

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 August 9, 1995, for rehearing of portions of the Commission's Order of July 20, 1995 denying confidential protection to certain material filed by South Central Bell in these proceedings, and it appearing to this Commission as follows:

On February 1, 1995, South Central Bell, responding to the Attorney General's data request of July 5, 1994, filed information germane to these proceedings. Simultaneously with its responses, South Central Bell also filed a petition to protect portions of its responses as confidential on the grounds that they provide information exempted from public disclosure by KRS 61.878(1). By Order dated July 20, 1995, the Commission granted protection to some of the information and denied protection to the remainder. By this petition, South Central Bell seeks reconsideration of that portion of the Order denying protection to its responses to Items

27, 389, 488, 501(a) and 507 of the Attorney General's data request.

Item 27 requests financial statements for South Central Bell's subsidiaries. In denying protection, the Commission found that the same information is required to be filed with the FCC and, thus, is a matter of public record. However, in its petition requesting reconsideration, South Central Bell has pointed out that the reports made to the FCC are on a combined basis only and do not provide the level of detail available in South Central Bell's responses. Because certain of the subsidiaries provide highly competitive products, disclosure of the information would assist South Central Bell's competitors in targeting its unregulated competitive businesses in the southeast. Competitors would be able to use the data to undercut South Central Bell's prices and, thus, increase their market share. Therefore, disclosure of the information is likely to cause South Central Bell competitive injury and the information should be protected as confidential.

Item 488 requests certain financial information regarding revenues generated by South Central Bell's unregulated subsidiaries. In denying protection the Commission found that the information was too general to be of competitive value and should not be protected as confidential. In its petition requesting reconsideration, however, South Central Bell has pointed out that the information details the operating revenues generated by the unregulated subsidiaries and would be valuable to competitors of the subsidiaries because it would demonstrate the value of a

subsidiary's market to its competitors. Therefore, disclosure of the information is likely to cause South Central Bell competitive injury and the information should be protected as confidential.

Item 389 requests an organizational chart for South Central Bell. Because a chart specifically responsive to the request was not available, South Central Bell provided a list of senior management employees from officer level to director level meeting the criteria set forth in the question with their associated responsibility codes. The original petition was denied because it did not demonstrate how the information is exempt under the provisions of KRS 61.878(1). In its petition for rehearing, South Central Bell claimed the information could be used by its competitors to identify company managers for the purposes of recruitment. However, the identities of these employees simply do not constitute confidential information that is not known outside of South Central Bell. Certainly the employees in question are not required to disclose their employer's identity only to those within the company who have a legitimate business need to know and act upon the information. Consequently, the information should not be protected as confidential.

Item 501(a) requests the average salary range for management personnel with maintenance responsibilities in Kentucky. Item 507 requests information regarding general wage increases and merit wage increases. In its petition for rehearing, as in its original petition, South Central Bell maintains that disclosure of this information would impair its ability to hire the best employees

under the best possible terms and conditions. However, as stated in the Order of July 20, 1995, this is not a ground which qualifies for exemption under KRS 68.878(1), and the denial of protection should be reaffirmed.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that:

1. South Central Bell's responses to Items 27 and 488, 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.

2. The names of employees furnished in response to Item 389, whose identity is not otherwise a matter of public record or contained in publications issued by South Central Bell, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

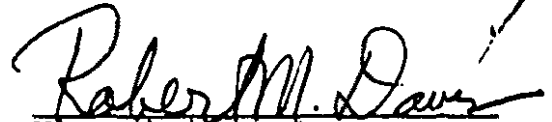
3. South Central Bell shall, within 20 days from the date of this Order, file for inclusion in the public record, an edited copy of its response to Item 389 obscuring only those names of employees whose identity is not publicly available.

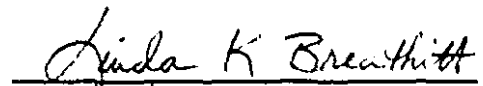
4. That portion of the Order of July 20, 1995 denying protection from public disclosure of South Central Bell's response to Items 501(a) and 507 is hereby affirmed.

Done at Frankfort, Kentucky, this 29th day of August, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director