

Agenda Date: 3/23/22 Agenda Item: IIIA

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, New Jersey 08625-0350 <u>www.nj.gov/bpu/</u>

> OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS

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

DOCKET NO. CE21040726

Parties of Record:

Dennis C. Linken, Esq., Scarinci Hollenbeck, LLC, on behalf of Comcast of New Jersey II, LLC **Gregory LaConte, Clerk,** Township of Chatham, New Jersey

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BY THE BOARD:1

On February 7, 1983, the New Jersey Board of Public Utilities ("Board") granted Morris Hills Cablevision, Inc. a Certificate of Approval in Docket No. 8210C-6947, for the construction, operation, and maintenance of a cable television system in the Township of Chatham ("Township"). Due to a series of Board approved transfers, the Certificate was held by ComVideo Systems, Inc. d/b/a C-TEC Cable Systems ("ComVideo") and on September 23, 1993, the Board issued a Renewal Certificate of Approval ("Renewal Certificate") to ComVideo for the Township, in Docket No. CE92121087. Due to a series of Board approved transfers, the Certificate was held by Patriot Media and Communications CNJ, LLC ("Patriot"). On May 16, 2005, the Board issued a Renewal Certificate to Patriot for the Township, in Docket No. CE04060459. Through a series of subsequent transfers, with the required Board approvals, the current holder of the Certificate is Comcast of Central New Jersey II, LLC ("Petitioner"). Although by its terms the Petitioner's above referenced Certificate expired on May 16, 2020, 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 August 20, 2019, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 to 9. On December 17, 2020, the Township, after public hearing, adopted an ordinance granting renewal municipal

¹ Commissioner Robert M. Gordon did not participate in this matter.

consent to the Petitioner ("Ordinance"). The Petitioner formally accepted the terms and conditions of the Ordinance on February 8, 2021. On April 27, 2021, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate for the Township.

The Board has reviewed the application for municipal consent, the municipal consent ordinance, and the petition for a Renewal Certificate of Approval. Based upon this review and the recommendation of the Office of Cable Television and Telecommunications, 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. Further, these qualifications were reviewed by the Township in conjunction with the municipal consent process.
- 2. The design and technical specifications of the system shall 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 10 years, pursuant to N.J.S.A. 48:5A-19 and 25. The Board finds this franchise period reasonable.
- 5. The Township has reserved the right to review the Petitioner's performance with regard to the Ordinance. In the event that the Township shall find that the Petitioner has not substantially complied with the material terms and conditions of the Ordinance, the Township shall have the right to petition the Board for appropriate administrative action, pursuant to N.J.S.A. 48:5A-47, provided, however, that the Township shall first have given the Petitioner written notice of all alleged instances of non-compliance and an opportunity to cure the same within 90 days of that notification. If, after such reasonable notice and opportunity to cure, the Petitioner has not cured any such findings of non-compliance, the Township may petition the Board for appropriate administrative action, including modification and/or termination of the Certificate of Approval.
- 6. The Petitioner shall provide service along any public right of way to any person's residence or business located in all areas of the primary service area as stipulated on the map provided with the application. For any extension of plant beyond the primary service area, the Petitioner shall apply the line extension policy attached to the Certificate (Appendix "I"). The minimum homes per mile ("HPM") figure is 20.
- 7. The Petitioner shall maintain informational tariffs for unregulated service rates and promptly file any revisions thereto.
- 8. 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 and Telecommunications. All complaints shall be received and processed in accordance with any applicable rules.
- 9. During the term of this franchise, and any renewal thereof, the Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating, and resolving complaints regarding the quality of service, equipment malfunctions, and

similar matters. The Petitioner currently maintains a local office located at 279 Amwell Road, Hillsborough, New Jersey.

- 10. Pursuant to N.J.S.A. 48:5A-30, the franchise fee to be paid to the Township is specified to be 3.5% of the Petitioner's gross revenues, as defined in N.J.S.A. 48:5A-3(x), derived from cable television charges or fees paid by subscribers for its cable television service in the City. 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.
- 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 continue to provide one public access channel and one governmental and educational ("EG") access channel.
- 12. Within six (6) months of issuance of this Certificate, the Petitioner shall provide to the Township a one-time PEG access Capital grant of \$35,000 to meet the PEG access capital needs of the community. Upon completion, the Petitioner shall submit proof to the Office of Cable Television and Telecommunications indicating its compliance with this provision.
- 13. The Petitioner shall provide or continue to provide standard installation and Basic cable television service, on one (1) outlet, free of charge, to each qualified existing and future school in the Township, public and private, elementary, intermediate and secondary. In order to qualify for free installation, the school must be located within 200 feet of active cable distribution plant. Each additional outlet installed, if any, shall be paid for on a materials plus labor basis by the school requesting service. Monthly service charges shall be waived on all additional outlets, except for equipment.
- 14. The Petitioner shall provide or continue to provide standard installation and Basic cable television service, on one (1) outlet, free of charge, to the municipal buildings, water treatment plant and to each Police, Fire, Emergency Management Facility, and Public Library located in the Township². To qualify for free installation, the facility must be located within 200 feet of active cable distribution plant. The Township shall pay for each additional outlet installed to any of the above facilities on a materials plus labor basis. The Petitioner shall provide the above referenced services to any future such facility upon written request. Monthly service charges shall be waived on all additional outlets, except for equipment. In the event the Township relocates its offices from 58 Meyersville Road, in the Township during the term of this franchise to another location within the Township, the Petitioner shall provide that new location services pursuant to Section 14(e) and 15(a) of the ordinance.
- The Petitioner shall provide standard installation and courtesy Internet service via one (1) non-networked cable modem and monthly Internet service to the public library in the Township, at no charge, provided each facility is within 200 feet of active cable

² Currently the Petitioner is providing service to the following Township properties: Municipal Building, 58 Meyersville Road; Police Department, 401 Southern Boulevard; Public Works Garage, 405 Southern Boulevard; Wastewater Treatment Plant, End of Tanglewood Lane; Colony Pool, 55 School Avenue; and Red Brick Schoolhouse, 24 Southern Boulevard.

distribution plant. The Internet service shall be installed on a personal computer that is accessible to the library patrons and cannot be limited to administrative uses.

Based upon these findings, the Board <u>HEREBY CONCLUDES</u>, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), that the Petitioner has the municipal consent necessary to support the petition, subject to the exception noted above; that such consent and issuance thereof are in conformity with the requirements of N.J.S.A. 48:5A-1 to 64; 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, and 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 Telecommunications, 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 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 Certificate.

Failure to comply with all applicable laws, rules, regulations, and orders of the Board or the Office of Cable Television and Telecommunications 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 and Telecommunications pursuant to the authority contained in N.J.S.A. 48:5A-1 to 64.

This Certificate shall expire on May 16, 2030.

This Order shall be effective on March 30, 2022.

DATED: March 23, 2022

BOARD OF PUBLIC UTILITIES BY:

UO\$EPH L. FIORDALISO PRESIDENT

COMMISSIONER

DIANNE SOLOMON COMMISSIONER

UPENDRA J. CHIVUKULA COMMISSIONER

ATTEST:

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AIDA CAMACHO-WELCH SECRETARY

APPENDIX "I" Office of Cable Television and Telecommunications Line Extension Policy

Company: Comcast of Central New Jersey II, LLC Municipality: Township of Chatham, County of Morris

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 that 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.
- 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 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 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 thirty (30) days of such a request.
- 2. Begin construction within sixty (60) days of receipt of any deposit monies from potential subscribers.
- 3. Complete construction within six (6) 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 (5) years from the installation of the first dwelling unit in the extension, no further adjustments shall be made. Installations after five (5) 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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