



ALLTEL Corporation
Cost Support for DSL Promotional Filing
1st Quarter 2006

Promotion Description: \$7.95 per month for the first 12 months for Tier Four		
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
	1-Jan-06	30-Jun-06
		Months Until Start Date (2)
		1.0

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)		-1.05%	
3. Estimated Promotion Generated Customer Increase			2,750
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated Monthly DSL Customers	29,593	29,839	
6. Estimated Monthly Customer Churn	2.05%	2.05%	
7. Current DSL Revenue Requirement @ 03/31/05	\$4,821,602		
8. Estimated Revenue Requirement Increase per Month		0.15%	0.22%
9. Estimated Revenue Requirement Through Promotion		\$4,912,906	\$4,945,797

30,758																		
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	Apr-07
10. Monthly Revenue Requirement	L.7/ 12 + 0.15% per mo.	\$403,608	\$404,214	\$404,820	\$405,427	\$406,035	\$406,644	\$407,254	\$407,865	\$408,477	\$409,090	\$409,703	\$410,318	\$410,933	\$411,550	\$412,167	\$412,785	\$413,405
11. Monthly Rev. Requirement W/Promotion	L.7/ 12 + 0.22% per mo.	\$403,608	\$404,496	\$405,386	\$406,278	\$407,172	\$408,068	\$408,965	\$409,865	\$410,767	\$411,670	\$412,576	\$413,484	\$414,393	\$415,305	\$416,219	\$417,134	\$418,052
Current DSL Revenue:																		
12. Current Customer Demand	Forecast	29,593	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839	29,839
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
14. Current Customer Revenues	Line 12 * Line 13	\$621,453	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619	\$626,619
Forecasted DSL Revenue Increase Excluding Promotion:																		
15. Forecasted New Customer Demand	Prior mo.+[L.2c*(L.12+Prior mo.)]-Net L.16	299	604	915	1,232	1,556	1,886	2,223	2,557	2,888	3,216	3,541	3,863	4,182	4,497	4,809	5,116	
16. Forecasted Customer Disconnects	Prior mo.-[L.6c*(L.12+Prior L.15)]	-612	-1,227	-1,845	-2,466	-3,090	-3,717	-4,348	-4,973	-5,592	-6,205	-6,812	-7,413	-8,008	-8,596	-9,178	-9,753	
17. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.15 + Prior L.16	-157	-468	-777	-1,082	-1,384	-1,683	-1,978	-2,271	-2,560	-2,847	-3,130	-3,411	-3,688	-3,963	-4,234	-4,503	
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	
19. Forecasted Revenue Increase (Decr)	Line 17 * Line 18	-\$3,290	-\$9,835	-\$16,311	-\$22,719	-\$29,060	-\$35,334	-\$41,543	-\$47,686	-\$53,765	-\$59,780	-\$65,732	-\$71,621	-\$77,449	-\$83,215	-\$88,921	-\$94,567	
Forecasted DSL Promotion Revenue:																		
20. Promotion Generated Customer Increase	Line 3(d) Phased In	458	917	1,375	1,833	2,292	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,693	2,635	2,578	2,521
21. Billed at Promotional Rate	1/2 Curr. Mo.+Prior L.20 for 12 months	229	688	1,146	1,604	2,063	2,521	2,750	2,750	2,750	2,750	2,750	2,750	2,521	2,063	1,604	1,146	
22. Billed at Full Rate	After 12 mo. = L.20 - L.21	0	0	0	0	0	0	0	0	0	0	0	0	172	573	974	1,375	
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	
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	
25. Promotion Customer Revenues	(L.21*L.23)+(L.22*L.24)	\$1,822	\$5,466	\$9,109	\$12,753	\$16,397	\$20,041	\$21,863	\$21,863	\$21,863	\$21,863	\$21,863	\$21,863	\$21,863	\$23,650	\$28,428	\$33,206	\$37,984
26. Ordinary Customer Growth	Line 15	299	604	915	1,232	1,556	1,886	2,223	2,557	2,888	3,216	3,541	3,863	4,182	4,497	4,809	5,116	
27. Percent Taking Promotion	Input	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
28. Forecasted Taking Promotion Rate	Line 26 * Line 27	299	604	915	1,232	1,556	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	
29. Billed at Promotional Rate	1/2 Curr.+Prior L.28 - 12 mo.	149	451	759	1,074	1,394	1,721	1,886	1,886	1,886	1,886	1,886	1,886	1,736	1,435	1,127	812	
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	
31. Revenue Loss on Ordinary Customer Growth	Line 29 * Line 30	-\$1,949	-\$5,888	-\$9,909	-\$14,011	-\$18,194	-\$22,458	-\$24,610	-\$24,610	-\$24,610	-\$24,610	-\$24,610	-\$24,610	-\$24,610	-\$22,661	-\$18,722	-\$14,701	-\$10,599
32. Net Promotional Revenues	Line 25 + Line 31	-\$127	-\$422	-\$799	-\$1,258	-\$1,797	-\$2,417	-\$2,747	-\$2,747	-\$2,747	-\$2,747	-\$2,747	-\$2,747	-\$2,747	\$989	\$9,706	\$18,505	\$27,386
33. Total Revenues	L.14 + L.19 + L.32	\$621,453	\$623,202	\$616,362	\$609,509	\$602,642	\$595,762	\$588,867	\$582,329	\$576,185	\$570,107	\$564,092	\$558,140	\$552,251	\$550,160	\$553,110	\$556,204	\$559,438
34. Total Revenues less Revenue Requirement Before Promotion	L.14 + L.19 - L.10	\$217,845	\$219,116	\$211,964	\$204,881	\$197,864	\$190,914	\$184,030	\$177,211	\$170,456	\$163,764	\$157,136	\$150,569	\$144,064	\$137,621	\$131,237	\$124,913	\$118,648
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 11	\$217,845	\$218,706	\$210,976	\$203,231	\$195,470	\$187,694	\$179,902	\$172,464	\$165,419	\$158,436	\$151,516	\$144,656	\$137,857	\$134,855	\$136,892	\$139,069	\$141,386

Notes:

- 1) Assumed 0.15% monthly increase in revenue requirement to handle normal customer growth, and 0.22% 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 are for Tier 4 customers only.



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1st Quarter 2006

Promotion Description: **\$7.95 per month for the first**
ALLTEL Markets: All
Months of Promotion: 6
Months of Discounted Rate: 12
Months Customer Must Retain Service: 12
Study Months: 18
Start
Promotion Period: 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	May-07	Jun-07	Total
10. Monthly Revenue Requirement	L.7/ 12 + 0.15% per mo.	\$414,025	\$414,646	\$7,369,360
11. Monthly Rev. Requirement W/Promotion	L.7/ 12 + 0.22% per mo.	\$418,972	\$419,894	\$7,418,696
Current DSL Revenue:				
12. Current Customer Demand	Forecast	29,839	29,839	29,839
13. Current Rate	Line 1(b)	\$21.00	\$21.00	\$21.00
14. Current Customer Revenues	Line 12 * Line 13	\$626,619	\$626,619	\$11,279,142
Forecasted DSL Revenue Increase Excluding Promotion:				
15. Forecasted New Customer Demand	Prior mo.+[L.2c*(L.12+Prior n	5,419	5,720	3,029
16. Forecasted Customer Disconnects	Prior mo.+[L.6c*(L.12+Prior I	-10,321	-10,883	-5,836
17. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.15 + Pt	-4,769	-5,032	-2,663
18. Forecasted Rate	Line 1(c)	\$21.00	\$21.00	\$21.00
19. Forecasted Revenue Increase (Decr)	Line 17 * Line 18	-\$100,153	-\$105,681	-\$1,006,661
Forecasted DSL Promotion Revenue:				
20. Promotion Generated Customer Increase	Line 3(d) Phased In	2,464	2,406	2,301
21. Billed at Promotional Rate	1/2 Curr. Mo.+Prior L.20 for 1	688	229	1,833
22. Billed at Full Rate	After 12 mo. = L.20 - L.21	1,776	2,177	468
23. Promotion Rate For 12 Months	Line 1(d)	\$7.95	\$7.95	\$7.95
24. Full DSL Rate After Promotion	Line 1(c)	\$21.00	\$21.00	\$21.00
25. Promotion Customer Revenues	(L.21*L.23)+(L.22*L.24)	\$42,763	\$47,541	\$410,334
26. Ordinary Customer Growth	Line 15	5,419	5,720	3,029
27. Percent Taking Promotion	Input	0.00%	0.00%	0.00%
28. Forecasted Taking Promotion Rate	Line 26 * Line 27	1,886	1,886	1,618
29. Billed at Promotional Rate	1/2 Curr.+Prior L.28 - 12 mo.	492	165	1,257
30. Discount Amount	Line 1(d) - Line 1(c)	-\$13.05	-\$13.05	-\$13.05
31. Revenue Loss on Ordinary Customer Growth	Line 29 * Line 30	-\$6,416	-\$2,152	-\$295,317
32. Net Promotional Revenues	Line 25 + Line 31	\$36,347	\$45,389	\$115,017
33. Total Revenues	L.14 + L.19 + L.32	\$562,813	\$566,327	\$10,387,498
34. Total Revenues less Revenue Requirement Before Promotion	L.14 + L.19 - L.10	\$112,441	\$106,292	\$2,903,121
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 11	\$143,841	\$146,433	\$2,968,802

Notes:

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