

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, 2000

Docket No. R2000-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS CAMPBELL
TO INTERROGATORY OF KEYSpan ENERGY
(KE/USPS-T29-37(c) (ERRATUM))

The United States Postal Service hereby provides the revised response of witness Campbell to the following interrogatory of KeySpan Energy: KE/USPS-T29-37(c).

This revised response supersedes the original March 31, 2000, response. No other subparts of T29-37 are affected by the change.

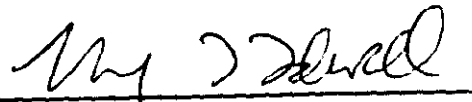
T29-37 is stated verbatim and is followed by the responses to all subparts, including the revised response to subpart (c).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

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April 20, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS CAMPBELL
TO INTERROGATORY OF KEYSpan ENERGY**

KE/USPS-T29-37.

Please refer to your response to KENSPS-T29-15 (g). You indicate in your response that your analysis of QBRM cost savings accounts for the several factors listed because you have incorporated a CRA adjustment factor.

- (a) Please confirm that you did not specifically account in your cost models for the additional costs that handwritten letters do incur but QBRM letters do not incur, other than simply increasing each of your derived model unit costs (for handwritten and QBRM letters) by the CRA adjustment factor of 22.4%. If you cannot confirm, please explain why not.
- (b) Please confirm that the purpose of the CRA adjustment factor is to tie the derived mail flow model costs to the CRA-derived unit costs, if the latter are known. If you cannot confirm, please explain why not and state what, in your opinion, is the purpose of a CRA adjustment factor.
- (c) Please confirm that you do not know the CRA-derived unit costs for either handwritten letters or QBRM letters. If you cannot confirm, please explain why not and provide the CRA-derived unit costs for handwritten letters and QBRM letters.
- (d) Please confirm that the accuracy of the CRA adjustment factor depends on how well a model's derived unit cost compares to the CRA unit cost, if that CRA unit cost is known. If you cannot confirm, please explain why not and state upon what, in your opinion, the accuracy of the CRA adjustment factor depends.

RESPONSE:

- (a) Not confirmed. The model specifically accounts for operations that handwritten letters incur but QBRM letters do not incur. For example, the model accounts for the RBCS operation, which is incurred by a handwritten letter but not incurred by a QBRM letter (see USPS-T-29, page 38).
- (b) Confirmed.

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Response to KE/USPS-T29-37 (continued)

- (c) Confirmed. A non-automation presort CRA adjustment factor was used as a proxy for single-piece mail for two reasons. (1) The non-automation presort mail flow closely resembles that of single-piece mail. QBRM and handwritten letters are both part of the single-piece mail stream. (2) Single-piece mail has not been modeled, so a CRA adjustment factor for single-piece mail does not exist.
- (d) I don't know what is meant by "the accuracy of the CRA adjustment factor." Therefore, I cannot answer the question.

DECLARATION


I, Chris F. Campbell, declare under penalty of perjury that the foregoing answers are true to the best of my knowledge, information and belief.


Chris F. Campbell

Dated: 4-20-00

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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