



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

Promotion Description: \$11.00 per month for the first 3 months for Tier Four			
ALLTEL Markets: All			
Months of Promotion: 3			
Months of Discounted Rate: 3			
Months Customer Must Retain Service: 12			
Study Months: 24			
Promotion Period:	Start	Stop	Months Until Start Date (2)
	Oct-03	Dec-03	1.0

Description	Current	Forecast	Promotion
(a)	(b)	(c)	(d)
1. DSL Rate	\$21.00	\$21.00	\$11.00
2. Average Monthly DSL Customer Growth Rate		4.65%	
3. Estimated Promotion Generated Customer Increase			800
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	15,317	16,732	
6. Estimated Current DSL Revenue Requirement @ 6/30/03		\$6,059,617	
7. Estimated Revenue Requirement Increase per Month		1.00%	
8. Estimated Revenue Requirement Through Promotion		\$14,029,361	

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
9. Monthly Revenue Requirement	Cost Study	\$504,968	\$520,117	\$525,318	\$530,571	\$535,877	\$541,236	\$546,648	\$552,115	\$557,636	\$563,212	\$568,844	\$574,533	\$580,278	\$586,081	\$591,942
Current DSL Revenue:																
10. Current Customer Demand	Forecast	15,317	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732
11. Current Rate	Line 1(b)	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
12. Current Customer Revenues	Line 10 * Line 11	\$321,657	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372
Forecasted DSL Revenue Increase Excluding Promotion:																
13. Forecasted New Customer Demand	Prior L.13+[L.2c * (L.10+Prior L.13)]		778	1,592	2,444	3,336	4,269	5,246	6,268	7,337	8,456	9,628	10,853	12,136	13,478	14,883
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13		389	1,185	2,018	2,890	3,803	4,757	5,757	6,802	7,897	9,042	10,241	11,495	12,807	14,181
15. Forecasted Rate	Line 1(c)	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
16. Forecasted New Customer Revenues	Line 14 * Line 15	\$8,169	\$24,888	\$42,384	\$60,694	\$79,855	\$99,907	\$120,891	\$142,852	\$165,833	\$189,883	\$215,051	\$241,390	\$268,954	\$297,799	
Forecasted DSL Promotion Revenue:																
17. Promotion Generated Customer Increase	Line 3(d) Phased In		267	533	800	800	800	800	800	800	800	800	800	800	783	767
18. Billed at Promotional Rate	Line 17 for 3 months		133	400	667	667	400	133	0	0	0	0	0	0	0	0
19. Billed at Full Rate	After 12 mo. = L.17 - L.18		0	0	0	133	400	667	800	800	800	800	800	800	783	767
20. Promotion Rate For 3 Months	Line 1(d)	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
21. Full DSL Rate After Promotion	Line 1(c)	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
22. Promotion Customer Revenues	(L.18*L.20)+(L.19*L.21)	\$1,467	\$4,400	\$7,333	\$10,133	\$12,800	\$15,467	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,450	\$16,100
23. Ordinary Customer Growth	Line 13		778	1,592	2,444	3,336	4,269	5,246	6,268	7,337	8,456	9,628	10,853	12,136	13,478	14,883
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	584	1,194	1,833	1,833	1,833	1,833	1,833	0	0	0	0	0	0	0	0
26. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 3 mo.	292	889	1,514	1,541	944	320	0	0	0	0	0	0	0	0	0
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	-\$2,918	-\$8,889	-\$15,137	-\$15,415	-\$9,444	-\$3,195	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29. Net Promotional Revenues	Line 22 + Line 28	-\$1,451	-\$4,489	-\$7,804	-\$5,282	\$3,356	\$12,271	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,450	\$16,100
30. Total Revenues	L.12 + L.16 + L.29	\$321,657	\$358,090	\$371,771	\$385,952	\$406,784	\$434,583	\$463,550	\$489,063	\$511,024	\$534,005	\$558,055	\$583,223	\$609,562	\$636,776	\$665,271
31. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9	-\$183,311	-\$160,576	-\$149,058	-\$136,815	-\$123,811	-\$110,009	-\$95,369	-\$79,851	-\$63,412	-\$46,007	-\$27,589	-\$8,109	\$12,484	\$34,245	\$57,229
32. Total Revenues less Revenue Requirement After Promotion	Line 30 - Line 9	-\$183,311	-\$162,027	-\$153,547	-\$144,619	-\$129,093	-\$106,653	-\$83,098	-\$63,051	-\$46,612	-\$29,207	-\$10,789	\$8,691	\$29,284	\$50,695	\$73,329

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 are for Tier 4 customers only.

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ALLTEL Markets: **All**
Months of Promotion: **3**
Months of Discounted Rate: **3**
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 @ 6/30/03	
7. Estimated Revenue Requirement Increase per Month	
8. Estimated Revenue Requirement Through Promotion	

Description	Source	Dec-04	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	\$597,861	\$603,840	\$609,878	\$615,977	\$622,137	\$628,358	\$634,642	\$640,988	\$647,398	\$653,872	\$14,029,361
Current DSL Revenue:												
10. Current Customer Demand	Forecast	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732	16,732
11. Current Rate	Line 1(b)	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
12. Current Customer Revenues	Line 10 * Line 11	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$351,372	\$8,432,928
Forecasted DSL Revenue Increase Excluding Promotion:												
13. Forecasted New Customer Demand	Prior L.13+[L.2c * (L.10+F	16,353	17,892	19,502	21,187	22,950	24,795	26,726	28,747	30,862	33,075	14,283
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13	15,618	17,123	18,697	20,344	22,068	23,873	25,761	27,737	29,804	31,968	13,594
15. Forecasted Rate	Line 1(c)	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
16. Forecasted New Customer Revenues	Line 14 * Line 15	\$327,985	\$359,575	\$392,634	\$427,231	\$463,436	\$501,324	\$540,975	\$582,469	\$625,892	\$671,335	\$6,851,406
Forecasted DSL Promotion Revenue:												
17. Promotion Generated Customer Increase	Line 3(d) Phased In	750	733	717	700	683	667	650	633	617	600	713
18. Billed at Promotional Rate	Line 17 for 3 months	0	0	0	0	0	0	0	0	0	0	100
19. Billed at Full Rate	After 12 mo. = L.17 - L.18	750	733	717	700	683	667	650	633	617	600	613
20. Promotion Rate For 3 Months	Line 1(d)	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
21. Full DSL Rate After Promotion	Line 1(c)	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
22. Promotion Customer Revenues	(L.18*L.20)+(L.19*L.21)	\$15,750	\$15,400	\$15,050	\$14,700	\$14,350	\$14,000	\$13,650	\$13,300	\$12,950	\$12,600	\$326,700
23. Ordinary Customer Growth	Line 13	16,353	17,892	19,502	21,187	22,950	24,795	26,726	28,747	30,862	33,075	14,283
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%	0.00%
25. Forecasted Taking Promotion Rate	Line 23 * Line 24	0	0	0	0	0	0	0	0	0	0	380
26. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 3 mo	0	0	0	0	0	0	0	0	0	0	229
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
28. Revenue Loss on Ordinary Customer Growth	Line 26 * Line 27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$54,997
29. Net Promotional Revenues	Line 22 + Line 28	\$15,750	\$15,400	\$15,050	\$14,700	\$14,350	\$14,000	\$13,650	\$13,300	\$12,950	\$12,600	\$271,703
30. Total Revenues	L.12 + L.16 + L.29	\$695,107	\$726,347	\$759,056	\$793,303	\$829,158	\$866,696	\$905,997	\$947,141	\$990,214	\$1,035,307	\$15,556,037
31. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9	\$81,496	\$107,107	\$134,128	\$162,626	\$192,671	\$224,338	\$257,705	\$292,853	\$329,866	\$368,835	\$1,254,973
32. Total Revenues less Revenue Requirement After Promotion	Line 30 - Line 9	\$97,246	\$122,507	\$149,178	\$177,326	\$207,021	\$238,338	\$271,355	\$306,153	\$342,816	\$381,435	\$1,526,676

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