

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CINCINNATI BELL)
TELEPHONE COMPANY FOR AUTHORITY TO)
INCREASE AND ADJUST ITS RATES AND) CASE NO. 94-355
CHARGES AND TO CHANGE REGULATIONS)
AND PRACTICES AFFECTING THE SAME)

O R D E R

This matter arises upon supplemental petition of Cincinnati Bell, Inc. ("CBI") filed May 22, 1995 pursuant to the May 1, 1995 Order allowing CBI an opportunity to amend its February 21, 1995 petition, for confidential protection of certain exhibits submitted by Cincinnati Bell Telephone Company ("Cincinnati Bell") in response to certain requests for information by the Attorney General, by and through his Public Service Litigation Branch ("Attorney General") on the grounds that the information is protected from disclosure by KRS 61.878, and it appearing to this Commission as follows:

Cincinnati Bell operates as a public utility in this state and is a wholly-owned subsidiary of CBI. By this supplemental petition and the supporting affidavit of its officers, CBI has requested that some of the information furnished in response to the Attorney General be protected as confidential.

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 several categories of information. One category exempted in paragraph (c)1 of that section 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.

Item 139 of the Attorney General's request sought the trial balance of CBI by subaccount as of the date certain July 31, 1994. A competitor of CBI with access to the trial balance would discover investments made in the subsidiaries of CBI, advances made by the parent to its subsidiary, investments made by CBI to various other ventures, and the depreciation expense that had been recognized. This information would enable CBI's competitors to determine operating costs, strategic decisions, timing of investments, and evaluate opportunities for unsolicited tender offers or take-over bids. Thus, competitors would be able to assess the financial strengths and weaknesses of CBI by having access to this information. Disclosure of this information would likely cause CBI competitive injury and the information should be protected as confidential.

In Item 141, the Attorney General requested detailed data on the Management Fee and the underlying factors used to allocate the

Management Fee. CBI petitions to have a portion of this data held confidential. This data would enable a competitor to determine the relative success of a business unit and to make marketing decisions and allocate resources based on this data. This information could enable a competitor to discover strategic decisions made by CBI on the investments in certain markets. Public disclosure of the allocation factors developed using payroll and property investments for particular CBI subsidiaries would adversely affect the competitive position of CBI. Therefore, disclosure of the information is likely to cause CBI competitive injury and the information should be protected as confidential.

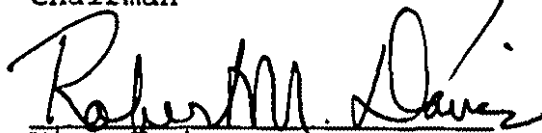
The Commission, being otherwise sufficiently advised,

IT IS HEREBY ORDERED that the information in Item 139 and a portion of the information in Item 141 of the Attorney General's data request, which CBI 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.

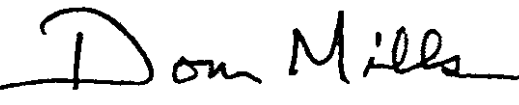
Done at Frankfort, Kentucky, this 23rd day of May, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner