



ALLTEL Corporation

Cost Support for DSL Promotional Filing

4th Quarter 2002

Promotion Description: Free Service for 2 Months			
Months of Promotion: 2.66			
Months of Discounted Rate: 2			
Months Customer Must Retain Service: 24			
Promotion Period:	Start Oct-02	Stop Dec-02	Months Until Start Date 0

Description	Current	Forecast	Promotion
1. DSL Rate	\$29.95	\$29.95	\$0.00
2. Average Monthly DSL Customer Growth Rate		12.00%	
3. Estimated Number of Customers Taking Promotion			2,000
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	44,527	44,527	
6. Estimated DSL Revenue Requirement		\$31,386,688	
7. Estimated Revenue Requirement Through Promotion		\$62,773,376	

Description	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03
8. Monthly Revenue Requirement	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557	\$2,615,557
Current DSL Revenue:												
9. Current Customer Demand	44,527	44,527	44,527	44,527	44,527	44,527	44,527	44,527	44,527	44,527	44,527	44,527
10. Current Rate	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
11. Current Customer Revenues	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571	\$1,333,571
Forecasted DSL Revenue Excluding Promotion:												
12. Forecasted New Customer Demand	0	5,343	5,984	6,702	7,507	8,408	9,417	10,547	11,812	13,230	14,817	16,595
13. Forecasted Rate	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
14. Forecasted New Customer Revenues	\$0	\$160,028	\$179,232	\$200,740	\$224,829	\$251,808	\$282,025	\$315,868	\$353,772	\$396,225	\$443,772	\$497,024
Forecasted DSL Promotion Revenue:												
15. Promotion Customer Demand	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
16. Promotion Rate For 2 Months	\$0.00	\$0.00	\$0.00	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
17. Promotion Customer Revenues	\$0	\$0	\$0	\$59,900	\$59,900	\$59,900	\$59,900	\$59,900	\$59,900	\$59,900	\$59,900	\$59,900
18. Total Revenues	\$1,333,571	\$1,493,599	\$1,512,803	\$1,594,211	\$1,618,299	\$1,645,279	\$1,675,496	\$1,709,339	\$1,747,243	\$1,789,695	\$1,837,242	\$1,890,495
19. Total Revenues less Revenue Requirement Before Promotion	-\$1,281,987	-\$1,121,958	-\$1,102,755	-\$1,081,247	-\$1,057,158	-\$1,030,179	-\$999,962	-\$966,119	-\$928,215	-\$885,762	-\$838,215	-\$784,962
20. Total Revenues less Revenue Requirement After Promotion	-\$1,281,987	-\$1,121,958	-\$1,102,755	-\$1,021,347	-\$997,258	-\$970,279	-\$940,062	-\$906,219	-\$868,315	-\$825,862	-\$778,315	-\$725,062

Notes:

- 1) Assumed equipment capacity can handle projected demand.
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