

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

<b>ITEM NO.</b>	<b>RESPORG SERVICE/RATE ELEMENT</b>	<b>CURRENT RATES</b> (a)	<b>PROPOSED RATES</b> (b)	<b>\$ CHANGE</b> (c) = (b-a)	<b>% CHANGE</b> (d) = (c/a)	<b>REVENUE IMPACT</b> (e)
1	<i>Cust. Rcrd. Admn.</i>	\$ 0.2219	\$ 0.1833	-\$0.0386	-17.38%	<b>-\$10,963,331</b>
2	<i>RESPORG Change</i>	\$ 9.03	\$ 11.52	\$2.49	27.57%	<b>\$218,998</b>
3	<i>Access: Dial-up</i>	\$ 108.61	\$ 92.90	-\$15.71	-14.46%	<b>-\$179,818</b>
4	<i>Access: Ded. (non-MGI)</i>	\$ 126.53	\$ 91.23	-\$35.31	-27.90%	<b>-\$28,216</b>
5	<i>Access: Ded. (MGI)</i>	\$ 344.49	\$ 264.89	-\$79.60	-23.11%	<b>-\$32,615</b>
6	<i>Service Est. - First</i>	\$ 2,117.31	\$ 1,637.10	-\$480.20	-22.68%	<b>-\$18,728</b>
7	<i>Service Est. - Add'l.</i>	\$ 74.41	\$ 78.85	\$4.43	5.96%	<b>\$5,479</b>
8	<i>Customer Reports</i>	\$ 592.97	\$ 345.68	-\$247.29	-41.70%	<b>-\$137,364</b>
9	<i>MGI - Development</i>	\$ 342,884.00	\$ 342,884.00	\$0.00	0.00%	<b>\$0</b>
10	<i>MGI - Testing</i>	\$ 212,015.00	\$ 212,015.00	\$0.00	0.00%	<b>\$0</b>
11	<i>MGI Additional Testing - Per Hour</i>	\$ 214.00	\$ 241.60	\$27.60	12.90%	<b>\$34,113</b>
<b>Net Impact</b>						<b>-\$11,135,594</b>

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. MGI Testing Hourly rate is a "pass through" rate to an SMS/800 vendor. Change is based on contractual change with vendor.

**TABLE 2**  
**SMS/800 - REVENUE REQUIREMENT SUMMARY**

ITEM NO	BUDGET ELEMENT	Transmtl. 21 Projected Rev. Reqmnt.	Past Year	Past Year	Future Year
		6/15/02 - 6/14/03 (a)	Actual 6/15/02 - 6/14/03 (b)	Variance (c)=(b-a)	6/15/03 - 6/14/04 (d)
1	<i>SMS/800 Operation &amp; Administration</i>	8,110,800	9,674,369	1,563,569	7,564,092
2	<i>Data Center Operation</i>	46,946,800	47,072,929	126,129	34,674,383
3	<i>Software Support</i>	21,470,800	18,852,838	-2,617,962	17,042,221
4	<i>Total (items 1+2+3)</i>	76,528,400	75,600,136	-928,264	59,280,695

Notes:

1. Column (a) reflects the projected revenue requirement filed with Tariff Transmittal No.21 for 12-month period of June 15, 2002 through June 14, 2003.
2. Column (b) reflects actual costs for period of June 15, 2002 through March 31, 2003 plus projected costs for period of April 1, 2003 through June 14, 2003.
3. Column (c) is the difference between Column (b) and Column (a) amounts (past year projected and actual cost).
  - a. Operation and Administration costs were higher than projected due to bad debt (uncollectible charges for services provided to bankrupt Resp. Orgs.).
  - b. Software Support costs were lower than projected due to deferred and cancelled software projects.
4. Column (d) is the revenue requirement projected for the future year period of June, 15 2003 through June 14, 2004, from Table 4.

**TABLE 3**  
**SMS/800 - DEMAND SUMMARY**

ITEM NO.	SERVICE/RATE ELEMENT	Past Year	Past Year	Past Year	Future Period
		Anticipated	Actual	Variance	6/15/03 - 6/14/04
		6/15/02 - 6/14/03	6/15/02 - 6/14/03	6/15/02 - 6/14/03	6/15/03 - 6/14/04
		(a)	(b)	(c)=(b-a)	(d)
1	<i>Cust. Rcrd. Admn.</i>	303,846,858	282,298,807	(21,548,052)	284,306,068
2	<i>RESPORG Change</i>	115,668	88,291	(27,377)	87,919
3	<i>Access: Dial-up</i>	13,054	11,332	(1,721)	11,448
4	<i>Access: Ded. (non-MGI)</i>	768	799	31	799
5	<i>Access: Ded. (MGI)</i>	420	384	(36)	410
6	<i>Service Est. - First</i>	33	47	14	39
7	<i>Service Est. - Add'l.</i>	1,745	1,162	(583)	1,236
8	<i>Customer Reports</i>	430	613	183	555
9	<i>MGI - Development</i>	0	0	-	0
10	<i>MGI - Testing</i>	0	0	-	0
11	<i>MGI Testing - Per Hour</i>	NA	1,292	NA	1,236

Notes:

1. Column (a) reflects the projected demand filed with Tariff Transmittal No.21 for period of June 15, 2002 through June 14, 2003.
2. Column (b), for items 2-11, reflects actual demand through April 14, March 2003 plus projected demand through June 14, 2003. 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 June 15, 2002 through June 14, 2003
4. Column (d) reflects projected demand for period of June 15, 2003 through June 14, 2004.

**Table 3A**  
**SMS/800: CRA Demand Data**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>1993</b>					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
<b>1994</b>	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
<b>1995</b>	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
<b>1996</b>	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
<b>1997</b>	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
<b>1998</b>	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
<b>1999</b>	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
<b>2000</b>	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
<b>2001</b>	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
<b>2002</b>	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
<b>2003</b>	23,530,145	23,516,563	23,577,331	23,616,524	23,440,522	<b><i>23,492,444</i></b>	<b><i>23,544,365</i></b>	<b><i>23,596,287</i></b>	<b><i>23,623,670</i></b>	<b><i>23,651,054</i></b>	<b><i>23,678,437</i></b>	<b><i>23,703,516</i></b>	<b><i>282,970,858</i></b>
<b>2004</b>	<b><i>23,728,594</i></b>	<b><i>23,753,673</i></b>	<b><i>23,772,000</i></b>	<b><i>23,790,327</i></b>	<b><i>23,808,654</i></b>	<b><i>23,818,538</i></b>	<b><i>23,828,421</i></b>	<b><i>23,838,304</i></b>	<b><i>23,840,306</i></b>	<b><i>23,842,308</i></b>	<b><i>23,844,310</i></b>	<b><i>23,840,440</i></b>	<b><i>285,705,875</i></b>

Notes:

1. Demand quantities for May 1993 through April 2003 are actual amounts.
2. Demand quantities for May 2003 are preliminary.
3. Demand quantities for June 2003 through December 2004 (in bold italics) are projected amounts.

**TABLE 4**  
**SMS/800 - DISTRIBUTION of REVENUE REQUIREMENT**

		<b>REVENUE REQUIREMENT</b>						
ITEM NO.	RESPORG SERVICE/RATE ELEMENTS	<b>SMS/800 OPER &amp; ADM</b>		DATA CENTER OPERATION	SOFTWARE SUPPORT	TOTAL REV REQ	<b>TOTAL WITHOUT ALL OTHER OPER &amp; ADM</b>	
		<i>Help Desk Operation</i>	<i>All Other Oper&amp;Adm</i>				\$	%
		(a)	(b)	(c)	(d)	(e)=(a+b+c+d)	(f) = (a+c+d)	(g) = (f/ftTotal)
<b>Total Rev Req =</b>		<b>1,963,471</b>	<b>5,600,621</b>	<b>34,674,383</b>	<b>17,042,221</b>	<b>59,280,695</b>	<b>53,680,075</b>	
1	<i>Cust. Rcrd. Admn.</i>	1,163,164	4,924,209	30,266,831	15,766,897	<b>52,121,102</b>	47,196,893	87.923%
2	<i>RESPORG Change</i>	760,232	95,723	1,692	155,548	<b>1,013,195</b>	917,472	1.709%
3	<i>Access: Dial-up</i>		100,484	963,102		<b>1,063,586</b>	963,102	1.794%
4	<i>Access: Ded. (non-MGI)</i>		6,888	66,015		<b>72,903</b>	66,015	0.123%
5	<i>Access: Ded. (MGI)</i>		10,255	98,288		<b>108,542</b>	98,288	0.183%
6	<i>Service Est. - First</i>	40,075	6,032	7,787	9,954	<b>63,847</b>	57,815	0.108%
7	<i>Service Est. - Add'l.</i>		9,207	87,722	524	<b>97,453</b>	88,246	0.164%
8	<i>Customer Reports</i>		18,141	164,321	9,553	<b>192,015</b>	173,874	0.324%
9	<i>MGI - Development</i>		0	-	-	0	0	0%
10	<i>MGI - Testing</i>		0	-	-	0	0	0%
<b><u>SCP O/O ELEMENTS</u></b>								
11	<i>Access: Non-MGI</i>		1,352	12,963	-	<b>14,315</b>	12,963	0.024%
12	<i>Access: MGI</i>		43,612	418,010	-	<b>461,623</b>	418,010	0.779%
13	<i>Record Trans. &amp; Valid.</i>		205,596	1,619,025	351,546	<b>2,176,167</b>	1,970,570	3.671%
14	<i>Data Base Adm. &amp; Ntwk. Mgmt. Support</i>		179,122	968,627	748,199	<b>1,895,948</b>	1,716,826	3.198%
<b>TOTAL</b>		<b>1,963,471</b>	<b>5,600,621</b>	<b>34,674,383</b>	<b>17,042,221</b>	<b>59,280,695</b>	<b>53,680,075</b>	<b>100.000%</b>

**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 applying factors from Table 5, column (a) to the revenue requirement.
3. Column (b) revenue requirement distributed proportionally to all elements by applying factors from Column (g).
4. Column (c) distributions calculated by applying factors from Table 5, column (d) to the revenue requirement.
5. Column (d) distributions calculated by applying factors from Table 5, column (e) to the revenue requirement.

**TABLE 5**  
**SMS/800 - COST DISTRIBUTION FACTORS**

<b>ITEM NO.</b>	<b>RESPORG SERVICE/RATE ELEMENT</b>	<b>HELP DESK TASK ORIENTED ANALYSIS (a)</b>	<b>SMS/800 LINES OF CODE ANALYSIS (b)</b>	<b>SMS PROCESSOR TRANSACTIONS ANALYSIS (c)</b>	<b>DATA CENTER COST DISTRIBN ANALYSIS (d)</b>	<b>SOFTWARE COST DISTRIBN ANALYSIS (e)</b>
1	<i>Cust. Rcrd. Admn.</i>	59.240%	73.311%	89.693%	87.289%	92.517%
2	<i>RESPORG Change</i>	38.719%	3.858%	0.007%	0.005%	0.913%
3	<i>Access: Dial-up</i>				2.778%	
4	<i>Access: Ded. (non-MGI)</i>				0.190%	
5	<i>Access: Ded. (MGI)</i>				0.283%	
6	<i>Service Est. - First</i>	2.041%	0.130%	0.007%	0.022%	0.058%
7	<i>Service Est. - Add'l.</i>		0.130%		0.253%	0.003%
8	<i>Customer Reports</i>		0.237%	0.011%	0.474%	0.056%
9	<i>MGI - Development</i>					
10	<i>MGI - Testing</i>					
<b><u>SCP O/O ELEMENTS</u></b>						
11	<i>Access: Non-MGI</i>				0.037%	
12	<i>Access: MGI</i>				1.206%	
13	<i>Record Trans. &amp; Valid.</i>		7.484%	6.433%	4.669%	2.063%
14	<i>Data Base Adm. &amp; Ntwk. Mgmt. Support</i>		14.850%	3.849%	2.793%	4.390%
<b>Total</b>		100%	100%	100%	100%	100%

**Notes:**

1. The development and application of distribution factors 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	<i>Cust. Rcrd. Admn.</i>	52,121,102	284,306,068	\$ 0.1833
2	<i>RESPORG Change</i>	1,013,195	87,919	\$ 11.52
3	<i>Access: Dial-up</i>	1,063,586	11,448	\$ 92.90
4	<i>Access: Ded. (non-MGI)</i>	72,903	799	\$ 91.23
5	<i>Access: Ded. (MGI)</i>	108,542	410	\$ 264.89
6	<i>Service Est. - First</i>	63,847	39	\$ 1,637.10
7	<i>Service Est. - Add'l.</i>	97,453	1,236	\$ 78.85
8	<i>Customer Reports</i>	192,015	555	\$ 345.68
9	<i>MGI - Development (current rate)</i>		0	\$ 342,884.00
10	<i>MGI - Testing (current rate)</i>		0	\$ 212,015.00
11	<i>MGI Additional Testing per Hour</i>	<u>NA</u>	1,236	\$ 241.60
	<i>RESPORG Rev Req</i>	54,732,643		

Notes:

1. Source for column (a) is Table 4, column (e).
2. Source for column (b) is Table 3, column (d).
3. MGI Additional Testing per Hour rate is based on vendor contractual changes.