

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)
COMCAST CABLEVISION OF NEW CASTLE)
COUNTY, LLC, D/B/A COMCAST CABLE, FOR)
THE COMMENCEMENT OF PROCEEDINGS)
PURSUANT TO 47 U.S.C. § 546 REGARDING) PSC DOCKET NO. 02-385
THE RENEWAL OF THE CABLE TELEVISION)
FRANCHISE TO SERVE CERTAIN UNINCOR-)
PORATED AREAS OF NORTHERN NEW CASTLE)
COUNTY, DELAWARE)
(FILED AUGUST 5, 2002))

CABLE TELEVISION FRANCHISE RENEWAL

PSC ORDER NO. 6775

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 Cablevision of New Castle County, LLC, d/b/a Comcast of New Castle County, LLC ("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 County, Delaware above the Chesapeake and Delaware Canal, which franchise expired on March 31, 2005.

2. This Commission assigned the initial phase of this proceeding to a Hearing Examiner who conducted one (1) public hearing 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. 67421 (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 Newark Post newspaper on October 21, 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 March 31, 2020:

I. **DEFINITIONS** - AS USED HEREIN:¹

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

2. "FRANCHISE" means the 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 Act) to construct or operate a Cable System or Systems in whole or in part within a county of the State of Delaware.

¹When 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, whichever is applicable. As used herein, the term refers to and means Comcast Cablevision of New Castle County, LLC, d/b/a Comcast of New Castle County, LLC, a corporation organized and existing under the laws of the State of Delaware.

4. "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.

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

6. "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.

7. "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).

8. "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.

9. "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.

10. "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.

11. "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.

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

13. "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.

14. "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.

15. "VIDEO PROGRAMMING" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

16. "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).

17. "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, lock-outs, 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.

18. "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.

19. "TARIFFS" means the general rules, regulations, and rates promulgated by the Franchisee and maintained on file with the Commission, as the same may be amended from time to time, pursuant to

which, and in accordance with the express terms of the Franchise, service is provided by Franchisee on a non-discriminatory basis to subscribers.

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. TERMS AND CONDITIONS

Effective as of the date hereof, Grantee is hereby granted a renewed non-exclusive franchise to operate a Cable System to serve the Franchise Area described as certain unincorporated areas in New Castle County, Delaware located above the Chesapeake and Delaware Canal, said grant being expressly subject to the following terms and conditions which the Grantee agrees to accept and honor:

1. TERM AND FURTHER RENEWAL OF RENEWED FRANCHISE

(a) The term of this renewed franchise shall be for a period of fifteen (15) years from the expiration date of the existing franchise. The Franchisee shall have the option within the last thirty-six (36) months of this 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. The decision to renew or to decline to renew must be in accordance with the renewal provision in § 626 [47 U.S.C. § 546] of the Cable Act. 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 in accordance with law 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.

(c) Consistent with 26 Del. C. § 612, the PSC hereby awards and grants to Grantee, for the term and upon the covenants and conditions contained herein, permission to occupy the public highways, streets, roads, and public ways within the boundaries of the Franchise Area, as described in Section III hereto, for the purpose of installing, operating, and maintaining a Cable System.

(d) 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 Franchisee, 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.

(e) 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 Franchisee or incumbent cable operator by registered or certified mail or via nationally recognized overnight courier service.

(f) In the event that a non-franchised multi-channel video programming distributor provides service to residents served under this renewed franchise, the Franchisee shall have a right to request Franchise amendments that relieve the Franchisee of regulatory burdens that create a competitive disadvantage to the Franchisee. In requesting amendments, the Franchisee 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 Franchisee's belief that certain provisions of the Franchise place Franchisee at a competitive disadvantage;

and (3) identify the regulatory burdens to be amended or repealed in order to eliminate the competitive disadvantage.

(g) 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 (d) or (f), 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.

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. The failure to carry and maintain such insurance in the requisite amounts may result in termination of the franchise, provided that the PSC provides the Franchisee with written notice of default and gives the Franchisee a

reasonable time, in no event to exceed thirty (30) days to cure such default.

(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, both of which may be evidenced by a Certificate of 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, where possible. Good engineering practices shall be followed at all times. The Cable 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 cable service, make repairs promptly, and interrupt cable 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 System or other operations to interfere with the lawful reception of communication by persons not served by the Cable System nor shall the Cable System interfere with, obstruct, or hinder in any manner, the operation of other communications systems.

(d) In all portions of the Franchise Area where all the cables, wires, and other facilities of public utilities are placed underground after the date hereof, the Franchisee shall place all of its wires, cables, and facilities underground to the extent reasonably possible.

(e) The Franchisee shall maintain maps or plots showing all existing streets or subdivisions served by its system. Such maps or plots shall be afforded to the PSC by the Franchisee upon request.

4. CUSTOMER SERVICE AND INFORMATION

(a) The 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 complaint. The Franchisee shall maintain records pertaining to complaints for a period of twelve

(12) months from the date of the complaint and shall record thereon the action taken on the complaint.

(b) The Franchisee shall maintain a business office in each county in which it provides Cable Service. The office shall be open and adequately staffed to receive all inquiries or complaints from subscribers during normal business hours Monday through Friday, with evening hours on at least two (2) business days each week and not less than two (2) Saturdays for at least four (4) hours each day.

(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 description of all Cable Service offered, including the rates and terms for such Service. Such explanation shall include the availability of a parental lock-out device, installation procedures, refund policy, and a discussion of the privacy rights of subscribers.

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

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

(f) The Franchisee shall not unreasonably discriminate in the provision of its Cable Service among or

between any similarly situated subscribers or potential subscribers or PEG users.

(g) 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.

(h) Thirty (30) days prior to implementing any changes in or amendments to its informational tariffs, Franchisee shall file a copy of such changes or amendments with the Commission. Nothing herein shall preclude the Franchisee from implementing any such changes or amendments after the expiration of thirty (30) days referred to above, nor shall anything herein preclude the Commission either prior to or after such thirty (30) day period, from reviewing any such changes or amendments and taking appropriate action with respect thereto in accordance with applicable law.

(i) The Cable System operated under the authority of this renewed Franchise shall be designed to operate twenty-four (24) hours a day subject to available programming. The Franchisee shall issue a pro rata credit to affected subscribers for outages in excess of twenty-four (24) consecutive hours caused by defective equipment supplied by the Franchisee. No credit or 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 not notified of the outage within a reasonable time thereof or

is denied or unable to gain access to the subscribers' premises.

(j) The Franchisee shall maintain a separate toll-free telephone number within the Franchise Area 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.

(k) 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. Such notice shall also specify the steps required to avoid such termination of service.

(l) The Franchisee shall not abandon, in whole or in part, any significant portion of its renewed Franchise except pursuant to Order of the PSC.

(m) The Franchisee shall permit subscribers to connect video cassette recorders to the Cable System. The Franchisee shall permit, where technically feasible and where system security is not thereby impaired, the utilization of cable-ready or cable-compatible television receivers for Cable Service. The Franchisee shall permit subscribers, where technically feasible and without impairing system security, to purchase compatible converters of their own for use for cable reception without charge of a security fee, although the Franchisee may charge installation and repair fees. Nothing herein shall permit a

subscriber to obtain Cable Services from the Cable System without proper authorization from the Franchisee and the payment of the appropriate fees for the service received.

5. SUBSCRIBER PRIVACY

(a) The Franchisee shall at all times be, and remain in strict compliance with Section 631 of the Cable Communications Act [47 U.S.C. § 551], the same may from time to time be amended, regarding the protection of subscriber privacy. Any willful 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 the audio and/or 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 maintain its records in accordance with generally accepted accounting principles and shall, on the basis of such records, prepare and file with the PSC by April 30th 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 received for Cable Service provided under the Franchise, including specifically stated revenue for Basic Service on a system-wide basis and also by each franchise area.

3) A report verifying 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 Cable 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 was corrected.

4) A report to the PSC regarding any and all proceedings in which the Franchisee 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

(a) The Franchisee shall file with the PSC a performance bond, irrevocable letter of credit, or other surety device acceptable to the PSC 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 and provided that Franchisee has been given notice of such default and the opportunity to cure not exceeding thirty (30) days, the obligor shall make good and 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, 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. REMEDY FOR BREACH; PSC FEES

(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. TECHNOLOGICAL ADVANCEMENTS; FRANCHISE RENEGOTIATION

(a) The Franchisee and the PSC agree that the provision of Cable Service is a rapidly changing field which, in the near future, may see significant regulatory, technological, financial, marketing, and legal changes. Therefore, in addition to the rights of the Franchisee under Section 625 of the Cable Act [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 Franchise Area 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 hearing proceedings upon due notice to the Franchisee and the public, for the purpose of determining the extent to which the Cable System is then meeting the needs of the Franchise Area it serves, consistent with the terms and conditions hereof.

(b) To the extent that such proceedings disclose possible Cable System improvements, advances, or services which appear to the PSC to be reasonable and appropriate for possible implementation on a system-wide basis, the Franchisee shall, within ninety (90) days of a written

request from the PSC to consider such Cable System improvements, advances, or services, provide to the PSC a good faith analysis of the costs and benefits from the provision of such Cable 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, with due regard to customers' expressed preferences, the economic and technological feasibility of the improvements, advances, or services, including the amount of investment necessary to implement such improvements and the opportunity to earn a fair return on such investment.

(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) Notwithstanding Section 625 of the Cable Act [47 U.S.C. § 545], the PSC may permit the Grantee, upon

application to the PSC, to amend or modify this Agreement when and as necessary to enable Grantee to take advantage of developments in the field of telecommunications and transmission of data and television and radio signals which will afford Grantee an opportunity to more efficiently, effectively, and/or economically serve its customers.

(e) In the event that any or all of the provisions of the Cable Act are amended, this Franchise shall be interpreted in a manner not inconsistent with the Act as amended. If any provision or provisions of the Cable Act is or are repealed, then the Franchise shall be governed by the Delaware Cable Television Act, 26 Del. C. § 601 et seq., to the extent applicable and not inconsistent with the existing provisions of the Cable Act. If no provision of the Delaware Cable Television Act is applicable, then the Public Service Commission may formulate appropriate rules and regulations after due notice and an opportunity to be heard by the Franchisee that are no more stringent or burdensome than the provisions formerly applicable.

(f) No provision of this Franchise shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the PSC and the Grantee, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or Order by the Franchising Authority, as required by applicable law.

10. LINE EXTENSION POLICY AND TRENCHING CABLE

(a) The Franchisee shall provide Cable Service to any new residential subscribers within the Franchise Area where there are at least thirty-five (35) existing residential dwellings per proposed cable plant mile, or where there are less than thirty-five (35) of the above, there are at least twenty-five (25) prospective customers who contractually agree to take service for at least one year.

(b) In areas of lesser density, the Franchisee shall offer a cost sharing arrangement with potential single unit residential subscribers as follows:

i) On request of any potential subscriber desiring Cable Service, the Franchisee shall prepare a feasibility study to determine the cost of the plant extension required to provide Cable Service to each subscriber from the closest point where activated distribution or feeder cable is located in the Cable System. The potential subscriber may be charged for any such study in accordance with the Company's Tariffs.

ii) A portion of the cost of construction shall be paid by subscribers served by the line extension, which portion shall be equal to the total actual cost of construction multiplied by a fraction, the numerator of which is equal to thirty-five (35) minus the average number of single unit residential dwellings passed per mile of line extension, and the denominator of which

is thirty-five (35). Such amount shall be equally divided among all persons who become subscribers as a result of the line extension.

iii) During the three (3) year period following the commencement of Cable Service from such a line extension, if additional persons within the area of the line extension choose to subscribe to the Franchisee's Cable Service, such persons shall be assessed a pro rata portion of the original total amount of the shared construction cost assessed against the original contributing customers served by the extension and pro rata refunds of such additional contributions shall be made to the original contributors or their assignees.

(c) Subject to paragraph 10(a) above, in situations where public utilities are to be placed underground, and the developer or property owner gives the Franchisee sixty (60) days written notice by certified mail of the particular date on which open trenching will be available for the installation of cable, conduit, pedestals and/or vaults and laterals, the Franchisee will be required to bear the cost of new trenching if, after a five (5) day period from the date of which notice is given, the trench has been closed without cable being installed therein.

11. PEG ACCESS AND SUPPORT, COMPLIMENTARY SERVICE, AND EMERGENCY USES

(a) PEG Access. The Franchisee shall make available three (3) channel(s) 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 or in accordance with Section III.11.(f) hereinbelow.

(b) PEG Support. In order to develop and promote public, educational, and governmental access programming for the system within the franchise area, the Franchisee agrees to provide upon request funding for production equipment or the equipment itself in an amount not-to-exceed \$100,000 in total during the term of the Franchise, to be used by the

Franchisee throughout the franchise area for such purposes. As a part of this undertaking, the Franchisee agrees to offer reasonable training for responsible personnel from PEG groups in the operation and use of such production equipment.

(c) Complimentary Cable Service for Public Schools. The Franchisee shall furnish at its own cost one (1) standard Basic Cable Service outlet to each public school within reasonable proximity of existing or extended cable lines for educational purposes upon request by the public school system; to public buildings such as governmental offices, police and fire stations within the Franchise Area upon request, and to a reasonable number of designated locations which may from time to time be designated by the PSC for the monitoring of performance of the Cable System. Nothing herein shall prevent the Franchisee from voluntarily providing Cable Service without cost to other educational, public, or charitable institutions and for reasonable promotional undertakings.

(d) Emergency Use. Upon request of the PSC, the Franchisee shall make available its facilities to the federal, state, county, or local government units for use at the time of any emergency or disaster. Any such use should be coordinated with other franchises which are a part of Franchisee's Cable System.

(e) The provision of additional PEG services and the provision of institutional networks and the dedication of channels for commercial use shall be in accordance with the

Cable Act of 1984 as the same may from time to time be amended and in accordance with the terms of any provisions of this renewed Franchise governing renegotiation of the Franchise.

(f) Fallow Channel Use. Consistent with the provisions of § 612 of the Cable Act [47 U.S.C. § 531], the Franchisee may use channel capacity designated for PEG use for the provision of other Cable Services, if such channel capacity is not being used for PEG purposes. The Franchisee must notify the PSC in writing of its intent to use such channel capacity for other Cable Services; how much of the PEG-designated capacity it intends to use for the provision of such other Cable Services; and the date on which it will begin to use the PEG-designated capacity for other Cable Services. Upon the request of a PEG entity for channel capacity, the Franchisee must surrender such channel capacity for use by the requesting entity. The Franchisee must notify the PSC in writing that a PEG entity has requested use of the designated channel capacity and must indicate which channel capacity will be allocated to that entity. The Franchisee shall have a reasonable time, but in no event to exceed ninety (90) days, to close its use of the channel capacity to be allocated to the PEG entity.

12. RESERVATION OF RIGHTS

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

13. SEVERABILITY

If any section, subsection, sentence, clause, phrase or any other portion of this Franchise is held invalid, unlawful, or unconstitutional by a 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.

14. 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/ Jaymes B. Lester
Commissioner

/s/ Joann T. Conaway
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Dallas Winslow
Commissioner

/s/ Karen J. Nickerson
Secretary

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

By /s/ Gregory R. Arnold
Name: Gregory R. Arnold
Title: Regional Senior Vice President,
Pennsylvania/Delaware

(Seal)

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