



Agenda Date: 8/18/11  
Agenda Item: IIB

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9th Floor  
Post Office Box 350  
Trenton, NJ 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF SERVICE )  
ELECTRIC CABLE TV OF NEW JERSEY, INC. ) RENEWAL CERTIFICATE OF  
FOR RENEWAL OF ITS CERTIFICATE OF ) APPROVAL  
APPROVAL TO OWN, OPERATE, EXTEND AND )  
MAINTAIN A CABLE TELEVISION SYSTEM IN )  
THE TOWNSHIP OF SPARTA, COUNTY OF )  
SUSSEX, STATE OF NEW JERSEY ) DOCKET NO. CE10010058

**Michael P. Meliti, Esq., Arturi, D'Argenio, Guaglardi & Meliti**, for the Petitioner  
**Mary J. Coe**, Township Clerk, Township of Sparta, New Jersey, for the Township

BY THE BOARD:

On February 28, 1979, the Board granted Service Electric Cable TV of New Jersey, Inc. under the corporate name of Garden State CATV, Inc. ("Petitioner"), a Certificate of Approval in Docket No. 784C-6364, for the construction, operation and maintenance of a cable television system in the Township of Sparta ("Township"). The Petitioner subsequently dropped the Garden State CATV, Inc. name. On August 16, 1989, the Board granted the Petitioner a Renewal Certificate of Approval for the Township in Docket No. CE89030295. Although by its terms the Petitioner's above referenced Certificate expired on December 31, 2009, it 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.

The Petitioner filed an application for the renewal of its municipal consent with the Township on May 29, 2009, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. On November 24, 2009, the Township adopted a municipal ordinance granting renewal consent to the Petitioner for a term of three years.

On January 26, 2010, pursuant to N.J.S.A. 48:5A-17(d), the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Township, based on the arbitrary refusal provisions of statute. The Petitioner alleged that the Township's actions in adopting a municipal consent ordinance that was not agreed to by the Petitioner were arbitrary and capricious. On February 3, 2010, the Township filed an answer to the petition. On April 16, 2010, a pre-

transmittal settlement conference was held, in accordance with N.J.A.C. 14:17-8.1 et seq. Subsequently, the parties reached a settlement that disposed of the matters in contention and on March 22, 2011, the Township adopted an ordinance granting renewal municipal consent to the Petitioner. On May 2, 2011, the Petitioner formally accepted the terms and conditions of the ordinance and simultaneously amended its petition to reflect acceptance of the ordinance, which was received by the Board on May 9, 2011.

The Board has reviewed the application for municipal consent, the petition and amended 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, the Township reviewed these qualifications in conjunction with the municipal consent process.
2. The design and technical specifications of the system will 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 ten years. The Board finds this period to be of reasonable duration.
5. The Township has reserved the right to review the Petitioner's performance at any time. If the Township determines that the Petitioner has failed to comply with the material terms and conditions of the ordinance, the Township shall provide written notice to the Petitioner of such alleged instances of non-compliance, and shall grant the Petitioner reasonable opportunity to cure such deficiency. If the Petitioner fails to cure said deficiency, the Township may submit any failures on the part of the Petitioner to the Board for review and administrative action, if necessary.
6. 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.
7. 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.

8. The Petitioner shall maintain a local business office or agent within Sussex County for the purpose of receiving, investigating and resolving complaints. Currently, the local office serving this provision is located at 320 Sparta Avenue in the Township.
9. 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.
10. The Petitioner shall provide service along any public right-of-way in the Primary Service Area of the Township at no cost beyond standard and non-standard installation charges as set forth in the Petitioner's application and its tariff on file with the Office of Cable Television. For any extension outside of the primary service area, the Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate as Appendix "I". The minimum homes per mile figure is 20.
11. The Petitioner shall provide public, educational and governmental ("PEG") access channels and facilities in accordance with the ordinance and the application for a cable television franchise. Upon adoption of the ordinance, the Petitioner agreed to provide a dedicated PEG access channel for use by the Township as well as a return line into the Municipal Building and all equipment necessary to allow for transmission of composite video and line level stereo audio or equivalent over the channel provided. The Petitioner has confirmed that the PEG access channel, return line and necessary equipment have been provided to the Township.
12. The Petitioner also maintains one channel for educational access and one channel for local access which is shared with commercial leased access.
13. The Petitioner shall provide, free of charge, the installation and enhanced basic monthly cable television service to each and every school, library, municipally owned building, fire state and rescue squad as follows: Department of Public Works on Prices Lane; Municipal Building (both floors) on Main Street; Library and Recreation Department on Mohawk Avenue; Water Department on Park Lane Road; Ambulance Building on Sparta Avenue; Firehouse Buildings on Woodport Road, Stanhope Road and Glen Road; High School on West Mountain Road; Middle School on Route 517; Mohawk Avenue School on Mohawk Avenue; Helen Morgan School on Stanhope Road; and Alpine School on Andover Road. Upon request of the Township, the Petitioner shall provide free installation and Internet service at the Petitioner's actual cost for residential Internet service, including modems and monthly Internet access.

14. In the event the Petitioner implements a discount for senior citizens or persons who are economically disadvantaged or any other individual or entity in any municipality in which the Petitioner provides services, the same discount shall be provided to the subscribers in the Township.
15. Upon request of the Township and thirty days written notice, the Petitioner shall make available representatives to meet on a bi-annual basis with the Township, for the purpose of reviewing the Petitioner's performance. The Petitioner's representatives shall respond to reasonable requests for information made by the Township.

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 or 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 Township.

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 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 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.

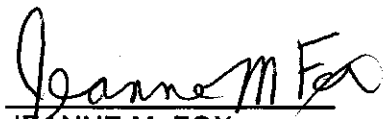
This Certificate shall expire on December 31, 2019.

DATED: 8/18/11

BOARD OF PUBLIC UTILITIES  
BY:



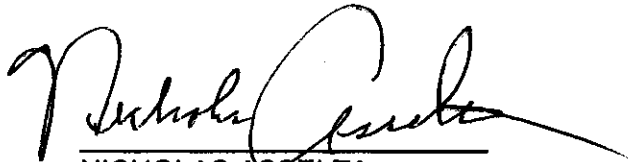
LEE A. SOLOMON  
PRESIDENT



JEANNE M. FOX  
COMMISSIONER




JOSEPH L. FIORDALISO  
COMMISSIONER



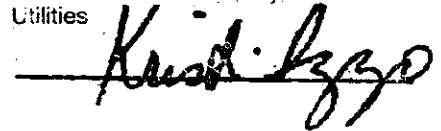
NICHOLAS ASSELTA  
COMMISSIONER

ATTEST:



CARMEN DIAZ  
ACTING 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**

**SERVICE ELECTRIC CABLE TV OF NEW JERSEY, INC.  
TOWNSHIP OF SPARTA**

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. <u># of homes in extension</u><br>mileage of extension   | = | homes per mile (HPM) of<br>extension  |
| 2. <u>HPM of extension</u><br>Minimum HPM that<br>company actually<br>constructs in the<br>system * | = | ratio of the density of<br>the extension to the<br>minimum density which the<br>company constructs in the<br>system ("A") |
| 3. Total cost of building<br>the extension times "A"  | = | company's share of<br>extension cost  |
| 4. Total cost of building<br>extension less company's<br>share of extension cost                    | = | total amount to be<br>recovered from<br>subscribers   |
| 5. Total amount to be<br><u>recovered from subs</u><br>Total subscribers in extension               | = | 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.

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\* The minimum HPM that the company actually constructs in the system or municipality is the minimum number of homes that the company has historically constructed at its own cost. This is a function of the operator's break-even 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.



SERVICE ELECTRIC CABLE TV OF NEW JERSEY, INC.  
RENEWAL CERTIFICATE OF APPROVAL  
TOWNSHIP OF SPARTA  
DOCKET NO. CE10010058

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