

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION BY AT&T COMMUNICATIONS OF)
THE SOUTH CENTRAL STATES, INC. FOR)
ARBITRATION OF CERTAIN TERMS AND)
CONDITIONS OF A PROPOSED AGREEMENT) CASE NO. 96-478
WITH GTE SOUTH INCORPORATED)
CONCERNING INTERCONNECTION AND)
RESALE UNDER THE TELECOMMUNICATIONS)
ACT OF 1996)

O R D E R

This matter arising upon petition of AT&T Communications of the South Central States, Inc. ("AT&T"), filed October 11, 1996 and amended December 2, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of AT&T's Pricing Proposal on the grounds that disclosure of the information is likely to cause AT&T competitive injury, and it appearing to this Commission as follows:

The petition was originally filed in conjunction with AT&T's Petition for Arbitration of the rates GTE South Incorporated ("GTE") should be permitted to charge for use of its facilities by AT&T in providing local telephone service. The arbitration proceedings were requested pursuant to the provisions of the Telecommunications Act of 1996 recently enacted by Congress which allows telephone companies to offer competitive services in a local exchange market. The original petition was denied because it did not conform to the procedural requirements of the regulation. AT&T then filed its amendment to the petition.

The information sought to be protected is contained in AT&T's pricing proposal dated August 2, 1996 and consists of the prices, terms and conditions, including volume and term discounts, and underlying data used to calculate the rates and determine the terms and conditions by which AT&T proposes to provide local exchange service. The information also includes certain of the markets in, and dates on, which AT&T intends to offer local exchange service.

The information sought to be protected is not known outside of AT&T except pursuant to appropriate non-disclosure agreements, and is not disseminated within AT&T except to those employees who have a legitimate business need to know and act upon the information. AT&T seeks to preserve the confidentiality of the information through all appropriate means, including the maintenance of appropriate security at its offices.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). That subsection of the statute exempts several categories of information. One category exempted in paragraph (c)1 of that subsection is commercial information confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the party from whom the information was obtained. To qualify for the exemption, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

If publicly disclosed, the information sought to be protected would reveal the price structure, terms and conditions, including volume and term discounts, underlying data used

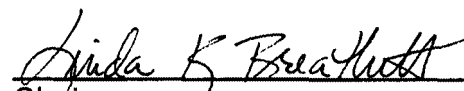
to determine volume and term discounts, and the markets in and dates on which AT&T intends to offer local exchange service. Disclosure of such information would provide AT&T competitors with an unfair business advantage in that it would assist them in devising market strategies in response to AT&T's entry into the local exchange market. Therefore, disclosure of the information is likely to cause AT&T competitive injury, and the information should be protected as confidential.

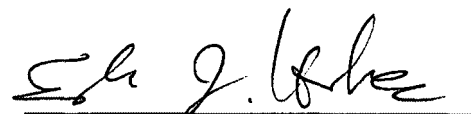
This Commission being otherwise sufficiently advised,

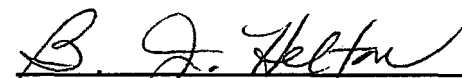
IT IS ORDERED that those provisions of AT&T's Pricing Proposal, which AT&T has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 23rd day of January, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director