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August 5, 2016

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VIA HAND DELIVERY

Irene Kim Asbury, Secretary Board of Public Utilities 44 South Clinton Avenue, 3rd Floor Suite 314 P.O. Box 350 Trenton, New Jersey 08625-0350

> In the Matter of the Verified Joint 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

and

In the Matter of the Verified Joint 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 Arrangements

BPU Docket No.: TM15111256

Dear Ms. Asbury:

On behalf of Altice USA, enclosed please find the original and one copy of certain documents responsive to the post-closing requirements set forth in Conditions 10, 11, 18 and 19 of the Board's Order in the above-captioned matters.

Condition 10: Please be advised that as discussed with Mark Beyer, in lieu of the journal entries referred to in Condition 10 of the Board Order, Altice USA will provide, on or before August 11, the Cablevision Systems Corporation's ("Cablevision") June 30, 2016 quarterly report (in compliance with the applicable 10-Q requirements) which sets forth the condensed consolidated balance sheets of Cablevision

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Irene Kim Asbury, Secretary August 5, 2016 Page 2



and subsidiaries as of June 30, 2016 (Successor) and December 31, 2015 (Predecessor) and the related condensed consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficiency) and cash flows for each of the combined three and six months ended June 30, 2016 and for the three and six months ended June 30, 2015. The unaudited condensed financial statements of Cablevision will be prepared in accordance with U.S. generally accepted accounting principles and should be read in conjunction with the audited consolidated financial statements and notes thereto included in Cablevision's Annual Report on Form 10-K for the year ended December 31, 2015. Notes 1, 2 and 4 of the condensed consolidated financial statements will provide information regarding the acquisition.

<u>Condition 11</u>: Please note that (i) all outstanding certificates of incorporation or formation for the merger entities had been previously provided to Staff in our submission to Staff (Exhibits 13A-13I) in response to Data Request S-13 and (ii) there are no revisions to the corporate structure as provided in Exhibit B to the Petition, as later modified in our submission to Staff (Exhibit 90A) to Data Request S-91.

<u>Condition 18</u>: Tariffs reflecting current pricing are being filed under separate cover, consistent with existing Board/Office practices.

Condition 19: Confidential and redacted copies of the CATV-1 and CATV-2 forms with Attachments A and B covering the period January 1, 2016 through June 20, 2016 are enclosed. Attachment A contains aggregated data to the extent the company is capable of reporting based on available information for the period. As such, columns 1 through 5 of the schedules attached to CATV-2, which relate to Franchise Fee Payments and related adjustments, and rows 18 through 25 of the standard Attachment A, which relate to the reconciliation of the Gross Franchise Fee Revenue base to Actual Franchise Fees Paid, were not included in the schedules attached to CATV-2 and Attachment A, respectively, because no franchise fee payments have been made for the period January 1, 2016 through June 20, 2016. The confidential versions of the forms and attachments are being provided under seal. Complete executed, notarized Forms CATV-1 and CATV-2 will be timely filed according to the schedule and in the form set forth in Board rules/practice.

Finally, we have also enclosed, pursuant to <u>N.J.A.C</u>. 14:1-12.1 et seq., the affidavit of Paul Jamieson, Esq. with supporting letter brief substantiating Altice USA's claim of confidentiality.

¹ We note that Condition 19 refers to the periods from January 1, 2015 through closing. As referenced herein, the information provided in the attached covers the period January 1, 2016 through June 20, 2016. For information covering 2015, please see Cablevision's CATV-1 and CATV-2 for the year ending December 31, 2015, filed with the Office on May 20, 2016.



Please contact the undersigned with any questions on this submission.

Respectfully submitted,

SCHENCK, PRICE, SMITH & KING, LLP

Sidney A. Sayovitz/

Encls.

cc: Lawanda Gilbert, Director

Office of Cable Television and Telecommunications (via Hand Delivery)

Paul Jamieson, Esq.

Schenck Price Smith & King, llp

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August 5, 2016

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BOARD OF PUBLIC UTILITIES
MAIL ROOM

VIA HAND DELIVERY

Irene Kim Asbury, Secretary Board of Public Utilities 44 South Clinton Avenue, 3rd Floor Suite 314 PO Box 350 Trenton, New Jersey 08625-0350

> Re: In the Matter of the Verified Joint 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

And

In the Matter of the Verified Joint 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 Arrangements

BPU Docket No.: TM15111256

Dear Ms. Asbury:

On behalf of Altice USA and its cable subsidiaries CSC TKR, LLC, Cablevision of Paterson, LLC, Cablevision of Warwick, LLC, Cablevision of Rockland/Ramapo, LLC, Cablevision of New Jersey, LLC, Cablevision of Monmouth, LLC, Cablevision of Newark, Cablevision of Hudson County, LLC and Cablevision of Oakland, LLC (hereinafter "Cable Operating Entities" or "Cablevision") and pursuant to N.J.A.C. 14:1-12.8, we are providing this letter together with the attached affidavit of Paul Jamieson, Vice President, Government and Policy, to substantiate Altice's request for confidential treatment of certain information contained in the consolidated multi-system CATV-1 and CATV-2 forms and related attachments A and B for the period January 1, 2016 through June 20, 2016 (collectively "CATV Forms"). Specifically,

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Irene Kim Asbury, Secretary August 5, 2016 Page 2



Altice USA seeks to maintain the confidentiality of competitively sensitive information set forth in the CATV Forms filed for each operating system.

The CATV Forms are being provided pursuant to the Board of Public Utilities' Order in the above-captioned matter issued on or about May 26, 2016 (hereinafter "BPU's Order"). The CATV Forms contain detailed financial information regarding Cablevision's revenues and franchise fees for the period January 1, 2016 through June 20, 2016 (hereinafter "the Confidential Financial Information").

Confidential copies as well as public redacted copies of the CATV Forms have been sent via Hand Delivery to the Board's Office of Cable Television ("OCTV"). All notices under N.J.A.C. 14:1-12.7 or 12.9 should be provided to Paul Jamieson Esq., Altice USA, 1111 Stewart Avenue, Bethpage, New York 11714, telephone (516) 803-2544, fax (516) 803-2585, E-Mail pjamieso@cablevision.com and to the undersigned.

The Confidential Financial Information includes Gross Operating Revenues on the CATV-1 and CATV-2 Forms, and revenues for the following categories in each municipality: Basic Service Revenue, Cable Programming Services Revenue, Digital and other Programming Tier Revenue, Equipment Revenue, Installation Revenue, Gross Premium and Pay Per View Revenue, and Other Revenue, all such revenue categories appearing on the CATV-2 Form. The Confidential Financial Information also includes franchise fee information on the CATV-2 Form and on Attachment A, which provides details on the revenue used to calculate franchise fees. Attachment B provides details on "Other Revenue". Altice USA is concerned about the possible release of the Confidential Financial Information due to its competitively sensitive proprietary nature. For this reason, we have redacted all of the financial information set forth on the CATV-1 and CATV-2 Forms and Attachments A and B.

The Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1, et seq., sets forth the definition of a "government record". Excluded from the definition of a "public record" and the concomitant obligation to disclose are "trade secrets and proprietary commercial or financial information obtained from any source" and "information which, if disclosed, would give an advantage to competitors or bidders." N.J.S.A. 47:1A-1.1. The BPU has denied requests for the release of information that could unfairly provide an advantage to competitors.

In <u>In the Matter of the Request for Solid Waste Utility Customer Lists</u>, the New Jersey Supreme Court reviewed the authority of the BPU to order that solid waste companies provide file customer lists. In affirming the Board's right to the proprietary information, the Court stated:

Even so, we recognize that the lists are of value to appellants, and that the Board should provide adequate safeguards against public disclosure. . . . The Board itself recognized the confidential nature of the lists by providing in the order that "these

¹ See, e.g., <u>Application of Jersey Central Power & Light Co. for Approval of the Power Purchase Agreement Between Jersey Central Power & Light Co. and Freehold Cogeneration Associates, L.P., Docket No. EM92030359, 1994 WL 53504, #2, Order Granting Motion for Protective Order (N.J. B.P.U. Sept. 8, 1994).</u>



lists will not be available for inspection or use by other collectors or the public as such public inspection is unnecessary to the Board's purposes in requiring the lists.

106 N.J. 508, 523-524 (1987) (citation omitted).

It is clear that our Legislature, the BPU and the New Jersey Government Records Council ("GRC") have recognized that businesses in New Jersey should not be placed at a competitive disadvantage because of their submission of information to state agencies. As noted, the Legislature specifically excluded "information which, if disclosed, would give an advantage to competitors or bidders" from the disclosure requirements in OPRA. This has been confirmed by the GRC in <u>Joseph Belth v. N.J. Department of Banking and Insurance</u>, Complaint No. 2003-29, dated March 8, 2004. In that case, the complainant requested a copy of records that would disclose the financial condition of an insurance company. In its decision, the GRC determined that the Department of Banking and Insurance had met its burden to show that the requested information is exempt under the "advantage to competitors" provision of OPRA and that it properly denied access to the information. The GRC reasoned that the information sought pertained to the insurance company's financial condition which if disclosed would give competitors an advantage. Therefore, New Jersey's approach is clear on its face. Adherence to this approach will serve to protect all competitors in the cable market, will allow for fair competition, and will permit regulated entities to disclose information to state agencies in a fair and orderly manner.

N.J.A.C. 14:1-12.8 sets forth criteria for substantiating a claim for the confidential treatment of information. Subsection (a) 6 of the above regulation calls for a description of the harm that would befall Cable Operating Entities should the specified information be disclosed. The Confidential Financial Information is highly confidential and proprietary in nature. See Belth v. N.J. Department of Banking and Insurance, Complaint No. 2003-29, March 8, 2004. Disclosure of the Confidential Financial Information would allow a competitor to analyze each Cable Operating Entities' revenues derived from operations in each municipality, thereby permitting it to ascertain Cablevision's business practices and strategies. Thus, a competitor could use the Confidential Financial Information to analyze both revenues and related costs of providing service in specific areas in New Jersey and allow it to develop strategies for marketing, investment and/or construction purposes. For example, a competitor could use the Confidential Financial Information to determine year to year trends in the subscriber base of each Cable Operating Entity and among all the Cable Operating Entities. In this respect, it would allow a competitor to learn important market information including, but not limited to, which systems are showing year over year growth or declines and the impact on each system's bottom line. See Jamieson Affidavit, p. 2, ¶ 5.

Armed with an understanding of the Cable Operating Entities' performance in specific geographic areas, a competitor would then be able to target particular cable market segments and set pricing models for its own customer packages that would undercut the performance of the Cable Operating Entities', thereby gaining a competitive advantage. In contrast, Cable Operating Entities would not have any knowledge of its competitors' revenues relating to specific market segments that would allow it to respond effectively to this kind of marketing strategy. See Jamieson Affidavit, P 3, ¶ 6.

Irene Kim Asbury, Secretary August 5, 2016 Page 4



In conclusion, it is respectfully submitted that the CATV Forms contain information not constituting government records as that term is defined under N.J.S.A. 47:1A-1.1 and that they should be maintained by the Board of Public Utilities as confidential information. The Confidential Financial Information is clearly proprietary to the Cable Operating Entities and, if released, would give an unfair, competitive advantage to competitors. Therefore, the clear prejudice to the Cable Operating Entities requires continued confidential treatment of all of the Confidential Financial Information in the CATV Forms.

Pursuant to N.J.A.C. 14:1-12.8 (a) (7) and based on the foregoing, we ask that the Confidential Financial Information be maintained by the Board in a confidential file for five (5) years from the date of this letter.

Respectfully submitted,

SCHENCK, PRICE, SMITH & KING, LLP

Sidney A. Sayovitz

Enc.

Lawanda Gilbert, Director (w/Enc.) (via Hand Delivery)

Paul Jamieson – Vice President (w/Enc.)

Thomas Burton (w/Enc.)

SCHENCK, PRICE, SMITH & KING, LLP

220 Park Avenue P.O. Box 991 Florham Park, New Jersey 07932 (973) 539-1000 Attorneys for Altice USA



AFFIDAVIT OF LIC UTILITIES
PAUL JAMIESON

IN THE MATTER OF THE VERIFIED JOINT:

PETITION OF ALTICE N.V. AND

CABLEVISION SYSTEMS CORPORATION

AND CABLEVISION CABLE ENTITIES FOR: APPROVAL TO TRANSFER CONTROL OF:

CABLEVISION CABLE ENTITIES

and

IN THE MATTER OF THE VERIFIED JOINT:

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 ARRANGEMENTS

STATE OF NEW YORK

: SS:

:

COUNTY OF NASSAU

I, PAUL JAMIESON, being of full age, being duly sworn, deposes and says:

1. I am Vice President, Government and Policy, for Altice USA and its cable subsidiaries CSC TKR, LLC, Cablevision of Paterson, LLC, Cablevision of Warwick, LLC, Cablevision of Rockland/Ramapo, LLC, Cablevision of New Jersey, LLC, Cablevision of

BPU DOCKET NO. CM15111255

BPU DOCKET NO. TM15111256

Monmouth, LLC, Cablevision of Newark, Cablevision of Hudson County, LLC and Cablevision of Oakland, LLC (hereinafter "the Cable Operating Entities").

- 2. I submit this affidavit in support of Altice USA's request for confidential and proprietary treatment of the financial information contained in the CATV-1 and CATV-2 forms and attachment A and B (collectively "CATV Forms") covering the period January 1, 2016 through June 20, 2016 (hereinafter "Confidential Financial Information") provided pursuant to the order in the above-captioned matters issued by the New Jersey Board of Public Utilities on or about May 26, 2016 (hereinafter "BPU's Order"). I am familiar with the information referenced in this affidavit and if called as a witness, I could and would testify competently to the same.
- 3. The Confidential Financial Information includes Gross Operating Revenues on the CATV-1 and CATV-2 Forms and revenues for the following categories in each municipality: Basic Service Revenue, Cable Programming Services Revenue, Digital and other Programming Tier Revenue, Equipment Revenue, Installation Revenue, Gross Premium and Pay Per View Revenue, and Other Revenue, all such revenue categories appearing on the CATV-2 Form. The Confidential Financial Information also includes franchise fee information on the CATV-2 Form and on Attachment A, which provides details on the revenues used to calculate franchise fees. Attachment B provides details on "Other Revenue". Altice USA is concerned about the possible release of the Confidential Financial Information due to its competitively sensitive proprietary nature. For this reason, we have redacted all of the financial information set forth on the CATV-1 and CATV-2 Forms and Attachments A and B.
- 5. Disclosure of the Confidential Financial Information would allow a competitor to analyze cable operating revenues derived from operations in each municipality, thereby permitting it to ascertain business practices and strategies. Thus, a competitor could use the

Confidential Financial Information to analyze both revenues and the related costs of providing service in specific areas in New Jersey and allow it to develop strategies for marketing, investment and/or construction purposes. For example, a competitor could use the Confidential Financial Information to determine year to year trends in the subscriber base for each Cable Operating Entity and among all the Cable Operating Entities. In this respect, it would allow a competitor to learn important market information including, but not limited to, which cable systems are showing year over year growth or declines and the impact on each system's bottom line.

- 6. Armed with an understanding of the Cable Operating Entities' performance in specific geographic areas, a competitor would then be able to target particular cable market segments and set pricing models for its own customer packages that would undercut the performance of the Cable Operating Entities, thereby gaining a competitive advantage. In contrast, the Cable Operating Entities would not have any knowledge of their competitors' revenues relating to specific market segments that would allow them to respond effectively to this kind of marketing strategy.
- 7. The Confidential Financial Information is not routinely available to the general public in the format provided in the CATV Forms. To my knowledge, the CATV Forms have not been publicly divulged. Altice USA has taken precautions to make sure that the CATV Forms do not enter the public domain.
- 8. Maintaining the confidentiality of the Confidential Financial Information will not harm the public.
- 9. In view of the foregoing, it is clear that the Confidential Financial Information is proprietary commercial information which, if disclosed, would give competitors an undue

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competitive advantage that would have a significant adverse impact on the Cable Operating Entities' financial position in the marketplace. Because of the clear prejudice to the Cable Operating Entities caused by the release of the Confidential Financial Information and the resulting unfair advantage to competitors, continued confidential treatment of the Confidential Financial Information is required for at least five years from the date of this affidavit.

Paul Jamieson

Sworn before me this

day of August 2016

Notary Public

JANET F. MACDOWELL
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01MA6335281
Qualified in Suffolk County
Commission Expires January 4, 2020