

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

Docket No. R2001-1

**KeySpan Energy's Fourth Set Of
Interrogatories And Document Production Requests
To USPS Witness Michael W. Miller**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, KeySpan Energy submits the following interrogatories and document production requests to USPS witness **Michael W. Miller: KE/USPS-T22-23-33**. 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: 

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Counsel for

KeySpan Energy

CERTIFICATE OF SERVICE

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

Dated this 3d day of December 2001.



Michael W. Hall

**KeySpan Fourth Set Of Interrogatories And Document Production
Requests For USPS Witness Michael W. Miller**

KE/USPS-T22-23 Please refer to your response to Part C of Interrogatory KE/USPS-T14-8 that was originally directed to USPS witness Thomas A. Bozzo. There you indicate that the issue of more QBRM letters being rejected in the outgoing BCS primary than HAND letters in the RBCS has been resolved. Please also refer to revised pages 12, 14, 16 and 40B of USPS-LR-J-60 where you provide the mail flows for HAND, QBRM, BMM and Single Piece machinable letters, respectively.

- A. For HAND letters, please explain why 8,601 of 10,000 letters will flow from the outgoing ISS, after being resolved by the RCR, to the outgoing OSS, rather than to another automated sort as you show BMM letters do.
- B. Please confirm that for HAND letters, you show that 97.88% of the letters will be successfully barcoded (91.02% being barcoded to 9- or 11-digits and 6.86% being barcoded to 5-digits) and sorted in the RBCS, and then sent to an automated operation for additional processing. If no, please provide the correct percentage and explain.
- C. Please confirm that for BMM letters, you show that 99.62% of the letters will be successfully barcoded (98.58% being barcoded to 9- or 11-digits and 1.04% being barcoded to 5-digits) and sorted in the RBCS, and then sent to an automated operation for additional processing. If no, please provide the correct percentage and explain.
- D. Please confirm that for Single Piece machinable letters, you show that 99.56% of the letters will be successfully barcoded (98.68% being barcoded to 9- or 11-digits and 0.88% being barcoded to 5-digits) and sorted in the RBCS, and then sent to an automated operation for additional processing. If no, please provide the correct percentage and explain.
- E. Please confirm that 100% of QBRM letters are prebarcoded and able to bypass the RBCS. If no, please provide the correct percentage and explain.
- F. Please confirm you show that 95.10% of QBRM letters will be successfully sorted in the outgoing BCS primary, and then sent to an automated operation for additional processing. If no, please provide the correct percentage and explain.
- G. Assuming your answer to Part F is yes, please explain why you did not confirm the original question posed to USPS witness Bozzo in Part B of Interrogatory KE/USPS-T14-8, which asked the same thing.
- H. Is it reasonable to expect that 2.12 % of handwritten addressed letters would be rejected by postal automation equipment in the RBCS, requiring manually processing, but that, if those same letters have prebarcodes and printed

addresses that are pre-approved pursuant to USPS requirements, 4.9% of such letters would be rejected in the outgoing BCS primary, requiring manual processing? Please explain your answer

- I. Is it reasonable to expect that 0.38 % of BMM letters would be rejected by postal automation equipment in the RBCS, requiring manual processing, but that, if those same letters have prebarcodes and printed addresses that are pre-approved pursuant to USPS requirements, 4.9% of such letters would be rejected in the outgoing BCS primary, requiring manual processing? Please explain your answer.
- J. Is it reasonable to expect that 0.44% of Single Piece machinable letters would be rejected by postal automation equipment in the RBCS, requiring manual processing, but that, if those same letters have prebarcodes and printed addresses that are pre-approved pursuant to USPS requirements, 4.9% of such letters would be rejected in the outgoing BCS primary, requiring manual processing? Please explain your answer.
- K. Please explain how your revisions using the new methodology filed on November 5, 2001, as further updated on November 15, 2001, resolved the issue.
- L. Please confirm that after HAND letters are barcoded by the Postal Service in the RBCS, processing of HAND and QBRM letters will be virtually identical, with little change in the mail processing costs until the letters are delivered. If you cannot confirm, please explain.

KE/USPS-T22-24 Please refer to your responses to Part C of Interrogatory KE/USPS-T14-6 and Part C of Interrogatory KE/USPS-T14-7 that was originally directed to USPS witness Thomas A. Bozzo. There you indicate that the issue of more QBRM letters being rejected by postal automation equipment than HAND and BMM letters has been resolved.

- A. Is it your position that removing all postal operations after the RBCS in your HAND model and all postal operations after the outgoing BCS primary in your QBRM model resolved the problem where initially you showed that more QBRM letters would be rejected than HAND letters? If no, please explain.
- B. Assuming your answer to Part A is yes, please provide the mail flows and resulting model rejection totals for HAND and QBRM letters if the letters were processed through the incoming secondary sort to demonstrate that your revisions have resolved the problem.

KE/USPS-T22-25 Please refer to you response to Part C of Interrogatory KE/USPS-T22-3 where you rely on the Commission's Docket No. R2000-1 Opinion to disregard problems with handwritten letters reported by the USPS Address Deficiency Study.

- A. Please explain exactly where in paragraph 5092 the Commission indicates that when deriving QBRM cost savings it is "not appropriate" to consider address deficiencies that are inherent in letters that have a handwritten address.
- B. Please list all the problems identified in the referenced USPS Address Deficiency Study and, for each problem listed, provide a detailed explanation of whether and how your QBRM cost savings analysis took that problem into account.
- C. Please confirm that for every 10,000 QBRM letters that are replaced with handwritten addresses, not one will exhibit the problems studied by the USPS Address Deficiency Study. If no, please explain.

KE/USPS-T22-26 Please refer to your response to Part D of Interrogatory KE/USPS-T22-5 where, in the outgoing RBCS for HAND letters, you combine the 686 pieces given a 5-digit barcode with the 212 rejected pieces and compare the total of 898 to the 490 QBRM letters rejected in the outgoing BCS primary.

- A. Do the 686 5-digit barcode pieces receive any kind of automated outgoing primary sort in the RBCS? Please explain.
- B. Please confirm that the 686 5-digit pieces are sent to an automated incoming primary 5-digit barcode sort, bypassing the outgoing secondary, before being sorted manually in the incoming secondary. If you cannot confirm, please describe the processing these letters receive and explain.
- C. Please confirm that the 686 5-digit pieces are processed by automation until they reach the incoming manual secondary operation. If you cannot confirm, please describe the processing these letters receive and explain.
- D. Please confirm that all other rejected pieces, including those QBRM letters rejected from the outgoing BCS primary, are processed manually throughout the mailstream from the time they are rejected to the time they are delivered. If you cannot confirm, please describe the processing these letters receive and explain.

KE/USPS-T22-27 Please refer to your response to Part H of Interrogatory KE/USPS-T22-5 where you conclude that a QBRM recipient, if it did not provide a reply envelope, would "do everything in its power" to make sure its customers used the correct address.

- A. Please describe and explain what the QBRM recipient will do, under your analysis of QBRM cost savings, to ensure that its customers use the correct address.

- B. Please explain precisely how the address deficiencies from the USPS Address Deficiency Study will be avoided for all 10,000 HAND letters in your QBRM cost savings analysis.
- C. Why would the address quality of a HAND letter addressed by an individual QBRM mailer, such as "Aunt Minnie," to a QBRM recipient that is a business be any different than the address quality of a handwritten letter addressed by Aunt Minnie to her niece? Please explain your answer.

KE/USPS-T22-28 Please refer to your response to Part F of Interrogatory KE/USPS-T22-6. There you answered "No" to the hypothetical question posed by KeySpan Energy, but your explanation does not seem to relate to your answer.

- A. If it could be demonstrated that, after the *outgoing* primary operation, more QBRM letters than handwritten letters can be processed successfully on automation, would you agree that eliminating all other operations from the cost savings analysis, as you did, is inappropriate because it understates QBRM cost savings? Please explain your answer.
- B. Please confirm that, if it could be demonstrated that after the *incoming* primary operation more QBRM letters than handwritten letters can be processed successfully on automation, then eliminating the incoming secondary operation from the analysis of QBRM cost savings would be inappropriate because it would understate QBRM cost savings. Please explain your answer.

KE/USPS-T22-29 Please refer to your response to Part I of Interrogatory KE/USPS-T22-7, which asked you to confirm certain information regarding the percentage of letters that were successfully **barcoded** by automation. Because you revised your testimony after receiving that interrogatory, you did not confirm the figures provided to you in the interrogatory. In addition, your response seems to address the percentage of letters successfully **sorted** by automation, not the percentage successfully **barcoded** by automation, as the interrogatory requested. Therefore, please provide the percentage of the 10,000 originating letters in your models that are successfully **barcoded** (either 5-, 9-, or 11-digits) for the following categories of mail:

- A. HAND letters;
- B. BMM letters; and
- C. Single Piece machinable letters.

KE/USPS-T22-30 Please refer to your response to Parts C and D of Interrogatory KE/USPS-T22-8. That interrogatory asked you about the

relationship between QBRM and AADC automation letters, which you apparently denied.

- A. Please confirm that when originally constructing your mail simulation models, the flows for QBRM and mixed AADC automation letters were identical, except for the following two differences:
 - 1. QBRM letters were entered in the outgoing BCS primary operation whereas mixed AADC automation letters were entered in the outgoing auto secondary operation, and
 - 2. QBRM was constrained so that 100% of the pieces flowed from the incoming MMP primary to the incoming/SCF primary auto operation whereas mixed AADC automation letters were not.
- B. Please also confirm that you subsequently eliminated the incoming secondary operation for QBRM. If you cannot confirm, please explain.
- C. Finally, please confirm that you revised your analysis a third time by eliminating all other operations after the outgoing primary for QBRM. If you cannot confirm, please explain.

KE/USPS-T22-31 Please refer to your response to Part G of Interrogatory KE/USPS-T22-10 where you were asked about what percentage of HAND letters the Postal Service expects to successfully barcode in the test year. Your response refers generally to revisions you filed on November 5 and 15, 2001 and your response to Part D of Interrogatory KE/USPS-T22-3, where you indicate that 2.12% of the letters are rejected in the RBCS, another 6.86% of the letters are provided with only a 5-digit barcode.

- A. Does the Postal Service expect to provide a 5-digit barcode on 6.86% of all machinable, handwritten addressed letters in the test year? Please support your answer and provide source references.
- B. Does the Postal Service expect to be unable to barcode 2.12% of all machinable, handwritten addressed letters in the test year? Please support your answer and provide source references.
- C. Does the Postal Service expect to be able to successfully barcode 91.02% of all machinable, handwritten addressed letters in the test year? Please support your answer and provide source references.

With respect to all of these questions, if any of the percentages supplied above is incorrect, please provide the correct percentage and source references.

KE/USPS-T22-32 Please refer to your response to Part C of Interrogatory KE/USPS-T22-16, which asked for the source of your BRMAS Additional

Workload Productivity of 7936 pieces per hour. Your response referred generally to page 103 of Library Reference USPS LR-J-60 in this case, which in turn refers to USPS-T-27 in Docket No. R97-1. Please provide a specific page reference and a copy of that the page(s) of the referenced testimony, together with copies of all revisions thereto, if any, and exhibits related thereto. Please also indicate the source that supports your claim that the BRMAS Additional Workload Productivity excludes sorting, as you claim in response to Part D of Interrogatory KE/USPS-T22-16.

KE/USPS-T22-33 Please refer to your responses to Parts D and E of Interrogatory KE/USPS-T22-8 where you claimed that QBRM and HAND letters do not take on the characteristics of (1) AADC machinable, automation letters, (2) 3-Digit automation letters, (3) 5-Digit Automation letters, or (4) some combination thereof, once they are sorted in the outgoing primary operation but rather QBRM and HAND letters each "have their own unique mail piece characteristics." Please refer also to your response to Part E of Interrogatory KE/USPS-T22-6, in which you agree in general that after handwritten and QBRM letters are processed in the incoming primary operation, they would be equal in the sense that they would be sorted to the exact same degree and exhibit the exact same machinability characteristics?

- A. Does the description above accurately describe your testimony? If no, please explain.
- B. In your response to Part G of Interrogatory KE/USPS-T22-20, you would not confirm that after the outgoing primary operation, the processing of HAND and QBRM letters incur similar costs until final delivery. Please explain why it would be appropriate to limit the analysis to processing that occurs only up to and through the outgoing primary operation, as you did, if HAND and QBRM letters will not incur similar costs thereafter until final delivery.
- C. In your response to interrogatory Part K of Interrogatory KE/USPS-T22-20 you did not agree that cost distinctions that exist between a QBRM mail piece and a handwritten reply mail piece disappear once the handwritten letter has been barcoded and sorted in the RBCS operation. Please explain why it would be appropriate to limit the analysis to processing that occurs only through the outgoing primary operation, as you did, if HAND and QBRM letters will not incur similar costs until final delivery.
- D. Please confirm, if you can, that after the QBRM and HAND letters complete their outgoing primary sortation, they will be barcoded to the same degree, i.e. equal percentages will have a 9-digit barcode sprayed and will be able to be processed by automation from that point on until delivery. If you cannot confirm, please explain why not and support your answer.

- E. Please confirm, if you can, that after the QBRM and HAND letters complete the outgoing primary sortation, the processing costs with the exclusion of BRM-related costs of counting, rating and postage collection, will be nearly identical from that point on until delivery. If you can confirm, please explain why not and support your answer.
- F. Please explain why it is reasonable to measure workshare cost savings from mail processing that includes all mail processing and delivery costs, but it is inappropriate to measure prebarcoding savings exhibited by QBRM on the same basis.
- G. Please see your responses to Part E of Interrogatory KE/USPS-T22-6. There you agreed, generally, that QBRM and HAND letters, after the *incoming* primary operation, will be equal in the sense that they would be sorted to the exact same degree and exhibit the exact same machinability characteristics. You were asked to support that conclusion but provided none. Notwithstanding your decision to change your analysis, please provide support for that answer.
- H. In light of your assertion that QBRM and HAND letters each exhibit their own unique mail piece characteristics after they are sorted in the outgoing primary, please explain why, in general, you have concluded that after the incoming primary operation, QBRM and HAND letters will be equal in the sense that they would be sorted to the exact same degree and exhibit the exact same machinability characteristics.