

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BELLSOUTH	)	
TELECOMMUNICATIONS, INC., D/B/A	)	CASE NO. 94-121
SOUTH CENTRAL BELL TELEPHONE COMPANY	)	
TO MODIFY ITS METHOD OF REGULATION	)	

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 July 12, 1994, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the investment and cost information for South Central Bell's MTS service, local exchange usage, local loops and custom calling services provided in South Central Bell's responses to Items 6(b), 6(c), 7(b), 7(c), 8, 10(b), and 10(c) of the Attorney General's data request; the Telephone Plant Price Indexes for 1988-1993 and projections for 1994-2000 provided in response to Item 11 of the Attorney General's data request; the data regarding directory advertising revenues, expenses and investment for 1991, 1992, and 1993 provided in response to Item 64 of the Attorney General's data request; and budgeted or projected directory advertising revenues, expenses, and investment for 1994 and any future years for which projections are available provided in response to Item 65 of the Attorney General's data request, 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, in which South Central Bell has applied for a modification of its method of regulation, the Attorney General has intervened on behalf of the customers who use or rely upon South Central Bell's services. As part of the proceeding, the Attorney General has requested certain information in a series of data requests served upon South Central Bell. In responding to those requests, South Central Bell has petitioned the Commission to protect as confidential the information provided in response to Item 6(b), 6(c), 7(b), 7(c), 8, 10(b), 10(c), 11, 64, and 65 on the grounds that disclosure of the information is likely to cause South Central Bell competitive injury.

The information sought to be protected is not known outside 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.

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 responses to Items 6(b), 6(c), 7(b), 7(c), 8, 10(b), and 10(c) provide investment and cost information for South Central Bell's MTS service, local exchange usage, local loops and custom calling services. Competitors for these services include interexchange carriers, resellers, cable television companies, and others. Such competitors could use this information to determine the price below which South Central Bell cannot provide these services and enable competitors to price more effectively their competing services. Additionally, competitors could use this information to determine whether to enter certain markets to compete with South Central Bell. Therefore, disclosure of the information could cause South Central Bell competitive injury and the information should be protected as confidential.

The responses to Item 11 provide Telephone Plant Price Indexes for the years 1980-1993 and for projections of 1994-2000 time period. This information is developed under contract for South Central Bell for use in planning plant budgets, equipment expenditures, and economically efficient deployment schedules. While disclosure of these projections could provide competitors

with insight into South Central Bell's future operating costs, the indexes for 1988-1993 are based on the data that can be derived from the company's annual reports which are a matter of public record. Therefore, disclosure of the projections is likely to cause South Central Bell competitive injury and the information should be protected as confidential, but the petition to protect the indexes for 1988-1993 should be denied.

Item 64 requests data regarding directory advertising revenues, expenses and investments for 1991, 1992, and 1993. Item 65 requests budgeted or projected directory advertising revenue, expenses, and investment for 1994 and any future years for which projections are available. The directory publishing business is highly competitive and the financial information provided in these responses would give competitors sensitive information about BAPCO's operations. Therefore, 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 investment and cost information for South Central Bell's MTS service, local exchange usage, local loops and custom calling services provided in response to Items 6(b), 6(c), 7(b), 7(c), 8, 10(b) and 10(c) of the Attorney General's data request; the Telephone Plant Price Indexes for projections of 1994-2000 in response to Item 11 of the Attorney General's data requests; and the data regarding directory advertising revenues, expenses, and


Investments for 1991, 1992, and 1993 provided in response to Item 64 and the budgeted or projected directory advertising revenues, expenses, and investment for 1994 and any future years provided in response to Item 65, 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. The petition to protect as confidential the Telephone Plant Price Indexes for 1980-1993 filed in response to Item 11 of the Attorney General's data request is hereby denied.


3. South Central Bell shall within 20 days from the date of this Order, file amended edited and unedited copies of its responses in conformity herewith.

Done at Frankfort, Kentucky, this 19th day of September, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director