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MAY 20 2016

BOARD OF PUBLIC UTILITIES
MAIL ROOM

May 19, 2016

Paul 5/23/16
MAY 20 2016
CMG

Via Federal Express

Irene Kim Asbury, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

**RE: I/M/O the Petition of Altice N.V. and Cablevision Systems Corporation and
Cablevision Cable Entities for the Approval to Transfer Control of Cablevision
Cable Entities and Certain Financing
BPU Docket Nos.: CM 15111255 and TM15111256**

Dear Ms. Asbury:

Enclosed please find an original and eleven (11) copies of the Stipulation of Settlement executed on behalf of Joint Petitioners, Altice, N.V., Cablevision Systems Corporation and Cablevision Cable Entities, Staff of the Board of Public Utilities, and the New Jersey Division of Rate Counsel. Kindly file the same and return a conformed copy in the closed envelope.

Respectfully submitted,

SCHENCK, PRICE, SMITH & KING, LLP

Sidney A. Sayovitz
Counsel for Petitioners

cc: Lawanda Gilbert (via e-mail)
Mark Beyer (via e-mail)
Paul Flanagan (via e-mail)
Christopher Psihoules (via e-mail and Federal Express)
Stephanie Brand (via e-mail and Federal Express)
Michael Olsen (via e-mail)
Yaron Dori (via e-mail)
Kevin Walsh (via e-mail)

Case Mgmt
Legal



**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE VERIFIED
PETITION OF ALTICE N.V. AND
CABLEVISION SYSTEMS CORPORATION
AND CABLEVISION CABLE ENTITIES
FOR APPROVAL TO TRANSFER
CONTROL OF CABLEVISION CABLE
ENTITIES

BPU DOCKET NO. CM15111255

RECEIVED

MAY 20 2016

**BOARD OF PUBLIC UTILITIES
MAIL ROOM**

IN THE MATTER OF THE VERIFIED
PETITION OF ALTICE N.V. AND
CABLEVISION SYSTEMS CORPORATION,
CABLEVISION LIGHTPATH-NJ, LLC AND
4CONNECTIONS LLC FOR APPROVAL TO
TRANSFER CONTROL OF CABLEVISION
LIGHTPATH-NJ, LLC AND
4CONNECTIONS LLC, AND FOR
CERTAIN FINANCING ARRANGMENTS

BPU DOCKET NO. ~~TM~~15111256

STIPULATION OF SETTLEMENT

APPEARANCES:

Sidney A. Sayovitz, Esq., Schenck Price Smith & King, LLP, on behalf of Altice, N.V., Cablevision Systems Corporation, Cablevision Lightpath-NJ, LLC and 4Connections, LLC (collectively, "Lightpath") and Cablevision of Hudson County, LLC, Cablevision of Monmouth County, LLC, Cablevision of New Jersey, LLC, Cablevision of Newark, Cablevision of Oakland, LLC, Cablevision of Paterson, LLC, Cablevision of Rockland/Ramapo, LLC, Cablevision of Warwick, LLC, and CSC TKR, LLC (collectively, the "Cablevision Cable Entitles"), Joint Petitioners

Christopher Psihoules, Deputy Attorney General (Robert Lougy, Acting Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

Stefanie Brand, Director, New Jersey Division of Rate Counsel, on behalf of the Division of Rate Counsel

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The parties to this proceeding are Altice N.V. ("Altice"), Cablevision Systems Corporation, Lightpath and Cablevision Cable Entities (collectively "Cablevision", and collectively with Altice, "Joint Petitioners"); the Division of Rate Counsel ("Rate Counsel"); and

the Staff of the New Jersey Board of Public Utilities (“Board Staff” or “Staff”). The New Jersey Board of Public Utilities shall be referred to in this Stipulation of Settlement (“Stipulation”) as the “Board” or “BPU”.

PROCEDURAL HISTORY

On November 5, 2015, Joint Petitioners initiated this proceeding with the filing of a Verified Joint Petition, BPU Docket No. CM15111255, to obtain approval of the Board pursuant to N.J.S.A. 48:5A-38 and N.J.A.C. 14:17-6.18 for the transfer of control of the Cablevision Cable Entities to Altice (the “Transaction”), pursuant to which an Altice merger subsidiary (Neptune Merger Sub) will merge with and into Cablevision Systems Corporation, such that Cablevision will be the surviving corporation and become an indirect subsidiary of Altice and as more fully described in the Joint Petition and in the Merger Agreement dated September 16, 2015 (the “Merger Agreement”).

On this same date, Joint Petitioners also filed a Verified Joint Petition (the “Joint Petition”, and collectively with the Verified Joint Petition in BPU Docket No. CM 15111255, the “Joint Petitions”), BPU Docket No. TM15111256, pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14 for the transfer of control of Lightpath. Further, under the Joint Petition (Docket No. TM15111256), approval was sought pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9 for Lightpath to participate in the financing arrangements to be entered into in connection with the transfer of control.

Following the filing of the Joint Petitions and extensive discovery propounded by both Board Staff and Rate Counsel, the Joint Petitioners, Board Staff, and Rate Counsel engaged in settlement negotiations. Discussions were held with Board Staff and Rate Counsel regarding the benefits to be provided by the Joint Petitioners as a result of the proposed Transaction. In addition, Joint Petitioners provided discovery responses to Board Staff and Rate Counsel’s inquiries. The Joint Petitioners, Rate Counsel, and Board Staff (collectively, the “Signatory Parties”) have come to an agreement on all factual and legal issues arising in this matter.

AGREEMENT

THEREFORE, the Signatory Parties, intending to be bound, hereto agree and stipulate as follows:

1. The statutory criteria for approval of petitions involving acquisitions of control of a New Jersey cable television company, as set forth in N.J.S.A. 48:5A-38 and N.J.A.C. 14:17-6.18, governing Docket No. CM15111255, have been satisfied. More particularly, Joint Petitioners assert that the record in Docket No. CM15111255, coupled with the conditions set forth herein, supports findings and conclusions by the Board that the Transaction is in the public interest.

2. The statutory criteria for approval of petitions involving acquisitions of control of a New Jersey public utility, as set forth in N.J.S.A. 48:2-51.1, have been satisfied. More particularly Joint Petitioners assert that the record in Docket No. TM15111256, coupled with the conditions set forth herein, supports findings and conclusions by the Board that the Transaction will not have an adverse impact on competition, on the rates of affected ratepayers, on the

employees of Cablevision, or on the provision of safe and adequate service at just and reasonable rates. The Signatory Parties further agree that consummation of the Transaction is consistent with the conditions set forth in this Stipulation, is in the public interest, and will result in positive benefits to customers and the State of New Jersey.

3. The statutory criteria for approval of petitions involving financing transactions of a New Jersey public utility, as set forth in N.J.S.A. 48:3-9 have been satisfied. More particularly, Joint Petitioners assert that the record in Docket No. TM15111256, coupled with the conditions set forth herein, supports findings and conclusions by the Board that the financing with respect to Lightpath in connection with the Transaction is in the public interest.

4. The Joint Petitioners agreed to extend, through May 27, 2016, the 120-day period for which the Board has to grant a transfer of control request under 47 CFR 76.502(c).

5. Based upon the Joint Petitioners' agreement to comply with the conditions set forth below, Rate Counsel and Board Staff do not object to the Board making findings set forth in paragraphs 1-3 above, and authorizing Joint Petitioners to take all actions necessary in order for the Transaction to be lawfully consummated.

6. Once the Board makes the findings set forth in paragraphs 1-5 above, and following the closing of the Transaction, provided that the Joint Petitioners commit to the conditions and commitments set out below herein, the Signatory Parties agree that the Joint Petitioners shall be authorized to take all actions necessary in order for the Transaction to be lawfully consummated, such that Altice may acquire a controlling interest in Cablevision (the "Company"), as described in the Joint Petitions in Docket Nos. CM15111255 and TM15111256 as follows:

a. Neptune Merger Sub may merge with and into Cablevision by the filing of a Certificate of Merger with the Secretary of State of the State of Delaware, such that Cablevision may continue as the surviving corporation, as described in the Merger Agreement.

b. Shares of Cablevision NY Group Class A Common Stock, par value \$0.01 per share and Cablevision NY Group Class B Common Stock, par value \$0.01 per share, issued and outstanding immediately prior to the effective time of the Merger may be cancelled and converted automatically into the right to receive the consideration as described in the Merger Agreement.

c. Cablevision may become an indirect subsidiary of Altice as described in the Merger Agreement.

d. Lightpath may assume the financial obligations imposed upon it in connection with the Transaction, as described in the Joint Petitions and Merger Agreement.

7. **Network Upgrade/Expansion.** The Company will upgrade its network such that it can provide Internet access service with speeds up to 300 Mbps, to be available on an equitable and nondiscriminatory basis to all existing customer locations passed no later than December 31, 2017. Within thirty (30) days following the closing of the Transaction (the "Closing"), the Company will submit a detailed description of the current network in New Jersey including

system capacity, analog/digital RF allocation, and maximum broadband speed offering (downstream and upstream). Within one-hundred twenty (120) days following the Closing, the Company will submit a descriptive deployment plan and timeline indicating phases of completion of work and likely dates for the release of the 300 Mbps service in each system and, for each calendar quarter following the Closing, shall provide an update on progress toward service availability in each system until it is launched. The updates shall include progress on the bandwidth reclamation plan; IP Network augmentation and upgrade; hardware installation, testing, and activation; and operation readiness training and tools, as appropriate.

a. **Low-Income Broadband.** Within six (6) months after the Closing, the Company shall launch pilot projects, training, and engagement of stakeholders with respect to low-income broadband service. Within fifteen (15) months after Closing, the Company will make available to New Jersey households statewide passed by the Company a low-income broadband service as follows:

i. **Eligibility** — The Company will offer its low-income broadband service to (A) households with children that have a student or students eligible for the National School Lunch Program, or (B) persons age 65 and older who are eligible for and receive benefits under the Supplemental Security Income program from the federal government. No credit check shall be required to enroll. It shall not be the responsibility of the Company to verify and confirm eligibility. Any current or former customers in arrears will not be eligible until those debts have been cleared. This policy will be applied to New Jersey customers in the manner applied to New York customers, in accordance with the Order of the New York Public Service Commission (“PSC”) approving the Transaction, as that Order is applied by the PSC.

ii. **Service Offering and Cost** — The Company shall offer low-income broadband service with speeds up to 30 Mbps at a price not to exceed \$14.99 per month. This low income broadband service shall not include a modem fee or charge for self-installation, and will be offered without a data cap.

b. **Low-Cost Broadband Service.** Within 120 days of Closing, the company shall (A) increase speed on the existing 5/1 Mbps low-cost broadband service offering to 10/1 Mbps, (B) offer this service at a price not to exceed \$24.95 per month, and (C) shall continue to offer such low-cost broadband service for a period of not less than two (2) years from the date of Closing. Customers previously enrolled for low-cost broadband service may maintain service for up to three (3) years following the Closing.

c. **Network Resiliency/Recovery.** In the event of the declaration of an active, qualifying state of emergency, pursuant to N.J.S.A. App. A:9-33 et seq., the Company shall provide the following:

i. **Emergency Wifi for Everyone** — The Company shall provide wireless Internet access for customer and non-customers in the relevant geographic area subject to such qualifying state of emergency via the Company’s Outdoor Emergency Optimum WiFi network without a fee.

ii. Hyper Local News and Weather for All Residents — The Company shall provide customer and non-customer access to the News 12 website for access to storm and emergency information.

iii. Partner with Utilities to Speed Power Restoration — The Company shall provide access to outage data at no cost to partnering utilities during the term of the qualified state of emergency. The Company will generally make available on reasonable and non-discriminatory commercial terms real-time power outage data to partnering utilities to target and prioritize outages.

iv. Backup Customer Support — The Company shall provide backup customer support resources during an emergency, including rerouting customer service calls from affected areas to adequately staffed support centers and third-party support operations inside and outside the affected locales.

In support of emergency preparedness initiatives, the Company shall provide the following:

v. Enhanced Network Resiliency — The Company shall commit to maintain Ring within Ring topology to remote hub for redundancy.

vi. Backup Powering — The Company shall commit to maintain an adequate backup power generation capacity to support outside plant in the event of a prolonged regional power outage.

vii. Storm Readiness Communications Plan — The Company shall launch public service announcements and other information about storm preparedness, the availability of backup batteries for cable modem MTA (for voice use), and the availability of other information portals such as News 12 during storms.

Nothing in this section of the Stipulation shall be read to preclude the Board from adopting or enforcing subsequently any lawful rule, regulation, or order regarding the matters addressed in this section.

Most Favored Nation. Within sixty (60) days following the Closing, the Joint Petitioners will provide Board Staff and Rate Counsel with a copy of the final Orders and Settlement Stipulations from any State or other jurisdiction under which conditions are imposed on the Joint Petitioners, along with an analysis indicating and explaining the valuation of the customer benefits awarded in that jurisdiction as compared to the valuation of the customer benefits awarded in New Jersey, in each case, calculated on a per customer basis.

In recognition of the risks to New Jersey of approving the Transaction before other jurisdictions, the Signatory Parties agree that in the event that the Joint Petitioners agree to and accept orders under which another state or jurisdiction obtains materially greater benefits in the aggregate than New Jersey pursuant to this Stipulation and order of approval, including but not limited to faster broadband speeds, more advantageous low-income broadband, low-cost

broadband, network resiliency and improvement, employment commitments, or other per subscriber benefits, then New Jersey shall be protected because the Joint Petitioners shall provide equivalent benefits to New Jersey. The Joint Petitioners and Board Staff agree that the “most favored nation” provision ensures that the synergy savings associated with the Transaction are shared with New Jersey customers in a manner equivalent to that of other States or jurisdictions on a per subscriber basis, and on the same time schedule as agreed or required in the State of New York.

d. **Employment Commitments.** Cablevision will not cause a reduction in force in customer-facing jobs, including at the Newark Project Facility located at 494 Broad Street, for two years following the close of the transaction. For purposes of this Stipulation, “customer-facing” refers to direct, non-incidentual interaction with customers, including but not limited to call center and other walk-in center jobs, and service technicians. On an annual basis, Cablevision shall provide the Board with the following information: Total number of NJ Employees; Total number of customer-facing jobs in NJ; Total number of Employees in the Newark Project Facility; and Total number of customer-facing jobs at the Newark Project Facility.

e. **Data Caps.** For three (3) years following the Closing, the Company will offer a broadband product without a data cap, as well as provide the Low-Income Broadband Program referenced in subsection a., *infra*, without a data cap.

f. **Customer Service Offices.** Cablevision presently maintains sixteen (16) local customer service offices in the State of New Jersey. Cablevision commits to maintain customer service offices in the State in accordance with its municipal franchise obligations, and applicable statutes and regulations, including but not limited to N.J.S.A. 48:5A.-26(d) and N.J.A.C. 14:18-5.1. In addition, for two (2) years following the Closing, the Company commits to maintain at least thirteen (13) of Cablevision’s sixteen (16) existing local customer service offices, including offices in Paterson, Union City, Bayonne, Elizabeth and Newark. For a period of three (3) years from the issuance of an Order approving this Stipulation, in the event there is any net loss of customer-facing jobs in New Jersey greater than fifteen percent (15%), the Joint Petitioners shall notify the Board of such change and provide an appropriate explanation.

g. **Customer Service.** The Company commits throughout the term of the Stipulation to a repair and service metric in which it will: (a) provide the Board with the Repair & Service calls per customer for the calendar year 2015 (the “Service Quality Benchmark”) within 30 days of the Closing; and (b) provide the Board with quarterly reports, within forty-five (45) days of the end of each calendar quarter, on the Repair & Service calls per customer for the prior quarter and for the prior twelve (12) months (the “Report”). Based on the Report for the prior twelve (12) months, if the Repair & Service calls per customer exceed the Service Quality Benchmark by ten percent (10%) or more, then the Company shall be required to invest up to \$250,000 per quarter to improve customer service over the next twelve (12) months.

h. **Notice of Credit Downgrade.** If, within three (3) years of the Closing, one of the nationally-recognized statistical rating organizations such as Fitch, Standard and Poor’s, or Moody’s, issues a report indicating a downgrade in the Company’s credit ratings below current level, the Company shall notify the Board within three (3) business days of the

date of the issuance of such report and provide information on any proposed response to the downgrade within ten (10) business days of the issuance of such report.

i. **Compliance.** The Company will abide by applicable customer service standards, performance standards, and service metrics as delineated under N.J.A.C. Title 14, including but not limited to Chapters 3, 10 and 18, and N.J.S.A. 48:5A, including, but not limited to, requirements related to billing practices and termination.

j. **Adverse Impact.** If the Federal Communications Commission ("FCC") imposes conditions of the Joint Petitioners in an order by the FCC approving the Transaction and such conditions adversely impact those conditions contained in the Board Order approving the Transaction, the Company shall notify the Board of the impact that such conditions will have on its commitments to New Jersey and will work with the Board and Staff to ensure that New Jersey also obtains its commensurate benefit. Notwithstanding the foregoing, the conditions set out herein shall be provided in addition to any benefit that results from any federal action regarding the Transaction.

k. **Accounting Standards.** Financial reports and related submissions to the Board by the Company will be denominated in U.S. dollars and will conform to U.S. GAAP subject to the requirements of applicable United States and international law.

l. **Pledge of Assets/Credit.** Altice will not pledge the assets and/or credit of Cablevision's New Jersey operations to secure financing for any transaction unrelated to its New Jersey business or operations, except with prior approval of the Board as provided by applicable New Jersey law.

m. **Local Franchise Commitments.** The Company shall abide by all of its obligations under existing local franchise agreements throughout the term of such agreements as provided by applicable law.

n. **Pending FCC Appeals.** Altice expressly affirms that, subsequent to the Closing, Altice will cause the Cablevision operating entities to abide by and honor any final order with respect to any pending appeal or declaratory judgment, whether issued by the FCC or by a court of competent jurisdiction.

o. **Timeframe.** Unless otherwise specified, commitment term is three (3) years.

8. Each Signatory Party agrees to use its best efforts to ensure that this Stipulation shall be submitted to the Board for approval as soon as possible.

9. The Signatory Parties agree that this Stipulation represents the entirety of the agreement between the Signatory Parties. This Stipulation includes proposals and conditions above and beyond the terms contained in the Petitions in Docket Nos. CM15111255 and TM15111256. Notwithstanding statements made in the Petitions, discovery, materials or any information provided by the Joint Petitioners, only those commitments stated in this Stipulation shall apply.

10. The Signatory Parties further agree to defend this Stipulation in the event of opposition to approval of the Transaction from non-signatory parties before the Board.

11. Notwithstanding anything to the contrary set forth herein, upon the occurrence of any of the following events this Stipulation shall terminate, and shall be deemed null and void and of no force or effect:

a. If by July 1, 2016, the Board fails to issue a final Order approving the Transaction and this Stipulation or issues a decision disapproving this Stipulation; or

b. If for any reason the Transaction is not consummated; or

c. If the Board issues a written order approving this Stipulation, subject to any condition or modification of the terms set forth herein that an adversely affected Signatory Party, in its discretion, finds unacceptable. Such Signatory Party shall serve notice of unacceptability on the other Parties within three (3) business days following receipt of such Board order. Absent such notification, the Signatory Parties shall be deemed to have waived their respective rights to object to the acceptability of such conditions or modifications contained in the Board Order, which shall thereupon become binding on all Signatory Parties.

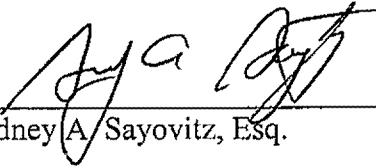
12. This Stipulation shall be binding on the Signatory Parties upon approval by the Board, without any change of its terms, or in the event of change, upon acceptance of such change (whether affirmatively accepted or by the passage of time). This Stipulation contains terms and conditions above and beyond the terms contained in the Petitions, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Signatory Parties expressly and jointly state that they would not have signed the Stipulation had any term been modified in any way. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as this agreement pertains only to these matters and to no other matter.

13. This Stipulation represents the full scope of the agreement between the Signatory Parties. This Stipulation may only be modified by a further written agreement executed by all the Signatory Parties to this Stipulation.

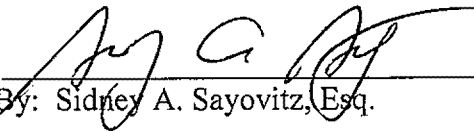
14. This Stipulation is submitted to the Board for approval as a whole. If a Signatory Party is adversely affected by a modification or condition to the Stipulation and provides timely notice in accordance with Paragraph 11, then the Stipulation shall be ineffective and void.

15. This Stipulation may be executed in as many counterparts as there are Signatory Parties to this Stipulation, each of which counterparts shall be an original, but all of which together shall constitute one and the same instrument.

ALTICE, N.V.

May 16, 2016
Date _____
By:  Sidney A. Sayovitz, Esq.

CABLEVISION SYSTEMS CORPORATION
CABLEVISION CABLE ENTITIES

May 16, 2016
Date _____
By:  Sidney A. Sayovitz, Esq.

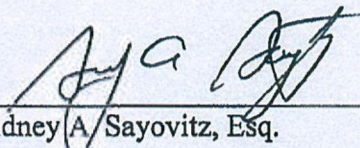
ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY

Date _____
Christopher Psihoules, Deputy Attorney General
Attorney for the Staff of the Board of Public Utilities

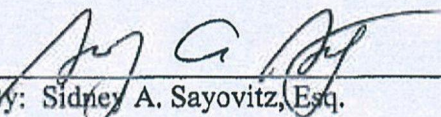
STEFANIE A. BRAND, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

Date _____
Stefanie Brand, Director of the New Jersey Division of
Rate Counsel

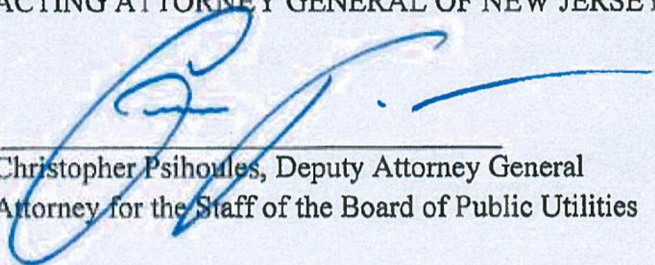
ALTICE, N.V.

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By:  Sidney A. Sayovitz, Esq.

CABLEVISION SYSTEMS CORPORATION
CABLEVISION CABLE ENTITIES

May 16, 2016
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By:  Sidney A. Sayovitz, Esq.

ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY

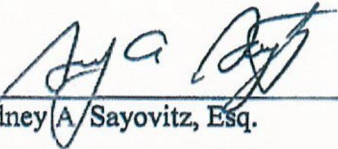
May 18, 2016
Date _____

Christopher Psihoules, Deputy Attorney General
Attorney for the Staff of the Board of Public Utilities

STEFANIE A. BRAND, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

Date Stefanie Brand, Director of the New Jersey Division of
Rate Counsel


ALTICE, N.V.

May 16, 2016
Date


By: Sidney A. Sayovitz, Esq.

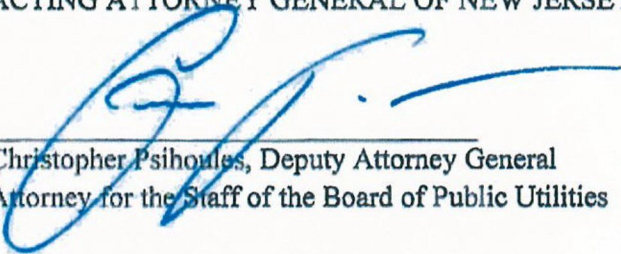
CABLEVISION SYSTEMS CORPORATION
CABLEVISION CABLE ENTITIES

May 16, 2016
Date


By: Sidney A. Sayovitz, Esq.

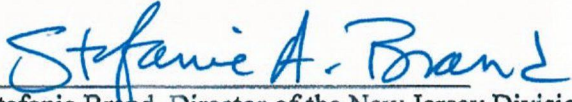
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May 18, 2016
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Christopher Psihoules, Deputy Attorney General
Attorney for the Staff of the Board of Public Utilities

STEFANIE A. BRAND, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

May 18, 2016
Date


Stefanie Brand, Director of the New Jersey Division of
Rate Counsel