



Agenda Date: 2/22/17
Agenda Item: IIIB

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CABLE TELEVISION

IN THE MATTER OF THE APPLICATION OF)
CSC TKR, LLC FOR THE RENEWAL OF ITS)
SYSTEM-WIDE CABLE TELEVISION)
FRANCHISE) DOCKET NO. CE16090920

Parties of Record:

Robert Hoch, Counsel, Local Government & Regulatory Affairs, Altice USA, for CSC TKR, LLC
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On February 11, 2010, in Docket No. CE10010024, the Board of Public Utilities ("Board") issued an order memorializing the conversion by CSC TKR, LLC of its municipal consent-based franchise in the Borough of Allentown to a system-wide cable television franchise in the above referenced docket number for a term of seven years. CSC TKR, LLC has added an additional 32 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 five municipalities; on September 16, 2010, for five municipalities; on December 6, 2010, for eight municipalities; on February 10, 2011, for nine municipalities; on September 21, 2011, for two municipalities; on December 18, 2013, for two municipalities; and on February 24, 2016, for one municipality. A list of the municipalities included in CSC TKR, LLC's System-wide Cable Television Franchise is attached as Appendix "I". On May 26, 2016, in Docket No. CM15111255, the Board approved the merger of Altice, USA and Cablevision Systems Corporation, the parent of CSC TKR, LLC. Altice is obligated to abide by all commitments under CSC TKR, LLC's franchise agreements. Although by its terms, CSC TKR, LLC's System-wide Cable Television Franchise expired on January 11, 2017, it is authorized to continue to provide cable television service, pursuant to N.J.A.C. 14:18-14.18(e).

BACKGROUND

On February 12, 2014, the Board notified CSC TKR, LLC 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 November 10, 2015, the Board invited CSC TKR, LLC 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. CSC TKR, LLC filed its Initial Comments with the Board on January 29, 2016. Pursuant to N.J.A.C. 14:18-14.17, on May 25, 2016, the Board issued a report ("Ascertainment Report") on CSC TKR, LLC'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 September 30, 2016, CSC TKR, LLC 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, which were held in the Borough of Wharton on December 6, 2016 at 5:00 p.m. and in the Borough of Union Beach on December 20, 2016 at 4:00 p.m. Written comments were accepted between December 6, 2016 and January 5, 2017 for the Wharton hearing, and between December 20, 2016 and January 21, 2017 for the Union Beach hearing. A comment was submitted by Mark Rodgers, of Somerset, New Jersey, who stated that as long as CSC TKR, LLC complies with all environmental and safety regulations, he welcomes CSC TKR, LLC's competition with Verizon and Comcast.

Following its review of CSC TKR, LLC's application, Board Staff issued discovery requests to CSC TKR, LLC on November 17, 2016, seeking additional follow-up information. CSC TKR, LLC provided responses to Staff's requests on November 18, 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 William J. Chegwiddden, Borough of Wharton, offered comments at the 5:00 p.m. hearing on December 6, 2016. Mayor Chegwiddden thanked CSC TKR, LLC for being a great partner with the Borough over the years and providing good service. At both hearings, the New Jersey Division of Rate Counsel ("Rate Counsel") noted the highlights of CSC TKR, LLC'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 December 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 CSC TKR, LLC'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 CSC TKR, LLC 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 CSC TKR, LLC 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 CSC TKR, LLC'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, CSC TKR, LLC 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 CSC TKR, LLC 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, CSC TKR, LLC is **HEREBY ISSUED** this Renewal System-wide Cable Television Franchise, for a period of seven years, as evidence of CSC TKR, LLC'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 CSC TKR, LLC 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 CSC TKR, LLC shall be considered a part of this System-wide Cable Television Franchise and made part hereof by reference.
2. In Denville Township, CSC TKR, LLC shall provide service in accordance with the LEP attached to this order (Appendix "II") based upon a minimum of 15 homes per mile ("HPM"). In Randolph Township and Rockaway Township CSC TKR, LLC shall provide service in accordance with the LEP based upon a minimum of 20 HPM. In Allentown Borough, Bernards Township, Chatham Borough, Dover Town, East Hanover Township, Florham Park Borough, Hanover Township, Highland Park Borough, Keansburg Borough, Manville Borough, Mine Hill Township, Morris Plains Borough, Morris Township, Morristown Town, Raritan Borough, Rockaway Borough, Somerville Borough and Warren Township, CSC TKR, LLC shall provide service in accordance with the LEP based upon a minimum of 25 HPM. In Aberdeen Township, Bridgewater Township, Hamilton Township, Keyport Borough, Matawan Borough, South Bound Brook Borough, Union Beach Borough, Victory Gardens Borough, Watchung Borough and Wharton Borough, CSC TKR, LLC shall provide service in accordance with the LEP based upon a minimum of 35 HPM.

3. In Bound Brook Borough and Madison Borough, CSC TKR, LLC 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. CSC TKR, LLC 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. CSC TKR, LLC must provide notice to the Board and the affected municipality via certified mail.
5. Under N.J.A.C. 14:18-5.1(a), CSC TKR, LLC shall maintain local business offices where applications for service, complaints, service inquiries, bill payments, and so forth will be received. Currently, CSC TKR, LLC maintains local offices at: 275 Centennial Avenue, Piscataway, New Jersey; 683 Route 10 East, Randolph, New Jersey; 2137 Hamilton Avenue, Hamilton, New Jersey; and 2909 Washing Road, Parlin, New Jersey. CSC TKR, LLC shall maintain its local offices in accordance with applicable law.
6. The designated complaint officer for all municipalities in CSC TKR, LLC'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. CSC TKR, LLC 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. CSC TKR, LLC 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. CSC TKR, LLC 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, CSC TKR, LLC shall 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). CSC TKR, LLC shall continue to provide and maintain any return line already provided.
11. Upon written request of a municipality served by its System-wide Cable Television Franchise, CSC TKR, LLC 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. CSC TKR, LLC 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. CSC TKR, LLC currently maintains a studio location at 683 Route 10 East, Randolph, New Jersey. CSC TKR, LLC provides training at the access studio upon request.
13. Upon written request of a municipality served by its System-wide Cable Television Franchise, CSC TKR, LLC 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. 14:18-14.2, CSC TKR, LLC 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), CSC TKR, LLC 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. CSC TKR, LLC 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.

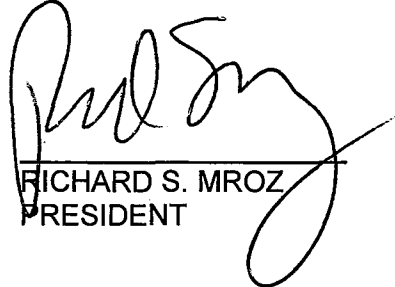
This Renewal System-wide Cable Television Franchise is issued on the representation that the statements contained in CSC TKR's application are true, and the undertakings therein contained shall be adhered to and be enforceable unless specific waiver is granted by the Board or the Office of Cable Television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

CSC TKR, LLC's Renewal System-wide Cable Television Franchise shall expire on January 10, 2024.

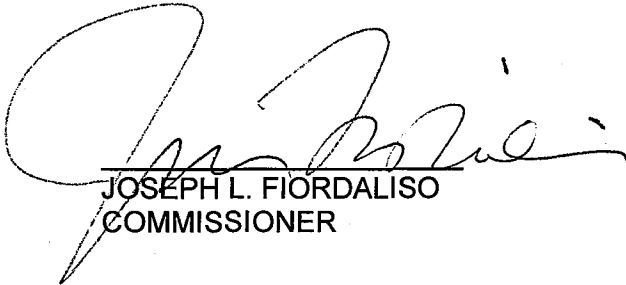
This Order shall be effective on March 4, 2017.

DATED: 2/22/17

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



JOSEPH L. FIORDALISO
COMMISSIONER



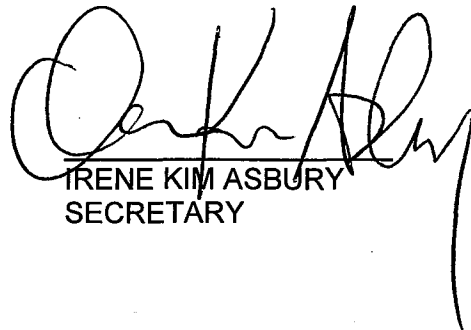
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COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

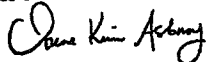


UPENDRA J. CHIVUKULA
COMMISSIONER

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"
 CSC TKR, LLC'S
 SYSTEM-WIDE CABLE TELEVISION FRANCHISE MUNICIPALITIES**

#	Municipality	County
1	Aberdeen Township	Monmouth
2	Allentown Borough	Monmouth
3	Bernards Township	Somerset
4	Bound Brook Borough	Somerset
5	Bridgewater Township	Somerset
6	Chatham Borough	Morris
7	Denville Township	Morris
8	Dover Town	Morris
9	East Hanover Township	Morris
10	Florham Park Borough	Morris
11	Hamilton Township	Mercer
12	Hanover Township	Morris
13	Highland Park Borough	Middlesex
14	Keansburg Borough	Monmouth
15	Keyport Borough	Monmouth
16	Madison Borough	Morris
17	Manville Borough	Somerset
18	Matawan Borough	Monmouth
19	Mine Hill Township	Morris
20	Morris Plains Borough	Morris
21	Morris Township	Morris
22	Morristown Town	Morris
23	Randolph Township	Morris
24	Raritan Borough	Somerset
25	Rockaway Borough	Morris
26	Rockaway Township	Morris
27	Somerville Borough	Somerset
28	South Bound Brook Borough	Somerset
29	Union Beach Borough	Monmouth
30	Victory Gardens Borough	Morris
31	Warren Township	Somerset
32	Watchung Borough	Somerset
33	Wharton Borough	Morris

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

**CSC TKR, 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. $\frac{\text{\# of homes in extension}}{\text{mileage of extension}} = \text{homes per mile (HPM) of extension}$
2. $\frac{\text{HPM of extension}}{\text{Minimum HPM that company actually constructs in the system *}} = \text{ratio of the density of the extension to the minimum density which the company constructs in the system ("A")}$
3. $\text{Total cost of building the extension times "A"} = \text{company's share of extension cost}$
4. $\text{Total cost of building extension less company's share of extension cost} = \text{total amount to be recovered from subscribers}$
5. $\frac{\text{Total amount to be recovered from subs}}{\text{Total subscribers in extension}} = \text{each subscriber's share}$

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 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 CSC TKR, LLC FOR THE RENEWAL OF ITS
SYSTEM-WIDE CABLE TELEVISION FRANCHISE**

**SYSTEM-WIDE CABLE TELEVISION FRANCHISE RENEWAL
DOCKET NO. CE16090920**

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