

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on April 18, 2007

COMMISSIONERS PRESENT:

Patricia L. Acampora, Chairwoman
Maureen F. Harris
Robert E. Curry, Jr.
Cheryl A. Buley

CASE 02-V-1584 - Application of Time Warner Entertainment-Advance Newhouse Partnership (Albany Division) for Approval of the Renewal of its Cable Television Franchise for the City of Amsterdam (Montgomery County).

ORDER APPROVING RENEWAL

(Issued and Effective May 1, 2007)

BY THE COMMISSION:

The above-captioned application was submitted by Time Warner Entertainment-Advance Newhouse Partnership (Albany Division) on October 20, 2006. A copy of the same was served on the City of Amsterdam and all local notice requirements were met. No comments or objections have been received.

This application is governed by Section 222 of the Public Service Law, which requires our approval unless we find specific violations of law, Commission regulations or the public interest. Section 222(4) of the statute provides that we may approve the renewal contingent upon compliance with standards or conditions consistent with the public interest. Having reviewed the application in the context of applicable statutory and regulatory standards, we have determined to approve the renewal subject to conditions as hereinafter set forth.

The application seeks our approval of a franchise renewal by the City of Amsterdam by Resolution of the City Board

dated August 5, 2006 after a duly noticed public hearing held on May 5, 2006. The term of the renewal is for ten years measured from the date of this order.

The renewal agreement substantially complies with Section 895.1 of the Commission's rules, except as noted below.

First, Section 895.1(d) of our rules requires that access to a cable system may not be denied to any group of potential residential subscribers based on income. It is a condition of our approval that Section 895.1(d) be deemed a part of the franchise agreement as if specifically set forth therein.

Second, this order will be granted upon condition that the franchisee comply with minimum standards for public, educational and governmental (PEG) access contained in Section 895.1(f) and 895.4 thereof, and line extension standards contained in Section 895.5 of our rules.

Third, as proposed, Section 2(c) and (d) of the franchise is inconsistent with the Commission's authority and responsibility to review franchise amendments, especially material changes in a franchisee's obligations to continue to provide necessary public services. The language in 2(c) "shall be deemed modified without any further action" and 2(d) "...at the Grantee's sole option..." and "...right immediately to terminate..." is inconsistent with the amendment procedures in Section 892-1.4, *et seq.* of our regulations. Moreover, since it can reasonably be said that this proposal contemplates the ultimate amendment of the franchise, namely termination of all the franchisee's performance obligations, consisting of an actual or constructive abandonment, our approval of a process anticipating a hypothetical occurrence or condition, would be inconsistent with Sections 222 and 226 of the Public Service Law and Section 895.1(h) of our regulations (abandonment). Accordingly, our approval of the proposed renewal is specifically conditioned upon striking the quoted language from the franchise agreement and explicitly making this provision subject to our amendment procedures. If the Company wishes to terminate its franchise, or

amend a material term in the agreement, it must follow the pertinent provisions of the Public Service Law and our rules and regulations with regard to obtaining municipal and Commission approval.

Fourth, the remaining language in Section 2(c) of the agreement attempts to mirror Section 895.3 of our rules regarding level playing field. We will construe the provision in a manner consistent with Section 895.3.

Fifth, Sixteenth, Section 18 of the agreement states in part: "The parties hereby acknowledge and agree that any provisions of this Franchise or any existing or future State or local laws or rules that are inconsistent with or contrary to any applicable federal law, including the Cable Act, as the same may be amended, are and shall be prohibited, preempted and/or superseded to the extent of any inconsistency or conflict with any applicable federal laws." This provision may interfere with the rules of State and local governments in maintaining jurisdictional consistency and in resolving inconsistencies and disagreements in this area. The provision is void and our approval of the franchise is conditioned upon striking the quoted language from the agreement.

Sixth, Section 895.1(t) of the Commission's rules requires a provision in the franchise that any valid reporting requirements in the franchise may be satisfied with system-wide statistics except those related to franchise fees and customer complaints. It is a condition of our approval that Section 895.1(t) be deemed a part of the agreement as if specifically set forth therein.

The franchise agreement contains additional provisions not required by Part 895 of the Commission's rules. Our approval of these provisions will be granted to the extent that they pertain to the provision of cable service and are, and remain, consistent with Article 11, our regulations, policies, and orders and applicable federal statutes and regulations. In the event of an ambiguity in any such provision, or among separate provisions,

the provision will be construed in the manner most favorable to the franchisor.

The Commission Orders:

1. Pursuant to Section 222 of the Public Service Law and the rules and regulations of this Commission, the application of Time Warner Entertainment-Advance Newhouse Partnership (Albany Division) for renewal of its cable television franchise for the City of Amsterdam (Montgomery County) is hereby approved, subject to the conditions set forth herein. The term of the renewal is for ten years measured from the date of this order.

2. This order does not in any way confer rights or privileges other than those granted in the underlying franchise and the certificate holder remains subject to the obligations imposed by Article 11 of the Public Service Law, the underlying franchise and all applicable rules, regulations and orders of this Commission.

3. This proceeding is closed.

By the Commission,

(SIGNED)

JACLYN A. BRILLING
Secretary