UNITED STATES OF AMERICA POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001 SEP 6 131 AM '97

POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE LORAN CION OFFICE OF THE SECKETARY Docket No. R97-1

THE BROOKLYN UNION GAS COMPANY FOLLOW-UP INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE WITNESS: <u>MICHAEL MILLER (USPS-T-23)</u>

Pursuant to Sections 25 and 26 of the Rules of Practice of the Postal Rate

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Commission ("Commission"), The Brooklyn Union Gas Company ("Brooklyn Union"),

by its attorneys, Cullen and Dykman, hereby submits the following Interrogatories and

Requests for Production of Documents, which should be answered in accordance with the

Instructions and Definitions attached to our original interrogatories.

Respectfully submitted.

Michael W. Hall Karen E. Georgenson Cullen and Dykman 1225 Nineteenth Street, N.W. Suite 320 Washington, D.C. 20036 (202) 223-8890

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.

Dated at Washington, D.C., this 16th day of September, 1997.

aren E. Georgenson

THE BROOKLYN UNION GAS COMPANY FOLLOW-UP INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE WITNESS: <u>MICHAEL MILLER (USPS-T-23)</u>

- BUG/USPS-T-23-11 Please refer to your responses to BUG/USPS-T23-4 and 6. Please confirm that your model examines the cost differences between two pieces of reply mail, one hand-addressed and the other prebarcoded and automation-compatible. In addition, each of these pieces includes all of the cost savings attributes exhibited in general of reply mail pieces that are delivered to a recipient in very large quantities. If you cannot confirm, please explain.
- BUG/USPS-T-23-12 Please refer to your responses to BUG/USPS-T-23-1,3 and 5:
 - (a) Is the reason why you applied USPS witness Hatfield's First-Class non-carrier route presort CRA adjustment factor of 1.1586 (See Exhibit USPS-25A, page 2.) (1) to account for bin capacity constraints, barcoding limitations, REC keying errors, system failures, and REC productivity, or (2) to account for other variable costs that your (and Mr. Hatfield's) cost models do not pick up but which contribute to further increasing the cost avoidance, or (3) both (1) and (2). If your answer is not (3), please explain.
 - (b) Do you agree that Mr. Hatfield's First Class noncarrier route present CRA adjustment factor of 1.1586 was derived "to account for the difference in cost between the benchmark (CRA unit cost) and the models"? (USPS-T-25, p.5). If not, please explain.
 - (c) Do you agree that when Mr. Hatfield derived his First-Class non-carrier route presort CRA adjustment factor of 1.1586, he measured the CRA cost pools for First-Class non-carrier route presorted letters. If you do not agree, please explain.

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- (d) During the Base Year in this proceeding, what percentage of First-Class non-carrier route presorted letters had handwritten addresses? Please provide a source for your answer or estimate.
- (e) Please identify which cost pools shown in USPS-T-25 Appendix V, p. 3 are affected by letters that have hand written addresses.
- (f) Please identify where in Mr. Hatfield's cost models he measured costs associated with handwritten addressed letters whose costs are affected by bin capacity constraints, barcoding limitations, REC keying errors, RBCS system failures and REC productivity.

BUG/USPS-T-23-13 Please refer to your response to BUG/USPS-T-23-7.

- (a) How will the Postal Service handle an "old" PRM letter that is addressed to a recipient who has moved
 (1) if the recipient no longer agrees to pay for PRM, or (2) if the recipient still pays for PRM but at a different location from the address on the PRM letter in question?
- (b) How will the Postal Service handle an "old" PRM letter that is addressed to a recipient who has not moved but no longer agrees to pay for PRM?
- (c) Please state the percentage of First-Class nonpresorted letters that were forwarded or returned during the Base Year in this proceeding. Please provide the source of your information.
- (d) Please state the percentage of First-Class presorted or automated letters that were forwarded or returned during the Base Year in this proceeding. Please provide the source of your information.

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