

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

Promotion Description: \$19.95 per month for first 12 months of 6Mb/384K service			
ALLTEL Markets: All			
Months of Promotion: 4			
Free Months: 0			
Months of Discounted Rate: 12			
Months Customer Must Retain Service: 12			
Study Months: 16			
Promotion Period:	Start	Stop	Months Until Start Date
	1-Mar-06	30-Jun-06	1.0

Description	Current	Forecast	Promotion
(a)	(b)	(c)	(d)
1. DSL Rate	\$39.95	\$39.95	\$19.95
2. Average Monthly DSL Customer Growth Rate		2.50%	12.00%
3. Estimated Promotion Generated Customer Increase		6,000	12,000
4. Estimated Customer Retention After Promotion			75.00%
5. Estimated 3Mb/384K DSL Customers (2)	0	0	
6. Current DSL Revenue Requirement @12/31/05	\$7,015,000	0	
7. Estimated Revenue Requirement Increase per Month		0.50%	1.00%
8. Estimated Revenue Requirement Through Promotion		\$10,088,660	

Description	Source	Current	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	May-07	Jun-07	Total
9. Monthly Revenue Requirement	L.6/ 12 + 0.5% per mo.	\$0	\$584,583	\$587,506	\$590,444	\$593,396	\$596,363	\$599,345	\$602,342	\$605,353	\$608,380	\$611,422	\$614,479	\$617,551	\$620,639	\$623,742	\$626,861	\$629,995	\$9,712,402
10. Monthly Rev. Requirement W/Promotion	L.6/ 12 + 1% per mo.	\$0	\$584,583	\$590,429	\$596,333	\$602,297	\$608,320	\$614,403	\$620,547	\$626,752	\$633,020	\$639,350	\$645,744	\$652,201	\$658,723	\$665,310	\$671,963	\$678,683	\$10,088,660

Current DSL Revenue:

11. Current Customer Demand	Forecast	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
12. Current Rate	Line 1(b)	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95
13. Current Customer Revenues	Line 11 * Line 12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Forecasted DSL Revenue Increase Excluding Promotion:

14. Forecasted New Customer Demand	Prior L.14+(L.3c / 5)	1,500	3,000	4,500	6,000	7,538	9,075	10,613	12,150	13,688	15,225	16,763	18,300	19,838	21,375	22,913	24,450	12,933
15. Net Customers Billed at Forecasted Rate	1/2 Curr. Mo. + Prior L.14	750	2,250	3,750	5,250	6,769	8,306	9,844	11,381	12,919	14,456	15,994	17,531	19,069	20,606	22,144	23,681	12,169
16. Forecasted Rate	Line 1(c)	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95
17. Forecasted New Customer Revenues	Line 15 * Line 16	\$29,963	\$89,888	\$149,813	\$209,738	\$270,412	\$331,835	\$393,258	\$454,681	\$516,104	\$577,527	\$638,950	\$700,373	\$761,797	\$823,220	\$884,643	\$946,066	\$7,778,265

Forecasted DSL Promotion Revenue:

18. Promotion Generated Customer Increase	Line 3(d) Phased In	3,000	6,000	9,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	11,750	11,500	11,250	11,000	10,719
19. Billed at \$0 (first month free)	Not Applicable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20. Billed at Promotional Rate	L.18-L.19 for 12 months	1,500	4,500	7,500	10,500	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	10,500	7,500	4,500	1,500
21. Billed at Full Rate	After 12 mo. = (Avg L.18) - L.20	0	0	0	0	0	0	0	0	0	0	0	0	1,375	4,125	6,875	9,625	1,719
22. Promotion Rate For 12 Months	Line 1(d)	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95
23. Full DSL Rate After Promotion	Line 1(e)	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95	\$39.95
24. Promotion Customer Revenues	(L.20*L.22)+(L.21*L.23)	\$29,925	\$89,775	\$149,625	\$209,475	\$239,400	\$239,400	\$239,400	\$239,400	\$239,400	\$239,400	\$239,400	\$239,400	\$239,400	\$264,406	\$314,419	\$364,431	\$414,444
25. Ordinary Customer Growth	Line 14	1,500	3,000	4,500	6,000	7,538	9,075	10,613	12,150	13,688	15,225	16,763	18,300	19,838	21,375	22,913	24,450	12,933
26. Percent Taking Promotion	Input	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%
27. Forecasted Taking Promotion Rate	Line 24 * Line 25	1,500	3,000	4,500	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	5,438
28. Billed at \$0 (first month free)	Not applicable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29. Billed at Promotional Rate	1/2 Curr.+Prior L.26 - 12 mo.	750	2,250	3,750	5,250	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	5,250	3,750	2,250	750	4,500
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
31. Revenue Loss on Ordinary Customer Growth	-(L.12 * L.28) + (L.29 * L.30)	-\$15,000	-\$45,000	-\$75,000	-\$105,000	-\$120,000	-\$120,000	-\$120,000	-\$120,000	-\$120,000	-\$120,000	-\$120,000	-\$120,000	-\$120,000	-\$105,000	-\$75,000	-\$45,000	-\$15,000
32. Net Promotional Revenues	Line 24 + Line 31	\$14,925	\$44,775	\$74,625	\$104,475	\$119,400	\$119,400	\$119,400	\$119,400	\$119,400	\$119,400	\$119,400	\$119,400	\$119,400	\$159,406	\$239,419	\$319,431	\$399,444
33. Total Revenues	L.13 + L.17 + L.32	\$0	\$44,888	\$134,663	\$224,438	\$314,213	\$389,812	\$451,235	\$512,658	\$574,081	\$635,504	\$696,927	\$758,350	\$819,773	\$921,203	\$1,062,638	\$1,204,074	\$1,345,510
34. Total Revenues less Revenue Requirement Before Promotion	L.13 + L.17 - L.9	\$0	-\$554,621	-\$497,619	-\$440,631	-\$383,659	-\$325,951	-\$267,510	-\$209,084	-\$150,672	-\$92,276	-\$33,895	\$24,471	\$82,822	\$141,157	\$199,477	\$257,782	\$316,071
35. Total Revenues less Revenue Requirement After Promotion	Line 33 - Line 10	\$0	-\$539,696	-\$455,767	-\$371,896	-\$288,084	-\$218,508	-\$163,168	-\$107,889	-\$52,672	\$2,484	\$57,577	\$112,607	\$167,572	\$262,480	\$397,328	\$532,111	\$666,827

Notes:

- 1) Assumed 0.5% monthly increase in revenue requirement to handle normal customer growth, and 1.0% with promotion.
- 2) There are currently no customers with the 6Mb/384K service
- 3) Data is for all ALLTEL companies except those covered by the NECA access tariff.
- 4) Customer counts and revenue requirement are forecasted for this service only.