



**ALLTEL Corporation**

**Cost Support for DSL Promotional Filing**

**1st Quarter 2003**

<b>Promotion Description: Free Service for 2 Months</b>			
<b>Months of Promotion: 3</b>			
<b>Months of Discounted Rate: 2</b>			
<b>Months Customer Must Retain Service: 24</b>			
<b>Promotion Period:</b>			
	Start	Stop	Months Until Start Date (2)
	Jan-03	Mar-03	1.50

Description	Current	Forecast	Promotion
1. DSL Rate	\$29.95	\$29.95	\$0.00
2. Average Monthly DSL Customer Growth Rate		5.70%	
3. Estimated Number of Customers Taking Promotion			2,500
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	60,576	65,755	
6. Estimated DSL Revenue Requirement		\$24,263,804	
7. Estimated Revenue Requirement Through Promotion		\$48,527,608	

Description	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04
8. Monthly Revenue Requirement	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984	\$2,021,984

**Current DSL Revenue:**

9. Current Customer Demand	60,576	60,576	60,576	60,576	60,576	60,576	60,576	60,576	60,576	60,576	60,576	60,576	60,576	60,576
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	\$29.95	\$29.95
11. Current Customer Revenues	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251	\$1,814,251

**Forecasted DSL Revenue Increase Excluding Promotion:**

12. Forecasted New Customer Demand	5,179	8,927	12,889	17,076	21,503	26,181	31,126	32,901	34,776	36,758	38,853	41,068	43,409	45,883
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	\$29.95	\$29.95
14. Forecasted New Customer Revenues	\$155,118	\$267,373	\$386,025	\$511,441	\$644,005	\$784,126	\$932,233	\$985,371	\$1,041,537	\$1,100,904	\$1,163,656	\$1,229,984	\$1,300,094	\$1,374,199

**Forecasted DSL Promotion Revenue:**

15. Promotion Customer Demand	417	1,250	2,083	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
16. Billed at Promotional Rate	417	1,250	1,667	1,250	417	0	0	0	0	0	0	0	0	0
17. Billed at Full Rate	0	0	417	1,250	2,083	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
18. Promotion Rate For 2 Months	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
19. Full DSL Rate For 22 Months	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
20. Promotion Customer Revenues	\$0	\$0	\$12,479	\$37,438	\$62,396	\$74,875	\$74,875	\$74,875	\$74,875	\$74,875	\$74,875	\$74,875	\$74,875	\$74,875
21. Total Revenues	\$1,969,370	\$2,081,624	\$2,212,755	\$2,363,130	\$2,520,652	\$2,673,252	\$2,821,360	\$2,874,497	\$2,930,663	\$2,990,031	\$3,052,782	\$3,119,111	\$3,189,220	\$3,263,325
22. Total Revenues less Revenue Requirement Before Promotion	-\$52,614	\$59,640	\$178,293	\$303,708	\$436,273	\$576,393	\$724,501	\$777,638	\$833,804	\$893,172	\$955,924	\$1,022,252	\$1,092,361	\$1,166,466
23. Total Revenues less Revenue Requirement After Promotion	-\$52,614	\$59,640	\$190,772	\$341,146	\$498,669	\$651,268	\$799,376	\$852,513	\$908,679	\$968,047	\$1,030,799	\$1,097,127	\$1,167,236	\$1,241,341

**Notes:**

- 1) Assumed equipment capacity can handle projected demand.
- 2) Current customer data is as of November 14, 2002.