

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:)	Chapter 11
PEGASUS SATELLITE TELEVISION, INC., et al.,)	Case No. 04-20878
Debtors.)	(Jointly Administered)

**STATEMENT OF FEES FOR SERVICES RENDERED AND EXPENSES
INCURRED BY PRICEWATERHOUSECOOPERS LLP AS ACCOUNTANT
AND AUDITOR TO PEGASUS SATELLITE TELEVISION, INC.
AND CERTAIN OF ITS SUBSIDIARIES AND AFFILIATES FOR THE PERIOD
BEGINNING OCTOBER 1, 2004 AND ENDING OCTOBER 31, 2004**

PricewaterhouseCoopers LLP (“PricewaterhouseCoopers”), accountant and auditor to Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, submits for review its monthly statement (the “Monthly Statement”) of fees and out-of-pocket expenses for the period beginning October 1, 2004 and ending October 31, 2004 (the “Fourth Compensation Period”). In support of the Monthly Statement, PricewaterhouseCoopers states as follows:

1. On June 2, 2004, Pegasus Satellite Communications, Inc. and certain of its affiliates (collectively, the “Debtors”)¹ each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, (the “Bankruptcy Code”) in the Bankruptcy Court for the District of Maine (the “Bankruptcy Court”).

¹ The Debtors are: Argos Support Services Company, Bride Communications, Inc., B.T. Satellite, Inc., Carr Rural TV, Inc., DBS Tele-Venture, Inc., Digital Television Services of Indiana, LLC, DTS Management, LLC, Golden Sky DBS, Inc., Golden Sky Holdings, Inc., Golden Sky Systems, Inc., Henry County MRTV, Inc., HMW, Inc., Pegasus Broadcast Associates, L.P., Pegasus Broadcast Television, Inc., Pegasus Broadcast Towers, Inc., Pegasus Media & Communications, Inc., Pegasus Satellite Communications, Inc., Pegasus Satellite Television of Illinois, Inc., Pegasus Satellite Television, Inc., Portland Broadcasting, Inc., Primewatch, Inc., PST Holdings, Inc., South Plains DBS, LP., Telecast of Florida, Inc., WDSI License Corp., WILF, Inc., WOLF License Corp., WTLH License Corp.

2. On July 22, 2004, the Bankruptcy Court signed an order (the “Retention Order”) authorizing the retention of PricewaterhouseCoopers as Accountant and Auditor to the Debtors on the terms and conditions provided in the Retention Order.

3. On June 24, 2004, the Bankruptcy Court signed an Order under 11 U.S.C. §§ 331 and 105(a) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the “Interim Compensation Order”). Pursuant to the Interim Compensation Order, the Bankruptcy Court authorized a 10% fee “holdback” for all professionals of the Debtors’ estates that comply with the procedures provided therein.

4. For the Fourth Compensation Period, PricewaterhouseCoopers’ fees for providing professional services to the Debtors totaled \$25,108.03 (\$17,333.33 fixed fee services and \$7,774.70 hourly services). In connection with services rendered, PricewaterhouseCoopers has recorded actual and necessary out-of-pocket expenses in the amount of \$179.60. There may exist additional out-of-pocket expenses that PricewaterhouseCoopers has incurred but not yet processed due to timing, which expenses will be submitted at a later date. Attached hereto as Exhibit A is a schedule summarizing actual and necessary expenses recorded during the Fourth Compensation Period.

5. A summary of all fees and out-of-pocket expenses applied for in this Monthly Statement is outlined below:

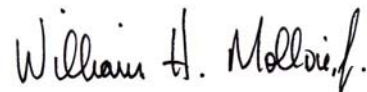
Interim Period	Total Fees	Less Holdback @ 10%	Fees Due	Total Expenses	Amounts Due
October 1, 2004 – October 31, 2004	\$25,108.03	\$2,510.80	\$22,597.23	\$179.60	\$22,776.83

6. Attached hereto as Exhibit B is a schedule of the hours billed by each professional at PricewaterhouseCoopers for the Hourly Services, their background experience, and their respective hourly rates, during the Fourth Compensation Period. Attached hereto as Exhibit B1 is a schedule of the detailed time records for each activity associated with the Hourly Services fees.

7. Attached hereto as Exhibit C is a summary of the fees by project category during the Fourth Compensation Period.

8. Attached hereto as Exhibit C1 is the summary of the professionals and hours incurred during the Fourth Compensation Period, associated with the Fixed Fee Services. The requirements set forth in Local Rule 2016-1(a)(3)(i), *Time and Task Records* has been waived for the Fixed Fee Services. These summaries provided as a courtesy to document our status of these Fixed Fee services.

PricewaterhouseCoopers LLP
Two Commerce Square
Suite 1700, 2001 Market Street
Philadelphia PA 19103



William H. Molloie, Jr.
Partner

Pegasus Satellite Television, Inc., et al.
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Exhibit A: Summary and Detail of Expenses
For the Period October 1, 2004 through October 31, 2004

Date	Professional	Expenses	Description
<u>Summary of Expenses</u>			
	Meals	\$45.64	
	Fixed Fee Expenses	<u>\$133.96</u>	
	Total Expenses	<u><u>\$179.60</u></u>	* See Detail Below
<u>Meals</u>			
10/7/2004	Condrasky, Daniel J	\$45.64	Consulting - Working dinner with L Yang, Senior Associate, to review results of upper tier Company ownership testing.
	Meals Total	<u><u>\$45.64</u></u>	
<u>Fixed Fee Expenses</u>			
10/27/2004	Heinz, Martin	\$32.03	Quarterly - Gasoline Rental Car
10/28/2004	Molloie, William H	\$3.75	Quarterly - Mileage charge, office to client site.
10/28/2004	Molloie, William H	\$52.82	Quarterly - Quarterly working lunch with staff, including Li Yang, Dan Condrasky, Ron Deas, Malve Ildefonso, Martin Heinz.
10/17/04-10/28/04	Yang, Linuo	\$22.52	Quarterly - mileage Bala Cynwyd to Upper Darby, Linuo Yang
10/22/2004	Yang, Linuo	\$22.84	Quarterly - PwC team lunch; Bala Cynwyd; Linuo Yang, Ron Deas, John Salmerie
	Fixed Fee Expenses - Total	<u><u>\$133.96</u></u>	
October 2004		<u><u>\$179.60</u></u>	

Pegasus Satellite Television, Inc., et al.

PricewaterhouseCoopers LLP

Exhibit B: List of Professionals - Tax Advisory Services

For the Period October 1, 2004 through October 31, 2004

Professional	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Total Billed Hours	Hourly Billing Rate	Total Fees
<u>Hourly Advisory Fee Services</u>				
Boyle, Jeffrey R	Partner; 16 years of financial accounting experience including audit, internal controls and other consulting engagements (5 years as partner); all experience with PwC, CPA license obtained in 10/1991, Internal Control and Risk Management expertise	10.0	\$525.00	\$5,250.00
Clark, Andrea L	Manager; 6-years of bankruptcy and litigation experience; 3 years of other accounting and auditing relevant experience; Certified Public Accountant (CPA); Litigation and bankruptcy matters	5.6	\$320.00	\$1,792.00
Condrasky, Daniel J	Senior Manager of Assurance Practice in the Technology Info-Comm and Communications group, 9 years of experience, CPA	1.0	\$367.20	\$367.20
Huff, Shannon	Associate; 12 months as intern; no other previous experience; Dispute analysis and investigations	0.8	\$175.00	\$140.00
Yang, Linuo	Senior Associate of Assurance Practice in the Technology Info-Comm and Communications group, 4 years of experience, CPA	1.1	\$205.00	\$225.50
	Total Professional Fees and Hours Incurred	18.5		\$7,774.70

Pegasus Satellite Television, Inc., et al.

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Exhibit B1: Detail of Professional Fees - Audit and Advisory Services

For the Period October 1, 2004 through October 31, 2004

Date	Professional	Hours	Rate per hour	Fees	Description
<u>Sarbanes-Oxley Section 404</u>					
10/5/2004	Boyle, Jeffrey R	1.0	\$525.00	\$525.00	Prepare for 10/6 meeting.
10/6/2004	Boyle, Jeffrey R	4.0	\$525.00	\$2,100.00	Meeting with Pegasus CFO, IAD, CAO, Legal, CEO on 404 Governance issues.
10/14/2004	Boyle, Jeffrey R	2.0	\$525.00	\$1,050.00	Meeting related to 404 Governance Controls (IAD, CFO, CAO).
10/26/2004	Boyle, Jeffrey R	3.0	\$525.00	\$1,575.00	Documentation of Governance/Entity Level Controls from prior meetings; Gap analysis.
	Sarbanes-Oxley Section 404 Advisory Services - Total	10.0		\$5,250.00	
<u>Monthly and Interim Fee Applications</u>					
10/1/2004	Condrasky, Daniel J	1.0	\$367.20	\$367.20	Gather data in order to respond to L Yang information request e-mail.
10/1/2004	Huff, Shannon	0.8	\$175.00	\$140.00	Input expenses for S. Loo and reconciling to previous information into Pegasus June/July fee application.
10/1/2004	Yang, Linuo	0.6	\$205.00	\$123.00	Prepare email to PwC internal professionals for instructions on billing
10/4/2004	Clark, Andrea L	1.6	\$320.00	\$512.00	Continue integration and review of Inception through July 2004 invoice.
10/5/2004	Clark, Andrea L	2.2	\$320.00	\$704.00	Begin drafting August 2004 invoice. Integrate time descriptions and background information into the exhibits. Email request for the Sarbanes Oxley Team. Extraction expense information for Audit and Quarterly Team. Email Quarterly Audit team re: outstanding information.
10/5/2004	Yang, Linuo	0.5	\$205.00	\$102.50	Provide detailed expenses descriptions for 7/04 and 8/04 to Andrea Clark
10/12/2004	Clark, Andrea L	0.4	\$320.00	\$128.00	Revise modified July invoice; Create PDF file for Court.
10/12/2004	Clark, Andrea L	0.3	\$320.00	\$96.00	PDF July revised invoice.
10/13/2004	Clark, Andrea L	0.8	\$320.00	\$256.00	Integrate time descriptions and expenses from 3 professionals. Follow-
10/13/2004	Clark, Andrea L	0.1	\$320.00	\$32.00	Exchange emails with professionals outstanding time August invoice.
10/15/2004	Clark, Andrea L	0.1	\$320.00	\$32.00	Follow-up on voicemail from L. Yang re: interim fee application and
10/22/2004	Clark, Andrea L	0.1	\$320.00	\$32.00	Status email re: monthly fee invoices.
	Monthly and Interim Fee Applications - Total	8.5		\$2,524.70	
	Grand Total	18.5		\$7,774.70	

Pegasus Satellite Television, Inc., et al.
PricewaterhouseCoopers LLP
Exhibit C: Summary of Fees by Project Category
For the Period October 1, 2004 through October 31, 2004

Project Category	Total Billed Hours	Total Fees
<u>Fixed Fee Services</u>		
Audit Services - Quarterly Financial Statements	105.5	\$17,333.33
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Fixed Fee Services	105.5	\$17,333.33
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<u>Hourly Advisory Fee Services</u>		
Sarbanes-Oxley Section 404 Advisory Services	10.00	5,250.00
Monthly and Interim Fee Applications	8.50	2,524.70
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Hourly Advisory Fee Services	18.5	\$7,774.70
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Total Hours and Fees	124.0	25,108.0
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Total Expenses		\$179.60
Total Fees and Expenses		\$25,287.63
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Pegasus Satellite Television, Inc., et al.
PricewaterhouseCoopers LLP
Exhibit C1: List of Professionals - Fixed Fee Services
Quarterly Financial Statements

Professional	Position	Cumulative Hours
Bishop, William	Engagement concurring review partner, 27 years of public accounting experience (24 with PwC, 3 with Arthur Young), CPA	1.0
Condasky, Daniel J	Senior Manager of Assurance Practice in the Technology Info-Comm and Communications group, 9 years of experience, CPA	4.0
Ildefonso, Malve Peralta	Manager; 6+ years in Assurance practice, Technology, Info-Comm group; BS Accountancy; with relevant exposure in a US SEC registrant client.	6.0
Heinz, Martin	Senior Associate of Assurance, 6 years of experience, German CPA and Tax Advisor	43.5
Deas, Ronald	Associate of Assurance Practice in the Technology Info-Comm and Communications group, less than 1 year of experience	40.5
Molloie, William	Engagement partner of Assurance Practice in the Technology Info-Comm and Communications group, 18 years of experience, CPA	4.0
Yang, Linuo	Senior Associate of Assurance Practice in the Technology Info-Comm and Communications group, 4 years of experience, CPA	6.5
Total - Hours Incurred For Fixed Fee Services - October 1 - October 31, 2004		105.5
Total Fixed Fee for each Quarterly Filing		\$43,333.33
	Percentage Completed	
Review consolidated quarterly financial statements for Q1, 2004	100%	\$43,333.33
Review consolidated quarterly financial statements for Q2, 2004	90%	\$39,000.00
Review consolidated quarterly financial statements for Q3, 2004	25%	\$10,833.33
Fixed Fee Earned through October 31, 2004		\$93,166.67
Less: Portion of Fixed Fee Already Paid by Debtors		(\$75,833.33)
Fixed Fee Billed and Outstanding		\$17,333.33