



ALLTEL Corporation
Cost Support for DSL Promotional Filing
2nd Quarter 2004

Promotion Description: \$11.00 per month for the first 3 months for Tier Four			
ALLTEL Markets: All			
Months of Promotion: 3.5			
Months of Discounted Rate: 3			
Months Customer Must Retain Service: 12			
Study Months: 24			
Promotion Period:	Start	Stop	Months Until Start Date (2)
	1-Apr-04	25-Jul-04	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		4.10%	
3. Estimated Promotion Generated Customer Increase			600
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	18,736	19,770	
6. Current DSL Revenue Requirement @ 12/31/03	\$4,720,804		
7. Estimated Revenue Requirement Increase per Month		1.00%	
8. Estimated Revenue Requirement Through Promotion		\$10,929,711	

Description	Source	Current	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05
9. Monthly Revenue Requirement	Cost Study	\$393,400	\$405,202	\$409,254	\$413,347	\$417,480	\$421,655	\$425,872	\$430,130	\$434,432	\$438,776	\$443,164	\$447,595	\$452,071	\$456,592	\$461,158
Current DSL Revenue:																
10. Current Customer Demand	Forecast	18,736	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770
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	\$393,456	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170
Forecasted DSL Revenue Increase Excluding Promotion:																
13. Forecasted New Customer Demand	Prior L.13+[L.2c * (L.10+Prior L.13)]		811	1,654	2,533	3,447	4,399	5,390	6,422	7,495	8,613	9,777	10,988	12,250	13,562	14,929
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13		405	1,232	2,094	2,990	3,923	4,895	5,906	6,959	8,054	9,195	10,383	11,619	12,906	14,246
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
16. Forecasted New Customer Revenues	Line 14 * Line 15		\$8,511	\$25,882	\$43,965	\$62,790	\$82,386	\$102,786	\$124,022	\$146,129	\$169,142	\$193,099	\$218,038	\$243,999	\$271,025	\$299,159
Forecasted DSL Promotion Revenue:																
17. Promotion Generated Customer Increase	Line 3(d) Phased In		171	343	514	600	600	600	600	600	600	600	600	600	588	575
18. Billed at Promotional Rate	Line 17 for 3 months		86	257	429	514	343	171	0	0	0	0	0	0	0	0
19. Billed at Full Rate	After 3 mo. = L.17 - L.18		0	0	0	86	257	429	600	600	600	600	600	600	588	575
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
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
22. Promotion Customer Revenues	(L.18*L.20)+(L.19*L.21)		\$943	\$2,829	\$4,714	\$7,457	\$9,171	\$10,886	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,338	\$12,075
23. Ordinary Customer Growth	Line 13		811	1,654	2,533	3,447	4,399	5,390	6,422	7,495	8,613	9,777	10,988	12,250	13,562	14,929
24. Percent Taking Promotion	Input		80.00%	80.00%	80.00%	40.00%	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		648	1,323	2,026	2,392	2,392	2,392	0	0	0	0	0	0	0	0
26. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 3 mo.		324	986	1,675	2,068	1,406	717	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
28. Revenue Loss on Ordinary Customer Growth	Line 26 * Line 27		-\$3,242	-\$9,860	-\$16,749	-\$20,678	-\$14,060	-\$7,171	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29. Net Promotional Revenues	Line 22 + Line 28		-\$2,299	-\$7,031	-\$12,034	-\$13,220	-\$4,889	\$3,714	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,338	\$12,075
30. Total Revenues	L.12 + L.16 + L.29		\$393,456	\$421,382	\$434,021	\$447,101	\$464,739	\$492,667	\$521,670	\$551,792	\$573,899	\$596,912	\$620,869	\$645,808	\$671,769	\$726,404
31. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9		\$56	\$18,479	\$31,798	\$45,788	\$60,479	\$75,901	\$92,084	\$109,061	\$126,867	\$145,536	\$165,105	\$185,612	\$207,098	\$253,171
32. Total Revenues less Revenue Requirement After Promotion	Line 30 - Line 9		\$56	\$16,179	\$24,766	\$33,754	\$47,259	\$71,012	\$95,798	\$121,661	\$139,467	\$158,136	\$177,705	\$198,212	\$219,698	\$265,246

Notes:

- 1) Assumed 1% monthly increase in revenue requirement to handle customer growth.
- 2) Current customer data is as of March 4, 2004.
- 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:	3.5
Months of Discounted Rate:	3
Months Customer Must Retain Service:	12
Study Months:	24
Promotion Period:	Start 1-Apr-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 @ 12/31/03	
7. Estimated Revenue Requirement Increase per Month	
8. Estimated Revenue Requirement Through Promotion	

Description	Source	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Total
9. Monthly Revenue Requirement	Cost Study	\$465,770	\$470,427	\$475,132	\$479,883	\$484,682	\$489,529	\$494,424	\$499,368	\$504,362	\$509,405	\$10,929,711
Current DSL Revenue:												
10. Current Customer Demand	Forecast	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770	19,770
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	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$415,170	\$9,964,080
Forecasted DSL Revenue Increase Excluding Promotion:												
13. Forecasted New Customer Demand	Prior L.13+[L.2c * (L.10+L.11)]	16,352	17,833	19,374	20,979	22,650	24,389	26,200	28,084	30,047	32,089	14,178
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13	15,640	17,092	18,603	20,177	21,815	23,520	25,294	27,142	29,066	31,068	13,509
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	\$328,447	\$358,935	\$390,673	\$423,713	\$458,107	\$493,912	\$531,184	\$569,984	\$610,376	\$652,423	\$6,808,686
Forecasted DSL Promotion Revenue:												
17. Promotion Generated Customer Increase	Line 3(d) Phased In	563	550	538	525	513	500	488	475	463	450	527
18. Billed at Promotional Rate	Line 17 for 3 months	0	0	0	0	0	0	0	0	0	0	75
19. Billed at Full Rate	After 3 mo. = L.17 - L.18	563	550	538	525	513	500	488	475	463	450	452
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)	\$11,813	\$11,550	\$11,288	\$11,025	\$10,763	\$10,500	\$10,238	\$9,975	\$9,713	\$9,450	\$242,325
23. Ordinary Customer Growth	Line 13	16,352	17,833	19,374	20,979	22,650	24,389	26,200	28,084	30,047	32,089	14,178
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	466
26. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 3 mo	0	0	0	0	0	0	0	0	0	0	299
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	-\$71,760
29. Net Promotional Revenues	Line 22 + Line 28	\$11,813	\$11,550	\$11,288	\$11,025	\$10,763	\$10,500	\$10,238	\$9,975	\$9,713	\$9,450	\$170,565
30. Total Revenues	L.12 + L.16 + L.29	\$755,429	\$785,655	\$817,131	\$849,908	\$884,040	\$919,582	\$956,591	\$995,129	\$1,035,258	\$1,077,043	\$16,943,332
31. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9	\$277,847	\$303,678	\$330,712	\$359,000	\$388,595	\$419,553	\$451,930	\$485,786	\$521,184	\$558,188	\$5,843,055
32. Total Revenues less Revenue Requirement After Promotion	Line 30 - Line 9	\$289,660	\$315,228	\$341,999	\$370,025	\$399,358	\$430,053	\$462,168	\$495,761	\$530,896	\$567,638	\$6,013,621

Notes:
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