

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LITEL TELE-)	
COMMUNICATIONS CORPORATION)	
FOR AUTHORITY TO GUARANTEE)	
\$135 MILLION IN SENIOR SECURED)	
NOTES ISSUED BY ITS PARENT,)	CASE NO. 89-308
LCI COMMUNICATIONS, INC. AND)	
FOR ADDITIONAL AUTHORITY CON-)	
TINGENT UPON LCI COMMUNICATIONS)	
INC.'S ACQUISITION OF PHOENIX)	
NETWORK CORPORATION)	

O R D E R

This matter arising upon petition of LCI Communications, Inc. ("LCI") and LiTel Telecommunications Corporation ("LiTel") filed December 7, 1989 pursuant to 807 KAR 5:001, Section 7, for confidential protection of a pro forma income statement and a balance sheet on the grounds that disclosure of the information would cause competitive injury, and it appearing to this Commission as follows:

As part of the application in these proceedings, LiTel and LCI have filed a pro forma income statement (amended Exhibit G-1) and a balance sheet (amended Exhibit G-2), which they petitioned be protected from public disclosure as confidential and proprietary. LiTel provides telecommunications services in 15 states outside this state and competes with long-distance carriers in each of its markets. At least 25 companies presently compete in whole or in part with LiTel, including American Telephone & Telegraph Company, US Sprint Communications Company, MCI Communications Company, Allnet, and Wiltell. These companies

compete not only for market share, but also in the acquisition of existing carriers. LCI and LiTel contend that to the extent that this information is made public, it will enable competitors to unfairly compete with them in pricing and offering of its services and in the acquisition of other providers of telecommunications services.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive injury to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is publicly disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

Although LiTel and LCI contend that disclosure of the information will provide its competitors with an unfair business advantage, they do not demonstrate how the information could be used to gain such an advantage. Therefore, the petition should be denied.

This Commission being otherwise sufficiently advised,

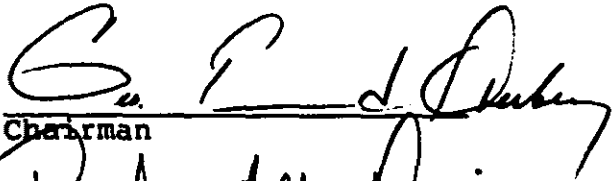
IT IS ORDERED that:

1. The petition for confidential protection of the pro forma income statement (amended Exhibit G-1), and the balance sheet (amended Exhibit G-2) filed as a part of the joint application by LiTel and LCI be and it is hereby denied.

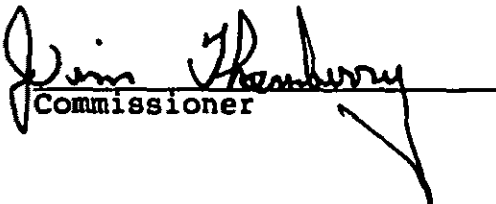
2. The information sought to be protected from disclosure shall be held as confidential and proprietary for a period of 5 working days from the date of this Order, at the expiration of which time it shall be placed in the public record.

Done at Frankfort, Kentucky, this 14th day of February, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director