

BEFORE THE DIRECTOR OF REGULATORY AGENCIES
OF THE STATE OF HAWAII

In the Matter of the Application of)	
MEGA VISION COMPANY)	ORDER NO. 68
For Approval of the Sale and Transfer)	
of the CATV Permit Held By West)	DOCKET NO. 31-78-02
Hawaii Cable Vision, Limited.)	
_____)	

ORDER APPROVING TRANSFER OF CATV PERMIT

Upon review and consideration of the application of MEGA VISION COMPANY for approval of the sale and transfer of the CATV permit presently held by West Hawaii Cable Vision, Limited (herein "West Hawaii"), being Order of the Director of Regulatory Agencies No. 31 dated September 14, 1973 (herein "Permit"), the Director of Regulatory Agencies hereby approves the said transfer upon the terms and conditions herein stated.

1. Mega Vision Company shall, prior to the transfer of the Permit or any other asset of West Hawaii, cause to be formed a Hawaii Limited Partnership in accordance with the Hawaii Limited Partnership Act. The Permit and other assets shall be transferred only to such Hawaii Limited Partnership. Applicant shall, prior to any transfer, submit to the Director complete documentation evidencing the establishment of said limited partnership including the names and addresses of all general and limited partners thereof.

2. The limited partnership so organized shall have management with executive, administrative, organizational and financial experience in the cable television business.

3. All officers, directors and employees of the legal entity shall be residents of the State of Hawaii.

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4. The limited partnership shall be headed by a full-time Hawaii-based executive possessing and exercising all powers traditionally vested in a chief executive officer. In addition, it shall have a manager of technical services or chief engineer experienced in maintaining, upgrading, and extending the distribution and origination facilities.

5. The financial disbursements of the limited partnership shall be made by the above-mentioned executive or by a resident chief financial officer from accounts deposited in a bank or other financial institution authorized under the laws of Hawaii to do general banking business in the State of Hawaii.

6. The limited partnership shall maintain, with invoices and other documentation, full and complete accounts and records at the system's headquarters located in the county in which service is provided. These records shall be separate from any other business entity owned, controlled, managed or having any relationship with any general or limited partners of the limited partnership.

7. The limited partnership shall, within the period indicated, construct and extend CATV facilities and provide CATV service to all potential subscribers in each of the communities and areas named in the construction schedule attached hereto as Exhibit "A." For each community or area, the limited partnership shall, prior to commencing construction, file with the Department a map indicating the streets and roads on or near which its trunk and distribution lines are to be constructed. Upon the completion of the construction schedule set forth in Exhibit "A," the limited partnership shall promptly notify the Director and the Director shall thereupon establish such new construction schedule as the facts and circumstances may then warrant. The obligation to construct imposed by this paragraph shall be independent of and without regard to the Line Extension Policy established by Paragraph 10 of this Order. The time schedule set forth in Exhibit "A" shall commence on the date of this Order.

8. The limited partnership shall, prior to the construction of the increments specified in Exhibit "A," post construction/performance bonds in the

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amount of fifty percent of the construction costs of extending each specified increment in the system which bonds shall be obtained upon commencement of construction of each increment and shall be released upon the satisfactory completion of the construction of each increment; except that upon completion of the last increment specified in the attached construction schedule, the construction/performance bond shall not be released until such time as the Director shall approve a construction schedule for those permit areas not being served by the cable system.

9. The limited partnership shall, within three months of this Order, provide its cable subscribers who receive CATV signals from the existing Kailua-Kona headend facility with at least two distant television signals from the continental United States. All other subscribers shall receive the two distant television signals within one year.

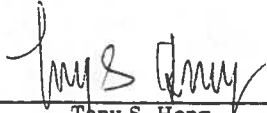
10. The limited partnership shall, under the terms of the Line Extension Policy attached hereto as Exhibit "B," extend cable facilities to all potential subscribers in areas presently without cable facilities.

11. All conditions and requirements contained in Order No. 31 dated September 14, 1973, unless modified herein, shall be applicable and binding on the limited partnership and its partners, owners or other principals.

12. Mega Vision Company shall obtain and file with the Director acceptance of the foregoing conditions by all of the principals of Mega Vision Company and of the limited partnership.

13. All parties to the proceeding instituted by the Order to Show Cause Number 60 issued by the Director of Regulatory Agencies on July 6, 1978 shall consent to its dismissal.

DATED: Honolulu, Hawaii, April 6, 1979.



Tany S. Hong
Director of Regulatory Agencies

ACCEPTANCE OF CONDITIONS FORM

The conditions specified in Order Number 68 are hereby accepted by
MEGA VISION COMPANY.

C. Thompson Kelly
PARTNER

Walter Bernard
PARTNER

DATED: May 21, 1979

EXHIBIT A

CRITICAL PATH METHOD

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
MONTUS		←walkout→	←mapping→																		
Hapoopoo		←walkout→	←mapping→	←pole reengagement→	←order supplies→	←pave reengagement→	←cable→	←applies & proof→	←turn-on→												
Puu Nant IV		←walkout→	←mapping→	←order supplies→	←pave reengagement→	←cable→	←applies & proof & turn-on→	←stand→	←cable→	←applies & proof→	←turn-on→										
Kona Scenic				←pole reengagement→	←order supplies→	←pave reengagement→	←cable→	←applies & proof→	←stand→	←cable→	←applies & proof→	←turn-on→									
Kealia				←walkout→	←mapping→	←pole reengagement→	←order supplies→	←pave reengagement→	←cable→	←applies & proof→	←stand→	←cable→	←applies & proof→	←turn-on→							
Kona Palisades				←walkout→	←mapping→	←pole reengagement→	←order supplies→	←pave reengagement→	←cable→	←applies & proof→	←stand→	←cable→	←applies & proof→	←turn-on→							
Kona Acres							←walkout→	←mapping→	←pole reengagement→	←order supplies→	←pave reengagement→	←cable→	←applies & proof→	←stand→	←cable→	←applies & proof→	←turn-on→				
Kona Highlands							←walkout→	←mapping→	←pole reengagement→	←order supplies→	←pave reengagement→	←cable→	←applies & proof→	←stand→	←cable→	←applies & proof→	←turn-on→				

EXHIBIT B
LINE EXTENSION POLICY

A. PRIMARY OBLIGATION TO SERVE:

1. The Company shall install energized trunk cables or distribution lines on all public highways and rights-of-way within its permit area.
2. The Company shall provide service to any applicant who occupies a residence which is 200 strand feet or less from the nearest point on the highway or right-of-way from which such residence could be reasonably served from trunk cable or distribution lines designated on the Company Service Area Maps at no cost to such applicant for system extension other than the usual connection charge required of all subscribers, provided that such extension is technically and physically feasible.
3. Whenever the Company shall receive a request for service from an applicant who occupies a residence which is more than 200 strand feet from the point on the highway or right-of-way where such residence could be reasonably served by distribution lines designated on the Company Service Area Maps, it shall extend its distribution lines to such subscribers under the terms and conditions prescribed in Section B, Obligation to Serve Under Line Extension Policy.

B. OBLIGATION TO SERVE UNDER LINE EXTENSION POLICY:

1. When proper application is made for CATV service by the owner or occupant of any residence within the Company's permit area, the Company shall construct, maintain and replace such lines as are required to provide cable service to said applicant, provided that:
 - a. If the nearest point on the highway or right-of-way from which the applicant could be reasonably served is within 200 strand feet of any existing distribution line designated on the Company Service Area Maps, then the Company shall provide the extension at no additional cost to the

- applicant. This shall be known as "free length" and shall consist of necessary cable plant only.
- b. In cases where more than one applicant is to be served initially from the same extension beyond the trunk or distribution lines designated on the Company Service Area Maps, each applicant beyond said designated trunk or lines shall be entitled to 200 feet of free length, and the total free length of the line extension beyond said designated trunk or lines will be the sum of the individual allowances made to each applicant.
 - c. Whenever 27 or more applicants request service within a continuous system mile of line extension, the Company shall provide the extension at no cost to the applicants.
 - d. If the requested line extension shall pass a sufficient number of potential subscriber dwelling units so as to yield an average "homes-per-mile" count of at least 44 homes per continuous system mile, then the Company shall provide the extension at no cost to the applicant.
 - e. If the applicant or applicants are not entitled to an extension without additional cost, they shall pay the Company a construction charge for the footage of trunk or distribution lines necessary to provide such extension in excess of 200 feet, on the basis of actual added cost to the Company, which charge and its underlying support shall be filed with and subject to review by the Cable Television Division. If there is more than one applicant, the construction charge shall be apportioned equitably among the applicants.
 - f. Whenever additional subscribers are connected to an existing line extension within a 36-month period commencing with the date service is provided to the initial applicant or applicants, the total free length of the line extension shall be increased by 200 feet for each additional subscriber. The construction charge shall be recomputed on the basis of paragraphs "b," "c," and "d" above, and an equitable refund shall be made

to the existing subscribers who have contributed to the cost of the line extension. Any existing subscriber who comes within the total free length segment of a line extension subsequent to the date when service was commenced, but during the 36-month period, shall not be responsible for any construction charge under this policy and shall receive a full refund of any construction charge previously paid by him. In no event shall the recomputation of the construction charge result in an increase in the amount assessed against an existing subscriber. The additional length of line extension shall then be treated as a new extension, and the 36-month period for it shall commence on the date when service is provided to the new applicant.

- g. Whenever a multiple-unit applicant is connected to a line extension or to an increase in a line extension during the 36-month period of said line extension, an equivalent free footage allowance shall be determined by dividing the total monthly service revenues of the multiple-unit connection by the monthly service fee for a single dwelling unit and multiplying the resultant number by 200 feet.
- h. The minimum service period for any applicant or applicants requesting a line extension, or their successors and assigns, shall be three (3) years. In such case, the CATV system may request a security deposit in an amount not to exceed the equivalent of twelve (12) months' service fees. Said deposit shall accrue interest at the rate of six percent (6%) per annum, simple interest, and shall be reimbursed to the subscriber or subscribers on or before the third anniversary of the date of providing the service. If the subscriber elects to terminate the CATV service prior to the expiration of the three-year service agreement, said deposit and any accrued interest shall revert to the Company. However, should service be re-established within four (4) months from the date of termination, the original deposit plus accrued interest shall be reinstated and shall be

reimbursed to the subscriber on or before the date when service will have been provided for thirty-six (36) months.

2. All requests for CATV service requiring line extensions, cost estimates made pursuant thereto and the disposition of the same shall be kept on file by the Company for a period of ten (10) years. The actual detailed costs of each line extension constructed shall be recorded and kept on file for ten (10) years.
3. In bringing CATV service under this policy to an applicant's premises from the distribution system or any extension thereof, the Company will furnish the normal service entrance drop wire and associated facilities required to complete the installation in accordance with the Company's filed tariff. Any construction required on the applicant's premises in excess of the above will be borne entirely by the applicant.
4. General.
 - a. When the application of this policy appears impractical or unjust to the Company or the applicant, either party may refer the matter to the Director, Department of Regulatory Agencies, Cable Television Division, for a ruling or for the approval of special conditions.
 - b. The Company shall give a copy of this policy to each customer required to make a contribution to a line extension.
 - c. This policy shall be effective from the date of the Final Order of the Director and until modified, amended, or cancelled by the Director.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Order No. 68 was mailed, postage prepaid, to the following on this 6th day of April, 1979:

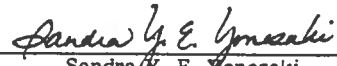
West Hawaii Cable Vision, Limited
P. O. Box 2940
Kailua-Kona, Hawaii 96740

West Hawaii Cable Vision, Limited
P. O. Box 362
Hilo, Hawaii 96720

Mega Vision Company
400 Renaissance Center
Suite 1800
Detroit, Michigan 48243

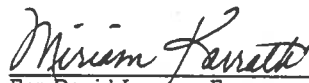
Donald K. O. Wong, Esq.
Okano, Noguchi and Wong
10th Floor, 915 Fort Street
Honolulu, Hawaii 96813

A copy of Order No. 68 was also served on David Laxson, Esq. by personal delivery in care of the Honolulu office of Carlsmith, Carlsmith, Wichman & Case on this 6th day of April, 1979.



Sandra G. E. Yonesaki

RECEIVED BY:



For David Laxson, Esq.

BEFORE THE DIRECTOR OF REGULATORY AGENCIES
OF THE STATE OF HAWAII

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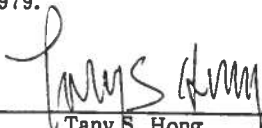
ORDER NO. 68-A
DOCKET NO. 31-78-02

AMENDMENT TO ORDER NO. 68

Paragraph 9 of Order No. 68 dated April 6, 1979 is hereby amended to read:

9. The limited partnership shall, within nine months of this Order, provide its cable subscribers who receive CATV signals from the existing Kailua-Kona headend facility with at least two distant television signals from the continental United States. Upon the expiration of said nine month period, the limited partnership shall file with the Director technical and economic studies and a specific time schedule for providing the two distant television signals to all other subscribers. Said time schedule shall provide for the provision of such service to all subscribers no later than January 1, 1981.

DATED: Honolulu, Hawaii, May 21, 1979.



Tany S. Hong
Director of Regulatory Agencies

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Order No. 68-A was mailed, postage prepaid, to the following on this 21st day of May, 1979:

West Hawaii Cable Vision, Limited
P. O. Box 2940
Kailua-Kona, Hawaii 96740

West Hawaii Cable Vision, Limited
P. O. Box 362
Hilo, Hawaii 96720

Mega Vision Company
400 Renaissance Center
Suite 1800
Detroit, Michigan 48243

Donald K. O. Wong, Esq.
Okano, Noguchi and Wong
10th Floor, 915 Fort Street
Honolulu, Hawaii 96813

A copy of Order No. 68-A was also served on David Laxson, Esq. on this 21st day of May, 1979.


Sandra Y. E. Yonesaki

RECEIVED BY: