

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BELLSOUTH TELECOM-)
MUNICATIONS, INC., D/B/A SOUTH CENTRAL) CASE NO. 94-121
BELL TELEPHONE COMPANY TO MODIFY ITS)
METHOD OF REGULATION)

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed July 18, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the price-out information filed in conjunction with BellSouth's first annual filing under the price regulation plan on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

As part of its annual filing under the price regulation plan, BellSouth has at the request of the Commission, filed price-out information. This information contains the demand quantities for all BellSouth's Universal Systems of Accounts in Kentucky and BellSouth seeks to protect this information as confidential on the grounds that its disclosure is likely to cause BellSouth competitive injury.

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

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.

BellSouth faces competition in all of its markets. Competitors include, among others, interexchange service carriers, competitive access providers and fiber network providers. Disclosure of the price-out information would allow such competitors to explore BellSouth's entire market demand for its services and to use that information to devise strategies to capture specific markets and package services based on BellSouth's demand information. Therefore, disclosure of the price-out information is likely to cause competitive injury and the information should be protected as confidential.

Included within the information sought to be protected are BellSouth's current and prospective tariffed rates for the services included in the price-out information. KRS 278.160 requires tariffs to be maintained as a public record; therefore, the current tariffs provided in the price-out are subject to public inspection at the company or at this Commission. Thus, it would create an undo burden upon BellSouth to require the company

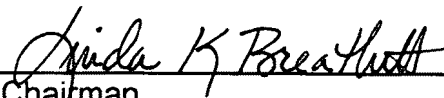
to file an edited company of the price-out which obscures only the information entitled to be protected.

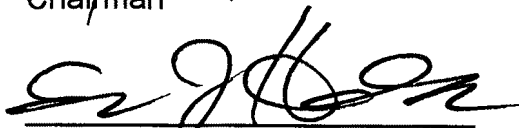
This Commission being otherwise sufficiently advised,

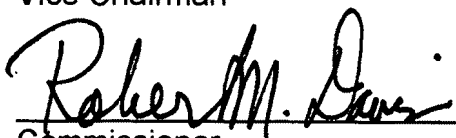
IT IS ORDERED that the price-out filed as part of BellSouth's price regulation plan, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 28th day of August, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director