

DOCKET SECTION

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

Oct 8 5 05 PM '97

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

NOTICE OF THE UNITED STATES POSTAL SERVICE REGARDING REVISION TO TESTIMONY OF WITNESS WADE (USPS-T-20)


In accordance with Presiding Officer's Ruling No. R97-1/27, the United States Postal Service hereby provides the attached revised final page of the testimony of witness Wade. The revised page contains supplemental information on the correction of errors discovered subsequent to submission of the estimate used in the Base Year. Rounded to the nearest whole percent, these corrections have no effect on the estimated variability of VSD costs.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Exhibit 2. Derivation of Overall LDC 34 Volume Variability

	LDC 34 Total		BMCs		Plants	
	Accrued Costs	Variability	Accrued Costs	Variability	Accrued Costs	Variability
Total	\$410,283,643		\$41,707,379		\$368,576,264	65.45%
Non-Spotter	\$365,643,648	67.16%	\$6,466,078	67.2%	\$359,177,569	67.16%
	89.12%		15.50%		97.45%	
Spotter	\$44,639,995	0.00%	\$35,241,301	0.0%	\$9,398,695	0.00%
	10.88%		84.50%		2.55%	
Weighted Average		59.86%		10.4%		65.45%

Sources: BMC and Spotter Shares, Workpaper E; For Accrued Costs See USPS-LR-H-9.

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3 **Revised Results**

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5 Subsequent to providing the variability estimates for the base year analysis, four
6 corrections to the underlying data have been made. The first of these is summarized in
7 Workpaper F. The second is described in Library Reference H-261. The third was
8 provided in response to interrogatory DMA/USPS-T20-2, and the fourth is found in
9 Library Reference H-292. Exhibit 2 Revised incorporates all of these corrections.

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**Exhibit 2 Revised. Derivation of Overall LDC 34 Volume Variability
Revised in LR-H-292**


	LDC 34 Total		BMCs		Plants	
	Accrued Costs	Variability	Accrued Costs	Variability	Accrued Costs	Variability
Total	\$410,283,643		\$41,707,379		\$368,576,264	66.12%
Non-Spotter	\$373,646,727	66.37%	\$6,466,078	66.4%	\$367,180,649	66.37%
	91.07%		15.50%		99.62%	
Spotter	\$36,636,916	0.00%	\$35,241,301	0.0%	\$1,395,615	0.00%
	8.93%		84.50%		0.38%	
Weighted Average		60.44%		10.3%		66.12%

Sources: BMC and Spotter Shares, Workpaper F; Accrued Costs, USPS-LR-H-9, Plant Variability,
Library Reference H-292.

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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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