

ALLTEL COMMUNICATIONS, INC.

One Allied Drive
Little Rock, AR 72202



Stephen B. Rowell
Sr. Vice President
State Government Affairs

501-905-8460
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February 27, 2004

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

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**PUBLIC SERVICE
COMMISSION**

Dear Mr. Dorman:

Enclosed for filing, pursuant to the Commission's February 10th Order, please find an original and eleven copies of the Response and Petition for Confidential Treatment of Kentucky ALLTEL's UNE Cost Model additional supporting documentation. As the additional supporting documentation is very voluminous, only one copy of it is being provided. The additional supporting documentation is considered highly proprietary and confidential in its entirety.

Given the confidential nature of this filing, copies are not being mailed to the parties on the service list. Rather, parties are being notified of this filing by copy of this letter.

If you have any questions regarding this filing, please contact me.

Sincerely

A handwritten signature in black ink that reads "Stephen B. Rowell". The signature is written in a cursive, flowing style.

Stephen B. Rowell

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**AN INQUIRY INTO THE DEVELOPMENT)
OF DEAVERAGED RATES FOR) ADM. CASE NO. 382
UNBUNDLED NETWORK ELEMENTS)**

**RESPONSE TO COMMISSION ORDER ON FEBRUARY 10, 2004 AND
PETITION FOR CONFIDENTIAL TREATMENT**

Pursuant to the February 10, 2004 Order of the Public Service Commission of Kentucky ("Commission"), Kentucky ALLTEL, Inc. ("Kentucky ALLTEL") files this Response and Petition for Confidential Treatment and in support thereof states as follows:

RESPONSE

1. In its November 7, 2003 Order, the Commission required Kentucky ALLTEL to submit within thirty days proposed UNE rates with supporting documentation and proposed rates for UNE combinations. In its December 5, 2003 Order, the Commission extended the filing deadline. On February 5, 2004, Kentucky ALLTEL filed with the Commission, under confidential seal, its complete UNE Cost Study including the supporting inputs and resulting rates.
2. The Commission's Order on February 10, 2004 directed Kentucky ALLTEL to file additional, more detailed support documentation. In compliance with that Order, Kentucky ALLTEL hereby files, pursuant to the following reservation of rights and Petition for Confidential Treatment, the attached supporting documentation.

3. Kentucky ALLTEL's filing with respect to costs and rates for unbundled local switching was provided under protest and without waiving its lawful rights and objections, as Kentucky ALLTEL maintained and continues to maintain that it is not required and has not chosen to offer unbundled local switching or any UNE combinations that include local switching. Similarly, Kentucky ALLTEL's filing with respect to the supporting documentation associated with the costs and rates for unbundled local switching is provided under protest and without waiving said lawful rights and objections.

PETITION FOR CONFIDENTIAL TREATMENT

4. Pursuant to K.R.S. §61.878(1)(c)(1) and 807 KAR 5:001, Section 7, Kentucky ALLTEL requests that the attached support documentation ("Exhibit 1") with respect to Kentucky ALLTEL's UNE Cost Study ("UNE Cost Study Support Documentation") be accorded confidential treatment.

5. The UNE Cost Study Support Documentation was developed internally by ALLTEL Communications, Inc. ("ALLTEL") at its own expense. ALLTEL's Cost Department devoted substantial resources to developing and compiling the UNE Cost Study Support Documentation, which is treated as highly confidential by ALLTEL and its affiliates. The UNE Cost Study Support Documentation has not been released publicly and is disclosed internally within ALLTEL on a need-to-know basis only.

6. The UNE Cost Study Support Documentation includes specific data which Kentucky ALLTEL is providing only to Commission Staff and only pursuant to this confidentiality agreement or enforceable order according the documentation confidential treatment. For example, the UNE Cost Study Support Documentation contains location specific investment and facilities information which outside parties could manipulate to

gain an unfair competitive advantage. The UNE Cost Study Support Documentation also contains actual investment and expense detail which is proprietary and at a greater level of detail than carriers release to the public.

7. ALLTEL and its affiliates employ all reasonable measures to protect the confidentiality of the UNE Cost Study Support Documentation and to guard against inadvertent, unauthorized disclosure.

8. K.R.S. §61.878(1)(c)(1) provides in pertinent part:

The following public records are excluded from the application of ...[the Open Records Act] and shall be subject to inspection only upon order of a court of competent jurisdiction ...

(c)1. ...records confidentially disclosed to an agency or required by an agency to disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.

9. Public disclosure of the UNE Cost Study Support Documentation would provide entities offering local exchange or other telecommunications services an unfair competitive advantage by affording them access to Kentucky ALLTEL's valuable costing information which they could then use to plan unwarranted market entry or competitive strategies to the detriment of Kentucky ALLTEL. Public disclosure would also allow such entities to infringe upon ALLTEL's rights with respect to its intangible personal property in the form of the UNE model which was developed at ALLTEL's sole expense. Such UNE Cost Study Support Documentation is generally considered confidential and proprietary in the telecommunications industry.

10. The UNE Cost Study Support Documentation is also protected from disclosure pursuant to K.R.S. §61.878(1)(c)(2)(c) as a confidential and proprietary record disclosed to the Commission in conjunction with the regulation of a commercial enterprise.
11. Kentucky ALLTEL and its affiliates have taken all reasonable steps to prevent the dissemination of the confidential information in the UNE Cost Study Support Documentation outside of Kentucky ALLTEL, its parent corporation and affiliates.
12. Nondisclosure of the UNE Cost Study Support Documentation would not be detrimental to the policy objectives of the Kentucky Open Records Act and instead would actually serve the public interest by promoting fair competition.
13. One unredacted copy of the UNE Cost Study Support Documentation is being filed herewith. Due to the highly confidential nature of the documentation, Kentucky ALLTEL requests that the documentation be considered proprietary and confidential and not be duplicated.

WHEREFORE, Kentucky ALLTEL respectfully requests that the Commission grant this Response and Petition for Confidential Treatment; afford the UNE Cost Study Support Documentation confidential treatment and place same in the confidential files of the Commission; prohibit any party including Commission Staff from duplicating the documentation; and grant Kentucky ALLTEL all other relief to which it may be entitled including the right to withdraw its filing or cure any deficiencies in this Petition prior to any disclosure of the UNE Cost Study Support Documentation.

Dated: March 1, 2004.

Respectfully submitted,

KENTUCKY ALLTEL, INC.

By:



Stephen B. Rowell

Attorney for Kentucky ALLTEL, Inc.

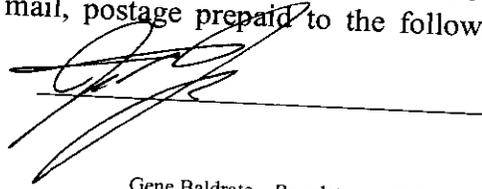
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Little Rock, AR 72202

(501) 905-8460

CERTIFICATE OF SERVICE

I hereby certify that a notice with respect to the foregoing Response and Petition has been sent this 1st day of March, 2004 by first class mail, postage prepaid to the following parties of record in this matter.



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