

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH CENTRAL BELL TELEPHONE)
COMPANY'S PROPOSED AREA CALLING) CASE NO. 91-250
SERVICE TARIFF)

O R D E R

This matter arising upon petition of South Central Bell Telephone Company ("South Central Bell") filed November 15, 1991 pursuant to KRS 61.878 and 807 KAR 5:001, Section 7, for confidential protection of the price-out information filed in response to Items 3(a), 7(a), and 7(b) of the Commission's Order dated November 4, 1991 on the grounds that disclosure of the information is likely to cause South Central Bell competitive injury, and it appearing to this Commission as follows:

In this proceeding, South Central Bell seeks approval of its proposed Area Calling Service tariff. To support its proposed tariff, South Central Bell performed a statewide price-out study with all 0 to 22 mile toll usage converted to local usage. Item 3(a) of the Commission's Order requests South Central Bell to provide the model/spreadsheet used to conduct the study complete with a detailed explanation of the mechanics, assumptions, variables, variable derivations, and other pertinent information necessary to understand the model. Item 7(a) requested South Central Bell to provide a price-out by exchange for each exchange affected by the tariff filing, including a comparison of present

and proposed revenue by service category. Item 7(b) requested South Central Bell to provide a price-out comparing the proposal with and without area calling service usage caps. In responding to the Commission's Order, South Central Bell has petitioned the Commission to protect as confidential the information furnished in response to these items.

The information sought to be protected is not known outside of South Central Bell and is not disseminated within South Central Bell except to those employees who have a legitimate business need to know and act upon the information. South Central Bell seeks to preserve and protect the confidentiality of the information through all appropriate means.

One basis for protecting information as confidential under KRS 61.878 and 807 KAR 5:001, Section 7, is that disclosure of the information is likely to cause substantial competitive harm to the party from whom the information was obtained. 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.

The price-out information furnished in response to Items 3(a), 7(a), and 7(b) contains specific customer information, calling volumes, and expected stimulation of calling volumes under the proposed tariff. This information provides a clear picture of both high and low toll revenue and volumes by rate group. Using this information, other carriers competing within the LATA could

identify lucrative markets within the LATA and direct their marketing activities and design their rates accordingly. In addition, knowledge of South Central Bell's toll revenues and volumes by rate group would assist competitors in locating their facilities on sites that would minimize transportation costs and thereby maximize profits.

With regard to Items 7(a) and 7(b), disclosure of the cost information in these responses would also enable South Central Bell's competitors to determine its costs of providing billing and collection services. This service is presently offered by BellSouth, the parent company of South Central Bell. Alternative billing and collection providers could use this information to assess the market and determine when or where to compete with BellSouth to provide a competing service. Thus, disclosure of the information is likely to cause South Central Bell competitive injury and the information should be protected as confidential.

This Commission being otherwise sufficiently advised,

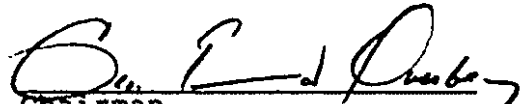
IT IS ORDERED that:

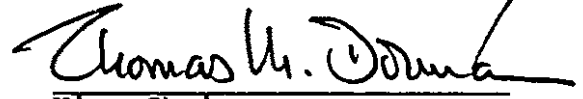
1. The price-out information furnished in response to Items 3(a), 7(a), and 7(b) of the Commission's November 4, 1991 Order, which South Central Bell has petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

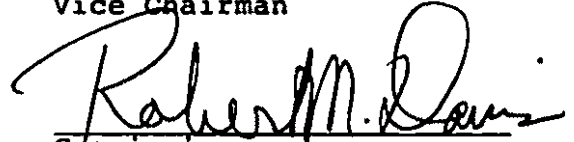
2. South Central Bell shall, within 10 days of the date of this Order, file edited copies of the information with the confidential material obscured for inclusion in the public record, with copies to all parties record.

Done at Frankfort, Kentucky, this 9th day of April, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting