

ALLTEL
ALLTEL Corporation
Cost Support for DSL Promotional Filing
1st Quarter 2004

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 Jan-04	Stop Mar-04	Months Until Start Date (2) 1.0

Description	(a)	Current	Forecast	Promotion	(d)
1. DSL Rate		\$29.95	\$29.95	\$19.95	
2. Average Monthly DSL Customer Growth Rate			3.10%		
3. Estimated Promotion Generated Customer Increase				3,000	
4. Estimated Customer Retention After Promotion				75.00%	
5. Estimated Monthly DSL Customers		113,650	118,558		
6. Current DSL Revenue Requirement @ 9/30/03		\$45,212,294			
7. Estimated Revenue Requirement Increase per Month			1.00%		
8. Estimated Revenue Requirement Through Promotion			\$104,676,516		

Description	Source	Current	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
9. Monthly Revenue Requirement	Cost Study	\$3,767,691	\$3,880,722	\$3,919,529	\$3,958,724	\$3,998,312	\$4,038,295	\$4,078,678	\$4,119,464	\$4,160,659	\$4,202,266	\$4,244,288	\$4,286,731	\$4,329,599	\$4,372,895	\$4,416,624	\$4,460,790
Current DSL Revenue:																	
10. Current Customer Demand	Forecast	113,650	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558
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	\$3,403,818	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812
Forecasted DSL Revenue Increase Excluding Promotion:																	
13. Forecasted New Customer Demand	Prior L.13+[L.2c * (L.10+Prior L.13)]		3,675	7,465	11,371	15,399	19,552	23,833	28,247	32,798	37,490	42,328	47,315	52,457	57,759	63,225	68,860
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13		1,838	5,570	9,418	13,385	17,475	21,692	26,040	30,523	35,144	39,909	44,821	49,886	55,108	60,492	66,042
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		\$55,038	\$166,819	\$282,065	\$400,885	\$523,387	\$649,687	\$779,903	\$914,155	\$1,052,569	\$1,195,274	\$1,342,403	\$1,494,092	\$1,650,484	\$1,811,724	\$1,977,963
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		3,675	7,465	11,371	15,399	19,552	23,833	28,247	32,798	37,490	42,328	47,315	52,457	57,759	63,225	68,860
25. Percent Taking Promotion	Input		80.00%	80.00%	80.00%	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		2,940	5,972	9,097	9,097	9,097	9,097	9,097	9,097	9,097	9,097	9,097	9,097	9,097	9,097	9,097
27. Billed at \$0 (first month free)	1/2 Curr. Mo. + 1/2 Prior L.26		1,470	2,986	3,078	1,563	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	1,470	4,456	7,534	9,097	9,097	9,097	9,097	9,097	9,097	9,097	9,097	7,627	4,641	1,563
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)		-\$44,030	-\$104,126	-\$136,757	-\$122,145	-\$90,970	-\$90,970	-\$90,970	-\$90,970	-\$90,970	-\$90,970	-\$90,970	-\$90,970	-\$76,269	-\$46,411	-\$15,627
31. Net Promotional Revenues	Line 23 + Line 30		-\$44,030	-\$94,151	-\$106,832	-\$72,270	-\$31,120	-\$31,120	-\$31,120	-\$31,120	-\$31,120	-\$31,120	-\$31,120	-\$31,120	-\$12,355	\$25,632	\$64,544
32. Total Revenues	L.12 + L.16 + L.31		\$3,403,818	\$3,561,820	\$3,623,480	\$3,726,046	\$3,879,427	\$4,043,080	\$4,169,380	\$4,299,595	\$4,433,847	\$4,572,261	\$4,714,966	\$4,862,095	\$5,013,785	\$5,188,942	\$5,393,319
33. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9		-\$363,874	-\$274,872	-\$201,898	-\$125,847	-\$46,615	\$35,905	\$121,822	\$211,251	\$304,308	\$401,115	\$501,798	\$606,483	\$715,306	\$828,402	\$945,913
34. Total Revenues less Revenue Requirement After Promotion	Line 32 - Line 9		-\$363,874	-\$318,902	-\$296,049	-\$232,678	-\$118,885	\$4,785	\$90,702	\$180,131	\$273,188	\$369,996	\$470,678	\$575,364	\$684,186	\$816,047	\$971,545

Notes:

- 1) Assumed 1% monthly increase in revenue requirement to handle customer growth.
- 2) Current customer data is as of December 4, 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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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 Jan-04

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. Current DSL Revenue Requirement @ 9/30/03	
7. Estimated Revenue Requirement Increase per Month	
8. Estimated Revenue Requirement Through Promotion	

Description	Source	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
9. Monthly Revenue Requirement	Cost Study	\$4,505,398	\$4,550,452	\$4,595,956	\$4,641,916	\$4,688,335	\$4,735,218	\$4,782,570	\$4,830,396	\$4,878,700	\$104,676,516
Current DSL Revenue:											
10. Current Customer Demand	Forecast	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558	118,558
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	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$3,550,812	\$85,219,490
Forecasted DSL Revenue Increase Excluding Promotion:											
13. Forecasted New Customer Demand	Prior L.13+[(L.2c * (L.10+Pr	74,670	80,660	86,836	93,203	99,767	106,535	113,513	120,708	128,125	58,991
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13	71,765	77,665	83,748	90,019	96,485	103,151	110,024	117,110	124,416	56,322
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	\$2,149,355	\$2,326,060	\$2,508,243	\$2,696,074	\$2,889,728	\$3,089,384	\$3,295,230	\$3,507,458	\$3,726,264	\$40,484,246
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	74,670	80,660	86,836	93,203	99,767	106,535	113,513	120,708	128,125	58,991
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	5,299
27. Billed at \$0 (first month free)	1/2 Curr. Mo. + 1/2 Prior L.	0	0	0	0	0	0	0	0	0	379
28. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 11 mo	0	0	0	0	0	0	0	0	0	4,169
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	-\$1,273,123
31. Net Promotional Revenues	Line 23 + Line 30	\$83,298	\$81,427	\$79,555	\$77,683	\$75,811	\$73,939	\$72,067	\$70,195	\$68,323	\$193,877
32. Total Revenues	L.12 + L.16 + L.31	\$5,783,466	\$5,958,299	\$6,138,610	\$6,324,569	\$6,516,351	\$6,714,135	\$6,918,110	\$7,128,465	\$7,345,400	\$125,897,614
33. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9	\$1,194,770	\$1,326,421	\$1,463,099	\$1,604,970	\$1,752,205	\$1,904,978	\$2,063,472	\$2,227,874	\$2,398,376	\$21,027,221
34. Total Revenues less Revenue Requirement After Promotion	Line 32 - Line 9	\$1,278,068	\$1,407,847	\$1,542,654	\$1,682,653	\$1,828,016	\$1,978,917	\$2,135,539	\$2,298,069	\$2,466,700	\$21,221,098

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