



**ALLTEL Corporation**  
**Cost Support for DSL Promotional Filing**  
**3rd Quarter 2005**

<b>Promotion Description: \$9.95 per month for first 12 months for Tier One</b>			
<b>ALLTEL Markets: All</b>			
<b>Months of Promotion: 6</b>			
<b>Months of Discounted Rate: 12</b>			
<b>Months Customer Must Retain Service: 12</b>			
<b>Study Months: 20</b>			
<b>Promotion Period:</b>			
	<b>Start</b>	<b>Stop</b>	<b>Months Until Start Date (2)</b>
	<b>1-Jul-05</b>	<b>31-Dec-05</b>	<b>1.0</b>

Description	(a)	Current	Forecast	Promotion	(d)
1. DSL Rate		\$29.95	\$29.95	\$9.95	
2. Average Monthly DSL Customer Growth Rate (without promotion)			0.00%		
3. Estimated Promotion Generated Customer Increase				36,000	
4. Estimated Customer Retention After Promotion				75.00%	
5. Estimated Monthly DSL Customers		222,267	229,793		
6. Estimated Monthly Customer Churn		2.20%	2.20%		
7. Current DSL Revenue Requirement @ 03/31/05		\$57,787,487			
8. Estimated Revenue Requirement Increase per Month			0.15%	0.23%	
9. Estimated Revenue Requirement Through Promotion			\$58,970,524	\$59,470,012	

Description	Source	Current	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06
10. Monthly Revenue Requirement	L.7/ 12 + 0.15% per mo.	\$4,837,294	\$4,844,550	\$4,851,817	\$4,859,095	\$4,866,383	\$4,873,683	\$4,880,993	\$4,888,315	\$4,895,647	\$4,902,991	\$4,910,345	\$4,917,711	\$4,925,087	\$4,932,475	\$4,939,874
11. Monthly Rev. Requirement W/Promotion	L.7/ 12 + 0.23% per mo.	\$4,837,294	\$4,848,420	\$4,859,571	\$4,870,748	\$4,881,951	\$4,893,180	\$4,904,434	\$4,915,714	\$4,927,020	\$4,938,352	\$4,949,711	\$4,961,095	\$4,972,505	\$4,983,942	\$4,995,405

**Current DSL Revenue:**

12. Current Customer Demand	Forecast	222,267	229,793	229,793	229,793	229,793	229,793	229,793	229,793	229,793	229,793	229,793	229,793	229,793	229,793	229,793
13. 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
14. Current Customer Revenues	Line 12 * Line 13	\$6,656,897	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300

**Forecasted DSL Revenue Increase Excluding Promotion:**

15. Forecasted New Customer Demand	Prior mo. + [(L.2c*(L.12+Prior mo.)) + Net L.16		5,055	10,222	15,502	20,899	26,414	32,051	37,811	43,699	49,715	55,865	62,149	68,572	75,136	81,844
16. Forecasted Customer Disconnects	Prior mo. - [(L.6c*(L.12+Prior L.15)]		-5,055	-10,222	-15,502	-20,899	-26,414	-32,051	-37,811	-43,699	-49,715	-55,865	-62,149	-68,572	-75,136	-81,844
17. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.15 + Prior L.16		0	0	0	0	0	0	0	0	0	0	0	0	0	0
18. 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
19. Forecasted Revenue Increase (Decr)	Line 17 * Line 18		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Forecasted DSL Promotion Revenue:**

20. Promotion Generated Customer Increase	Line 3(d) Phased In		6,000	12,000	18,000	24,000	30,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	35,250	34,500
21. Billed at Promotional Rate	1/2 Curr. Mo. + Prior L.20 for 12 months		3,000	9,000	15,000	21,000	27,000	33,000	36,000	36,000	36,000	36,000	36,000	36,000	33,000	27,000
22. Billed at Full Rate	After 12 mo. = L.20 - L.21		0	0	0	0	0	0	0	0	0	0	0	0	2,250	7,500
23. Promotion Rate For 12 Months	Line 1(d)		\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95
24. 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
25. Promotion Customer Revenues	(L.21*L.23)+(L.22*L.24)		\$29,850	\$89,550	\$149,250	\$208,950	\$268,650	\$328,350	\$358,200	\$358,200	\$358,200	\$358,200	\$358,200	\$358,200	\$395,738	\$493,275
26. Ordinary Customer Growth	Line 15		5,055	10,222	15,502	20,899	26,414	32,051	37,811	43,699	49,715	55,865	62,149	68,572	75,136	81,844
27. Percent Taking Promotion	Input		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28. Forecasted Taking Promotion Rate	Line 26 * Line 27		5,055	10,222	15,502	20,899	26,414	32,051	32,051	32,051	32,051	32,051	32,051	32,051	32,051	32,051
29. Billed at Promotional Rate	1/2 Curr. + Prior L.28 - 12 mo.		2,528	7,639	12,862	18,201	23,657	29,232	32,051	32,051	32,051	32,051	32,051	32,051	29,523	24,412
30. Discount Amount	Line 1(d) - Line 1(c)		-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00
31. Revenue Loss on Ordinary Customer Growth	Line 29 * Line 30		-\$50,554	-\$152,776	-\$257,246	-\$364,014	-\$473,131	-\$584,649	-\$641,014	-\$641,014	-\$641,014	-\$641,014	-\$641,014	-\$641,014	-\$590,460	-\$488,239
32. Net Promotional Revenues	Line 25 + Line 31		-\$20,704	-\$63,226	-\$107,996	-\$155,064	-\$204,481	-\$256,299	-\$282,814	-\$282,814	-\$282,814	-\$282,814	-\$282,814	-\$282,814	-\$194,723	\$5,036
33. Total Revenues	L.14 + L.19 + L.32		\$6,656,897	\$6,861,596	\$6,819,075	\$6,774,305	\$6,727,236	\$6,677,819	\$6,626,001	\$6,599,486	\$6,599,486	\$6,599,486	\$6,599,486	\$6,599,486	\$6,687,578	\$6,887,336
34. Total Revenues less Revenue Requirement Before Promotion	L.14 + L.19 - L.10		\$1,819,602	\$2,037,750	\$2,030,483	\$2,023,206	\$2,015,917	\$2,008,617	\$2,001,307	\$1,993,985	\$1,986,653	\$1,979,309	\$1,971,955	\$1,964,589	\$1,957,213	\$1,949,825
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 11		\$1,819,602	\$2,013,176	\$1,959,503	\$1,903,556	\$1,845,285	\$1,784,640	\$1,721,568	\$1,683,772	\$1,672,466	\$1,661,133	\$1,649,775	\$1,638,391	\$1,626,980	\$1,891,931

**Notes:**

- 1) Assumed 0.15% monthly increase in revenue requirement to handle normal customer growth, and 0.23% with promotion.
- 2) Current customer data is as of May 26, 2005.
- 3) Data is for all ALLTEL companies except those covered by the NECA access tariff.
- 4) Customer counts and revenue requirement exclude Tier 4 and 3Mb customers.



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<b>ALLTEL Markets: All</b>	
<b>Months of Promotion: 6</b>	
<b>Months of Discounted Rate: 12</b>	
<b>Months Customer Must Retain Service: 12</b>	
<b>Study Months: 20</b>	
<b>Promotion Period:</b>	<b>Start</b> <b>1-Jul-05</b>

Description	
(a)	
1. DSL Rate	
2. Average Monthly DSL Customer Growth Rate (without promotion)	
3. Estimated Promotion Generated Customer Increase	
4. Estimated Customer Retention After Promotion	
5. Estimated Monthly DSL Customers	
6. Estimated Monthly Customer Churn	
7. Current DSL Revenue Requirement @ 03/31/05	
8. Estimated Revenue Requirement Increase per Month	
9. Estimated Revenue Requirement Through Promotion	

Description	Source	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Total
10. Monthly Revenue Requirement	L.7/ 12 + 0.15% per mo.	\$4,947,284	\$4,954,705	\$4,962,137	\$4,969,580	\$4,977,034	\$4,984,500	\$98,284,206
11. Monthly Rev. Requirement W/Promotion	L.7/ 12 + 0.23% per mo.	\$5,006,895	\$5,018,411	\$5,029,953	\$5,041,522	\$5,053,117	\$5,064,739	\$99,116,686
<b>Current DSL Revenue:</b>								
12. Current Customer Demand	Forecast	229,793	229,793	229,793	229,793	229,793	229,793	229,793
13. Current Rate	Line 1(b)	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
14. Current Customer Revenues	Line 12 * Line 13	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$6,882,300	\$137,646,007
<b>Forecasted DSL Revenue Increase Excluding Promotion:</b>								
15. Forecasted New Customer Demand	Prior mo. + [L.2c*(L.12+Prior mo	88,700	95,707	102,868	110,187	117,666	125,310	61,269
16. Forecasted Customer Disconnects	Prior mo. + [L.6c*(L.12+Prior L.	-88,700	-95,707	-102,868	-110,187	-117,666	-125,310	-61,269
17. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.15 + Pri	0	0	0	0	0	0	0
18. Forecasted Rate	Line 1(c)	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
19. Forecasted Revenue Increase (Decr)	Line 17 * Line 18	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Forecasted DSL Promotion Revenue:</b>								
20. Promotion Generated Customer Increase	Line 3(d) Phased In	33,750	33,000	32,250	31,500	30,750	30,000	30,150
21. Billed at Promotional Rate	1/2 Curr. Mo. + Prior L.20 for 12	21,000	15,000	9,000	3,000	0	0	21,600
22. Billed at Full Rate	After 12 mo. = L.20 - L.21	12,750	18,000	23,250	28,500	30,750	30,000	8,550
23. Promotion Rate For 12 Months	Line 1(d)	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95
24. Full DSL Rate After Promotion	Line 1(c)	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95	\$29.95
25. Promotion Customer Revenues	(L.21*L.23)+(L.22*L.24)	\$590,813	\$688,350	\$785,888	\$883,425	\$920,963	\$898,500	\$8,880,750
26. Ordinary Customer Growth	Line 15	88,700	95,707	102,868	110,187	117,666	125,310	61,269
27. Percent Taking Promotion	Input	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28. Forecasted Taking Promotion Rate	Line 26 * Line 27	32,051	32,051	32,051	32,051	32,051	0	26,340
29. Billed at Promotional Rate	1/2 Curr. + Prior L.28 - 12 mo.	19,188	13,850	8,394	2,818	0	0	19,230
30. Discount Amount	Line 1(d) - Line 1(c)	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00
31. Revenue Loss on Ordinary Customer Growth	Line 29 * Line 30	-\$383,769	-\$277,001	-\$167,883	-\$56,366	\$0	\$0	-\$7,692,174
32. Net Promotional Revenues	Line 25 + Line 31	\$207,044	\$411,349	\$618,004	\$827,059	\$920,963	\$898,500	\$1,188,576
33. Total Revenues	L.14 + L.19 + L.32	\$7,089,344	\$7,293,650	\$7,500,304	\$7,709,360	\$7,803,263	\$7,780,800	\$138,834,583
34. Total Revenues less Revenue Requirement Before Promotion	L.14 + L.19 - L.10	\$1,935,017	\$1,927,596	\$1,920,164	\$1,912,721	\$1,905,266	\$1,897,801	\$39,361,801
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 11	\$2,082,449	\$2,275,239	\$2,470,352	\$2,667,838	\$2,750,146	\$2,716,061	\$39,717,897

**Notes:**  
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