

ALLTEL Corporation
Cost Support for DSL Promotional Filing
1st Quarter 2005

Promotion Description: \$14.95 per month for first 12 months for Tier One			
ALLTEL Markets: All			
Months of Promotion: 6			
Free Months: 0			
Months of Discounted Rate: 12			
Months Customer Must Retain Service: 12			
Study Months: 18			
Promotion Period:	Start	Stop	Months Until Start Date (2)
	1-Jan-05	30-Jun-05	1.0

Description		Current	Forecast	Promotion
(a)		(b)	(c)	(d)
1. DSL Rate		\$29.95	\$29.95	\$14.95
2. Average Monthly DSL Customer Growth Rate			1.00%	
3. Estimated Promotion Generated Customer Increase				20,000
4. Estimated Customer Retention After Promotion				75.00%
5. Estimated Monthly DSL Customers		182,421	186,506	
6. Current DSL Revenue Requirement @ 09/30/04		\$55,250,499		
7. Estimated Revenue Requirement Increase per Month			0.50%	0.55%
8. Estimated Revenue Requirement Through Promotion			\$88,646,978	

Description	Source	Current	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Total
9. Monthly Revenue Requirement	L.6/ 12 + 0.5% per mo.	\$4,604,208	\$4,696,292	\$4,719,774	\$4,743,373	\$4,767,090	\$4,790,925	\$4,814,880	\$4,838,954	\$4,863,149	\$4,887,465	\$4,911,902	\$4,936,461	\$4,814,880	\$4,838,954	\$4,863,149	\$4,887,465	\$4,911,902	\$4,936,461	\$4,961,144	\$87,184,219
10. Monthly Rev. Requirement W/Promotion	L.6/ 12 + 0.55% per mo.	\$4,604,208	\$4,698,595	\$4,724,437	\$4,750,421	\$4,776,549	\$4,802,820	\$4,829,235	\$4,855,796	\$4,882,503	\$4,909,356	\$4,936,358	\$4,963,508	\$4,990,807	\$5,018,257	\$5,045,857	\$5,073,609	\$5,101,514	\$5,129,572	\$5,157,785	\$88,646,978

Current DSL Revenue:

11. Current Customer Demand	Forecast	182,421	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506	186,506
12. 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	\$29.95	\$29.95	\$29.95	\$29.95
13. Current Customer Revenues	Line 11 * Line 12	\$5,463,509	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$5,585,855	\$100,545,385

Forecasted DSL Revenue Increase Excluding Promotion:

14. Forecasted New Customer Demand	Prior L.14+(L.2c * (L.11+Prior L.14))	1,865	3,749	5,651	7,573	9,514	11,474	13,454	15,453	17,473	19,513	21,573	23,654	25,755	27,878	30,022	32,187	34,374	36,583	18,763
15. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.14	933	2,807	4,700	6,612	8,543	10,494	12,464	14,453	16,463	18,493	20,543	22,614	24,704	26,814	28,944	31,094	33,264	35,454	15,331
16. 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	\$29.95	\$29.95	\$29.95	\$29.95
17. Forecasted New Customer Revenues	Line 15 * Line 16	\$27,929	\$84,067	\$140,766	\$198,033	\$255,871	\$314,289	\$373,290	\$432,882	\$493,069	\$553,858	\$615,255	\$676,680	\$738,155	\$799,679	\$861,254	\$922,879	\$984,554	\$1,046,279	\$8,264,908

Forecasted DSL Promotion Revenue:

18. Promotion Generated Customer Increase	Line 3(d) Phased In	3,333	6,667	10,000	13,333	16,667	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	19,167	18,333	17,500	16,667	15,833	15,000	16,250
19. Billed at \$0 (first month free)	Not Applicable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20. Billed at Promotional Rate	L.18-L.19 for 12 months	1,667	5,000	8,333	11,667	15,000	18,333	20,000	20,000	20,000	20,000	20,000	20,000	20,000	18,333	15,000	11,667	8,333	5,000	1,667	13,333
21. Billed at Full Rate	After 12 mo. - (Avg L.18)- L.20	0	0	0	0	0	0	0	0	0	0	0	0	0	1,250	3,750	6,250	8,750	11,250	13,750	2,917
22. Promotion Rate For 12 Months	Line 1(d)	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95
23. 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	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
24. Promotion Customer Revenues	(L.20*(L.22))+(L.21*(L.23))	\$24,917	\$74,750	\$124,583	\$174,417	\$224,250	\$274,083	\$299,000	\$299,000	\$299,000	\$299,000	\$299,000	\$299,000	\$299,000	\$311,521	\$336,563	\$361,604	\$386,646	\$411,688	\$436,729	\$4,935,750
25. Ordinary Customer Growth	Line 14	1,865	3,749	5,651	7,573	9,514	11,474	13,454	15,453	17,473	19,513	21,573	23,654	25,755	27,878	30,022	32,187	34,374	36,583	18,763	
26. Percent Taking Promotion	Input	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
27. Forecasted Taking Promotion Rate	Line 24 * Line 25	1,772	3,561	5,369	7,194	9,038	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	9,369
28. Billed at \$0 (first month free)	Not applicable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29. Billed at Promotional Rate	1/2 Curr.+Prior L.26 - 12 mo.	886	2,667	4,465	6,281	8,116	9,969	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,014	8,234	6,435	4,619	2,784	931	7,267
30. Discount Amount	Line 1(d) - Line 1(c)	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00
31. Revenue Loss on Ordinary Customer Growth	-(L.12 * L.28) + (L.29 * L.30)	-\$13,289	-\$39,999	-\$66,976	-\$94,222	-\$121,742	-\$149,536	-\$163,503	-\$163,503	-\$163,503	-\$163,503	-\$163,503	-\$163,503	-\$163,503	-\$150,214	-\$123,504	-\$96,527	-\$69,280	-\$41,761	-\$13,966	-\$1,962,033
32. Net Promotional Revenues	Line 24 + Line 31	\$11,628	\$34,751	\$57,608	\$80,194	\$102,508	\$124,547	\$135,497	\$135,497	\$135,497	\$135,497	\$135,497	\$135,497	\$135,497	\$161,307	\$213,058	\$265,077	\$317,366	\$369,927	\$422,763	\$2,973,717
33. Total Revenues	L.13 + L.17 + L.32	\$5,463,509	\$5,625,412	\$5,704,673	\$5,784,229	\$5,864,081	\$5,944,234	\$6,024,690	\$6,094,642	\$6,154,234	\$6,214,421	\$6,275,210	\$6,336,607	\$6,218,032	\$6,304,667	\$6,417,852	\$6,531,919	\$6,646,876	\$6,762,732	\$6,879,496	\$11,784,010
34. Total Revenues less Revenue Requirement Before Promotion	L.13 + L.17 - L.9	\$859,301	\$917,492	\$950,148	\$983,248	\$1,016,798	\$1,050,801	\$1,085,264	\$1,120,191	\$1,155,587	\$1,191,459	\$1,227,811	\$1,264,649	\$1,267,655	\$1,304,406	\$1,341,645	\$1,379,377	\$1,417,609	\$1,456,344	\$1,495,590	\$21,626,074
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 10	\$859,301	\$926,818	\$980,236	\$1,033,808	\$1,087,533	\$1,141,415	\$1,195,455	\$1,238,846	\$1,271,731	\$1,305,064	\$1,338,852	\$1,373,099	\$1,227,225	\$1,286,411	\$1,371,995	\$1,458,310	\$1,545,362	\$1,633,160	\$1,721,711	\$23,137,032

Notes:

- 1) Assumed 0.5% monthly increase in revenue requirement to handle normal customer growth, and 0.55% with promotion.
- 2) Current customer data is as of December 2, 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.



ALLTEL Corporation
Cost Support for DSL Promotional Filing
1st Quarter 2005

Promotion Description: \$12.00 per month for the first 12 months for Tier Four			
ALLTEL Markets: All			
Months of Promotion: 6			
Months of Discounted Rate: 12			
Months Customer Must Retain Service: 12			
Study Months: 18			
Promotion Period:	<u>Start</u>	<u>Stop</u>	<u>Months Until Start Date (2)</u>
	1-Jan-05	30-Jun-05	1.0

Description	Current	Forecast	Promotion
(a)	(b)	(c)	(d)
1. DSL Rate	\$21.00	\$21.00	\$12.00
2. Average Monthly DSL Customer Growth Rate		1.25%	
3. Estimated Promotion Generated Customer Increase			3,000
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	26,027	26,595	
6. Current DSL Revenue Requirement @ 09/30/04	\$5,255,204		
7. Estimated Revenue Requirement Increase per Month		0.50%	0.56%
8. Estimated Revenue Requirement Through Promotion		\$8,440,519	

Description	Source	Current	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Total
9. Monthly Revenue Requirement	L.6/ 12 + 0.5% per mo.	\$444,503	\$446,725	\$448,959	\$451,204	\$453,460	\$455,727	\$458,006	\$460,296	\$462,597	\$464,910	\$467,235	\$469,571	\$471,919	\$474,278	\$476,650	\$479,033	\$481,428	\$483,835	\$486,254	\$8,392,085
10. Monthly Rev. Requirement W/Promotion	L.6/ 12 + 0.56% per mo.	\$444,503	\$446,992	\$449,495	\$452,012	\$454,543	\$457,089	\$459,649	\$462,223	\$464,811	\$467,414	\$470,032	\$472,664	\$475,311	\$477,972	\$480,649	\$483,341	\$486,047	\$488,769	\$491,506	\$8,440,519

Current DSL Revenue:																					
11. Current Customer Demand	Forecast	26,027	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595	26,595
12. 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	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
13. Current Customer Revenues	Line 11 * Line 12	\$546,567	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$558,495	\$10,052,910

Forecasted DSL Revenue Increase Excluding Promotion:																					
14. Forecasted New Customer Demand	Prior L.14+(L.2c * (L.11+Prior L.14))		332	669	1,010	1,355	1,704	2,058	2,416	2,779	3,146	3,518	3,894	4,275	4,661	5,052	5,447	5,848	6,253	6,664	3,393
15. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.14		166	501	839	1,182	1,530	1,881	2,237	2,597	2,962	3,332	3,706	4,085	4,468	4,856	5,250	5,648	6,051	6,459	3,208
16. 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	\$21.00	\$21.00	\$21.00	\$21.00
17. Forecasted New Customer Revenues	Line 15 * Line 16		\$3,491	\$10,515	\$17,628	\$24,830	\$32,121	\$39,504	\$46,979	\$54,547	\$62,210	\$69,969	\$77,825	\$85,779	\$93,832	\$101,986	\$110,242	\$118,602	\$127,065	\$135,635	\$1,212,761

Forecasted DSL Promotion Revenue:																						
18.	Promotion Generated Customer Increase	Line 3(d) Phased In	500	1,000	1,500	2,000	2,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,875	2,750	2,625	2,500	2,375	2,250	2,438
19.	Billed at Promotional Rate	1/2 Curr. Mo.+Prior L.18 for 12 months	250	750	1,250	1,750	2,250	2,750	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,750	2,250	1,750	1,250	750	250	2,000
20.	Billed at Full Rate	After 12 mo. = L.18 - L.19	0	0	0	0	0	0	0	0	0	0	0	0	0	125	500	875	1,250	1,625	2,000	438
21.	Promotion Rate For 12 Months	Line 1(d)	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
22.	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	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
23.	Promotion Customer Revenues	(L.19*L.21)+(L.20*L.22)	\$3,000	\$9,000	\$15,000	\$21,000	\$27,000	\$33,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$35,625	\$37,500	\$39,375	\$41,250	\$43,125	\$45,000	\$565,875
23.	Ordinary Customer Growth	Line 14	332	669	1,010	1,355	1,704	2,058	2,416	2,779	3,146	3,518	3,894	4,275	4,661	5,052	5,447	5,848	6,253	6,664	3,393	
24.	Percent Taking Promotion	Input	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
25.	Forecasted Taking Promotion Rate	Line 23 * Line 24	316	636	959	1,287	1,619	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,680	
26.	Billed at Promotional Rate	1/2 Curr.+Prior L.25 - 12 mo.	158	476	797	1,123	1,453	1,787	1,955	1,955	1,955	1,955	1,955	1,955	1,797	1,479	1,158	832	502	168	1,303	
27.	Discount Amount	Line 1(d) - Line 1(c)	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	-\$9.00	
28.	Revenue Loss on Ordinary Customer Growth	Line 26 * Line 27	-\$1,421	-\$4,281	-\$7,177	-\$10,109	-\$13,078	-\$16,084	-\$17,596	-\$17,596	-\$17,596	-\$17,596	-\$17,596	-\$17,596	-\$17,596	-\$16,175	-\$13,315	-\$10,419	-\$7,487	-\$4,518	-\$1,512	-\$211,151
29.	Net Promotional Revenues	Line 23 + Line 28	\$1,579	\$4,719	\$7,823	\$10,891	\$13,922	\$16,916	\$18,404	\$18,404	\$18,404	\$18,404	\$18,404	\$18,404	\$18,404	\$19,450	\$24,185	\$28,956	\$33,763	\$38,607	\$43,488	\$354,724
30.	Total Revenues	L.13 + L.17 + L.29	\$546,567	\$563,564	\$573,729	\$583,946	\$594,215	\$604,538	\$614,915	\$623,878	\$631,446	\$639,109	\$646,868	\$654,724	\$662,678	\$671,778	\$684,667	\$697,694	\$710,860	\$724,167	\$737,618	\$11,620,394
31.	Total Revenues less Revenue Requirement Before Promotion	L.13 + L.17 - L.9	\$102,064	\$115,260	\$120,052	\$124,919	\$129,865	\$134,889	\$139,993	\$145,178	\$150,445	\$155,795	\$161,229	\$166,749	\$172,355	\$178,049	\$183,832	\$189,705	\$195,669	\$201,725	\$207,876	\$2,873,586
32.	Total Revenues less Revenue Requirement After Promotion	Line 30 - Line 10	\$102,064	\$116,573	\$124,234	\$131,934	\$139,672	\$147,449	\$155,267	\$161,655	\$166,635	\$171,695	\$176,837	\$182,060	\$187,367	\$193,805	\$204,018	\$214,353	\$224,812	\$235,398	\$246,111	\$3,179,875

- Notes:**
- 1) Assumed 0.5% monthly increase in revenue requirement to handle normal customer growth, and 0.56% with promotion.
 - 2) Current customer data is as of December 2, 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.