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December 2, 2008

VIA HAND DELIVERY

filed electronically in docket office on 12/02/08

Hon. Richard Collier, Hearing Officer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition for Regulatory Exemption Pursuant to T.C.A. § 65-5-108(b) to
Increase Regulatory Parity and Modernization*
Docket No. 08-00192

Dear Mr. Collier:

As you know, the parties agreed to submit agreed-upon or separate proposed protective orders to you today. Attached is a proposed protective order acceptable to all of the parties except for the Consumer Advocate Division ("CAPD").

As background, AT&T has provided to all counsel of record a proposed protective order identical to the protective order agreed-upon and entered in a telecommunications case, Docket No. 03-00526 (one of the TRO dockets). AT&T chose this order in an attempt to avoid delay because the order had been agreed to by both AT&T's predecessor, BellSouth, and the CAPD. Mr. Henry Walker, on behalf of CompSouth, suggested revisions Paragraphs 3, 9, and 16 of the proposed order. Those revisions have been incorporated in the attached document.

Mr. Timothy Phillips, on behalf of the CAPD, has suggested that the parties should instead adopt a version of the protective order from a case involving a provider of natural gas, the *Petition of Atmos Energy Corporation for Approval of Adjustment of its Rates and Revised Tariff*, Docket No. 08-00197. As you know, gas companies in Tennessee have protected monopoly status. As a result, the competitive issues faced by telecommunications carriers in protecting sensitive proprietary information from competitors are quite different from the issues facing a single source provider, such as Atmos. The two industries share very little in

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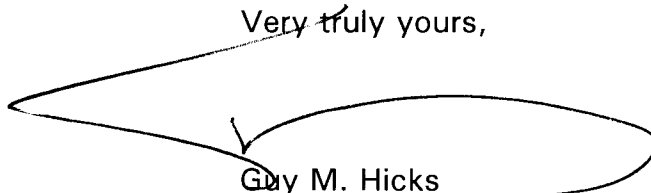
Hon. Richard Collier, Hearing Officer
December 2, 2008
Page 2

common – other than regulatory jurisdiction at the TRA. Atmos operates under rate of return regulation of its prices and serves as the only provider of natural gas to its customers, while AT&T operates under price regulation and must fight competitors for each and every customer.

AT&T objects to a number of provisions of this protective order, particularly the language in Paragraph 1 limiting CONFIDENTIAL INFORMATION to “trade secrets, confidential research, development or other sensitive information protected by state or federal law.” The TRA and its hearing officers have approved many protective orders that have not used this restrictive language. It is not surprising that Atmos, a natural gas company facing virtually no competition, would agree to a definition of CONFIDENTIAL INFORMATION different from that acceptable to AT&T, a company that faces vigorous competition on all fronts. AT&T cannot agree that this language would be sufficient to protect its information from its many competitors.

A copy of this letter and the attached proposed protective order have been provided to counsel of record.

Very truly yours,

A handwritten signature in black ink, appearing to read "Guy M. Hicks". The signature is stylized with a large, sweeping loop that extends to the left and then curves back to the right, ending under the name.

Guy M. Hicks

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: *Petition for Regulatory Exemption Pursuant to T.C.A. § 65-5-108(b) to Increase Regulatory Parity and Modernization*

Docket No. 08-00192

PROTECTIVE ORDER

To expedite the flow of filings, exhibits and other materials, and to facilitate the prompt resolution of disputes as to the confidentiality of such material, adequately protect material entitled to be kept confidential and to ensure that protection is afforded only to material so entitled; the Tennessee Regulatory Authority ("TRA") hereby orders that:

1. For the purpose of this Protective Order (the "Order"), proprietary or confidential information, hereinafter referred to as "CONFIDENTIAL INFORMATION" shall mean documents and information in whatever form which the producing party in good faith deems to contain or constitute trade secrets, confidential commercial information, confidential research, development, financial statements or other commercially sensitive information, and which has been so designated by the producing party. A "producing party" is defined as the party creating the confidential information as well as the party having actual physical possession of information produced pursuant to this Order. All summaries, notes, extracts, compilations or other direct or indirect reproduction from or of any protected materials, shall be entitled to protection under this Order, and shall be stored, protected and maintained

at the law offices of parties' counsel of record until such time that said material shall be returned, as provided for in paragraph 16. Documents containing CONFIDENTIAL INFORMATION shall be specifically marked as confidential on the cover. Any document so designated shall be handled in accordance with this Order. The provisions of any document containing CONFIDENTIAL INFORMATION may be challenged under Paragraph 11 of this Order.

2. Any individual or company subject to this Order, including producing parties or persons reviewing CONFIDENTIAL INFORMATION, shall act in good faith in discharging their obligations hereunder. Parties or nonparties subject to this Order shall include parties which are allowed by the TRA to intervene subsequent to the date of entry of this Protective Order.

3. Except as limited by Paragraph 22 of this Order, CONFIDENTIAL INFORMATION shall be used only for purposes of this proceeding and shall be disclosed only to the following persons:

- (a) counsel of record and, if actively engaged in assisting counsel of record in this and the designated related proceedings, in-house counsel for the parties in this proceeding and any legal support personnel (e.g., paralegals and clerical employees) acting at the direction of counsel;
- (b) other employees, officers, or directors of a party, who are not engaged in strategic or competitive decision making, including, but not limited to, the sale or marketing or pricing of any products or services on behalf of the receiving party;
- (c) TRA Directors and members of the staff of the TRA;
- (d) The Tennessee Attorney General and staff.

Under no circumstances shall any CONFIDENTIAL INFORMATION or copies therefore be disclosed to or discussed with anyone associated with the marketing of services in competition with the products, goods or services of the producing party. Counsel for the parties are expressly prohibited from disclosing CONFIDENTIAL INFORMATION produced by another party to their respective clients, or to any other person or entity that does not have a need to know for purpose of preparing for or participating in this proceeding. Whenever an individual, other than the persons described in Section 3 (a), (b), (c) and (d) above, is designated to have access, then notice (by sending a copy of the executed affidavit) must be given to adversary counsel prior to the access being given to that individual and that individual, prior to seeing the material, must execute an affidavit that the information will not be disclosed and will not be used other than in this proceeding.

4. Prior to disclosure of CONFIDENTIAL INFORMATION to any employee or associate counsel for a party, officer or director of the parties, including any counsel representing the party who is to receive the CONFIDENTIAL INFORMATION, counsel shall provide a copy of this Order to the recipient employee or associate counsel who shall be bound by the terms of this Order.

5. If any party or non-party subject to this Order inadvertently fails to designate documents as CONFIDENTIAL in accordance with the provisions of this Order when producing such documents, such failure shall not constitute a waiver of confidentiality; provided the party or non-party who has produced the document shall notify the recipient of the document in writing within five (5) days of discovery of

such inadvertent failure to designate the document as CONFIDENTIAL. At that time, the recipients will immediately treat the subject document as CONFIDENTIAL. An inadvertent failure to designate a document as CONFIDENTIAL shall not, in any way, affect the TRA's determination as to whether the document is entitled to CONFIDENTIAL status.

6. If any party or non-party subject to this Order inadvertently fails to designate documents as CONFIDENTIAL in accordance with the provisions of this Order when producing such documents and such failure is not discovered in time to provide five (5) day notification to the recipient of the confidential nature of the documents referenced in the paragraph above, the failure shall not constitute a waiver of confidentiality and a party by written motion or by oral motion at a Pre-Hearing Conference called for the purpose or at the Hearing on the merits may request designation of such documents as CONFIDENTIAL, and if the motion is granted by the Pre-Hearing Officer, Administrative Law Judge, or the Authority, the recipients shall immediately treat the subject documents as CONFIDENTIAL. The Tennessee Regulatory Authority, the Pre-Hearing Officer or Administrative Law Judge may also, at his or her discretion, either before or during the Pre-Hearing Conference or hearing on the merits of the case, allow information to be designated CONFIDENTIAL and treated as such in accordance with the terms of this Order.

7. Any papers filed in this proceeding that contain, quote, paraphrase, compile or otherwise disclose documents covered by the terms of this Order, or any information contained therein, shall be filed and maintained in the TRA Docket Room

in sealed envelopes marked CONFIDENTIAL and labeled to reflect the style of this proceeding, the docket number, the contents of the envelope sufficient to identify its subject matter, and this Protective Order. Such envelopes shall be maintained in a locked filing cabinet. The envelopes shall not be opened or their contents reviewed by anyone except upon order of the TRA, Pre-Hearing Officer, or Administrative Law Judge after due notice to counsel of record. Notwithstanding the foregoing, the Directors and the Staff of the TRA may review any paper filed as CONFIDENTIAL without obtaining an order of the TRA, Pre-Hearing Officer or Administrative Law Judge, provided the Directors and Staff maintain the confidentiality of the paper in accordance with the terms of this Order.

8. Documents, information and testimony designated as CONFIDENTIAL, in accordance with this Order, may be disclosed in testimony at the hearing of this proceeding and offered into evidence used in any hearing related to this action, subject to the Tennessee Rules of Evidence and to such future orders as the TRA, the Pre-Hearing Officer, or the Administrative Law Judge may enter. Any party intending to use documents, information, or testimony designated CONFIDENTIAL shall inform the producing party and the TRA, the Pre-Hearing Officer, or the Administrative Law Judge, prior to the hearing on the merits of the case, of the proposed use; and shall advise the TRA, the Pre-Hearing Officer, or the Administrative Law Judge, and the producing party before use of such information during cross-examination so that appropriate measures can be taken by the TRA, the Pre-Hearing Officer, or the

Administrative Law Judge, and/or requested by the producing party in order to protect the confidential nature of the information.

9. Except for documents filed in the TRA Docket Room, all documents covered by the terms of this Order that are disclosed to the requesting party shall be maintained separately in files marked CONFIDENTIAL and labeled with reference to this Order at the offices of the requesting party's counsel of record or, if actively engaged in assisting counsel of record in this and the designated related proceedings, in the offices of in-house counsel for the parties and returned to the producing party pursuant to Paragraph 16 of this Order.

10. Nothing herein shall be construed as preventing any party from continuing to use and disclose any information (a) that is in the public domain, or (b) that subsequently becomes part of the public domain through no act of such party, or (c) that is disclosed to it by a third party, where said disclosure does not itself violate any contractual or legal obligation, or (d) that is independently developed by a party, or (e) that is known or used by it prior to this proceeding. The burden of establishing the existence of (a) through (e) shall be upon the party attempting to use or disclose such information.

11. Any party may contest the designation of any document or information as CONFIDENTIAL by applying to the TRA, Pre-Hearing Officer, Administrative Law Judge or the courts, as appropriate, for a ruling that the documents information, or testimony should not be so treated. All documents, information and testimony designated as CONFIDENTIAL, however, shall be maintained as such until the TRA,

the Pre-Hearing Officer, the Administrative Law Judge, or a court orders otherwise. A Motion to contest must be filed not later than ten (10) days prior to the Hearing on the Merits. Any Reply from the Company seeking to protect the status of their CONFIDENTIAL INFORMATION must be received not later than five (5) days prior to the Hearing on the Merits and shall be presented to the Authority at the Hearing on the merits for a ruling.

12. Nothing in this Order shall prevent any party from asserting any objection to discovery other than an objection based upon grounds of confidentiality.

13. Non-party witnesses, including entities responding to subpoenas, data requests or other third party discovery propounded by parties or the TRA, shall be entitled to invoke the provisions of this Order by designating information disclosed or documents produced for use in this action as CONFIDENTIAL in which event the provisions of this Order shall govern the disclosure of information or documents provided by the non-party witness. A non-party witness' designation of information as confidential may be challenged under Paragraph 11 of this Order.

14. No person authorized under the terms herein to receive access to documents, information, or testimony designated as CONFIDENTIAL shall be granted access until such person has complied with the requirements set forth in paragraph 4 of this Order.

15. Any person to whom disclosure or inspection is made in violation of this Order shall be bound by the terms of this Order.

16. Upon an order becoming final in this proceeding or any appeals resulting from such an order, all the filings, exhibits and other materials and information designated CONFIDENTIAL and all copies thereof shall be returned by parties and nonparties who received CONFIDENTIAL INFORMATION to counsel for the party who produced (or originally created) the filings, exhibits and other materials, within fifteen (15) days of a written request from the producing party, or, upon request by counsel for the producing party, counsel in possession of such documents shall certify to counsel of the producing party that all of the filings, exhibits, and other materials designated as CONFIDENTIAL INFORMATION and all copies thereof have been destroyed. Subject to the requirements of Section 7 above, the TRA may retain copies of information designated as CONFIDENTIAL. Counsel who received the filings, exhibits and other materials shall certify to counsel for the producing party that all the filings, exhibits and other materials, plus all copies or extracts from the filings, exhibits and other materials and all copies of the extracts from the filings, exhibits and other materials thereof have been delivered to counsel for the producing party. Upon request, the Office of the Tennessee Attorney General shall notify the producing party of its intent to destroy, return or maintain as CONFIDENTIAL the filings, exhibits and other materials and all copies of the extracts from the filings, exhibits and other materials thereof.

17. After termination of this proceeding, the provisions of this Order relating to the secrecy and confidential nature of CONFIDENTIAL DOCUMENTS, information and testimony shall continue to be binding upon parties herein and their officers,

employers, employees, agents, and/or others for five years unless this Order is vacated or modified.

18. Nothing herein shall prevent entry of a subsequent order, upon an appropriate showing, requiring that any documents, information or testimony designated as CONFIDENTIAL shall receive protection other than that provided herein.

19. The Attorney General has authority to enter into non-disclosure agreements pursuant to T.C.A. § 65-4-118.

20. Nothing in this Order is intended to limit or expand the statutory authority of the Attorney General or the Consumer Advocate Division as expressed in T.C.A. § 10-7-504 title *Confidential Records* and T.C.A. § 65-4-118 titled *Consumer Advocate Division*.

21. The obligations of the Attorney General under this Order are further subject to all applicable federal and state laws, regulations and rules, provided however, the Attorney General shall not disclose CONFIDENTIAL INFORMATION unless required by federal or state law. In the event that the Attorney General is served with a subpoena, public records, Freedom of Information Act request, or other request that calls for the production of CONFIDENTIAL INFORMATION by the producing party, the Attorney General will notify the producing party by notifying the undersigned of the existence of the subpoena, public records request, FOIA request, or other request, at least ten (10) business days before responding to the request, as long as the Attorney General is able to respond to the request within a reasonable time. The Attorney General may elect to wait to produce such

information as allowed by state law in order to provide the producing party an opportunity to challenge said subpoena or request or to make arrangements to preserve the confidentiality of the CONFIDENTIAL INFORMATION that is subject to such request.

22. A primary purpose of this Protective Order is to allow the Attorney General, TRA and parties access to information that may be relevant in this proceeding. However, nothing in this Protective Order shall be construed to limit the powers of the Office of the Attorney General and Reporter to investigate or prosecute any matter through the use of the CONFIDENTIAL INFORMATION, which the Attorney General is otherwise empowered to investigate or prosecute.

23. All the filings, exhibits and other materials and information designated CONFIDENTIAL and all copies thereof received by the Office of the Tennessee Attorney General from the producing party shall be handled in accordance with T.C.A. §§ 10-7-508 and 10-7-509 and all other applicable state and federal laws.

24. Nothing in this Order is intended to restrict or alter federal or state laws, regulations or rules.

CERTIFICATE OF SERVICE

I hereby certify that on December 2, 2008, a copy of the foregoing document was served on the following, via the method indicated:

- ☐ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight
- ☒ Electronic

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- ☒ Electronic

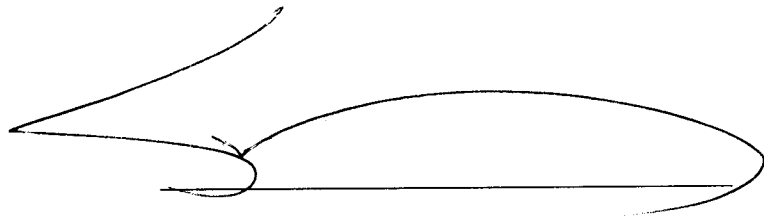
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A handwritten signature in black ink, appearing to read "Paul F. Rice", with a long horizontal flourish extending to the right.