

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

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE (OCA/USPS-74(c) AND 75(c))

The United States Postal Service hereby provides responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-74(c) and 75(c), filed on September 16, 1997. An objection to OCA/USPS-71-73, 74(a) and (b), 75(a) and (b), and 76-78 was filed on September 26, 1997.

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



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September 30, 1997

RESPONSE OF THE U.S. POSTAL SERVICE TO
THE INTERROGATORIES OF THE OCA

OCA/USPS-74. Please refer to the response to MMA/USPS-T32-37b. The third step to develop the requested unit cost is to "calculate piggyback factors as done in LR-H-77, using the Test Year from step 2."

- a. Please identify all modifications to LR-H-77 required to produce the piggyback factors.
- b. Please describe all changes needed to the LR-H-146 PIGGYF96 program to produce the piggyback factors needed under a 100 percent variability assumption.
- c. Please describe the relationship between the LR-H-146 PIGGYF96 program and LR-H-77 for the computation of piggyback factors. For example, are outputs from the PIGGYF96 program used in H-77?

Response:

- a.-b. An objection has been filed concerning these subparts.
- c. The output of PIGGYF96, as shown in LR-H-146, pages VI-8 to VI-19 is used as an input for the calculation of the mail processing piggyback factors by cost pool. The output of PIGGYF96 is an input in LR-H-77 as shown at pages 216-218. Also see page 215 for a description of the calculations using the data from LR-H-146 in computing the piggyback factors.

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OCA/USPS-75. Please refer to the response to MMA/USPS-T32-37b. The fourth step to develop the requested unit cost is to "Calculate the costs by shape (or benchmark costs) as requested by modifying LR-H-106 and LR-H-146, using inputs from all previous steps."

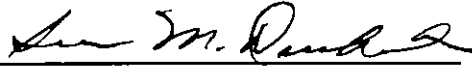
- a. Please identify the LR-H-146 SAS programs and specific lines of code that must be modified.
- b. Please identify by page number and line number all needed changes to LR-H-106.
- C. Please differentiate between the terms "costs by shape" and "benchmark costs" as used in the fourth step.

Response:

- a.-b. An objection has been filed concerning these subparts.
- c. These two phrases are used synonymously. The parenthetical "benchmark costs" was supplied as clarification, since the costs by shape have sometimes been referred to as "benchmark costs."

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.

A handwritten signature in black ink, appearing to read "Susan M. Duchek", written over a horizontal line.

Susan M. Duchek

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