Legal Department

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September 14, 1992

Mr. Steve C. Tribble Director, Division of Records and Reporting Florida Public Service Commission 101 East Gaines Street Tallahassee, Florida 32301

RE: Docket No. 920260-TL

Dear Mr. Tribble:

Enclosed are an original and fifteen copies of Southern Bell Telephone and Telegraph Company's Request Confidential Classification. Please file this document in the above-captioned docket.

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 on the parties shown on the attached Certificate of Service.

Sincerely, dney J. White, Jr. 02 Sidney J.

Enclosures

cc: All Parties of Record A. M. Lombardo H. R. Anthony

R. D. Lackey

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10537 SEP 14 1992 FPSC-RECORDS/REPORTINU I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 14th day of September, 1992 to:

Robin Norton Division of Communications Florida Public Svc Commission 101 East Gaines Street Tallahassee, FL 32399-0866

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of Southern Bell Telephone and Telegraph Company (Formerly FPSC Docket Number 880069-TL)

Docket No. 920260-TL Filed: September 14, 1992

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

COMES NOW BellSouth Telecommunications, Inc., d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), pursuant to Rule 25-22.006, Florida Administrative Division Code, and files its Request for Confidential Classification for certain Company responses to Staff's Third Set of Interrogatories dated August 10, 1992.

1. Southern Bell is filing its Request for Confidential Classification for portions of Interrogatory Response Nos. 50, 52 and 53, which contain certain limited information on unregulated Company operations, including net income and itemized expense information on an actual basis and forecasted unregulated revenues and expenses. By providing this information, Southern Bell is not waiving its previous general objection to the relevance of information pertaining to unregulated products, services, or operations.

2. Southern Bell has appended to this Request for Confidential Classification as Attachment A a listing showing the location in the Interrogatory responses of the information designated by Southern Bell as confidential.

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3. Appended hereto in an envelope designated as Attachment B are two edited copies of the Interrogatory responses with the confidential information deleted.

4. Attached as Attachment C is a sealed envelope containing copies of the Interrogatory responses with the material which is confidential and proprietary highlighted. Copies of Attachment C are not being served on the other parties in this proceeding.

5. Regarding Southern Bell's responses to Interrogatory Item Nos. 50, 52 and 53, these responses contain competitively sensitive information relating to the directory advertising operations of one of Southern Bell's unregulated affiliates, BellSouth Advertising and Publishing Company ("BAPCO"), and as such the information contained therein is proprietary confidential business information. These responses contain actual and forecasted unregulated expenses as well as net income information. Also, the responses contain forecasted revenue information.

6. The directory advertising business is a competitive business, and companies participating in that market do not typically share their expenses, profit margins and projected revenue information with their competitors. Section 364.183(3)(e), Florida Statutes, specifically includes "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information" as proprietary confidential business information. Interrogatory Response Nos. 50 and 52 specifically

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identify current expense categories and amounts, including general and administrative costs, printing costs, commissions paid for sales of directory advertising, uncollectibles, income tax, and other directory expenses. The cost structure and profitability of competitive enterprises is considered to be proprietary business information and is not generally shared publicly, and is certainly not shared directly with competitors of these companies. Knowledge of discrete elements in a competitor's cost structure, such as current and projected printing and commission costs in the context of the directory advertising business, would make it easier to estimate the competitor's overall costs which must be covered through advertising revenues. Consequently, knowledge of a competitor's costs could help in setting strategic advertising rates in certain markets subject to the greatest competition.

7. Interrogatory Response No. 53 also contains forecasted revenue and expense information. Knowledge of another competitor's revenue and cost structure trends for the future clearly places the firm possessing such knowledge in a superior position relative to the other company. Such knowledge could be even more valuable to competitors than past information since it discloses a company's planned financial results and its expectations concerning competitive efforts. Accordingly, disclosure would give others a competitive advantage which would result in competitive harm and impair the effectiveness of Southern Bell's unregulated affiliate's directory advertising

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business. If BAPCO's revenue stream were to be adversely affected, then Southern Bell's share of these total revenues could also be diminished, resulting in an adverse impact on Southern Bell's regulated revenues in the State of Florida.

8. Southern Bell has treated and intends to continue to treat the material for which confidential classification is sought as private, and this information has not been generally disclosed.

WHEREFORE, based on the foregoing, Southern Bell moves the Prehearing Officer to enter an order declaring the information described above and contained in the indicated portions of the attachments to be confidential proprietary business information, and thus not subject to public disclosure.

Respectfully submitted this 14th day of September, 1992.

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

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ATTACHMENT A

FPSC DOCKET 920260-TL

FPSC STAFF'S 3RD INTERROGATORIES

JUSTIFICATION FOR CONFIDENTIALITY REQUEST

The confidential and proprietary information that is contained in Interrogatories 50, 52 and 53 contains unregulated itemized expenses, net income, and forecasted revenues/expenses which the company considers Confidential Proprietary Business Information.

LOCATION OF THE PROPRIETARY INFORMATION

The following information identified by page and line numbers is considered confidential and proprietary:

<u>INTERROGATORY</u> <u>Nos.</u>	Line Nos.
50 page 2 of 2	14-19
52 page 1 of 1	25-28
52 page 2 of 2	17-19