

UNITED STATES OF AMERICA  
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

OFFICE OF THE CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
WITNESS PATELUNAS (OCA/USPS-ST44-5-12)  
JULY 20, 2000

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Pursuant to Sections 26 and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate ("OCA") hereby submits interrogatories and requests for production of documents. These interrogatories are submitted for the purpose of the development of changes to the OCA's direct case-in-chief in supporting revisions to test year forecasts and for the development of rebuttal testimony. Instructions included with OCA interrogatories OCA/USPS-1-14 dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,

  
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OCA/USPS-ST44-5. USPS-LR-I-410, workpaper A references a file identified as "FY99XTCM." A review of USPS-LR-I-406 and USPS-LR-I-277 indicates that while both contain several electronic data files, "FY99XTCM" is not among them. Please provide electronic copies of all control and data files used in preparing your supplemental testimony, USPS-LR-I-410, and USPS-LR-I-277. In your response, please provide copies of all the electronic files used to create the FY 99 CRA, FY 00 and FY 01 forecasts, in a format similar to that provided in USPS-LR-I-6, subdirectories "CNTLFILE" and "DATAFILE." If a complete copy of the "control" and the "data files" has been previously provided, please identify the applicable USPS library reference(s).

OCA/USPS-ST44-6. Did you incorporate into your FY 00 cost forecast any actual FY 00 data?

- (a) If so, please specify what data has been incorporated into your forecast, the accounting periods for which it is incorporated, and the total cost impact the data had on the updated FY 00 forecast. Please cite the sources you used and provide in your response a copy of the relevant page of the source document cited if not previously filed.
- (b) If not, please explain why no actual data was incorporated.
- (c) In your FY 00 forecast, for each cost level effect, cost reduction program and other program that changed, please cite the sources you used and provide in your response a copy of the relevant page of the source document cited if not previously filed.
- (d) For each cost level effect, cost reduction program and other program that changed in your FY 00 forecast, please itemize those changes and provide

the most current year-to-date actual expenditures. Please cite the sources you used and provide in your response a copy of the relevant page of the source document cited if not previously filed.

OCA/USPS-ST44-7. The following interrogatory refers to your FY 01 updated forecast. For each cost level, cost reduction and other program change that was updated in your testimony, please cite the sources you used and provide in your response a copy of the relevant page of the source document cited if not previously filed.

OCA/USPS-ST44-8. Please confirm that the Postal Service is not proposing to alter any of the proposed rates or cost coverages originally requested. If you are unable to confirm, please provide updated rate schedules as well as a revised cost coverage table.

OCA/USPS-ST44-9. Exhibit USPS-ST-44AB provides a comparison of a number of key inflation indices that were updated. The sources you cite in general for those revisions are (1) @ussim/trend25YR 0200, and (2) @cissim/control 0500.

- (a) If a copy of each of the sources has not been previously submitted, please file one. If one has been filed, please indicate the applicable USPS library reference. If the source is intended to represent an Internet address, please provide the full Internet address needed to access a copy of the information.
- (b) For each inflation index listed in your exhibit, please identify the applicable source.
- (c) For each index listed in Exhibit ST44-AB, please provide the date of the applicable updated forecast. In your response, please provide a table similar

to that presented in Exhibit ST44-AB. Please note, that the column labeled "Difference" should be excluded.

OCA/USPS-ST44-10. The following interrogatories refer to page 2 of your testimony.

- (a) You indicate that the non-personnel cost level change factors were updated to reflect the most current forecasts available. For FY 00 and FY 01, please indicate by segment and mail cost category the total cost impact of non-personnel cost level changes.
- (b) You indicate that the personnel cost level change factors were updated. For FY 00 and FY 01, please indicate by segment and mail cost category the total cost impact of the personnel cost level changes.
- (c) When the personnel cost level change factors were updated for FY 00, did you incorporate any actual data from the USPS payroll summary reports? If so, please identify the accounting period data used. If not, please indicate why the year-to-date actual USPS payroll summary reports were not relied upon in your testimony.
- (d) For FY 00 and FY 01 and each non-personnel cost level factor that was updated in your testimony, please provide the following information:
  - (i) An itemized list of each factor updated;
  - (ii) The total amount incorporated for each factor identified in part (i) of this interrogatory;
  - (iii) The change in the current versus the prior forecasted amount; and

- (iv) The date each non-personnel cost level factor was updated. If the specific date is not known, please confirm that you used the most current data available.
- (e) For FY 00 and FY 01 and each personnel cost level factor that was updated in your testimony, please provide the following information:
  - (i) An itemized list of each factor updated;
  - (ii) The total amount incorporated for each factor identified in part (i) of this interrogatory;
  - (iii) The change in the current versus the prior forecasted amount; and
  - (iv) The date each personnel cost level factor was updated. If the specific date is not known, please confirm that you used the most current data available.

OCA/USPS-ST44-11. The following interrogatory refers to the Postal Service's response to P.O. Information Request No. 14 (June 29, 2000), part d, Attachment I.

- (a) In preparing your supplemental filing, did you incorporate the cost reduction programs listed under the column identified as "Order No. 1294," of Attachment I? If not, for each program listed on Attachment I, please indicate the total amount of the cost reduction you did incorporate.
- (b) For each program identified in the column identified as "Order No. 1294" of Attachment I, please provide the date(s) each forecast was reviewed and/or updated. If the specific date is not known, please confirm that you used the most current data available. If you are unable to confirm, please explain.

- (c) In Attachment I, the column identified as "Order No. 1294" has a line item identified as "Field Reserve" with a value of (\$200) million. Please confirm that the (\$200) million reduces the total cost reduction projection from \$744 million to \$544 million. If you are unable to confirm, please explain.
- (d) In Attachment I, please confirm that the column identified as "POIR 13" has a line item identified as "Field Reserve" with a value of (\$200) million. Please confirm that the (\$200) million reduces the total cost reduction projection from \$750 million to \$550 million. If you are unable to confirm, please explain.
- (e) Is the "Field Reserve" of \$200 million similar to a "contingency provision?" If not, please explain.

OCA/USPS-ST44-12. The following interrogatory refers to USPS-LR-I-419, Table 8, and the exhibit in your testimony titled "Development of Cost By Segment and Component FY01ATM, D Report," hereafter "New D Report" and USPS witness Kashani's exhibit titled "Development of Cost By Segment and Component FY01ATM, D Report," hereafter "Old D Report."

- (a) In Table 8, Priority mail receives a Final Adjustment of \$30.524 million. The New D Report, indicates that Priority mail has a final adjustment of \$88.777 million. Please explain the apparent discrepancy.
- (b) In the FY 01AR Old D Report, Standard Mail (B) Parcels Zone Rate has a "final" reduction of (\$40.604) million, which represents approximately 7 percent of the total volume variable final adjustment cost – (\$543.173). In the FY 01AR New D Report, Standard Mail (B) Parcels Zone Rate has a "final"

reduction of (\$100.868) million which represents approximately 17 percent of the total volume variable final adjustment cost of (\$594.323) million. Please explain what changes prompted the large weighted increase in Parcel Zone Rated mail's final adjustment.

#### CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.

  
Stephanie S. Wallace

Washington, D.C. 20268-0001  
July 20, 2000