

Robert D. Hillman, Esq.
rhillman@dwbboston.com

July 9, 2008

**BY ELECTRONIC MAIL AND
BY HAND DELIVERY**

Catrice C. Williams, Secretary
Department of Telecommunications and Cable
Cable Television Division
One South Station
Boston, MA 02110

**In the matter of: Comcast Cable Communications / Town of Randolph
D.T.C. Docket No.: 07-6**

Dear Ms. Williams:

Enclosed please find the following document with accompanying Exhibits A through G:

**BRIEF OF INTERVENOR TOWN OF RANDOLPH CONCERNING OVERPAYMENT
OF "PASS-THROUGH" COSTS UNDER CURRENT LICENSE**

Thank you very much for your kind attention to this matter.

Very truly yours,



Robert D. Hillman

RDH:ems

cc w/encl: Service List
Paul R. DeRensis, Esq.
Robert W. Stone

DWLIBDB\224505.1 □ 880/52

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELCOMMUNICATIONS AND CABLE**

D.T.C. 07-6

In the Matter of Comcast Cable Communications, Inc. and the Town of Randolph

**BRIEF OF INTERVENOR TOWN OF RANDOLPH CONCERNING OVERPAYMENT
OF “PASS-THROUGH” COSTS UNDER CURRENT LICENSE**

Intervenor Town of Randolph, Massachusetts (hereinafter “Randolph” or “the Town”) submits this brief concerning an issue of the construction of its license with Comcast Cable Communications, Inc. (“Comcast”) raised the hearing on June 25, 2008 (the “Hearing”). At the Hearing, the Department directed Randolph to submit a brief on this issue by July 9, 2008.

I. Summary

The Town’s current Cable Television Renewal License, dated October 30, 1998 (the “Renewal License”) provides that the licensee, presently Comcast, would pay \$125,000 per year to the Town’s Access Corporation for PEG access purposes. The License further specified that only “[f]ifteen thousand dollars...per year is subject to pass through to Randolph Subscribers.”¹

Comcast later changed its Franchise Related Cost (“FRC”) sheets to a format that broke out its charges in a way that allowed the Town to determine what amounts were actually being passed through to Randolph cable subscribers. The revised FRC sheets indicate that a total of \$115,000 per year of the PEG access payments are, and have since 1998 been, passed through to Randolph subscribers.

¹ A true copy of the relevant portions of the Renewal License are attached hereto as Exhibit A.

The Town has intervened in the proceeding and requests a determination by the Department of Telecommunications and Cable (“Department”) that Comcast’s pass through of any amount of PEG access fees in excess of \$15,000 violates the terms of the Renewal License and order Comcast to propose a refund plan to compensate Randolph’s subscribers for the overcharge, plus interest.

II. Facts

The contract language at issue in this matter was negotiated by the parties at the time of the issuance of the Renewal License in 1998. Randolph relied upon the plain meaning of the Renewal License as well as representations by the licensee in the renewal process until it subsequently received revised FRC statements revealing that the licensees had apparently passed through substantially larger amounts than permitted by the Renewal License.

A. The Terms of the Renewal License and Representations During Negotiation

The current Renewal License was granted by the Town’s Board of Selectmen of the Town to Media One of Massachusetts, Inc. (“Media One”), Comcast’s predecessor, as of October 30, 1998. During the negotiation of the Renewal License, two key points addressed by the Town’s Cable Advisory Committee (“Committee”) and Media One were (i) the amount of the fee to be paid by Media One to the Town for public, educational and governmental access services (the “PEG Fee”) and (ii) the amount of the PEG Fee that would be passed through to Randolph subscribers.

During the negotiations, Media One’s representatives agreed that the operator would pay a PEG Fee of \$125,000 per year in quarterly installments to the Town’s access corporation and that only \$15,000 of that amount would be passed through to Randolph subscribers. These points were incorporated in Section 6.4(a) of the License which reads as follows:

The Licensee shall provide quarterly cash payments of thirty-one thousand two hundred fifty dollars (\$31,250) to the Access Corporation, for PEG Access purposes... in years one (1) through ten (10). Fifteen thousand dollars (\$15,000) per year is subject to pass through to Randolph Subscribers.

As set forth below, the current Licensee, Comcast, now takes certain positions about what this provision was intended by the parties to mean, specifically, that it was intended to apply only to fees over the pass-through of a fixed base amount of \$100,000 per year. Robert W. Stone, the current Chair of the Committee, was a Chair of the Committee at the time of the 1998 negotiations. He confirms that during the negotiation of the current Renewal License, the issue of the treatment of the PEG Fee was the subject of substantial negotiation. Mr. Stone confirms that the Town proposed the total PEG fee and negotiated terms requiring Media One to pass-through only a limited portion of that fee. See Exhibit B, Affidavit of Robert Stone at ¶ 3. During those negotiations, the Town expressly required Media One to agree to a limitation of the pass-through cost of PEG access. Id. Mr. Stone states that this requirement was made clear to the negotiating representatives of Media One, who acknowledged that they understood and agreed that the limitation on pass-through cost was to be \$15,000 in the aggregate. Id.

Further, at the hearing before the Town's Board of Selectmen (the "Board"), the Issuing Authority for the Town, at which the License was reviewed and subsequently voted, the Board expressly inquired as to the amounts that would be passed through to Randolph subscribers. Id. at ¶ 4. The Board was advised of Media One's representations that the only fees set forth in the License that would be passed through to subscribers were the \$200,000 technology grant (Section 3.2) and \$15,000 of the PEG Fee (Section 6.4) as well as a \$10,000 fee for cable drops (Section 5.6). Id. In reliance on Media One's representations, and the plain language of the Renewal License, the Issuing Authority approved the Renewal License.

B. FRC Sheets and Comcast's Initial Position on the Pass-Through of Excess PEG Access Fees

After the Renewal License commenced, the Town assumed that billings to subscribers were being made in accordance with the terms of the Renewal License and the representations made by Media One's representatives. The information provided to the Town following the renewal did not break out the pass-through charges and, as a result, the Town was unable to confirm that the licensee was complying with the terms of the License.

In about 2004, the franchise related costs ("FRC") sheets prepared by Comcast reflected that a fee of \$15,000 per year, described as the "Annual Access Payment", was being passed through to Randolph subscribers. The FRC sheets also reflected that a charge in the amount of \$100,000 per year and described as "Prior Operating" was being passed through as well. See, e.g., Exhibit C. After analyzing the FRC sheets and discovering this unauthorized pass-through of PEG Access fees, in 2007, the Town formally put the question to Comcast. See Exhibit D. At that time, Comcast confirmed that the "Prior Operating" reflected on the new FRC sheets was a pass through of \$100,000 per year of the PEG fee. See Exhibit E.

When the Town pressed Comcast to justify why it was passing through PEG fee costs in excess of the \$15,000 permitted by Section 6.4(a) of the Renewal License, Comcast indicated that this was in accordance with what it termed a "Franchise Related Costs Settlement Agreement" which Comcast stated was approved by the Massachusetts Cable Division in a decision dated November 19, 1997 (the "FRC Settlement"). See, Correspondence with Gerry Buckley of Comcast dated March 27, 2008 and, Exhibits D through G.

Mr. Stone states that at no time during the course of the 1998 negotiations did a representative of Media One reference the FRC Settlement or indicate at any time that the FRC Settlement justified a pass through of any portion of the PEG fee in excess of \$15,000 per year.

Stone Aff. at ¶ 5. Further, Mr. Stone confirms that, prior to reviewing Mr. Buckley's letter, neither he nor, to his knowledge, any other member of the Committee had any knowledge of the FRC Settlement. Stone Aff. at ¶ 6.

C. Hearing Evidence

At the hearing on June 25, 2008, Comcast responded to questions by counsel for the Town (and also to questions by counsel for the City of Springfield on a similar issue) to the effect that the \$100,000 per year pass through labeled "Prior Operating" was a "placeholder number" that reflected amounts charged to Randolph subscribers under the prior license. In its response to questioning, Comcast maintained that the terms of the License allowed it to continue to pass through to Randolph subscribers the baseline amount charged under the prior license plus the an additional \$15,000 per year, notwithstanding the specific provision of Section 6.4(a).

Mr. Stone further states that, at no time during the course of the 1998 negotiations did a representative of Media One reference a "placeholder number" or other baseline amount that had been embedded costs under the previous license that Media One would pass through to Randolph subscribers as part of the PEG Fee in addition to the \$15,000 referenced in the License. Stone Aff. at ¶ 6.

III. Issue

At the hearing, the Commission framed the question to be decided is whether the limitation terms of the Randolph Renewal License limit the amount that the Licensee is permitted to pass through for all franchise related costs or is only a limitation on the pass through of incremental costs in excess of the baseline/placeholder amount based on the amount embedded in and charged back under the previous license.

IV. Argument

Randolph submits that the answer to the issue framed by the Commission is the latter – that based on the plain language of the Renewal License, the pass-through costs for PEG Access Fee in Randolph are limited to \$15,000 per year. Randolph submits further that none of the various interpretations of this language advanced by Comcast thus far explain away the plain language of the limitation. Finally, Randolph submits that its subscribers should be afforded relief for this overpayment, plus interest.

A. The Plain Meaning of the Renewal License is Controlling

The language of the Renewal License is unambiguous. The parties agreed that the pass through amount of Section 6.4(a) of the License which reads as follows:

The Licensee shall provide quarterly cash payments of thirty-one thousand two hundred fifty dollars (\$31,250) to the Access Corporation, for PEG Access purposes... in years one (1) through ten (10). Fifteen thousand dollars (\$15,000) per year is subject to pass through to Randolph Subscribers.

The language of this provision clearly defines the PEG Access payment amount of \$125,000, and just as clearly carves out only a portion of that amount as subject to pass-through.

The predecessor of this Department has enforced such license terms relating to franchise related cost. In In re: AT&T Broadband, Docket No. 02-2 (Feb. 19, 2003), the Cable Television Division stated that “Issuing Authorities often negotiate with cable operators as to the amount of FRCs that will be recovered from, i.e., passed through to, subscribers.” Id. at 9. In that decision, the Division found that the cable operator had included more FRCs in certain MPR calculations than permitted by the licenses at issue, stating that “[t]he language contained in the Beverly and Danvers licenses is clear: the parties intended to reduce subscriber liability for FRCs.” Accordingly, the Division ruled that the operator “had agreed to forego including these FRCs in its rates.” Id.

So it is with Randolph – the parties agreed to reduce subscriber liability for FRCs by explicitly limiting the amount of PEG Access-related FRCs that could be passed through, and the operator agreed to forego those PEG-related FRCs in its rates. By failing to implement this agreed portion of the Renewal License, the operator has over-billed Randolph’s subscribers \$100,000 per year in each year since 1998.

B. Comcast’s Interpretations of the Terms of the Renewal Agreement are not Persuasive

Upon discovering the actual nature of the FRC cost pass-through, Randolph formally put this question to Comcast in a series of letters beginning on November 6, 2007. In its initial response, Comcast took the position that the terms of the Randolph Renewal License were somehow modified by a certain FRC settlement entered into by Media One in 1996, two years before the Renewal License was issued. See Exhibits D and E. At the hearing before the Division, Comcast apparently abandoned this argument. Instead, Comcast suggested that the language was a “placeholder” for what was “understood” by the parties to be a \$100,000 fixed annual pass-through for PEG Access fees.

As set forth above, neither the Media One FRC settlement nor the “placeholder” concept was mentioned at the time the Renewal License was negotiated and issued. The evidence from Mr. Stone, who was closely involved in the process, is directly to the contrary. See Stone Aff. at ¶ 6.

Moreover, if it was Media One’s intent to enter into an agreement that permitted it to pass-through the first \$100,000, then it was incumbent on Media One to negotiate language that expressed that position, not a position directly the opposite. If Media One intended, for example, to rely upon terms of an existing FRC settlement to modify the plain language of the Renewal License, it could have negotiated a reference to that settlement in the text of the Renewal

License. Media One did not, and Comcast cannot come to the Department and suggest that it should insert terms into the Renewal License that it now wishes were present.

In brief, the Renewal License could have been written to say just what Comcast says that it means. The fact that it was not indicates that either (i) the parties did not intend that the Renewal License be interpreted as Comcast now says it should be or (ii) Media One's representations to the Town as to the meaning of those terms were intended to actively mislead the Town. In either event, Comcast is not now entitled to re-write the unambiguous language of the document.

Accordingly, Comcast's post-hoc attempt to rewrite the Renewal License is contrary to both the language of the Renewal License and the evidence concerning the negotiations and approval of the Renewal License. Randolph submits that this Department should enforce the Renewal License as written and grant Randolph appropriate relief.

C. The Relief Sought by Randolph is Reasonable

Randolph seeks an order directing Comcast to file a refund plan for the subscribers within the Town of Randolph, including the entire amount of the overpayment of \$100,000 per year, plus interest on those amounts. Randolph requests leave to comment upon or object to the refund plan filed with the Department

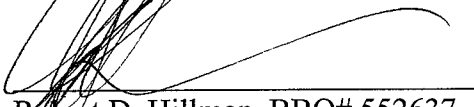
V. Conclusion

For the foregoing reasons, the Town of Randolph requests that the Department enter an order finding that the operator under the Randolph Renewal License has overcharged Randolph subscribers at the rate of \$100,000 per year since 1998 and directing Comcast to file a refund plan to disgorge the overcharged amount, with interest.

Respectfully submitted,

TOWN OF RANDOLPH,

By its attorneys,



Robert D. Hillman, BBO# 552637

Paul R. DeRensis, BBO# 121000

Deutsch Williams Brooks

DeRensis & Holland, P.C.

One Design Center Place

Suite 600

Boston, MA 02210

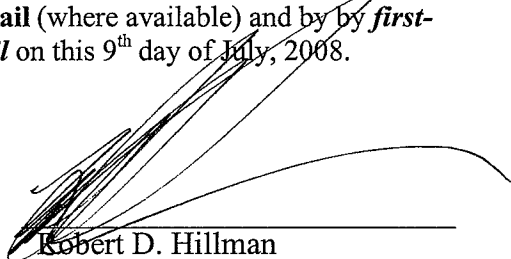
(617) 951-2300

rhillman@dwboston.com

Dated: July 9, 2008

DTC 07-6
Service List

I hereby certify that a true copy of the attached document entitled "**Brief of Intervenor Town of Randolph Concerning Overpayment of "Pass-Through" Costs Under Current License**" was served upon the following parties by **electronic mail** (where available) and by **first-class mail** on this 9th day of July, 2008.



Robert D. Hillman

In the Matter of: **Town of Randolph**
DTC Docket No. **07-06**

Catrice C. Williams, Secretary
Department of Telecommunications and Cable
Cable Television Division
One South Station
Boston, MA 02110
Telephone: 617-305-3580
Facsimile: 617-478-2590
Email: catrice.williams@state.ma.us

Peter J. Epstein, Esq.
Epstein & August
101 Arch Street, 9th Floor
Boston, MA 02110
Tel: 617 951-9909
Fax: 617 951-2717
Email: Peter@EpsteinAndAugust.com

Alejandra Hung, Hearing Officer
Department of Telecommunications and Cable
One South Station
Boston, MA 02110
Tel: 617-305-3580
Fax: 617-478-2590
alejandra.hung@state.ma.us

Mark E. Reilly
Comcast Communications
676 Island Pond Road
Manchester, NH 03109
Tel: 603 695-1500
Fax: 603 628-3303
mark_reilly@cable.comcast.com

Geoffrey Why, General Counsel
Department of Telecommunications and Cable
One South Station
Boston, MA 02110
Telephone: 617-305-3580
Facsimile: 617-478-2590
geoffrey.why@state.ma.us

Warren Fitting
Director, Rate Regulation
Comcast Cable Communications, LLC
One Comcast Center
48th Floor
Philadelphia, PA 19103
215-286-7405 (office)
215-286-1079 (fax)
Warren_Fitting@cable.comcast.com

DTC 07-6
Service List

Michael Isenberg, Director, Competition
Division
Department of Telecommunications and Cable
One South Station
Boston, MA 02110
Telephone: 617-305-3580
Facsimile: 617-478-2590
mike.isenberg@state.ma.us

Michael W. Powers, Chairman
Board of Selectmen
Town Hall
1 Sylvan Street
Danvers, MA 01923
Tel: 978 777-0001
Fax: 978 777-1025

Michael Mael, Analyst, Competition Division
Department of Telecommunications and Cable
One South Station
Boston, MA 02110
Telephone: 617-305-3580
Facsimile: 617-478-2590
michael.mael@state.ma.us

James E. Harrington, Mayor
City Hall
45 School Street
Brockton, MA 02401
Tel: (508) 580-7123
Fax: (508) 580-7104

Steven J. Horvitz, Esq.
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue
Suite 200
Washington, DC 20006-3402
Tel: 202 973-4200
Fax: 202 973-4499
stevehorvitz@dwt.com

Glenn Trindade, Chairman
Board of Selectmen
Town Hall
155 Village Street
Medway, MA 02053
Tel: (508) 533-3200
Fax: (508) 533-3281

John F. Clorite, Jr.
145 Windward Drive
Somerset, MA
Tel: 508-676-3967
Fax: 508-673-2270
john-media-bos@att.net

Paul J. Connors, Chairman
Board of Selectmen
Town Hall
41 South Main St.
Randolph, MA 02368
Tel: (781) 961-0911
Fax: (781) 961-0905

Peter K. Johnson-Staub
Assistant Town Administrator
Town of Yarmouth
1146 Route 28
South Yarmouth, MA 02664-4492
Tel: (508) 398-2231 x 270
Fax: (508) 398-2365
Email: PStaub@yarmouth.ma.us

Michael Eder
Chairman, Falmouth Cable Advisory
Committee
6 Elgin Avenue
Falmouth MA 02540
Tel: 508-548-2136
Email: mike_eder@yahoo.com

DTC 07-6
Service List

Kathleen T. Breck
Deputy City Solicitor
City of Springfield Law Department
36 Court Street, Room 210
Springfield, MA. 01103
Tel: 413-787-6179
Fax: 413-787-6173
Email: KBreck@springfieldcityhall.com

John T. Liebel, Esq
Chief of Litigation
City of Springfield Law Department
36 Court Street, Room 210
Springfield, MA. 01103
Phone: 413-787-6085
Fax: 413-787-6173
Email: jliesel@springfieldcityhall.com

DWLIBDBV224503.1□880/52

EXHIBIT A

Renewal Cable Television License - Town of Randolph, MA
Term: 10/31/98 - 10/30/08 (10 yrs)

**CABLE TELEVISION
RENEWAL LICENSE**

Granted to

**MEDIAONE
OF MASSACHUSETTS, INC.**

By

**THE BOARD OF SELECTMEN
TOWN OF RANDOLPH,
MASSACHUSETTS**

October 30, 1998

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS 1
SECTION 1.1 --- DEFINITIONS: 1

ARTICLE 2 GRANT OF LICENSE 7
SECTION 2.1 --- GRANT OF LICENSE 7
SECTION 2.2 --- TERM OF LICENSE 8
SECTION 2.3 --- NON-EXCLUSIVITY OF LICENSE 8
SECTION 2.4 --- POLICE AND REGULATORY POWERS 9
SECTION 2.5 --- REMOVAL OR ABANDONMENT 9
SECTION 2.6 --- TRANSFER OF THE LICENSE 9
SECTION 2.7 --- EFFECT OF UNAUTHORIZED TRANSFER ACTION 10
SECTION 2.8 --- CONDITIONS OF SALE 11

ARTICLE 3 SYSTEM DESIGN 12
SECTION 3.1 --- SUBSCRIBER NETWORK 12
SECTION 3.2 --- TECHNOLOGY GRANT/INSTITUTIONAL NETWORK 12
SECTION 3.3 --- AUDIO LEVELING REQUIREMENT 13
SECTION 3.4 --- EMERGENCY ALERT OVERRIDE CAPACITY 13
SECTION 3.5 --- PARENTAL CONTROL CAPABILITY 13

ARTICLE 4 MAINTENANCE AND OPERATION 14
SECTION 4.1 --- SERVICE AVAILABLE TO ALL RESIDENTS 14
SECTION 4.2 --- LOCATION OF CABLE TELEVISION SYSTEM 14
SECTION 4.3 --- UNDERGROUND FACILITIES 14
SECTION 4.4 --- TREE TRIMMING 15
SECTION 4.5 --- RESTORATION TO PRIOR CONDITION 15
SECTION 4.6 --- TEMPORARY RELOCATION 15
SECTION 4.7 --- DISCONNECTION AND RELOCATION 15
SECTION 4.8 --- SAFETY STANDARDS 16
SECTION 4.9 --- PEDESTALS 16
SECTION 4.10 --- PRIVATE PROPERTY 16
SECTION 4.11 --- RIGHT TO INSPECTION OF CONSTRUCTION 16
SECTION 4.12 --- CONSTRUCTION MAPS 17
SECTION 4.13 --- STANDBY POWER 17
SECTION 4.14 --- SERVICE INTERRUPTION 17
SECTION 4.15 --- COMMERCIAL ESTABLISHMENTS 17
SECTION 4.16 --- "DIG SAFE" 17

ARTICLE 5 SERVICES AND PROGRAMMING 18
SECTION 5.1 --- BASIC SERVICE 18
SECTION 5.2 --- PROGRAMMING 18
SECTION 5.3 --- LEASED CHANNELS FOR COMMERCIAL USE 18
SECTION 5.4 --- VCR/CABLE COMPATIBILITY 18
SECTION 5.5 --- CONTINUITY OF SERVICE 19
SECTION 5.6 --- FREE DROPS, OUTLETS AND MONTHLY STANDARD SERVICE PACKAGE TO PUBLIC BUILDINGS 19
SECTION 5.7 --- CHANGES IN CABLE TELEVISION TECHNOLOGY 20
SECTION 5.8 --- FCC SOCIAL CONTRACT 21

ARTICLE 6 PUBLIC, EDUCATIONAL AND GOVERNMENTAL ("PEG") ACCESS FACILITIES AND SUPPORT	22
SECTION 6.1 --- PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS	22
SECTION 6.2 --- ACCESS CORPORATION	22
SECTION 6.3 --- PEG ACCESS CHANNELS	22
SECTION 6.4 --- ANNUAL SUPPORT FOR PEG ACCESS	23
SECTION 6.5 --- ACCESS EQUIPMENT FUNDING	24
SECTION 6.6 --- EQUIPMENT OWNERSHIP	24
SECTION 6.7 --- PEG ACCESS PAYMENTS	24
SECTION 6.8 --- PEG ACCESS CHANNELS MAINTENANCE	25
SECTION 6.9 --- ACCESS CABLECASTING	25
SECTION 6.10 --- CENSORSHIP	26
ARTICLE 7 LICENSE FEES	27
SECTION 7.1 --- LICENSE FEE ENTITLEMENT	27
SECTION 7.2 --- EXTERNALIZATION OF LICENSE COSTS	27
SECTION 7.3 --- PAYMENT	27
SECTION 7.4 --- OTHER PAYMENT OBLIGATIONS AND EXCLUSIONS	28
SECTION 7.5 --- LATE PAYMENT	28
SECTION 7.6 --- RECOMPUTATION	28
SECTION 7.7 --- METHOD OF PAYMENT	29
ARTICLE 8 RATES AND CHARGES	30
SECTION 8.1 --- RATE REGULATION	30
SECTION 8.2 --- NOTIFICATION OF RATES AND CHARGES	30
SECTION 8.3 --- PUBLICATION AND NON-DISCRIMINATION	30
SECTION 8.4 --- SENIOR CITIZEN DISCOUNT	30
ARTICLE 9 INSURANCE AND BONDS	31
SECTION 9.1 --- INSURANCE	31
SECTION 9.2 --- PERFORMANCE BOND	32
SECTION 9.3 --- REPORTING	32
SECTION 9.4 --- INDEMNIFICATION	33
SECTION 9.5 --- NOTICE OF CANCELLATION OR REDUCTION OF COVERAGE	33
ARTICLE 10 ADMINISTRATION AND REGULATION	34
SECTION 10.1 --- REGULATORY AUTHORITY	34
SECTION 10.2 --- PERFORMANCE EVALUATION HEARINGS	34
SECTION 10.3 --- NON-DISCRIMINATION	35
SECTION 10.4 --- EMERGENCY REMOVAL OF PLANT	35
SECTION 10.5 --- REMOVAL AND RELOCATION	35
SECTION 10.6 --- INSPECTION	36
SECTION 10.7 --- JURISDICTION	36
ARTICLE 11 DETERMINATION OF BREACH LICENSE REVOCATION	37
SECTION 11.1 --- DETERMINATION OF BREACH	37
SECTION 11.2 --- REVOCATION OF THE LICENSE	38
SECTION 11.3 --- TERMINATION	38
SECTION 11.4 --- NOTICE TO TOWN OF LEGAL ACTION	38
SECTION 11.5 --- NON-EXCLUSIVITY OF REMEDY	39
SECTION 11.6 --- NO WAIVER-CUMULATIVE REMEDIES	39

ARTICLE 12 SUBSCRIBER RIGHTS AND CONSUMER PROTECTION	<u>40</u>
SECTION 12.1 --- CUSTOMER SERVICE OFFICE	<u>40</u>
SECTION 12.2 --- TELEPHONE ACCESS	<u>40</u>
SECTION 12.3 --- ANSWERING SERVICE	<u>41</u>
SECTION 12.4 --- INSTALLATION VISITS-SERVICE CALLS-RESPONSE TIME	<u>41</u>
SECTION 12.5 --- FCC CUSTOMER SERVICE OBLIGATIONS	<u>42</u>
SECTION 12.6 --- BUSINESS PRACTICE STANDARDS	<u>43</u>
SECTION 12.7 --- COMPLAINT RESOLUTION PROCEDURES	<u>43</u>
SECTION 12.8 --- DAMAGE OR LOSS OF EQUIPMENT	<u>44</u>
SECTION 12.9 --- REMOTE CONTROL DEVICES	<u>44</u>
SECTION 12.10 --- LOSS OF SERVICE-SIGNAL QUALITY	<u>44</u>
SECTION 12.11 --- EMPLOYEE IDENTIFICATION CARDS	<u>44</u>
SECTION 12.12 --- PROTECTION OF SUBSCRIBER PRIVACY	<u>45</u>
SECTION 12.13 --- PRIVACY WRITTEN NOTICE	<u>45</u>
SECTION 12.14 --- MONITORING	<u>45</u>
SECTION 12.15 --- DISTRIBUTION OF SUBSCRIBER INFORMATION	<u>46</u>
SECTION 12.16 --- POLLING BY CABLE	<u>46</u>
SECTION 12.17 --- INFORMATION WITH RESPECT TO VIEWING HABITS AND SUBSCRIPTION DECISIONS	<u>46</u>
SECTION 12.18 --- SUBSCRIBER'S RIGHT TO INSPECT AND VERIFY INFORMATION	<u>47</u>
SECTION 12.19 --- PRIVACY STANDARDS REVIEW	<u>47</u>
SECTION 12.20 --- CUSTOMER SERVICE REVIEW AND COMPLIANCE	<u>47</u>
ARTICLE 13 REPORTS, AUDITS AND PERFORMANCE TESTS	<u>48</u>
SECTION 13.1 --- GENERAL	<u>48</u>
SECTION 13.2 --- FINANCIAL REPORTS	<u>48</u>
SECTION 13.3 --- CABLE SYSTEM INFORMATION	<u>48</u>
SECTION 13.4 --- IN-HOUSE TELEPHONE REPORTS	<u>48</u>
SECTION 13.5 --- INDIVIDUAL COMPLAINT REPORTS	<u>49</u>
SECTION 13.6 --- ANNUAL PERFORMANCE TESTS	<u>49</u>
SECTION 13.7 --- QUALITY OF SERVICE	<u>49</u>
SECTION 13.8 --- DUAL FILINGS	<u>50</u>
SECTION 13.9 --- INVESTIGATION	<u>50</u>
ARTICLE 14 EMPLOYMENT	<u>51</u>
SECTION 14.1 --- EQUAL EMPLOYMENT OPPORTUNITY	<u>51</u>
SECTION 14.2 --- NON-DISCRIMINATION	<u>51</u>
ARTICLE 15 MISCELLANEOUS PROVISIONS	<u>52</u>
SECTION 15.1 --- ENTIRE AGREEMENT	<u>52</u>
SECTION 15.2 --- CAPTIONS	<u>52</u>
SECTION 15.3 --- SEPARABILITY	<u>52</u>
SECTION 15.4 --- ACTS OR OMISSIONS OF AFFILIATES	<u>52</u>
SECTION 15.5 --- LICENSE EXHIBITS	<u>52</u>
SECTION 15.6 --- WARRANTIES	<u>53</u>
SECTION 15.7 --- REMOVAL OF ANTENNAS	<u>53</u>
SECTION 15.8 --- SUBSCRIBER TELEVISION SETS	<u>53</u>
SECTION 15.9 --- APPLICABILITY OF LICENSE	<u>53</u>
SECTION 15.10 --- NOTICES	<u>54</u>
SECTION 15.11 --- NO RECOURSE AGAINST THE ISSUING AUTHORITY	<u>54</u>

SECTION 15.12 --- TOWN'S RIGHT OF INTERVENTION	<u>54</u>
SECTION 15.13 --- TERM	<u>55</u>
SIGNATURE PAGE	<u>56</u>
EXHIBITS	<u>57</u>
EXHIBIT 1 PROGRAMMING AND INITIAL SIGNAL CARRIAGE	<u>58</u>
EXHIBIT 2 VCR CABLE CONNECTION OPTIONS	<u>59</u>
EXHIBIT 3 FREE DROPS, OUTLETS AND MONTHLY STANDARD SERVICE PACKAGE TO PUBLIC BUILDINGS	<u>60</u>
EXHIBIT 4 FREE DROPS, OUTLETS AND MONTHLY STANDARD SERVICE PACKAGE TO PUBLIC SCHOOLS	<u>61</u>
EXHIBIT 5 MOBILE PRODUCTION VAN AND VIDEO EQUIPMENT	<u>62</u>
EXHIBIT 6 FCC CUSTOMER SERVICE OBLIGATIONS (SECTION 76.309)	<u>73</u>
EXHIBIT 7 BILLING AND TERMINATION OF SERVICE (207 CMR 10.00)	<u>74</u>
EXHIBIT 8 THE CABLE ACT	<u>75</u>

Section 3.2 -- TECHNOLOGY GRANT/INSTITUTIONAL NETWORK

(a) The Licensee shall provide a two hundred thousand dollar (\$200,000) technology grant to the Town within ninety (90) days of the Execution Date of this License that will be passed through in full to cable Subscribers in the Town of Randolph. This grant shall be used to purchase Video/Institutional Network related equipment. The Licensee shall maintain the current Institutional Network, for video only, for up to twenty-four (24) months from the Execution Date of this License to the following locations: Town Hall; Drop at 89 Main Street; the Town Gazebo on North Street; and the following public schools that are currently activated and utilizing the current Institutional Network: C.G. Devine School, M.L. Donovan School, J.F. Kennedy School, E.G. Lyons School, Randolph Junior/Senior High School, Randolph Public Schools Administration Building and M.E. Young School.

(b) If in the future the Issuing Authority agrees to pay the Licensee in full to build a new Institutional Network, the Licensee and the Issuing Authority shall negotiate in good faith over the cost of said Institutional Network. This shall be at a construction rate comparable to surrounding communities at the time of the request and payment in advance shall be required.

Section 5.6 — FREE DROPS, OUTLETS AND MONTHLY STANDARD SERVICE PACKAGE TO PUBLIC BUILDINGS

(a) The Licensee shall continue to provide, install and maintain one (1) free Subscriber Cable Drop and Outlet and the monthly Standard Service Package to all police and fire stations, public libraries and public buildings along the Cable System as designated by the Issuing Authority listed in **Exhibit 3**, attached hereto and made a part hereof. The Licensee shall continue to provide, without charge to the Issuing Authority and/or the Randolph School Department (the "School Department"), Subscriber Cable Drop(s), Outlet(s) and the monthly Standard Service Package which supports *Cable in the Classroom* Programming, to all schools listed in **Exhibit 4**, attached hereto and made a part hereof. In addition, the Licensee shall provide one (1) Cable Drop and Outlet and the monthly Standard Service Package at no charge to all new municipal and other public buildings which lie along its cable routes in the Town. The Licensee shall coordinate the location of each Drop with each of the aforementioned institutions newly receiving Service. There shall be no costs to the Town or any designated institution for the installation and provision of monthly Service and related maintenance. The Licensee shall supply one (1) Converter for each Outlet, at its sole cost and expense, if required for the reception of monthly Service. The Licensee shall maintain such Outlets and Converters for normal wear and tear, at its sole cost and expense; provided, however, that the Town shall be responsible for repairs and/or replacement necessitated by any acts of vandalism or theft.

Section 6.4 — ANNUAL SUPPORT FOR PEG ACCESS

(a) The Licensee shall provide quarterly cash payments of thirty-one thousand two hundred fifty dollars (\$31,250) to the Access Corporation, for PEG Access purposes, payable on February 1st., May 1st., August 1st. and November 1st. in years one (1) through ten (10). Fifteen thousand dollars (\$15,000) per year is subject to pass through to Randolph Subscribers.

(b) Said payments shall total one million two hundred fifty thousand dollars (\$1,250,000) over the ten (10) year License term. If, however, the Issuing Authority requests that the Licensee continue its local studio operation for any period of time up to March 31, 1999, the Licensee shall deduct on a pro-rata monthly basis based on the one hundred twenty-five thousand dollar (\$125,000) annual payment and shall not be obligated to pay the Access Corporation any of these deducted pro-rata monthly payments over the term of the License. These funds shall be deducted from Section 6.4(a) and (b) accordingly. Any proration shall take place in the May 1st. payment.

(c) Said annual payments shall be used for, among other things, salary, operating and other related expenses connected with PEG Access Programming and operations.

(d) License Fees required pursuant to Section 7.1 herein will not be deducted for payments required in this Section 6.4.

(e) In the event that the payments required herein are not tendered on or before the dates fixed herein, interest due on such payments shall accrue from the date due at the rate of two percent (2%) above the Prime Rate.

EXHIBIT B

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELCOMMUNICATIONS AND CABLE**

D.T.C. 07-6

In the Matter of Comcast Cable Communications, Inc. and the Town of Randolph

AFFIDAVIT OF ROBERT W. STONE

Being duly sworn, Robert W. Stone hereby deposes and states as follows:

1. My name is Robert W. Stone. I am a member of the Randolph Cable Television Advisory Committee (the "Committee") and presently serve as the chair of the Committee. I have been a member of the Committee since before 1997. I make this affidavit on my personal knowledge.

2. At the time of the negotiation of the Town of Randolph's ("Randolph" or the "Town) current Renewal License in 1997 and 1998, I was Chair of the Randolph CATV Committee. At that time, I participated in all meetings with representatives of the operator, Media One. I attended all public hearings by the Issuing Authority, the Randolph Board of Selectmen, concerning the Renewal License.

3. During the negotiation of the current Renewal License, the issue of the treatment of the PEG Fee was the subject of substantial negotiation. The Town proposed the total PEG fee of \$125,000 per year and negotiated the terms requiring Media One to pass-through only a limited portion of that fee. During the negotiations, the Town expressly required Media One to agree to a limitation of the pass-through cost of PEG access. The limitation on the gross pass-through of PEG Access fees was made clear to the negotiating representatives of Media One.

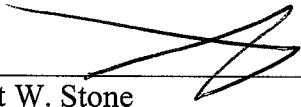
Media One's representatives acknowledged that they understood and agreed that the limitation on pass-through cost was to be \$15,000 in the aggregate.

4. At the hearing before the Town's Board of Selectmen (the "Board"), the Issuing Authority for the Town, at which the License was reviewed and subsequently voted, the Board expressly inquired as to the amounts that would be passed through to Randolph subscribers. The Board was advised of Media One's representations that the only fees set forth in the License that would be passed through to subscribers were the \$200,000 technology grant (Section 3.2) and \$15,000 of the PEG Fee (Section 6.4) as well as a \$10,000 fee for cable drops (Section 5.6).

5. At no time during the course of the 1998 negotiations did a representative of Media One reference the FRC Settlement or indicate at any time that the FRC Settlement justified a pass through of any portion of the PEG fee in excess of \$15,000 per year.

6. Prior to reviewing Mr. Buckley's letter dated November 19, 2007, neither me nor, to my knowledge, any other member of the Committee had any knowledge of the FRC Settlement. At no time during the course of the 1998 negotiations did a representative of Media One reference a "placeholder number" or other baseline amount that had been embedded costs under the previous license that Media One would pass through to Randolph subscribers as part of the PEG Fee in addition to the \$15,000 referenced in the License.

The foregoing Affidavit is sworn under the pains and penalties of perjury this 7th day of July, 2008.



Robert W. Stone

DWLIBDB\224466.1\9998/26

EXHIBIT C

COMCAST
New England Region
Franchise Related Costs
2003 Rate Setting

Randolph - H3976A

Rate Implementation Date - 01/01/99
 Contract Date: 11/1/98
 Renewal Date: 11/1/08

Date of Payment	Payment Amount	Annual Cost of Money	Monthly Cost of Money	Years Term of Contract	Months Since/To Payment	Principal Value @ 01/01/99	Months Renewal To 01/01/99	Months Term of Pass Through	Monthly Payment To Recoup	True-Up Subscribers	Monthly Payment Per Sub	Comments
01/01/99	\$82,330	11.25%	0.94%	10	0	\$82,330	2	118	\$1,158	9,443	\$0.12	One-Time Technology Grant of \$200,000 Pool of Municipal Drops (\$10,000)
01/01/99	\$10,000	11.25%	0.94%	10	0	\$10,000	2	118	\$141	9,443	\$0.02	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,443	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,443	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,443	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,443	\$0.00	
Total Payments with Cost of Capital						\$92,330	2	118	\$1,298	9,443	\$0.14	
11/01/98	\$100,000	11.25%	0.94%	10	0	\$100,000	0	12	\$8,333	9,443	\$0.88	Prior Operating
11/01/98	\$117,670	11.25%	0.94%	10	0	\$117,670	0	120	\$981	9,443	\$0.10	
Total Payments without Cost of Capital						\$217,670	0	120	\$9,314	9,443	\$0.99	
01/01/99	\$15,000	N/A	N/A	10	0	\$15,000	0	12	\$1,250	9,443	\$0.13	Annual Access Payment
01/01/99	\$0	N/A	N/A	10	0	\$0	0	12	\$0	9,443	\$0.00	
Annual Payments						\$15,000	0	12	\$1,250	9,443	\$0.13	
Total FRC						\$11,862					\$1.26	
Total Pass Through											\$0.9863	Prior Cap/Operating Adjustment per Sub
											\$0.27	Pass Through per Subscriber

Prior Cap	176,500	Total	210,000
Prior License	15	Pass	117,667
Yearly	11,767		92,333
New License	10		
Amort \$	117,667		
Reduct %	100%		
Reduct \$	117,667		

COMCAST
New England Region
Franchise Related Costs (Attachment 6B)
2003 Rate Setting

Randolph - H3976A

Rate Implementation Date - 01/01/99
 Contract Date: 11/1/98
 Renewal Date: 11/1/08

Date of Payment	Payment Amount	Annual Cost of Money	Monthly Cost of Money	Years Term of Contract	Months Since To Payment	Principal Value @ 01/01/99	Months Renewal To 01/01/99	Months Term of Pass Through	Monthly Payment To Recoup	True-Up Subscribers	Monthly Payment Per Sub	Comments
01/01/99	\$82,330	11.25%	0.94%	10	0	\$82,330	2	118	\$1,158	9,213	\$0.13	One-Time Technology Grant of \$200,000 Pool of Municipal Drops (\$10,000)
01/01/99	\$10,000	11.25%	0.94%	10	0	\$10,000	2	118	\$141	9,213	\$0.02	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,213	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,213	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,213	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,213	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,213	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,213	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,213	\$0.00	
01/01/99	\$0	11.25%	0.94%	10	0	\$0	2	118	\$0	9,213	\$0.00	
Total Payments with Cost of Capital												
11/01/98	\$100,000	11.25%	0.94%	10	0	\$100,000	0	12	\$8,333	9,213	\$0.90	Prior Operating
11/01/98	\$117,670	11.25%	0.94%	10	0	\$117,670	0	120	\$981	9,213	\$0.11	Prior Capital
Total Payments without Cost of Capital												
01/01/99	\$15,000	N/A	N/A	10	0	\$15,000	0	12	\$1,250	9,213	\$0.14	Annual Access Payment
01/01/99	\$0	N/A	N/A	10	0	\$0	0	12	\$0	9,213	\$0.00	
Annual Payments												
07/01/04	\$3,846.39	11.25%	0.94%	1	0	\$3,846	0	12	\$340	9,213	\$0.04	
True-up												
Total FRC												
Total Pass Through												

Prior Cap	176,500	Total	210,000
Prior License	15	Reduct \$	117,667
Yearly	11,767	Pass	92,333
New License	10		
Amount \$	117,667		
Reduct %	100%		
Reduct \$	117,667		

TRUE-UP RELATED TO SUB VARIATION					
	Monthly Recovery	Subs	FRC Per Sub	Months	FRC Recovery
2003 Projected Period	11,862	9443	1.2562	19	225,378
Actual	11,862	9282	1.2562	19	221,532
True-up					(3,846.39)

\$82,330 11.25% 0.94% 10 0 \$82,330 2 118 \$1,156 9,213 \$0.13

\$12,203

\$1,0110

\$0.31

Prior Cap/Operating Adjustment per Sub
 Pass Through per Subscriber

EXHIBIT D

Robert D. Hillman
rdh@dwbboston.com

FILE COPY

November 6, 2007

BY FIRST CLASS MAIL

Mr. Gerry Buckley
Comcast, Inc.
35 Resnick Road
Plymouth, MA 02360

RE: Randolph Cable Television License

Dear Mr. Buckley:

This office represents the Town of Randolph (the "Town") in connection with the license held by Comcast, Inc. ("Comcast") as successor to Media One, Inc. to provide cable television services to subscribers in the Town. The purpose of this letter is to address certain issues raised by Comcast's performance, and specifically billings to subscribers in Randolph, under the current license. Reference is made to the Comcast New England region franchise-related cost (Attachment 6B forms, entitled Randolph-H3976A for the years 1999 through 2006.) As you know, each of these forms is a spreadsheet containing data relating to the franchise-related cost passed through to subscribers in Randolph.

BILLINGS RELATED TO CAPITAL COSTS

As you know, Comcast provides services to subscribers in Randolph pursuant to a cable television renewal license dated October 30, 1998 (the "License"). Under the terms of the License, certain limitations are placed on the pass-through of capital costs to subscribers. Specifically, Section 6.4(a) provides that the Licensee "shall provide quarterly cash payments of Thirty-one Thousand, Two Hundred Fifty (\$31,250) Dollars to the Access Corporation, for PEG Access purposes. . . . Fifteen Thousand Dollars (\$15,000) per year is subject to pass-through to Randolph subscribers."

In each of the forms H3976A filed by Comcast with the DTE, Comcast provides, at lines 28 and 29 certain pass-through costs relating to operating costs. In row 32 of each form, Comcast breaks out the \$15,000 of "annual access payment" provided under Section 6.5(a) of the License. However, in rows 28 and 29 of those forms, Comcast breaks out an additional set of charges, valued at \$100,000 and \$117,670 respectively, for "prior operating" and "prior capital."

The language of Section 6.4(a) of the License appears to limit Comcast to \$15,000 in pass-through cost. The Town does not see a basis in the License for the billings for "prior

Mr. Gerry Buckley
November 6, 2007
Page 2

operating” or “prior capital” costs payments. Accordingly, the Town requests that Comcast provide a detailed response explaining the basis for these pass-through charges in light of the pass-through limitations in the License.

CHARGES FOR MUNICIPAL DROPS

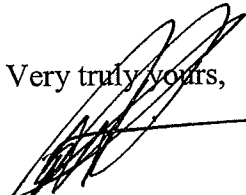
On the same forms at row 20, Comcast carries a figure of \$10,000 entitled “Pool for Municipal Drops.” In that same column, Comcast appears to subject this amount to an interest charge of 11.25 percent. The form also indicates that Comcast has been charging Randolph subscribers a pass-through cost of two cents per subscriber per month for the past nine years to pay these charges.

It is, however, Randolph’s understanding that none of the \$10,000 passed through by Comcast has been spent by Comcast for these drops or for any other cable-related need. Accordingly, Randolph understands that its subscribers have been over-billed by this amount, and interest on this amount throughout the License period. Again, Randolph set forth in detail, the basis for this charge, and, if Comcast contends that these funds were spent for the purposes describe with particularity, each and every expenditure.

REPLY REQUESTED

The Town of Randolph requests that Comcast provide the responses requested herein within thirty (30) days of the date of this letter. Please forward your response to the undersigned with a copy to Robert Stone, c/o the Town of Randolph and to Town of Randolph: Chairman of the Board of Selectmen Paul J. Connors.

Very truly yours,


Robert D. Hillman

RDH:es

cc: Mr. Robert Stone
Mr. Paul J. Connors
Paul R. DeRensis, Esq.

EXHIBIT E



Comcast Cable
35 Resnik Road
Plymouth, MA 02360
www.comcast.com

November 19, 2007
Mr. Robert Hillman
Deutsch / Williams
99 Summer Street
Boston, MA 02110-1213

Dear Mr. Hillman,

By this letter, Comcast respectfully responds to your letter of November 6, 2008, requesting information concerning the treatment of franchise related costs ("FRCs") on the FCC Forms 1240 for the Town of Randolph for the years 1999 – 2006.¹ Specifically, you asked for information on the treatment of "prior capital" and "prior operating" costs and for municipal drops.

By way of background, each year Comcast files its FCC Form 1240 for the Town of Randolph and many other towns and cities in Massachusetts with the Cable Division of the Department of Telecommunications and Cable ("Cable Division"). The FCC Form 1240 calculates the maximum permitted rate ("MPR") for the Basic Service Tier ("BST"). The Cable Division holds a public hearing and conducts a review of the information on the forms, including the FRCs, and issues a decision concerning the MPR for BST service. Towns and cities may file petitions to intervene, and may submit interrogatories and present argument. Each year from 1999 – 2006, the Cable Division has reviewed and approved the Forms 1240 for the Town of Randolph, including Comcast's treatment of FRCs.

The Cable Division's annual rate proceedings provide the formal process for towns to seek information on the Forms 1240 and the rate treatment of FRCs. Comcast encourages the Town of Randolph to participate formally in the next rate proceeding if it has questions about the rate treatment of FRCs. Nevertheless, Comcast is pleased to provide the following response.

With respect to your question about the rate treatment of "prior capital" and "prior operating" costs as reflected on the Form 1240, Comcast has complied with the Franchise Related Costs Settlement Agreement approved by the Cable Division. MediaOne, Docket No. Y-96-INC, November 13, 1997 ("FRC Settlement"). The FRC Settlement specified that "all FRC filings shall be calculated using the methodology" in

¹ Comcast acquired the cable franchise in Randolph in November 2002. MediaOne and AT&T Broadband held the franchise between 1999 and 2002.

the settlement. The FRC Settlement was binding on all MediaOne franchises, including the Town of Randolph.

The FRC Settlement addresses the rate treatment of changes in FRCs in renewal licenses. At the heart of the FRC Settlement was an agreement by both MediaOne and the municipalities to treat certain FRCs incurred under the previous license as “embedded” in the current BST rate. FRCs in existing licenses (“prior capital” and “prior operating”) were already included or “embedded” in BST rates, and there was no contemplation that the company would not continue to include at least that same level of FRCs in its rate calculations. The issue was the rate treatment of increases in capital and operating costs in a renewal license. Therefore, in negotiations, the company routinely identified the embedded and incremental increased FRCs.

When negotiations resulted in incremental increases in the level of FRCs, the increment of the FRC attributable to the increase was calculated on the Form 1240 and added as a separate line item on customer bills. The portion of the FRCs under the renewal license represented by prior capital and operating costs of the previous license were also captured by the Form 1240, but were treated as embedded and were not separately line itemed but was still part of the BST rate.

The terms of the FRC Settlement were applied when the license for the Town of Randolph was renewed in 1999. Consistent with the FRC Settlement, the “pass through” amount referred to in Section 6.4(a) of the Renewal License are those costs that increased the BST rate for the Town’s cable subscribers. As evidenced by its rate filings with the Division, this is clearly the methodology MediaOne employed. The operating costs for the Access Corporation were segmented between “prior” costs (i.e. embedded in the BST rate) and incremental costs (i.e. those costs which would lead to an increase - or pass through). Accordingly, at the time of renewal, MediaOne adjusted its FCC Form 1210² (at Line C14) to insure that the embedded operating costs of \$100,000 per year did *not increase* the Maximum Permitted Rate (“MPR”) calculated by the Form. As dictated by the FRC Settlement, MediaOne calculated its FRC to increase the MPR only by the amount specified (\$15,000 per year) in Section 6.4(a). MediaOne applied the same treatment to the capital obligations of the Randolph Renewal License. AT&T Broadband and Comcast continued the same treatment of FRCs, which treatment has been approved by the Cable Division.

With respect to municipal drops, Section 5.6 provides that the Licensee will provide an additional 250 drops (not exceed a value of \$10,000) at the request of the Issuing Authority. The company’s general approach to the rate treatment of these types of FRCs has been to recover them over the term of the license instead of recovering them in only a few years. This approach avoids rate spikes. It is consistent with the approach of recovering capital costs over the term of the license and has been consistently approved by the Cable Division. In the case of the Town of Randolph, the Town has not requested that the Company provide the municipal drops under Section 5.6. If the current license

² MediaOne utilized the FCC Form 1210 and AT&T Broadband switched to using the FCC Form 1240. The change in forms did not affect the rate treatment of FRCs.

expires without the Town requesting such drops, Comcast would agree that the MPRs on the FCC Forms 1210 and 1240 were higher than if the costs of the municipal drops had not been included. Therefore, if the current license expires without Comcast expending the funds on municipal drops, then Comcast will reduce the MPR in the next Form 1240 by an appropriate amount.

I hope this information is helpful.

Regards,

A handwritten signature in cursive script that reads "Gerald Buckley".

Gerald Buckley
Senior Manager of Government Affairs and Community Relations

CC: Mr. Robert Stone
Mr. Paul J. Connors
Mr. Paul R. DeRensis, Esq.

EXHIBIT F

Robert D. Hillman
rdh@dwbboston.com

February 25, 2008

BY FIRST CLASS MAIL

Mr. Gerald Buckley
Comcast, Inc.
35 Resnick Road
Plymouth, MA 02360

RE: Randolph Cable Television License

Dear Mr. Buckley:

This letter responds to your letter dated November 19, 2007 concerning the treatment of Franchise Related Costs ("FRCs") under the license held by Comcast, Inc. ("Comcast") as successor to Media One, Inc. to provide cable television services to subscribers in the Town of Randolph (the "Town").

In its letter to Comcast, the Town pointed out that Comcast provides services to subscribers in Randolph pursuant to a cable television renewal license dated October 30, 1998 (the "Renewal License"). That Renewal License contains certain explicit limits on the pass-through of capital costs to subscribers: licensee "shall provide quarterly cash payments of Thirty-one Thousand, Two Hundred Fifty (\$31,250) Dollars to the Access Corporation, for PEG Access purposes. . . . Fifteen Thousand Dollars (\$15,000) per year is subject to pass-through to Randolph subscribers."

The Town pointed out that Comcast's forms H3976A filed with the DTE identified certain pass-through costs, including \$15,000 of "annual access payment" as well as \$100,000 and \$117,670 respectively, for "prior operating" and "prior capital." The Town requested that Comcast explain why the language of Section 6.4(a) of the License, by which Comcast agreed that it was limited to \$15,000 in pass-through cost permits a basis for passing through additional "prior operating" or "prior capital" costs payments.

Comcast's response is not a model of clarity. Comcast appears to take the position that "[t]he terms of the FRC Settlement were applied when the license for the Town of Randolph was renewed in 1999" and that "the 'pass through' amount referred to in Section 6.4(a) of the Renewal License are those costs that increased the BST rate for the Town's cable subscribers." The letter goes on to describe the effect of that method of accounting for the costs on the Maximum Permitted Rate to the Town's subscribers.

Mr. Gerald Buckley
February 25, 2008
Page 2

Comcast's use of the passive voice in referring to the terms was applied in the Renewal License and the parties' understanding of those terms is somewhat misleading. The Town understood, and continues to understand, that the plain meaning of the terms of the Renewal License, that only \$15,000 of local access costs would be passed through to subscribers in the Town. It is unclear from your letter whether those amounts were passed through or not, or whether they were simply characterized in a certain way for purposes of calculating MPR for the Town.

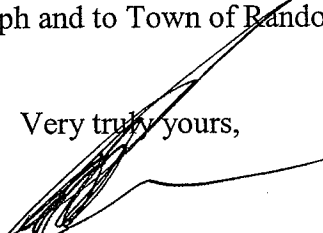
In short, therefore, the Town requests that Comcast state whether or not it actually passed through to subscribers in the Town of Randolph the full \$115,000 of Comcast's payments to support PEG programming in the Town in each year since Comcast has been a party to the Renewal License. Randolph further requests that Comcast, for each year of the Renewal License, identify the full amount of pass-through costs related to PEG access which were paid by Randolph subscribers.

Once the Town has responses to this basic question, it will meet with Comcast to discuss whether the pass-through of these costs was warranted by the reasons set forth in your letter.

REPLY REQUESTED

The Town of Randolph requests that Comcast provide the responses requested herein within twenty (20) days of the date of this letter. Please forward your response to the undersigned with a copy to Robert Stone, c/o the Town of Randolph and to Town of Randolph: Chairman of the Board of Selectmen Paul J. Connors.

Very truly yours,



Robert D. Hillman

RDH:es

cc: Mr. Robert Stone
Mr. Paul J. Connors
Paul R. DeRensis, Esq.

EXHIBIT G



Comcast Cable
35 Resnik Road
Plymouth, MA 02380
www.comcast.com

Mr. Robert D. Hillman
Deutsch Williams
99 Summer Street
Boston, MA 02110

March 27, 2008

Re: Randolph Cable Television License

Dear Mr. Hillman

By this letter, Comcast respectfully replies to your letter dated February 25, 2008, in which you requested that Comcast state whether it "passed through to subscribers ... the full \$115,000 of Comcast's payments to support PEG programming in the Town in each year since Comcast has been a party to the Renewal License." You also requested that Comcast identify the full amount of pass through costs related to PEG Access which were paid by subscribers in the Town of Randolph (the "Town") for each year of the Renewal License.

I regret that my previous letter dated November 19, 2007 was not, as you described it, a "model of clarity". However, as discussed in my earlier letter and below, the treatment of franchise related costs in Massachusetts requires an understanding of FCC rate regulations, and the Franchise Related Costs ("FRC") Settlement that was approved by the Massachusetts Department of Telecommunications and Cable / Cable Television Division ("Massachusetts Cable Division" or "Division").

In direct response to your letter, under the Renewal License dated October 30, 1998, Comcast has calculated the maximum permitted rate ("MPR") for the Basic Service Tier on its annual rate forms as including the annual amount of \$15,000 identified in Section 6.4 and \$100,000 in already existing (i.e., prior) costs for the Access Corporation for operating the studio. Comcast treated \$15,000 as incremental costs under the Renewal License, and \$100,000 as costs already included in the MPR before the Renewal License was signed.¹

Comcast has taken the same approach with respect to capital costs. The Renewal License contains \$210,000 in capital costs, including \$200,000 for a one-time technology grant and \$10,000 for municipal cable drops. In calculating the MPR

¹ As indicated in my November 19th letter, MediaOne initially applied the described treatment of operating and capital costs in its FCC rate forms. MediaOne's successor companies, AT&T Broadband and Comcast (which acquired the Randolph system in November 2002) have followed the same approach.

for the Basic Service Tier in its annual FCC Form 1240 filings, Comcast included only the capital costs specified in the Renewal License that exceeded the capital costs already included in the existing MPR under the prior license. Specifically, Comcast treated \$92,333 as incremental capital costs not already included in the rate and \$117,667 as already included in the rate. This treatment of operating and capital costs is shown on the Franchise Related Cost Worksheet attached to the annual rate filings with the Massachusetts Cable Division.²

By way of further explanation, the rate treatment of franchise related costs in former MediaOne franchises is based on the FRC Settlement. The Massachusetts Cable Division approved the Franchise Related Costs Settlement Agreement in its Decision dated November 19, 1997 in Docket No. Y-96. The Division indicated that the FRC costs settlement agreement had been accepted by the Division and that the pending rates in the docket had been adjusted to conform to its terms. The Division stated that the FRC Settlement "applies to all communities in Massachusetts served by MediaOne on a prospective basis." Rate Order in Docket Y-96 INC issued November 19, 1997, page 2.

At the time of the FRC Settlement, capital and operating costs required under existing cable franchises were regarded as being "embedded" in the existing MPRs. When renewal licenses were signed, the question was what level of new costs would be treated as FRCs and "passed through" to the customer. The FRC Settlement resolved this question for the MediaOne franchises, including the Town of Randolph. The FRC Settlement was in effect when the Renewal License for the Town was signed on October 30, 1998.

As an example, the FRC Settlement addresses the situation where the existing cable license requires a \$100,000 capital payment and the renewal license also requires a \$100,000 capital payment. In this situation, MediaOne had contended that the full \$100,000 should be treated as incremental costs and recoverable as FRCs. The municipalities argued that only the incremental amount between the original and renewal licenses would be recoverable as FRCs. Therefore, in this situation there would be no FRCs and no pass through. In the FRC Settlement, MediaOne accepted the municipal position on this point and agreed to "pass through" only the incremental portion of any costs. In summary, the level of costs under the original license remains as part of the rate and is not regarded as FRCs or as pass through costs.

Since the Massachusetts Cable Division's approval of the FRC Settlement, Comcast and its predecessors have followed the above approach in calculating

² MediaOne, AT&T Broadband and Comcast have sent the Town of Randolph copies of all of annual rate filings with the Massachusetts Cable Division.

the MPR for subscribers to the Basic Service Tier in the Town of Randolph. In June 2004, Comcast sent to the governing bodies of all cities and towns in Massachusetts, including the Randolph Board of Selectmen, a letter describing a change in the manner in which components of Basic Service Tier charges would be presented on subscribers' bills. As explained in that letter (copy enclosed), beginning with August 2004 bills, the component of the regulated Basic Service Tier rate that included franchise required costs that had previously been embedded would be included with line-itemed FRCs being passed through under the FRC Settlement. The Cable Division approved Comcast's proposal in Docket No. CTV 04-3 / 04-4 including Comcast's proposed treatment of previously-embedded franchise related costs in the Basic Service Tier rate for subscribers in the Town of Randolph.

While Comcast is pleased to provide you with answers to the questions you have posed, several observations are in order. First, the Cable Division administers cable rate regulation in Massachusetts pursuant to FCC regulations. Each year, the Cable Division reviews the FCC rate forms prepared by cable operators. Each year, Comcast and its predecessor companies have sent to the Board of Selectmen a copy of the annual rate filing submitted to the Cable Division for the Town of Randolph. If the Town of Randolph disputed the treatment of operating and capital costs in annual rate filings, it could have chosen to intervene at any time over the last eight or nine years and debate the issue before the Cable Division.

Federal regulations make it very clear that challenges to a cable operator's annual rate filings are strictly limited to a 12-month timeframe. Section 76.933(g)(2) states, "In the event that the franchising authority does not act within this 12-month period, it may not at a later date order a refund or a prospective rate reduction with respect to the rate filing." 47 CFR 76.933(g)(2). In establishing this limitation more than a decade ago, the FCC emphasized the importance of providing cable operators with a reasonable degree of rate certainty. The FCC explained, "We set this time constraint on franchising authorities because we believe that one year should provide ample time for review, and because operators need to have certainty with respect to their liability for refunds and whether these rates will be permitted to remain in effect." *Thirteenth Order on Reconsideration*, 11 FCC Red. 388, 392 (1995). In Massachusetts, the Cable Division acts as the franchising authority for rate review purposes.

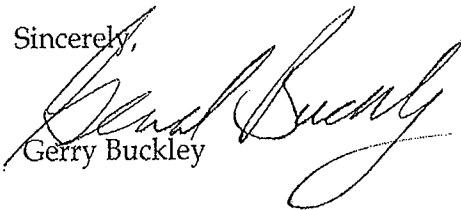
The FCC regulation is directly on point. It sensibly precludes the Town from disputing before the Cable Division at this juncture the treatment of FRCs under the Renewal License by Comcast and its predecessor companies in past rate filings.

Second, Comcast has relied on, and has the right to rely on, the prior Cable Division decisions in rate proceedings. Those rate proceedings are the proper and exclusive forum for review of the FRCs and how they were being passed through to subscribers under applicable rate regulations, as well as the Town's cable franchise and the FRC Settlement, which together govern Comcast's FRC obligation. And, even if Comcast's treatment of FRCs was in error, which we maintain it is not, the Town is estopped from raising this issue at this late date by asserting that Comcast is in violation of its franchise obligations.

I hope this letter enables the Town to more thoroughly understand our rate filings. We appreciate and value the opportunity to serve the communication needs of the residents of Randolph and want to continue to be their first choice for video services.

Please let me know if you have any further questions.

Sincerely,



Gerry Buckley

Cc:

Mr. Robert Stone
Mr. Paul J. Connors
Paul R. DeRensis, Esq.