

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT FILING OF LCI)	
COMMUNICATIONS, INC. AND)	
PHOENIX NETWORK CORPORATION)	
FOR AUTHORIZATION FOR THE)	
ACQUISITION OF PHOENIX)	
NETWORK CORPORATION BY LCI)	CASE NO. 89-292
COMMUNICATIONS, INC. AND)	
SUBSEQUENT CONSOLIDATION OF)	
PHOENIX NETWORK CORPORATION,)	
CHARTER MANAGEMENT INCOR-)	
PORATED, AND CHARTER NETWORK)	
COMPANY LP)	

O R D E R

This matter arising upon petition of LCI Communications Inc. ("LCI") filed October 3, 1989 and supplemented October 16, 1989, pursuant to 807 KAR 5:001, Section 7, for confidential protection of its pro forma financial statements, its consolidated balance sheet, and its income statement, on the grounds that public disclosure is likely to result in substantial competitive injury, and it appearing to this Commission as follows:

LCI has filed with the Commission a joint application seeking approval of the acquisition of Phoenix Network Corporation and a post-acquisition consolidation. As part of the joint application, LCI has submitted a pro forma financial statement consisting of a pro forma combined income statement for the six months ended June 30, 1989, and a pro forma combined balance sheet dated June 30, 1989 (Confidential Exhibit 4), a consolidated balance sheet for

LCI dated August 31, 1989 (Confidential Exhibit 5), and an income statement for LCI for the eight months ended August 31, 1989 (Confidential Exhibit 6).

LCI and the companies it seeks to acquire provide long distance telecommunications services in several markets. Competition in these markets is fierce and is marked by the twin trends of consolidation through acquisition and the entry of new providers. The financial information contained in the documents sought to be protected demonstrates the basis of LCI's ability to expand its services, acquire other carriers, and meet pricing challenges from its competitors. To the extent this information is made public, it would enable competitors to unfairly compete with LCI in offering new services and in acquiring other providers of telecommunication services. Thus, public disclosure is likely to cause LCI substantial competitive injury.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure will result in competitive injury to the party from whom the information is obtained. To qualify for protection, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Since public disclosure of this information is likely to give an unfair advantage to competitors of LCI, the petition should be granted.

This Commission being otherwise sufficiently advised,


IT IS ORDERED that:

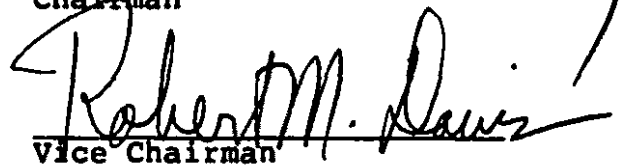
1. The pro forma financial statements, the consolidated balance sheets, and the income statements, which LCI has petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

2. LCI shall, within 10 days of this Order, file an edited copy of the documents with the confidential material obscured for inclusion in the public record, with copies to all parties of record.

Done at Frankfort, Kentucky, this 8th day of December, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director