

Agenda Date: 8/23/17 Agenda Item: IIID

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 3rd Floor – Suite 314 Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

OFFICE OF CABLE TELEVISION & TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF COMCAST OF SOUTH JERSEY, LLC, FOR A RENEWAL CERTIFICATE OF APPROVAL TO CONTINUE TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN AND FOR THE TOWNSHIP OF EGG HARBOR, COUNTY OF ATLANTIC, STATE OF NEW JERSEY AUTOMATIC RENEWAL CERTIFICATE OF APPROVAL

DOCKET NO. CE15040483

Parties of Record:

Dennis C. Linken, Esq., Scarinci Hollenbeck, LLC, for the Petitioner **Eileen M. Tedesco, Clerk,** Township of Egg Harbor, New Jersey

BY THE BOARD:

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-6078 for the construction, operation and maintenance of a cable television system in the Township of Egg Harbor ("Township"). On October 7, 1991, the Board issued a Renewal Certificate of Approval to Sammons for the Township, in Docket No. CE91010120. Due to a series of Board-approved acquisition transactions, Comcast Cablevision of South Jersey, Inc. ("Comcast South Jersey") became the holder of the Certificate. On December 11, 2001, the Board issued a Renewal Certificate of Approval to Comcast South Jersey for the Township, in Docket No. CE00110919. Based on a name change, the current holder of the Certificate is Comcast of South Jersey, LLC ("Petitioner"). Although the Petitioner's above referenced Certificate expired on April 3, 2015, the Petitioner is authorized to continue to provide cable television service to the Township pursuant to <u>N.J.S.A.</u> 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate.

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On February 3, 2015, the Petitioner notified the Township of its intention to exercise its right under the automatic renewal provision of the Township's municipal consent and the Renewal Certificate of Approval. On April 21, 2015, the Petitioner filed with the Board for Automatic Renewal of its Certificate of Approval for the Township, pursuant to <u>N.J.S.A.</u> 48:5A-16, -19 and -

25 and <u>N.J.A.C.</u> 14:17-6.9 and 14:18-13.6. The filing indicates that the Township's ordinance granting municipal consent to the Petitioner's predecessor provided for a term of 15 years with an automatic renewal for a term of an additional five years.

The Petition for Automatic Renewal is based on the September 27, 2000 ordinance the Township adopted granting municipal consent to the Petitioner's predecessor. On October 6, 2000, the Petitioner's predecessor accepted the ordinance which provided in part, for an automatic renewal term of five years.

The Board has reviewed the petition for an Automatic Renewal Certificate of Approval and the Application filed therein by the Petitioner. Based upon this review and the recommendation of the Office of Cable Television, the Board <u>HEREBY FINDS</u> the following:

- The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval. <u>N.J.S.A.</u> 48:5A-22 to -29, <u>N.J.A.C.</u> 14:18-13 et seq.
- 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 five years pursuant to <u>N.J.S.A.</u> 48:5A-19 and -25. The Board finds this franchise period reasonable.
- 5. The Petitioner shall provide service to any person's residence or business in the Primary Service Area as described in the ordinance at tariffed rates. In all other circumstances, the Petitioner shall utilize the line extension policy attached to the Certificate ("Appendix I"). The minimum homes per mile figure is 35.
- 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 and file with the Board, informational schedules of prices, terms and conditions for unregulated service, and promptly file any revisions thereto.
- 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 any applicable rules.
- 8. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. Currently, the local office is located at 500 Consumer Square, Mays Landing, New Jersey.¹

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¹ On February 25, 2016, the Petitioner provided notice of its local office closure at 901 West Leeds Avenue, Absecon, NJ on or about March 27, 2016, and relocation to Mays Landing [Hamilton Township], consistent with <u>N.J.A.C.</u> 14:18-5.1(d).

- 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 or any additional amount required by <u>N.J.S.A.</u> 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 public, educational, and governmental ("PEG") access facilities as described in the application and the ordinance. The Petitioner shall continue to provide one channel for educational access and governmental ("EG") access for use by the Township and the Township's Public School District at no cost. The cost and expense of production and program development shall be borne by the parties utilizing the EG access channel. The Petitioner shall provide limited technical assistance should transmission problems arise. An additional access channel shall be provided when and if the existing channel reaches a programming saturation point as described in the ordinance.
- 11. The Petitioner shall continue to provide, upon request of the Township, the standard installation and basic monthly cable television service, at no cost, to one outlet to the Township Hall, the police station, each public and non-profit private and parochial school building and each public library within the Township, as stated in the ordinance. The Petitioner shall be permitted to recover its labor, materials and monthly service costs to provide service to more than one outlet in each such building, or for other than standard installation of 175 feet.

Based upon these findings, the Board <u>HEREBY</u> <u>CONCLUDES</u>, pursuant to <u>N.J.S.A.</u> 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 <u>N.J.S.A.</u> 48:5A-1 <u>et seq.</u>, 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 <u>HEREBY</u> <u>ISSUED</u> this Automatic 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 Automatic 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 <u>C.F.R.</u> § 76.1 <u>et seq.</u> including but not limited to, the technical standards 47 <u>C.F.R.</u> § 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

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constitute sufficient grounds for the suspension or revocation of this Certificate.

This Automatic 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 <u>N.J.S.A.</u> 48:5A-1 et seq.

This Certificate shall expire April 3, 2020.

This Order shall be effective on September 2, 2017.

DATED: **BOARD OF PUBLIC UTILITIES** BY: RICHARD S. MROZ PRESIDENT JOSEPH L. FIORDALISO MÁRY-ANNA HOL COMMISSIONER COMMISSIONER DIANNE SOLOMON UPENDRA J. CHIVUKULA COMMISSIONER COMMISSIONER ATTEST: IRENE KIM ASBUR SECRETARX

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 Township of Egg Harbor

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> mileage of extension	=	homes per mile (HPM) of extension
2.	<u>HPM of extension</u> Minimum HPM that company actually constructs in the system *	=	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.	Total amount to be <u>recovered from subs</u> 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.

^{*} 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.

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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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