



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

<b>Promotion Description: \$7.95 per month for the first 12 months for Tier Four</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: 18</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	Current	Forecast	Promotion
(a)	(b)	(c)	(d)
1. DSL Rate	\$21.00	\$21.00	\$7.95
2. Average Monthly DSL Customer Growth Rate (without promotion)		-0.45%	
3. Estimated Promotion Generated Customer Increase			6,000
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	30,297	31,393	
6. Estimated Monthly Customer Churn	2.20%	2.20%	
7. Current DSL Revenue Requirement @ 03/31/05	\$5,907,500		
8. Estimated Revenue Requirement Increase per Month		0.15%	0.24%
9. Estimated Revenue Requirement Through Promotion		\$6,019,368	\$6,071,239

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	Sep-06	Oct-06	Nov-06	Dec-06	Total
10. Monthly Revenue Requirement	L.7/ 12 + 0.15% per mo.	\$494,507	\$495,249	\$495,992	\$496,736	\$497,481	\$498,227	\$498,974	\$499,723	\$500,472	\$501,223	\$501,975	\$502,728	\$503,482	\$504,237	\$504,993	\$505,751	\$506,510	\$507,269	\$508,030	\$9,029,051
11. Monthly Rev. Requirement W/Promotion	L.7/ 12 + 0.24% per mo.	\$494,507	\$495,694	\$496,883	\$498,076	\$499,271	\$500,470	\$501,671	\$502,875	\$504,082	\$505,291	\$506,504	\$507,720	\$508,938	\$510,160	\$511,384	\$512,611	\$513,842	\$515,075	\$516,311	\$9,106,858
36,507																					
<b>Current DSL Revenue:</b>																					
12. Current Customer Demand	Forecast	30,297	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393	31,393
13. 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
14. Current Customer Revenues	Line 12 * Line 13	\$636,237	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$659,253	\$11,866,554
<b>Forecasted DSL Revenue Increase Excluding Promotion:</b>																					
15. Forecasted New Customer Demand	Prior mo.+(L.2c*(L.12+Prior mo.))+Net L.16		549	1,108	1,677	2,256	2,845	3,444	4,054	4,674	5,305	5,947	6,601	7,266	7,942	8,630	9,331	10,044	10,769	11,507	5,775
16. Forecasted Customer Disconnects	Prior mo.+(L.6c*(L.12+Prior L.15)]		-691	-1,393	-2,108	-2,836	-3,576	-4,329	-5,096	-5,876	-6,669	-7,477	-8,298	-9,134	-9,984	-10,850	-11,730	-12,626	-13,538	-14,465	-7,260
17. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.15 + Prior L.16		-71	-213	-358	-506	-656	-809	-964	-1,122	-1,283	-1,447	-1,613	-1,783	-1,955	-2,131	-2,309	-2,491	-2,676	-2,864	-1,403
18. 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	\$21.00
19. Forecasted Revenue Increase (Deer)	Line 17 * Line 18		-\$1,483	-\$4,476	-\$7,521	-\$10,619	-\$13,772	-\$16,979	-\$20,243	-\$23,564	-\$26,943	-\$30,381	-\$33,879	-\$37,439	-\$41,061	-\$44,746	-\$48,496	-\$52,311	-\$56,193	-\$60,143	-\$530,249
<b>Forecasted DSL Promotion Revenue:</b>																					
20. Promotion Generated Customer Increase	Line 3(d) Phased In		1,000	2,000	3,000	4,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	5,875	5,750	5,625	5,500	5,375	5,250
21. Billed at Promotional Rate	1/2 Curr. Mo.+Prior L.20 for 12 months		500	1,500	2,500	3,500	4,500	5,500	6,000	6,000	6,000	6,000	6,000	6,000	6,000	5,500	4,500	3,500	2,500	1,500	500
22. Billed at Full Rate	After 12 mo. - L.20 - L.21		0	0	0	0	0	0	0	0	0	0	0	0	0	375	1,250	2,125	3,000	3,875	4,750
23. Promotion Rate For 12 Months	Line 1(d)	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95
24. 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
25. Promotion Customer Revenues	(L.21*(L.23)+(L.22*(L.24)		\$3,975	\$11,925	\$19,875	\$27,825	\$35,775	\$43,725	\$47,700	\$47,700	\$47,700	\$47,700	\$47,700	\$47,700	\$47,700	\$51,600	\$62,025	\$72,450	\$82,875	\$93,300	\$895,275
26. Ordinary Customer Growth	Line 15		549	1,108	1,677	2,256	2,845	3,444	4,054	4,674	5,305	5,947	6,601	7,266	7,942	8,630	9,331	10,044	10,769	11,507	5,775
27. Percent Taking Promotion	Input	100.00%	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%	0.00%	0.00%	0.00%	0.00%	0.00%
28. Forecasted Taking Promotion Rate	Line 26 * Line 27		549	1,108	1,677	2,256	2,845	3,444	3,444	3,444	3,444	3,444	3,444	3,444	3,444	3,444	3,444	3,444	3,444	3,444	2,956
29. Billed at Promotional Rate	1/2 Curr.+Prior L.28 - 12 mo.		275	829	1,393	1,967	2,550	3,144	3,444	3,444	3,444	3,444	3,444	3,444	3,169	2,615	2,051	1,477	894	300	2,296
30. Discount Amount	Line 1(d) + Line 1(c)		-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05	-\$13.05
31. Revenue Loss on Ordinary Customer Growth	Line 29 * Line 30		-\$3,585	-\$10,817	-\$18,175	-\$25,663	-\$33,281	-\$41,033	-\$44,943	-\$44,943	-\$44,943	-\$44,943	-\$44,943	-\$44,943	-\$41,358	-\$34,126	-\$26,767	-\$19,280	-\$11,661	-\$3,910	-\$539,313
32. Net Promotional Revenues	Line 25 + Line 31		\$390	\$1,108	\$1,700	\$2,162	\$2,494	\$2,692	\$2,757	\$2,757	\$2,757	\$2,757	\$2,757	\$2,757	\$2,757	\$10,242	\$27,899	\$45,683	\$63,595	\$81,639	\$355,962
33. Total Revenues	L.14 + L.19 + L.32		\$636,237	\$658,160	\$655,885	\$653,432	\$650,796	\$647,975	\$644,966	\$641,767	\$638,446	\$635,067	\$631,629	\$628,131	\$624,571	\$628,434	\$642,406	\$656,440	\$670,537	\$684,699	\$11,692,268
34. Total Revenues less Revenue Requirement Before Promotion	L.14 + L.19 - L.10		\$141,730	\$162,521	\$158,785	\$154,997	\$151,153	\$147,254	\$143,299	\$139,287	\$135,217	\$131,087	\$126,897	\$122,646	\$118,332	\$113,955	\$109,514	\$105,006	\$100,432	\$95,791	\$2,307,254
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 11		\$141,730	\$162,466	\$159,002	\$155,356	\$151,525	\$147,505	\$143,295	\$138,893	\$134,365	\$129,776	\$125,125	\$120,411	\$115,633	\$118,275	\$131,022	\$143,829	\$156,696	\$169,624	\$2,585,410

**Notes:**

- 1) Assumed 0.15% monthly increase in revenue requirement to handle normal customer growth, and 0.24% 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 are for Tier 4 customers only.