

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF LOCAL TELE-)	ADMINISTRATIVE
PHONE DISCONNECTION POLICIES)	CASE NO. 334

O R D E R

This matter arising upon petition of South Central Bell Telephone Company ("South Central Bell") filed June 22, 1990 pursuant to 807 KAR 5:001, Section 7, for confidential protection of South Central Bell's billing and collection cost study filed as Attachment 2 to South Central Bell's response to Item 7 of the Commission's April 30, 1990 Order on the grounds that public disclosure of the information would cause South Central Bell competitive injury, and it appearing to this Commission as follows:

On April 30, 1990, South Central Bell, along with GTE South Incorporated and Cincinnati Bell Telephone Company, were requested to provide an incremental cost study for billing and collection services provided to interexchange carriers. The information filed in response to this request reflects the cost methodology, cost factors, labor rates, and estimates of work time required for maintenance and administration of billing and collection for interexchange carriers. The study provides a step-by-step analysis of how the operation and capital costs are determined for all the investment and expenses associated with the services provided.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

South Central Bell faces potential competition for this service from any company capable of providing billing services. These include not only interexchange carriers and other Bell Operating Companies, but also credit card companies. Potential competitors could use the information contained in this study and developed by South Central Bell at its own expense to develop their own competing services. Further, competitors could use the information to determine demand in any given market and when to enter a market based on South Central Bell's costs. Competitors would then have the advantage of entering a market without incurring market research and market development expenses and using procedures developed from South Central Bell's cost studies. The amount saved by not having to develop this information at their own expense could be used by competitors to price their services below South Central Bell's offerings. Therefore, disclosure of this information is likely to cause competitive injury to South Central Bell and the information should be protected as confidential.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that:

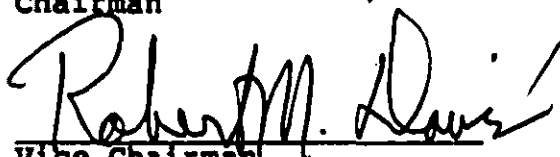
1. The cost study for billing and collection services filed by South Central Bell in response to Item 7 of the Commission's April 30, 1990 Order, which South Central Bell has petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

2. To the extent that it has not already done so, South Central Bell shall, within 10 days of the date of this Order, file an edited copy of its responses with the confidential material obscured for inclusion in the public record, with copies to all parties of record.

Done at Frankfort, Kentucky, this 23rd day of July, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director