



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

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

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
Current DSL Revenue:																	
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
Forecasted DSL Revenue Increase Excluding Promotion:																	
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
Forecasted DSL Promotion Revenue:																	
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	\$564,433

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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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
Current DSL Revenue:											
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
Forecasted DSL Revenue Increase Excluding Promotion:											
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
Forecasted DSL Promotion Revenue:											
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. Net Promotional Revenues	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. Total Revenues	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. Total Revenues less Revenue Requirement Before Promotion	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. Total Revenues less Revenue Requirement After Promotion	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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