

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

RECEIVED
SEP 2 4 50 PM '97

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PATELUNAS TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS TAYMAN
(OCA/USPS-T9-21(a) and (b))

The United States Postal Service hereby provides the responses of witness Patelunas to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T9-21(a) and (b), filed on August 18, 1997, and redirected from witness Tayman.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
September 2, 1997

Response of United States Postal Service Witness Patelunas
to Interrogatories of
Office of Consumer Advocate
(Redirected from Witness Tayman USPS-T-9)

OCA/USPS-T-9-21. Please refer to Library Reference H-12, Chapter IIIa, Roll Forward Model Factors and Chapter XII, Rollforward Model Change Reports.

a. Two different line headings, "Interest on Debt, cost component 217," for three periods (FY97, FY98, and FY98 After Rates) in Chapter IIIa and "Imputed Interest Land/Building and Equip., cost component 587," in Chapter XII, Sections a, d, and f are used to refer to identical dollar amounts. Please indicate which designation is correct, where any conforming adjustments are required, and provide revised schedules as appropriate.

b. Please explain why the "Interest on Debt, cost component 217," of \$82,152,000 in the "Roll Forward Model Factors for FY 1998," referenced in a, above, differs from those in a similar table sponsored by witness Patelunas (Exhibit 15A, FY 1998 page 4), which cites to LR H-12 and lists \$113,192,000 as "Interest on Debt, cost component 217." Please indicate which amount is correct, where any adjustments are required, and provide revised schedules as appropriate.

OCA/USPS-T9-21 Response:

a. The component headings "Interest on Debt" and "Imputed Interest Land/Building and Equip." are synonymous and can be used interchangeably. In the CRA/Rollforward model, the proper cost component associated with these headings is 587. Cost component 217 is Total Interest Expense.

b. The \$82,192,000 amount shown in USPS Library Reference H-12, Section XII, part d is correct. Please see my USPS Exhibit-15A, page 4, revised September 2, 1997.

Errata - Patelunas (USPS-T-15)

Exhibit USPS-15A Change the following:

Page 4 of 6

Delete "Interest on Debt" line in SEG 20 section -- see addition below

Add the following row to the bottom of the page:

| | | | FY 1997 | TY 1998BR | TY 1998AR |
|----|------------------|-----|---------|-----------|-----------|
| 20 | Interest on Debt | 587 | 0 | 82,192 | 26,192 |

DECLARATION

I, Richard Patelunas, declare under penalty of perjury that the foregoing answers to interrogatories are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Richard Patelunas", with a long horizontal flourish extending to the right.

Dated: 9/2/97

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.



Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
September 2, 1997