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Legal Department

MARY K. KEYER
General Attorney

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BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404) 335-0729

RECORDS AND
REPORTING

August 3, 1998

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

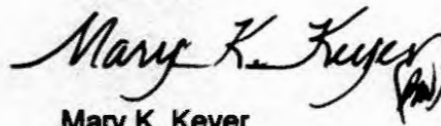
Re: Docket No. 980733-TL

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Amended Responses and Objections to the Citizens' Second Set of Requests for Production of Documents and Motion for a Temporary Protective Order, which we ask that you file in the captioned matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,



Mary K. Keyer

- ACK _____
- AFA 6
- APP _____
- CAF _____
- CMU Hand
- CTR _____
- EAG _____
- LEG 2
- LIN _____
- OPC _____
- RCH 2
- SEC 1
- WAS _____
- OTH _____

Enclosures

cc: All parties of record
A. M. Lombardo
R. G. Beatty
William J. Ellenberg II (w/o enclosures)

DOCUMENT NUMBER-DATE

08202 AUG -3 98

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Discovery for Study on Fair & Reasonable Rates and on Relationships Among Costs and Charges Associated with Certain Telecommunications Services Provided by LECs, as Required by Chapter 98-277.)

Docket No.: 980733-TL

Filed: August 3, 1998

BELLSOUTH TELECOMMUNICATIONS, INC.'S AMENDED RESPONSES AND OBJECTIONS TO CITIZENS' SECOND SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS AND MOTION FOR A TEMPORARY PROTECTIVE ORDER

COMES NOW, BellSouth Telecommunications, Inc. ("BellSouth"), and files pursuant to Rule 25-22.034, Florida Administrative Code, and Rule 1.350, Florida Rules of Civil Procedure, its Amended Responses and Objections to the Attorney General and Citizens' ("Citizens") Second Set of Requests for Production of Documents dated June 25, 1998, and pursuant to Rule 25-22.006(5)(c), Florida Administrative Code, its Motion for Temporary Protective Order.

MOTION FOR TEMPORARY PROTECTIVE ORDER

Some of the documents that will be delivered to or made available for review by Public Counsel and the Attorney General (hereinafter collectively referred to as "Public Counsel) contain proprietary confidential business information that should not be publicly disclosed. Thus, pursuant to Rule 25-22.006(5)(c), Florida Administrative Code, BellSouth moves the Prehearing Officer to issue a Temporary Protective Order exempting these documents from § 119.07(1), Florida Statutes. These documents contain proprietary confidential business information. Such information is specifically

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FPSC-RECORDS/REPORTING

included as proprietary confidential business information pursuant to § 364.183(3), Florida Statutes. If Public Counsel subsequently notifies BellSouth that any of the proprietary documents are to be used in a proceeding before the Commission, BellSouth will, in accordance with Rule 25-22.006, Florida Administrative Code, file a detailed Motion for Protective Order specifically addressing each of the documents identified.

GENERAL RESPONSES

1. BellSouth objects to Public Counsel's proposed "Instruction" relating to details of privileged documents. To the extent a document responsive to any of the requests is subject to an applicable privilege, some of the information requested by Public Counsel would be similarly privileged and therefore not subject to discovery. Notwithstanding this objection, BellSouth agrees to identify any documents withheld on the basis of privilege.

2. With regard to Public Counsel's definition of "document" or "documents", BellSouth has made a diligent, good faith attempt to locate documents responsive to the scope of Public Counsel's individual requests for documents.

3. BellSouth objects to Public Counsel's definition of "you" and "your." It appears that Public Counsel, through its definition of these words, is attempting to obtain discovery of information in the possession, custody, or control of entities that are not parties to this docket. Requests for Production may only be directed to parties, and any attempt by Public Counsel to obtain discovery from non-parties should be

prohibited. See Rule 1.340, Florida Rules of Civil Procedure; Broward v. Kerr, 454 So. 2d 1068 (4th D.C.A. 1984).

4. BellSouth does not believe it was Public Counsel's intent to require BellSouth to produce again the same documents previously produced in other dockets, but to the extent it does, BellSouth objects on the basis that such a request would be unduly burdensome, oppressive, and unnecessary, and for these reasons is prohibited.

5. BellSouth objects to the specific time and place designated by Public Counsel for the production of documents for the reasons that the designation is not reasonable, but has no objection to producing the documents that are responsive and to which no other objection is made, at a mutually agreed upon time and place.

6. The following Specific Responses are given subject to the above-stated General Responses and Objections.

SPECIFIC RESPONSES

5. Please provide all documents requested by letters dated June 19, 1998, from Walter D'Haeseleer and Tom Devlin to all local exchange companies regarding 980000A-SP, undocketed special project, fair and reasonable rates.

Response: Some of the information contained in the documents requested constitutes confidential proprietary business information, as described below, which BellSouth will make available for review by the Office of Public Counsel at a mutually agreeable time and place subject to BellSouth's Motion for Protective Order. Additionally, the information requested in Items 13 and 14 of Part II of the Division of

Auditing & Financial Analysis's Data Requests constitutes "insider" information as further explained below.

In a Memorandum re: 980000A-SP Undocketed Special Project, dated June 19, 1998, Walter D'Haeseleer, Director, Division of Communications, Florida Public Service Commission ("Commission"), requested that BellSouth provide the Commission with certain contribution analyses and supporting cost studies based on the total service long-run incremental cost standard or a reasonably comparable measure for use in providing a report to the Legislature regarding "the relationships among the costs and charges associated with providing basic local service, intrastate access, and other services provided by local exchange telecommunications companies," and the Commission's "conclusions as to the fair and reasonable Florida residential basic local telecommunications service rate. . . ."

In Item Nos. 1(b), (d), (f), (h) and (j), 2(b), 3(b), 4(b) and (c) of Director D'Haeseleer's request, the Commission requested the cost studies and associated work papers and related documentation which resulted in the contribution analyses that were requested in other portions of those data requests. In Item No. 1(e), the Commission requested a contribution analysis for ESSX/Centrex service.

In Item No. 5(a), (b) and (g) of Director D'Haeseleer's request, the Commission requested various marketing studies, reports, and analyses concerning the relationship between the price and quantity demanded for various services offered by BellSouth, consumption patterns of Florida consumers, and other marketing information.

The documents provided in response to Item Nos. 1(b), (d), (e), (f), (h), and (j), 2(b), 3(b), 4(b) and (c), 5(b) and some of those provided in response to Item No. 5(a) and (g) of Director D'Haeseleer's request are proprietary, confidential business information that should not be publicly disclosed. This information falls within Florida Statutes § 364.183 (3)(e), which defines the terms "proprietary confidential business information" to include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of that information." In a competitive business, any such knowledge obtained about a competitor can be used to the detriment of the entity to which it pertains. This unfair advantage skews the operation of the market to the ultimate detriment of the consumer.

In a Memorandum re: 980000A-SP Undocketed Special Project, dated June 19, 1998, Timothy Devlin, Director, Division of Auditing & Financial Analysis, requested that BellSouth provide the Commission with information on an embedded cost basis and for depreciation, tax and finance information on a basis to support any total service long-run incremental cost studies submitted by BellSouth to the Commission in response to the Division of Communications' data request also dated June 19, 1998.

In Item No. 5.C of Director Devlin's request, the Commission requested work papers and documents used in the development and determination of the depreciation parameters provided by BellSouth in response to Item No. 5.A and B. In Item Nos. 13 and 14 of Director Devlin's request, the Commission requested copies of reports or analyses prepared by or for Standard & Poor's and Moody's Investor Services from January 1, 1997, through the present.

The documents provided in response to Item No. 5.C and those requested in Item Nos. 13 and 14 of Director Devlin's request are proprietary, confidential business information that should not be publicly disclosed. This information falls within Florida Statutes § 364.183 (3)(e), which defines the terms "proprietary confidential business information" to include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of that information." In a competitive business, any such knowledge obtained about a competitor can be used to the detriment of the entity to which it pertains. This unfair advantage skews the operation of the market to the ultimate detriment of the consumer.

Furthermore, the information requested in Item Nos. 13 and 14 is so sensitive that any individual who reviews the information is deemed to be an "insider" for purposes of the Securities and Exchange Commission rules. BellSouth has certain materials that it has provided to bond rating agencies, including Standard & Poor's and Moody's, on its own behalf, but it does not have possession, custody or control of any such documents that might have been prepared by BellSouth Corporation or any of its other subsidiaries.

The materials BellSouth has that may be responsive to those particular requests constitute confidential proprietary business information, some of which is so sensitive that any individual who reviews the information is deemed to be an "insider" for purposes of the Securities and Exchange Commission rules.

With this in mind, and assuming that those members of the Office of Public Counsel who wish to review this material are willing to review the materials with the

understanding that doing so may make them "insiders" for purposes of the Securities and Exchange Commission, BellSouth will produce the requested materials that are in its possession, custody and control at a mutually agreed upon time and place, subject to the material being treated as proprietary confidential business information. BellSouth will file Notices, Motions and Requests for Confidential Classification at the appropriate time.

The information specifically identified above that is being provided in response to this Request for Production is clearly confidential and proprietary under Florida Statutes, Section 364.183, including but not limited to § 364.183(3)(e).

Because this information is proprietary, BellSouth filed a Notice of Intent to Request Specified Confidential Classification, pursuant to Rule 25-22.006(3), Florida Administrative Code, in order to allow the Commission Staff to take possession of the information without delay and is filing a motion for temporary protective order with its response to Public Counsel. The originals of the notice and this Motion have been filed with the Division of Records and Reporting.

Respectfully submitted this 3rd day of August, 1998.

BELLSOUTH TELECOMMUNICATIONS, INC.

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CERTIFICATE OF SERVICE
Docket No. 980733-TL

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Hand-Delivery this 3rd day of August, 1998 to the following:

Jack Shreve
Public Counsel
Charles J. Beck
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400


Mary K. Keyer *(for)*