



Agenda Date: 6/17/15
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
www.nj.gov/bpu/

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF)
COMCAST OF SOUTH JERSEY, LLC FOR A) RENEWAL CERTIFICATE
RENEWAL CERTIFICATE OF APPROVAL TO) OF APPROVAL
CONTINUE TO CONSTRUCT, OPERATE AND)
MAINTAIN A CABLE TELEVISION SYSTEM IN)
AND FOR THE CITY OF SOMERS POINT,)
COUNTY OF ATLANTIC, STATE OF NEW)
JERSEY) DOCKET NO. CE15010112

Parties of Record:

Dennis C. Linken, Esq., Scarinci Hollenbeck, LLC, for the Petitioner
Carol Degrassi, Clerk, City of Somers Point, New Jersey

BY THE BOARD:¹

On April 3, 1975, the Board of Public Utilities ("Board") granted Sammons Communications of New Jersey, Inc. ("Sammons") a Certificate of Approval in Docket No. 752C-6079 for the construction, operation and maintenance of a cable television system in the City of Somers Point ("City"). On January 23, 1987, the Board issued a Renewal Certificate of Approval to Sammons for the City, in Docket No. CE85090925. On March 12, 1993, the Board issued a Renewal Certificate of Approval to Sammons for the City, in Docket No. CE91091440. Due to a Board-approved transfer, the Certificate of Approval was held by Lenfest Atlantic, Inc. ("Lenfest"), and on November 4, 1998, the Board issued a Renewal Certificate of Approval to Lenfest for the City, in Docket No. CE97050361. Through a series of subsequent Board-approved transfers, the current holder of the Certificate is Comcast of South Jersey, LLC ("Petitioner"). On August 22, 2007, the Board issued an Automatic Renewal Certificate of Approval to the Petitioner for the City, in Docket No. CE07040265. Although the Petitioner's above referenced Certificate expired on January 23, 2012, the Petitioner is authorized to continue to provide cable television service to the City pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

The Petitioner filed an application for the renewal of its municipal consent with the City on April 21, 2011, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. The City, after public hearing, adopted an ordinance granting renewal municipal consent to the Petitioner on October 23, 2014. The Petitioner formally accepted the terms and conditions of the ordinance on November 25, 2014. On January 28, 2015, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate for the City.

The Board has 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:

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 City 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 15 years, with an automatic renewal provision for a term of ten years thereafter in conformance with N.J.S.A. 48:5A-19 and N.J.S.A. 48:5A-25. The Board finds these franchise periods reasonable.
5. The City has reserved the right to review the Petitioner's performance with regard to the ordinance. In the event that the City shall find that the Petitioner has not substantially complied with the material terms and conditions of the ordinance, the City 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 City shall first have given the Petitioner written notice of all alleged instances of non-compliance and an opportunity to cure same within 90 days of that notification.
6. The Petitioner shall provide service to any residence or business along any public right-of-way in the Primary Service Area as set forth in the Petitioner's application. For any extension of plant outside of the Primary Service Area, the Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate (Appendix "I"). The minimum homes per mile ("HPM") figure is 30.
7. 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 and file with the Board informational schedules of prices, terms and conditions for unregulated service, 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 City. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with any applicable rules.
9. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office is: 901 West Leeds Avenue, Absecon, New Jersey.
10. The franchise fee to be paid to the City 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 City or any additional amount 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.
11. The Petitioner shall provide public, educational, and governmental access equipment and facilities in accordance with its renewal application and the ordinance. Specifically, the Petitioner shall provide one educational and governmental ("EG") access channel for use by the City, which is shared with City of Northfield, and the City of Linwood ("the Municipalities"). Currently, the EG access channel is operated and maintained by the Municipalities' designated access administrator, Mainland Regional High School, which videotapes and airs various public meetings for and within the Municipalities. The City reserves the right to designate a different designated access channel administrator on its behalf.
12. The Petitioner shall provide installation, expanded basic or a comparable tier of cable television service, on one outlet, free of charge, to each qualified existing and future school in the City, 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.
13. The Petitioner shall provide installation, expanded basic or a comparable tier of cable television service, on one outlet, free of charge, to each present and future police, fire, emergency management facility, library, Youth Center, Senior Center, Community Center, Office of Recreation, and other City offices including but not limited to the Construction Office, Tax Assessor's Office, Historical Society Building, and Department of Public Works located in the City. In order to qualify for free installation, the facility must be located within 200 feet of active cable distribution plant. The City shall pay for each additional outlet installed to any of the above facilities on a materials plus labor basis. Monthly service charges shall be waived on all additional outlets.
14. The Petitioner shall provide free basic Internet service via high-speed cable modem on one non-networked personal computer in each qualified existing and future public school in the City, elementary, intermediate and secondary and each qualified existing and future public library. To qualify for free installation, the facility must be

located within 200 feet of active cable distribution plant. The Internet service shall be installed on a personal computer that is accessible to the students and library patrons, and shall not be used for administrative purposes only.

15. Within three months of the issuance of the Renewal Certificate of Approval, the Petitioner shall provide the City with a one-time technology grant of \$65,000.00. The Petitioner shall submit proof of satisfaction of this provision to the Office of Cable Television.
16. Upon reasonable written request of the Mayor, Council President or City Administrator, a representative of the Petitioner shall appear, but not more frequently than annually, at a public hearing, public meeting, or public work session of the governing body to discuss matters pertaining to the provision of cable television service to residents of the City, and any other cable television-related issues as the governing body, the Petitioner and the public may deem appropriate to discuss.

Based upon these findings, the Board **HEREBY CONCLUDES**, 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, that such consent and issuance thereof are in conformity with the requirements of N.J.S.A. 48:5A-1 et seq., 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, 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 **HEREBY ISSUED** this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the City.

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 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/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 pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

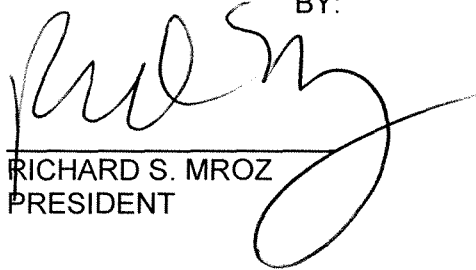
This Certificate shall expire January 23, 2027.

This Order shall be effective on June 26, 2015.

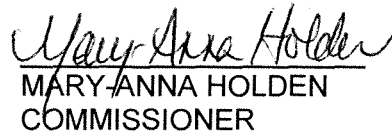
DATED:

June 18, 2015

BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

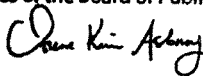

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
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"
Office of Cable Television
Line Extension Policy

Company Comcast of South Jersey, LLC
Municipality City of Somers Point

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. 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. $\frac{\text{Total amount to be recovered from subs}}{\text{Total subscribers in extension}} = \text{each subscriber's share}$

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 which 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 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 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 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.

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COUNTY OF ATLANTIC, STATE OF NEW JERSEY

DOCKET NO. CE15010112

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