DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268–0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97–1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING REVISIONS TO THE TESTIMONY OF WITNESS KANEER (USPS-T-35) IN ACCORDANCE WITH P.O. RULING NO. R97-1/27

Presiding Officer Ruling No. R97-1/27, issued September 26, 1997, directed the Postal Service to incorporate, to the maximum extent possible, all corrections and refinements identified by Postal Service witnesses. In accordance with that ruling, the United States Postal Service hereby provides notice that it is today filing revisions to the testimony of witness Kaneer (USPS-T-35). This filing consists of narrative text to be appended at the end of witness Kaneer's direct testimony (USPS-T-35). The substance of the revision filed today acknowledges the filing earlier this month of changes to cost data used in witness Kaneer's rate design.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 15, 1997

VIII. FINANCIAL ANALYSIS

Tables 4 and 5 display the revenue, costs, and cost coverages for Nonprofit and Classroom at proposed Step 5 rates.

TABLE 4: NONPROFIT FINANCIAL SUMMARY

Total Revenue		$338,099,190
Total Pieces	2,161,076,559	
RPW Adjustment Factor		100.035%
RPW Adjusted Revenue		$338,217,466
Fee Revenue		$4,414,000
Revenue including fees		$342,631,466
TYAR Cost		$331,724,400
Cost Coverage		103.3%

TABLE 5: CLASSROOM FINANCIAL SUMMARY

Total Revenue		$10,403,626
Total Pieces	47,452,000	
RPW Adjustment Factor		100.377%
RPW Adjusted Revenue		$10,442,810
Fee Revenue		$97,000
Revenue including fees		$10,539,810
TYAR Cost		$12,763,370
Cost Coverage		82.6%

IX. SUBSEQUENT COST REVISIONS

The testimony in the preceding sections reflects the data available at the time this proposal was filed. Some of these data changed pursuant to the filing of errata by cost witnesses, as summarized in the revisions recently filed by witnesses Daniel and Seckar. The following table depicts the passthroughs as proposed and mentioned in this testimony or my workpapers, as well as implied passthroughs that result from

1 comparing the revised costs to the proposed rates.[4] No rates are being revised,[5] and
2 the implied passthroughs are consistent with the objectives of the rate design as
3 described throughout the testimony. Using the implicit passthroughs, and thereby
4 maintaining the rates as proposed, would be consistent with the criteria of the Act.
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TABLE 6	As Filed		Implicit	
Category	Step 5	Step 6	Step 5	Step 6
BASIC AUTOMATION LETTER	0.63	0.63	0.63	0.63
BASIC AUTOMATION FLAT	0.93	0.93	0.90	0.90
3 DIGIT NONAUTOMATION	1.00	1.00	1.09	1.09
3 DIGIT AUTOMATION LETTER	0.63	0.63	0.67	0.67
3 DIGIT AUTOMATION FLAT	1.16	1.16	1.16	1.16
5 DIGIT NONAUTOMATION	0.83	0.83	0.84	0.84
5-DIGIT AUTOMATION LETTER	0.63	0.63	0.65	0.65
5 DIGIT AUTOMATION FLAT	1.00	1.00	1.00	1.00
CARRIER ROUTE	1.00	1.00	1.00	1.00
HIGH DENSITY	1.00	1.00	0.97	0.97
SATURATION	1.03	1.03	1.01	1.01

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[4] These are the passthroughs that, if entered in the rate design workpapers, along with the revised cost data filed on October 1, 1997, would generate the rates as proposed.
[5] There is also no effect on total revenue produced by those rates.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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