

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A REVIEW OF THE RATES AND CHARGES)
AND INCENTIVE REGULATION PLAN OF) CASE NO. 90-256
SOUTH CENTRAL BELL TELEPHONE COMPANY)

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company ("South Central Bell") filed May 19, 1993 pursuant to 807 KAR 5:001, Section 7, for confidential protection of the level of expenditures and location information for Advanced Intelligent Networks deployment in 1993 through 1996, Broadband-ISDN and loop fiber deployment, capital structure in 1993 through 1995, access line gain in 1993 through 1995, digital switching deployment in 1993 through 1996, and signalling system 7 deployment in 1993 through 1997 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:

The Commission's Order of April 3, 1991 renewing incentive regulation provided for regular meetings to focus on South Central Bell's strategic plans to meet Commission objectives. In preparation for and during the course of these meetings, South Central Bell is required to produce certain information including the information which it now seeks to protect as confidential.

South Central Bell maintains that disclosure of the information is likely to cause it competitive injury.

The information sought to be protected is not known outside of South Central Bell and is disseminated within South Central Bell to only 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.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). That section of the statute exempts 11 categories of information. One category exempted in subparagraph (c) of that section is commercial information confidentially disclosed to the Commission. To qualify for that exemption, it must be established 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 level of expenditures and location information for Advanced Intelligent Networks deployment in 1993 through 1996 would provide Enhanced Service Providers information on where and when to focus their sales efforts. The information concerning Broadband-

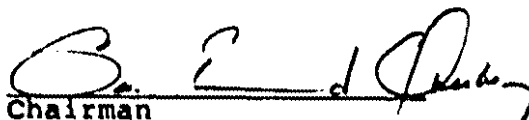
ISDN and loop fiber deployment would provide cable TV operators and others capable of providing broadband services information about where ISDN and loop fiber are being installed which would enable such competitors to formulate strategies for competing with these services. The capital structure information, access line gain information, digital switching deployment information, and signalling system 7 deployment information, which South Central Bell seeks to protect as confidential, constitutes planning and forecast data on the growth of the business and the speed at which South Central Bell will accomplish a fully digital network. Competitors planning to provide alternatives to local services or digital services comparable to those on South Central Bell's network could use this information to build a business plan which would thwart South Central Bell's efforts. Therefore, the information sought to be protected has competitive value and should be protected as confidential.

This Commission being otherwise sufficiently advised,

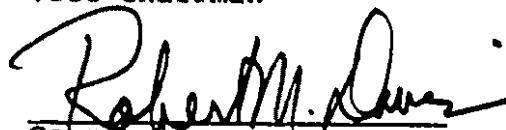
IT IS ORDERED that the level of expenditures and location information for Advanced Intelligent Networks deployment in 1993 through 1996, the Broadband-ISDN and loop fiber deployment, capital structure in 1993 through 1995, access line gain in 1993 through 1995, digital switching deployment in 1993 through 1996, and signalling system 7 deployment in 1993 through 1997, 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.

Done at Frankfort, Kentucky, this 10th day of June, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director