

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of CENTRAL TELEPHONE) DOCKET NO. 891246-TL
 Company OF FLORIDA for adjustments in)
 its rates and charges and approval of) ORDER NO. 23716
 an incentive regulation plan.)
 _____) ISSUED: 11-02-90

ORDER GRANTING IN PART AND DENYING IN PART
CENTRAL TELEPHONE COMPANY OF FLORIDA'S SECOND REQUEST FOR
CONFIDENTIAL CLASSIFICATION

On October 12, 1990, Central Telephone Company of Florida ("Central Telephone-Florida" or the "Company") filed its Second Request for Confidential Classification of certain documents provided to the Office of Public Counsel (OPC) pursuant to Interim Protective Orders Nos. 23171, 23409 and 23547. The Company's First Request for Confidential Classification has been handled separately by this Commission, although portions of that document have been incorporated by reference in the Company's Second Request. Many of the materials originally at issue in the interim protective orders have been returned to the Company, others have been retained by OPC with the Company releasing the material from the claim of confidential classification. The materials which remain at issue are filed under Commission Document No. 9184-90 and are as follows:

| <u>Company</u> <u>DOCUMENT NO.</u> | <u>DESCRIPTION</u> | <u>OPC</u> <u>DOCUMENT NO.</u> |
|---------------------------------------|--|-----------------------------------|
| 1 | Cendon Directory Agreement Analysis (4 pages) | 3b |
| 2 | Market Profile Matrix and Narrative (40 pages) | 22e |
| 3 | Consolidated Workpapers | 33 |
| 3a | Micro Control I/S Summary, Contin & Disco | 33 |
| 3b | Consolidated B/S - Liabilities | 33 |
| 3c | Consolidated B/S - Assets | 33 |
| 3d | Consolidated B/S - Eliminations | 33 |
| 4 | Market Profile Matrix (1 page) | 2f |

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There is a presumption in the law of the State of Florida that documents submitted to governmental agencies shall be public records. The only exceptions to this presumption are the specific statutory exemptions provided in the law and exemptions granted by governmental agencies pursuant to the specific terms of a statutory provision. This presumption is based on the concept that government should operate in the "sunshine." In the instant matter, the value of the examination and utilization by all parties of the information contained in these documents must be weighed against the legitimate concerns of the Company regarding the disclosure of business information that it considers proprietary. It is this Commission's view that the burden to be met by one requesting specified confidential classification of documents submitted during a proceeding before us is very high.

Pursuant to Section 364.183, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, it is the Company's burden to show that any material submitted to this Commission is qualified for specified confidential classification. Rule 25-22.006 provides that the Company may fulfill its burden by demonstrating that the documents fall into one of the statutory examples set out in Section 364.183 or by demonstrating that the information is proprietary confidential information, the disclosure of which will cause the Company or its ratepayers harm. The Company has requested that specified confidential treatment be accorded to several different categories of documents.

To this end Central Telephone-Florida asserts the following:

COMPANY DOCUMENT NO. 1 (OPC DOC. NO. 3b)
CENDON DIRECTORY AGREEMENT ANALYSIS

The directory agreement between L.M. Berry Company and Central Telephone-Florida expired with the publication of the 1989 directory issues. This three page document was prepared to examine the alternatives of a renegotiated contract with L.M. Berry versus the proposed Cendon partnership, and to compare these to a mathematical extension of the current agreement with L.M. Berry. The fourth page of this document is the same as the document's first page with the addition of "certain markings with a highlighter which surround the perimeter of the fourth page." The arguments for the first through third pages are to be applied to the fourth page.

Page 1:

Line 3 - This line lists the number of advertisers in the Central Telephone-Florida directory for 1984-1987 (actual) and 1988-1992 (estimated). The material is not readily available in this format. The material, taken alone, provides precise information concerning the size of the directory advertising market in Central Telephone-Florida's service territory. Central Telephone-Florida asserts that disclosure of this material will harm the Company's business operations by providing, at no cost, information which could be used by competitors in deciding whether to compete in this market. Taken together with lines 4-7 (Billed Revenue), the information on line 3 would, if disclosed, allow competitors to compute revenue per customer information. Such information would be valuable to a competitor and could be used in competitive pricing and marketing decisions. Central Telephone-Florida asserts that if the material were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms, and that this would harm the Company's customers.

Line 4 - This line lists the dollar amounts of billed local directory revenue for 1984-1987 (actual) and 1988-1992 (estimated). Local revenue represents the dollars billed to directory advertisers located within Central Telephone-Florida's service territory. The dollar amount of local directory revenue is held confidential by the Company. This information provides a measure of the size of the local directory advertising market in the Company's territory. The Company asserts that if it were disclosed it could be used by competitors in deciding whether to compete in this market. Taken together with line 3, this material could be used to compute local revenue per customer information. The Company asserts that such information could be used to the detriment of the Company's ratepayers.

Line 5 - This line lists the dollar amounts of billed foreign directory revenue for 1984-1987 (actual) and 1988-1992 (estimated). Foreign revenue represents the dollars billed to directory advertisers located outside of Central Telephone-Florida's service territory. The dollar amount of foreign directory revenue is held confidential by the Company. This information provides a measure of the size of the foreign directory advertising market. The Company asserts that if this material were disclosed it could be used by competitors in deciding whether to compete in this market.

Taken together with line 3, this data could be used to compute foreign revenue per customer information. The Company argues that such information could be used to the detriment of its ratepayers.

Line 6 - This line lists the dollar amounts of billed capital National Yellow Page Service (NYPS) directory revenue for 1984-1987 (actual) and 1988-1992 (estimated). NYPS revenue represents the dollars billed to directory advertisers who place ads in the Central Telephone-Florida directory through the NYPS. This service provides coordinated access to local yellow pages for national advertisers who wish to advertise in local telephone directories. This material provides a measure of the size of the NYPS directory advertising market in the Company's territory. The Company argues that if it were disclosed it could be used by competitors in deciding whether to compete in this market. Taken together with line 3, this data could be used to compute NYPS revenue per customer information. The Company asserts that such information could be used to the detriment of the Company's ratepayers.

Line 7 - This line lists the dollar amounts of billed directory sales revenue for 1984-1987 (actual) and 1988-1992 (estimated). Directory sales revenue represents the dollars of revenue received via sales of the Central Telephone-Florida directory to wholesale directory distributors. The dollar amount of directory sales revenue is held confidential by the Company. This data provides a measure of the size of the directory sales market in the Company's territory. The Company argues that if disclosed it could be used by competitors in deciding whether to compete in this market.

Line 8 - This line lists the total dollar amount of billed directory revenue for 1984-1987 (actual) and 1988-1992 (estimated). It is the arithmetic sum of lines 4 through 7. The dollar amount of total directory revenue is held confidential by the Company. This material provides a measure of the size of the directory advertising market in the Company's territory. The Company asserts that if the material were disclosed it could be used by competitors in deciding whether to compete in this market. Taken together with line 3, this data could be used to compute total billed revenue per customer information. The Company concludes that such information could be used to the detriment of the Company's ratepayers.

Lines 9-11 - These lines represent the percentage annual growth for billed local, foreign, and NYPS revenue, respectively,

for 1985-1987 (actual) and 1988-1992 (estimated). These amounts are computed with reference to the information contained in lines 4-7 as discussed above. The percentage growth for local, foreign, and NYPS (lines 9-11) is held confidential by the Company. This information provides a measure of the size of the local directory advertising market in the Company's territory. In addition, this material provides a measure of the historical and anticipated growth in directory advertising revenues in the Company's territory. The Company asserts that this cost-free marketing data could be used by competitors in deciding whether to compete in this market. In addition, the Company argues that such information would be valuable to a competitor and could be used in competitive pricing and marketing decisions. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms, and that this would harm the Company's customers.

Line 12 - This line lists the percentage price increase for 1984-1992. The percentage price increases for the years 1984, 1985, 1986, and 1987 represent the actual negotiated percentage price increases for the contract between L. M. Berry Company and Central Telephone-Florida. This information reflects the bargaining power exercised by the two parties to the agreement as well as pricing strategy. The percentage price increase for the years 1988-1992 represents the Company's estimate of the negotiated percentage price increase had the L. M. Berry agreement been reexecuted each year through 1992. This information could be used by competitors during pricing negotiations for directory agreements in the future. The Company asserts that if this data were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms, and that this would harm the Company's customers.

Line 13 - This line lists the percentage local market sales growth for the years 1985-1992. The information presented for the years 1985-1987 represents actual data. The information presented for the years 1988-1992 represents the Company's estimate of local market sales growth. Local market sales growth is computed by subtracting line 12 from line 9, and represents the Company's estimate of the growth in its directory advertising market, exclusive of negotiated price increases. The Company asserts that this material provides a measure of the size and growth in the Company's local directory advertising market and could be used by

competitors in deciding whether to compete in this market. The Company also contends that this information could be used by competitors in pricing and marketing strategy decisions. The Company concludes that if this material were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's ratepayers.

Line 14 - This line lists the dollar amounts of directory advertising commission expense and other additional expenses for the years 1984-1987 (actual) and 1988-1992 (estimated). In addition, it discloses the percentage commission payable under the L. M. Berry directory agreement. The Company is contractually bound to keep this percentage confidential. The actual and projected dollar amounts of directory commissions provides a measure of the size and profitability of the local directory advertising market. The Company asserts that if the material were disclosed it could be used by competitors in deciding whether to compete in this market. In addition, the Company argues that this information could be used by competitors for marketing and pricing strategy. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms, and that this would harm the Company's customers.

Line 15 - This line is blank on page 1 and does not contain confidential information. Specified confidential treatment of this line is not requested. On pages 2 and 3, line 15 represents the Company's estimate of the effect of competition during the years 1989 through 1992. The justification for the confidentiality of line 15, on pages 2 and 3, is presented below.

Line 16 - This line lists the dollar amounts of other expenses and credits incurred by Central Telephone-Florida in 1984-1987 and projected for 1988-1992. The line represents the costs, borne by Central Telephone-Florida under the L. M. Berry Agreement, for items such as printing the directory cover, local administration expenses, directory coordination salaries and bill insert expenses. Under the terms of the new Cendon Agreement, most of these expenses are borne by the Cendon partnership, not Central Telephone-Florida. This material provides information concerning the costs related to printing and distributing a telephone directory in the Central Telephone-Florida market. The Company asserts that if the material were disclosed it could be used by competitors in pricing and

marketing strategy decisions. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms, and that this would harm the Company's customers.

Line 17 - This line lists the total dollar value of expenses associated with the L. M. Berry directory agreement for the years 1984-1987 (actual) and 1988-1992 (projected). The line represents the sum of lines 14, 15, and 16, and shows the total cost borne by Central Telephone-Florida under the L. M. Berry agreement for the year 1984-1992. The Company asserts that if it were disclosed, the material would provide competitors with a valuable measure of the cost absorbed by Central Telephone-Florida under a previous directory advertising agreement. Such information could be used by competitors during critical pricing and marketing decisions. The Company concludes that if this information were disclosed to competitors it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Line 18 - This line lists the dollar amounts of regulated earnings before income taxes (EBIT) for 1984-1987 (actual) and 1988-1992 (estimated). Regulated EBIT represents the amount of profit earned (or projected to be earned) by Central Telephone-Florida under its old L. M. Berry directory advertising agreement. The Company asserts that disclosure of this material would harm the Company's business operations by providing information that could be useful to competitors in marketing and pricing strategies. The Company concludes that if this information were disclosed it would be more difficult for the Company to contract for directory printing in the future and that this would harm the Company's customers.

Line 19 - The data for which specified confidential treatment is requested on line 19 includes both the previous commission percentage rate and the Company's expectation of the new commission percentage rate. The Company argues that it is contractually bound to maintain the confidentiality of the commission rate percentage inherent in the L. M. Berry agreement. The Company asserts that while it is not contractually bound to maintain the confidentiality of its expectation of a new commission percentage rate, disclosure of this material would provide competitors with information about the terms which the Company has accepted in the past and the terms

the Company has rejected for the future. The Company argues that information of this sort could be used by competitors in marketing and pricing strategy decisions. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Line 20 - This line lists the expected dollar amounts of billed total revenue under the hypothetical renegotiated L. M. Berry contract for 1990-1992. The Company's expectations concerning the dollar amount of total billed revenue under the renegotiated L. M. Berry contract has not been disclosed by the Company. The Company asserts that if disclosed, this material would provide information concerning the profitability and size of the local directory advertising market in the Company's territory. The Company contends that this information could be used by competitors in marketing and pricing strategies. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms, and that this would harm the Company's customers.

Line 21 - The Company does not request confidential classification for this line on page 1. On pages 2 and 3, line 21 reflects the Company's evaluation of the effect of competition on the hypothetical renegotiated L. M. Berry contract. The justification for line 21 on pages 2 and 3 is discussed below.

Line 22 - This line lists the anticipated dollar amounts of directory expenses to be incurred by the Company under the hypothetical renegotiated L. M. Berry contract for the years 1990-1992. These amounts reflect the Company's evaluation of the commission rate required by L. M. Berry before reentering a directory advertising agreement with Central Telephone-Florida. This evaluation is held confidential by the Company. The material reflects the Company's expectations concerning the pricing and marketing strategies by L. M. Berry. Such information could be used by a competitor in pricing and marketing decisions. The Company concludes that disclosure of this material would harm the Company's customers.

Line 23 - This line lists the expected other expenses and credits under the hypothetical renegotiated L. M. Berry contract

for 1990 through 1992. The dollar amounts listed on this line reflect the Company's evaluation of the cost of printing directory covers, local administration expenses, directory coordination salaries and bill expenses. The Company asserts that disclosure of this information would harm the Company's business operations by providing, at no cost, information which could be used by competitors during marketing and pricing decisions. The Company argues that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms, and that this would harm the Company's customers.

Line 24 - This line represents the arithmetic sum of lines 22 and 23 and shows the Company's expectations concerning the total expenses under the hypothetical renegotiated L. M. Berry contract. The Company contends that disclosure of this information would harm the Company's business operation by providing critical information which could be used by competitors in pricing and marketing strategy decisions. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future, and that this would harm the Company's customers.

Line 25 - Lists the Company's expectation of regulated earnings before income taxes ("EBIT") under the hypothetical renegotiated L. M. Berry contract for the years 1990 - 1992. This information, which reflects the Company's expectation of profitability under a hypothetical agreement with a directory printing Company, reflects the Company's evaluation of profitability in the future. The material is not readily available in this format and has not been disclosed. The Company contends that disclosure of this information would harm the Company's business operations by providing information which could be used by competitors in marketing and pricing strategy decisions. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Line 26 - Line 26 reflects the revenue stream from the expected, but not yet entered into, CenDon Agreement for 1991 and 1992. Line 26 does not contain confidential information. Specified confidential treatment of this line is not requested.

Line 27 - This line lists the Company's expectation of total billed revenue for 1990 from the exhausting L. M. Berry publications. This amount, which represents the Company's estimate for the future, is not readily available in this format and has not been disclosed. The Company contends that disclosure of this information would harm the Company's business operations by providing information concerning expected revenues under a previous agreement. The Company asserts that this information could be used by competitors in pricing and marketing strategy decisions. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Line 28 - This line presents an estimate of expected directory revenues for 1990-1992 under the CenDon Agreement. This line provides information concerning the Company's evaluation of revenues payable under the Agreement. This information details the Company's evaluation of the value of the CenDon Agreement in the future and could be used by competitors in their marketing and pricing strategy decisions. The Company contends that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Line 29 - This line lists the Company's evaluation of projected interest expense for the years 1990-1992 under the CenDon Agreement. This analysis considers the effective interest because the final payment under the Agreement is not due until the year 2005. The Company asserts that this material, taken together with assumptions concerning the market rate of interest and the Company's discount rate, could be used by competitors to compute the total value of the CenDon Agreement. The Company contends that this information if disclosed would harm the Company's business operations by providing information which could be used by competitors in their pricing and marketing strategy decisions. The Company concludes that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Line 30 - This line lists the Company's expectations concerning projected operating expenses for 1990-1992 under the CenDon Agreement. The Company argues that disclosure of this information would harm the Company's business operations by providing information which could be used by competitors in marketing and pricing strategy decisions. The Company contends that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Line 31 - This line lists the Company's expected regulated earnings before income taxes ("EBIT") under the CenDon Agreement for the years 1990-1992. It represents the sum of the amounts listed in lines 27-30. The dollar amounts on this line reflect the Company's evaluation, before entering the Agreement, of the profitability of the CenDon Agreement. The Company asserts that disclosure of this information would harm the Company's business operations by providing information which could be used by competitors in marketing and pricing strategy decisions. The Company argues that if this information were disclosed to competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Page 2 - Competitive Update

The justifications for lines 3-14, 16-20, and 22-31 on page 1, as explained above, also apply to lines 3-14, 16-20 and 22-31 on page 2. The justifications for lines 15 and 21 on page 2 are presented below.

Line 15 - This line represents the Company's evaluation of the effect of additional competition in the directory advertising market for the years 1989-1992. While the amounts shown on line 15 are expressed as an additional expense, the Company could have reflected the competitive impact as a reduction of revenues. The amount shown on line 15 reflects the Company's expectation of the magnitude of the reduction in profitability under the L. M. Berry Agreement for the years 1989-1992. The Company asserts that disclosure of this information would harm the Company's business operations by providing information which may be used by competitors in their marketing and pricing strategy decisions. The Company concludes that if this information were disclosed to

competitors, it would be more difficult for the Company to contract for directory printing in the future on favorable terms and that this would harm the Company's customers.

Line 21 - Line 21 reflects the Company's expectation of the effect of competition on the hypothetical renegotiated L. M. Berry contract. The Company asserts that the justification for line 15 also applies to line 21.

Page 3 - Competitive/Updated

The Company asserts that the justifications for lines 3-14, 16-20 and 22-31 on page 1, as explained above, also apply to lines 3-14, 16-20 and 22-31 on page 3. The Company also contends that the justifications for lines 15 and 21 on page 3, as explained above apply to lines 15 and 21 on page 3.

COMPANY DOCUMENT NO. 2 (OPC DOC. NO. 22e)
MARKET PROFILE MATRIX

The Market Profile Matrix ("MPM") was prepared by Central Telephone-Florida to provide key market and financial data on each of the major markets Central Telephone-Florida is pursuing. The matrix summarizes the critical data needed to develop a realistic budget which matches planned operating expenditures to forecasted revenues. It is used to test the December View Budget for reasonableness and for ensuring that the Company aggressively pursues the revenue potential of each of its markets.

The document has had certain information which the Company asserts to be nonrelevant redacted. The Company has not made confidentiality arguments for this material but reserves the right to do so should this Commission ultimately find the redacted material to be relevant.

The Company asserts that disclosure of the MPM spread sheet would harm the Company's business operations by providing information which could be used by competitors in deciding whether to compete with the Company's specific markets. The matrix provides precise information concerning market size, market share, actual units and revenues, and forecasted units and revenues for products and services such as AT&T Marketing Agreement, Directory, Public Paystations, Semi-Public Paystations, Centrex CPE Rental,

Centrex CPE Sales, Voice Mail, and Paging which are highly competitive and in several cases, non-regulated.

Page 1

Line 1 - AT&T Marketing Agreement

This line provides a measure of the emphasis the Company is placing on this service by disclosing the priority assigned to promotion of the service (Column 2). The Company asserts that disclosure of this material would make it more difficult to negotiate contracts with other IXCs to provide the same or comparable services.

The information in Column 3 provides a measure of the size of this market. This could be used by competitors in deciding whether to compete in this market. Column 5 reflects Central Telephone-Florida's market share which the Company asserts could be used by competitors, in conjunction with market size, to determine whether or not to compete in this market.

The Company contends that the 1988 actual revenue results (Column 9), Gross Profit Margin (Column 10), contribution to earnings (Column 11), units sold (Column 12), and number of customers (Column 13) could be used to compute revenue per customer information. This information provides a measure of the profitability of this service and the Company asserts that it could be used by competitors to make marketing decisions.

The Company argues that, if disclosed, the unit and revenue forecasts for 1989, 1990, and 1991 (Columns 15-20) could provide a valuable measure of the size and the growth in the Company's market and could be used by competitors in deciding whether to compete in this market.

The Company concludes that this service is a non-regulated sales agreement with an IXC and as such should not be considered in this rate case. In addition, the Company asserts that disclosure of the narrative on page 8, which describes the Company's detailed evaluation of this market and explains the matrix, would increase the difficulty of negotiating with other IXCs to provide the same services. Since it would be difficult, if not impossible, to selectively redact the sensitive information on this page, the

Company requests that all of the narrative on page 8 be held confidential.

Line 1.5 - Directory

Column 2 provides a measure of the emphasis the Company is placing on this market by disclosing the priority assigned to the promotion of this market. The Company asserts that disclosure of this material would provide competitors of Central Telephone-Florida's affiliate, Cendon, with information concerning market size and would provide insight into the Company's evaluation of this market.

Columns 3 and 5 provide the Company's evaluation of the size of this market and could be used by competitors of the Company's affiliate in their decisions on whether or not to compete in this market. Column 5 provides a measure of market share which the Company asserts could be used by competitors, in conjunction with market size, to determine available market for use in making decisions on whether to compete in this market.

The Company asserts that if disclosed, the 1988 actual revenue results (Column 9), Gross Profit Margin (Column 10), contribution to earnings (Column 11), units sold (Column 12), and number of customers (Column 13) could be used to compute revenue per customer information. The Company asserts that this material provides a measure of the profitability of this market and could be used in competitive pricing and marketing decisions to the detriment of Central Telephone-Florida's affiliate and the Company's ratepayers.

The Company argues that the unit revenue forecast for 1989, 1990, and 1991 (Columns 15-20), if disclosed, would provide a measure of the size and growth in this market and could be used by competitors in deciding whether to compete in this market.

The narrative on page 9 following the Market Profile Matrix provides further elaboration on the details contained in the Market Profile Matrix. Included in this elaboration is a measure of the size of the directory market in Florida. The Company asserts that this could be used by competitors in deciding whether to compete in the directory market. It also provides Central Telephone-Florida's market share and actual average annual revenue per advertiser which the Company asserts could be used in making competitive pricing decisions.

The narrative also includes the 1988 actual revenue results and market share, as well as forecasted market share for 1989 through 1991. If disclosed, the Company asserts that this information would provide a valuable measure of the size and growth of the Company's market and that by providing competitors with confidential strategic plans of this sort, the Company's affiliates would be placed in an untenable competitive position. Since the Company contends that it would be difficult, if not impossible, to selectively redact all of the sensitive information on this page, it requests that all of the information on this page be kept confidential.

Line 2 - Public Paystations

Column 2 provides a measure of the emphasis the Company is placing on this service by disclosing the priority assigned to promotion of the service. The Company asserts that disclosure of this data would provide competitors information about Centel's positioning in the market and would provide vital insight into the Company's strategic plan in this market.

Columns 3 and 5 provide the Company's evaluation of the size of this market. The Company asserts that this information could be used by competitors in deciding whether to compete in this market. Column 5 provides Central Telephone-Florida's market share. The Company contends that this material could be used by competitors, in conjunction with market-size, to determine available market for use in making decisions on whether to compete in this market.

The Company asserts that the 1988 actual revenue results (Column 9), Gross Profit Margin (Column 10), contribution to earnings (Column 11), units sold (Column 12), and number of customers (Column 13) could be used to compute revenue per customer information. This material provides a measure of the profitability of this market. The Company contends that it could be used in competitive pricing and marketing decisions to the detriment of the Company's ratepayers and business operations.

The Company argues that, if disclosed, the unit and revenue forecasts for 1989, 1990, and 1991 (Columns 15-20) would provide a valuable measure of the size and the growth in the Company's market and could be used by competitors in deciding whether to compete in this market.

Pages 10-12 of the narrative following the matrix provide specific, detailed revenue and profitability analysis which the Company argues could be used by competitors to the detriment of the Company's ratepayers. The pages reflect the Company's evaluation of these markets and the Company contends these pages should be kept confidential in their entirety. Since it would be difficult, if not impossible, to redact the sensitive information from these pages, the Company requests that all of this information be kept confidential. Additionally, the Company contends that this information should be granted specified confidential status in accordance with the justification for Semi-public Paystations below.

Line 3 - Semi-public Paystations

Column 2 provides a measure of the emphasis the Company is placing on this service because it represents the priority assigned to promotion of the service. The Company contends that disclosure of this material would provide competitors information about Central Telephone-Florida's positioning in the market and provide insight into the Company's strategic plan. The Company concludes that competitors could use this information for strategic and marketing decisions to the detriment of the Company's ratepayers and business operations.

Columns 3 and 5 provide a measure of the size of this market. The Company asserts that this information could be used by competitors in deciding whether to compete in this market. Column 5 provides Central Telephone-Florida's market share. The Company argues that this information could be used by competitors, in conjunction with market size, to determine the available market for use in deciding whether to compete in this market.

The Company asserts that the 1988 actual revenue results (Column 9), Gross Profit Margin (Column 10), contribution to earnings (Column 11), units sold (Column 12), and number of customers (Column 13) could be used to compute revenue per station information to provide a measure of the profitability of this market and could be used by competitors in competitive pricing and marketing decisions.

The Company contends that, if disclosed, the unit and revenue forecasts for 1989, 1990, and 1991 (Columns 15-20) would provide a valuable measure of the size and growth in the Company's market and

could be used by competitors in deciding whether to compete in this market.

The narrative on pages 10, 11, and 12 following the matrix provides further elaboration on the details contained in the market profile matrix, including specific detailed revenue and profitability analysis. The Company asserts that this could be used by competitors to the detriment of the Company's ratepayers. The Company argues that since it would be difficult, if not impossible to selectively redact the substance of this narrative, the entire contents of these pages should be held confidential.

Lines 4 and 5 - Centrex CPE Rentals and Sales

Column 2 for these two lines provides a measure of the emphasis the Company is placing on these competitive services by revealing the priority assigned to promotion of the services. The Company asserts that disclosure of this material would provide competitors with information about the Company's positioning in the market and strategic plans.

Columns 3 and 5 provide a measure of the size of this market. The Company asserts that this information could be used by competitors in deciding on whether to compete in this market. Column 5 also details the Company's market share. The Company contends this information could be used by competitors, in conjunction with market size, to determine the available market. The Company concludes that this would help its competitors in deciding whether to compete in this area.

The Company argues that the 1988 actual revenue results (Column 9), Gross Profit Margin (Column 10), contribution to earnings (Column 11), units sold (Column 12), and number of customers (Column 13) could be used to compute revenue per station information, to provide a measure of the profitability of the services, and to make competitive pricing and marketing decisions. The Company contends that these statistics could be used by competitors to the detriment of the Company's business operations and ratepayers.

The Company asserts that, if disclosed, the unit and revenue forecasts for 1989, 1990, and 1991 (Columns 15-20) would provide valuable measures of the size and expected growth in these markets

and could be used by competitors in deciding whether to compete in these markets.

The narrative on pages 15, 16, and 17 following the matrix elaborates on the matrix and reflects the Company's detailed analysis of the expected revenue, profitability and growth in these markets, as well as detailed assumptions concerning the Company's participation in these markets. The Company argues that disclosure of this information could seriously affect the Company's ability to compete in this totally deregulated environment. The Company asserts that providing competitors with the Company's confidential strategic plans would place the Company in an untenable competitive position. Since it would be difficult, if not impossible, to redact all of the sensitive information from these three pages, the Company requests that all three pages be kept confidential.

Line 6 - Voice Mail

Column 2 on line 6 of page 1 provides a measure of the emphasis the Company is placing on this service by disclosing the priority assigned to promotion of the service. The Company asserts that, if disclosed, this material would provide competitors with information about Centel's positioning in the market and provide valuable insight into the Company's strategic plan.

Columns 3 and 5 provide a measure of the size of this market which the Company contends could be used by competitors in deciding whether to compete in this market. Column 5 also shows Central Telephone-Florida's market share in this market, which the Company asserts could be used by competitors, in conjunction with market size, to determine available market which would be useful in deciding whether to compete in this area.

The Company asserts that, if disclosed, the 1988 actual revenue results (Column 9), Gross Profit Margin (Column 10), contribution to earnings (Column 11), units sold (Column 12), and number of customers (Column 13) could be used to compute revenue per customer information, to provide a measure of the profitability of this service, and could be used by competitors in competitive pricing and marketing decisions.

The Company argues that, if disclosed, the unit and revenue forecasts for 1989, 1990, and 1991 (Columns 15-20) would provide a valuable measure of the size and the Company's expected growth in

this market and could be used by competitors in deciding whether to compete in this market.

Pages 19 and 20 of the narrative following the matrix details the Company's specific competitive analysis, sales and revenue objectives, actual sales results, and identifies specific target customers. The Company contends that this information, if disclosed, could seriously hamper the Company's ability to compete in this deregulated and competitive market. The Company concludes that by providing competitors with no-cost, confidential strategic plans, the Company would be placed in an untenable competitive position. Since the sensitive information in these two pages cannot be redacted in a meaningful manner, the Company requests that all of the information on these two pages be kept confidential.

Line 7 - Paging

Column 2 on line 7 of page 1 provides a measure of the emphasis the Company is placing on this service by disclosing the priority assigned to promotion of the service. The Company argues that, if disclosed, this information would give competitors sensitive information concerning the Company's positioning in the market and would provide valuable insight into the Company's strategic plan in this market.

Columns 3 and 5 provide a measure of the size of this market. The Company asserts that this information could be used by competitors in deciding whether to compete in this market. Column 5 also provides Centel-Florida's market share which the Company argues could be used by competitors, in conjunction with market size, to determine available market for use in deciding whether to compete in this area.

The Company contends that the 1988 actual revenue results (Column 9), Gross Profit Margin (Column 10), contribution to earnings (Column 11), units sold (Column 12), and number of customers (Column 13) could be used to compute revenue per customer information, to provide a measure of the profitability of this service, and could be used by competitors in competitive pricing and marketing decisions.

The Company contends that, if disclosed, the unit and revenue forecasts for 1989, 1990, and 1991 (Columns 15-20) would provide a

valuable measure of the size and growth in the Company's market and could be used by competitors in deciding whether to compete in this market.

Pages 21 and 22 of the narrative following the matrix provide the same type of revenue, sales and gross profit goals as detailed above. If disclosed, the Company asserts that competitors using this information could seriously hamper the Company's ability to compete in this totally deregulated market and that by providing competitors with no-cost, confidential strategic plans, the Company would be placed in an untenable position. Since it would be difficult, if not impossible, to selectively redact all of the sensitive information in these two pages, the Company requests that all of these pages be kept confidential.

Page 3

This page represents a different version of the Market Profile Matrix. The information on lines 0, 1, 2, and 3 of this page is similar to the information and lines 1.5, 2, 3, and 7, on page 1, respectively. The Company asserts that lines 0, 1, 2, and 3 of page 3 should be kept confidential for the same reasons that lines 1.5, 2, 3, and 7 on page 1 should be kept confidential.

Page 5

The Company requests that the amounts in Columns A-G on lines 1, 2, and 3 of this document be held confidential. The information in Columns A, B, D, and F for these lines is similar to the information contained on lines 2, 3, and 6 of page 1. The amounts on lines 1, 2, and 3 on page 5 should be held confidential for the same reasons as lines 2, 3, and 6 on page 1.

The material in Columns C, E, and G represent the change between the other columns on a percentage basis. The Company contends that, if disclosed, percentage change data of this sort would provide competitors with information about market growth for the markets reflected on lines 1, 2, and 3. The Company concludes that such material could be used by competitors in strategic and marketing decisions to the detriment of the Company, its business operations, and its customers.

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Pages 25-28

Pages 25-28 of the narrative following the Market Profile Matrix addresses the key-system market in Central Telephone-Florida's territory. The Company asserts that, if disclosed, this material would provide critical, no-cost information about the Company's results in this highly competitive, nonregulated market. The Company asserts that this material could be used by competitors in competitive pricing decisions and in deciding whether to enter this market. Since it would be difficult, if not impossible, to selectively redact the sensitive information from these pages, the Company requests that all of these pages be kept confidential.

Pages 29-31

Pages 29-31 of the narrative following the Market Profile Matrix address the PABX market in Centel-Florida's territory. The Company asserts that this material, if disclosed, would provide critical, no-cost information about the Company's results in this highly competitive, nonregulated market. The Company argues that this material could be used by competitors in making competitive pricing decisions and in deciding whether to enter this market. A specific customer targeted by Centel in this market is also identified. The Company argues that disclosure of this information would provide competitors with a confidential strategic plan, and thus, place the Company in an untenable competitive position. Since it would be difficult, if not impossible, to selectively redact the sensitive information from these pages, the Company requests that all of these pages be kept confidential.

Page 36

Page 36 of the narrative following the Market Profile Matrix addresses the Single Line Equipment Direct Sale market in Centel-Florida's territory. The Company asserts that, if disclosed, this material would provide critical, no-cost information about the Company's results in this highly competitive nonregulated market and that such information could be used by competitors in making competitive pricing decisions and in deciding whether to enter this market. Since it would be difficult, if not impossible, to selectively redact the sensitive information from these pages, the Company requests that all of these pages be kept confidential.

Page 40

Page 40 of the narrative following the Market Profile Matrix addresses the Single Line Inside Wire Maintenance market in Centel-Florida's territory. The Company asserts that this material, if disclosed, would provide critical, no-cost information regarding the Company's results in this competitive nonregulated market and that such information could be used by competitors in making competitive pricing decisions and in deciding whether to enter this market. Since it would be difficult, if not impossible, to selectively redact the sensitive information from these pages, the Company requests that all of these pages be kept confidential.

COMPANY DOCUMENT NO. 3 (OPC DOC. NO. 33)
CONSOLIDATED FINANCIALS

Document No. 3 consists of four accounting workpapers prepared by the General Accounting Department at Centel Corporation in conjunction with the preparation of Centel Corporation's financial statements and annual reports for the year ended December 31, 1989. These workpapers were prepared as part of the consolidation process, which process serves to combine the balance sheets and income statements of the individual Centel subsidiaries into the consolidated Centel Corporation financial statements. These consolidated financial statements are distributed publicly via the Centel Corporation annual report and certain reports filed with the Securities and Exchange Commission (e.g., Form 10K). With limited exceptions, the internal accounting information presented on these four schedules has not been disclosed to the public and is held strictly confidential by Centel Corporation. These four workpapers were given to Public Counsel and have been identified by Public Counsel as Document No. 33.

The Company objects to the disclosure of the detailed balance sheet and income statement information reflected in each row and column of each of these four worksheets, except insofar as such information has already been publicly disclosed. In many instances, the detailed financial information reflected on these schedules relates to the non-regulated and competitive operations of Centel Corporation and its subsidiaries. The Company asserts that most of the detailed information reflected on these schedules is unrelated or only remotely related to the issues in this proceeding.

The Company concludes that since, in many cases, similar information about Centel's Competitors is not available, Centel would be at a disadvantage in competitive matters such as marketing and pricing strategies.

Document 3a - MicroControl I/S Summary, Contin, Disco

This five-page document represents the consolidating workpapers for Centel Corporation's December 31, 1989, income statement.

Pages 2-4

D Lines 9, 10, and 11 represent the interest expense (line 9), income taxes (line 10) and income from continuing operations (line 11) for approximately 20 of Centel Corporation's subsidiaries or groups of subsidiaries. The amounts in lines 9, 10, and 11 equal the total consolidated interest expense, income tax expense, and income from continuing operations shown on column D on page 4. The Company acknowledges that some of the information contained in these lines may have been publicly disclosed (i.e., columns A, B, C, and on page 2), but seeks confidential classification of lines 9-11 for each column on pages 2, 3, and 4 to prevent the disclosure of the information contained in lines 9-11 in column E of page 2 as discussed below.

Column E on page 2 represents the income statement of the cellular segment of Centel Corporation's business. The cellular telephone industry is a highly competitive, non-regulated industry, and is one in which Centel Corporation actively participates. The market for purchasing cellular properties is particularly competitive.

Interest Expense

The dollar amount in line 9 of column E on page 2 reflects the interest expense allocated to Centel Cellular by its parent. This information has never been disclosed to the public, because a substantial portion of this dollar amount represents inter-Company interest expense which is eliminated in the consolidation process. This amount represents an internal allocation of cost and, if not properly understood by the reader, could be misleading.

The Company asserts that if the Commission grants confidential classification to line 9, column E on page 2 only, competitors would be able to compute the amount at line 9, column E on page 2. Accordingly, the Company requests that all of line 9 (columns A-J on page 2, columns A-J on page 3, and column A-D on page 4) be held confidential. The Company notes that very little of this information relates directly to Central Telephone-Florida.

Income Taxes

The data in line 10 of column E on page 2 reflects the dollar amount of income tax expense allocated to Centel Cellular by the parent. This information has not been disclosed to the public and represents an internal allocation of cost, which if not fully understood by the reader, could be misleading.

The Company asserts that if the Commission grants confidential classification to line 10, column E on page 2 only, competitors would be able to compute the amount at line 10, column E on page 2. Accordingly, the Company requests that all of line 10 (columns A-J on page 2, columns A-J on page 3, and columns A-D on page 4) be held confidential. The Company notes that very little of this information relates directly to Central Telephone-Florida.

Income From Continuing Operations

The dollar amount in line 11 of column E on page 2 reflects the income from continuing operations of Centel Corporation's cellular operations, and has never been disclosed to the public. The Company asserts that the amount in line 11 could be computed by subtracting the amounts in lines 9 and 10 from the amount on line 8. The amount of interest expense and income taxes allocated to Centel Cellular for internal purposes is confidential information. Since income before interest and taxes has been publicly disclosed, and since lines 9 and 10 could be computed using lines 8 and 11, the Company requests the Commission to keep line 11 confidential.

The Company further argues that if the Commission grants confidential classification to line 11, column E on page 2 only, competitors will be able to compute the amount at line 11, column E on page 2. Accordingly, the Company requests that all of line 11 (columns A-J on page 2, columns A-J on page 3, and columns A-D on page 4) be held confidential. The Company notes that very little of this information relates directly to Central Telephone-Florida.

Document 3b - Consolidated B/S - Liabilities

This eight-page document represents the consolidating workpapers for the liabilities and equities portion of Centel Corporation's December 31, 1989, balance sheet. The amounts in the columns on pages 1, 3, and 5, together with column A on page 7 equal the amount in column B on page 7. The amounts in the columns on pages 2, 4, and 6, together with column A on page 8 equal the amounts in column B on page 8.

Pages 3 and 4

The Company requests confidential classification for all amounts in all rows for column I on pages 3 and 4. The material for which confidential classification is requested on pages 3 and 4 reflects the detailed liability and equity components of the balance sheet of Centel Cellular for the year ended December 31, 1989. Centel Cellular participates in a non-regulated and highly competitive industry and the Company asserts that this detailed financial information is not relevant to the instant case. The Company argues that public disclosure of such information would serve no purpose and would allow potential competitors, such as McCaw Cellular Communications, an intervenor in this docket, to ascertain the financial specifics of Centel Cellular's operations. The Company concludes that the release of this information would be of direct benefit to the competitors of Centel Cellular in marketing competitive products and services.

Since the information discussed above could be computed if the remaining information on this schedule is disclosed, the Company requests that the remaining information on all eight pages of this document be held confidential, except insofar as such information has been publicly disclosed.

Document 3c - Consolidated B/S - Assets

This four-page document represents the consolidating workpapers for the asset portion of Centel Corporation's December 31, 1989, balance sheet. The amounts in the columns on pages 1, 2, and 3, together with column A on page 4 equal the amounts in column B on page 4.

Page 2

The Company requests confidential classification for all amounts shown in column I on page 2. The Company argues that disclosure of the details of the asset side of Centel Cellular's balance sheet should be prohibited for the same reason that the details of the liabilities and equity section of Centel Cellular's balance sheet should not be disclosed as discussed above.

Since the material discussed immediately above could be computed if the remaining information is disclosed, the Company requests that the remaining information on all four pages of this document be held confidential, except insofar as such information has been publicly disclosed.

Document 3d - Consolidated B/S - Eliminations

The elimination entries detailed on this document are held confidential and have not been publicly disclosed. The entries shown on this document interact with the ascending spread sheets on Documents 3a, 3b, and 3c, and the Company requests that they be kept confidential to protect the confidentiality of Documents 3a, 3b, and 3c, as discussed above.

COMPANY DOCUMENT NO. 4 (OPC DOC. NO. 2f)
MARKET PROFILE MATRIX

Document 4 is a one page document and is the first page of a nine page document labeled 2f by Public Counsel. Page 1 of Document 2 is an updated version of Document 4. The Company requests confidential classification for lines 1, 1.5, 2, 3, 4, 5, 6, and 7 of Document 4 for the same reasons it requested confidential classification for similar lines on page 1 of Document 2.

DISCUSSION

Central Telephone-Florida's request for specified confidential classification is well supported. With the exception discussed below, we find it appropriate to grant specified confidential classification to all of the material requested by the Company.

As the Company acknowledges, information contained in lines 8-11 for columns A-D on page 2 of document 3a may have been publicly

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disclosed. Thus, it is not appropriate to grant confidential classification for all columns of those lines. However, we agree that the data contained in Column E of lines 8-11 on page 2 should be classified as confidential and that such information could be "backed out" if at least one additional column of data is not held as confidential. To this end, we will grant confidential classification to only Column E, lines 8-11 on page 2 and Column D, lines 8-11 on page 4. The remainder of pages 2-4 of document 3a will not be granted specified confidential classification.

Therefore, based on the foregoing, it is

ORDERED by Chairman Michael McK. Wilson, as Prehearing Officer, that Central Telephone Company of Florida's Second Request For Specified Confidential Classification filed on September 25, 1990, is hereby granted in part and denied in part as set forth in the body of this Order.

By ORDER of Chairman Michael McK. Wilson, as Prehearing Officer, this 2nd day of NOVEMBER, 1990.



MICHAEL McK. WILSON, Chairman
and Prehearing Officer

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration from the full Commission within 14 days pursuant to Rule 25-22.006(3), Florida Administrative Code, for rulings on confidentiality issued by a Prehearing Officer; 2) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, for any rulings on issues other than confidentiality if issued by a Prehearing Officer; 3) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 4) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or sewer utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.