



Agenda Date: 9/13/12

Agenda Item: IIC

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

CABLE TELEVISION

IN THE MATTER OF THE APPLICATION OF SERVICE)
ELECTRIC CABLE T.V. OF HUNTERDON, INC. FOR)
AUTHORITY TO AMEND A CREDIT FACILITY)
ORDER)
DOCKET NO. CF12060515)

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Thomas C. Kelly, Esq., for Service Electric Cable T.V.

BY THE BOARD:

Service Electric Cable T.V. of Hunterdon, Inc. ("SEH") a Pennsylvania corporation, which provides services in the State of New Jersey filed a petition on June 12, 2012, pursuant to N.J.S.A. 48: 5A-40 and 42 and in conformance with N.J.A.C. 14: 17-4.1, 6.1, and 6.13 seeking Board approval to amend a Credit Agreement approved by the Board in Docket No. CF10090653 on December 16, 2010 ("2010 Credit Agreement").

SEH, a Pennsylvania corporation with its principal place of business in Bethlehem, Pennsylvania, is a New Jersey cable television company operating its cable television business in twelve communities in the counties of Hunterdon and Warren, New Jersey. Specifically, SEH provides cable television service in Hunterdon County in the communities of Alexandria, Frenchtown, Milford, Holland, Kingwood and Bloomsbury and in Warren County in the communities of Alpha, Greenwich, Harmony, Lopatcong, Phillipsburg and Pohatcong. SEH has been providing cable television service since 1991. Prior to that, going back to the 1970's, a New Jersey affiliate of SEH had been providing service in four of the Hunterdon County communities as well as communities located in Sussex County. SEH is an affiliate of Service Electric Cable T. V. Inc. ("SECTV"). SECTV owns and operates cable television systems in the Commonwealth of Pennsylvania. SEH and SECTV are owned by a family owned corporation.

The changes to the terms of the 2010 Credit Facility amendment will consist of a removal of the Adjusted Libor floor of 1.5%; an adjustment in maximum principals' compensation and an allowance of a share ownership in a Pennsylvania entity affiliated with SEH. Except as noted on the Summary of Terms and Conditions of the petition, the remaining terms of the 2010 Credit Facility will remain intact. The amended facility will be referred to as the "2012 Credit Facility".

As is customary, SEH and its affiliate will be responsible for commitment fees and other expenses and obligations associated with the 2010 Credit Facility. Those fees, charges and obligations are referred to in the Summary of Terms and Conditions that were a part of SEH's filing and in the subsequently filed supplemental information.

The existing pledge of SEH's assets and capital stock, along with that of its affiliate SECTV, will be the same as presently required under the 2010 Credit Agreement. SEH and SECTV will continue to be jointly and severally liable on the full amount of the loans and all of the material terms and conditions of the credit facility.

The Division of Rate Counsel has reviewed this matter, and, by letter dated August 15, 2012, does not object to the approval of the petition.

After review, the Board HEREBY FINDS that the proposed transactions are to be made in accordance with law, are in the public interest and the purposes thereof are approved by the Board. Therefore the Board HEREBY AUTHORIZES Service Electric Cable T.V. of Hunterdon, Inc., to enter into the 2012 Credit Facility, to issue the appropriate notes, give security; to enter into the and to take other such actions reasonably inferred therefrom.

This Order is subject to the following provisions:

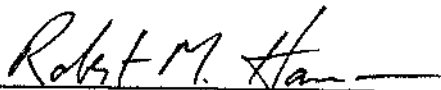
1. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by SEH.
2. This Order shall not affect or in any way limit the exercise of the authority of this Board or this State in any pending or future petition or in any proceeding with respect to rates, franchises, services, financing, accounting, capitalization, depreciation or in any other matters affecting SEH.
3. SEH agrees to submit to the Board, at the Board's request, copies of all financial statements or materials required to be submitted to the lenders in connection with the credit facility.
4. SEH shall notify the Board within five days of a continuing event of default which will give the Board the opportunity to determine if such default would cause inadequate, unsafe or improper service which could be in violation of N.J.S.A. 48:5A-36 and 39.
5. Notwithstanding anything to the contrary in the 2012 Credit Facility approved herein or the underlying documents making up the agreement, neither this proposed financing nor a default under the agreement or supporting documents constitutes an automatic transfer of SEH property, plant or equipment, or Certificates of Approval under the terms of any security agreement or other document in conjunction with the credit facility. Board approval must be sought pursuant to N.J.S.A. 48:5A-19, 40 and 43.
6. Copies of interest rate protection/hedge agreements and or rate insurance/cap agreements shall be filed with the Board by SEH within 10 days after their execution. The filing shall include the amount of principal covered, the old interest rate or range, the new interest rate or range, the premium or consideration for the interest rate contract or insurance, anticipated interest expense savings and the present and future benefits of such agreements.

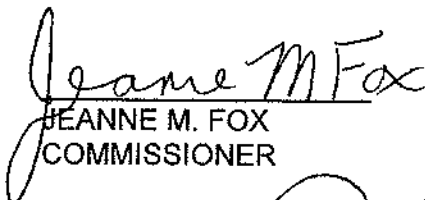
7. Approval of the transactions herein shall not constitute a determination, nor in any way limit any future determination of the Board as to the treatment of indebtedness, capital structure and interest expense for ratemaking purposes, in any rate proceeding under state or federal law.
8. The Board's approval herein should not be interpreted as limiting the Board's authority over SEH to the extent that any action contemplated in the 2012 Credit Facility would require further Board review and approval under applicable law.
9. Any approval herein shall not be construed as automatically approving any past, present or future intercompany debt or advances that may require Board approval pursuant to the applicable statutes.
10. Material deviation in the executed closing documents from the terms and conditions approved herein or from that set forth in the filing by SEH and the supplements filed by SEH will render this Order of Approval voidable. SEH shall file a certification within thirty days of loan closing which shall indicate that there are no material deviations in the final closing documents from those so filed with the Board.
11. Consummation of the transactions approved herein must take place no later than sixty days from the date of approval of this Order, unless otherwise extended by the Board.


This Order shall be effective on September 23, 2012.

DATED: 9/13/12

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

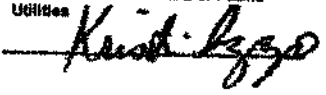

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

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


In The Matter of the Application of Service Electric Cable T.V. of Hunterdon, Inc. For Authority to Amend a Credit Facility

DOCKET NO. CF12060515

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