

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

April 17, 2002

IN RE:

APPLICATION FOR APPROVAL OF THE TRANSFER OF
ULTIMATE CONTROL OF COMCAST BUSINESS
COMMUNICATIONS, INC. FROM COMCAST
CORPORATION TO AT&T COMCAST CORPORATION

DOCKET NO.
02-00232

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (the "Authority") at the regularly scheduled Authority Conference held on March 26, 2002 for consideration of the *Application* (the "*Application*") of Comcast Business Communications, Inc. ("CBC"), pursuant to the provisions of Tenn. Code Ann. § 65-4-113, for approval of a transfer of authority to provide utility services.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Application

According to the *Application*, which was filed on March 4, 2002, CBC is a Pennsylvania corporation headquartered in Moorestown, New Jersey and is authorized to provide long distance telecommunications services in several states, including Tennessee. CBC received its Tennessee certification by Order dated July 7, 1998 in Docket No. 98-00251. CBC is a wholly owned subsidiary of Comcast Corporation ("Comcast"), which is a publicly-traded Pennsylvania corporation located in Philadelphia, Pennsylvania that primarily develops, manages and operates broadband cable networks. Comcast holds no Tennessee certifications.

In their *Application*, CBC and Comcast request that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-113, a merger between Comcast and Comcast Acquisition Corporation, a wholly-owned subsidiary of AT&T Comcast Corporation ("AT&T Comcast") that is to be created to effect the merger. Comcast will be the surviving entity in the merger, making CBC a wholly-owned subsidiary of AT&T Comcast.

AT&T Corp. ("AT&T") and Comcast are combining all of Comcast's operations with AT&T's broadband operations under the corporate parent, AT&T Comcast. It will be the parent and publicly-traded holding company for both Comcast and AT&T Broadband Corp., a corporation created to receive certain of AT&T's broadband business assets. Shareholders of Comcast and AT&T Broadband Corp. will receive shares in AT&T Comcast, while their shares of Comcast and AT&T Broadband Corp. will be cancelled.

Public Interest Considerations

According to the *Application*, there will be no change in CBC. It will continue to operate under its same name and operating authority as at present. The transaction involves no change in the entity providing service to customers, the facilities used to provide such service, or the rates, terms and conditions of such service. All existing tariffs will remain in place. CBC's current management team and the contact for customers and for Authority inquiries will remain the same after the transfer. The transfer of ownership of Comcast will be transparent to customers and will have no adverse impact on them.

The *Application* further states that the transfer will create a broadband network that will be able to lead the industry in the development of numerous new broadband services, including telephony services. With more than 38 million homes served by its combined systems, AT&T Comcast will be able to provide a choice for local telephone service, as well as other services, to a large portion of the public and to achieve significant economies of scale.

Findings

The Directors of the Authority considered this matter at the March 26, 2002 Authority Conference. Based upon careful consideration of the *Application*, the Authority finds and concludes as follows:

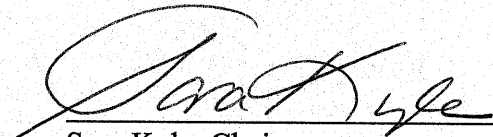
1. The Authority has jurisdiction over the subject matter of this *Petition* pursuant to Tenn. Code Ann. § 65-4-113;
2. Comcast Business Communications, Inc. has been granted authority to provide telecommunications services in Tennessee;
3. A merger will take place between Comcast Business Communications, Inc. and a wholly-owned subsidiary of AT&T Comcast Corporation, resulting in a transfer to AT&T


Comcast Corporation of the authority to provide utility services granted to Comcast Business Communications, Inc.; and

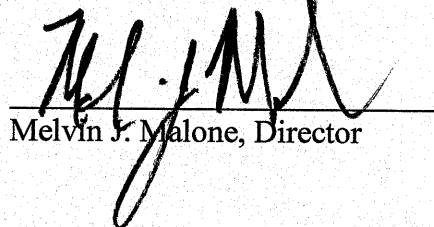
4. Approval of the transfer of authority is in the public interest and is appropriate pursuant to the provisions of Tenn. Code Ann. § 65-4-113.

IT IS THEREFORE ORDERED THAT:


The *Application* of Comcast Business Communications, Inc. for approval of the transfer of authority described herein is approved.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary