

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION AND TARIFF FILING OF)
US SPRINT FOR PROVISION OF FTS) CASE NO. 89-170
2000 SERVICE)

O R D E R

On June 26, 1989, US Sprint ("Sprint") filed an application and proposed tariff with the Public Service Commission ("Commission") seeking approval for provision of Federal Telecommunications System 2000 service ("FTS 2000") pursuant to a contract with the United States General Services Administration ("GSA"). Sprint was awarded approximately 40 percent of the contract services. Sprint also requested a deviation from 807 KAR 5:011, Section 13, requiring that copies of special contracts be filed with the Commission, based on the premise that disclosure of the terms and conditions of the contract would be competitively harmful and is not needed to protect the public interest.

On August 14, 1989, South Central Bell Telephone Company ("SCB") filed a motion for intervention and investigation of Sprint's application for tariff approval. Sprint filed a response to SCB's motion on August 21, 1989.

The Commission, having reviewed the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. The FTS 2000 service is a special arrangement available only to agencies of the United States Government and will replace

the existing federal telecommunications system, beginning in October 1989.

2. The service will be primarily interstate under the jurisdiction of the Federal Communications Commission ("FCC"); however, some of the traffic will consist of intrastate telecommunications and may result in a small volume of intraLATA traffic.

3. Sprint is not authorized to carry intraLATA traffic in Kentucky; however, it has the capability and agrees to measure and report intraLATA usage, subject to any compensation the Commission may require to local exchange carriers.

4. Sprint has furnished the Commission an overview of the services to be provided, and the entire contract is available for inspection by the Commission upon request. The Commission will require Sprint to file that portion of the contract which relates specifically to Kentucky. The services are unique to the GSA, and the requested deviation from 807 KAR 5:011, Section 13, except as to the Kentucky-specific portion, should be granted.

5. Sprint did not state the reasons for its assertion that disclosure of the terms and conditions of the FTS 2000 contract would be competitively harmful or why disclosure is not needed to protect the public interest. With the filing of the Kentucky-specific portion of the contract, Sprint may request confidential treatment pursuant to 807 KAR 5:001, Section 7, stating with specificity the extent and manner of competitive harm which would result from public disclosure of the contract.

6. SCB should be granted intervention in that it appears to have a special interest in the proceeding which may not otherwise be adequately represented, and such intervention will likely present issues and develop facts that will assist the Commission in its consideration of the matter without unduly complicating or disrupting the proceedings.

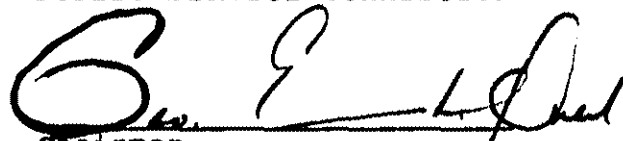
IT IS THEREFORE ORDERED that:

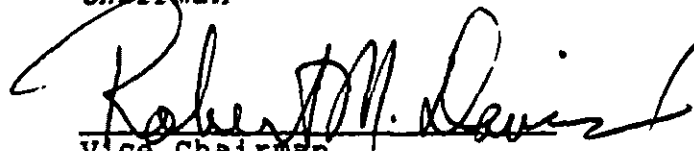
1. The requested deviation from 807 KAR 5:011, Section 13, is granted at this time, except the Kentucky-specific portion which shall be filed within 20 days of the date of this Order. However, the entire contract, in lieu of being filed, shall be made available for inspection by the Commission or its employees and may be required to be filed at a later date.

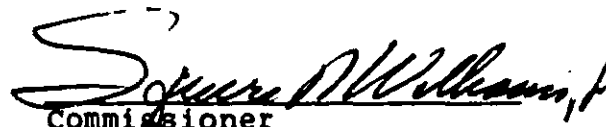
2. SCB's motion to intervene is hereby granted.

Done at Frankfort, Kentucky, this 24th day of August, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director