



ALLTEL Corporation
Cost Support for DSL Promotional Filing
4th Quarter 2003

Promotion Description: First month free, \$19.95 per month for next 11 months for Tier One			
ALLTEL Markets: All			
Months of Promotion: 3			
Free Months: 1			
Months of Discounted Rate: 11			
Months Customer Must Retain Service: 12			
Study Months: 24			
Promotion Period:		Start Oct-03	Stop Dec-03
		Months Until Start Date (2) 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				3,000
4. Estimated Customer Retention After Promotion				75.00%
5. Estimated Monthly DSL Customers		94,684	102,440	
6. Estimated Current DSL Revenue Requirement @ 3/31/03			\$42,127,028	
7. Estimated Revenue Requirement Increase per Month			1.00%	
8. Estimated Revenue Requirement Through Promotion			\$97,533,439	

Description	Source	Current	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
9. Monthly Revenue Requirement	Cost Study	\$3,510,586	\$3,615,903	\$3,652,062	\$3,688,583	\$3,725,469	\$3,762,723	\$3,800,351	\$3,838,354	\$3,876,738	\$3,915,505	\$3,954,660	\$3,994,207	\$4,034,149	\$4,074,490	\$4,115,235	\$4,156,388
Current DSL Revenue:																	
10. Current Customer Demand	Forecast	94,684	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440
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	\$2,835,786	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078
Forecasted DSL Revenue Increase Excluding Promotion:																	
13. Forecasted New Customer Demand	Prior L.13+(L.2c * (L.10+Prior L.13))		4,098	8,359	12,791	17,400	22,194	27,179	32,364	37,756	43,364	49,196	55,262	61,570	68,130	74,953	82,049
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13		2,049	6,228	10,575	15,096	19,797	24,687	29,772	35,060	40,560	46,280	52,229	58,416	64,850	71,542	78,501
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		\$61,362	\$186,539	\$316,724	\$452,116	\$592,924	\$739,364	\$891,661	\$1,050,051	\$1,214,776	\$1,386,090	\$1,564,257	\$1,749,550	\$1,942,256	\$2,142,669	\$2,351,099
Forecasted DSL Promotion Revenue:																	
17. Promotion Generated Customer Increase	Line 3(d) Phased In		1,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,938	2,875	2,813
18. Billed at \$0 (first month free)	1/2 Curr. Growth + 1/2 Prior L.17		500	1,000	1,000	500	0	0	0	0	0	0	0	0	0	0	0
19. Billed at Promotional Rate	L.17-L.18 for 11 months		0	500	1,500	2,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,500	1,500	500
20. Billed at Full Rate	After 12 mo. = L.17 - L.19		0	0	0	0	0	0	0	0	0	0	0	0	469	1,406	2,344
21. Promotion Rate For 11 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
22. 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
23. Promotion Customer Revenues	(L.19*L.21)+(L.20*L.22)		\$0	\$9,975	\$29,925	\$49,875	\$59,850	\$59,850	\$59,850	\$59,850	\$59,850	\$59,850	\$59,850	\$59,850	\$63,914	\$72,042	\$80,170
24. Ordinary Customer Growth	Line 13		4,098	8,359	12,791	17,400	22,194	27,179	32,364	37,756	43,364	49,196	55,262	61,570	68,130	74,953	82,049
25. 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%
26. Forecasted Taking Promotion Rate	Line 23 * Line 24		3,073	6,269	9,593	9,593	9,593	9,593	9,593	9,593	9,593	9,593	9,593	9,593	9,593	9,593	9,593
27. Billed at \$0 (first month free)	1/2 Curr. Mo. + 1/2 Prior L.26		1,537	3,135	3,260	1,662	0	0	0	0	0	0	0	0	0	0	0
28. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 11 mo.		0	1,537	4,671	7,931	9,593	9,593	9,593	9,593	9,593	9,593	9,593	9,593	8,057	4,922	1,662
29. 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
30. Revenue Loss on Ordinary Customer Growth	-(L.11 * L.27) + (L.28 * L.29)		-\$46,021	-\$109,249	-\$144,351	-\$129,090	-\$95,933	-\$95,933	-\$95,933	-\$95,933	-\$95,933	-\$95,933	-\$95,933	-\$95,933	-\$80,567	-\$49,220	-\$16,620
31. Net Promotional Revenues	Line 22 + Line 28		-\$46,021	-\$99,274	-\$114,426	-\$79,215	-\$36,083	-\$36,083	-\$36,083	-\$36,083	-\$36,083	-\$36,083	-\$36,083	-\$36,083	-\$16,653	\$22,822	\$63,550
32. Total Revenues	L.12 + L.16 + L.29		\$2,835,786	\$3,083,418	\$3,155,343	\$3,270,376	\$3,440,979	\$3,624,919	\$3,771,359	\$3,923,656	\$4,082,046	\$4,246,771	\$4,418,085	\$4,596,252	\$4,781,545	\$4,993,681	\$5,233,569
33. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9		-\$674,800	-\$486,464	-\$397,445	-\$303,781	-\$205,275	-\$101,722	\$7,091	\$121,385	\$241,391	\$367,349	\$499,508	\$638,128	\$783,480	\$935,843	\$1,095,512
34. Total Revenues less Revenue Requirement After Promotion	Line 30 - Line 9		-\$674,800	-\$532,485	-\$496,719	-\$418,207	-\$284,489	-\$137,805	-\$28,992	\$85,302	\$205,308	\$331,266	\$463,425	\$602,045	\$747,397	\$919,190	\$1,118,334

Notes:

- 1) Assumed 1% monthly increase in revenue requirement to handle customer growth.
- 2) Current customer data is as of August 28, 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: First month free, \$19.95 per month	
ALLTEL Markets: All	
Months of Promotion: 3	
Free Months: 1	
Months of Discounted Rate: 11	
Months Customer Must Retain Service: 12	
Study Months: 24	
Promotion Period:	Start Oct-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	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Total
9. Monthly Revenue Requirement	Cost Study	\$4,197,951	\$4,239,931	\$4,282,330	\$4,325,154	\$4,368,405	\$4,412,089	\$4,456,210	\$4,500,772	\$4,545,780	\$97,533,439
Current DSL Revenue:											
10. Current Customer Demand	Forecast	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440	102,440
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	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$3,068,078	\$73,633,872
Forecasted DSL Revenue Increase Excluding Promotion:											
13. Forecasted New Customer Demand	Prior L.13+[L.2c * (L.10+Pr	89,428	97,103	105,085	113,386	122,019	130,997	140,334	150,045	160,145	71,050
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13	85,738	93,266	101,094	109,235	117,702	126,508	135,666	145,190	155,095	67,714
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	\$2,567,866	\$2,793,304	\$3,027,759	\$3,271,592	\$3,525,179	\$3,788,909	\$4,063,189	\$4,348,440	\$4,645,100	\$48,672,775
Forecasted DSL Promotion Revenue:											
17. Promotion Generated Customer Increase	Line 3(d) Phased In	2,750	2,688	2,625	2,563	2,500	2,438	2,375	2,313	2,250	2,188
18. Billed at \$0 (first month free)	1/2 Curr. Growth + 1/2 Prior	0	0	0	0	0	0	0	0	0	125
19. Billed at Promotional Rate	L.17-L.18 for 11 months	0	0	0	0	0	0	0	0	0	1,375
20. Billed at Full Rate	After 12 mo. = L.17 - L.19	2,781	2,719	2,656	2,594	2,531	2,469	2,406	2,344	2,281	813
21. Promotion Rate For 11 Months	Line 1(d)	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95
22. 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
23. Promotion Customer Revenues	(L.19*L.21)+(L.20*L.22)	\$83,298	\$81,427	\$79,555	\$77,683	\$75,811	\$73,939	\$72,067	\$70,195	\$68,323	\$1,467,000
24. Ordinary Customer Growth	Line 13	89,428	97,103	105,085	113,386	122,019	130,997	140,334	150,045	160,145	71,050
25. Percent Taking Promotion	Input	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26. Forecasted Taking Promotion Rate	Line 23 * Line 24	0	0	0	0	0	0	0	0	0	5,586
27. Billed at \$0 (first month free)	1/2 Curr. Mo. + 1/2 Prior L.	0	0	0	0	0	0	0	0	0	400
28. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 11 mo	0	0	0	0	0	0	0	0	0	4,397
29. 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
30. Revenue Loss on Ordinary Customer Growth	-(L.11 * L.27) + (L.28 * L.2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,342,582
31. Net Promotional Revenues	Line 22 + Line 28	\$83,298	\$81,427	\$79,555	\$77,683	\$75,811	\$73,939	\$72,067	\$70,195	\$68,323	\$124,418
32. Total Revenues	L.12 + L.16 + L.29	\$5,719,242	\$5,942,808	\$6,175,392	\$6,417,353	\$6,669,068	\$6,930,927	\$7,203,334	\$7,486,713	\$7,781,502	\$122,431,065
33. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9	\$1,437,992	\$1,621,451	\$1,813,507	\$2,014,517	\$2,224,852	\$2,444,898	\$2,675,057	\$2,915,746	\$3,167,398	\$24,773,209
34. Total Revenues less Revenue Requirement After Promotion	Line 30 - Line 9	\$1,521,291	\$1,702,877	\$1,893,061	\$2,092,200	\$2,300,663	\$2,518,837	\$2,747,124	\$2,985,941	\$3,235,722	\$24,897,626

Notes:
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