



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

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
29,643																						
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
Current DSL Revenue:																						
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
Forecasted DSL Revenue Increase Excluding Promotion:																						
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	
Forecasted DSL Promotion Revenue:																						
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	
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	5,625	4,375	3,125	1,875	625	
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	
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	
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	
25.	Promotion Customer Revenues	(L.21*(L.23)+(L.22*(L.24)	\$9,344	\$28,031	\$46,719	\$65,406	\$84,094	\$102,781	\$112,125	\$112,125	\$112,125	\$112,125	\$112,125	\$112,125	\$112,125	\$119,164	\$138,703	\$158,242	\$177,781	\$197,320	\$216,859	
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	
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	
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	
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	
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	
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	

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.