

ALLTEL
ALLTEL Corporation
Cost Support for DSL Promotional Filing
2nd Quarter 2003

Promotion Description: \$17.95 per month for the first six months for Tier One			
ALLTEL Markets: PA, NY, OH (Western Reserve), KY, NC, SC			
Months of Promotion: 3			
Months of Discounted Rate: 6			
Months Customer Must Retain Service: 6			
Study Months: 24			
Promotion Period:			
	<u>Start</u> Apr-03	<u>Stop</u> Jun-03	<u>Months Until Start Date (2)</u> 2.0

Description		Current	Forecast	Promotion
	(a)	(b)	(c)	(d)
1. DSL Rate		\$29.95	\$29.95	\$17.95
2. Average Monthly DSL Customer Growth Rate			6.60%	
3. Estimated Number of Customers Taking Promotion				1,200
4. Estimated Customer Retention After Promotion				75.00%
5. Estimated Monthly DSL Customers		22,069	25,709	
6. Estimated DSL Revenue Requirement			\$16,550,276	
7. Estimated Revenue Requirement Through Promotion			\$33,100,552	

Description	Source	Current	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04
8. Monthly Revenue Requirement	Cost Study	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190
Current DSL Revenue:																
9. Current Customer Demand	Forecast	22,069	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709
10. Current Rate	Line 1(b)	\$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	\$29.95
11. Current Customer Revenues	Line 9 * Line 10	\$660,967	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985

Forecasted DSL Revenue Increase Excluding Promotion:																
12. Forecasted New Customer Demand	Line 2(c) * Line 9		1,457	3,249	5,161	7,198	9,370	11,685	14,153	16,784	19,589	22,578	25,765	29,163	32,784	36,645
13. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.12		728	2,353	4,205	6,179	8,284	10,528	12,919	15,469	18,186	21,084	24,172	27,464	30,973	34,714
14. Forecasted Rate	Line 1(c)		\$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
15. Forecasted New Customer Revenues	Line 13 * Line 14		\$21,812	\$70,473	\$125,943	\$185,074	\$248,108	\$315,302	\$386,931	\$463,288	\$544,684	\$631,452	\$723,947	\$822,546	\$927,653	\$1,039,697

Forecasted DSL Promotion Revenue:																
16. Promotion Generated Customer Increase	Line 3(d) Phased In		200	600	1,000	1,200	1,200	1,200	1,183	1,167	1,150	1,133	1,117	1,100	1,083	1,067
17. Billed at Promotional Rate	Line 16 for 6 months		200	600	1,000	1,200	1,200	1,200	1,000	600	200	0	0	0	0	0
18. Billed at Full Rate	Line 16 - Line 17		0	0	0	0	0	0	183	567	950	1,133	1,117	1,100	1,083	1,067
19. Promotion Rate For 6 Months	Line 1(d)		\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95
20. Full DSL Rate After Promotion	Line 1(c)		\$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
21. Promotion Customer Revenues	(L.17*L.19)+(L.18*L.20)		\$3,590	\$10,770	\$17,950	\$21,540	\$21,540	\$21,540	\$23,441	\$27,742	\$32,043	\$33,943	\$33,444	\$32,945	\$32,446	\$31,947
22. Ordinary Customer Growth	Line 12		1,457	3,249	5,161	7,198	9,370	11,685	14,153	16,784	19,589	22,578	25,765	29,163	32,784	36,645
23. Percent Taking Promotion	Input		65.00%	65.00%	65.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24. Forecasted Taking Promotion Rate	Line 22 * Line 23		947	2,112	3,354	3,354	3,354	3,354	3,354	3,354	3,354	3,354	0	0	0	0
25. Billed at Promotional Rate	1/2 Curr.+Prior L.24 - 6 mo.		473	1,529	2,733	3,354	3,354	3,354	2,881	1,825	621	0	0	0	0	0
26. Discount Amount	Line 1(d) - Line 1(c)		-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00
27. Revenue Loss on Ordinary Customer Growth	Line 25 * Line 26		-\$5,681	-\$18,354	-\$32,800	-\$40,254	-\$40,254	-\$40,254	-\$34,573	-\$21,900	-\$7,454	\$0	\$0	\$0	\$0	\$0
28. Net Promotional Revenues	Line 21 + Line 27		-\$2,091	-\$7,584	-\$14,850	-\$18,714	-\$18,714	-\$18,714	-\$11,132	\$5,841	\$24,589	\$33,943	\$33,444	\$32,945	\$32,446	\$31,947
29. Total Revenues	L.11 + L.15 + L.28		\$660,967	\$789,706	\$832,874	\$881,078	\$936,345	\$999,379	\$1,066,573	\$1,145,783	\$1,239,114	\$1,339,257	\$1,435,380	\$1,527,375	\$1,625,476	\$1,730,083
30. Total Revenues less Revenue Requirement Before Promotion	L.11 + L.15 - L.8		-\$718,223	-\$587,393	-\$538,732	-\$483,262	-\$424,131	-\$361,097	-\$293,903	-\$222,274	-\$145,917	-\$64,521	\$22,247	\$114,741	\$213,341	\$318,448
31. Total Revenues less Revenue Requirement After Promotion	Line 29 - Line 8		-\$718,223	-\$589,484	-\$546,316	-\$498,112	-\$442,845	-\$379,811	-\$312,617	-\$233,406	-\$140,076	-\$39,933	\$56,190	\$148,186	\$246,286	\$350,894

Notes:
1) Assumed equipment capacity can handle projected demand.
2) Current customer data is as of January 30, 2003.
3) Data is only for the states and markets listed in the first box, above.



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Months of Promotion:	3
Months of Discounted Rate:	6
Months Customer Must Retain Service:	6
Study Months:	24
Promotion Period:	Start Apr-03

Description	
(a)	
1. DSL Rate	
2. Average Monthly DSL Customer Growth Rate	
3. Estimated Number of Customers Taking Promotion	
4. Estimated Customer Retention After Promotion	
5. Estimated Monthly DSL Customers	
6. Estimated DSL Revenue Requirement	
7. Estimated Revenue Requirement Through Promotion	

Description	Source	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Total
8. Monthly Revenue Requirement	Cost Study	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$1,379,190	\$33,100,552

Current DSL Revenue:

9. Current Customer Demand	Forecast	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709
10. Current Rate	Line 1(b)	\$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	Line 9 * Line 10	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$769,985	\$18,479,629

Forecasted DSL Revenue Increase Excluding Promotion:

12. Forecasted New Customer Demand	Line 2(c) * Line 9	40,760	45,147	49,823	54,809	60,123	65,788	71,826	78,264	85,126	92,441	36,654
13. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.12	38,702	42,954	47,485	52,316	57,466	62,955	68,807	75,045	81,695	88,784	34,728
14. Forecasted Rate	Line 1(c)	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
15. Forecasted New Customer Revenues	Line 13 * Line 14	\$1,159,136	\$1,286,458	\$1,422,183	\$1,566,866	\$1,721,098	\$1,885,510	\$2,060,773	\$2,247,603	\$2,446,763	\$2,659,069	\$24,962,368

Forecasted DSL Promotion Revenue:

16. Promotion Generated Customer Increase	Line 3(d) Phased In	1,050	1,033	1,017	1,000	983	967	950	933	917	900	1,006
17. Billed at Promotional Rate	Line 16 for 6 months	0	0	0	0	0	0	0	0	0	0	300
18. Billed at Full Rate	Line 16 - Line 17	1,050	1,033	1,017	1,000	983	967	950	933	917	900	706
19. Promotion Rate For 6 Months	Line 1(d)	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95	\$17.95
20. Full DSL Rate After Promotion	Line 1(c)	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
21. Promotion Customer Revenues	(L.17*L.19)+(L.18*L.20)	\$31,448	\$30,948	\$30,449	\$29,950	\$29,451	\$28,952	\$28,453	\$27,953	\$27,454	\$26,955	\$636,893
22. Ordinary Customer Growth	Line 12	40,760	45,147	49,823	54,809	60,123	65,788	71,826	78,264	85,126	92,441	36,654
23. Percent Taking Promotion	Input	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24. Forecasted Taking Promotion Rate	Line 22 * Line 23	0	0	0	0	0	0	0	0	0	0	1,106
25. Billed at Promotional Rate	1/2 Curr.+Prior L.24 - 6 mo.	0	0	0	0	0	0	0	0	0	0	839
26. Discount Amount	Line 1(d) - Line 1(c)	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00	-\$12.00
27. Revenue Loss on Ordinary Customer Growth	Line 25 * Line 26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$241,523
28. Net Promotional Revenues	Line 21 + Line 27	\$31,448	\$30,948	\$30,449	\$29,950	\$29,451	\$28,952	\$28,453	\$27,953	\$27,454	\$26,955	\$395,370
29. Total Revenues	L.11 + L.15 + L.28	\$1,960,568	\$2,087,391	\$2,222,617	\$2,366,801	\$2,520,534	\$2,684,446	\$2,859,210	\$3,045,540	\$3,244,202	\$3,456,008	\$43,837,367
30. Total Revenues less Revenue Requirement Before Promotion	L.11 + L.15 - L.8	\$549,931	\$677,253	\$812,978	\$957,661	\$1,111,893	\$1,276,305	\$1,451,567	\$1,638,397	\$1,837,558	\$2,049,863	\$10,341,445
31. Total Revenues less Revenue Requirement After Promotion	Line 29 - Line 8	\$581,378	\$708,201	\$843,427	\$987,611	\$1,141,344	\$1,305,256	\$1,480,020	\$1,666,351	\$1,865,012	\$2,076,818	\$10,736,815

Notes:

- 1)
- 2)
- 3)