

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.'S)
REQUEST FOR CONFIDENTIAL TREATMENT)
OF INFORMATION FILED IN SUPPORT OF ITS) CASE NO. 96-572
FRAME RELAY SERVICE CONTRACT WITH)
DEPARTMENT OF INFORMATION SYSTEMS)

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed November 27, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost support data developed in connection with BellSouth's special service arrangement contract with the Kentucky State Department of Information Systems ("DIS") for Frame Relay Service on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

BellSouth has contracted with DIS to provide a management report option associated with the customer's Frame Relay Service.

The information sought to be protected is not known outside BellSouth and is not disseminated within BellSouth except to those employees who have a legitimate business need to know and to act upon the information. BellSouth seeks to preserve and protect 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.

Frame Relay Service, as a packet data offering, competes with similar services offered by providers of competitive private line networks. These include providers of microwave service, digital radio and fiber networks. Disclosure of the information would allow such competitors to determine BellSouth's cost and contribution from the service which they could use in marketing their competing services to the detriment of BellSouth. Therefore, disclosure of the information is likely to cause BellSouth competitive injury and the information should be protected as confidential.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that the cost support data developed in connection with a special service arrangement contract with DIS for Frame Relay Service, which BellSouth 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 10th day of January, 1997.

PUBLIC SERVICE COMMISSION

Quida K. Breathitt
Chairman

Earl H. Owen
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director