BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF COMCAST OF DELMARVA, INC., F/K/A COMCAST CABLEVISION OF DELMARVA, INC., FOR THE COMMENCEMENT OF PROCEEDINGS PURSUANT TO 47 U.S.C. § 546 REGARDING THE RENEWAL OF THE CABLE TELEVISION FRANCHISE TO SERVE CERTAIN UNINCORPORATED AREAS OF NEW CASTLE, KENT, AND SUSSEX COUNTIES, DELAWARE (FILED JANUARY 18 AND AUGUST 23, 2002)	)	PSC DOCKET NO. 02-24

CABLE TELEVISION FRANCHISE RENEWAL

PSC ORDER NO. 6773

AND NOW, to-wit, this 22nd day of November, A.D. 2005, the Delaware Public Service Commission, for the reasons set forth hereinbelow, enters the following Findings and Order renewing the Cable Television Franchise identified in the caption of these proceedings for a term of fifteen (15) years subject to the terms and conditions as specified herein.

Procedural History:

1. Comcast of Delmarva, Inc., f/k/a Comcast Cablevision of Delmarva, Inc. ("operator" or "Comcast” or "Franchisee"), is the holder of a franchise granted by this Commission to provide cable television service in certain unincorporated areas of New Castle, Kent, and Sussex Counties, Delaware, which franchise expired on June 17, 2005.

2. This Commission assigned the initial phase of this proceeding to a Hearing Examiner who conducted three (3) public hearings and on May 15, 2003, filed with the Commission his report. After that report, Comcast engaged in informal discussions with Commission Staff in drafting its proposed franchise renewal agreement. On September 1, 2005, an agreement was reached between the parties.

3. In PSC Order No. 6741 (Oct. 11, 2005), the Commission announced it was considering the proposed franchise renewal agreement. The Commission instructed the Commission Secretary to publish notice of this agreement in The News Journal newspaper on October 18, 2005, the Delaware State News newspaper on October 19, 2005, and to post the notice and the proposed franchise agreement on the Commission website. The notice informed the public that a public hearing on the proposed agreement would be held on November 22, 2005.

4. After holding the public hearing on November 22, 2005 at its regularly scheduled meeting and hearing no comments from members of the public, the Commission will now consider the proposed renewal franchise agreement.

Now, therefore, **IT IS ORDERED:**

That the following proposed franchise renewal agreement is hereby approved for a period of fifteen (15) years from the expiration of the current franchise or June 17, 2020:

I. **DEFINITIONS** - AS USED HEREINAFTER:[1]

1. "PSC," "COMMISSION" or "FRANCHISING AUTHORITY" means the Delaware Public Service Commission.

2. "FRANCHISE" means authorization lawfully adopted or agreed to by the PSC pursuant to 26 Del. C. chapter 1, subchapter VI, or renewal thereof (including a renewal which has been granted subject to Section 626 [47 U.S.C. § 546] of the Cable Communications Policy Act of 1984) to construct or operate a cable television system or systems in whole or in part within a county of the State of Delaware.

[1]When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and vice versa. The word "shall" is always mandatory.

3. “GRANTEE” or “FRANCHISEE” means the entity to which the franchise is granted or renewed. As used herein, the term refers to and means Comcast of Delmarva, Inc., a corporation organized and existing under the laws of the State of Delaware.

4. “FRANCHISE AREA” means the territory designated in the Franchise wherein the Franchisee is authorized to provide Cable Service as set forth in Section III hereof.

5. “FCC” means the Federal Communications Commission, a Federal Regulatory Agency, as constituted by the Communications Act of 1934, as amended, or any successor agency created by the United States Congress.

6. “PERSON” means any individual, firm, partnership, association, joint stock company, trust, governmental entity, corporation, company, or organization of any kind.

7. “BASIC CABLE SERVICE” means any service tier which includes retransmissions of local television broadcast signals in accordance with Section 614 of the Cable Act, and non-commercial educational programming in accordance with Section 615 of the Cable Act.

8. “CABLE CHANNEL” or “CHANNEL” means a portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television channel (as television channel is defined by FCC regulation).

9. “AFFILIATE,” when used in relation to any person, means another person who owns or controls, is owned or controlled by, or is under common ownership or control with such person.

10. “CABLE OPERATOR” means any person or group of persons who provides cable service over a Cable System and directly, or through one or more affiliates, owns a significant interest in such Cable

System or who otherwise controls or is responsible for, through any arrangement, the management and operation of such a Cable System.

11. "CABLE SERVICE" means the one-way transmission to subscribers of video programming or other programming service, and subscriber interaction, if any, which is required for the selection of such video programming or other programming service.

12. "CABLE SYSTEM" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service, including video programming, and which is provided to multiple subscribers within a community, but such term does not include: (a) a facility that serves only to retransmit the television signals of one (1) or more television broadcast stations; (b) a facility that serves only subscribers in one (1) or more multiple unit dwellings under common ownership, control, or management, unless such facility or facilities uses any public right-of-way; (c) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, except that such facility shall be considered a Cable System to the extent such facility is used in the transmission of video programming directly to subscribers; (d) any facilities of any electric utility used solely for operating its electric system; or (e) an open video system that complies with Section 653 of the Communications Act.

13. "OTHER PROGRAMMING SERVICE" means information that a cable operator makes available to all subscribers generally.

14. "PUBLIC, EDUCATIONAL, OR GOVERNMENTAL ACCESS FACILITIES" or "PEG" means channel capacity designated for public, educational, or

governmental use, and facilities and equipment for the use of such channel capacity for non-commercial programming.

15. “SERVICE TIER” means a category of a cable service or other services provided by a cable operator and for which a separate rate is charged by the cable operator.

16. “VIDEO PROGRAMMING” means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

17. “GROSS SUBSCRIPTION RECEIPTS” means and shall only include charges related to the Franchisee’s “Total Annual Basic Service Regulated Revenue,” as defined in 26 Del. C. § 610(a)(4).

18. “FORCE MAJEURE” means a situation where the Franchisee is prevented or delayed in the performance of any of its obligations under this renewed franchise by reasons of Acts of God, floods, fires, hurricanes, tornadoes, earthquakes, or other unavoidable casualty, acts of public enemy, insurrection, war, riot, sabotage, vandalism, labor strikes, boycotts, lockouts, labor disputes, shortage of labor, epidemic, freight embargoes, shortages or unavailability of materials or supplies, unusually severe weather conditions, or other similar events beyond the reasonable control of the Franchisee. In the event such situations occur, the Franchisee shall have a reasonable time, under the circumstances, to perform its obligation under the franchise or to procure a substitute for such obligation which is satisfactory to the PSC.

19. “TARIFF” means the operational rules, regulations, and rates under which the Franchisee operates and which the Franchisee must file with the Commission and which may, in public proceedings, be changed from time to time in the same manner as public utility tariffs,

provided, however, that the rate portion of such tariffs shall be only informational so long as the Commission is Federally pre-empted from regulation of the rates of Cable Television Systems.

20. “COMPLAINT” means any written or oral communication by a Subscriber expressing dissatisfaction with any aspect of the Franchisee’s provision of Cable Service that has generated a work order and/or necessitated a response by a service person.

III. <u>TERMS AND CONDITIONS</u>

Effective as hereinafter provided, Grantee is hereby granted a renewed non-exclusive franchise to operate a cable television system to serve the Franchise Area described as all of the unincorporated areas below the Chesapeake and Delaware Canal in New Castle County, all of the unincorporated areas of Kent County and all of unincorporated areas of Sussex County except the unincorporated areas served by the Ocean City head-end, said grant being expressly subject to the following terms and conditions which the Grantee agrees to accept and honor:

1. <u>TERM AND FURTHER RENEWAL OF RENEWED FRANCHISE</u>

(a) The term of this renewed franchise shall be for a period of fifteen (15) years from expiration of the current franchise. This franchise shall not be automatically renewed. The Franchisee shall have the option within the last thirty-six (36) months of the renewed franchise to request renewal of this franchise for an additional period not to exceed fifteen (15) years.

(b) Should the Franchisee seek further renewals of this renewed franchise, the PSC shall conduct a full, open, and public renewal proceeding upon prior notice and shall provide an opportunity for all interested persons to be heard. Should this franchise be further renewed by the PSC, all of the terms and provisions contained herein shall be controlling during the renewal period except to the extent that such terms and provisions are modified by the PSC, or unless this renewed franchise is superseded by a new franchise. Should the Franchisee not seek renewal of the franchise, it shall remove all of its facilities from all public rights-of-way and facilities at such time and in the manner prescribed by Order of the PSC.

2. PROPERTY DAMAGE AND PUBLIC LIABILITY INSURANCE

(a) The Franchisee shall carry and at all times maintain property damage and liability insurance with a responsible insurance company qualified and duly licensed to do business in the State of Delaware. The minimum amount of such insurance for bodily injury, death, and property damage shall be One Million Dollars ($1,000,000) for each person and Three Million Dollars ($3,000,000) for each occurrence.

(b) Copies of such insurance policies shall be filed with the PSC within ninety (90) days after the date hereof, together with written evidence of the payment of the required premium. Proof of payment of the required premium and annual certification of the effectiveness of such insurance shall be filed with the PSC during the remainder of the term of the renewed franchise.

3. SYSTEM CONSTRUCTION AND TECHNICAL STANDARDS

(a) Construction, installation, and all maintenance of the Cable System shall be performed in an orderly and workmanlike manner. All cables and wires shall be installed, where possible, parallel with electric and telephone lines. Multiple cable configurations shall be arranged in parallel and bundled with due respect for engineering considerations. Good engineering practices shall be followed at all times. The system shall be constructed, installed, operated, and maintained in a manner consistent with the National Electrical Code and the National Electrical Safety Code as such codes shall, from time to time, be amended, and all generally applicable laws, ordinances, construction standards, governmental requirements, and FCC technical standards which, as the same may from time to time be amended, are, by this reference, hereby fully incorporated into this renewed franchise.

(b) The Franchisee shall render efficient service, make repairs promptly, and interrupt service only for good cause and for the shortest time reasonably possible. Such interruptions shall, to the extent reasonably possible, be preceded by notice and shall occur during periods of minimum system use.

(c) The Franchisee shall not allow its cable or other operations to interfere with communication reception of persons not served by the Cable System nor shall the system interfere with, obstruct, or hinder in any manner, the operation of other communications systems.

(d) In all portions of the areas served under this renewed franchise where all the newly installed cables, wires, and other facilities of all public utilities are placed underground after the date hereof, the Franchisee shall place all of its newly installed wires, cables, and facilities underground to the extent reasonably possible.

(e) The Franchisee will maintain on file with the PSC maps or plats showing all existing streets or subdivisions served by its system and such maps and plats shall be kept current and shall be updated within ninety (90) days after completion of all further construction which may occur during the life of this franchise.

4. SERVICE AND INFORMATION TO CUSTOMERS

(a) Franchisee shall promptly resolve service and billing complaints. Such resolution shall, to the extent possible, be accomplished within five (5) days from the receipt of the written complaint. The Franchisee shall maintain records pertaining to written complaints for a period of one (1) year from the date of the written complaint and shall record thereon the action taken on the written complaint.

(b) The Franchisee shall maintain business offices in Kent and Sussex counties. The offices shall be open and adequately staffed to receive all inquiries or complaints from subscribers during normal business hours Monday through Friday, and not less than two (2) Saturday mornings from 9 A.M. to 12:00 noon each month.

(c) Not less than once a year, the Franchisee shall provide to each customer, and each new subscriber shall receive at the time of installation, a written explanation of all services offered, including the rates and terms for such services. Such explanation shall include the availability of the parental Lock-out device, reconnection and installation procedures, refund policy, and a discussion of the privacy rights of subscribers.

(d) Upon request, the Franchisee shall report in writing to the PSC as to the nature of any and all complaints which are not resolved within thirty (30) working days from the receipt of the written complaint.

(e) The Franchisee shall fully cooperate with the PSC, its agents, employees, and representatives in reasonable testing of the cable television system at the Franchisee’s expense for compliance with applicable rules, regulations, and technical standards.

(f) The Franchisee shall not discriminate in the provision of its services among or between any similarly situated subscribers or potential subscribers or channel users. The Franchisee agrees to fully comply with all applicable State, Federal, and local laws, and regulations relating to non-discrimination, which by this reference are incorporated herein.

(g) The cable television system operated under the authority of this renewed franchise shall be designed to operate twenty-four (24) hours a day subject to available programming and the Franchisee shall issue a pro rata credit to affected subscribers upon notification from the subscriber of outages of more than twenty-four (24) continuous hours in duration for outages caused by defective equipment supplied by the Franchisee. No refund shall be required where the outage is a result of misuse of equipment by the subscriber, defective equipment not provided by the Franchisee, force majeure, or where the Franchisee is denied or unable to gain access to the subscribers' premises, or where the Franchisee has not been notified within a reasonable time of the outage.

(h) The Franchisee shall maintain a separate local toll-free telephone number (a call from anywhere in the service territory to Franchisee's office also located within the service territory shall be toll-free) to accept Complaints twenty-four (24) hours a day, seven (7) days a week. The Franchisee shall maintain records with respect to Complaints received for a period of one (1) year.

(i) The Franchisee shall not disconnect service for non-payment until at least thirty (30) days after the due date of the bill for which service disconnection is contemplated. The thirty (30) day period shall include ten (10) days written notice to the delinquent subscriber of the intent to disconnect, which notice shall also specify the steps required to avoid such termination of service. The Franchisee agrees that there shall be no charge for complete permanent non-seasonal disconnection of service.

(j) The Franchisee shall not abandon, in whole or in part, any significant aspect of its service area provided under the renewed franchise except pursuant to Order of the PSC. This provision shall not be construed to interfere with the right of the Franchisee to determine programming or program content.

(k) The Franchisee shall permit subscribers to connect video cassette recorders and cable television-ready receivers to the Cable System. The Franchisee shall not charge a security fee for such connections although the Franchisee may charge installation and repair fees in addition to the monthly fee for service.

5. SUBSCRIBER PRIVACY

(a) The Franchisee shall at all times be, and remain in strict compliance with Section 631 of the Cable Communications Policy Act of 1984, as the same may from time to time be amended, regarding the protection of subscriber privacy. Any violation thereof shall, in addition to any penalties or remedies available to the subscriber, be deemed to be a material breach of this renewed franchise which may result in the initiation of proceedings to consider termination of the franchise.

(b) The Franchisee shall provide to any subscriber who so requests a parental control or lock-out device enabling the subscriber to lock-out both the audio and the video portion of any channel provided by the Franchisee. The Franchisee shall make such device available, at its option, either by lease (rental) or purchase to its subscribers.

6. REPORTS BY FRANCHISEE TO THE PSC

(a) During the term of the renewed franchise, the Franchisee shall prepare and file with the PSC by March 31st of each year, or by such other date as the PSC Executive Director may authorize in writing, the following reports:

1) A summary of the prior twelve (12) months activity in the development of the Cable System, including new services added, total number of subscribers, subscribers added, and subscribers disconnected.

2) A twelve (12) month financial statement of Gross Subscription Receipts for Cable Service provided under the franchise including an income statement, balance sheet, and a statement of the sources and uses of funds. Such statements may include allocations (provided the basis therefore is set forth) of expenses and other items which cannot be specifically identified to the PSC franchise area.

3) A report verifying the Franchisee is in compliance with all technical standards then required by the FCC in sufficient detail to enable the PSC to ascertain that such technical standards are being achieved and maintained. If the system is not or has not at any time within the preceding twelve (12) month period been in full compliance with such standards, the report shall so state and specify how the deficiency will be or has been corrected.

4) The Franchisee shall maintain its records in accordance with generally accepted accounting principles and shall, on the basis of such records, report to the PSC annually on or

before March 31st of each year of the renewed franchise (or such alternative date as the PSC Executive Director may authorize in writing), a report stating its gross subscriber receipts from customers within the area served under this renewed franchise.

5) The Franchisee shall report to the PSC in summary format any and all proceedings in which it is a party before any state or federal court, regulatory body, or agency, which may reasonably be expected to affect cable television service provided pursuant to this renewed franchise. Copies of relevant pleadings, applications, reports, etc., shall be provided by the Franchisee to the PSC upon request.

7. PERFORMANCE BOND

The Franchisee shall file with the PSC a performance bond or irrevocable letter of credit, or other surety device acceptable to the Commission, in the amount of One Hundred Thousand Dollars ($100,000) which shall be maintained for the duration of the term of the renewed franchise as security for the performance and discharge of all obligations of the Franchisee under the renewed franchise. Said bond with surety approved by the PSC, or letter of credit, or other surety device running to the State of Delaware shall be conditioned upon faithful performance of all terms of the renewed franchise and the law, and shall specify that in the event the Franchisee fails to faithfully perform or is in default under any of its obligations, then in such event the obligor shall make good or otherwise meet the obligations of the renewed franchise and the law up to the limit of the undertaking. The failure of the Franchisee to establish and maintain the full amount of either the performance bond, or letter of credit, or other acceptable surety device, for the term of the renewed franchise, shall constitute a material breach of this renewed franchise.

8. <u>REMEDY FOR BREACH; PSC FEES</u>

(a) A material breach of the renewed franchise, determined after notice and a due process hearing, may be grounds for a full or partial revocation of the franchise or a reduction in the terms of the franchise, provided, however, the Commission has issued written notice to the Franchisee of its determination of such material breach and the Franchisee has failed to cure the same within thirty (30) days of the receipt of such notice.

(b) In the event that the cable television system fails to meet any applicable FCC technical or FCC performance standards which adversely affect picture and/or audio quality, the Franchisee agrees that the monthly basic service charges for affected customers will be reduced up to twenty-five percent (25%) until such standards are met. The Franchisee shall have ninety (90) days from the receipt of written notice from the Commission that it is in violation of the applicable standard within which to cure the deficiency. If the Franchisee fails within the ninety (90) day period to fully cure such deficiency, then the reduction in basic cable service charges described above shall be applied to reduce the bills of all customers affected by the deficiency at the beginning of the next month following the expiration of the ninety (90) day period. Franchisee shall be excused from matters of force majeure which shall not include failure of normal maintenance, repair, and replacements in accordance with good engineering practices. This remedy shall be in addition to any other remedies as may be available to the Commission or to the Customers.

(c) All fees and charges to the Franchisee by the PSC shall be limited to and not exceed the amount permissible under 26 Del. C. § 610 or § 622 of the Cable Act [47 U.S.C. § 542], whichever is lesser.

9. <u>TECHNOLOGICAL ADVANCEMENTS; FRANCHISE RENEGOTIATION</u>

(a) The Franchisee and the PSC agree that the provision of cable television service is a rapidly changing field which, in the near future, will probably see significant regulatory, technological, financial, marketing and, legal changes. Therefore, in addition to the rights of the Franchisee under Section 625 of the Cable Communications Policy Act of 1984 [47 U.S.C. § 545], and in order to provide for a maximum degree of flexibility in this renewed franchise, and to help achieve a situation where the cable television needs of the areas served under this franchise are adequately accommodated, the PSC may, within one hundred eighty (180) days from each fifth year anniversary of the date of this renewed franchise, institute public due process proceedings upon due notice to the Franchisee and the public, for the purpose of determining the extent to which the cable television system is then meeting the needs of the area it serves.

(b) To the extent that such proceedings disclose possible system improvements, advances, or services which appear to the PSC to be reasonable and appropriate for possible implementation, the Franchisee shall, within ninety (90) days of a written request from the PSC to consider such system improvements, advances, or services, provide to the PSC a good faith analysis of the costs and benefits from the provision of such system improvements, advances, or services. Both the Franchisee and PSC shall negotiate in good faith with respect to which such improvements, advances, or services, if any, will be in fact implemented, and at what cost to the subscriber, with due regard to customers' expressed preferences and economic viability. The failure of the Franchisee to negotiate in good faith shall constitute a breach of the renewed franchise.

(c) Notwithstanding the foregoing, the PSC shall have the right, upon its own motion, during the term of this renewed franchise or any extension hereof, with at least thirty (30) days prior written notice to the Franchisee, to specify suggested system changes and/or improvements, advances, and new services. Both the Franchisee and PSC shall negotiate in good faith with respect to which such changes, improvements, advances, or services, if any, will be in fact implemented and at what cost to the subscriber, with due regard to customers' expressed preferences and economic viability. The failure of the Franchisee to negotiate in good faith shall constitute a breach of the renewed franchise. Such right shall not be exercised by the PSC more often than once every two (2) years.

(d) In the event of:

1) a significant revision to or revocation of the Cable Communications Policy Act of 1984; or

2) a significant revision to an existing FCC rule, regulation, or interpretation affecting cable television operations, or in the event of adoption of a new FCC rule, regulation, or interpretation affecting cable television operations during the term of the renewed franchise, the PSC and the Franchisee shall, upon written direction from the PSC, enter into a period of good faith negotiations to resolve any effect occasioned by such significant revision or newly adopted matter. The period of good faith negotiations shall commence within six (6) months of notice and may continue for a period of at least an additional six (6) months. Failing resolution through good faith negotiations, the PSC may commence a due process proceeding to modify the renewed franchise to comport with the significant revision or revocation of the Cable Communications Policy Act of 1984, or such FCC action hereinabove described. Failure by the

Franchisee to negotiate in good faith shall constitute a material breach of the franchise.

10. <u>LINE EXTENSION POLICY AND TRENCHING CABLE</u>

(a) The Franchisee shall, within ninety (90) days from the date of this Order, file with the Commission, a single unified tariff including provisions addressing the following Line Extension Policies:

1) The 40 homes/mile standard; and

2) Contribution-in-aid of construction.

It is understood in both instances that homes served by another company are not counted for the purpose of applying Line Extension Policies.

The Franchisee shall also file tariff provisions addressing joint trenching agreement.

11. <u>PUBLIC, EDUCATION, AND GOVERNMENTAL ACCESS ("PEG")</u>

(a) The Franchisee shall make available one (1) channel for PEG on a system-wide basis, provided that one hundred eighty (180) days prior to the requested date of PEG channel access, the requesting party submits a detailed business/operation plan providing sufficient information about the administration, programming, and operation of the requested PEG programming to the Franchisee. The business/operation plan shall also include a demonstration that the need for such PEG channel exists for a period of not less than eight (8) continuous hours of original programming per calendar week for not less than four (4) such consecutive weeks. The Franchisee's obligation to provide PEG channel access shall not necessitate the rebuilding of the Cable System or the elimination of any existing video programming or other programming service. This PEG channel may be shared for PEG programming with PEG channels in other Franchises operated by the Franchisee. At such time as the demand for PEG programming justifies a full-time channel in the reasonable opinion of Franchisee, a channel will be devoted to PEG programming.

(b) In order to develop and promote public, educational, and governmental access programming for the system within the franchise area, the Franchisee agrees to provide, at Franchisee’s expense, reasonable access equipment and facilities. As a part of its undertaking, the Franchisee agrees to provide training for responsible personnel from PEG groups in the operation and use of such production equipment. Further, in accordance with the 1984 Communications Act, all expenses incurred by the Franchisee in meeting its PEG obligations under this section may be passed on to subscribers as an itemized charge on their monthly service bills.

12. <u>COMPETITIVE EQUITY</u>

(a) The Franchisee acknowledges and agrees that the Franchising Authority reserves the right to grant one or more additional franchises to provide Cable Service within the Franchise Area; provided, however, that no such franchise agreement shall contain terms or conditions more favorable or less burdensome to the competitive entity than the material terms and conditions herein, including, but not limited to: franchise fees; insurance; system build-out requirements; performance bonds or similar instruments; public, education, and government access channels and support; customer service standards; required reports and related record keeping; and notice and opportunity to cure breaches. If any such additional or competitive franchise is granted by the Franchising Authority which, in the reasonable opinion of the Grantee, contains more favorable or less burdensome terms or conditions than this Franchise Agreement, the Franchising Authority agrees that it shall not unreasonably withhold its consent to amend this Franchise Agreement to include any more favorable or less burdensome terms or conditions.

(b) In the event an application for a new cable television franchise is filed with the Franchising Authority proposing to serve the Franchising Area, in whole or in part, the Franchising Authority shall require the party making the application to serve a copy of such application upon the existing Grantee or incumbent cable operator by registered or certified mail or via nationally recognized overnight courier service.

(c) In the event that a non-franchised multi-channel video programming distributor provides service to residents served under this renewed franchise, the Grantee shall have a right to request Franchise amendments that relieve the Grantee of regulatory burdens that create a competitive disadvantage to the Grantee. In requesting amendments, the

Grantee shall file a petition seeking to amend the Franchise. Such petitions shall: (1) indicate the presence of a non-franchised competitor; (2) identify the basis for Grantee’s belief that certain provisions of the Franchise place Grantee at a competitive disadvantage; and (3) identify the regulatory burdens to be amended or repealed in order to eliminate the competitive disadvantage.

(d) Nothing herein shall be construed to relieve Franchisee of any requirements it must otherwise satisfy under applicable Delaware or federal statute or regulation concerning the operation of a Cable System or the provision of Cable Service. In particular, in considering a request for revisions of this Franchise under paragraphs (a) or (c), the Franchising Authority shall not be obligated to remove or amend any obligation imposed on a Cable Operator or Cable System by any applicable Delaware statute or federal statute or any applicable state or federal regulation related to a Cable System, Cable System Operator, or Cable Services unless such statute or regulation empowers the Franchising Authority to waive or forego application of such statutory or regulatory obligation.

13. <u>RESERVATION OF RIGHTS</u>

Notwithstanding the foregoing, the Franchisee expressly reserves all, and waives none, of its rights guaranteed under both federal and Delaware constitutional, statutory, and common law and regulations applicable thereto.

14. SEVERABILITY

If any section, subsection, sentence, clause, phrase or any other portion of this Franchise is held invalid, unlawful, or unconstitutional by Federal or State court or administrative agency of competent jurisdiction, including but not limited to the FCC, such section, subsection, sentence, clause, phrase or portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of the Franchise.

15. FURTHER ORDERS

The PSC reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

PSC Docket No. 02-24, Order No. 6773 Cont'd.

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

AGREED TO, APPROVED, AND ACCEPTED THIS 22nd DAY OF NOVEMBER, 2005:

By /s/ Henry Pearl
Name: Henry Pearl
Title: Vice President and General Manager of the Comcast Delmarva, Inc. System

(Seal)

Witness: /s/ Karen J. Nickerson
Name: Karen Nickerson
Title: Secretary