

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

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UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO KEYSpan ENERGY WITNESS BENTLEY
(USPS/KE-T1-1-15)

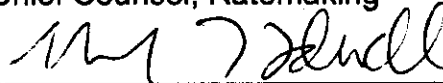
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to KeySpan witness Bentley: USPS/KE-T1-1-15.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

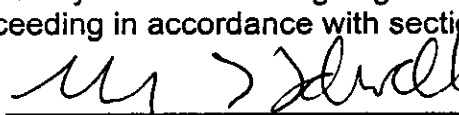
Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

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.



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998 Fax -5402
June 5, 2000

USPS/KE-T1-1.

On page 5, footnote 3 of your testimony you state that the 5-cent QBRM fee recommended by the Commission in Docket No. R97-1 "was based on a cost analysis that immediately became outdated as soon as PRM was rejected." Furthermore, you state that "the underlying 4.5-cent cost upon which the 5-cent fee was based excluded the low-cost 287 million pieces that the Commission assumed would shift to the PRM category."

In Docket No. R97-1, PRC LR-10, Chapter IV, page 1, the Commission accepted witness Glick's contention "that the volume migrating to PRM will be minimal, therefore the coverage factor for BRMAS ... should not be altered." The Commission's cost analysis subsequently replaced witness Schenk's 5.9% coverage factor with the 14.2% coverage factor for BRMAS shown in Docket No. R97-1, LR-H-179, resulting in a 4.5-cent cost upon which the 5-cent fee was based.

Please provide the basis for your assertion that the 4.5-cent cost excluded the 287 million low-cost pieces. In your discussion, please provide specific cites to the record in Docket No. R97-1, the Commission's Opinion, and PRC Library Reference 10 to support your assertion.

USPS/KE-T1-2.

Please list all postal facilities where you studied BRM processing. For each site, include the date of the visit, the approximate time of day of the visit, the specific operations observed, the volumes of customer accounts observed. Provide and all notes taken during or in connection with each visit.

USPS/KE-T1-3.

On page 20 of your testimony, you estimate that 300 QBRM customer accounts receive more than 300,000 pieces per year, your "breakeven" volume between high and low-volume QBRM recipients. On page 16, you state that you rely on the provided CBCIS data consisting of the top 77 customer accounts to estimate the percentages by counting method for all high-volume QBRM accounts (the remaining 223 accounts). Please explain how the counting method percentages for the top 77 customer accounts (less #1 and #2) are representative of all "high-volume" QBRM accounts.

USPS/KE-T1-4.

Please refer to Exhibit KE-1C entitled "Study to Derive the Productivity to Count QBRM Letters."

- (a) Please confirm that the above-reference study does not capture any of the following work elements associated with counting QBRM pieces manually:
- (1) a clerk traveling across a postage due unit to retrieve a QBRM-filled tray from a container;
 - (2) a clerk returning to a designated counting area with a QBRM-filled tray;
 - (3) a clerk returning the QBRM-filled tray to its designated area after all pieces have been counted.
- (b) Please confirm that the above-referenced study assumes that all QBRM pieces in a tray correspond to a single customer account.

USPS/KE-T1-5.

Please refer to Exhibit KE-1C, page 3, Data Collection Results for the QBRM Counting Productivity Study and the April 1987 study entitled "Business Reply Mail Revised Cost Analysis," prepared by the Rate Studies Division of the United States Postal Service (hereinafter "1987 Reply Mail Study").

- (a) Please confirm that your productivity estimate for the weight conversion method (68,091 PPH) is based on less than 3 minutes of data collection for one person who is not an employee of the Postal Service.
- (b) Please confirm that your productivity estimate for the weight conversion method (68,091 PPH) is more than 10 times the productivity resulting from the 1987 Reply Mail Study (6390 pieces per hour).

USPS/KE-T1-6.

Please refer to Exhibit KE-1B, page 5, line 4 of your testimony where you estimate QBRM volumes by counting method for those accounts

considered "low volume" (less than 300,000 pieces per account per year as defined by you).

- (a) Confirm that you estimate 27,202,932 QBRM pieces will be counted using an end-of-run (EOR) report for "low-volume" accounts receiving "100,000+" but less than 300,000 pieces per year.
- (b) Confirm that the average daily QBRM volume for the "100,000+ but less than 300,000" accounts (assuming 13 APs and 25 days per AP) is between 307 and 924 pieces per day.
- (c) Confirm that witness Kingsley stated in her response to KE/USPS-T10-3 that the minimum volume to justify a bin on an incoming secondary "could be as little as 1,000 per day on average."
- (d) Please provide your understanding of how, when, and why an EOR report is used in QBRM processing.

USPS/KE-T1-7.

Your testimony at page 11 states that for QBRM received in low volumes you "assumed the same productivities for counting by hand and by weighing techniques that were obtained from the special study" you conducted for high volume QBRM.

- (a) Please confirm that you did not attempt to study manual counting for QBRM received in low volumes.
- (b) If you did not attempt to study manual counting for QBRM received in low volumes, please explain why not.
- (c) Please confirm that you did not attempt to study weight averaging for QBRM received in low volumes.
- (d) If you did not attempt to study weight averaging for QBRM received in low volumes, please explain why not.

USPS/KE-T1-8.

Please refer to Table 2 on page 9 of your KeySpan testimony. Why is the unit counting cost shown in the table for both BRMAS and EOR zero cents?

USPS/KE-T1-9.

Please refer Exhibit KE-1C, page 1. Please confirm that the "sample design" or "study design" referred to in this exhibit simply involved five KeySpan clerks.

USPS/KE-T1-10.

Please refer to Exhibit KE-1G, pages 3-4.

- (a) Please explain the basis for your statement that handcounting is no longer efficient above 400 pieces received per day.
- (b) Please explain the basis for your assumption that the percentages by counting method derived for the higher volumes would be applicable so long as the volume received was 100,000 pieces or more.

USPS/KE-T1-11.

Please refer to your testimony at page 4, lines 10-11. Under your proposed monthly fee for high volume QBRM recipients, would the recipients be eligible to opt in and out of the program on a monthly basis?

USPS/KE-T1-12.

- (a) Please refer to your testimony at page 3, lines 23-25. Is it your understanding that witness Mayo (USPS-T-39), not witness Fronk (USPS-T-33), is proposing the QBRM postage discount? If so, please provide citations in USPS-T-39 at which witness Mayo makes such a proposal.
- (b) Please refer to your testimony at page 6, lines 9-18. Is it your understanding that witness Campbell (USPS-T-29), not witness Mayo (USPS-T-39), is proposing the QBRM accounting and per-piece fees and the high-volume per-piece fee category? If so, please provide citations in USPS-T-29 at which witness Campbell makes such proposals.

USPS/KE-T1-13.

Please refer to Exhibit KE-1G, page 2 of your testimony. In Section 2, "Compute Volumes From Percentages", you state that you "received separate [QBRM volume] data for one very large account and for Brooklyn Union Gas, neither of which are part of the CBCIS data system."

- (a) Please confirm that the QBRM volume data that you received for Brooklyn Union Gas is shown in Exhibit KE-1D, page 3.
- (b) Please confirm that the QBRM volume received for Brooklyn Union Gas during the time period FY99 (AP6) through FY2000 (AP5) is 5.5 million pieces.
- (c) Please confirm that you assume that 100 percent of the Brooklyn Union Gas QBRM volume is counted using the Weight Averaging method as shown in Exhibit KE-1D, page 3. If confirmed, please explain how you arrived at this assumption. If not confirmed, please explain.

USPS/KE-T1-14.

Please refer to Exhibit KE-1A, page 1 of your testimony. Please confirm that footnote 11 contains an error. If confirmed, please provide the correct footnote. If not confirmed, please explain why not.

USPS/KE-T1-15.

Please refer to your testimony at page 19, line 11 where you estimate a window service cost avoidance of 1.6 cents per originating First-Class letter. Also, refer to Exhibit KE-1A, page 1 of your testimony, where you provide a worksharing related unit cost savings for window service of 1.162 cents. Please explain this discrepancy.