

Agenda Date: 2/11/15 Agenda Item: IIIA

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350

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CABLE TELEVISION

| IN THE MATTER OF THE PETITION OF CSC TKR, |) | RENEWAL CERTIFICATE OF |
|---|---|------------------------|
| LLC D/B/A CABLEVISION OF RARITAN VALLEY FOR |) | APPROVAL |
| A RENEWAL CERTIFICATE OF APPROVAL TO |) | |
| CONTINUE TO OPERATE AND MAINTAIN A CABLE |) | |
| TELEVISION SYSTEM IN THE TOWNSHIP OF |) | |
| BEDMINSTER, COUNTY OF SOMERSET, STATE OF |) | |
| NEW JERSEY |) | DOCKET NO. CE14091075 |

Parties of Record:

James Eric Andrews, Esq., Schenck, Price, Smith & King, LLP, for the Petitioner Judith A. Sullivan, Clerk, Township of Bedminster, New Jersey

BY THE BOARD1:

On December 14, 1990, the Board of Public Utilities ("Board") granted TKR Cable Company a Certificate of Approval in Docket No. CM89080689, for the construction, operation and maintenance of a cable television system in the Hills Development in the Township of Bedminster ("Township"). Due to a series of Board-approved transfers, the Certificate is currently held by CSC TKR, LLC d/b/a Cablevision of Raritan Valley ("Petitioner"). Although by its terms the Petitioner's above referenced Certificate expired on December 14, 2005, 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.

Pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. the Petitioner filed an application for the renewal of its municipal consent with the Township on April 12, 2005, On December 2, 2013, after public hearing, the Township adopted an ordinance granting renewal municipal consent to the Petitioner. On March 7, 2014, the Petitioner formally accepted the terms and conditions of the ordinance. On September 30, 2014, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Township.

¹ Commissioners Richard S. Mroz and Upendra J. Chivukula recused themselves due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

The Board reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board HEREBY FINDS the following:

- The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Renewal Certificate of Approval. Further, the Township reviewed these qualifications 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 represented that all previously required construction within the franchise territory is complete.
- 4. The franchise period as stated in the ordinance is 15 years from the date of issuance of this Certificate. The Board finds this duration to be reasonable.
- 5. 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 an informational schedule of prices, terms and conditions for unregulated service and promptly file any revisions thereto.
- 6. 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 the applicable rules.
- 7. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office is located at 275 Centennial Avenue, Piscataway, New Jersey.
- 8. 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 and shall be increased as required by N.J.S.A. 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.
- 9. The Petitioner shall provide service to any residence along any public right-of-way in its franchise territory of the Township at no cost beyond standard and non-standard installation. Installations to commercial establishments shall be constructed in accordance with the Petitioner's commercial line extension policy attached to this Certificate as Appendix "I".
- 10. The Petitioner shall provide public, educational and governmental ("PEG") access channels and facilities in accordance with its renewal application and the ordinance. The Petitioner shall provide one non-commercial community/ governmental access channel for shared use by the municipalities in the

Petitioner's system. The channel also carries data transmission of community announcements and videotaped programming of local interest. A local access studio is available for use and is equipped with digital video and recording equipment. After completing a training course, access users can produce their own programming to be aired on the Petitioner's public access channel.

- 11. The Petitioner shall continue to maintain an access return line at 3 Hills Drive for use by the Township in the production of non-commercial educational and governmental access programming on the Petitioner's system.
- 12. The Petitioner shall provide the Township with a grant for the exclusive support of PEG access programming in the Township in the total amount of \$30,000.00 as follows: an initial grant of \$15,000.00 within 60 days of the issuance of this Certificate; during the second year, at any time upon written request of the Township, but within 90 days of said request, a grant of \$10,000.00; and, during the third year, at any time upon written request of the Township, but within 90 days of said request, a grant of \$5,000.00. The Petitioner shall be relieved of future payments if it converts its municipal consent to a system-wide franchise as provided by N.J.S.A. 48:5A-25.1(a). Upon payment of each portion of the contribution, the Petitioner shall provide the Office of Cable Television with proof of satisfaction of this obligation.
- 13. The Petitioner shall offer a discount in the amount of 10% off the basic monthly rate of broadcast basic service to senior citizens meeting the eligibility requirements of the Pharmaceutical Assistance to the Aged and Disabled program, as allowed by N.J.S.A. 48:5A-11.2. The Petitioner shall have no further obligation to provide the senior discount in the event it converts its system to a system-wide franchise as provided by N.J.S.A. 48:5A-25.1(a) or if the Board certifies another cable television company as being capable of serving 60 percent or more of the household in the Township. Notice shall be provided in accordance with applicable law.

Based upon these findings, and pursuant to N.J.S.A. 48:5A-17(a) and 28(c), the Board HEREBY CONCLUDES, as follows: the Petitioner has the municipal consent necessary to support the petition; such consent, and issuance, thereof, are in conformity with the requirements of N.J.S.A. 48:5A-1 et seq.; the Petitioner complied, or is ready, willing and able to comply, with all applicable rules and regulations imposed by or pursuant to State or federal law as preconditions for engaging in the proposed cable television operations; 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 the Petitioner is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is <u>HEREBY ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the Hills Development in the Township².

² It is noted that the entirety of the Township is served by a second cable television operator, Comcast of Central New Jersey II, LLC under a Certificate of Approval issued by the Board in Docket No. CE13060448, on December 18, 2013.

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 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 of 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 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 contained therein shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire on February 27, 2030.

This Order shall be effective on February 27, 2015.

DATED: 2/12/15

BOARD OF PUBLIC UTILITIES

BY:

JOSEPH L. FIORDALISO

COMMISSIONER

VARY/ANNA HOLDEN

COMMISSIONER |

DIANNE SOLOMON

COMMISSIONER

ATTEST

SECRETARY

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APPENDIX "I"

CSC TKR, LLC D/B/A CABLEVISION OF RARITAN VALLEY TOWNSHIP OF BEDMINSTER

COMMERCIAL LINE EXTENSION RATE POLICY

- 1. <u>Intent</u>. It is the intent of Cablevision that a rate policy be established under which any businesses within the company's franchise areas would have the opportunity to obtain cable television service.
- 2. Applicability. This line extension rate shall apply to all cable television service extensions, aerial and underground, on public and private lands, provided by Cablevision.

3. Definitions.

- (a) <u>Line or Service</u>. That situation where the company must extend its existing trunk line and/or distribution cable in order to make a tap available from which a drop line can be run so as to provide cable television service to the applicant's premises. The line or service extension shall include, but not be limited to, all poles, cables, amplifiers, extenders, splitters, taps, right-of-way acquisitions and clearing, trenching, backfilling and any other one-time costs incurred by Cablevision in connection with extending service to the applicant. A line or service extension shall not include facilities provided by Cablevision pursuant to its applicable installation rates then existing.
- (b) <u>Applicant</u>. Any person, firm, corporation or association that applies to Cablevision for service to a commercial establishment in the franchise area.
- (c) <u>Commercial Establishment</u>. Any building or structure, or portion thereof, not used for residential purposes including, but not limited to, profit and non-profit corporations or associations, which has requested the installation of cable television service requiring line or service extension as defined herein.
- (d) <u>Drop Line</u>. That cable which connects the subscriber's television receiver to the cable transmission system by way of a tap.
- (e) <u>Tap.</u> A connecting device inserted in the cable transmission line which allows for the connection of a drop line. An aerial or underground "drop line" constitutes a transmission cable running from the distribution or feeder cable to the subscriber's connection or receiver.
- (f) <u>Trunk Line</u>. Transmission cable running from headend to trunk amplifiers and through each trunk amplifier in cascade in the system from which connections for distribution and feeder cable are provided.
- (g) <u>Distribution or Feeder Cable</u>. Transmission cable which extends from the distribution amplifiers serving specific areas within the system and from which drop lines are extended.

(h) Qualified Subscriber. Any applicant who, as a potential subscriber, has committed to purchase at least the basic service from Cablevision for a period of not less than two (2) years.

4. Schedule.

- (a) Within thirty (30) days after the date on which the service is requested, but not more than ninety (90) days from the date upon which the request for service was made, Cablevision shall furnish the applicant with (1) an estimate request form, (2) a copy of this line extension policy, and (3) notification that service can only be provided by means of a line or service extension.
- (b) If the applicant requests a written estimate within thirty (30) days after being advised that service can only be provided by means of a line or service extension, Cablevision shall, within sixty (60) days of such request, furnish a written estimate, a construction schedule, and a service extension contract to be signed by the applicant.
- (c) The applicant must return a signed service extension agreement within thirty (30) days after receipt of the material described in Paragraph (b) together with a check in the amount of \$50.00 representing a service extension deposit which will be credited against the applicant's contribution in aid of construction invoice to the applicant which must be signed and returned to Cablevision with the full payment before construction will commence.
- (d) If the applicant fails to meet any of the applicable deadlines or any of the terms herein before set forth without the approval of Cablevision, any obligations pertaining to the proposed line or service extension shall cease and be of no further force or effect.

5. Commercial Line Extension Rate Charges.

A commercial establishment requesting line or service extension shall bear all of the following costs to make a tap available from which a drop line may be installed:

- (a) The actual cost to Cablevision of materials and equipment necessary to make service available plus shipping charges and applicable taxes.
 - (b) The actual labor costs incurred by Cablevision, exclusive of benefits.
- (c) The actual costs of designs, surveys, prints and engineering or other such labor involved in the preparation or actual construction required.
- (d) The direct costs of any easements, make-ready or other third party actions required to perform and complete construction such as, but not limited to, power companies, telephone companies, road work, trenching or the like.
- (e) In addition, the applicant shall pay to Cablevision a sum equal to twenty percent (20%) of the entire actual cost of construction as set forth above.
- (f) In the event additional commercial subscribers come on-line in an area in which service extension has been provided in accordance herewith, each additional subscriber shall, in addition to the applicable installation rate, be required to contribute their pro-rata share of the original construction costs. Said pro-rata share shall be derived by dividing the original

construction cost by the number of then existing on-line subscribers including the additional subscriber(s).

- (g) Any funds collected from additional subscribers will be retained by Cablevision in an interest-bearing account and distributed equitably so as to equalize all subscriber construction contributions. Distribution will be made two years after the original service extension was provided. After said two year period, there shall be no further apportionment of the original construction cost.
- 6. Record Keeping and Annual Reports. Cablevision shall maintain appropriate records of its costs, subscriber and applicant billings, and revenues resulting from a request for or the construction of a service extension.
- 7. Ownership of Facilities. Cablevision shall own and maintain the facilities for which a service extension is made and any applicant-subscriber shall not acquire any interest herein.
- 8. <u>Method of Service Extension</u>. Cablevision reserves the right to provide either an aerial or underground service extension.
- 9. <u>Term of Service</u>. The minimum term of at least basic subscriber service for an applicant requesting service extension, or his successors and assigns, shall be twenty-four (24) months after the service extension has been energized. Said term shall be guaranteed by the applicant in the service extension contract specified in Paragraph 4(c) hereof.

IN THE MATTER OF THE PETITION OF CSC TKR, LLC D/B/A CABLEVISION OF RARITAN VALLEY FOR A RENEWAL CERTIFICATE OF APPROVAL TO CONTINUE TO OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE TOWNSHIP OF BEDMINSTER, COUNTY OF SOMERSET, STATE OF NEW JERSEY BPU DOCKET NO. CE14091075

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