

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

Promotion Description: \$23.95 per month for the first 12 months for Tier One			
ALLTEL Markets: AL, AR, FL, GA, MO, MS, NE, TX			
Months of Promotion: 3			
Months of Discounted Rate: 12			
Months Customer Must Retain Service: 12			
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	(a)	Current	Forecast	Promotion	(d)
1. DSL Rate		\$29.95	\$29.95	\$23.95	
2. Average Monthly DSL Customer Growth Rate			6.60%		
3. Estimated Number of Customers Taking Promotion				1,300	
4. Estimated Customer Retention After Promotion				75.00%	
5. Estimated Monthly DSL Customers		33,790	39,363		
6. Estimated DSL Revenue Requirement			\$16,231,410		
7. Estimated Revenue Requirement Through Promotion			\$32,462,821		

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	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618
Current DSL Revenue:																
9. Current Customer Demand	Forecast	33,790	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363
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	\$1,012,011	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922
Forecasted DSL Revenue Increase Excluding Promotion:																
12. Forecasted New Customer Demand	Line 2(c) * Line 9		2,230	4,975	7,902	11,021	14,346	17,891	21,670	25,698	29,992	34,570	39,449	44,651	50,196	56,107
13. Net Customers Billed at Forecasted Rate	1/2 Curr.+Prior L.24 - 12 mo.		1,115	3,603	6,438	9,461	12,684	16,119	19,781	23,684	27,845	32,281	37,009	42,050	47,423	53,151
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		\$33,396	\$107,901	\$192,832	\$283,367	\$379,878	\$482,759	\$592,430	\$709,339	\$833,965	\$966,815	\$1,108,434	\$1,259,399	\$1,420,328	\$1,591,879
Forecasted DSL Promotion Revenue:																
16. Promotion Generated Customer Increase	Line 3(d) Phased In		217	650	1,083	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,273	1,246
17. Billed at Promotional Rate	Line 16 for 12 months		217	650	1,083	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,083	650
18. Billed at Full Rate	Line 16 - Line 17		0	0	0	0	0	0	0	0	0	0	0	0	190	596
19. Promotion Rate For 12 Months	Line 1(d)		\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95
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)		\$5,189	\$15,568	\$25,946	\$31,135	\$31,135	\$31,135	\$31,135	\$31,135	\$31,135	\$31,135	\$31,135	\$31,135	\$31,624	\$33,413
22. Ordinary Customer Growth	Line 12		2,230	4,975	7,902	11,021	14,346	17,891	21,670	25,698	29,992	34,570	39,449	44,651	50,196	56,107
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		1,450	3,234	5,136	5,136	5,136	5,136	5,136	5,136	5,136	5,136	5,136	5,136	5,136	5,136
25. Billed at Promotional Rate	1/2 Curr.+Prior L.24 - 12 mo.		725	2,342	4,185	5,136	5,136	5,136	5,136	5,136	5,136	5,136	5,136	5,136	4,411	2,794
26. Discount Amount	Line 1(d) - Line 1(c)		-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00
27. Revenue Loss on Ordinary Customer Growth	Line 25 * Line 26		-\$4,349	-\$14,051	-\$25,110	-\$30,816	-\$30,816	-\$30,816	-\$30,816	-\$30,816	-\$30,816	-\$30,816	-\$30,816	-\$30,816	-\$26,468	-\$16,766
28. Net Promotional Revenues	Line 21 + Line 27		\$840	\$1,517	\$836	\$319	\$319	\$319	\$319	\$319	\$319	\$319	\$319	\$319	\$5,156	\$16,647
29. Total Revenues	L.11 + L.15 + L.28		\$1,012,011	\$1,213,159	\$1,288,340	\$1,372,589	\$1,462,608	\$1,559,119	\$1,662,000	\$1,771,671	\$1,888,580	\$2,013,205	\$2,146,056	\$2,287,674	\$2,438,640	\$2,604,407
30. Total Revenues less Revenue Requirement Before Promotion	L.11 + L.15 - L.8		-\$340,607	-\$140,299	-\$65,794	\$19,136	\$109,672	\$206,183	\$309,064	\$418,734	\$535,644	\$660,269	\$793,119	\$934,738	\$1,085,704	\$1,246,633
31. Total Revenues less Revenue Requirement After Promotion	Line 29 - Line 8		-\$340,607	-\$139,459	-\$64,277	\$19,972	\$109,990	\$206,501	\$309,382	\$419,053	\$535,962	\$660,588	\$793,438	\$935,057	\$1,086,022	\$1,251,789

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: **12**
 Months Customer Must Retain Service: **12**
 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	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$1,352,618	\$32,462,821
Current DSL Revenue:												
9. Current Customer Demand	Forecast	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363	39,363
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	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$1,178,922	\$28,294,124
Forecasted DSL Revenue Increase Excluding Promotion:												
12. Forecasted New Customer Demand	Line 2(c) * Line 9	62,408	69,125	76,285	83,917	92,054	100,727	109,973	119,830	130,336	141,537	56,120
13. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.12	59,257	65,766	72,705	80,101	87,986	96,391	105,350	114,902	125,083	135,936	53,172
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	\$1,774,752	\$1,969,694	\$2,177,503	\$2,399,027	\$2,635,172	\$2,886,902	\$3,155,246	\$3,441,301	\$3,746,236	\$4,071,296	\$38,219,854
Forecasted DSL Promotion Revenue:												
16. Promotion Generated Customer Increase	Line 3(d) Phased In	1,219	1,192	1,165	1,138	1,110	1,083	1,056	1,029	1,002	975	1,131
17. Billed at Promotional Rate	Line 16 for 12 months	217	0	0	0	0	0	0	0	0	0	650
18. Billed at Full Rate	Line 16 - Line 17	1,002	1,192	1,165	1,138	1,110	1,083	1,056	1,029	1,002	975	481
19. Promotion Rate For 12 Months	Line 1(d)	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95	\$23.95
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)	\$35,202	\$35,690	\$34,879	\$34,068	\$33,257	\$32,446	\$31,635	\$30,824	\$30,012	\$29,201	\$719,168
22. Ordinary Customer Growth	Line 12	62,408	69,125	76,285	83,917	92,054	100,727	109,973	119,830	130,336	141,537	56,120
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	5,136	0	0	0	0	0	0	0	0	0	2,977
25. Billed at Promotional Rate	1/2 Curr.+Prior L.24 - 12 mo	951	0	0	0	0	0	0	0	0	0	2,568
26. Discount Amount	Line 1(d) - Line 1(c)	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00	-\$6.00
27. Revenue Loss on Ordinary Customer Growth	Line 25 * Line 26	-\$5,706	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$369,796
28. Net Promotional Revenues	Line 21 + Line 27	\$29,495	\$35,690	\$34,879	\$34,068	\$33,257	\$32,446	\$31,635	\$30,824	\$30,012	\$29,201	\$349,373
29. Total Revenues	L.11 + L.15 + L.28	\$2,983,169	\$3,184,307	\$3,391,304	\$3,612,017	\$3,847,350	\$4,098,270	\$4,365,803	\$4,651,047	\$4,955,170	\$5,279,420	\$66,863,351
30. Total Revenues less Revenue Requirement Before Promotion	L.11 + L.15 - L.8	\$1,601,056	\$1,795,999	\$2,003,807	\$2,225,331	\$2,461,476	\$2,713,206	\$2,981,551	\$3,267,606	\$3,572,540	\$3,897,601	\$34,051,157
31. Total Revenues less Revenue Requirement After Promotion	Line 29 - Line 8	\$1,630,551	\$1,831,689	\$2,038,687	\$2,259,399	\$2,494,733	\$2,745,652	\$3,013,185	\$3,298,429	\$3,602,553	\$3,926,802	\$34,400,530

Notes:
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