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*Via Hand Delivery*

January 8, 2009

Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

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PUBLIC SERVICE  
COMMISSION

Re: Notification Regarding Merger Of Embarq Corporation And CenturyTel, Inc.

Dear Mr. Derouen:

Our firm represents Embarq Corporation (“Embarq”) in connection with a merger between Embarq and CenturyTel, Inc. (“CenturyTel”). Embarq Communications, Inc. (“ECI”), which is a wholly-owned subsidiary of Embarq, is authorized to offer resold intrastate interexchange telecommunications services in Kentucky.<sup>1</sup> Embarq Payphone Services, Inc., (“EPSI”), which is also a wholly-owned subsidiary of Embarq, is authorized to provide Customer-Owned Coin-Operated Telephones (“COCOT”) in Kentucky.<sup>2</sup> CenturyTel provides telecommunications services in Kentucky through CenturyTel Fiber Company II, LLC and CenturyTel Long Distance LLC.<sup>3</sup> Neither Embarq nor CenturyTel has ILEC operations in Kentucky. The purpose of this letter is to provide the Public Service Commission (the “Commission”) with notification of the planned transaction.

The Transaction: The transaction involves a merger of entities at the parent company level. Under the terms of the merger agreement, Embarq and a wholly-owned subsidiary of CenturyTel will merge, with Embarq being the surviving corporation. Embarq then becomes a wholly-owned subsidiary of CenturyTel. The Embarq Kentucky operating entities will continue to provide telecommunications services. The transaction will not affect the rates, terms or

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<sup>1</sup> See Utility ID No. 5173500.

<sup>2</sup> See Utility ID No. 5607800.

<sup>3</sup> See Utility ID No. 5055110 and Utility ID No. 5144600, respectively.

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conditions under which the Embarq operating entities provide service in Kentucky.<sup>4</sup> Neither ECI nor EPSI have any tariffs in Kentucky.<sup>5</sup> There will be no transfer or pledge of Embarq's Kentucky assets or that of its operating entities in Kentucky in connection with the transaction. The transaction is not expected to affect the day-to-day operations of the Embarq operating entities. In sum, this transaction will be transparent to and have no impact on Embarq customers in Kentucky.<sup>6</sup>

Report of Transaction: Because the merger consists solely of the transfer of control of a long distance reseller and a COCOT operator, the Commission's prior approval of the transaction is not required under Kentucky law.<sup>7</sup> Pursuant to the Commission precedent, it has been long established that non-ILEC providers may transfer assets, including a transfer of control, without prior Commission approval, and that only notice of the transaction is required.<sup>8</sup> This letter is respectfully submitted by Embarq in connection with any requirement to provide notice of the pending transaction and to ensure the continuing accuracy of the Commission's records. The parties presently contemplate that the transaction will close, subject to any necessary regulatory and shareholder approvals, early in the second quarter of 2009.

Embarq respectfully requests that the Commission acknowledge receipt of this letter by providing me with a file-stamped copy of it.

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<sup>4</sup> In view of the current rapidly changing communications market, any service providers, including ECI and EPSI, must constantly review their pricing strategy and product mix to respond appropriately to marketplace demands. Although rates, terms and conditions will be the same immediately after the merger as they were immediately pre-merger, prices and product mixes necessarily will change over time as customer demand, technology, and business demands dictate. Obviously, either ECI or EPSI would make any such changes only in compliance with all applicable legal requirements.

<sup>5</sup> See ECI's August 29, 2007 letter to the Commission.

<sup>6</sup> ECI has less than 50 customers in Kentucky, presently. EPSI has payphones in 27 locations for about four customers in Kentucky.

<sup>7</sup> The Commission has exempted acquisitions of "[interexchange carriers ("IXCs")), long-distance resellers, and operator service providers," as well as "CLECs" and "wireless carriers," from any approval requirements of KRS Chapter 278. See Order at 5-6, *Exemptions for Interexchange Carriers, Long-Distance Resellers, Operator Service Providers and Customer-Owned, Coin-Operated Telephones*, Administrative Case No. 359, 1996 Ky. PUC LEXIS 77 (June 21, 1996); Order at 2-3, *Exemptions for Providers of Local Exchange Service Other than Incumbent Local Exchange Carriers*, Administrative Case No. 370, 1998 Ky. PUC LEXIS 319 (Jan. 8, 1998). These utilities need only provide the Commission with a letter describing the transaction. *Id.* at 2.

<sup>8</sup> *Id.*

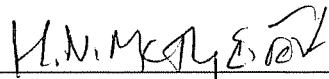
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Please feel free to contact the undersigned if you have any questions regarding this letter or require additional information concerning the transaction. Thank you for your consideration.

Respectfully submitted,

EMBARQ CORPORATION

By:   
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Holland N. McTyeire, V  
Its Attorney

HNM/jh  
cc: J.E.B. Pinney

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