

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

<b>Promotion Description: First month free, \$19.95 per month for next 11 months for Tier One</b>			
ALLTEL Markets: All			
Months of Promotion: 3.5			
Free Months: 1			
Months of Discounted Rate: 11			
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	\$29.95	\$29.95	\$19.95
2. Average Monthly DSL Customer Growth Rate		3.00%	
3. Estimated Promotion Generated Customer Increase			4,000
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	136,106	142,129	
6. Current DSL Revenue Requirement @ 12/31/03	\$53,348,766		
7. Estimated Revenue Requirement Increase per Month		1.00%	
8. Estimated Revenue Requirement Through Promotion		\$123,514,258	

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	Jun-05	
9. Monthly Revenue Requirement	Cost Study	\$4,445,731	\$4,579,102	\$4,624,893	\$4,671,142	\$4,717,854	\$4,765,032	\$4,812,683	\$4,860,809	\$4,909,418	\$4,958,512	\$5,008,097	\$5,058,178	\$5,108,760	\$5,159,847	\$5,211,446	\$5,263,560	
<b>Current DSL Revenue:</b>																		
10. Current Customer Demand	Forecast	136,106	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	
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	\$4,076,375	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	
<b>Forecasted DSL Revenue Increase Excluding Promotion:</b>																		
13. Forecasted New Customer Demand	Prior L.13+(L.2c * (L.10+Prior L.13))		4,264	8,656	13,179	17,838	22,637	27,580	32,672	37,916	43,317	48,880	54,611	60,513	66,592	72,854	79,303	
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13		2,132	6,460	10,917	15,509	20,238	25,109	30,126	35,294	40,616	46,099	51,746	57,562	63,553	69,723	76,079	
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		\$63,851	\$193,470	\$326,977	\$464,489	\$606,127	\$752,013	\$902,277	\$1,057,048	\$1,216,462	\$1,380,659	\$1,549,782	\$1,723,978	\$1,903,400	\$2,088,205	\$2,278,554	
<b>Forecasted DSL Promotion Revenue:</b>																		
17. Promotion Generated Customer Increase	Line 3(d) Phased In		1,143	2,286	3,429	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	3,917	3,833	3,750	
18. Billed at \$0 (first month free)	1/2 Curr. Growth + 1/2 Prior L.17		571	1,143	1,143	857	286	0	0	0	0	0	0	0	0	0	0	
19. Billed at Promotional Rate	L.17-L.18 for 11 months		0	571	1,714	2,857	3,714	4,000	4,000	4,000	4,000	4,000	4,000	4,000	3,429	2,286	1,143	
20. Billed at Full Rate	After 12 mo. = L.17 - L.19		0	0	0	0	0	0	0	0	0	0	0	0	530	1,589	2,649	
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	\$11,400	\$34,200	\$57,000	\$74,100	\$79,800	\$79,800	\$79,800	\$79,800	\$79,800	\$79,800	\$79,800	\$84,266	\$93,199	\$102,132	
24. Ordinary Customer Growth	Line 13		4,264	8,656	13,179	17,838	22,637	27,580	32,672	37,916	43,317	48,880	54,611	60,513	66,592	72,854	79,303	
25. 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%	0.00%	
26. Forecasted Taking Promotion Rate	Line 23 * Line 24		3,411	6,925	10,543	12,407	12,407	12,407	12,407	12,407	12,407	12,407	12,407	12,407	12,407	12,407	12,407	
27. Billed at \$0 (first month free)	1/2 Curr. Mo. + 1/2 Prior L.26		1,706	3,462	3,566	2,741	932	0	0	0	0	0	0	0	0	0	0	
28. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 11 mo.		0	1,706	5,168	8,734	11,475	12,407	12,407	12,407	12,407	12,407	12,407	12,407	10,702	7,239	3,673	
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)		-\$51,081	-\$120,750	-\$158,484	-\$169,440	-\$142,661	-\$124,071	-\$124,071	-\$124,071	-\$124,071	-\$124,071	-\$124,071	-\$124,071	-\$124,071	-\$107,015	-\$72,392	-\$36,731
31. Net Promotional Revenues	Line 23 + Line 30		-\$51,081	-\$109,350	-\$124,284	-\$112,440	-\$68,561	-\$44,271	-\$44,271	-\$44,271	-\$44,271	-\$44,271	-\$44,271	-\$44,271	-\$44,271	-\$22,749	\$20,807	\$65,401
32. Total Revenues	L.12 + L.16 + L.31		\$4,076,375	\$4,269,534	\$4,340,883	\$4,459,457	\$4,608,812	\$4,794,329	\$4,964,506	\$5,114,770	\$5,269,541	\$5,428,955	\$5,593,152	\$5,762,275	\$5,936,471	\$6,137,415	\$6,365,775	\$6,600,719
33. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9		-\$369,356	-\$258,487	-\$174,660	-\$87,402	\$3,399	\$97,858	\$196,094	\$298,231	\$404,394	\$514,714	\$629,326	\$748,367	\$871,982	\$1,000,317	\$1,133,523	\$1,271,758
34. Total Revenues less Revenue Requirement After Promotion	Line 32 - Line 9		-\$369,356	-\$309,569	-\$284,010	-\$211,686	-\$109,041	\$29,297	\$151,824	\$253,960	\$360,123	\$470,444	\$585,055	\$704,097	\$827,711	\$977,568	\$1,154,330	\$1,337,158

- 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 exclude Tier 4 customers.

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**2nd Quarter 2004**

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 ALLTEL Markets: **All**  
 Months of Promotion: **3.5**  
 Free Months: **1**  
 Months of Discounted Rate: **11**  
 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	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	\$5,316,196	\$5,369,358	\$5,423,051	\$5,477,282	\$5,532,055	\$5,587,375	\$5,643,249	\$5,699,681	\$5,756,678	\$123,514,258
<b>Current DSL Revenue:</b>											
10. Current Customer Demand	Forecast	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129	142,129
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	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$4,256,764	\$102,162,325
<b>Forecasted DSL Revenue Increase Excluding Promotion:</b>											
13. Forecasted New Customer Demand	Prior L.13+[(L.2c * (L.10+Pr	85,946	92,789	99,836	107,095	114,572	122,273	130,205	138,375	146,790	67,862
14. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.13	82,625	89,367	96,312	103,466	110,833	118,422	126,239	134,290	142,582	64,804
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	\$2,474,614	\$2,676,555	\$2,884,555	\$3,098,794	\$3,319,461	\$3,546,748	\$3,780,853	\$4,021,982	\$4,270,344	\$46,581,199
<b>Forecasted DSL Promotion Revenue:</b>											
17. Promotion Generated Customer Increase	Line 3(d) Phased In	3,667	3,583	3,500	3,417	3,333	3,250	3,167	3,083	3,000	2,917
18. Billed at \$0 (first month free)	1/2 Curr. Growth + 1/2 Prior	0	0	0	0	0	0	0	0	0	167
19. Billed at Promotional Rate	L.17-L.18 for 11 months	0	0	0	0	0	0	0	0	0	1,821
20. Billed at Full Rate	After 12 mo. = L.17 - L.19	3,708	3,625	3,542	3,458	3,375	3,292	3,208	3,125	3,042	1,095
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)	\$111,065	\$108,569	\$106,073	\$103,577	\$101,081	\$98,585	\$96,090	\$93,594	\$91,098	\$1,924,629
24. Ordinary Customer Growth	Line 13	85,946	92,789	99,836	107,095	114,572	122,273	130,205	138,375	146,790	67,862
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	7,073
27. Billed at \$0 (first month free)	1/2 Curr. Mo. + 1/2 Prior L.	0	0	0	0	0	0	0	0	0	517
28. Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 11 mo	0	0	0	0	0	0	0	0	0	5,648
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	-\$1,727,049
31. Net Promotional Revenues	Line 23 + Line 30	\$111,065	\$108,569	\$106,073	\$103,577	\$101,081	\$98,585	\$96,090	\$93,594	\$91,098	\$197,580
32. Total Revenues	L.12 + L.16 + L.31	\$6,842,442	\$7,041,887	\$7,247,391	\$7,459,135	\$7,677,306	\$7,902,097	\$8,133,706	\$8,372,339	\$8,618,205	\$148,941,103
33. Total Revenues less Revenue Requirement Before Promotion	L.12 + L.16 - L.9	\$1,415,182	\$1,563,961	\$1,718,267	\$1,878,276	\$2,044,170	\$2,216,136	\$2,394,368	\$2,579,064	\$2,770,429	\$25,229,266
34. Total Revenues less Revenue Requirement After Promotion	Line 32 - Line 9	\$1,526,246	\$1,672,530	\$1,824,340	\$1,981,853	\$2,145,251	\$2,314,722	\$2,490,457	\$2,672,657	\$2,861,527	\$25,426,845

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