

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS,)
INC.'S REQUEST FOR CONFIDENTIAL)
TREATMENT OF ITS DEMAND REVENUE) CASE NO. 96-555
INFORMATION FILED WITH THE TARIFF)
FILING FOR OPERATOR SERVICES)
SURCHARGE)

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed November 15, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the financial analysis developed in connection with BellSouth's tariff for operator services surcharge 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 filed revisions to its general subscriber tariff which increase/reduce the existing operator surcharge rate within the parameters established by the price regulation plan and introduces a new rate element called the partially automated surcharge. In support of the revisions, BellSouth has submitted a financial analysis which details the revenue impact of the revisions and contains information which BellSouth seeks to protect as confidential.

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.

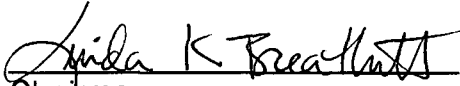
BellSouth's current competitors, including AT&T and other operator services providers, have publicly announced their intention to enter the local exchange market. Additionally, several potential competitors have likewise indicated their intention to enter the local exchange market. These competitors could use the local and toll operator demand information, contained in the financial analysis and sought to be protected here, to develop competitive business strategies, networks and operations, to design their service offerings, and to develop marketing plans for these services. 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,

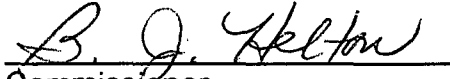
IT IS ORDERED that the financial analysis information filed in support of the proposed tariff revisions, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 20th day of December, 1996.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director