

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-3997
Embarq Corporation, Overland)
Park, Kansas, and CenturyTel,)
Inc., Monroe, Louisiana, seeking)
approval of transfer of control) GRANTED
of United Telephone Company of)
the West d/b/a Embarq and Embarq)
Communications, Inc.) Entered: February 24, 2009

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

By Application filed December 11, 2008, Embarq Corporation, of Overland Park, Kansas, and CenturyTel, Inc. (CenturyTel), Monroe, Louisiana, jointly seek approval of a transfer of control of United Telephone Company of the West d/b/a Embarq and Embarq Communications, Inc. Notice of the application appeared in the Daily Record, Omaha, Nebraska on December 12, 2008. On January 12, 2009, a timely petition seeking formal intervention was filed by Level 3 Communications LLC. On January 15, 2009, Level 3 Communications LLC filed a motion to withdraw its petition of formal intervention. No other protests or petitions seeking intervention have been filed.

A public hearing on the application was held on February 10, 2009, in Lincoln, Nebraska. Mr. William E. Hendricks appeared on behalf of Embarq through local counsel Deonne Bruning. Ms. Cathy Clucas testified on behalf of Embarq.

Identification of the Parties:

Embarq Corporation is a publicly traded holding company with incumbent local exchange operations in 18 states including United Telephone Company of the West d/b/a Embarq (UTW) in Nebraska. In Nebraska, Embarq provides local and long distance service through its operating subsidiaries, UTW and Embarq Communications, Inc. (ECI).

CenturyTel is a publicly traded holding company with its own incumbent local exchange operating company subsidiaries in 25 states. CenturyTel has one non-ILEC operating company certificated in Nebraska: CenturyTel Fiber Company II, d/b/a/LightCore (LightCore) is certificated as a CLEC and an IXC.

Description of the Transaction:

Under the terms of the transaction Embarq will become a direct wholly owned subsidiary of CenturyTel. The terms of the Merger Agreement provide that Embarq's subsidiaries that operate in Nebraska will remain direct wholly owned subsidiaries of Embarq; however, Embarq Corporation will be 100 percent owned by CenturyTel. Therefore, indirect control of UTW and ECI will effectively transfer to CenturyTel, Inc. Following completion of the transaction, LightCore will remain a subsidiary of CenturyTel, Inc.

In support of the application, the joint applicants state the transaction will provide benefits to consumers of the combined company without any countervailing harms. It combines two leading communication companies with strong customer-centric histories. Like Embarq, CenturyTel serves customers in predominantly rural service areas and smaller markets.

The joint applicants further state the transaction will offer the financial strength and flexibility for the operating subsidiaries of the post-transaction CenturyTel to continue providing service and enhanced offerings to customers.

The application, supported by Ms. Clucas at the hearing, provides that following the transaction end user customers will continue to receive service from the same local operating company and at the same rates, terms and conditions. Likewise, the terms and prices for existing wholesale services will be unchanged as a result of this transaction.

Based on the application and the testimony provided at the hearing, the Commission is of the opinion and finds that approval of the proposed transaction would serve the public interest. Accordingly, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned application shall be and it is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of February, 2009.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


Chairman

ATTEST:


Executive Director

//s// Frank E. Landis

