

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
WITNESS KIRK KANEER TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 9,  
QUESTIONS 4-5  
(August 7, 2006)

The United States Postal Service hereby provides witness Kirk Kaneer's responses to Presiding Officer's Information Request (POIR) No. 9, Questions 4-5, issued July 25, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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TO PRESIDING OFFICER'S INFORMATION REQUEST No. 9, QUESTION 4

- POIR9, Q4.** Please refer to witness Kaneer's answer to question 4 of the Response of the United States Postal Service to Presiding Officer's Information Request No. 6 dated July 7, 2006.
- a. Please provide the names of the sheets in the workbook labeled SPS-LR-L-125, Part E, which contain the tables supplied in witness Kaneer's response. Please identify the exact cells of those sheets that contain the tables.
  - b. Please provide the calculation, including the figures used as well as an explanation of what the figures represent, for every cell in Table 2: Post Office Box, Caller Service, and Reserve Number – TYAR Revenue Forecasting.

**RESPONSE:**

- a. Cell references can be provided for each of the values in the tables. For Table 1 given in response to POIR No. 6, Question 4, please see USPS-LR-L-125, Part E, workbook tab "S7-BRCurrForecast – FY2008", worksheet cells C67 to G73. For Table 2, also given in response to POIR No. 6, Question 4, please see USPS-LR-L-125, Part E, workbook tab "S21-ARPropForecast – FY2008", worksheet cells C115 to G133.
- b. The Excel file provided with this response, "POIR\_9\_Q4b.xls", contains a single spreadsheet with cells showing the exact calculations that were made to aggregate forecast revenues to planned fee groups found in Table 2 that was provided in the response to POIR 6, Question 4. Table 2 and Table 3 below show POIR\_9\_Q4b.xls's cells values. Each cell in Table 3 below represents the estimated revenues for each post office box size and fee group transition path. Fee group "path" reflects test year revenues from both the proposed fees and current fees, as current customers renew services and new box customers "phase-in" on a monthly basis. Note: Caller Service and Reserve Number revenues were not included in response to POIR NO. 6, Question 4 since only post office boxes revenues were referred to in USPS-LR-L-123.

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Table 2: Post Office Box - TYAR Revenue Forecast as shown in response to POIR #6, Question 4.

row/col.	(a)	(b)	(c)	(d)	(e)	(f)	
	Planned Fee Group	Size 1 Revenue	Size 2 Revenue	Size 3 Revenue	Size 4 Revenue	Size 5 Revenue	Total [1]
(1)	1	\$31,611,997	\$22,565,582	\$9,844,493	\$2,756,559	\$747,814	\$67,526,446
(2)	2	\$38,289,679	\$17,642,343	\$10,886,711	\$3,377,130	\$938,669	\$71,134,532
(3)	3	\$83,257,907	\$52,685,974	\$32,792,309	\$11,245,396	\$3,620,682	\$183,602,268
(4)	4	\$105,229,157	\$74,936,782	\$37,794,618	\$13,543,136	\$5,276,534	\$236,780,226
(5)	5	\$110,671,014	\$64,347,534	\$33,579,652	\$7,823,624	\$2,254,807	\$218,676,631
(6)	6	\$28,536,571	\$18,614,271	\$8,598,850	\$1,758,204	\$401,242	\$57,909,138
(7)	7	\$6,648,211	\$4,904,556	\$2,209,968	\$404,349	\$78,109	\$14,245,193
(8)	E	\$0	\$0	\$0	\$0	\$0	<b>\$849,874,435</b>

Note: Table sums TYAR revenue by planned fee group, see USPS-LR-L-125, Part E, Page 232, Table 5.

Table 3: Post Office Box - TYAR Revenue Forecast as shown in USPS-LR-L-125

row/col.	(a)	(b)	(c)	(d)	(e)	(f)	
	Path	Size 1 Revenue	Size 2 Revenue	Size 3 Revenue	Size 4 Revenue	Size 5 Revenue	Total [1]
(1)	1to1	\$27,233,710	\$20,173,657	\$8,402,242	\$2,335,116	\$675,246	\$58,819,971
(3)	2to1	\$4,378,286	\$2,391,926	\$1,442,251	\$421,443	\$72,568	\$8,706,474
(2)	1to2	\$4,479,796	\$1,964,703	\$1,063,756	\$361,930	\$107,803	\$7,977,989
(4)	2to2	\$24,261,751	\$11,191,866	\$7,182,083	\$2,231,882	\$621,096	\$45,488,678
(6)	3to2	\$9,548,132	\$4,485,774	\$2,640,872	\$783,318	\$209,770	\$17,667,866
(5)	2to3	\$4,251,533	\$2,340,657	\$1,517,966	\$545,707	\$162,833	\$8,818,697
(7)	3to3	\$70,976,398	\$44,345,399	\$27,213,417	\$9,273,939	\$2,928,578	\$154,737,730
(9)	4to3	\$8,029,976	\$5,999,918	\$4,060,926	\$1,425,750	\$529,272	\$20,045,841
(8)	3to4	\$8,798,425	\$5,632,318	\$3,189,186	\$1,439,566	\$526,050	\$19,585,545
(10)	4to4	\$71,015,114	\$51,792,348	\$27,230,270	\$10,626,905	\$4,246,939	\$164,911,577
(12)	5to4	\$25,415,618	\$17,512,116	\$7,375,161	\$1,476,665	\$503,545	\$52,283,104
(11)	4to5	\$19,330,875	\$11,845,293	\$7,920,713	\$3,179,754	\$1,157,104	\$43,433,739
(13)	5to5	\$10,427,258	\$6,589,292	\$3,724,097	\$1,252,542	\$370,575	\$22,363,764
(15)	6to5	\$80,912,881	\$45,912,949	\$21,934,841	\$3,391,328	\$727,128	\$152,879,128
(14)	5to6	\$2,413,828	\$1,595,458	\$1,103,013	\$513,647	\$148,366	\$5,774,311
(16)	6to6	\$19,139,493	\$11,860,835	\$5,262,556	\$838,523	\$163,914	\$37,265,321
(18)	7to6	\$6,983,250	\$5,157,978	\$2,233,281	\$406,034	\$88,962	\$14,869,505
(17)	6to7	\$5,241,471	\$3,854,818	\$1,688,969	\$302,943	\$59,107	\$11,147,308
(19)	7to7	\$1,406,740	\$1,049,738	\$520,999	\$101,406	\$19,002	\$3,097,886
(20)	E	\$0	\$0	\$0	\$0	\$0	\$0
(21)	TOTAL	\$404,244,536	\$255,697,042	\$135,706,600	\$40,908,398	\$13,317,858	<b>\$849,874,435</b>

Note: Data excerpted from USPS-LR-L-125, Part E, Page 232, Table 5.

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**POIR9, Q5.** Please confirm that cells B49 and B51-B58 in the Section Directory sheet of USPS-LR-L-125, Part E, are correctly labeled Test Year Before Rates and the corresponding cells C49 and C51-C58 are correctly labeled TYAR.

**RESPONSE:**

Not confirmed. An error was made in the labeling the TYAR hyperlinks on the directory page. A replacement CD-ROM for USPS-LR-L-125 with appropriate changes to Part E is being filed with this response.