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Public Service Commission

January 4, 2007

Manuel A. Gurdian
BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301

Re: Docket No. 060598-TL, Petition to recover 2005 tropical system related costs and expenses, by BellSouth Telecommunications, Inc. (BellSouth); Documents Numbered 09896-06 and 10431-06

Dear Mr. Gurdian:

I have reviewed BellSouth's November 13, 2006, filing concerning the company's request for confidential classification of staff audit materials obtained during the recent 2005 Storm Cost audit. I have found the following 2 perceived deficiencies in BellSouth's request for confidential classification.

Item 1:

MP _____
OM _____ WP 10-1.3

TR _____ This work paper is titled Summary Schedule of Storm Recovery Costs and was provided in response to an audit request. BellSouth pleads that this information contains detailed budget, financial, and strategic information and that disclosure of revenue accounting and business costs could give competitors a clear picture of the resources required to provide services. BellSouth asserts that knowledge of such resource requirements could harm the competitive interests of BellSouth. However, staff notes that this work paper is a copy of SP Exhibit 1, attached to the testimony filed by Steve Pendergrass on behalf of BellSouth. This exhibit is filed as a nonconfidential exhibit.

Item 2:

GA _____
SEC _____
JTH _____ WP 10-5.2 through 10-5.16

DOCUMENT NUMBER-DATE

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These work papers include internal policies and procedures for compensation. BellSouth pleads that these policies and procedures should not be disclosed as release of this information would harm the competitive businesses of BellSouth. Our review of the information indicates that these policies and procedures appear to be ordinary procedures used in administering salary and are commonly observed by employees and management of the company. As such, staff does not believe that these would qualify for confidential classification as the information is not closely held and maintained as confidential by the company.

Responses to perceived deficiencies

In response to these two perceived deficiencies, the company may provide additional justification as to why this material should be granted a confidential classification. Within 14 days from the date of this letter, as deemed necessary, the utility may modify its pleading, justification, redacted or highlighted copies within its request; otherwise, a recommendation will be presented to the Prehearing Officer based upon the current existing record.

If you have any questions concerning this matter, please contact me at 850-413-6487 or dvandive@psc.state.fl.us. If you have procedural questions, or if you would like to talk to the assigned staff attorney, please contact Adam Teitzman at 413-6175 or ateitzma@psc.state.fl.us.

Sincerely,



Denise N. Vandiver
Bureau Chief of Auditing

cc: Office of General Counsel (Teitzman)
Division of Commission Clerk and Administrative Services
Bureau of Auditing (Freeman)
Division of Competitive Markets and Enforcement (Wright, Fordham)