



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

CABLE TELEVISION

IN THE MATTER OF THE ALLEGED FAILURE OF	)	ORDER ACCEPTING
HOMETOWN ONLINE, INC. TO COMPLY WITH	)	OFFER OF SETTLEMENT
CERTAIN PROVISIONS OF THE NEW JERSEY	)	
CABLE TELEVISION ACT, <u>N.J.S.A. 48:5A-1 ET SEQ.</u> ,	)	
THE NEW JERSEY ADMINISTRATIVE CODE, <u>N.J.A.C.</u>	)	
14:17-1.1 <u>ET SEQ.</u> AND <u>N.J.A.C. 14:18-1.1 ET SEQ.</u>	)	DOCKET NO. CO12010085
AND CERTAIN PROVISIONS OF A BOARD ORDER	)	

Parties of Record:

**William K. Mosca, Jr., Esq., Bevan, Mosca, Giuditta & Zarillo, P.C.** on behalf of Hometown Online, Inc.

BY THE BOARD:

Hometown Online, Inc. ("Hometown") with its principal office located at 47 Main Street, Warwick, New York 10990, is a cable television system operator that provides cable television services to New Jersey customers in Vernon Township, Sussex County and West Milford Township, Passaic County.

The Board's Office of Cable Television ("Office"), and its Inspection and Enforcement Bureau uncovered a number of alleged violations during the course of a routine compliance review. The Office served notice of its allegations that Hometown did not conform to certain provisions of the New Jersey State Cable Television Act, N.J.S.A. 48:5A-1 et seq. and the New Jersey Administrative Code, N.J.A.C. 14:17-1.1 et seq. and N.J.A.C. 14:18-1.1 et seq., and certain provision of a Board Order, as more specifically set forth in Attachment 1 (Schedule of Alleged Violations). The aforementioned statutes and regulations require that all cable systems in New Jersey operate in a manner that protects the rights of the cable consumer.

As a result of correspondence, telephone conversations and settlement conferences between Hometown Online and the Office, on February 7, 2012, Hometown submitted an Offer of Settlement concerning the alleged non-conforming practices. Hometown does not make any admissions but did offer \$4,000.00 in order to resolve all issues alleged by the Office.

Although the settlement disposes of all violations up through December 31, 2011, it preserves the Office's ability to review, examine and inquire about all amounts to be reported on Forms

CATV 1 & 2 and Form 99 for calendar years 2010, 2011 and up to second quarter of 2012, including but not limited to, payments of franchise fees to municipalities, the associated franchise fee revenue basis and pass-throughs of franchise fees to Hometown's customers for this period. To the extent that the Office's review of these reports for this period uncovers an over collection of franchise fees, the settlement requires Hometown, its affiliates, subsidiaries or successors to issue a refund to its customers. In addition, if the Office's review for this period uncovers an underpayment of franchise fees to the municipalities, the settlement requires Hometown to ensure that the municipalities are paid the full amount owed.

The Board has reviewed the matter and HEREBY FINDS that the Offer represents a reasonable settlement of the alleged violations. Therefore, the Board HEREBY ACCEPTS the Offer of Settlement proffered by Hometown subject to the following conditions:

1. Hometown shall tender \$4,000.00, payable to Treasurer, State of New Jersey within fifteen (15) days of receipt of the Board Order accepting this Offer of Settlement.
2. As part of its Offer of Settlement, Hometown has agreed to the following remedial action:
  - a. Within thirty (30) days of receipt of the Board Order adopting this Offer of Settlement, Hometown will issue a one-time credit plus interest to each current and existing retail cable service subscriber for over collection of franchise fees covering the calendar year 2009. Inclusive of \$1579.19 in credits that were issued in August of 2010, the credits are expected to total approximately \$2,452.97, which includes interest through January 31, 2012 for customers not previously compensated. Hometown will issue the remaining credits to each current and existing retail cable service subscriber of record as of February 20, 2012.
  - b. Within thirty (30) days of receipt of the Board order adopting this Offer of Settlement, Hometown will issue refunds to fourteen (14) customers' accounts for the over collection of \$8.40 per remote control unit for a total of forty-four (44) remote control units, plus interest from the date of purchase through the date of the refund.

Hometown, within ten (10) days of the completion of the refund distribution to customers, is HEREBY ORDERED to notify the Board, in writing, of the date(s) the refunds were paid and the amounts refunded to customers. The Board FURTHER ORDERS that Hometown shall, within ten (10) days of effectuating the entire refund to its customers, certify in writing to the Office that the refunds have been completed and provide a final accounting by subscriber and total of all such refunds.

3. Hometown shall, on an on-going basis, provide verified proof to the Office that all required quarterly and annual notices are sent to customers in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18 in the form of a true copy of the notices sent and proof of mailing the earlier of thirty (30) days of the completion of such notices or ten (10) days following the end of the quarter or annual period for which the notice was sent.
4. Hometown will comply with those provisions of the Act and the Regulations pertaining to reports to be filed with the Office and in particular will provide the Office

complete, timely and accurate Form 99 and CATV-1 and 2 reports. Hometown will also work with the Office to ensure that its 2010, 2011 and 2012 financial reports that have been filed or will be filed with the Office are complete and accurate.

5. Hometown shall provide verified proof, including, where appropriate, certifications of continued compliance, to the Office no later than April 10, 2012, that appropriate corrective action was implemented as of the date of its Offer of Settlement to ensure specifically that:
  - a. Hometown complies with the proper reporting, assessment and payment of municipal franchise fees as promulgated by N.J.S.A. 48:5A-30 and N.J.S.A. 48:5A-34.
  - b. Hometown provides a customer with a separate written statement of the privacy notice at the time of entering into an agreement to provide any cable service or other service as required by 47 U.S.C. § 551(a)(1) and N.J.S.A. 48:5A-56(b).
  - c. Hometown provides each customer to its cable television reception service, at the time that person becomes a customer, notice of the complaint officer and the Office's toll free telephone number as required by N.J.S.A. 48:5A-26(c).
  - d. Hometown provides every new customer a complete copy of the cable television company's current schedule of all rates, terms and conditions applicable to that type of customer, for example, residential, commercial, etc. as required by N.J.A.C. 14:18-3.3(d).
  - e. Hometown provides all residential customers initial notice that, upon written request, notice of disconnection of service will be sent to designated third party as well as to the customer as required by N.J.A.C. 14:18-3.9 (h).
  - f. Hometown provides new customers in writing notice of the availability of senior citizens/disabled discounts as required by N.J.A.C. 14:18-3.18(b)3 and N.J.A.C. 14:18-3.20.
  - g. Hometown provides customers, upon a new request for service, an initial written notice of customer consent for the release of personally identifiable information, in association with complaints received at its offices as required by N.J.A.C. 14:18-6.7(b)1.
  - h. Hometown provides its customers quarterly notice of the outage credit availability as outlined in N.J.A.C. 14:18-3.5 within the appropriate timeframe as required by N.J.A.C. 14:18-3.18 (b) 1.
  - i. Hometown provides its customers quarterly notice of the complaint officer and the Office's toll free telephone number within the appropriate timeframe as required by N.J.S.A. 48:5A-26(c) and N.J.A.C. 14:18-3.18(b) 2.

- j. Hometown provides its customers quarterly notice of availability of senior citizens/disabled discounts within the appropriate timeframe as required by N.J.A.C. 14:18-3.18(b) 3 and N.J.A.C. 14:18-3.20.
- k. Hometown shall ensure all bills show the number of months that a promotional price is in effect, if any, and the date on which the promotion is scheduled to end or the number of months remaining until the end of the promotion as required by N.J.A.C. 14:18-3.7(a)14.
- l. Hometown shall ensure that all charges for all affected services on bills are prorated as of the date of establishment and termination of service as required by N.J.A.C. 14:18-3.8.
- m. Pursuant to N.J.A.C. 14:18-3.23, Hometown shall ensure that the cost charged to customers to replace lost or stolen converters or other auxiliary equipment shall be in an amount not to exceed the cable operator's current replacement cost of the equipment. The cost charged to customers for damaged equipment shall not exceed the reasonable repair costs or actual replacement cost, whichever is lesser.
- n. Hometown shall file with the Office written notice of an alteration in channel allocation prior to the effective date for new additions, which do not require rate or price changes, deletions or cutbacks in other services and for all other changes must provide notice at least thirty (30) days prior to the effective date, as required by N.J.A.C. 14:18-3.17.
- o. Hometown shall file with the Office its annual detailed report of the number and character of complaints made by customers and communicated to the company during the previous year, within the appropriate timeframe as required by N.J.A.C. 14:18-6.7(g).
- p. Hometown shall file with the Office annual telephone system information reports within the appropriate timeframe as required by pursuant to N.J.A.C. 14:18-7.6(b).
- q. Hometown shall file with the Office quarterly telephone system performance reports within the appropriate timeframe as required by N.J.A.C. 14:18-7.7(c).
- r. Hometown shall comply with all terms and conditions of Orders and directives issued by this Board and the Director as required by N.J.S.A. 48:5A-9.

The Office will monitor Hometown or its successor's future notice and filing requirements and procedures as set forth in the State Cable Television Act and the New Jersey Administrative Code.

The Board's acceptance of the Offer of Settlement is for purposes of this proceeding only, addresses only those specific allegations and timeframes in the Offer of Settlement, and shall not be construed as limiting the Board's authority in any other matter affecting Hometown or a successor company or operator.

For purposes of assessing penalties for future offenses by Hometown, their parents, affiliates, subsidiaries and successors that may now or in the future operate the cable television systems that are the subject of this Offer of Settlement, such future offenses shall be considered second, third or subsequent offenses, in accordance with N.J.S.A. 48:5A-51(b).


This Offer of Settlement also does not include, and shall not have an impact upon, any party's allegations or claims as they apply to alleged violations of New Jersey's Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. To the extent that there is a potential for liability on the part of Hometown, its parents, affiliates, subsidiaries, and successors, as a result of alleged Underground Facility Protection Act violations, that liability will remain subject to enforcement or other Board appropriate action.

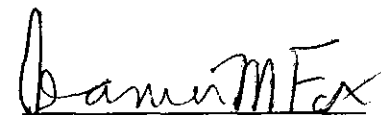
This Offer of Settlement does not relieve Hometown, their parents, affiliates, subsidiaries and successors, from any liability for violations that occurred after December 31, 2011. Additionally, the Board's Order permitting discontinuance of service in In The Matter of Hometown Online, Inc. to Discontinue Provision of Cable Television Service Upon Expiration of Certificates of Approval in the Townships Of Vernon And West Milford, Docket No. CD11080512, does not relieve Hometown of its obligations to comply with the Offer of Settlement or any prior Board Orders, or its liability for any outstanding refunds or violations which are not resolved by this Offer of Settlement, including OCTV's review of all amounts to be reported on Forms CATV 1 & 2 and Form F99 for calendar years 2010, 2011 and 2012.

This Order shall be effective on February 20, 2012.

DATED: 2/10/12

BOARD OF PUBLIC UTILITIES  
BY:

  
ROBERT M. HANNA  
PRESIDENT

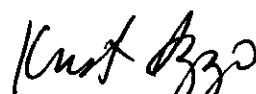
  
JEANNE M. FOX  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

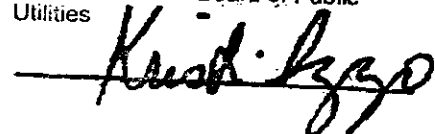
  
NICHOLAS ASSELTA  
COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



**IN THE MATTER OF THE ALLEGED FAILURE OF HOMETOWN ONLINE, INC. TO COMPLY WITH CERTAIN PROVISIONS OF THE NEW JERSEY CABLE TELEVISION ACT, N.J.S.A. 48:5A-1 et seq., THE NEW JERSEY ADMINISTRATIVE CODE, N.J.A.C. 14:17-1.1 et seq. AND N.J.A.C. 14:18-1.1 et seq., AND CERTAIN PROVISIONS OF A BOARD ORDER**

**OFFER OF SETTLEMENT  
DOCKET NO. CO12010085**

**SERVICE LIST**

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Virginia Quackenbush  
Dorinda Masker  
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Bevan, Mosca, Giuditta & Zarillo, P.C.  
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William H. Furlong, Chief  
Bureau of Inspection & Enforcement  
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Alex Moreau, Esq.  
Geoffrey Gersten, Esq.  
Deputy Attorney General  
State of New Jersey, Division of Law  
124 Halsey Street  
Newark, New Jersey 07102

**ATTACHMENT 1  
SCHEDULE OF ALLEGED VIOLATIONS**

**OFFER OF SETTLEMENT**

**DOCKET NO. CO12010085**

1. Hometown failed to comply with the proper reporting, assessment and payment of municipal franchise fees for the 2009 calendar year as promulgated by N.J.S.A. 48:5A-30 and N.J.S.A. 48:5A-34.
2. Hometown failed to provide a separate written statement of the privacy notice at the time of entering into an agreement to provide any cable service or other service to a customer, pursuant to 47 U.S.C. § 551(a) (1) and N.J.S.A. 48:5A-56(b) in 2010.
3. Hometown failed to provide each customer to its cable television reception service, at the time that person becomes a customer, notice of the complaint officer and the Office's toll free telephone number, pursuant to N.J.S.A. 48:5A-26(c) in 2010.
4. Hometown failed to provide every new customer a complete copy of the cable television company's current schedule of all rates, terms and conditions applicable to that type of customer, for example, residential commercial, etc., pursuant to N.J.A.C. 14:18-3.3(d) in 2010.
5. Hometown failed to provide all residential customers initial notice that, upon written request, notice of disconnection of service will be sent to a designated third party as well as to the customer, pursuant to N.J.A.C. 14:18-3.9 (h) in 2010.
6. Hometown failed to provide new customers in writing notice of availability of senior citizens/disabled discounts, pursuant to N.J.A.C. 14:18-3.18(b) 3 and N.J.A.C. 14:18-3.20 in 2010.
7. Hometown failed to provide customers, upon a new request for service, an initial written notice of customer consent for the release of personally identifiable information, in association with complaints received at its offices, pursuant to N.J.A.C. 14:18-6.7(b) 1 in 2010.
8. Hometown failed to provide, within the appropriate timeframe, quarterly notice of the outage credit availability as outlined in N.J.A.C. 14:18-3.5, pursuant to N.J.A.C. 14:18-3.18 (b)1 for the fourth quarter of 2011.
9. Hometown failed to provide, within the appropriate timeframe, quarterly notice of the complaint officer and the Office's toll free telephone number, pursuant to N.J.S.A. 48:5A-26(c) and N.J.A.C. 14:18-3.18(b) 2 for the fourth quarter of 2011.

10. Hometown failed to provide, within the appropriate timeframe, quarterly notice of availability of senior citizens/disabled discounts, pursuant to N.J.A.C. 14:18-3.18(b) 3 and N.J.A.C. 14:18-3.20 for the fourth quarter of 2011.
11. Hometown failed to show on all bills the number of months that a promotional price is in effect, if any, and the date on which the promotion is scheduled to end or the number of months remaining until the end of the promotion, pursuant to N.J.A.C. 14:18-3.7 (a) 14 in 2010 and 2011.
12. Hometown failed to comply with method of billing by ensuring 2010 final bills are prorated as of the date of the final termination of service, pursuant to N.J.A.C. 14:18-3.8.
13. Hometown failed to comply with the cost charged to customers for reimbursement for lost, stolen or damaged equipment, pursuant to N.J.A.C. 14:18-3.23 in 2010 and 2011.
14. Hometown failed to file with the Office written notice of an alteration in channel allocation at least thirty (30) days prior to the effective date, pursuant to N.J.A.C. 14:18-3.17 in 2011.
15. Hometown failed to file with the Office in a timely manner an annual detailed report of the number and character of complaints made by customers and communicated to the company in 2010, pursuant to N.J.A.C. 14:18-6.7(g).
16. Hometown failed to file in a timely manner annual telephone system information reports with the Office, pursuant to N.J.A.C. 14:18-7.6(b) for the years of 2010 and 2011.
17. Hometown failed to file in a timely manner a quarterly telephone system performance report with the Office, pursuant to N.J.A.C. 14:18-7.7(c) for the fourth quarter of 2011.
18. Hometown failed to comply in a timely manner with Board Order in Docket No. CO10050356, whereby within ten (10) days of the completion of the franchise fee refund distribution to customers and franchise fee monetary payment to Hardyston Township, Hometown was to notify the Board, in writing, of the date(s) refunds were paid and the amounts refunded to customers along with proof of the monetary payment to Hardyston Township. Within ten (10) days of effectuating the entire refund to its customers, Hometown was to certify in writing to the Office that the refunds have been completed and provide a final accounting by subscriber and total of all such refunds, pursuant to N.J.A.C. 14:17-11.1.
19. Hometown failed to comply with Board Order in Docket No. CO10050356 by not providing in a timely manner verified proof to the Office that all required quarterly and annual notices are sent to customers in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18 in the form of a true copy of the notices sent and proof of mailing the earlier of thirty (30) days of the completion of such notices or ten (10) days following the end of



quarter or annual period for which the notice was sent, pursuant to N.J.A.C.  
14:17-11.1.

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES  
OFFICE OF CABLE TELEVISION**

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222 Mount Airy Road, Suite 200  
Basking Ridge, New Jersey 07920  
(908)753-8300  
Attorneys for  
Hometown Online, Inc.

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IN THE MATTER OF THE ALLEGED )	
FAILURE OF HOMETOWN ONLINE, INC. )	<b>OFFER OF SETTLEMENT</b>
TO COMPLY WITH CERTAIN PROVISIONS OF )	
THE NEW JERSEY CABLE TELEVISION ACT, )	Docket No. CO120 <u>10085</u>
<u>N.J.S.A. 48:5A-1 ET SEQ.</u> , THE NEW JERSEY )	
ADMINISTRATIVE CODE, <u>N.J.A.C.</u> )	
14:17-1.1 <u>ET SEQ.</u> AND <u>N.J.A.C.</u> 14:18-1.1 )	
<u>ET SEQ.</u> AND CERTAIN PROVISIONS OF A )	
BOARD ORDER )	

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**WHEREAS** Hometown Online, Inc. (“Hometown”), owns and operates a cable television system in New Jersey, pursuant to N.J.S.A. 48:5A-1 et seq.; and

**WHEREAS** Hometown is subject to the jurisdiction of the Board of Public Utilities (the “Board” or “BPU”) and the Office of Cable Television (“OCTV”) within the BPU, pursuant to the New Jersey Cable Television Act, N.J.S.A. 48:5A-1 et seq. (the “Act”), and the New Jersey Administrative Code, N.J.A.C. 14:17-1.1 et seq. and N.J.A.C. 14:18-1.1 et seq. (the “Regulations”); and

**WHEREAS** New Jersey cable companies are required to comply with the provisions of the Act, the Regulations and Board Orders issued thereunder; and

**WHEREAS** the OCTV has conducted an investigation with regard to Hometown’s compliance with the Act and the Regulations; and

**WHEREAS**, as a result of said investigation, the OCTV has alleged that certain obligations imposed upon Hometown under the Act and the Regulations were not timely met and/or that Hometown failed adequately to comply with such requirements; and

**WHEREAS**, while Hometown disputes some or all of the OCTV's allegations, it nevertheless wishes amicably to resolve the issues raised by the OCTV without the need for expensive and time-consuming litigation;

**NOW THEREFORE**, Hometown submits this Offer of Settlement as follows:

1. The OCTV has alleged that Hometown has failed to comply with:
  - a. The proper reporting, assessment and payment of municipal franchise fees ("franchise fees") as promulgated by N.J.S.A. 48:5A-30 and 34, affecting payments of franchise fees to municipalities and collection of franchise fees from Hometown's customers;
  - b.. Certain provisions of the Act and the Regulations pertaining to customer notices;
  - c. Certain provisions of the Regulations pertaining to the method of billing and the format of bills for service;
  - d. Certain provisions of the Regulations pertaining to the cost charged to customers for lost, stolen or damaged equipment or other auxiliary equipment;
  - e. Certain provisions of the Act and the Regulations pertaining to notices and reports to be filed with the OCTV;
  - f. Certain provisions of the Regulations pertaining to schedules of all rates, terms and conditions to be disclosed to customers;



4. Hometown will pay to the State of New Jersey the sum of \$ 4,000.00 (Four Thousand Dollars) within fifteen (15) days of receipt of the Board Order accepting this Offer of Settlement.
5. The terms set forth above are offered in full settlement of any violations or potential violations of the Act, the Regulations or Board Orders up to and inclusive of December 31, 2011 and which have been or could have been alleged by the Board or the OCTV against Hometown with regard to the matters under investigation. Upon approval by the Board of this Offer of Settlement and fulfillment of the terms set forth hereinabove, the Board and OCTV release Hometown Online, its parents, affiliates, subsidiaries, and successors from any and all liability with respect to such violations or potential violations.
6. Notwithstanding the settlement of violations as outlined in Paragraph 5, OCTV reserves the right to review, examine and inquire about all amounts to be reported on Forms CATV 1 & 2 and Form F99 for calendar years 2010, 2011 and 2012, including but not limited to, payments of franchise fees to municipalities and the associated franchise fee revenue basis and pass-throughs of franchise fees to Hometown's customers for this period. To the extent that OCTV's review of these reports for this period uncovers an overcollection of franchise fees, Hometown, its affiliates, subsidiaries or successors shall issue a refund to its customers. If OCTV's review for this period uncovers an underpayment of franchise fees to the municipalities, Hometown shall ensure that the municipalities are paid the full amount owed. However, Hometown shall not be

assessed any additional fines or penalties in connection with such OCTV reviews for deficiencies that occurred during the period outlined in Paragraph 5

7. This Offer of Settlement does not include, and shall not have an impact upon, any party's allegations or claims, as they apply to alleged violations of New Jersey's Underground Facility Protection Act, N.J.S.A. 48:2-73, et seq. To the extent that there is a potential for liability on the part of Hometown, its parents, affiliates, subsidiaries, and successors, as a result of such alleged violations, if any, it will remain subject to enforcement or other Board appropriate action.
8. Hometown agrees to take the following action going forward:
  - a. it will comply with the provisions of the Act and the Regulations pertaining to customer notices;
  - b. it will comply with those provisions of the Regulations pertaining to method of billing and the format of bills for service;
  - c. it will comply with those provisions of the Regulations pertaining to the cost charged to customers for lost, stolen or damaged equipment or other auxiliary equipment;
  - d. it will comply with those provisions of the Regulations pertaining to schedule of all rates, terms and conditions to be disclosed to customers;
  - e. it will comply with the provisions of the Act and Regulations pertaining to proper recording, assessment and payment of municipal franchise fees;
  - f. it will comply with the provisions of the Act and Regulations pertaining to the collection and reporting of the number and character of customer complaints;



Settlement in Docket No. CO10050356, dated June 8, 2010. Additionally, Hometown remains liable for any additional violations or refunds that are not resolved by this Offer of Settlement, including OCTV's review of all amounts to be reported on Forms CATV 1 & 2 and Form F99 for calendar years 2010, 2011 and 2012 as set forth in paragraph 6 above.

BY: William K. Mosca, Jr. / KMC  
William K. Mosca, Jr.  
Attorney for Hometown Online, Inc.

Dated: February 6, 2012