

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, 1997)

Docket No. R97-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO THE UNITED STATES POSTAL SERVICE
(OCA/USPS-71-78)
September 16, 1997

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

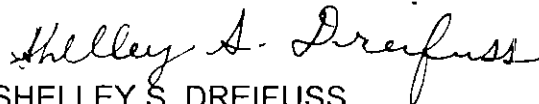
Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



SHELLEY S. DREIFUSS

Attorney

OCA/USPS-71. Please refer to the response to MMA/USPS-T32-37b. This response lists the steps necessary to compute the test year mail processing unit cost for bulk metered First-Class single-piece letters when mail processing costs are assumed to be 100 percent variable. Please provide an analogous list of necessary steps for each rate element for each of the rate design witnesses in this docket.

OCA/USPS-72. Please refer to the response to MMA/USPS-T32-37b. The first step to develop the requested unit cost is to "Calculate the Base Year Attributable costs (USPS-T5A and supporting workpapers) by rerunning the base year model using the 100% volume variability for mail processing labor costs."

- a. Please identify by page, row, and column number the portions of each supporting workpaper that would need to be modified.
- b. Please identify by page number and line number all needed changes to the "base year model" needed to calculate the base year attributable costs.
- c. Please identify by page, row, and column number the portions of USPS-T-5A that would need to be changed.

OCA/USPS-73. Please refer to the response to MMA/USPS-T32-37b. The second step to develop the requested unit cost is to "calculate the Test Year Attributable Costs (USPS-T-15E and supporting workpapers) by using the Base Year from step 1 (and possibly other modifications) and rerunning the rollforward model."

- a. Please identify by page, row, and column number the portions of each supporting workpaper that would need to be modified.

- b. Please identify by page number and line number all needed changes to the "rollforward model" needed to calculate the test year attributable costs.
- c. Please identify by page, row, and column number the portions of USPS-T-15E that would need to be changed.
- d. Please list the other possible modifications needed to produce the test year costs.

OCA/USPS-74. Please refer to the response to MMA/USPS-T32-37b. The third step to develop the requested unit cost is to "calculate piggyback factors as done in LR-H-77, using the Test Year from step 2."

- a. Please identify all modifications to LR-H-77 required to produce the piggyback factors.
- b. Please describe all changes needed to the LR-H-146 PIGGYF96 program to produce the piggyback factors needed under a 100 percent variability assumption.
- c. Please describe the relationship between the LR-H-146 PIGGYF96 program and LR-H-77 for the computation of piggyback factors. For example, are outputs from the PIGGYF96 program used in H-77?

OCA/USPS-75. Please refer to the response to MMA/USPS-T32-37b. The fourth step to develop the requested unit cost is to "Calculate the costs by shape (or benchmark costs) as requested by modifying LR-H-106 and LR-H-146, using inputs from all previous steps."

- a. Please identify the LR-H-146 SAS programs and specific lines of code that must be modified.
- b. Please identify by page number and line number all needed changes to LR-H-106.
- c. Please differentiate between the terms "costs by shape" and "benchmark costs" as used in the fourth step.

OCA/USPS-76. Please refer to the response to MMA/USPS-T32-37b. This response lists the "primary steps" necessary to compute the test year mail processing unit cost for bulk metered First-Class single-piece letters when mail processing costs are assumed to be 100% variable. Please list all other steps in addition to the "primary steps."

OCA/USPS-77. Please refer to USPS library reference H-196.

- a. When USPS library reference H-196 was prepared, did the Postal Service use the Commission's cost programs from MC96-3? If so, please explain what programs were used. If not, please explain the origin and name of the programs used by the Postal Service.
- b. Did the Postal Service prepare any documentation on how to run the Commission's cost model programs? If not, please explain why not. If so, please provide a copy of all documentation prepared.

- c. Did the Postal Service conduct any programming analyses of the Commission's cost model programs? If so, please provide the results of all analyses conducted.
- d. Did the Postal Service encounter any logic errors in the Commission's cost model programs? If so, please explain what errors were encountered and how the Postal Service dealt with those errors.
- e. Please identify all problems encountered in replicating the Commission's costing methodology and explain how each problem was resolved.
- f. Did the Postal Service encounter any program results or output that were not internally consistent (for example, row and column totals not accurate)? If so, please explain. If not, please indicate whether the Postal Service checked for consistency in program output.

OCA/USPS-78. The Notice of United States Postal Service Concerning Provision of Information Pursuant to Rule 54(a)(1), July 10, 1997 at 3, states:

In order to provide the cost model in PC SAS and C language, the Postal Service the Postal Service obtained PC SAS software, C language software, and a C language compiler. The Postal Service then performed several iterations, replicating the Commission's FY 1995 results from Docket No. MC96-3. These steps were required before the Postal Service could begin to develop the Commission's model to incorporate FY 1996 data. At present, the Postal Service is continuing to work on the interim and test year cost presentations which require that the model be modified to incorporate future developments not anticipated in the Commission's Docket No. MC96-3 model.

- a. Have copies of the Postal Service's PC SAS and C programs referenced above been provided by the Postal Service? If so, please identify the applicable library

- references. If not, please provide copies of all programs written as well as any supporting documentation.
- b. Please specifically identify each modification made to the Commission's model in order to incorporate the "future developments not anticipated in the Commission's Docket No. MC96-3 model."
- c. Please identify all problems encountered in preparing the interim and test year cost presentations and explain how the Postal Service dealt with each.

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.


SHELLEY S. DREIFUSS
Attorney

Washington, D.C. 20268-0001
September 16, 1997