16

Confidential Release

Case Number: 95-1131-TP-ACE

Date of Confidential Document:
May 20, 1996

Today's Date:
August 24, 2009

Company Exhibit 4 filed with transcript of hearing held 5/14/96. (14 pgs.) (FILED UNDER SEAL)

Company Ex. No. 4

14 pg

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5/20/96

In the Matter of the Application of
CABLEVISION LIGHTPATH-OH, INC.
for a Certificate of Public Convenience
and Necessity to Provide Switched
Telecommunications Services Within
the State of Ohio.

Case No. 95-1131-TP-ACE

Company Exhibit 4

Docket No. 95-07-19
Request No. LFE003CL
February 1, 1996
Attachment 1 of 2

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**** RESTRICTED – DPUC/OCC ONLY ****

Cablevision Lightpath-CT, Inc.
Business Projections A

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Cablevision Lightpath Residential Model - 1

SUMMARY

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Homes Passed	190,000	245,125	245,625	246,000	246,376	246,375	246,376	246,376	246,375	246,376	246,375
CSC Subscribers	148,029	190,977	191,368	191,659	191,951	191,951	191,951	191,581	191,581	191,581	191,581
Ave. CLI Residential Customers	2,850	9,377	16,738	24,113	31,498	36,039	36,894	36,912	36,930	36,940	36,942
YE CLI Residential Customers	5,700	13,054	20,423	27,803	35,194	36,885	36,903	36,921	36,938	36,942	36,942
Penetration of Homes Passed	3.0%	5.3%	6.3%	11.3%	14.3%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Ave. Line/Usage Revenue per Customer	$55.13	$53.99	$54.72	$52.21	$52.40	$52.68	$52.85	$53.00	$53.00	$53.01	$53.01
Average IXC Access per Customer	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00
TOTAL REVENUE	$2,389,373	$7,594,260	$13,739,039	$18,884,405	$24,756,201	$28,477,677	$29,300,685	$29,347,433	$29,361,596	$29,370,442	$29,372,279
EXPENSES:											
Revenue Related	$1,253,673	$3,461,604	$5,867,369	$8,194,642	$10,614,526	$12,061,733	$12,363,928	$12,414,566	$12,469,039	$12,526,973	$12,585,496
Operating Expenses:											
Engineering	$1,597,000	$1,739,540	$1,968,428	$2,410,898	$2,583,180	$2,806,634	$3,029,789	$3,271,810	$3,534,376	$3,818,318	$4,019,748
Sales & Marketing	$606,688	$1,101,001	$1,250,128	$1,425,695	$1,617,716	$712,091	$605,245	$605,515	$605,749	$605,167	$605,167
Administration	$1,418,650	$1,764,577	$2,269,610	$2,724,192	$3,236,332	$2,360,066	$2,360,066	$2,360,066	$2,360,066	$2,360,066	$2,360,066
Total Expenses	$5,176,311	$8,066,812	$11,368,536	$14,755,427	$18,353,758	$17,940,465	$18,358,023	$18,651,957	$18,969,229	$19,310,526	$19,570,474
NET OPERATING CF	($2,776,937)	($472,552)	$2,370,504	$4,128,978	$6,402,444	$10,537,212	$10,941,762	$10,695,477	$10,392,367	$10,059,917	$9,801,806
CUM OPERATING CASH FLOW	($2,776,937)	($3,249,489)	($878,985)	$3,249,993	$9,652,437	$20,189,649	$31,131,410	$41,826,887	$52,219,253	$62,279,170	$72,080,975
CAPITAL EXPENDITURES	$11,057,344	$2,687,727	$3,104,031	$4,618,076	$4,432,180	$695,016	$53,634	$103,634	$103,634	$50,000	$50,000
CUM CAP EX	$11,057,344	$13,745,070	$16,849,102	$21,467,177	$25,899,357	$26,594,372	$26,648,005	$26,751,639	$26,855,273	$26,905,273	$26,955,273
NET CASH FLOW	($13,834,281)	($3,160,279)	($733,527)	($489,097)	$1,970,264	$9,842,197	$10,888,128	$10,591,843	$10,288,733	$10,009,917	$9,751,806
CUM NET CASH FLOW	($13,834,281)	($16,994,560)	($17,728,087)	($18,217,184)	($16,246,920)	($6,404,723)	$4,483,404	$15,075,247	$25,363,980	$35,373,897	$45,125,702

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Cablevision Lightpath Residential Model - 1

ASSUMPTIONS:

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Beginning Customers		0	5,700	13,054	20,423	27,803	35,194	36,685	36,903	36,921	36,938	36,942
New Customers		6,042	8,366	8,344	10,729	12,500	7,219	5,551	5,556	5,559	5,549	5,549
Net Churn		(342)	(1,011)	(1,976)	(3,349)	(5,109)	(5,828)	(5,333)	(5,537)	(5,541)	(5,541)	(5,541)
Lightpath Customers (YE)		5,700	13,054	20,423	27,803	35,194	36,685	36,903	36,921	36,938	36,942	36,942
Average Lightpath Customers		2,850	9,377	16,738	24,113	31,498	36,039	36,894	36,912	36,930	36,940	36,942
Net YE Penetration of Total Homes		3.0%	5.3%	8.3%	11.3%	14.3%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Monthly Service Package Rates:												
Basic		$6.75	$6.41	$6.41	$6.09	$6.09	$6.09	$6.09	$6.09	$6.09	$6.09	$6.09
Package 1 (includes 3 features)		$10.50	$9.98	$9.98	$9.48	$9.48	$9.48	$9.48	$9.48	$9.48	$9.48	$9.48
Package 2 (includes 5 features)		$12.50	$11.88	$11.88	$11.28	$11.28	$11.28	$11.28	$11.28	$11.28	$11.28	$11.28
Monthly Service % (by Package):												
Basic		25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Package 1		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Package 2		25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Ave. Monthly Service/Customer		$10.06	$9.56	$9.56	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08
Revenue Assumptions:												
Home/Regional Calling		$30.00	$27.00	$27.00	$24.30	$24.30	$24.30	$24.30	$24.30	$24.30	$24.30	$24.30
Ave. Monthly Service/Customer		$10.08	$9.56	$9.56	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08
Average Rev./Cust. (excl 2nd Line)		$40.08	$36.56	$36.56	$33.38	$33.38	$33.38	$33.38	$33.38	$33.38	$33.38	$33.38
Second Line Service (25% of Cust)		$26.71	$24.37	$24.37	$22.25	$22.25	$22.25	$22.25	$22.25	$22.25	$22.25	$22.25
Average Total Revenue/Customer		$46.74	$42.65	$42.65	$38.94	$38.94	$38.94	$38.94	$38.94	$38.94	$38.94	$38.94
REVENUE												
Total Customer Revenue												
Access		$316,459	$1,013,252	$1,849,709	$2,660,735	$3,365,495	$3,886,216	$4,012,822	$4,022,362	$4,024,303	$4,025,542	$4,025,827
Home/Regional Usage		$940,600	$2,861,382	$5,224,399	$6,852,008	$9,005,363	$10,398,729	$10,737,486	$10,763,024	$10,768,218	$10,771,533	$10,772,296
2nd Line		$209,327	$645,866	$1,179,017	$1,568,790	$2,061,613	$2,380,824	$2,458,087	$2,464,231	$2,465,420	$2,466,179	$2,466,354
LEC Access	650	$694,588	$2,286,613	$4,078,918	$5,877,422	$7,877,666	$8,784,596	$8,992,890	$8,997,231	$9,001,573	$9,004,201	$9,004,858
Total IXC Access ($7.00/cust/mth)		$239,400	$787,856	$1,406,003	$2,025,450	$2,645,843	$3,027,308	$3,089,066	$3,100,564	$3,102,881	$3,102,966	$3,103,144
Total Revenue		$2,399,373	$7,594,260	$13,739,039	$18,984,405	$24,756,201	$28,477,877	$29,306,685	$29,347,493	$29,361,596	$29,370,442	$29,372,279

All new customers receive 1 free month of basic service.

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Cablevision Lightpath Residential Model - 1

ASSUMPTIONS:

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EXPENSES											
Revenue Related Expenses:											
Franchise Fees % of Total Revenue	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Billing Fees (/MOU)	$0.00225	$0.00225	$0.00200	$0.00175	$0.00175	$0.00175	$0.00175	$0.00175	$0.00175	$0.00175	$0.00175
Bad Debt % of Usage Revenue	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other	$250k growing 10%/year.										
Revenue Related Expenses:											
Franchise Fees	$5,965	$19,691	$35,150	$50,636	$66,146	$75,683	$77,477	$77,515	$77,552	$77,575	$77,579
Billing Fees ($.0025/MOU)	$169,076	$348,486	$484,626	$677,284	$730,754	$765,671	$768,241	$766,611	$768,980	$767,058	$767,058
Bad Debt	$31,389	$96,878	$176,853	$235,319	$309,272	$357,124	$368,756	$369,635	$369,813	$369,927	$369,953
Other	$250,000	$275,000	$302,500	$332,750	$366,025	$402,628	$442,890	$487,179	$533,897	$589,487	$648,436
Sub Total	$456,430	$740,056	$999,129	$1,195,988	$1,472,197	$1,601,305	$1,655,360	$1,700,939	$1,750,243	$1,804,047	$1,863,026
Cost Of Sales:											
Home/Regional Calling	$801,563	$2,637,246	$4,707,598	$6,781,641	$8,858,848	$10,136,074	$10,376,411	$10,381,421	$10,386,431	$10,389,463	$10,389,990
Directory Service ($.75/cust.)	$25,650	$84,392	$150,643	$217,013	$283,483	$324,354	$332,045	$332,205	$332,365	$332,463	$332,480
Total COS	$827,213	$2,721,638	$4,858,241	$6,998,653	$9,142,331	$10,460,429	$10,708,456	$10,713,626	$10,718,796	$10,721,926	$10,722,470
OPERATING EXPNESES											
Engineering:	$1,587,000	$1,739,540	$1,988,429	$2,410,898	$2,883,180	$2,808,634	$3,029,789	$3,271,810	$3,584,076	$3,819,319	$4,019,745
Sales & Marketing	$886,688	$1,101,001	$1,253,128	$1,425,695	$1,617,718	$712,031	$605,245	$605,515	$605,745	$605,167	$605,167
Administration	$1,418,850	$1,764,677	$2,269,619	$2,724,192	$3,228,332	$2,360,066	$2,360,066	$2,360,066	$2,360,066	$2,360,066	$2,360,066
TOTAL OPERATING EXPENSES	$3,892,898	$4,605,118	$5,511,166	$6,560,785	$7,739,230	$5,878,731	$5,995,101	$6,237,391	$6,509,190	$6,784,553	$6,984,978

OTHER ASSUMPTIONS:

- Interconnection: assumes equal and reciprical rates for local and intralata toll calling.
  Assumes 60% originating, 40% terminating at average rate of $.03/MOU (local & toll calling).
- Other interconnection costs, including number portability, E911 and physical interconnection are TBD.

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CAPITAL EXPENDITURES

TRANSMISSION

Region:	Initial Lines	Line Cost	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Conn.	16,728	$101.59	$1,699,365	$0	$0	$1,699,365	$1,699,365	$0	$0	$0	$0	$0	$0
	16,728		$1,699,365	$0	$0	$1,699,365	$1,699,365	$0	$0	$0	$0	$0	$0

NETWORK PREPARATION

Materials:		Labor:	Units Required	TOTAL
TX & WDM (1 per Node)	$4,500		541	$2,434,500
Power Tap (8 way Homes/6)	555	$15	41,063	
Power Supplies (Nodes/3)	$1,100		180	
ABM (H.E. Equip 28/node)	$42,800	$3,000	19	$869,464
CMS (H.E. Equip 28/Node)	$46,400		19	$896,514
Cables/Fiber per Head End	$5,000	$300	5	$26,500
				$4,226,979

Total Homes Passed:	246,375
Total Nodes	541
Head Ends	5

Capital Expenditures Summary ($'000s)	Cum Cap Ex.	Cost Per Line
Switch:	$7,650	$165.68
Boxes:	$9,024	$195.42
Network Capacity/Expansion:	$4,227	$91.54
Transmission:	$5,098	$110.40
TOTAL	$25,999	$591.00

CAPITAL SUMMARY

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Switch:	$3,250,000	$675,000	$1,175,000	$1,175,000	$1,175,000	$300,000	$0	$0	$0	$0	$0
Boxes:	$1,881,000	$2,082,727	$1,879,031	$1,693,710	$1,507,815	$345,015	$3,634	$3,634	$3,634	$0	$0
Home Power Equipment											
Head End Capital/Other	$4,226,979	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$100,000	$100,000	$50,000	$50,000
Transmission:	$1,699,365	$0	$0	$1,699,365	$1,699,365	$0	$0	$0	$0	$0	$0
TOTAL	$11,057,344	$2,807,727	$3,104,031	$4,618,075	$4,432,180	$695,015	$53,634	$103,634	$103,634	$50,000	$50,000

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Cablevision Lightpath Residential Model - 1

ASSUMPTIONS:

OPERATING EXPENSES:

			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Staff:	ADMINISTRATION												
	Collections	1 per 10,000 customers	2	2	2	2	3	4	4	4	4	4	4
	CSR's	1 per 2,000 lines	6	5	8	12	16	18	18	18	18	18	18
	Supervisor	1 per 15 staff	1	1	1	1	1	1	1	1	1	1	1
	Admin. Support Staff		0	1	2	2	2	2	2	2	2	2	2
	Secr.		1	1	2	2	2	2	2	2	2	2	2
	General Manager		1	1	1	1	1	1	1	1	1	1	1
Salaries & Benefits													
	Collections	$22,500	$45,000	$47,700	$50,562	$53,596	$85,217	$113,623	$113,623	$113,623	$113,623	$113,623	$113,623
	CSR's	$25,000	$125,000	$132,500	$224,720	$357,305	$504,991	$568,115	$568,115	$568,115	$568,115	$568,115	$568,115
	Supervisor	$30,000	$30,000	$31,800	$33,708	$35,730	$37,874	$37,874	$37,874	$37,874	$37,874	$37,874	$37,874
	Admin. Support Staff	$50,000	$0	$53,000	$112,360	$119,102	$126,248	$126,248	$126,248	$126,248	$126,248	$126,248	$126,248
	Admin. Support Staff	$25,000	$25,000	$26,500	$56,180	$59,551	$63,124	$63,124	$63,124	$63,124	$63,124	$63,124	$63,124
	General Manager	$90,000	$90,000	$95,400	$101,124	$107,191	$113,623	$113,623	$113,623	$113,623	$113,623	$113,623	$113,623
	Benefits (33%)		$103,950	$127,877	$190,966	$241,717	$307,265	$337,460	$337,460	$337,460	$337,460	$337,460	$337,460
	Total Salaries & Benefits		$418,950	$514,377	$769,610	$974,192	$1,238,332	$1,360,066	$1,360,066	$1,360,066	$1,360,066	$1,360,066	$1,360,066

ENGINEERING

			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Installs/Net Disconnects per Year		6,350	9,275	11,122	13,743	17,098	12,194	10,530	10,638	10,545	10,537	10,537
Staff:													
	Tel. Tech's. 1 in 780 Inst. + % of Cus		8	12	14	18	22	18	18	18	18	18	18
	Tech Super 1 in 15 tech's		4	1	1	1	1	1	1	1	1	1	1
	Warehouse 1 in 10,000 connects		1	1	1	1	2	1	1	1	1	1	1
	Testers 1 in 5,000 installs/discon		1	2	2	3	3	3	3	3	3	3	3
	Clerks 1 in 25,000 installs/disco		1	1	1	1	1	1	1	1	1	1	1
	Switch		7	7	7	7	7	7	7	7	7	7	7
Salaries & Benefits:													
	Tel. Tech's.	$32,500	$260,000	$413,400	$511,238	$696,744	$902,671	$762,862	$829,834	$879,624	$932,401	$988,345	$986,345
	Tech Supervisors	$45,000	$180,000	$47,700	$50,562	$53,596	$56,811	$60,220	$63,833	$67,663	$71,723	$76,027	$76,027
	Warehouse	$22,500	$22,500	$23,850	$25,281	$26,798	$56,811	$30,110	$31,917	$33,832	$35,862	$38,013	$38,013
	Testers	$20,000	$20,000	$42,400	$44,944	$71,461	$75,749	$80,294	$85,111	$90,218	$95,631	$101,369	$101,369
	Clerks	$20,000	$20,000	$21,200	$22,472	$23,820	$25,250	$26,765	$28,370	$30,073	$31,877	$33,790	$33,790
	Switch	$35,000	$245,000	$259,700	$275,282	$291,799	$309,307	$327,865	$347,537	$368,389	$390,493	$413,922	$413,922
	Sub-Total		$502,500	$548,550	$654,497	$872,419	$1,117,202	$960,260	$1,039,065	$1,101,408	$1,167,494	$1,237,543	$1,237,543
	OT (10%)		$50,250	$54,855	$65,450	$87,242	$111,720	$96,026	$103,907	$110,141	$116,749	$123,754	$123,754
	Benefits		$184,250	$201,135	$239,982	$319,887	$409,674	$359,428	$380,991	$403,850	$428,081	$453,768	$453,768
	Total Salaries & benefits		$737,000	$804,540	$959,929	$1,279,548	$1,638,595	$1,407,700	$1,523,962	$1,615,400	$1,712,324	$1,815,064	$1,815,064
	Repair/Maintance		$600,000	$660,000	$726,000	$798,600	$878,460	$966,306	$1,062,937	$1,169,230	$1,286,153	$1,414,769	$1,556,245
	Other		$250,000	$275,000	$302,500	$332,750	$366,025	$402,628	$442,890	$487,179	$535,897	$589,487	$648,436
	Total Engineering		$1,587,000	$1,739,540	$1,988,429	$2,410,898	$2,883,180	$2,806,634	$3,029,789	$3,271,810	$3,534,375	$3,819,319	$4,019,745

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Cablevision Lightpath Residential Model - 1

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Estimated MOU/Customer (Line 1)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Estimated MOU/Customer (Line 2)	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110
Estimated MOU/Month (YE)	11,271,750	25,813,791	40,385,494	54,979,444	69,595,641	72,940,069	72,975,312	73,010,536	73,045,760	73,053,176	73,053,176
Estimated Day Period Usage	5,635,875	12,906,895	20,192,747	27,489,722	34,797,820	36,470,044	36,487,656	36,505,268	36,522,880	36,526,588	36,526,588
Primary Lines	5,700	13,054	20,423	27,803	35,194	36,885	36,903	36,921	36,938	36,942	36,942
Secondary Lines	1,426	3,263	5,106	6,951	8,798	9,221	9,226	9,230	9,235	9,236	9,236
Total Lines	7,126	16,317	25,528	34,753	43,992	46,106	46,129	46,151	46,173	46,176	46,178
Average Lines	3,563	11,721	20,923	30,141	39,379	45,049	46,117	46,140	46,162	46,175	46,178
CAPITAL EXPENDITURES			9,211	18,436	27,676	29,780	29,811	29,834	29,856	29,861	29,861
		1		1	1						
SWITCH 15,000 (NO. OF LINES)											
	$3,250,000										
SWITCH											
Lines per Line SM	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Line SM's Required	0	1	3	3	3	1	0	0	0	0	0
Line SM Cost ($300k each)	$0	$300,000	$900,000	$900,000	$900,000	$300,000	$0	$0	$0	$0	$0
Min. per Trunk SM	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Estimated Min. (000's)	5,635,875	12,906,895	20,192,747	27,489,722	34,797,820	36,470,044	36,487,656	36,505,268	36,522,880	36,526,588	36,526,588
Total Incremental Min.	5,635,875	7,271,020	7,285,852	7,296,975	7,308,098	1,672,223	17,612	17,612	17,612	0	0
Trunk SM's Required	0	1	1	1	1	0	0	0	0	0	0
Trunk SM Cost ($275k each)	$0	$275,000	$275,000	$275,000	$275,000	$0	$0	$0	$0	$0	$0
TOTAL SWITCH	$3,250,000	$575,000	$1,175,000	$1,175,000	$1,175,000	$300,000	$0	$0	$0	$0	$0
Price Per Box	$300	$275	$250	$225	$200	$200	$200	$200	$200	$200	$200
Boxes required (one per new sub)	6,270	7,501	7,516	7,528	7,539	1,725	18	18	18	0	0
Total Box Cost	$1,881,000	$2,062,727	$1,879,031	$1,693,710	$1,507,815	$345,016	$3,634	$3,634	$3,634	$0	$0

Docket No. 95-07-19
Request No. LFE003CL
February 1, 1996
Attachment 2 of 2

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**** RESTRICTED -- DPUC/OCC ONLY ****

Cablevision Lightpath-CT, Inc.
Business Projections B

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Cablevision Lightpath Residential Model - 2

SUMMARY

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Homes Passed	190,000	245,125	245,625	248,000	248,375	248,375	248,375	248,375	248,375	248,375	248,375
CSC Subscirbers	148,029	190,977	191,366	191,659	191,951	191,951	191,951	191,581	191,581	191,581	191,581
Ave. CLI Residential Customers	2,850	9,377	16,736	24,113	31,496	36,039	36,894	36,912	36,930	36,940	36,942
YE CLI Residential Customers	5,700	13,054	20,423	27,803	35,194	36,885	36,903	36,921	36,938	36,942	36,942
Penetration of Homes Passed	3.0%	5.3%	8.3%	11.3%	14.3%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Ave. Line/Usage Revenue per Customer	$36.45	$34.53	$36.18	$32.93	$33.09	$33.35	$33.59	$33.64	$33.64	$33.64	$33.64
Average IXC Access per Customer	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00
REVENUE											
Access	$315,456	$1,013,252	$1,849,703	$2,580,735	$3,365,495	$3,886,218	$4,012,822	$4,022,362	$4,024,303	$4,025,542	$4,025,827
Home/Regional Usage	$940,600	$2,861,862	$5,224,399	$6,852,008	$9,006,383	$10,398,729	$10,737,498	$10,763,024	$10,768,218	$10,771,533	$10,772,298
2nd Line	$62,706	$193,757	$353,705	$470,637	$616,544	$714,247	$737,616	$739,289	$739,626	$739,854	$739,906
Total IXC Access ($7.00/cust/mth)	$239,400	$787,658	$1,406,003	$2,025,450	$2,645,843	$3,027,308	$3,099,086	$3,100,584	$3,102,081	$3,102,986	$3,103,144
TOTAL REVENUE	$1,558,157	$4,856,548	$8,833,810	$11,908,830	$15,635,264	$18,026,502	$18,586,924	$18,625,240	$18,634,228	$18,639,915	$18,641,173
EXPENSES:											
Revenue Related	$465,203	$824,448	$1,149,772	$1,413,001	$1,755,880	$1,925,659	$1,987,411	$2,033,145	$2,082,809	$2,136,510	$2,195,506
Operating Expenses:											
Engineering	$1,587,000	$1,738,540	$1,988,429	$2,410,898	$2,663,180	$2,808,634	$3,029,769	$3,271,810	$3,534,376	$3,819,319	$4,018,745
Sales & Marketing	$886,688	$1,101,001	$1,253,128	$1,425,695	$1,617,716	$712,031	$605,245	$605,515	$605,749	$605,167	$605,167
Administration	$1,418,950	$1,764,577	$2,269,610	$2,724,192	$3,238,332	$2,360,066	$2,360,066	$2,360,066	$2,360,066	$2,360,066	$2,360,066
Total Expenses	$4,357,841	$5,428,566	$6,660,938	$7,973,786	$9,494,910	$7,804,391	$7,982,512	$8,270,536	$8,582,799	$8,921,062	$9,180,483
NET OPERATING CF	($2,799,683)	($573,018)	$2,172,872	$3,935,044	$6,140,354	$10,222,111	$10,604,412	$10,354,704	$10,051,430	$9,718,853	$9,460,690
CUM OPERATING CF	($2,799,683)	($3,372,701)	($1,199,830)	$2,735,214	$8,875,568	$19,097,680	$29,702,092	$40,056,796	$50,108,226	$59,827,079	$69,287,769
CAPITAL EXPENDITURES	$12,745,444	$2,687,727	$3,067,188	$4,584,865	$4,402,615	$688,250	$50,000	$200,000	$200,000	$50,000	$50,000
CUM CAP EX	$12,745,444	$15,433,170	$18,500,358	$23,085,223	$27,487,838	$28,176,088	$28,226,088	$28,426,088	$28,626,088	$28,676,088	$28,726,088
NET CASH FLOW	($15,545,127)	($3,260,745)	($894,316)	($649,821)	$1,737,739	$9,533,861	$10,554,412	$10,154,704	$9,851,430	$9,668,853	$9,410,690
CUM NET CASH FLOW	($15,545,127)	($18,805,872)	($19,700,188)	($20,350,008)	($18,612,270)	($9,078,408)	$1,476,004	$11,630,708	$21,482,138	$31,150,991	$40,561,681

CONFIDENTIAL

Page 2

Cablevision Lightpath Residential Model-2

oltmod

ASSUMPTIONS:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Beginning Customers	0	5,700	13,054	20,423	27,803	35,194	36,885	36,903	36,921	36,938	36,942
New Customers	6,042	8,366	9,344	10,729	12,500	7,219	5,551	5,556	5,559	5,549	5,549
Net Churn	(342)	(1,011)	(1,976)	(3,349)	(5,109)	(5,528)	(5,533)	(5,537)	(5,541)	(5,541)	(5,541)
Lightpath Customers (YE)	5,700	13,054	20,423	27,803	35,194	36,885	36,903	36,921	36,938	36,942	36,942
Average Lightpath Customers	2,850	9,377	16,738	24,113	31,498	36,039	36,894	36,912	36,930	36,940	36,942
Net YE Penetration of Total Homes	3.0%	5.3%	8.3%	11.3%	14.3%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Monthly Service Package Rates:											
Basic	$8.75	$6.41	$8.41	$8.09	$6.09	$6.09	$6.09	$6.09	$6.09	$6.09	$6.09
Package 1 (includes 3 features)	$10.50	$9.98	$9.98	$9.48	$9.48	$9.48	$9.48	$9.48	$9.48	$9.48	$9.48
Package 2 (includes 5 features)	$12.50	$11.88	$11.88	$11.28	$11.28	$11.28	$11.28	$11.28	$11.28	$11.28	$11.28
Monthly Service % (by Package):											
Basic	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Package 1	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Package 2	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Ave. Monthly Service/Customer	$10.06	$9.56	$9.56	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08
Revenue Assumptions:											
Home/Regional Calling	$30.00	$27.00	$27.00	$24.30	$24.30	$24.30	$24.30	$24.30	$24.30	$24.30	$24.30
Ave. Monthly Service/Customer	$10.06	$9.56	$9.56	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08	$9.08
Average Rev./Cust. (excl 2nd Line)	$40.06	$36.56	$36.56	$33.38	$33.38	$33.38	$33.38	$33.38	$33.38	$33.38	$33.38
Second Line Service (15% of Cust)	$13.35	$12.19	$12.19	$11.13	$11.13	$11.13	$11.13	$11.13	$11.13	$11.13	$11.13
Average Total Revenue/Customer	$43.40	$39.61	$39.61	$36.16	$36.16	$36.16	$36.16	$36.16	$36.16	$36.16	$36.16
REVENUE											
Total Customer Revenue											
Access	$315,459	$1,013,252	$1,849,703	$2,560,735	$3,365,495	$3,886,218	$4,012,822	$4,022,362	$4,024,303	$4,025,542	$4,026,827
Home/Regional Usage	$940,500	$2,861,852	$5,224,399	$6,852,008	$9,005,303	$10,398,729	$10,737,498	$10,763,024	$10,768,218	$10,771,533	$10,772,298
2nd Line	$62,798	$193,757	$353,705	$470,637	$618,544	$714,247	$737,616	$739,269	$739,626	$739,854	$739,906
Total IXC Access ($7.00/cust/mth)	$238,400	$787,658	$1,406,003	$2,025,450	$2,645,643	$3,027,308	$3,099,088	$3,100,584	$3,102,081	$3,102,986	$3,103,144
Total Revenue	$1,558,157	$4,856,548	$8,833,810	$11,908,830	$15,635,284	$18,026,502	$18,586,924	$18,625,240	$18,634,228	$18,639,916	$18,641,173

All new customers receive 1 free month of basic service.

Cablevision Lightpath Residential Model - 2

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ASSUMPTIONS:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
EXPENSES											
Revenue Related Expenses:											
Franchise Fees % of Total Revenue	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Billing Fees (/MOU)	$0.00225	$0.00225	$0.00200	$0.00175	$0.00175	$0.00175	$0.00175	$0.00175	$0.00175	$0.00175	$0.00175
Bad Debt % of Usage Revenue	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other	$250k growing 10%/year.										
Revenue Related Expenses:											
Franchise Fees	$6,985	$19,891	$35,150	$50,636	$66,146	$75,683	$77,477	$77,515	$77,652	$77,575	$77,579
Billing Fees ($.0025/MOU)	$162,169	$348,496	$484,626	$577,284	$730,764	$765,871	$768,241	$768,611	$766,960	$767,058	$767,058
Bad Debt	$31,399	$96,670	$176,653	$235,319	$309,272	$357,124	$365,758	$369,635	$369,813	$369,927	$369,953
Other	$250,000	$275,000	$302,500	$332,750	$366,025	$402,628	$442,890	$487,179	$535,897	$589,487	$648,436
Sub Total	$439,553	$740,056	$999,129	$1,195,989	$1,472,197	$1,601,305	$1,655,366	$1,700,939	$1,750,243	$1,804,047	$1,863,026
Cost Of Sales:											
Directory Service ($.75/cust.)	$25,650	$84,392	$150,843	$217,013	$283,483	$324,354	$332,045	$332,205	$332,368	$332,463	$332,480
Total COS	$25,650	$84,392	$150,843	$217,013	$283,483	$324,354	$332,045	$332,205	$332,368	$332,463	$332,480
OPERATING EXPENSES											
Engineering:	$1,587,000	$1,739,540	$1,988,429	$2,410,898	$2,883,180	$2,808,634	$3,029,789	$3,271,810	$3,534,375	$3,818,319	$4,019,745
Sales & Marketing	$886,588	$1,101,001	$1,253,128	$1,425,695	$1,617,716	$712,031	$606,245	$605,515	$605,749	$606,167	$605,167
Administration	$1,418,950	$1,764,577	$2,269,610	$2,724,192	$3,238,332	$2,360,066	$2,360,068	$2,360,068	$2,360,066	$2,360,068	$2,360,066
TOTAL OPERATING EXPENSES	$3,892,838	$4,605,118	$5,511,166	$6,560,785	$7,739,230	$5,879,731	$5,996,101	$6,237,391	$6,500,190	$6,784,553	$6,984,978

OTHER ASSUMPTIONS:

- Interconnection: assumes equal and reciprical rates for local and intralata toll calling.
  Assumes equilibrium in originating and terminating LEC usage.
- Other interconnection costs, including number portability, E911 and physical interconnection are TBD.

slmod **ASSUMPTIONS:** **Cablevision Lightpath Residential Model - 2**

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OPERATING EXPENSES:

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Staff	ADMINISTRATION												
	Collections	1 per 10,000 customers	2	2	2	2	3	4	4	4	4	4	4
	CSR's	1 per 2,000 lines	5	5	8	12	16	18	18	18	18	18	18
	Supervisor	1 per 15 staff	1	1	1	1	1	1	1	1	1	1	1
	Admin. Support Staff		0	1	2	2	2	2	2	2	2	2	2
	Secl.		1	1	2	2	2	2	2	2	2	2	2
	General Manager		1	1	1	1	1	1	1	1	1	1	1
Salaries & Benefits													
	Collections	$22,500	$45,000	$47,700	$50,562	$53,596	$85,217	$113,623	$113,623	$113,623	$113,623	$113,623	$113,623
	CSR's	$25,000	$125,000	$132,500	$224,720	$357,305	$504,891	$568,115	$568,115	$568,115	$568,115	$568,115	$568,115
	Supervisor	$30,000	$30,000	$31,800	$33,708	$35,730	$37,874	$37,874	$37,874	$37,874	$37,874	$37,874	$37,874
	Admin. Support Staff	$50,000	$0	$53,000	$112,360	$119,102	$126,248	$126,248	$126,248	$126,248	$126,248	$126,248	$126,248
	Admin. Support Staff	$25,000	$25,000	$26,500	$56,180	$59,551	$63,124	$63,124	$63,124	$63,124	$63,124	$63,124	$63,124
	General Manager	$90,000	$90,000	$95,400	$101,124	$107,191	$113,623	$113,623	$113,623	$113,623	$113,623	$113,623	$113,623
	Benefits (33%)		$103,950	$127,677	$190,956	$241,717	$307,255	$337,460	$337,460	$337,460	$337,460	$337,460	$337,460
	Total Salaries & Benefits		$418,950	$514,677	$769,610	$974,192	$1,238,332	$1,360,068	$1,360,068	$1,360,068	$1,360,068	$1,360,068	$1,360,068
ENGINEERING													
	Installs/Net Disconnects per Year		8,350	9,275	11,122	13,743	17,098	12,194	10,530	10,538	10,545	10,537	10,537
Staff													
	Tel. Tech's.	1 in 780 inst. + % of Cust	8	12	14	18	22	18	18	18	18	18	18
	Tech Super	1 in 15 tech's	4	1	1	1	1	1	1	1	1	1	1
	Warehouse	1 in 10,000 connects	1	1	1	1	2	1	1	1	1	1	1
	Testers	1 in 6,000 installs/discon.	1	2	2	3	3	3	3	3	3	3	3
	Clerks	1 in 25,000 installs/disco	1	1	1	1	1	1	1	1	1	1	1
	Switch		4	4	4	4	4	4	4	4	4	4	4
Salaries & Benefits:													
	Tel. Tech's.	$32,500	$260,000	$413,400	$511,238	$698,744	$902,871	$782,662	$828,634	$879,824	$932,401	$988,345	$988,345
	Tech Supervisors	$45,000	$180,000	$47,700	$50,562	$53,596	$56,811	$60,220	$63,833	$67,663	$71,723	$76,027	$76,027
	Warehouse	$22,500	$22,500	$23,850	$25,281	$26,798	$56,811	$30,110	$31,917	$33,832	$35,862	$38,013	$38,013
	Testers	$20,000	$20,000	$42,400	$44,944	$71,461	$75,749	$80,294	$85,111	$90,218	$95,631	$101,369	$101,369
	Clerks	$20,000	$20,000	$21,200	$22,472	$23,820	$25,250	$26,765	$28,370	$30,073	$31,877	$33,790	$33,790
	Switch	$35,000	$140,000	$148,400	$157,304	$166,742	$176,747	$187,352	$198,593	$210,508	$223,130	$236,527	$236,527
	Sub-Total		$502,500	$546,550	$654,497	$872,416	$1,117,292	$980,250	$1,039,065	$1,101,409	$1,167,494	$1,237,543	$1,237,543
	OT (10%)		$50,250	$54,655	$65,450	$87,242	$111,729	$98,025	$103,907	$110,141	$116,749	$123,754	$123,754
	Benefits		$184,250	$201,135	$239,982	$319,887	$409,874	$359,425	$380,991	$403,850	$428,081	$453,766	$453,766
	Total Salaries & benefits		$737,000	$804,540	$959,929	$1,279,546	$1,638,895	$1,437,700	$1,523,962	$1,615,400	$1,712,324	$1,815,064	$1,815,064
	Repair/Maintance		$600,000	$660,000	$726,000	$798,600	$878,460	$966,306	$1,062,937	$1,169,230	$1,286,153	$1,414,769	$1,556,245
	Other		$250,000	$275,000	$302,500	$332,750	$366,025	$402,628	$442,890	$487,179	$535,897	$589,487	$648,436
	Total Engineering		$1,587,000	$1,739,540	$1,988,429	$2,410,896	$2,883,180	$2,806,634	$3,029,789	$3,271,810	$3,534,375	$3,819,319	$4,019,745

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Cablevision Lightpath Residential Model - 2

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Estimated MOU/Customer (Line 1)		1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Estimated MOU/Customer (Line 2)		1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110
Estimated MOU/Month (YE)		11,271,750	25,813,791	40,385,494	54,979,444	69,595,641	72,940,068	72,975,312	73,010,536	73,045,760	73,053,176	73,053,176
Estimated Day Period Usage		5,635,875	12,906,895	20,192,747	27,489,722	34,797,820	36,470,044	36,487,656	36,505,268	36,522,880	36,526,588	36,526,588
Primary Lines		5,700	13,054	20,423	27,803	35,104	36,885	36,903	36,921	36,938	36,942	36,942
Secondary Lines		1,425	3,263	5,106	6,951	8,798	9,221	9,226	9,230	9,235	9,236	9,236
Total Lines		7,125	16,317	25,529	34,753	43,902	46,106	46,129	46,151	46,173	46,178	46,178
Average Lines		3,563	11,721	20,923	30,141	39,373	45,049	46,117	46,140	46,162	46,175	46,178
CAPITAL EXPENDITURES				9,211	18,436	27,875	29,789	29,811	29,834	29,858	29,861	29,861
			1		1	1						
SWITCH	15,000 (NO. OF LINES)	$4,500,000										
SWITCH												
Lines per Line SM		2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Line SM's Required		0	1	3	3	3	1	0	0	0	0	0
Line SM Cost ($300k each)		$0	$300,000	$900,000	$900,000	$900,000	$300,000	$0	$0	$0	$0	$0
Min. per Trunk SM		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Estimated Min. (000's)		5,635,875	12,906,895	20,192,747	27,489,722	34,797,820	36,470,044	36,487,656	36,505,268	36,522,880	36,526,588	36,526,588
Total Incremental Min.		5,635,875	7,271,020	7,285,852	7,296,975	7,308,098	1,672,223	17,612	17,612	17,612	0	0
Trunk SM's Required		0	1	1	1	1	0	0	0	0	0	0
Trunk SM Cost ($275k each)		$0	$275,000	$275,000	$275,000	$275,000	$0	$0	$0	$0	$0	$0
TOTAL SWITCH		$4,500,000	$575,000	$1,175,000	$1,175,000	$1,175,000	$300,000	$0	$0	$0	$0	$0
Price Per Box		$300	$275	$250	$225	$200	$200	$200	$200	$200	$200	$200
Boxes required (one per new sub)		6,270	7,501	7,369	7,380	7,391	1,691	0	0	0	0	0
Total Box Cost		$2,069,100	$2,062,727	$1,842,166	$1,660,500	$1,478,250	$338,250	$0	$0	$0	$0	$0

CONFIDENTIAL

Cablevision Lightpath Residential Model - 2

CAPITAL EXPENDITURES

TRANSMISSION			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Region:	Initial Lines	Line Cost											
Conn.	16,728	$101.59	$1,699,365	$0	$0	$1,699,365	$1,699,365	$0	$0	$0	$0	$0	$0
	16,728		$1,699,365	$0	$0	$1,699,365	$1,699,365	$0	$0	$0	$0	$0	$0

NETWORK PREPARATION

Materials:		Labor	Units Require	TOTAL
TX & WDM (1 per Node)	$4,500		541	$2,434,500
Power Tap (8 way Homes/8)	$55	$15	41,083	
Power Supplies (Nodes/3)	$1,100		180	
ABM (H.E. Equip 28/node)	$42,000	$3,000	19	$859,464
CMS (H.E. Equip 28/Node)	$48,400		19	$908,514
Cables/Fiber per Head End	$5,000	$300	5	$28,500
				$4,226,979

Total Homes Passed:	246,375
Total Nodes	541
Head Ends	5

Capital Expenditures Summary ($000s)	Cum Cap Ex.	Cost Per Line
Switch:	$8,900	$192.73
Boxes:	$9,113	$197.34
Network Capacity/Expansion:	$4,227	$91.54
Transmission:	$5,098	$110.40
TOTAL	$27,338	$621.42

CAPITAL SUMMARY	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Switch:	$4,500,000	$575,000	$1,175,000	$1,175,000	$1,175,000	$300,000	$0	$0	$0	$0	$0
Boxes:	$2,069,100	$2,062,727	$1,842,188	$1,860,500	$1,478,250	$338,250	$0	$0	$0	$0	$0
Home Power Equipment											
Head End Capital/Other	$4,478,979	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$200,000	$200,000	$50,000	$50,000
Transmission:	$1,699,365	$0	$0	$1,699,365	$1,699,365	$0	$0	$0	$0	$0	$0
TOTAL	$12,745,444	$2,687,727	$3,067,188	$4,584,865	$4,402,615	$688,250	$50,000	$200,000	$200,000	$50,000	$50,000