

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

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POSTAL RATE AND FEE CHANGES

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R2000-1

KeySpan Energy's
Second Set Of Interrogatories And Document Production Requests
To USPS Witness David R. Fronk

Pursuant to Rules 25, 26, and 27 of the Commission's Rules of Practice, KeySpan Energy submits the following interrogatories and document production requests to United States Postal Service witness David R. Fronk: **KE/USPS-T33-3**. If the designated witness is unable to answer any of these questions, please direct them to the appropriate witness who can provide a complete response.

Respectfully submitted,

KeySpan Energy

By: Michael W. Hall
Michael W. Hall
34693 Bloomfield Road
Round Hill, Virginia 20141
540-554-8880
Counsel for
KeySpan Energy

Dated: Round Hill, VA
March 23, 2000

**KeySpan Energy's Second Set Of
Interrogatories And Document Production Requests
To USPS Witness David R. Fronk**

KE/USPS-T33-3 Please refer to the Postal Service's institutional response to Interrogatory KE/USPS-T33-2. That interrogatory sought certain information regarding the effect on QBRM recipients of the Board of Governors' rejection, in Docket No. R97-1, of the Postal Service's own proposal to establish a new service called Prepaid Reply Mail (PRM).

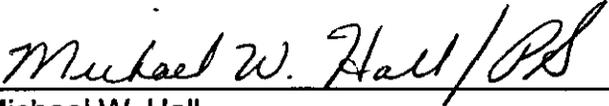
- (a) Is it your understanding that the potential customers for Prepaid Reply Mail (PRM) service were high volume BRM recipients who had qualified for the then effective BRMAS BRM per piece fee of 2 cents? If that is not your understanding, please explain.
- (b) Please confirm that, under the Postal Service's fee design proposals in Docket No. R97-1, a potential Prepaid Reply Mail (PRM) customer would have to receive at least 200,000 pieces of PRM annually before the customer would begin to pay lower overall reply mail postage fees than the customer would pay as a QBRM recipient. If you cannot confirm, please explain why not.
- (c) Please confirm that, when the Postal Service derived the per piece fee for QBRM, the Service assumed that approximately 287 million pieces of high volume BRMAS BRM reply letters would migrate to the proposed Prepaid Reply Mail (PRM) service. See Docket No. R97-1, USPS-T-32, p. 42.
- (d) Is it your understanding that when the Board of Governors rejected the Postal Service's own proposal to establish a Prepaid Reply Mail (PRM) service in Docket No. R97-1, the Governors did not modify the Commission's QBRM cost analysis that supported the 5-cent QBRM per piece fee recommended to the Governors? Please explain.
- (e) Is it your understanding that when the Board of Governors rejected the Postal Service's own proposal to establish a Prepaid Reply Mail (PRM) service, the Governors did not modify the Commission's 5-cent QBRM per piece fee that it recommended to the Board of Governors in Docket No. R97-1? Please explain.
- (f) Do you agree that, when the Board of Governors rejected the Postal Service's own proposal to establish the Prepaid Reply Mail (PRM) service, existing high volume BRMAS BRM recipients, who had been paying a per piece fee of 2 cents, had no choice but to use QBRM service and pay a per piece fee of 5 cents, i.e. two-and-a-half times the per piece fee they had been paying? If you do not agree, please explain what other options were available to these high volume BRMAS BRM recipients.

- (g) Do you agree that, by rejecting the Postal Service's own PRM proposal and accepting without modification the Commission's QBRM cost analysis and 5-cent per piece rate recommendation, the Board of Governors effectively accepted a QBRM per piece fee that did not reflect 287 million lower-cost BRMAS BRM pieces in the derivation of the unit cost to process QBRM letters. If you do not agree, please explain.
- (h) In your opinion, is the current QBRM per piece fee of 5 cents as approved by the Board of Governors based on a cost analysis that overstates the unit cost to process QBRM letters? Please explain.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing discovery request upon the United States Postal Service, Ted P. Gerarden, the Designated Officer of the Commission, and participants who requested service of all discovery documents, in compliance with Rules 12, 26, and 27 of the Commission's Rules of Practice.

Dated this 23rd day of March 2000.


Michael W. Hall