



ALLTEL Corporation

Cost Support for DSL Promotional Filing

1st Quarter 2006

Promotion Description: \$9.95 per month for first 12 months for Tier One			
ALLTEL Markets: All			
Months of Promotion: 6			
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-06	30-Jun-06	1.0

Description		Current	Forecast	Promotion
	(a)	(b)	(c)	(d)
1. DSL Rate		\$29.95	\$29.95	\$9.95
2. Average Monthly DSL Customer Growth Rate (without promotion)			-0.45%	
3. Estimated Promotion Generated Customer Increase				42,500
4. Estimated Customer Retention After Promotion				75.00%
5. Estimated Monthly DSL Customers		262,560	268,793	
6. Estimated Monthly Customer Churn		2.05%	2.05%	
7. Current DSL Revenue Requirement @ 03/31/05		\$57,015,726		
8. Estimated Revenue Requirement Increase per Month			0.15%	0.23%
9. Estimated Revenue Requirement Through Promotion			\$52,285,865	\$52,686,142

Description	Source	Current	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
10. Monthly Revenue Requirement	L.7/ 12 + 0.15% per mo.	\$4,772,691	\$4,779,850	\$4,787,020	\$4,794,201	\$4,801,392	\$4,808,594	\$4,815,807	\$4,823,031	\$4,830,265	\$4,837,511	\$4,844,767	\$4,852,034	\$4,859,312	\$4,866,601	\$4,873,901	\$4,881,212
11. Monthly Rev. Requirement W/Promotion	L.7/ 12 + 0.23% per mo.	\$4,772,691	\$4,783,669	\$4,794,671	\$4,805,699	\$4,816,752	\$4,827,830	\$4,838,934	\$4,850,064	\$4,861,219	\$4,872,400	\$4,883,606	\$4,894,839	\$4,906,097	\$4,917,381	\$4,928,691	\$4,940,027

Current DSL Revenue:																	
12. Current Customer Demand	Forecast	262,560	268,793	268,793	268,793	268,793	268,793	268,793	268,793	268,793	268,793	268,793	268,793	268,793	268,793	268,793	268,793
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	\$29.95
14. Current Customer Revenues	Line 12 * Line 13	\$7,863,672	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350	\$8,050,350

Forecasted DSL Revenue Increase Excluding Promotion:																	
15. Forecasted New Customer Demand	Prior mo.+[L.2c*(L.12+Prior mo.)]+Net L.16		4,300	8,727	13,280	17,958	22,763	27,694	32,750	37,788	42,808	47,808	52,791	57,755	62,700	67,604	72,464
16. Forecasted Customer Disconnects	Prior mo.+[L.6c*(L.12+Prior L.15)]		-5,510	-11,141	-16,892	-22,764	-28,757	-34,870	-41,104	-47,314	-53,500	-59,662	-65,801	-71,916	-78,007	-84,051	-90,047
17. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.15 + Prior L.16		-605	-1,812	-3,013	-4,209	-5,400	-6,585	-7,765	-8,940	-10,109	-11,273	-12,432	-13,585	-14,734	-15,877	-17,015
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	\$29.95
19. Forecasted Revenue Increase (Decr)	Line 17 * Line 18		-\$18,113	-\$54,258	-\$90,241	-\$126,061	-\$161,721	-\$197,219	-\$232,558	-\$267,739	-\$302,760	-\$337,624	-\$372,332	-\$406,883	-\$441,278	-\$475,519	-\$509,606

Forecasted DSL Promotion Revenue:																	
20. Promotion Generated Customer Increase	Line 3(d) Phased In		7,083	14,167	21,250	28,333	35,417	42,500	42,500	42,500	42,500	42,500	42,500	42,500	41,319	40,139	38,958
21. Billed at Promotional Rate	1/2 Curr. Mo.+Prior L.20 for 12 months		3,542	10,625	17,708	24,792	31,875	38,958	42,500	42,500	42,500	42,500	42,500	42,500	38,958	31,875	24,792
22. Billed at Full Rate	After 12 mo. = L.20 - L.21		0	0	0	0	0	0	0	0	0	0	0	0	2,361	8,264	14,167
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	\$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	\$29.95
25. Promotion Customer Revenues	(L.21*(L.23)+(L.22*L.24)		\$35,240	\$105,719	\$176,198	\$246,677	\$317,156	\$387,635	\$422,875	\$422,875	\$422,875	\$422,875	\$422,875	\$422,875	\$458,351	\$564,660	\$670,969
26. Ordinary Customer Growth	Line 15		4,300	8,727	13,280	17,958	22,763	27,694	32,750	37,788	42,808	47,808	52,791	57,755	62,700	67,604	72,464
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%	0.00%
28. Forecasted Taking Promotion Rate	Line 26 * Line 27		4,300	8,727	13,280	17,958	22,763	27,694	27,694	27,694	27,694	27,694	27,694	27,694	27,694	27,694	27,694
29. Billed at Promotional Rate	1/2 Curr.+Prior L.28 - 12 mo.		2,150	6,514	11,003	15,619	20,361	25,229	27,694	27,694	27,694	27,694	27,694	27,694	25,544	21,180	16,690
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
31. Revenue Loss on Ordinary Customer Growth	Line 29 * Line 30		-\$43,004	-\$130,277	-\$220,069	-\$312,379	-\$407,216	-\$504,571	-\$553,875	-\$553,875	-\$553,875	-\$553,875	-\$553,875	-\$553,875	-\$510,871	-\$423,598	-\$333,806
32. Net Promotional Revenues	Line 25 + Line 31		-\$7,765	-\$24,559	-\$43,871	-\$65,702	-\$90,060	-\$116,935	-\$131,000	-\$131,000	-\$131,000	-\$131,000	-\$131,000	-\$131,000	-\$52,520	\$141,062	\$337,163
33. Total Revenues	L.14 + L.19 + L.32		\$7,863,672	\$8,024,472	\$7,971,533	\$7,916,238	\$7,858,587	\$7,798,570	\$7,736,195	\$7,686,792	\$7,651,612	\$7,616,590	\$7,581,726	\$7,547,019	\$7,512,468	\$7,556,552	\$7,715,893
34. Total Revenues less Revenue Requirement Before Promotion	L.14 + L.19 - L.10		\$3,090,981	\$3,252,387	\$3,209,072	\$3,165,909	\$3,122,897	\$3,080,036	\$3,037,324	\$2,994,761	\$2,952,347	\$2,910,079	\$2,867,959	\$2,825,985	\$2,784,155	\$2,742,471	\$2,700,930
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 11		\$3,090,981	\$3,240,804	\$3,176,862	\$3,110,540	\$3,041,835	\$2,970,739	\$2,897,261	\$2,836,728	\$2,790,393	\$2,744,190	\$2,698,120	\$2,652,180	\$2,606,371	\$2,639,171	\$2,937,880

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 December 1, 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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Promotion Description: \$9.95 per month for first 12 months	
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-Jan-06

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	Apr-07	May-07	Jun-07	Total
10. Monthly Revenue Requirement	L.7/ 12 + 0.15% per mo.	\$4,888,534	\$4,895,866	\$4,903,210	\$87,143,109
11. Monthly Rev. Requirement W/Promotion	L.7/ 12 + 0.23% per mo.	\$4,951,389	\$4,962,777	\$4,974,191	\$87,810,236

Current DSL Revenue:

12. Current Customer Demand	Forecast	268,793	268,793	268,793	268,793
13. Current Rate	Line 1(b)	\$29.95	\$29.95	\$29.95	\$29.95
14. Current Customer Revenues	Line 12 * Line 13	\$8,050,350	\$8,050,350	\$8,050,350	\$144,906,306

Forecasted DSL Revenue Increase Excluding Promotion:

15. Forecasted New Customer Demand	Prior mo. + [L.2c*(L.12+Prior n	77,282	82,057	86,791	45,296
16. Forecasted Customer Disconnects	Prior mo. + [L.6c*(L.12+Prior L	-95,995	-101,896	-107,750	-56,499
17. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.15 + P	-18,148	-19,276	-20,399	-10,621
18. Forecasted Rate	Line 1(c)	\$29.95	\$29.95	\$29.95	\$29.95
19. Forecasted Revenue Increase (Decr)	Line 17 * Line 18	-\$543,539	-\$577,320	-\$610,949	-\$5,725,722

Forecasted DSL Promotion Revenue:

20. Promotion Generated Customer Increase	Line 3(d) Phased In	37,778	36,597	35,417	35,220
21. Billed at Promotional Rate	1/2 Curr. Mo.+Prior L.20 for 1	17,708	10,625	3,542	28,333
22. Billed at Full Rate	After 12 mo. = L.20 - L.21	20,069	25,972	31,875	6,887
23. Promotion Rate For 12 Months	Line 1(d)	\$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
25. Promotion Customer Revenues	(L.21*L.23)+(L.22*L.24)	\$777,278	\$883,587	\$989,896	\$8,150,615
26. Ordinary Customer Growth	Line 15	77,282	82,057	86,791	45,296
27. Percent Taking Promotion	Input	0.00%	0.00%	0.00%	0.00%
28. Forecasted Taking Promotion Rate	Line 26 * Line 27	27,694	27,694	27,694	23,725
29. Billed at Promotional Rate	1/2 Curr.+Prior L.28 - 12 mo.	12,075	7,333	2,465	18,462
30. Discount Amount	Line 1(d) - Line 1(c)	-\$20.00	-\$20.00	-\$20.00	-\$20.00
31. Revenue Loss on Ordinary Customer Growth	Line 29 * Line 30	-\$241,496	-\$146,659	-\$49,304	-\$6,646,499
32. Net Promotional Revenues	Line 25 + Line 31	\$535,782	\$736,928	\$940,592	\$1,504,115
33. Total Revenues	L.14 + L.19 + L.32	\$8,042,593	\$8,209,959	\$8,379,994	\$140,684,700
34. Total Revenues less Revenue Requirement Before Promotion	L.14 + L.19 - L.10	\$2,618,277	\$2,577,164	\$2,536,191	\$52,037,476
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 11	\$3,091,204	\$3,247,181	\$3,405,802	\$52,874,464

Notes:

- 1)
- 2)
- 3)
- 4)