



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

Promotion Description: **\$14.95 per month for first 12 months of 3Mb/384K service**

ALLTEL Markets: **All**  
 Months of Promotion: **6**  
 Months of Discounted Rate: **12**  
 Months Customer Must Retain Service: **12**  
 Study Months: **18**

Promotion Period: **Start 1-Jul-05 Stop 31-Dec-05 Months Until Start Date (2) 1.0**

Description	Current	Forecast	Promotion
(a)	(b)	(c)	(d)
1. DSL Rate	\$34.95	\$34.95	\$14.95
2. Average Monthly DSL Customer Growth Rate (without promotion)		1.80%	
3. Estimated Promotion Generated Customer Increase			7,500
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	18,796	19,781	
6. Estimated Monthly Customer Churn	2.20%	2.20%	
7. Current DSL Revenue Requirement @ 03/31/05	\$6,109,076		
8. Estimated Revenue Requirement Increase per Month		0.15%	0.28%
9. Estimated Revenue Requirement Through Promotion		\$6,224,761	\$6,302,419

29,643

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.	\$511,381	\$512,148	\$512,916	\$513,685	\$514,456	\$515,227	\$516,000	\$516,774	\$517,549	\$518,326	\$519,103	\$519,882	\$520,662	\$521,443	\$522,225	\$523,008	\$523,793	\$524,578	\$525,365	\$9,337,141
11. Monthly Rev. Requirement W/Promotion	L.7/ 12 + 0.28% per mo.	\$511,381	\$512,812	\$514,248	\$515,688	\$517,132	\$518,580	\$520,032	\$521,488	\$522,948	\$524,413	\$525,881	\$527,353	\$528,830	\$530,311	\$531,796	\$533,285	\$534,778	\$536,275	\$537,777	\$9,453,628
<b>Current DSL Revenue:</b>																					
12. Current Customer Demand	Forecast	18,796	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781	19,781
13. Current Rate	Line 1(b)	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95
14. Current Customer Revenues	Line 12 * Line 13	\$656,920	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$691,346	\$12,444,227
<b>Forecasted DSL Revenue Increase Excluding Promotion:</b>																					
15. Forecasted New Customer Demand	Prior mo. + [L.2c*(L.12+Prior mo.)] + Net L.16	791	1,614	2,470	3,360	4,286	5,248	6,249	7,291	8,374	9,500	10,671	11,889	13,156	14,473	15,843	17,268	18,750	20,292	9,529	
16. Forecasted Customer Disconnects	Prior mo. + [L.6c*(L.12+Prior L.15)]	-435	-888	-1,358	-1,848	-2,357	-2,887	-3,437	-4,010	-4,605	-5,225	-5,869	-6,539	-7,236	-7,960	-8,714	-9,498	-10,313	-11,160	-5,241	
17. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.15 + Prior L.16	178	541	919	1,312	1,720	2,145	2,587	3,047	3,524	4,021	4,538	5,076	5,635	6,217	6,821	7,450	8,104	8,784	4,034	
18. Forecasted Rate	Line 1(c)	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	
19. Forecasted Revenue Increase (Decr)	Line 17 * Line 18	\$6,222	\$18,915	\$32,116	\$45,845	\$60,123	\$74,972	\$90,415	\$106,476	\$123,179	\$140,551	\$158,617	\$177,406	\$196,946	\$217,268	\$238,403	\$260,384	\$283,243	\$307,017	\$2,538,100	
<b>Forecasted DSL Promotion Revenue:</b>																					
20. Promotion Generated Customer Increase	Line 3(d) Phased In	1,250	2,500	3,750	5,000	6,250	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,344	7,188	7,031	6,875	6,719	6,563	6,276
21. Billed at Promotional Rate	1/2 Curr. Mo. + Prior L.20 for 12 months	625	1,875	3,125	4,375	5,625	6,875	7,500	7,500	7,500	7,500	7,500	7,500	7,500	6,875	6,250	5,625	5,000	4,375	3,750	3,125
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	469	1,563	2,656	3,750	4,844	5,938	1,276
23. 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
24. Full DSL Rate After Promotion	Line 1(c)	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95	\$34.95
25. Promotion Customer Revenues	(L.21*(L.23))+(L.22*(L.24))	\$9,344	\$28,031	\$46,719	\$65,406	\$84,094	\$102,781	\$111,125	\$112,125	\$112,125	\$112,125	\$112,125	\$112,125	\$112,125	\$119,164	\$138,703	\$158,242	\$177,781	\$197,320	\$216,859	\$2,017,195
26. Ordinary Customer Growth	Line 15	791	1,614	2,470	3,360	4,286	5,248	6,249	7,291	8,374	9,500	10,671	11,889	13,156	14,473	15,843	17,268	18,750	20,292	9,529	
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%	
28. Forecasted Taking Promotion Rate	Line 26 * Line 27	791	1,614	2,470	3,360	4,286	5,248	6,249	7,291	8,374	9,500	10,671	11,889	13,156	14,473	15,843	17,268	18,750	20,292	9,529	
29. Billed at Promotional Rate	1/2 Curr. + Prior L.28 - 12 mo.	396	1,203	2,042	2,915	3,823	4,767	5,248	5,248	5,248	5,248	5,248	5,248	5,248	4,853	4,046	3,206	2,333	1,425	481	3,499
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	-\$20.00	-\$20.00	-\$20.00	-\$20.00	-\$20.00	
31. Revenue Loss on Ordinary Customer Growth	Line 29 * Line 30	-\$7,912	-\$24,054	-\$40,841	-\$58,299	-\$76,456	-\$95,339	-\$104,966	-\$104,966	-\$104,966	-\$104,966	-\$104,966	-\$104,966	-\$104,966	-\$97,053	-\$80,912	-\$64,125	-\$46,666	-\$28,510	-\$9,627	-\$1,259,586
32. Net Promotional Revenues	Line 25 + Line 31	\$1,431	\$3,978	\$5,878	\$7,107	\$7,638	\$7,442	\$7,159	\$7,159	\$7,159	\$7,159	\$7,159	\$7,159	\$7,159	\$22,111	\$57,791	\$94,117	\$131,115	\$168,811	\$207,233	\$757,609
33. Total Revenues	L.14 + L.19 + L.32	\$656,920	\$698,999	\$714,239	\$729,340	\$744,298	\$759,107	\$773,760	\$788,921	\$804,981	\$821,685	\$839,056	\$857,122	\$875,911	\$910,403	\$966,406	\$1,023,867	\$1,082,845	\$1,143,400	\$1,205,596	\$15,739,936
34. Total Revenues less Revenue Requirement Before Promotion	L.14 + L.19 - L.10	\$145,540	\$185,420	\$197,345	\$209,777	\$222,735	\$236,241	\$250,318	\$264,987	\$280,273	\$296,199	\$312,793	\$330,081	\$348,090	\$366,850	\$386,389	\$406,741	\$427,937	\$450,011	\$472,998	\$5,645,186
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 11	\$145,540	\$186,187	\$199,990	\$213,652	\$227,166	\$240,527	\$253,728	\$267,432	\$282,033	\$297,272	\$313,175	\$329,769	\$347,081	\$380,092	\$434,610	\$490,582	\$548,067	\$607,125	\$667,819	\$6,286,308

**Notes:**

- 1) Assumed 0.15% monthly increase in revenue requirement to handle normal customer growth, and 0.28% 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 3Mb/384K customers only.