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June 11, 1993

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

RE: Docket Nos. 920260-TL, 900960-TL, 910163-TL, 910727-TL

Dear Mr. Tribble:

Enclosed are an original and fifteen copies of Southern Bell Telephone and Telegraph Company's Motion for Reconsideration of Order No. PSC-93-0823-CFO-TL. Please file this document in the above-captioned dockets.

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,

*Sidney J. White, Jr.*  
Sidney J. White, Jr. (PS)

ACK \_\_\_\_\_  
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WAS \_\_\_\_\_  
OTH \_\_\_\_\_

Enclosures

cc: All Parties of Record  
A. M. Lombardo  
H. R. Anthony  
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*[Handwritten signature]*

DOCUMENT NUMBER-DATE

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**CERTIFICATE OF SERVICE**

**Docket No. 920260-TL**

**Docket No. 900960-TL**

**Docket No. 910163-TL**

**Docket No. 910727-TL**

I HEREBY CERTIFY that a copy of the foregoing has been  
furnished by United States Mail this 11th day of June, 1993 to:

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(02)

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	)	Docket No. 920260-TL
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In re: Show cause proceeding against Southern Bell Telephone and Telegraph Company for misbilling customers	)	Docket No. 900960-TL
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In re: Petition on behalf of Citizens of the State of Florida to initiate investigation into integrity of Southern Bell Telephone and Telegraph Company's repair service activities and reports	)	Docket No. 910163-TL
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In re: Investigation into Southern Bell Telephone and Telegraph Company's compliance with Rule 25-4.110(2), F.A.C., Rebates	)	Docket No. 910727-TL Filed: June 11, 1993

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S  
MOTION FOR RECONSIDERATION OF ORDER NO. PSC-93-0823-CFO-TL

COMES NOW, BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), and files, pursuant to Rule 25-22.038(2), Florida Administrative Code, its Motion for Reconsideration of Order No. PSC-93-0823-CFO-TL, issued on June 1, 1993 by the Prehearing Officer in the above-referenced dockets.

1. On February 17, 1993, Southern Bell filed a Request for Confidential Classification ("Request") for certain information contained in certain late-filed deposition exhibits of Walter S. Reid. This information relates to IXC customer-specific percent interstate usage ("PIU") audits and financial information

relating to a non-regulated affiliate company, BellSouth Advertising and Publishing Corporation (BAPCO).

2. On June 1, 1993, the Prehearing Officer issued Order No. PSC-93-0823-CFO-TL granting in part and denying in part the Company's Request.

3. In her discussion of the reasons for denying Southern Bell's Request for Confidentiality for portions of Walter S. Reid's late-filed deposition Exhibit Nos. 2, 3 and 6, the Prehearing Officer overlooked or failed to consider important reasons why the subject information should be kept confidential.

LATE-FILED EXHIBIT NO. 2

4. The Prehearing Officer held that the information sought to be protected on pages 621-626 of this exhibit was not entitled to confidential classification. This information pertains to individual IXC customer-specific PIU audit-related information. This information includes specific amounts recovered from individual IXCs as a result of PIU audit findings. These individual IXC-specific billing results are proprietary for compelling reasons.

5. First, the Company or its agents enter into legally binding confidentiality agreements with the IXCs that it audits, and the Company is therefore under a legal obligation not to publicly disclose the individual details of such audits. These details include the amounts ultimately billed back to some of these IXCs as a result of Southern Bell finding inaccuracies in the IXCs' jurisdictional reporting of PIU. Section 364.183(3),

Florida Statutes, provides that information obtained by Southern Bell pursuant to a private non-disclosure agreement is proprietary confidential business information, particularly if the disclosure would be harmful to the Company or its ratepayers. Southern Bell will be harmed in its ability to accurately audit the IXCs without the carriers' continued voluntary cooperation in such audits. Such lack of cooperation could likely result if the IXCs knew that this sensitive information were subject to disclosure.

6. A decision denying confidentiality could lead to the inadvertent and unintended result of requiring Southern Bell to formally invoke the Commission's authority to order the IXCs to cooperate in such audits. This is so because the IXCs have historically been somewhat resistant in these audits. If the Commission does not acknowledge and honor the confidentiality agreements, the result will likely be less cooperation and more litigation. This, in turn, would harm Southern Bell and its ratepayers. The reason for these audits is to ensure that Southern Bell is being properly compensated for the relative percentages of intrastate and interstate access services provided to IXCs in Florida. To the extent PIU is overstated and left undetected, Southern Bell's regulated intrastate revenues would be negatively affected, thereby causing harm to Southern Bell and ultimately its ratepayers.

7. Second, the individual IXC-specific amounts recovered from such carriers as a result of the PIU audits constitute

customer-specific billing information which this Commission has historically held to be entitled to confidential classification. This Commission has consistently recognized that Southern Bell's customers' individual information is to be treated as proprietary confidential business information. Order No. 24531, issued May 14, 1991 in Docket No. 860723-TP. The information at issue in Southern Bell's current Request is similarly classified as customer-specific information. Southern Bell has already publicly provided the total intrastate revenue effect of the combined PIU audits for the 1991 and 1992 timeframes. No legitimate purpose would be served by further public release of the amounts individually recovered from each of Southern Bell's IXC customers. To the extent similar billing information relating to other Southern Bell customers is not compelled to be publicly disclosed, it would be unjust to treat the Company's IXC customers with any less consideration.

8. The Order also contains a material misstatement of fact that may have influenced the decision of the Prehearing Officer. At page 3, the Orders states that:

"Individual usage of access service cannot be determined from the presented data."

This is inaccurate in that, although not presenting the affected IXCs' total usage, the information does represent a portion of the IXCs' use of Southern Bell's access services. As already stated, this Commission has historically protected Southern Bell's customers' billing information, in part or in the

aggregate, and the Order is contrary to the historical treatment of such information.

9. Southern Bell originally requested that both the names and the numbers contained in the documents be held confidential. However, if the Prehearing Officer's Order intended to address only the PIU audit related adjustment amounts, then the Company would not object to a ruling finding that the amounts are non-confidential while the individual IXCs' names are protected. This would adequately address Southern Bell's concerns relating to the disclosure of its IXC customers' billing information in a manner that would also identify which IXCs were billed certain amounts. The Order is unclear on this point, and Southern Bell seeks reconsideration of this matter, which may have been overlooked.

10. On March 25, 1993, Southern Bell filed a Motion for Reconsideration of Order No. PSC-93-0823-CFO-TL, which is still pending, addressing these identical issues. The Company hereby incorporates the arguments contained therein by reference. Further, Southern Bell noted in its March 25, 1993 Motion that the Prehearing Officer ignored or forgot to consider or in any way discuss Southern Bell's arguments supporting confidentiality of the IXC customer specific billing information in that case. Consequently, if the Company's previous arguments were not considered, and the instant Order is relying on Order No. PSC-93-0823-CFO-TL as a prior decision on these points, then this fact would support reconsideration in this case as well.

11. The Prehearing Officer held that the information sought to be protected on page 890 of Exhibit 2 was not entitled to confidential classification. However, as stated in Southern Bell's Request for Confidentiality, the information relates to specific non-regulated affiliate companies. This information discloses Company specific labor-related costs, which if publicly disclosed would give those Company's competitors the levels of relative force downsizing efforts which may trigger competitive responses by competitors to adjust to the Company's reduced cost base. Such responses would likely be in terms of price reductions in anticipation of Southern Bell's affiliates' ability to do the same as a result of force reductions. Timing and placement of price adjustments in competitive environments are crucial, and many times the first to reduce prices gains competitive advantage. The Prehearing Officer should reconsider Southern Bell's arguments that this information would be beneficial to these unregulated affiliates' competitors in developing competing strategies that could result in diminished revenues and attendant harm to the competitive positions of these affiliate companies. Request at p. 3.

LATE-FILED EXHIBIT NO. 3

12. The Prehearing Officer held that the information sought to be protected on p. 957, lines 12-14 and p. 958, lines 10 and 12 of this exhibit is not entitled to confidential classification. This information represents BAPCO's net income, capital, debt and various rates of return. The Order

acknowledges that the above information is confidential to BAPCO and that the data has not been previously produced. However, the Order ignores or failed to consider Southern Bell's arguments that this information would assist competitors in establishing strategies. Request, at p. 3. As stated in the Request, it is readily apparent that this threat exists. Request, at p. 3.

13. BAPCO currently has as many as 69 directory publishing competitors in the region, which together publish 199 directories in direct competition to BAPCO. In Florida alone, 15 yellow page publishers compete with BAPCO by publishing 56 directories in markets throughout the state. Notable among BAPCO's directory competitors are several newspaper companies which have begun direct competition with BAPCO's yellow pages. These include Gannett, the Gainesville Times, The Palatka Daily News, and other New York Times papers throughout the state and region. These numbers do not include the growing competition which BAPCO faces from other advertising media, such as local television, radio and direct mail competitors. Businesses in these media often target large BAPCO advertisers soliciting the move of advertising dollars from BAPCO's yellow pages directories to their form of advertising at competitive rates.

14. Unlike most of its directory competitors, BAPCO pays a substantial amount of its growth revenues to BST. The ability for BAPCO's competitors to ascertain the effect of this cost on BAPCO's "bottom-line" would be a significant competitive advantage to them and corresponding harm to BAPCO. Knowledge of

BAPCO's income, capital, debt and returns would allow its competitors to competitively price their advertising products at levels below any which BAPCO could profitably support. If such disclosure continued in the future they could also gauge the efforts of their competition on BAPCO. Because many of these competitors are private entities or subsidiaries of major corporations, BAPCO does not have access to the same bottom-line information at issue here concerning their competitive position. This proposed denial of confidential treatment would thus be a severe disadvantage to BAPCO.

15. The confidentiality of the BAPCO information in question is acknowledged. The competitive position of BAPCO is well documented. The harm which it would suffer from disclosure of its proprietary financial information is direct and significant.

LATE-FILED EXHIBIT NO. 6

16. The Order contains a material misstatement of fact regarding lines 11-29 of this exhibit. The Prehearing Officer incorrectly concluded that the information sought to be protected,

"....depict(s) the PIU of other LECs operating in Florida. Bell contends that these other Lees would be reluctant to provide this information in the future if they knew that such information would be made available to their competitors."

Rather, the information contains billing adjustment information relating to Southern Bell's IXC customers in Florida, which was derived from confidential PIU audits. This information is the same type information already addressed herein pertaining to late-filed Exhibit No. 2, and Southern Bell urges reconsideration for the reasons already stated.

Based on the foregoing, Southern Bell moves the Prehearing Officer to reconsider those portions of Order No. PSC-93-0823-CFO-TL pertaining to the IXC customer-specific information relating to billing amounts resulting from the confidential PIU audits conducted by Southern Bell, and the financial information relating to BAPCO and to find that such information is entitled to confidential classification.

Respectfully submitted this 11th day of June, 1993.

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