

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF SOUTH CENTRAL BELL)	
TELEPHONE COMPANY FOR CONFIDENTIAL)	
TREATMENT OF INFORMATION FILED IN)	CASE NO.
SUPPORT OF ITS DIGITAL ESSX)	91-319
CONTRACT ARRANGEMENT WITH KENTUCKY)	
STATE GOVERNMENT)	

O R D E R

This matter arising upon petition of South Central Bell Telephone Company ("South Central Bell") filed August 9, 1991 pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost support data and market analysis developed in connection with a Digital ESSX Contract Arrangement with Kentucky State Government on the grounds that disclosure of the information is likely to cause South Central Bell competitive injury, and it appearing to this Commission as follows:

South Central Bell contracted with Kentucky State Government to provide Digital ESSX service over a seven-year period. The contract will replace an existing contract which has been in place since 1985. The contract includes a uniform rate for all lines served across the state and is based on office specific costs and forecasted growth in lines over the seven-year contract period. The information sought to be protected consists of the cost information and a market analysis filed in support of the application.

The information sought to be protected is not known outside of South Central Bell and is not disseminated within South Central Bell except to those employees who have a legitimate business need to know and act upon the information. South Central Bell seeks to preserve the confidentiality of the information through all appropriate means, including the maintenance of appropriate security at its offices.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm 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 disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

South Central Bell's competitors for ESSX service are providers of PBX equipment. Disclosure of the cost information sought to be protected would allow providers of PBX equipment to determine South Central Bell's costs and contribution from ESSX service. Disclosure of the market information would provide competitors with an analysis of the market and also allow competitors to evaluate the cost of other services such as Synchronet, Switched Data, and other ESSX features which competitors could use to market their competing services to the detriment of South Central Bell. Therefore, disclosure of the

information is likely to cause South Central Bell competitive injury and the information should be protected as confidential.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that the cost support data and market analysis developed by South Central Bell in connection with its Digital ESSX Contract Arrangement with Kentucky State Government, which South Central 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.

Done at Frankfort, Kentucky, this 18th day of September, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director