

January 14, 2009

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
Capitol Building, 1st Floor  
500 E. Capitol Avenue  
Pierre, SD 57501-5070

Re: Notification of Embarq Communications, Inc. Regarding Merger of Embarq Corporation and CenturyTel, Inc.

Dear Ms. Van Gerpen:

Our firm represents Embarq Communications, Inc. in connection with a merger between Embarq Corporation (“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 South Dakota.<sup>1</sup> CenturyTel does not provide telecommunications service in South Dakota. The purpose of this letter is to provide the Public Service Commission (“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. ECI will continue to provide telecommunications services. There will be no change in the Commission’s regulatory authority over ECI. The transaction will not affect the rates, terms or conditions under which ECI provides service in South Dakota.<sup>2</sup> There will be no change in the tariffs associated with this parent company transaction. No transfer of assets or of certificates of service authority will occur as part of this transaction. Nor will there be any sale or transfer of any telecommunications exchange as a result of the

<sup>1</sup> TC06-080, dated October 31, 2006. Embarq Payphone Services, Inc. (“EPSI”) is also a wholly-owned subsidiary of Embarq Corp. EPSI is currently a certified payphone provider in South Dakota. EPSI, however, no longer operates any payphones in South Dakota and has no plans to do so in the future. EPSI will have its certificate in South Dakota surrendered.

<sup>2</sup> In view of the current rapidly changing communications market, any service provider, including ECI, must constantly review its 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, ECI would make any such changes only in compliance with all applicable legal requirements.

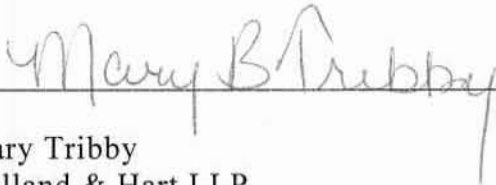
merger. The transaction is not expected to affect the day-to-day operations of ECI. In sum, this transaction will be transparent to and have no impact on ECI customers in South Dakota.

Report of Transaction: Based on the structure of this merger, which is between holding companies rather than public utilities and does not involve the actual sale of any exchanges or transfer of any certificates, Embarq and CenturyTel do not believe that the merger requires Commission approval under South Dakota law. 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.

Please do not hesitate to contact us if you have any questions regarding this transaction. The merger should result in benefits across the country, and we look forward to its completion at the earliest possible time.

Respectfully submitted,

EMBARQ COMMUNICATIONS, INC.

  
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Mary Tribby  
Holland & Hart LLP  
555 17th Street  
Suite 3200  
Denver, Colorado 80202-3979  
Telephone: (303) 295-8461  
Facsimile: (303) 672-6509  
E-mail: MBTribby@hollandhart.com