

Apollo CableVision, Inc.
INCOME STATEMENT

(Calendar Year 1993)

	01/31/93	02/28/93	03/31/93	04/30/93	05/31/93	06/30/93	07/31/93	08/31/93	09/30/93	10/31/93	11/30/93	12/31/93	TOTAL 12 MOS. ENDED 12/31/93
REVENUE	280,801.83	277,360.80	290,899.75	284,286.04	284,794.83	286,782.78	292,136.32	279,386.56	293,965.09	279,880.63	294,751.99	283,636.28	3,428,702.40
DIRECT SERVICE COSTS	93,087.47	91,391.76	104,917.50	97,700.41	95,535.42	101,417.95	82,607.63	91,681.62	100,860.35	80,652.10	88,878.74	89,009.22	1,137,139.17
GROSS PROFIT	187,714.36	185,969.04	186,581.75	186,585.63	189,259.41	185,364.83	209,528.69	187,704.94	193,104.74	189,328.53	195,773.25	194,628.06	2,291,563.23
SERVICE/TECHNICAL COSTS	38,851.62	52,121.86	40,148.27	41,628.39	39,299.04	38,084.64	38,490.52	49,747.50	66,421.43	33,359.28	52,142.27	38,499.76	527,274.38
SALES/MARKETING COSTS	3,847.62	2,934.15	3,498.02	3,258.57	3,678.13	4,806.05	2,751.06	1,903.20	861.92	3,476.44	2,043.48	1,506.22	32,348.86
CUSTOMER SERVICE COSTS	41,777.33	25,502.58	26,485.29	27,744.21	27,375.04	27,125.21	27,585.62	37,785.27	38,234.27	24,887.99	24,072.66	20,268.97	349,428.44
GENERAL & ADMINISTRATIVE COSTS	88,597.72	94,386.56	106,506.65	111,918.41	121,700.81	41,651.60	112,531.92	118,738.37	122,843.28	80,051.48	135,473.82	115,347.02	1,249,747.64
SYSTEM INCOME (LOSS)	14,840.07	11,044.09	9,939.52	2,044.05	(1,885.61)	75,917.33	28,189.57	(20,469.40)	(35,256.16)	47,553.26	(17,858.88)	19,006.09	132,763.93
CORPORATE OVERHEAD	2,077.32	2,525.45	2,124.51	3,526.87	2,208.86	1,990.30	2,093.18	1,945.98	1,318.19	1,317.83	1,194.29	620.10	22,940.68
OPERATING INCOME (LOSS)	12,562.75	8,518.64	7,815.01	(1,482.82)	(4,092.47)	73,927.03	26,096.39	(22,415.38)	(36,574.35)	46,235.73	(19,153.27)	18,385.99	109,823.25
OTHER INCOME AND EXPENSE	(188.88)	(127.24)	(29.39)	(30.36)	(68.27)	(107.37)	21.89	(32.17)	(22.27)	(19.58)	(2.00)	6.15	(599.49)
NET PROFIT (LOSS) FOR THE PERIOD	12,373.87	8,391.40	7,785.62	(1,513.18)	(4,160.74)	73,819.66	26,118.28	(22,447.55)	(36,596.62)	46,216.15	(19,155.27)	18,392.14	109,223.76

**EXAMPLES OF COSTS WHICH HAVE NOT CEASED AND
LOSSES WHICH HAVE BEEN OCCURRING SINCE GTE'S TARIFF FILING**

* Since 1990 when GTECS launched the Center Screen product, Apollo has been suffering a loss in Premium channel revenue. Specifically, from Feb. 1990 to May 1995, the premium channel subscriptions have declined from 13,481 to 7,133 (an average decline of 104 per month). At an average retail price of \$9.28, that indicates a monthly decline in Apollo's Premium service revenue of \$965. Prior to the tariff, GTE compensated Apollo for some of these losses, however, GTECS's Center Screen continues to operate, causing continued losses to this day.

* Building expense. Apollo leased Suite #104 of 13100 Alondra Blvd., adjacent to Suite #102 (home of GTE Center Screen prior to the tariff, and home of GTECA, GTE Main Street, and GTE Center Screen now). This location was leased with a large square footage so that a warehouse, headend and technical staff could be accommodated. The lease is for a long term, as are the agreements between GTE and Apollo. Since GTE has attempted to supplant our long-term agreements by filing a tariff, Apollo has been left with the lease of a large building, costing in excess of \$10,000. per month. This much space is not necessary under the tariff scenario. Apollo only needs room for a customer service and administrative department now that GTE has taken over maintenance and installations, and we should be able to rent such a space for approximately half the cost of what we currently pay. Unfortunately, the tariff does not supplant the long-term lease between Apollo and the building owner

* Apollo no longer receives any reimbursement from GTE for Customer Service Support, although the expenses should be shared between the companies. All calls, except for Center Screen billing-related calls, are handled by Apollo under the current situation. Although GTECS benefits from use of half the network, it does not have to reimburse Apollo for costs related to phone and administration in handling system outages, installations, appointment scheduling, complaints, after hours answering service calls, etc... It is Apollo's belief that half these costs should be borne by GTECS who benefits from use of half the network. Unfortunately, the tariff provides GTECS with a clear advantage in this matter, causing Apollo to be the sole provider of such services.

* Apollo should receive reimbursement for marketing expenses from GTECS. GTECS obtains a new customer every time Apollo obtains one through Apollo's marketing efforts. GTECA has been installing TIM Units as a courtesy to GTECS ever since the tariff was filed. When Apollo transmits a work order to GTECA, there is no indication that Apollo's customer information is protected from GTECS's use. On the contrary, Don Bache of GTECS has signed an affidavit stating that GTECS only markets to Apollo's subscribers. GTECS has clearly been favored in the tariff filing which has been allowing a sort of parasite marketing tactic to take place at Apollo's expense.

* Apollo has been and will continue to incur expenses related to legal issues arising with retransmission consent agreements. The tariff allows Apollo a limited number of channels, whereas, our long-term agreements with GTE allowed for our current lease of the entire bandwidth. The lack of channel capacity which Apollo is still being made to suffer, is impeding Apollo's ability to meet retransmission consent channel carriage requirements.

* In addition, the same lack of channel capacity inhibits Apollo's ability to add new services which subscribers have been requesting. There is an indisputable correlation between revenue growth and subscriber satisfaction. If we cannot satisfy viewers by adding new services, we will lose them to competitors, and we will have a difficult time raising rates to meet our rising costs.

CERTIFICATE OF SERVICE

I, M.G. Patterson, a secretary in the law firm of Gardner, Carton & Douglas, certify that I have this 10th day of October, 1995, caused a copy of the foregoing REPLY TO OPPOSITION TO SUPPLEMENTAL APPLICATION FOR REVIEW to be served on the following by first-class mail, postage prepaid:

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