

2. A copy of the agreement or lease and a map of the real property;

3. A statement that the proposed consideration or rental represents the fair market value of the property to be conveyed, or the fair rental value of the property to be leased, giving the basis for the conclusion reached;

4. A statement of any relationship between the parties other than transferor and transferee, or lessor and lessee, or a statement that there is no such other relationship, as the case may be;

5. The amount at which the property is carried on the cable television company's books;

6. A statement as to whether or not the property is income producing and if so, details as to whether the petitioner pays all carrying charges, including taxes. In addition, such statement shall include the assessed valuation of the property;

7. A statement, in the case of proposed sale, that the property is not used by or useful to the cable television company, and in the case of a proposed lease, grant or permission, that the transaction will not compromise the ability of the cable television company to render service;

8. A verification by a properly authorized officer, partner or proprietor of the statements contained in the notice;

9. A blank space of three inches shall be provided at the bottom of the first page of the notice for the Board's certification.

(f) The Board may, within the aforesaid 15-day notice period, or at any time prior to the actual consummation of the transaction, suspend the provisions of this rule and require the filing of a petition for the approval of the sale, lease, encumbrance or other disposition.

Amended by R.1994 d.194, effective April 18, 1994.  
See: 26 N.J.R. 96(a), 26 N.J.R. 1683(a).

#### **14:17-6.11 Petitions for authority to change depreciation rates**

(a) Petitions for the approval of a change or variation in the rates of depreciation used shall conform to the provisions of N.J.A.C. 14:17-4 and N.J.A.C. 14:17-6.1 through 6.4, to the extent applicable, and shall in the body thereof, or in attached exhibits, also provide the following information:

1. The existing and proposed rates of depreciation;
2. The existing and proposed methods of calculating or determining the rates of depreciation;
3. The calculations or studies supporting the proposed change in depreciation rates;
4. The effect of the proposed changes on operating revenue deductions and operating income;

5. A statement as to the date when it is proposed to make the changes in depreciation rates effective, which date shall not be earlier than 90 days after the filing of petition under this rule.

Amended by R.1994 d.194, effective April 18, 1994.  
See: 26 N.J.R. 96(a), 26 N.J.R. 1683(a).

#### **14:17-6.12 Petitions for reconsideration of assessment**

(a) Petitions for reconsideration of the assessment levied in accordance with N.J.S.A. 48:5A-1 et seq., where applicable, shall conform to the provisions of N.J.A.C. 14:17-4, and N.J.A.C. 14:17-6.1 through 6.4, to the extent applicable, and shall in the body thereof, or the exhibits attached thereto, provide the following information:

1. A certified copy of a statement showing gross operating revenues derived from intrastate operations during the preceding calendar year;

2. Reasons why the petitioner feels the assessment is excessive, erroneous, unlawful or invalid.

Amended by R.1994 d.194, effective April 18, 1994.  
See: 26 N.J.R. 96(a), 26 N.J.R. 1683(a).

#### **14:17-6.13 Petitions for authority to issue stocks, bonds, notes, other evidence of indebtedness or to execute mortgages**

(a) Petitions for authority to issue any stocks, bonds, notes, or other evidence of indebtedness, payable in more than one year from the date thereof, and to execute mortgages shall conform to the provisions of N.J.S.A. 48:5A-1 et seq., and N.J.A.C. 14:17-4, and N.J.A.C. 14:17-6.1 through 6.4, to the extent applicable, and shall in the body thereof, or in attached exhibits, provide the following:

1. A statement of the amount and terms of the proposed issue including the nature of the security therefor, if any; the purposes for which the proceeds are to be used; and the nature of all rights and limitations applicable to the security;

2. Where one of the purposes is the acquisition of property, a general description of the property, the name of the transferor, and a copy of the contract, if any, for such acquisition. In the case of property to be acquired for right-of-way purposes, a general description of the proposed route and a map or plot plan will be sufficient.

3. Where one of the purposes is the construction, completion, extension or improvement of facilities, a general description of the work proposed to be done, and an estimate of the cost thereof in reasonable detail. Where one of the purposes is the improvement or maintenance of service, there shall be included a description of the existing service as well as of the improvements or betterments proposed;

4. Where one of the purposes is the refunding of securities, a description of the securities and obligations

to be refunded, including the kind, amount, date of issue and date of maturity, together with the terms of refunding and all other material facts affecting the same must be set out;

5. Where one of the purposes is the issuance of capital stock based upon the investment of earnings in plant, which might have been distributed in dividends a complete and reasonably detailed enumeration of petitioner's property, priced at original cost, estimated if not known. The petitioner shall produce at the hearing, evidence in support of such enumeration and pricing;

6. Where one of the purposes is to reimburse the treasury for expenditures not theretofore capitalized by the issuance of securities, the petitioner shall also show the exact period and amount for which reimbursement is desired, comparative financial statements which shall include, as a minimum, balance sheets and utility plant by accounts as at the beginning and end of the period, as well as changes in the period (in the case of cable television plant, additions and retirements shall be stated separately for each year); a statement indicating the source and application of funds during the period; a statement indicating the manner in which petitioner proposes to use the proceeds from the security issue; and the necessity and reasonableness of the proposed transaction;

7. Where one of the purposes is for the issuance of common capital stock in connection with the organization of a new corporation to operate as a cable television company, the petition must contain the following:

- i. Copy of certificate of incorporation;
- ii. Names and address of the elected or proposed officers, directors and stockholders of the company and the number of shares of capital stock to be held by each;
- iii. The required number of stockholders and directors and the state in which they reside pursuant to the statute under which the corporation will be organized;
- iv. Corporate resolution or proposed resolution of directors of the cable television company authorizing the issuance of the stock;
- v. Copy of a pro forma balance sheet of the new corporation and a copy of a pro forma income statement of estimated operating results anticipated for the first two years of its proposed operations, unless a different period is specified by the Office;
- vi. The name of the municipality and the street and number therein:

(1) In which the principal office in this State is to be located and the name of the agent in charge of such principal office upon whom process against the corporation may be served;

(2) In which the principal business office is to be located;

(3) At which the records, books, accounts, documents and other writings referred to in N.J.S.A. 48:5A-1 et seq., to be kept and the name, place of residence within this State and place of business of the agent who shall have custody of said corporate records and upon whom process for the production of the same before the Board or Office may be served. (The books of account must be kept in conformity with the appropriate Uniform System of Accounts prescribed by the Office.) Books and records must be kept within this State unless authority to do otherwise is obtained from the Board.

- vii. A detailed list of organization expenditures;
- viii. A copy of a pro forma balance sheet giving effect to the issuance of the proposed securities;
- ix. Copy of a pro forma income statement giving effect to the issuance of the proposed securities;
- x. The effective rate of interest or of the cost of money to the petitioner, and the reasonableness thereof, if authority is requested to issue stocks, bonds, notes or other evidence of indebtedness by means of private placement and not a public offering, and the financial sources that the petitioner has contacted in this connection. Petitioner should submit information as to the computation of the effective rate of interest or of the cost of money as distinguished from the nominal rates which may be indicated.

8. Where one of the purposes is the issuance of bonds to be secured by an existing mortgage a statement showing the amount and use made of the proceeds of the bonds, if any, already issued under such mortgage;

9. Information relating to the current financial condition of the petitioner setting forth:

- i. As to each class of capital stock of the petitioner, the amount authorized and the amount issued and outstanding;
- ii. As to each class of preferred stock of the petitioner, a summary statement of the terms of preference thereof;
- iii. As to each issue or series of long-term indebtedness of the petitioner, the principal amount authorized to be issued, date of issue, date of maturity, rate of interest and principal amount outstanding, and as to each such issue secured by a mortgage upon any property of the petitioner, the date of said mortgage, name of trustee, principal amount authorized to be secured, and a brief description of the mortgaged property;
- iv. Other indebtedness of all kinds, giving same by classes and describing security, if any;

v. Amount of interest charged to income during previous fiscal year upon each kind of indebtedness and rate thereof, and, if different rates were charged, amount charged at each rate;

vi. Amount of dividends paid upon each class of stock during previous fiscal year and rate thereof;

vii. Detailed income statement for previous fiscal year and balance sheet showing condition at the close of that year.

10. A statement whether any franchise or right is proposed to be capitalized directly or indirectly. In case it is proposed to capitalize any franchise. A copy of such franchise and a statement, together with an affidavit showing the amount actually paid for said franchise shall be attached to the petition;

11. Where any contract, agreement or arrangement, verbal or written has been to sell the securities proposed to be issued, a description of such contract, agreement or arrangement and, if in writing, a copy thereof;

12. If no contract, agreement, or arrangement has been made for the sale or other disposition of the securities proposed to be issued, the proposed method of sale or other disposition must be set forth together with an affidavit of a competent person showing the amount which can probably be realized from the sale and disposition thereof, and the reasons for the opinion of the affiant;

13. Petitions filed under this rule shall contain a certified copy of the resolution of the Board of Directors or other authority authorizing the proposed issuance of securities and shall be verified. The verification shall include a statement that it is the intention of the petitioner in good faith to use the proceeds of the securities proposed to be issued for the purposes set forth in the petition; and

14. Information which under this rule is required to be set forth in a petition or any exhibit attached thereto and which is contained in any report, document, pleading or other instrument previously filed with the Office pursuant to any requirement of any statute or any rule of the Office, may be incorporated in such petition or exhibit by reference to the official filing thereof with the Office provided that said information is still correct in all respects.

Amended by R.1994 d.194, effective April 18, 1994.  
See: 26 N.J.R. 96(a), 26 N.J.R. 1683(a).

#### 14:17-6.14 Petitions for authority to transfer capital stock

(a) Petitions for authority to transfer upon the books and records of any cable television company, pursuant to N.J.S.A. 48:5A-1 et seq., where applicable, any share or shares of its capital stock, shall conform to the provisions of N.J.A.C. 14:17-4 and N.J.A.C. 14:17-6.1 through 6.4, to the

extent applicable, and shall in the body thereof, or in attached exhibits, also provide the following information:

1. The name and address of the proposed transferor and transferee;

2. A description of the proposed transferee including information as to whether the proposed transferee is a cable television company, a holding company either separately or by affiliation in a cable television holding company system, or a person or other domestic or foreign corporation;

3. A description of the capital stock proposed to be transferred including the class of shares, number of shares and the par or stated value thereof;

4. The per cent in interest of the outstanding voting capital stock of the cable television company which the proposed transfer, either by itself or in connection with other previous sales or transfers, will vest in the transferee;

5. The reason for the proposed transfer;

6. Details and explanation of any changes expected to be made, if petition is approved, in:

i. Board of Directors;

ii. Officers and active managers;

iii. Company policies with respect to its operations, financing, accounting, capitalization, rates, depreciation, maintenance, services and other matters affecting the public interest.

7. The qualifications and the business or technical experience of the proposed officers, directors and stockholders, or other principal management and operating personnel with particular respect to their ability to carry out the cable television company's obligation to render safe, adequate, efficient and proper service.

8. Proof of service of notice of the proposed transfer to the municipalities being served by the cable television company.

Amended by R.1985 d.449, effective September 3, 1985.

See: 17 N.J.R. 1062(b), 17 N.J.R. 2142(b).

Proof of service of notice to municipalities added at (a)8.

Amended by R.1994 d.194, effective April 18, 1994.

See: 26 N.J.R. 96(a), 26 N.J.R. 1683(a).

#### 14:17-6.15 Petitions for permission to lend money or property

(a) Petitions for permission to lend money or property pursuant to N.J.S.A. 48:5A-1 et seq., shall conform to N.J.A.C. 14:17-4, and N.J.A.C. 14:17-6.1 through 6.4, to the extent applicable, and shall in the body thereof, or in exhibits thereto, provide the following additional information:

1. Name, address, per cent of stock ownership and affiliation with petitioner or other cable television company of lender;
2. Amount of money or description of property proposed to be lent;
3. A copy of the proposed agreement including the terms and conditions related thereto;
4. Reasons for the proposed loan;
5. Proof that the loan will not impair the petitioner's ability to provide safe, adequate, efficient, economical and proper service.

Amended by R.1994 d.194, effective April 18, 1994.  
See: 26 N.J.R. 96(a), 26 N.J.R. 1683(a).

**14:17-6.16 Tariff filings which do not propose increases in charges to customers**

(a) Tariff filings for the purpose of making effective initial tariffs or of revisions, changes or alterations of existing tariffs and which are not filed because of the need for additional revenue from products or services covered by existing tariffs, and which do not propose increases in charges to customers, shall conform to the provisions of N.J.A.C. 14:17-4, and N.J.A.C. 14:17-6.1 through 6.4, to the extent applicable, and shall in the body thereof, or in attached exhibits, also provide the following information:

1. Four copies of the proposed tariff or revision, change or alteration thereof, together with an explanation of the manner in which the tariff or change differs from the existing or a prior tariff, and the effect, if any, upon revenues;
2. A statement of the reasons why the said tariff or change is proposed to be filed;
3. A statement of notices given, if any, together with a copy of the text of each of said notices;
4. A statement as to the date on which it is proposed to make the tariff or change effective, which date shall not be earlier than 30 days after the filing unless otherwise permitted by the Office with the approval of the Board; and
5. In the case of initial tariffs pro forma income statements for each of the first two years of operation and actual or estimated balance sheets as at the beginning and end of each year of said two-year period.

(b) Review of petitions and tariffs under this section shall conform and comply with the regulations and procedures established by the Federal Communications Commission for the regulation of cable television rates.

Amended by R.1994 d.194, effective April 18, 1994.  
See: 26 N.J.R. 96(a), 26 N.J.R. 1683(a).

**14:17-6.17 Tariff filings or petitions which propose increases in charges to customers**

(a) Tariff filings or petitions for the purpose of making effective revisions, changes or alterations of existing tariffs which propose to increase any rate, rental or charge or so to alter any classification, practice, rule or regulation as to result in such an increase, shall conform to the provisions of N.J.A.C. 14:17-4, and N.J.A.C. 14:17-6.1 through 6.4, to the extent applicable, and shall in the body thereof, or in attached exhibits, contain all applicable information and data set forth in N.J.A.C. 14:17-6.16 and, in addition, shall contain the following information and financial statements prepared in accordance with generally accepted accounting and auditing principles, or the applicable uniform system of accounts:

1. A comparative balance sheet for the most recent three-year (calendar year or fiscal year) period;
2. Comparative income statement for the most recent three-year (calendar year or fiscal year) period;
3. A balance sheet at the most recent date available;
4. A statement of the amount of revenue derived in the calendar year last preceding the institution of the proceedings from the intrastate service rendered, the rates or charges which are the subject matter of the filing;
5. A pro forma income statement reflecting operating income at present and proposed rates and an explanation of all adjustments thereon, as well as calculation showing the indicated rate of return on the average net investment for the same period as that covered by the pro forma income statement that is, investment in plant facilities plus supplies and working capital to the extent claimed, less the reserve for depreciation and advances and contributions for facilities.
6. In providing the information required by (a)5 above, a company may also file, in addition to the new rates proposed to become effective, alternative rate changes designed to produce the full revenue request, which alternatives are illustrative of the application of other possible rate designs to the filing.
7. An itemized schedule showing all payments or accruals to affiliated companies or organizations and to those who own in excess of five per cent of the cable television company's capital stock regardless of the form or manner in which such charges are paid or accrued and an explanation of the service performed for such charges;
8. A copy of the form of notice to customers.

(b) Each cable television company that makes a filing under (a) above shall, at the same time, unless otherwise ordered or permitted by the Board, give notice thereof as follows: