

**ALLTEL**  
**ALLTEL Corporation**  
**Cost Support for DSL Promotional Filing**  
**3rd Quarter 2003**

|  |               |               |                                    |
|--|---------------|---------------|------------------------------------|
| <b>Promotion Description: \$19.95 per month for the first 12 months for Tier One</b> |               |               |                                    |
| <b>ALLTEL Markets: All</b>   |               |               |                                    |
| <b>Months of Promotion: 3</b>  |               |               |                                    |
| <b>Months of Discounted Rate: 12</b>   |               |               |                                    |
| <b>Months Customer Must Retain Service: 12</b>                                       |               |               |                                    |
| <b>Study Months: 24</b>  |               |               |                                    |
| <b>Promotion Period:</b>   | <b>Start</b>  | <b>Stop</b>   | <b>Months Until Start Date (2)</b> |
|  | <b>Jul-03</b> | <b>Sep-03</b> | <b>1.0</b>                         |

| Description  | Current | Forecast     | Promotion |
|--|---------|--------------|-----------|
| (a)  | (b)     | (c)          | (d)       |
| 1. DSL Rate  | \$29.95 | \$29.95      | \$19.95   |
| 2. Average Monthly DSL Customer Growth Rate            |         | 4.00%        |           |
| 3. Estimated Promotion Generated Customer Increase     |         |              | 2,500     |
| 4. Estimated Customer Retention After Promotion        |         |              | 75.00%    |
| 5. Estimated Monthly DSL Customers                     | 76,603  | 82,053       |           |
| 6. Estimated Current DSL Revenue Requirement @ 3/31/03 |         | \$38,808,471 |           |
| 7. Estimated Revenue Requirement Increase per Month    |         | 1.00%        |           |
| 8. Estimated Revenue Requirement Through Promotion     |         | \$89,850,241 |           |

| Description  | Source                                | Current     | Jul-03      | Aug-03      | Sep-03      | Oct-03      | Nov-03      | Dec-03      | Jan-04      | Feb-04      | Mar-04      | Apr-04      | May-04      | Jun-04      | Jul-04      | Aug-04      | Sep-04      |
|--|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 9. Monthly Revenue Requirement                               | Cost Study                            | \$3,234,039 | \$3,331,060 | \$3,364,371 | \$3,398,015 | \$3,431,995 | \$3,466,315 | \$3,500,978 | \$3,535,988 | \$3,571,348 | \$3,607,061 | \$3,643,132 | \$3,679,563 | \$3,716,359 | \$3,753,522 | \$3,791,057 | \$3,828,968 |
| <b>Current DSL Revenue:</b>                                  |                                       |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 10. Current Customer Demand                                  | Forecast                              | 76,603      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      |
| 11. 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     | \$29.95     |
| 12. Current Customer Revenues                                | Line 10 * Line 11                     | \$2,294,260 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 |
| <b>Forecasted DSL Revenue Increase Excluding Promotion:</b>  |                                       |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 13. Forecasted New Customer Demand                           | Prior L.13+[L.2c * (L.10+Prior L.13)] |             | 3,282       | 6,696       | 10,245      | 13,937      | 17,777      | 21,770      | 25,923      | 30,242      | 34,734      | 39,405      | 44,264      | 49,316      | 54,571      | 60,036      | 65,720      |
| 14. Net Customers Billed at Forecasted Rate                  | 1/2 Curr. Mo. + Prior L.13            |             | 1,641       | 4,989       | 8,470       | 12,091      | 15,857      | 19,774      | 23,847      | 28,083      | 32,488      | 37,070      | 41,835      | 46,790      | 51,944      | 57,304      | 62,878      |
| 15. 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     | \$29.95     |
| 16. Forecasted New Customer Revenues                         | Line 14 * Line 15                     |             | \$49,150    | \$149,415   | \$253,691   | \$362,138   | \$474,924   | \$592,220   | \$714,208   | \$841,076   | \$973,019   | \$1,110,239 | \$1,252,948 | \$1,401,365 | \$1,555,719 | \$1,716,248 | \$1,883,197 |
| <b>Forecasted DSL Promotion Revenue:</b>                     |                                       |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 17. Promotion Generated Customer Increase                    | Line 3(d) Phased In                   |             | 833         | 1,667       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,448       | 2,396       | 2,344       |
| 18. Billed at Promotional Rate                               | Line 17 for 12 months                 |             | 417         | 1,250       | 2,083       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,500       | 2,083       | 1,250       | 417         |
| 19. Billed at Full Rate                                      | After 12 mo. = L.17 - L.18            |             | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 365         | 1,146       | 1,927       |
| 20. Promotion Rate For 12 Months                             | Line 1(d)                             |             | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     |
| 21. 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     | \$29.95     |
| 22. Promotion Customer Revenues                              | (L.18*L.20)+(L.19*L.21)               |             | \$8,313     | \$24,938    | \$41,563    | \$49,875    | \$49,875    | \$49,875    | \$49,875    | \$49,875    | \$49,875    | \$49,875    | \$49,875    | \$49,875    | \$52,482    | \$59,255    | \$66,029    |
| 23. Ordinary Customer Growth                                 | Line 13                               |             | 3,282       | 6,696       | 10,245      | 13,937      | 17,777      | 21,770      | 25,923      | 30,242      | 34,734      | 39,405      | 44,264      | 49,316      | 54,571      | 60,036      | 65,720      |
| 24. Percent Taking Promotion                                 | Input                                 |             | 75.00%      | 75.00%      | 75.00%      | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       |
| 25. Forecasted Taking Promotion Rate                         | Line 23 * Line 24                     |             | 2,462       | 5,022       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       |
| 26. Billed at Promotional Rate                               | 1/2 Curr.+Prior L.25 - 12 mo.         |             | 1,231       | 3,742       | 6,353       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 7,684       | 6,453       | 3,942       | 1,331       |
| 27. Discount Amount  | Line 1(d) - Line 1(c)                 |             | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    |
| 28. Revenue Loss on Ordinary Customer Growth                 | Line 26 * Line 27                     |             | -\$12,308   | -\$37,416   | -\$63,529   | -\$76,841   | -\$76,841   | -\$76,841   | -\$76,841   | -\$76,841   | -\$76,841   | -\$76,841   | -\$76,841   | -\$76,841   | -\$64,533   | -\$39,425   | -\$13,312   |
| 29. Net Promotional Revenues                                 | Line 22 + Line 28                     |             | -\$3,995    | -\$12,479   | -\$21,966   | -\$26,966   | -\$26,966   | -\$26,966   | -\$26,966   | -\$26,966   | -\$26,966   | -\$26,966   | -\$26,966   | -\$26,966   | -\$12,051   | \$19,830    | \$52,716    |
| 30. Total Revenues   | L.12 + L.16 + L.29                    |             | \$2,294,260 | \$2,502,642 | \$2,594,424 | \$2,689,212 | \$2,792,660 | \$2,905,445 | \$3,022,741 | \$3,144,730 | \$3,271,597 | \$3,403,540 | \$3,540,760 | \$3,683,469 | \$3,831,887 | \$4,001,155 | \$4,193,565 |
| 31. Total Revenues less Revenue Requirement Before Promotion | L.12 + L.16 - L.9                     |             | -\$939,779  | -\$824,423  | -\$757,468  | -\$686,836  | -\$612,369  | -\$533,904  | -\$451,271  | -\$364,292  | -\$272,784  | -\$176,555  | -\$75,406   | \$30,872    | \$142,494   | \$259,684   | \$382,678   |
| 32. Total Revenues less Revenue Requirement After Promotion  | Line 30 - Line 9                      |             | -\$939,779  | -\$828,419  | -\$769,947  | -\$708,802  | -\$639,335  | -\$560,870  | -\$478,237  | -\$391,258  | -\$299,750  | -\$203,521  | -\$102,372  | \$3,906     | \$115,528   | \$247,633   | \$402,508   |

- Notes:**
- 1) Assumed 1% monthly increase in revenue requirement to handle customer growth.
  - 2) Current customer data is as of May 29, 2003.
  - 3) Data is for all ALLTEL companies except those covered by the NECA access tariff.
  - 4) Customer counts and revenue requirement exclude Tier 4 customers.



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**3rd Quarter 2003**

Promotion Description: **\$19.95 per month for the**  
**ALLTEL Markets: All**  
**Months of Promotion: 3**  
**Months of Discounted Rate: 12**  
**Months Customer Must Retain Service: 12**  
**Study Months: 24**  
**Promotion Period: Start Jul-03**

| Description  | (a) |
|--|-----|
| 1. DSL Rate  |     |
| 2. Average Monthly DSL Customer Growth Rate            |     |
| 3. Estimated Promotion Generated Customer Increase     |     |
| 4. Estimated Customer Retention After Promotion        |     |
| 5. Estimated Monthly DSL Customers                     |     |
| 6. Estimated Current DSL Revenue Requirement @ 3/31/03 |     |
| 7. Estimated Revenue Requirement Increase per Month    |     |
| 8. Estimated Revenue Requirement Through Promotion     |     |

| Description   | Source                      | Oct-04      | Nov-04      | Dec-04      | Jan-05      | Feb-05      | Mar-05      | Apr-05      | May-05      | Jun-05      | Total        |
|---|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 9. Monthly Revenue Requirement                                      | Cost Study                  | \$3,867,258 | \$3,905,930 | \$3,944,990 | \$3,984,440 | \$4,024,284 | \$4,064,527 | \$4,105,172 | \$4,146,224 | \$4,187,686 | \$89,850,241 |
| <b>Current DSL Revenue:</b>   |                             |             |             |             |             |             |             |             |             |             |              |
| 10. Current Customer Demand   | Forecast                    | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053      | 82,053       |
| 11. 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      |
| 12. Current Customer Revenues                                       | Line 10 * Line 11           | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$2,457,487 | \$58,979,696 |
| <b>Forecasted DSL Revenue Increase Excluding Promotion:</b>         |                             |             |             |             |             |             |             |             |             |             |              |
| 13. Forecasted New Customer Demand                                  | Prior L.13+[L.2c * (L.10+F  | 71,631      | 77,778      | 84,171      | 90,820      | 97,735      | 104,927     | 112,406     | 120,184     | 128,274     | 56,910       |
| 14. Net Customers Billed at Forecasted Rate                         | 1/2 Curr. Mo. + Prior L.13  | 68,675      | 74,704      | 80,975      | 87,496      | 94,278      | 101,331     | 108,666     | 116,295     | 124,229     | 54,238       |
| 15. 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      |
| 16. Forecasted New Customer Revenues                                | Line 14 * Line 15           | \$2,056,824 | \$2,237,397 | \$2,425,192 | \$2,620,499 | \$2,823,619 | \$3,034,863 | \$3,254,557 | \$3,483,039 | \$3,720,660 | \$38,986,209 |
| <b>Forecasted DSL Promotion Revenue:</b>                            |                             |             |             |             |             |             |             |             |             |             |              |
| 17. Promotion Generated Customer Increase                           | Line 3(d) Phased In         | 2,292       | 2,240       | 2,188       | 2,135       | 2,083       | 2,031       | 1,979       | 1,927       | 1,875       | 1,823        |
| 18. Billed at Promotional Rate                                      | Line 17 for 12 months       | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 1,250        |
| 19. Billed at Full Rate   | After 12 mo. = L.17 - L.18  | 2,292       | 2,240       | 2,188       | 2,135       | 2,083       | 2,031       | 1,979       | 1,927       | 1,875       | 573          |
| 20. Promotion Rate For 12 Months                                    | Line 1(d)                   | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95     | \$19.95      |
| 21. 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      |
| 22. Promotion Customer Revenues                                     | (L.18*L.20)+(L.19*L.21)     | \$68,635    | \$67,076    | \$65,516    | \$63,956    | \$62,396    | \$60,836    | \$59,276    | \$57,716    | \$56,156    | \$1,263,016  |
| 23. Ordinary Customer Growth  | Line 13                     | 71,631      | 77,778      | 84,171      | 90,820      | 97,735      | 104,927     | 112,406     | 120,184     | 128,274     | 56,910       |
| 24. Percent Taking Promotion  | Input                       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%        |
| 25. Forecasted Taking Promotion Rate                                | Line 23 * Line 24           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 4,474        |
| 26. Billed at Promotional Rate                                      | 1/2 Curr.+Prior L.25 - 12 n | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 3,842        |
| 27. Discount Amount   | Line 1(d) - Line 1(c)       | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00    | -\$10.00     |
| 28. Revenue Loss on Ordinary Customer Growth                        | Line 26 * Line 27           | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | -\$922,092   |
| 29. <b>Net Promotional Revenues</b>                                 | Line 22 + Line 28           | \$68,635    | \$67,076    | \$65,516    | \$63,956    | \$62,396    | \$60,836    | \$59,276    | \$57,716    | \$56,156    | \$340,924    |
| 30. <b>Total Revenues</b>   | L.12 + L.16 + L.29          | \$4,582,947 | \$4,761,960 | \$4,948,195 | \$5,141,943 | \$5,343,502 | \$5,553,186 | \$5,771,321 | \$5,998,243 | \$6,234,304 | \$98,306,829 |
| 31. <b>Total Revenues less Revenue Requirement Before Promotion</b> | L.12 + L.16 - L.9           | \$647,054   | \$788,954   | \$937,690   | \$1,093,547 | \$1,256,822 | \$1,427,824 | \$1,606,873 | \$1,794,303 | \$1,990,461 | \$8,115,664  |
| 32. <b>Total Revenues less Revenue Requirement After Promotion</b>  | Line 30 - Line 9            | \$715,689   | \$856,029   | \$1,003,206 | \$1,157,503 | \$1,319,218 | \$1,488,660 | \$1,666,149 | \$1,852,019 | \$2,046,618 | \$8,456,588  |

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