

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF GTE SOUTH,)
INCORPORATED) CASE NO. 10117

O R D E R

GTE South Incorporated ("GTE") has filed Petitions for Confidential Treatment of various responses to data requests.

On February 11, 1988, GTE filed a Petition for Confidentiality of its response to Item 34 of the January 5, 1988 Information Order. The response consists of engineering and economic studies which are used to make investment decisions concerning central office switching equipment replacements. These studies also contain customer specific forecast information, vendor selection evaluation, and revenue projections for new service offerings. In support of its Petition, GTE states that such information is highly sensitive, that its dissemination would result in considerable competitive disadvantage, and that the information is known only to GTE employees involved in the projects.

The Commission, being advised, is of the opinion and finds that the Petition for Confidential Treatment of responses to Item 34 of the January 15, 1988 Information Order should be granted.

On February 11, 1988, GTE filed a Petition for Confidentiality of its responses to Items 17(b) and 53(c) of the January

15, 1988 Information Order. Item 17(b) relates to revenues which were deferred or reserved and reversals from a deferred or reserved account not originally recorded in the test period. The response to Item 53(c) contains explanations of adjustments in intrastate access and toll settlements. GTE has requested confidential treatment for only those portions it identified by a highlighted marker. In support of its Petition, GTE states that the information relates to controversies with third parties that are currently the subject of negotiations and that the information is not known outside GTE and is known only to a limited number of officers and employees within GTE. The highly sensitive information concerns the value of claims and the extent of potential liabilities and judgments as to ultimate resolutions.

The Commission, being advised, is of the opinion and finds that the Petition for Confidential Treatment of portions of the responses to Item 17(b) and 53(c) of the January 15, 1988 Information Order should be granted.

On February 11, 1988, GTE filed a Petition for Confidentiality and Deviation from the Rules concerning its response to Item 20(a) of the January 15, 1988 Information Order. GTE had been ordered to file a copy of its federal and state income tax returns for the taxable year ending during the test period. However, GTE states that as a matter of company policy it and its subsidiaries treat tax returns as confidential and proprietary documents and, therefore, prohibit the dissemination or copying of such documents except to comply with court orders and subpoenas. In support of its position, GTE states that the

information is known only by GTE, the Internal Revenue Service, and the Kentucky Department of Revenue. Within the company the information is restricted to a very limited number of employees. Also, GTE has diligently sought to maintain the confidential status of this information as it considers the information highly sensitive and valuable. GTE also requested a deviation from filing the tax returns but stated that it would provide the information for review by the Commission and Staff at an agreeable time in the Commission offices.

The Commission, being advised, is of the opinion and finds that the procedure for review proposed in GTE's Petition should be accepted at this time. However, the Commission believes that such policy of dissemination of tax returns is unnecessary as applied to regulatory agencies and that this procedure may not be acceptable in the future.

On March 29, 1988, GTE filed a Petition for Confidential Treatment of portions of its responses to Items 13f(i), 44a, and 76a of the Attorney General's ("AG") First Data Request. Items 13f(i) and 76a concern revenues which were deferred or reserved and other than normal charges or credits exceeding \$25,000. In support of its Petition for these items, GTE states that the information relates to matters which remain in controversy with third parties and are the subject of negotiations, that such information is not known outside of GTE and is known only to a limited number of officers and employees within GTE. The highly sensitive information reflects the value of claims and the extent of potential liabilities and judgment as to ultimate resolutions.

The response to Item 44a consists of information related to intrastate test period revenues for each carrier which reports business in Kentucky. In support of the Petition for this item, GTE states that the information is considered by the carriers to be competitively sensitive and is, therefore, proprietary. GTE maintains the information on a confidential basis and is obligated not to make disclosure of such information.

The Commission, being advised, is of the opinion and finds that the Petition for Confidential Treatment of certain portions of the responses to Item 13f(i), 76a, and 44a of the AG's First Data Request should be granted.

On April 19, 1988, GTE filed a Petition for Confidentiality of portions of its response to Item 30 of the April 5, 1988 Information Order. The item relates to unregulated expenses. In support of its Petition, GTE states that the information consists of usage revenues and market patterns of interexchange carriers which are subscribers of GTE. GTE considers such information proprietary and its disclosure could result in competitive harm to such carriers.

The Commission, being advised, is of the opinion and finds that the Petition for Confidential Treatment of portions of the response to Item 30 of the April 5, 1988 Information Order should be granted.

On April 19, 1988, GTE filed a Petition for Confidentiality of portions of its response to Item 27 of the April 5, 1988 Information Order. In addition to the Petition, GTE filed an Objection of Inclusion of Certain Unregulated Matters into the

Record of this Case. In support of its Petition, GTE states that the response to Item 27 concerns unregulated operations and that disclosure of such information can result in competitive disadvantage to GTE and that the information is not known outside GTE.

The Commission, being advised, is of the opinion and finds that the Petition for Confidential Treatment of portions of the response to Item 27 of the April 5, 1988 Information Order should be granted, but that the Objection to including the information in the record should be taken under advisement.

On May 18, 1988, GTE filed a Petition for Confidentiality of its response to Item 98 of the AG's Data Request concerning a statement of profit and loss for GTE's nonregulated operations for 1987. In support of its Petition, GTE states that the information's disclosure can result in competitive disadvantage to GTE, is not known outside of GTE, and is protected from disclosure even within GTE.

The Commission, being advised, is of the opinion and finds that the Petition for Confidentiality of the response to Item 98 of the AG's Data Request should be granted.

IT IS THEREFORE ORDERED that each of these Petitions for Confidential Treatment be, and they hereby are, granted for the reasons stated above.

Done at Frankfort, Kentucky, this 27th day of May, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Wynn, Jr.
Chairman

Robert M. Davis
Vice Chairman

James N. Williams, Jr.
Commissioner

ATTEST:

Executive Director