

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

**Motion Of KeySpan Energy To Compel
USPS Witness Campbell To Provide Responsive Answers To Interrogatories
And Request For Shortened Response Period**

**To: Hon. Edward J. Gleiman
Presiding Officer**

Pursuant to Rule 26 (d) of the Commission's Rules of Practice, KeySpan Energy ("KeySpan") hereby requests that the Presiding Officer direct USPS Witness Chris Campbell to provide full, responsive answers to several interrogatories propounded by KeySpan. In addition, for the reasons stated below, KeySpan respectfully requests that the time for the Postal Service to file an answer to this motion be shortened to April 21, 2000.

Argument

In general, KeySpan has experienced substantial delays in receiving *any* response to many of the interrogatories it has directed to witness Campbell. In addition, since many of the responses KeySpan has received are provided in a piecemeal fashion, even keeping track of which interrogatories have been answered and which have not been answered yet has become a major logistical undertaking. For example, KeySpan's latest review of its interrogatories and the responses thereto indicates that witness Campbell still has not responded to Interrogatory KE/USPS-T-29-9 (h), which KeySpan filed on February 14, 2000. Witness Campbell's original response, dated February 28 stated "[Awaiting response to part (g)]," which was redirected to the Postal Service for an institutional response. The Service's response to KE/USPS-T-29-9 (g) was finally furnished on March 24, *24 days late*.¹ Witness Campbell still has not furnished a response to Interrogatory KE/USPS-T-29-9 (h).

While untimely responses have been and continue to be a significant impediment to KeySpan's ability to discover and test the cost bases for the Postal

¹ This is not an isolated instance. Witness Campbell redirected portions of six other interrogatories from KeySpan's February 14 Interrogatories to the Postal Service for answers. Institutional responses to

Service's QBRM rate and fee proposals in this case, unresponsive answers from witness Campbell increasingly are another source of concern for KeySpan. The following are a few examples:

Interrogatory KE/USPS-T29-27:

- (d) Why would the Postal Service adopt strict procedures for requiring QBRM to be prebarcoded, but then choose to sort 41.6% of those pieces using manual methods that are more than twice as costly as available automated, methods?

Campbell Response:

- (d) The barcoding requirement permits the Postal Service to maximize the use of automation to process QBRM. Without the barcode and other required features of QBRM, such mail would not qualify for the QBRM postage rate. In some cases, however, it makes more operational sense to process BRM using manual methods. See the response to KE/USPS-T29-2.

Problems: KeySpan's interrogatory asked about why 41.6% of all QBRM apparently is being manually sorted. The witness' reference to "some cases" is not responsive. His reference to the response to KE/USPS-T29-2 is not helpful either.

Interrogatory KE/USPS-T29-27:

- (e) Why would the Postal Service adopt strict procedures for requiring QBRM to be prebarcoded, but then choose to count 66.5% of those pieces using manual methods that are more than twice the cost of available automated methods?

Campbell Response:

- (e) See my response to part (d). These features also permit the Postal Service to use automation, where feasible, to perform the QBRM accounting function. However, the Postal Service has not come close to realizing the potential for automated accounting which was projected a decade ago.

Problems: KeySpan's interrogatory asked about witness Campbell's assumption that

all these interrogatories were filed on March 24.

66.5% of all QBRM reply pieces will be **counted** manually. His reference to the response to part (d), which deals with **sorting**, is of no help. His reference to “perform[ing] the QBRM **accounting** function” (emphasis added) has nothing to do with the question about “counting” QBRM pieces.

KE/USPS-T29-29:

Please refer to your response to KE/USPS-T29-8. There you discuss your collection of PERMIT data for estimating postage rating charges.

- (b) In part (e) you note that you did not need to know the average volume per account transaction for QBRM recipients who received “high” volumes. Since USPS witness Mayo has proposed a separate per piece fee classification for such pieces, why is this information considered unnecessary?

Campbell Response:

- (b) As I stated in my response to KE/USPS-T29-8 (d), the average volume per account transaction for QBRM is 132 QBRM pieces.

Problems: KeySpan’s question clearly asks for the average volume per account for QBRM recipients who received “high” volumes. The witness’ answer, which is the average for **all** accounts regardless of whether they are high or low volume accounts, is not responsive.

KE/USPS-T29-32:

- (b) In view of the statements from the 1987 Reply Mail Study quoted in part (a), please explain how your field observations indicate that manual postage due operations have not changed since 1989, yet your QBRM cost analysis for high volume recipients assumes that virtually no QBRM letters are counted by weight conversion techniques.

Campbell Response:

- (b) My testimony says nothing about manual postage due operations as a whole as your question implies. Rather, my testimony states that “[f]ield observations confirmed that the manual distribution productivity has not changed significantly since 1989” (see USPS-T-29, footnote 5). Manual distribution involves a postal clerk physically sorting and counting mail one piece at a time. Based on my observations, manual distribution is a labor-intensive activity in the year 2000. My testimony also states that “manual billing and rating productivities have not changed significantly

since 1989” (see USPS-T-29, footnote 3). Again, to my knowledge, manual billing and rating is still a labor-intensive activity in the year 2000.

Problems: KeySpan’s question clearly refers to *weight conversion techniques*. KeySpan wanted to know how he found only 8.9% of the pieces were counted by weighing and concluded that manual operations had not changed since 1989 in view of the fact that the 1987 Reply Mail Study concluded at least half of the advance deposit BRM pieces were counted by weighing. The witness’ discussions of manual distribution activities and billing and rating productivities are irrelevant.

KE/USPS-T29-32:

- (g) Please describe fully, or provide representative documents that describe and indicate the technical specifications and operational capabilities of, what are termed “special counting machines” (see Docket No. R97-I, USPS LR-H-179, Table 13);
- (h) Please describe the reasons why special counting machines are used at the particular postal facilities, where they are used, and why they are not used at other postal facilities.
- (i) Please state the purchase cost for each type of special counting machine.
- (j) What is the productivity in pieces per hour (PPH) for counting the 10.4% of QBRM that are counted using “special counting machines? Please support your response with documents that show the derivation of the PPH. If there are different types of special counting machines, please provide the separate PPH for each such machine and the relative percentage of the 10.4% QBRM volume figure that is counted by each type of special counting machine.

Campbell Response:

- (g) It is my understanding that the Memphis P&DC is in the process of purchasing a counting machine for BRM. Documentation with technical specifications and operational capabilities for that machine will be provided in USPS Library Reference I-257. I do not know whether this machine is representative of others in use.
- (h) The decision to use special counting machines for BRM counting is site-specific and based on a site’s unique operational and BRM characteristics.

- (i) My understanding is that the counting machine referred to in part (g) cost about \$8,000.
- (j) Productivities are not available for "special counting machines" at this time. A study would have to be conducted to capture site-specific operational characteristics that affect counting productivities.

Problems: KeySpan's questions clearly were directed to *existing* special counting machines that were used to count the 10.4% of the QBRM pieces that were counted by such counting machines *in 1997*. The witness' answer regarding *one* machine that the Memphis P&DC has on order but has not yet received is totally non-responsive. Further, the witness' generalized references to "site-specific" decisions involving "unique operational and BRM characteristics" are extremely vague and non-responsive.

In addition to the foregoing examples of non-responsive interrogatory answers, similar problems arise with respect to witness Campbell's responses to the following interrogatories: **KE/USPS-T29-24 (c), KE/USPS-T29-25 (a), KE/USPS-T29-26 (b), KE/USPS-T29-33 (b), KE/USPS-T29-34 (b) and (f), KE/USPS-T29-35 (b), KE/USPS-T29-36 (a) and (b), KE/USPS-T29-37 (a) and (d), and KE/USPS-T29-44**. KeySpan is hopeful that more responsive answers to some or all of these additional interrogatories will be forthcoming. Indeed, KeySpan counsel will contact counsel for the Postal Service in order to resolve some or all of these problems informally before the date for filing an answer to this motion to compel.

Request For Shortened Response Period

In view of the fact that witness Campbell will appear for cross-examination in little over a week from now, it should be obvious that the delays in receiving adequate responses to KeySpan's interrogatories already has prejudiced KeySpan's rights to conduct thorough, effective discovery of the Postal Service's case on the costs associated with processing and counting QBRM. In this regard, under the Commission's Rules of Practice, KeySpan has the right to formulate follow-up interrogatories based on responses to interrogatories posed before the cut off date for discovery on the Postal Service's case-in-chief and to cross-examine the witness on his responses.

In order to mitigate the harm to KeySpan, responsive answers must be received

as soon as possible. To this end it is necessary and appropriate to shorten the time for the Postal Service to respond to KeySpan's motion to compel.

KeySpan requests that the Presiding Officer direct the Postal Service to file its answer on or before April 21, 2000. The Postal Service should not be prejudiced by a shortening of normal response period. KeySpan already has discussed several of the non-responsive answers with counsel for the Postal Service. In addition, on April 17, KeySpan faxed a draft of this motion to Postal Service counsel. Finally, KeySpan will serve this motion to compel on Postal Service counsel by hand.

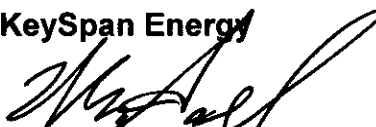
CONCLUSION

For all of the foregoing reasons, KeySpan Energy respectfully requests that the Presiding Officer issue a ruling directing USPS witness Campbell to provide complete, responsive answers to all the referenced interrogatory questions prior to the date he is scheduled to testify. In addition, KeySpan respectfully requests that the date for the Postal Service to file an answer to this motion to compel be shortened to April 21, 2000.

Respectfully submitted,

KeySpan Energy

By:



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

Dated: Round Hill, VA
April 18, 2000

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 (b) of the Commission's Rules of Practice.

Dated this 18th day of April 2000.

