Legal Department

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FIGURE AND A CALL GATING

October 16, 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 for Confidential Classification. Please file these documents in the 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.

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I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 16th day of October, 1992 to:

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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: October 16, 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(4), Florida Administrative Code, and files its Request for Confidential Classification for certain information contained in the Company's MFR revisions being filed in response to Staff's request that certain Schedules be revised.

In accordance with Rule 25-22.006(4), Florida
Administrative Code, Southern Bell is filing its Request for
Confidential Classification for the portions of the MFR Schedules
containing unit cost information relating to components of
Southern Bell's competitive ESSX^{*} service.

2. Southern Bell has appended to this request for confidential classification as Attachment A a listing of the location in the documents of the information designated by Southern Bell as confidential as well as a statement correlating the page(s) and line(s) identified with the specific justification(s) proffered in support of the classification of

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such material. In any instances in which Southern Bell has requested that an entire document be granted confidential classification, this representation and specific justification therefore will be included in place of specific location information.

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

4. A sealed package marked as Attachment C contains copies of the documents with the material which is confidential and proprietary highlighted. Copies of Attachment C are not being served on other parties to this proceeding.

5. With respect to the information sought to be classified as confidential, the unit cost information comprises a part of the cost of providing ESSX service. ESSX service costs are highly proprietary and should not be made available to Southern Bell's competitors, which include providers of Public Branch Exchange ("PBX") systems and key systems. ESSX service is provided in competition with these alternative providers, and the disclosure of the unit cost information relating to components of ESSX service would harm Southern Bell's competitive business. Section 364.183(3)(e), Florida Statutes, specifically provides an exemption from the inspection and examination provisions of § 119.07(1), Florida Statutes, for information relating to

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competitive interests, the disclosure of which would impair the competitive business of a provider of such information.

In many instances, a potential customer requests bids 6. from various vendors providing the service and equipment the customer may wish to purchase. In situations in which ESSX Service is one competitive alternative, Southern Bell must utilize contract service arrangements ("CSAs") pursuant to General Subscriber Service Tariff Section A5.7, which allows Southern Bell to develop customer-specific prices in lieu of existing tariff offerings in order to compete for such business. If Southern Bell's competitors are provided Southern Bell's average cost to provide certain crucial components of its ESSX service, they will know with almost complete certainty what their bid would have to be relative to their competitive alternative in order to win the contract. The ESSX cost information in question is feature-specific, and a competitor would be able to determine crucial cost elements comprising Southern Bell's ESSX service. Southern Bell does not have access to its competitors' cost information; therefore, the competitor would have a significant advantage over Southern Bell in this market if Southern Bell was forced to publicly disclose its cost information of a similar kind.

7. Furthermore, if this information were made available to Southern Bell's customers, they would then be in a much better position to strategically negotiate contract service

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arrangements. Conversely, the availability of this information to potential customers could impede Southern Bell's ability to contract on the most favorable terms possible with such customers. Since by definition Southern Bell uses only CSAs when the cost to serve a particular customer is less than the average cost upon which the tariff rate is based, if a CSA is to be utilized, the customer who is the subject of the CSA would know that Southern Bell's costs to serve him are less than Southern Bell's average cost to provide ESSX service. As a result, at a minimum, the customer who knew Southern Bell's costs would also know that he could probably "hold out" for lower rates. Thus, Southern Bell would be at a great disadvantage when negotiating ESSX CSAs if the data was made publicly available.

8. This Commission has previously afforded confidential classification to the same type of ESSX service costs sought to be classified as confidential herein. <u>In re: Proposed Tariff By</u> <u>Southern Bell Telephone and Telegraph Company To Introduce New</u> <u>Features For Digital ESSX Service And To Provide Structural</u> <u>Changes For Both ESSX Service And Digital ESSX Service</u>, Docket No. 881257-TL, Order No. 24256, issued March 20, 1991. Consequently, based on prior Commission decisions consistent with the compelling arguments herein justifying the confidential classification of the ESSX-related and feature-specific unit cost information, this information should similarly be afforded confidential classification.

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9. 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, Southern Bell moves the Prehearing Officer to enter an order declaring the information described above and contained in the indicated portions of the attached exhibits to be proprietary confidential business information and thus not subject to public disclosure.

Respectfully submitted this 16th day of October, 1992.

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

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ATTACHMENT A

JUSTIFICATION FOR CONFIDENTIALITY REQUEST

The following is an index of material found in Schedule E-1A of the Minimum Filing Requirements (MFRs) designated by Southern Bell as proprietary and confidential.

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Because this information contains unit cost (revenue requirement, information that is identical to the costs contained in Southern Bell's ESSX^R service, disclosure of such information would also disclose highly proprietary costs for ESSX^R service, which competes directly with PBX and key systems. Making such information public would provide its competitors a significant advantage in that they would know, with almost complete certainty, what a bid would have to be in order to win a contract. Southern Bell's ratepayers would be harmed by the subsequent loss of contracts resulting from such knowledge.

FPSC	MFR	SCHEDULE	E - 1a	REVENUE	REQUIREMENT	COLUMN
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		150	A13.9.3		13	
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		152	A13.9.3		2	
			A13.11.5		13	
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		166	A13.34.3		2 3 6 7	
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PAGE NUMBER	TARIFF SECTION	LINE NUMBER
167	A13.46.1	11
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168	A13.53.2	2 3
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	A13.58.4	18
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178	A13.53.2	13
170	A15.55.2	13
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179	A13.53.2	1
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