

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BELLSOUTH)
TELECOMMUNICATIONS, INC., D/B/A)
SOUTH CENTRAL BELL TELEPHONE) CASE NO. 94-121
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 June 2, 1995, pursuant to 807 KAR 5:001, Section 7, for confidential protection of its response to Item 2 of the Attorney General's oral data request to witness Guy Cochran 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 Attorney General's Item 2 Oral Data Request to witness Guy Cochran requests a calculation of the allocation of white page directory publishing expense to the interstate jurisdiction. To provide this calculation, South Central Bell must include the total expense that BAPCO, an affiliate of South Central Bell, allocated to Kentucky operations and the allocation factors used. Seeking to protect this information as confidential, South Central Bell alleges that public disclosure would provide BAPCO competitors a strategic advantage. The strategic advantage referred to is a marketing advantage.

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, including the maintenance of appropriate security at its offices.

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 subsection of the statute exempts several categories of information. One category exempted in paragraph (c)1 of that subsection is commercial information confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the party from whom the information was obtained. To qualify for the exemption, 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.

Publication of telephone directories is a highly competitive business. Disclosure of the information sought to be protected would enable BAPCO's competitors to determine BAPCO's underlying cost and to use this information in devising competing market strategies. Therefore, public disclosure of the information is

likely to cause competitive injury, and the information should be protected as confidential.


This Commission being otherwise sufficiently advised,

IT IS ORDERED that South Central Bell's response to Item 2 of the Attorney General's Oral Data Request to Guy Cochran, which South Central Bell has petitioned to 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 27th day of June, 1995.

By the Commission

ATTEST:



Executive Director

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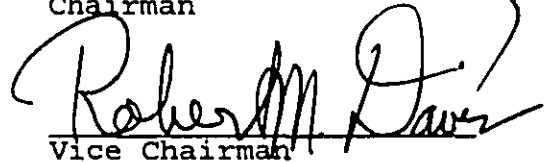
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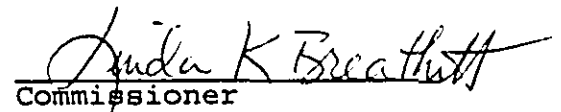
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PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director