



State of New Jersey
DIVISION OF RATE COUNSEL
140 EAST FRONT STREET, 4TH FL
P.O. Box 003
TRENTON, NEW JERSEY 08625

PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

BRIAN O. LIPMAN
Director

Via Electronic Mail

July 27, 2022

Ms. Carmen Diaz,
Acting Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: I/M/O the Joint Petition of Comcast of Mercer County, LLC and
Comcast of Hopewell Valley, Inc., for Approval of a Merger and the
Transfer of Certificates of Approval
BPU Docket No. CM16090907

Dear Board Secretary:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has reviewed the above-captioned filing regarding the proposed merger of Comcast of Mercer County, LLC (“CMC”) and Comcast of Hopewell Valley, Inc., (“COHV”) together (“Comcast”) seeking approval of the transaction by the New Jersey Board of Public Utilities (“Board”) pursuant to *N.J.S.A.* 48:5A-38 and 40 and *N.J.A.C.* 14:17-6.18 and 6.8.¹ Rate Counsel requests acknowledgment of this

¹ Rate Counsel notes the initial petition was filed on September 23, 2016, and was amended providing responses to Board Staff’s discovery requests on October 25, 2017 (“Petition”). For purposes of Rate Counsel’s filing references to Petition refer to the 2017 amended filing. Petitioners updated the filing providing additional data responses on September 10, 2021, and by letter dated December 31, 2021, reaffirmed their interest in Board approval to finalize the merger.

electronic filing for its record.² For the reasons that follow, Rate Counsel does not oppose Board approval of joint Petitioners' requests.³

Parties

CMC is a Delaware limited liability company, COHV is a New Jersey corporation, and both share common ownership, technical and administrative staff/management (including billing systems, customer services, and other internal operations) and offices located at 940 Prospect Street, Trenton, New Jersey and are authorized to construct, operate and maintain a cable television system in the Townships of Ewing and Trenton under CMC's franchise, in Hopewell and Pennington under COHV's franchise which together with their affiliate Comcast of Lawrence, LLC, (all located within Mercer County), comprise and are operationally known as, the "Trenton System".⁴ CMC and COHV are both wholly-owned subsidiaries of Comcast Cable Corporation, LLC ("CCC"), which currently holds Certificates of Approval to construct, operate and maintain a cable television system in over 340 New Jersey municipalities, in the District of Columbia and in 38 other states.⁵

² Pursuant to e-filing procedures approved by the Board under Docket No. Docket No. EO20030254, dated March 19, 2020.

³ Rate Counsel notes that Petitioners have designated certain documents (Resolutions and Maps) filed as Exhibits in support of their initial Petition with the Board on September 23, 2016, and incorporated by reference herein, as confidential, considered proprietary commercial information filed under seal, pursuant to N.J.A.C. 14:1-12 *et seq.* and not considered government record under the New Jersey Open Public Records Act, P.L. 2001, c. 404 (N.J.S.A. 47:1A-1 *et seq.*, and therefore exempt from public disclosure.

⁴ Board approved Renewal Certificates were issued to CMC on June 15, 2011, under Docket No. : CE10120915 (Ewing) and November 9, 2011, under Docket No.: CE10030194 (Trenton); Board approved Renewal Certificates were issued to COHV on January 10, 2002, under Docket No.: CE01100669 (Hopewell), April 12, 2001, under Docket No.: CE01020093 (Pennington) recently renewed on December 12, 20016, under Docket No.: CE16040313 (Pennington). See Petition, pp. 2-5 and at fn. 1, p. 3 and fn. 2 at p.4.

⁵ Petition at p. 3.

Transaction

Petitioners assert that under the terms of the proposed agreement (the “Transaction”), COHV will merge with and into CMC, thus transferring all of COHV’s customers and COHV’s Certificates of Approval to CMC, where after COHV will be effectively dissolved.⁶ Petitioners state that the Transaction is “purely internal” to effectuate synergy savings, eliminate inefficiencies and allow Petitioners to continue to provide high quality and innovative services after the transition in accordance with the requirements of *N.J.S.A. 48:5A-1 et seq.* and *N.J.A.C. 14:18-1 et seq.*, and *N.J.A.C. 14:17-6.18(a)3*.⁷ Moreover, Petitioners assert that the Transaction will be seamless and transparent to the affected customers who post transition will suffer no interruption in services and will continue to receive the same service under the same terms and rates as previously provided under COHV.⁸

Rate Counsel notes Petitioners have provided Exhibits A-F attached to the Initial Petition in support and incorporated by reference in the Amended Petition, and have provided responses to Board Staff’s discovery requests in connection with the financial aspects of the Transaction.⁹ Petitioners state that they will provide the Board with proof of service of notice of the Transaction pursuant under (*N.J.A.C. 14:17-6.18(a)10*).¹⁰ Lastly, Petitioners assert that the Transaction is in the public interest, will yield greater corporate efficiencies, producing synergy savings and administrative benefits that will allow Petitioners to continue to provide high quality

⁶ Petition, p. 5.

⁷ Id., p. 6.

⁸ Id., pp. 5-6.

⁹ Additional and updated data responses were provided to Board Staff by Petitioners on October 25, 2017, September 23, 2021, and December 31, 2021.

¹⁰ Petition at p. 8.

and innovative services after the transition in accordance with the requirements of *N.J.S.A.* 48:5A-1 et seq. and *N.J.A.C.* 14:18-1 et seq., and *N.J.A.C.* 14:17-6.18(a)3).¹¹ Rate Counsel opines the information provided meets the regulatory requirements.

Review of Regulatory Waiver Requests and Public Interest Considerations

Petitioners state that given their relationship and common ownership and that no shares of stock are proposed to be issued in connection with the Transaction (*N.J.A.C.* 14:17-6.18(a)6), no franchise cost is proposed to be capitalized on the books of CMC for ratemaking purposes (*N.J.A.C.* 14:17-6.18(a)8), and no changes in company policies as to finances, operations, accounting, rates, depreciation, operating schedules, maintenance or management as a result of the Transaction (*N.J.A.C.* 14:17-6.18(a)11)¹² that the Board should grant their request for waivers from the requirement to provide:

- (a) copies of recent balance sheets of each company and a pro forma balance sheet of the continuing company (*N.J.A.C.* 14:17-6.18(a)3);
- (b) copies of recent income statements of the operations of each of the Petitioners and a pro forma income statement of the continuing entity (*N.J.A.C.* 14:17-6.18(a)4);
- (c) information regarding “[t]he percentage, and the manner in which, if any, the presently outstanding capital stock of the corporations involved, will be exchanged for the new stock of the surviving corporation” (*N.J.A.C.* 14:17-6.18(a)7); and
- (d) a statement of the fees and expenses to be incurred in connection with the merger, and the accounting disposition to be made thereof, on the books of the surviving corporation (*N.J.A.C.* 14:17-6.18(a)14).¹³

¹¹ Petition, p. 6.

¹² *Id.*, at pp. 6-7.

¹³ *Id.*

The Board has the authority to waive its regulations. However, waivers should only occur under very limited circumstances determined on a case-by-case basis and when customers will not be prejudiced or suffer detrimental impact by the waiver of the Board's regulations. Rate Counsel notes the additional information provided by Petitioners under the 2017 amended filing and included in additional data responses may suffice in meeting the requisites and purpose under the Board's regulations. Accordingly, Rate Counsel would not object to relaxation of regulatory requirements if the Board finds no detrimental impact to customers and conditioned on finding the information provided by Petitioners substantially complies with the underlying purpose of the regulatory requirements, and waiver or relaxation of regulatory requirements is solely applicable to this matter based on the specific facts herein.

Thank you for your attention in this matter.

Very truly yours,

BRIAN O. LIPMAN,
DIRECTOR
NJ DIVISION OF RATE COUNSEL

/s/ Maria T. Novas-Ruiz

Maria T. Novas-Ruiz,
Assistant Deputy Rate Counsel

MNR/tl
c: Service List