J.A.C. 14:18-14.3, Cablevision of New Jersey shall maintain sufficient bond for the faithful performance of all undertakings by the applicant as represented in the application; and shall have sufficient insurance including the Board, all municipalities served and the applicant as insureds, with respect to all liability for any death, personal injury, property damage or other liability arising out of the applicant's construction and operation of its cable television system.
15. Pursuant to N.J.S.A. 48:5A-28(n), Cablevision of New Jersey shall continue to comply with any applicable consumer protection requirements.

This Renewal System-wide Cable Television Franchise 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. Cablevision of New Jersey shall adhere to the applicable operating standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. §76.1 et seq. including but not limited to, the technical standards 47 C.F.R. §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Renewal System-wide Cable Television Franchise.

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 Renewal System-wide Cable Television Franchise.

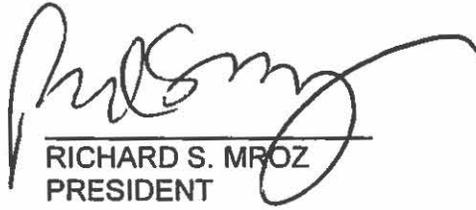
This Renewal System-wide Cable Television Franchise is issued on the representation that the statements contained in Cablevision of New Jersey's application are true, and the undertakings therein contained shall be adhered to and be enforceable unless specific waiver is granted by the Board or the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

Cablevision of New Jersey's Renewal System-wide Cable Television Franchise shall expire on March 20, 2023.

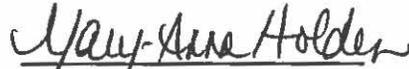
This Order shall be effective on March 28, 2016.

DATED: 3-18-16

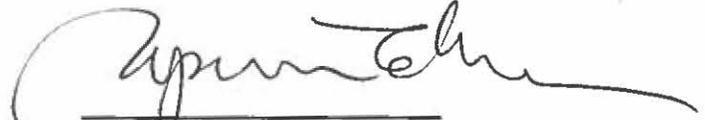
BOARD OF PUBLIC UTILITIES  
BY:

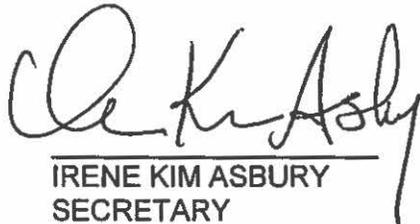
  
RICHARD S. MROZ  
PRESIDENT

  
JOSEPH L. FIORDALISO  
COMMISSIONER

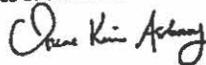
  
MARY-ANNA HOLDEN  
COMMISSIONER

  
DIANNE SOLOMON  
COMMISSIONER

  
UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:   
IRENE KIM ASBURY  
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"**  
**CABLEVISION OF NEW JERSEY, LLC'S**  
**SYSTEM-WIDE CABLE TELEVISION FRANCHISE MUNICIPALITIES**

<b>#</b>	<b>Municipality</b>	<b>County</b>
1	Bayonne City	Hudson
2	Bergenfield Borough	Bergen
3	Closter Borough	Bergen
4	Demarest Borough	Bergen
5	Dumont Borough	Bergen
6	Emerson Borough	Bergen
7	Fair Lawn Borough	Bergen
8	Harrington Park Borough	Bergen
9	Haworth Borough	Bergen
10	Hillsdale Borough	Bergen
11	New Milford Borough	Bergen
12	Northvale Borough	Bergen
13	Norwood Borough	Bergen
14	Old Tappan Borough	Bergen
15	Oradell Borough	Bergen
16	Paramus Borough	Bergen
17	River Vale Township	Bergen
18	Rockleigh Borough	Bergen
19	Saddle River Borough	Bergen
20	Tenafly Borough	Bergen
21	Woodcliff Lake Borough	Bergen

**APPENDIX "II"**  
**OFFICE OF CABLE TELEVISION**  
**LINE EXTENSION POLICY**

**CABLEVISION OF NEW JERSEY, LLC**  
**SYSTEM-WIDE CABLE TELEVISION FRANCHISE RENEWAL**

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.  $\frac{\text{\# of homes in extension}}{\text{mileage of extension}}$  = homes per mile (HPM) of extension
2.  $\frac{\text{HPM of extension}}{\text{Minimum HPM that company actually constructs in the system *}}$  = 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.  $\frac{\text{Total amount to be recovered from subs}}{\text{Total subscribers in extension}}$  = 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.

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\* 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 the share of the extension cost for an individual dwelling has been paid, 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.

**IN THE MATTER OF THE APPLICATION OF CABLEVISION OF NEW JERSEY, LLC FOR  
THE RENEWAL OF ITS SYSTEM-WIDE CABLE TELEVISION FRANCHISE**

**SYSTEM-WIDE CABLE TELEVISION FRANCHISE RENEWAL  
DOCKET NO. CE15111316**

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