

TABLE 1
SMS/800 - COMPARISON of CURRENT and PROPOSED RATES

ITEM NO.	RESPORG SERVICE/RATE ELEMENT	CURRENT RATES	PROPOSED RATES	\$ CHANGE	% CHANGE	REVENUE IMPACT
		(a)	(b)	(c) = (b-a)	(d) = (c/a)	(e)
1	Service Est. - First Logon ID	\$ 2,241.10	\$ 531.52	-\$1,709.58	-76.28%	-\$46,159
2	Service Est. - Add'l. Logon ID	\$ 38.13	\$ 85.77	\$47.63	124.91%	\$72,404
3	Smart Card, per Smart Card issued	\$ 70.00	\$ 142.01	\$72.01	102.87%	\$10,442
4	Access: Non-Dedicated	\$ 92.76	\$ 18.77	-\$73.99	-79.76%	-\$721,856
5	Access: Ded. (non-MGI)	\$ 99.23	\$ 39.09	-\$60.14	-60.61%	-\$104,640
6	Access: Ded. (MGI)	\$ 410.54	\$ 491.82	\$81.29	19.80%	\$32,190
7	Customer Reports (see note 4)					
7a	On-line Reports	\$ 993.46	\$ 17.24	-\$976.22	-98.26%	-\$179,624
7b	Off-line Reports	\$ 993.46	\$ 159.19	NA	NA	\$29,628
9	MGI Additional Testing per Hour	\$ 180.00	\$ 180.00	\$0.00	0.00%	\$0
10	MGI Additional Testing per Day	\$ 1,440.00	\$ 1,440.00	\$0.00	0.00%	\$0
11	Batch Update Testing per Hour	\$ 180.00	\$ 180.00	\$0.00	0.00%	\$0
12	Batch Update Testing per Day	\$ 1,440.00	\$ 1,440.00	\$0.00	0.00%	\$0
13	Batch Update	\$ 72.00	\$ 29.87	-\$42.13	-58.52%	-\$20,730
14	RESPORG Change	\$ 30.81	\$ 4.90	-\$25.90	-84.09%	-\$777,149
15	Additional Copy of Bill	\$ 152.64	\$ 64.53	-\$88.11	-57.72%	-\$18,151
16	Cust. Rcrd. Admn.	\$ 0.1313	\$ 0.1049	-\$0.0264	-20.09%	-\$7,955,970
Net Impact						-\$9,679,615

Notes:

1. Column (b) source is Table 6, column (c).
2. Column (e) is the product of column (c) and Table 3, column (d).
3. Access rates previously charged only for access to the SMS/800 production system. Proposed rates would be charged "per port" into SMS/800 production and disaster recovery systems.
4. In previous filings, off-line and on-line reports were bundled and charged "per report". The proposed rate for off-line reports is an hourly charge that will apply to the time required to prepare and deliver each off-line report requested. The proposed rate for on-line reports remains "per report".
5. Columns (c) and (d) are not applicable for the off-line report rate as the proposed rate structure is different than the current rate structure. Column (e) for off-line reports is determined by subtracting the product of the current rate and the projected quantity of off-line reports (12) from the product of the proposed rate and the projected demand for off-line report hours from Table 3, column (d).

TABLE 2
SMS/800 - REVENUE REQUIREMENT SUMMARY

ITEM NO	BUDGET ELEMENT	Transmtl. 31 Projected Rev. Reqmnt. <u>2/15/08 - 2/14/09</u>	Past Year <u>Actual</u> <u>2/15/08 - 2/14/09</u>	Past Year Variance	Future Year
		(a)	(b)	(c)=(b-a)	2/15/09 - 2/14/10 (d)
1	<i>SMS/800 Operation & Administration</i>	8,455,660	7,414,251	-1,041,409	6,888,013
2	<i>Data Center Operation</i>	29,383,200	27,281,511	-2,101,690	22,328,793
3	<i>Software Support</i>	6,280,020	6,916,789	636,769	7,394,941
4	<i>Total (items 1+2+3)</i>	44,118,881	41,612,550	-2,506,331	36,611,747

Notes:

1. Column (a) reflects the projected revenue requirement filed with Tariff Transmittal No.31 for 12-month period of February 15, 2008 through February 14, 2009.
2. Column (b) reflects actual costs for period of February 15, 2008 through November 2008 plus projected costs for period of December 1, 2008 through February 14, 2009.
3. Column (c) is the difference between Column (b) and Column (a) amounts (past year projected and actual cost).
 - a. Data Center costs were lower than projected
 - b. Software support costs were higher than expected
4. Column (d) is the revenue requirement projected for the future year period of February 15, 2009 through February 14, 2010, from Table 4
5. SMS/800 Operation & Administration includes Help Desk.

TABLE 2A

**SMS/800 - REVENUE REQUIREMENT DETAIL (CONFIDENTIAL-PROPRIETARY Non-Public
Financial Information in Support of Tariff Filing. Not for Public Disclosure.)**

**CONFIDENTIAL-PROPRIETARY
Non-Public Financial Information in Support of Tariff Filing. Not for Public Disclosure.**

TABLE 2B

**SMS/800 - RESP ORG REVENUE (CONFIDENTIAL-PROPRIETARY - Non-Public
Financial Information in Support of Tariff Filing. Not for Public Disclosure.)**

CONFIDENTIAL-PROPRIETARY

Non-Public Financial Information in Support of Tariff Filing. Not for Public Disclosure

TABLE 3
SMS/800 - DEMAND SUMMARY

ITEM NO.	SERVICE/RATE ELEMENT	TN31 Projected Demand 2/15/08 - 2/14/09	Actual Demand 2/15/08 - 2/14/09	Past Year Variance	TN33 Projected Demand 2/15/09 - 2/14/10
		(a)	(b)	(c)=(b-a)	(d)
1	Service Est. - First Logon ID	23	25	2	27
2	Service Est. - Add'l. Logon ID	2,312	1,154	(1,158)	1,520
3	Smart Card, per Smart Card issued	148	165	17	145
4	Access: Non-Dedicated	10,408	10,189	(219)	9,756
5	Access: Ded. (non-MGI)	667	710	44	1,740
6	Access: Ded. (MGI)	240	244	4	396
7	Customer Reports (see note 6)				
7a	On-line Reports	170	186	16	184
7b	Off-line Reports	0	12	12	261
9	MGI Additional Testing per Hour	415	742	327	742
10	MGI Additional Testing per Day	-		NA	
11	Batch Update Testing per Hour	-		NA	
12	Batch Update Testing per Day	-		NA	
13	Batch Update	586	485	(101)	492
14	RESPORG Change	26,519	30,185	3,666	30,000
15	Additional Copy of Bill	218	206	(12)	206
16	Cust. Rcrd. Admn.	292,106,371	301,577,014	9,470,643	301,604,710

Notes:

1. Column (a) reflects the projected demand filed with Tariff Transmittal No.31 for period of February 15, 2008 through February 14, 2009.
2. Column (b) reflects actual demand for February 15, 2008 through December 14, 2008. Projections for remainder of tariff period are included. Details for Cust. Rcrd. Admn. demand (item 1) are found in Table 3A.
3. Column (c) reflects difference between the projected demand and actual demand for the period February 15, 2008 through February 14, 2009.
4. Column (d) reflects projected demand for period of February 15, 2009 through February 14, 2010
5. The projected increase in demand for dedicated access elements is due to fact that Resp Orgs are currently charged only for ports into the production system and the proposed tariff would charge for ports into both the production and disaster recovery systems.
6. In previous filings, off-line and on-line reports were bundled. Off-line report demand was previously measured in quantity of reports. TN33 projected demand for off-line reports in column (d) is measured in hours.

TABLE 3A
SMS/800: CRA Demand Data

	January	February	March	April	May	June	July	August	September	October	November	December	Total
1993					3,010,536	3,057,738	3,082,959	3,171,217	3,189,910	3,291,276	3,413,024	3,513,029	25,729,689
1994	3,530,146	3,641,213	3,920,350	3,994,509	4,027,382	4,299,018	4,533,949	4,833,080	5,047,818	5,264,202	5,481,648	5,657,047	54,230,362
1995	5,780,592	5,976,917	6,143,859	6,353,798	6,577,347	6,781,100	6,829,783	6,845,507	6,883,147	6,941,020	6,981,109	6,980,352	79,074,531
1996	6,689,437	6,935,024	7,337,266	7,664,377	7,880,087	8,160,941	8,439,726	8,738,184	9,046,918	9,343,158	9,666,104	9,950,184	99,851,406
1997	10,103,675	10,304,718	10,563,886	10,851,251	11,091,599	11,296,361	11,662,373	11,986,080	12,403,293	12,864,596	13,191,511	13,387,120	139,706,463
1998	13,588,577	13,787,956	13,985,025	14,317,589	14,785,536	15,086,551	15,358,650	15,653,090	15,942,127	16,195,303	16,500,143	16,730,285	181,930,832
1999	16,880,002	17,047,544	17,288,406	17,676,100	18,047,277	18,377,443	18,607,845	19,034,305	19,414,611	19,679,782	20,085,221	20,465,301	222,603,837
2000	20,811,924	21,154,106	21,316,195	21,643,967	21,923,011	22,160,717	22,388,709	22,790,689	23,251,813	23,514,618	23,894,584	24,094,945	268,945,278
2001	24,270,379	24,363,754	24,380,714	24,521,736	24,488,361	24,526,559	24,505,838	24,450,819	24,462,339	24,424,360	24,373,791	24,402,684	293,171,334
2002	24,454,646	24,486,725	24,500,170	24,558,595	24,373,991	23,979,741	23,847,039	23,550,362	23,283,764	23,292,077	23,431,006	23,477,381	287,235,497
2003	23,530,145	23,516,563	23,577,331	23,616,524	23,429,077	23,274,761	22,950,144	22,497,523	22,200,086	21,852,694	21,864,645	21,962,635	274,272,128
2004	21,938,762	21,901,686	21,971,389	22,117,504	22,055,083	22,200,549	22,340,281	22,498,495	22,644,552	22,835,924	22,966,963	23,064,354	268,535,542
2005	23,229,089	23,346,549	23,201,081	23,134,450	23,330,814	23,527,391	23,463,699	23,596,503	23,599,853	23,515,387	23,522,065	23,447,553	280,914,434
2006	23,436,029	23,390,553	23,313,796	23,344,209	23,249,544	23,338,156	23,456,038	23,577,101	23,581,585	23,632,598	23,451,676	23,416,077	281,187,362
2007	23,458,052	23,479,780	23,537,574	23,600,896	23,708,424	23,984,983	23,913,593	24,025,358	24,074,746	24,146,681	24,265,066	24,293,987	286,489,140
2008	24,305,220	24,419,142	24,908,356	25,075,600	25,182,376	25,253,327	25,386,564	25,357,385	25,373,347	25,303,282	25,480,387	25,532,028	301,577,014
2009	<i>25,442,749</i>	<i>25,353,470</i>	<i>25,264,191</i>	<i>25,286,726</i>	<i>25,309,260</i>	<i>25,331,795</i>	<i>25,241,987</i>	<i>25,152,180</i>	<i>25,062,373</i>	<i>25,043,361</i>	<i>25,024,350</i>	<i>25,005,339</i>	<i>302,517,780</i>
2010	<i>24,962,829</i>	<i>24,920,320</i>	<i>24,877,811</i>	<i>24,856,740</i>	<i>24,835,670</i>	<i>24,814,600</i>	<i>24,790,690</i>	<i>24,766,780</i>	<i>24,742,870</i>	<i>24,726,795</i>	<i>24,710,720</i>	<i>24,694,645</i>	<i>297,700,470</i>

Notes:

1. Demand quantities for May 1993 through December 2008 are actual amounts.
2. Demand quantities for January 2009 through December 2010 (in bold italics) are projected amounts.

TABLE 4
SMS/800 - DISTRIBUTION of REVENUE REQUIREMENT

ITEM NO.	RESPORG SERVICE/RATE ELEMENTS	SMS/800 OPER & ADM		DATA CENTER OPERATION	SOFTWARE SUPPORT	TOTAL REV REQ
		Help Desk Operation	All Other Oper&Adm			
		(a)	(b)	(c)	(d)	(e)=(a+b+c+d)
	Total Rev Req =	\$ 1,714,972	\$ 5,173,041	\$ 22,328,793	\$ 7,394,941	\$ 36,611,747
1	Service Est. - First Logon ID	\$ 14,351	\$ -	\$ -	\$ -	\$ 14,351
2	Service Est. - Add'l. Logon ID	\$ 130,368	\$ -	\$ -	\$ -	\$ 130,368
3	Smart Card, per Smart Card issued	\$ 7,107	\$ -	\$ 13,485	\$ -	\$ 20,592
4	Access: Non-Dedicated	\$ 7,788	\$ -	\$ 175,335	\$ -	\$ 183,123
5	Access: Ded. (non-MGI)	\$ -	\$ -	\$ 68,014	\$ -	\$ 68,014
6	Access: Ded. (MGI)	\$ -	\$ -	\$ 194,762	\$ -	\$ 194,762
7	Customer Reports					
7a	On-line Reports	\$ 1,991	\$ -	\$ 1,182	\$ -	\$ 3,173
7b	Off-line Reports, per hour	\$ 3,749	\$ -	\$ -	\$ 37,800	\$ 41,549
9	MGI Additional Testing per Hour	\$ -	\$ -	\$ -	\$ 133,560	\$ 133,560
10	MGI Additional Testing per Day	\$ -	\$ -	\$ -	\$ -	\$ -
11	Batch Update Testing per Hour	\$ -	\$ -	\$ -	\$ -	\$ -
12	Batch Update Testing per Day	\$ -	\$ -	\$ -	\$ -	\$ -
13	Batch Update	\$ 3,455	\$ -	\$ 11,239	\$ -	\$ 14,694
14	RESPORG Change	\$ 147,031	\$ -	\$ -	\$ -	\$ 147,031
15	Additional Copy of Bill	\$ -	\$ 175	\$ -	\$ 13,118	\$ 13,293
16	Cust. Rcrd. Admn.	\$ 1,362,949	\$ 4,450,264	\$ 19,846,731	\$ 5,989,096	\$ 31,649,040
	Resp Org Total	\$ 1,678,789	\$ 4,450,439	\$ 20,310,748	\$ 6,173,574	\$ 32,613,550

Notes:

1. Projected Total Revenue Requirement amounts in columns (a), (b), (c), and (d) is developed from anticipated expenses.
2. Column (a) distributions calculated by multiplying the average unit cost from Table 5, column (a) by the projected demand in Table 3, column (d). Off-line reports use only that portion of the Table 3 demand relevant for Help Desk development and support of off-line reports.
3. Column (b) distributions calculated by multiplying the average unit cost from Table 5, column (d) by the projected demand in Table 3, column (d).
4. Column (c) distributions calculated by multiplying the average unit cost from Table 5, column (b) by the projected demand in Table 3, column (d).
5. Column (d) distributions calculated by multiplying the average unit cost from Table 5, column (c) by the projected demand in Table 3, column (d). Off-line reports use only that portion of the Table 3 demand relevant for Software development and support of off-line reports.

TABLE 5
SMS/800 - AVERAGE UNIT COSTS

ITEM NO.	RESPORG SERVICE/RATE ELEMENT	HELP DESK TASK ORIENTED ANALYSIS (a)	DATA CENTER COST DISTRIBN ANALYSIS (b)	SOFTWARE COST DISTRIBN ANALYSIS (c)	ADMIN COST DISTRIBN ANALYSIS (d)
1	Service Est. - First Logon ID	\$ 531.52	\$ -	\$ -	\$ -
2	Service Est. - Add'l. Logon ID	\$ 85.77	\$ -	\$ -	\$ -
3	Smart Card, per Smart Card issued	\$ 49.01	\$ 93.00	\$ -	\$ -
4	Access: Non-Dedicated	\$ 0.80	\$ 17.97	\$ -	\$ -
5	Access: Ded. (non-MGI)	\$ -	\$ 39.09	\$ -	\$ -
6	Access: Ded. (MGI)	\$ -	\$ 491.82	\$ -	\$ -
7	Customer Reports				
7a	On-line Reports	\$ 10.82	\$ 6.42	\$ -	\$ -
7b	Off-line Reports, per Hour	\$ 73.52	\$ -	\$ 180.00	\$ -
9	MGI Additional Testing per Hour			\$ 180.00	
10	MGI Additional Testing per Day			\$ 1,440.00	
11	Batch Update Testing per Hour			\$ 180.00	
12	Batch Update Testing per Day			\$ 1,440.00	
13	Batch Update	\$ 7.02	\$ 22.84	\$ -	\$ -
14	RESPORG Change	\$ 4.90	\$ -	\$ -	\$ -
15	Additional Copy of Bill	\$ -	\$ -	\$ 63.68	\$ 0.85
16	Cust. Rcrd. Admn.	\$ 0.00452	\$ 0.06580	\$ 0.01986	\$ 0.01476

Notes:

1. The development and application of average unit costs is described in part 2.1 of the Description and Justification (D & J) for this tariff filing.

TABLE 6
SMS/800 - RATE DEVELOPMENT

ITEM NO.	RESPORG SERVICE/RATE ELEMENT	REV. REQMT. (a)	DEMAND (b)	RATE (c) = (a/b)
1	Service Est. - First Logon ID	\$ 14,351	27.00	\$ 531.52
2	Service Est. - Add'l. Logon ID	\$ 130,368	1,520.00	\$ 85.77
3	Smart Card, per Smart Card issued	\$ 20,592	145.00	\$ 142.01
4	Access: Non-Dedicated	\$ 183,123	9,756.00	\$ 18.77
5	Access: Ded. (non-MGI)	\$ 68,014	1,740.00	\$ 39.09
6	Access: Ded. (MGI)	\$ 194,762	396.00	\$ 491.82
7	Customer Reports			
7a	On-line Reports	\$ 3,173	184.00	\$ 17.24
7b	Off-line Reports, per Hour	\$ 41,549	261.00	\$ 159.19
9	MGI Additional Testing per Hour	\$ 133,560	742.00	\$ 180.00
10	MGI Additional Testing per Day	NA	-	\$ 1,440.00
11	Batch Update Testing per Hour	NA	-	\$ 180.00
12	Batch Update Testing per Day	NA	-	\$ 1,440.00
13	Batch Update	\$ 14,694	492.00	\$ 29.87
14	RESPORG Change	\$ 147,031	30,000.00	\$ 4.90
15	Additional Copy of Bill	\$ 13,293	206.00	\$ 64.53
16	Cust. Rcrd. Admn.	\$ 31,649,040	301,604,710	\$ 0.1049
Total Revenue Requirement		\$ 32,613,550		

Notes:

1. Source for column (a) is Table 4, column (e).
2. Source for column (b) is Table 3, column (d).

TABLE 7

**SMS/800 - EXPENSE SUMMARY (CONFIDENTIAL-PROPRIETARY Non-Public Financial
Information in Support of Tariff Filing. Not for Public Disclosure.)**

CONFIDENTIAL - PROPRIETARY

Non-Public Financial Information in Support of Tariff Filing. Not for Public Disclosure.

TABLE 8

**SMS/800 - DEMAND DATA (CONFIDENTIAL-PROPRIETARY Non-Public Financial
Information in Support of Tariff Filing. Not for Public Disclosure.)**