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November 21, 2008

VIA HAND DELIVERY

Chairman Tre Hargett
c/o Ms. Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

**Re: Joint Application of Embarq Corporation, Embarq's Certificated Tennessee
Subsidiaries and CenturyTel, Inc. Regarding Transfers of Control**
Docket No. 08-00219

Dear Chairman Hargett:

Enclosed please find an original and seven (7) copies of the Joint Application of Embarq Corporation and CenturyTel, Inc. Regarding Transfers of Control. This document also has been filed by way of email sent today to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

I enclose a check for the filing fee in the amount of \$25.00 payable to the Tennessee Regulatory Authority.

Please stamp three (3) copies of this Joint Application as "filed" and return them to me by way of our courier.

Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

RDG/smb

Enclosures

Chairman Tre Hargett
November 21, 2008
Page 2

cc: Hon. Sara Kyle (*w/o enclosure*)
Hon. Mary Freeman (*w/o enclosure*)
Hon. Eddie Roberson, Ph.D. (*w/o enclosure*)
Edward Phillips, Esq.
Ms. Laura A. Sykora
Mr. William C. Hanchey, Jr

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

In re:

**Joint Application of Embarq
Corporation and CenturyTel, Inc.
Regarding Transfers of Control of
United Telephone Southeast LLC
d/b/a Embarq, Embarq
Communications, Inc. and Embarq
Payphone Services, Inc.**

Docket No.

**JOINT APPLICATION OF EMBARQ CORPORATION,
EMBARQ'S CERTIFICATED TENNESSEE SUBSIDIARIES AND
CENTURYTEL, INC. REGARDING TRANSFERS OF CONTROL**

Embarq Corporation ("Embarq"), and the Embarq subsidiaries certificated to provide telecommunications services in the State of Tennessee and CenturyTel, Inc. ("CenturyTel") (jointly, the "Applicants"), respectfully request the Tennessee Regulatory Authority ("Authority") pursuant to Tenn. Code Ann. §§ 65-4-112 and 65-4-113 to approve the transfer of control of Embarq and, indirectly, its Tennessee operating subsidiaries, including United Telephone Southeast LLC d/b/a Embarq ("UTSE"), Embarq Communications, Inc. ("ECI") and Embarq Payphone Services, Inc. ("EPSI") to CenturyTel (the "Transaction"). CenturyTel's Tennessee operating subsidiaries are CenturyTel Solutions, LLC, CenturyTel Acquisition d/b/a KMC Telecom III, LLC, CenturyTel of Claiborne, Inc., CenturyTel of Adamsville, Inc. and CenturyTel of Ooltewah-Collegedale, Inc. CenturyTel's Tennessee operating subsidiaries will not be affected by this transaction.

In Tennessee, Embarq offers local exchange, high-speed data and video services through UTSE, resold long distance service through ECI and payphone services through EPSI. CenturyTel provides local exchange service, competitive local exchange service, long distance service, high-speed data and payphone services in Tennessee through its operating subsidiaries set forth above. This transaction only contemplates a change of control at the parent company level for Embarq. In addition, the Applicants will seek approval of any subsequent name changes in Tennessee at the appropriate time and any other related transactions or other such relief as may be necessary or appropriate to fully consummate the Transaction. Finally, the Applicants respectfully request that the Authority approve this Joint Filing in an expedited timeframe to allow the Applicants to timely consummate the Transaction no later than second quarter 2009.

I. INTRODUCTION

1. Embarq, CenturyTel, and Cajun Acquisition Company (“CAC”) entered into an Agreement and Plan of Merger (“Merger Agreement”) as of October 26, 2008.¹ Embarq is a publicly traded holding company with incumbent local exchange operations in 18 states, including UTSE operating in Tennessee. CenturyTel is a publicly traded holding company with its own incumbent local exchange operating company subsidiaries in 25 states, including CenturyTel Solutions, LLC, CenturyTel of Claiborne, Inc., CenturyTel of Adamsville, Inc. and CenturyTel of Ooltewah-Collegedale, Inc. in Tennessee (the “CenturyTel Tennessee Subsidiaries”). CAC is a direct wholly-owned subsidiary of CenturyTel created to effectuate this Transaction. Under the terms of the Transaction, Embarq and CAC will merge with Embarq

¹ The Merger Agreement can be accessed at the following link:
<http://ccbn.10kwizard.com/cgi/convert/pdf/CENTURYTELINC8K.pdf?pdf=1&repo=tenk&ipage=5947105&num=-2&pdf=1&xml=1&cik=18926&odef=8&rid=12&quest=1&xbrl=0&dn=2&dn=3>

being the surviving corporation and CAC ceasing to exist.² The Transaction will be accomplished through a stock-for-stock transaction. CenturyTel expects to refinance Embarq's bank debt at closing, but no incremental debt will be incurred as a result of the Transaction.

2. 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 Tennessee operating subsidiaries will remain subsidiaries of Embarq; however, a transfer of control of Embarq will occur.

3. In connection with this Transaction, the Applicants respectfully request that the Authority approve the ultimate parent level transfer of control of UTSE, ECI and EPSI to CenturyTel.

4. As explained in detail below, the Transaction is in the public interest and is in full compliance with applicable law. The Transaction contemplates a parent-level transfer of control. UTSE, ECI and EPSI will continue as the certificated carriers in Tennessee and will continue to have the requisite managerial, technical and financial capability to provide services to its customers. Immediately upon the completion of the Transaction, end user customers will continue to receive service from the same local operating company and at the same rates, terms and conditions as immediately prior to the Transaction; as such, the Transaction will be transparent to the customers. Any subsequent service or price changes will be made in accordance with all applicable rules and laws.³

² Embarq will be the surviving corporation but will adopt the By-Laws and Certificate of Incorporation of CAC.

³ In view of the current rapidly changing communications market, any provider, including post-Transaction CenturyTel, must constantly review its pricing strategy and product mix to respond appropriately to marketplace demands. While rates, terms and conditions will be the same immediately after the Transaction as immediately before the Transaction, prices and product mixes necessarily will change over time as marketplace, technology, and business demands dictate. The affected entities will make such changes only following full compliance with all applicable rules and laws.

6. Moreover, the Transaction combines two leading communications companies with customer-focused, industry-leading capabilities, each of whom has deep roots serving rural markets in Tennessee. It will provide the combined entity with greater financial and operational resources to capitalize on marketplace opportunities, diversify revenues, and expand networks, expertise and financial resources to build long-term value for customers and shareholders.

7. The communications industry has changed dramatically in the last several years, and the industry continues to experience change at a frenetic pace. Competition, and particularly intermodal competition, is widespread with wireless and wireline carriers competing daily for customers. Local wireline carriers face increasing competition from other providers of voice services and from cable operators providing voice, video and data offerings. As a result of this robustly competitive market environment and the rapidly changing fundamentals of the wireline business, carriers such as Embarq and CenturyTel must adapt to compete more effectively. Wireline businesses will require greater strategic flexibility to bring new products and expanded services to the marketplace more quickly and to enhance customer service. These evolving market dynamics place unique pressures on companies such as Embarq and CenturyTel, whose operating subsidiaries predominantly serve smaller, rural service areas. The economies of scale and efficiencies produced by this combination will allow the combined company to better focus on delivering new products and services to their customers in their predominantly rural service areas.

II. THE PARTIES

8. Embarq is a publicly traded Delaware corporation headquartered at 5454 West 110th Street, Overland Park, Kansas, 66211. Embarq subsidiaries offer a complete suite of communications services to residential consumers and businesses, including local, long distance,

high speed data, wireless and video services. Embarq has incumbent local exchange carrier (“ILEC”) operations in 18 states and is in the Fortune 500’s list of America’s largest corporations. As of December 31, 2007, Embarq’s total operations served approximately 6.5 million local access lines in those 18 states.

9. UTSE is a Virginia Corporation and a first tier wholly-owned subsidiary of Embarq with its headquarters in Overland Park, Kansas. UTSE was certificated by the Authority’s predecessor, the Tennessee Public Service Commission, in Docket No. U-4887 on April 25, 1966. UTSE provides services in seven East Tennessee counties.⁴ As of December 31, 2007, UTSE served approximately 190,000 total access lines in Tennessee. As a result of this Transaction, the ultimate parent company of UTSE will change from Embarq to CenturyTel. However, the Transaction will not result in any transfer of certificates, assets, or facilities in Tennessee.

10. ECI is a Delaware Corporation and is a wholly-owned subsidiary of Embarq. ECI was granted certification by the Authority to provide operator services and resold interexchange long distance services in Tennessee on October 28, 2005 in Docket No. 05-00229. EPSI is a Florida corporation authorized by the Authority to provide payphone telephone services in Tennessee pursuant to the Authority’s Order in Docket No. 98-00490, issued on August 18, 1998. As a result of this Transaction, the ultimate parent company of ECI and of EPSI will change from Embarq to CenturyTel. However, the Transaction will not result in any transfer of certificates, assets, or facilities in Tennessee..

11. CenturyTel, Inc. is a Louisiana corporation, headquartered at 100 CenturyTel Drive, Monroe, Louisiana 71211-4065. Included in the S&P 500 Index, CenturyTel, Inc. is a

⁴ Specifically, UTSE provides service in Carter, Greene, Hawkins, Johnson, Sullivan, Unicoi and Washington counties.

leading provider of communications, high-speed Internet and entertainment services in small-to-mid-size cities through its broadband and fiber transport networks. As of December 31, 2007, CenturyTel, Inc.'s ILEC operations served approximately 2.1 million local access lines in 25 states.

12. CenturyTel's Tennessee operating subsidiaries are certificated to provide service in Tennessee and control of these entities will not be affected by the proposed Transaction. Likewise, the Transaction will not change how CenturyTel's Tennessee operating subsidiaries are regulated immediately following the closing.

13. CAC, a Delaware corporation, is a newly formed wholly-owned subsidiary of CenturyTel, Inc. Under the merger agreement, Embarq will merge with CAC, with Embarq being the surviving corporation as a first tier subsidiary of CenturyTel. The Embarq operating subsidiaries in Tennessee will be wholly-owned subsidiaries of Embarq and indirect subsidiaries of CenturyTel.

14. Communications and correspondence for the proceeding herein should be sent to the following individuals:

FOR EMBARQ:

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William.Hanchey@CenturyTel.com

III. STANDARD OF REVIEW

15. Tenn. Code Ann. §§ 65-4-112 and 65-4-113 grant the Authority the ability to approve mergers, consolidation of utility property or franchises as well as transfers of authority to provide utility services in Tennessee. In approving this Transaction, the Authority must consider whether CenturyTel as the transferee is suitable and financially capable to provide the utility services being transferred and whether CenturyTel can provide such service in an efficient manner to the benefit of the consuming public. The transfer of parent-level control of UTSE, ECI and ESPI satisfies all of the applicable criteria. As indirect subsidiaries of CenturyTel post-transaction, UTSE, ECI and ESPI will maintain the capability to provide high quality

telecommunications services and to introduce advanced services. Similarly, the CenturyTel Tennessee Subsidiaries will continue to provide high quality telecommunications services post-transaction. The transfer is in the public interest for the reasons set forth herein.

IV. THE TRANSACTION AND NEW CORPORATE STRUCTURE

16. The pre- and post-merger corporate structure of Embarq and CenturyTel is illustrated on Exhibit A attached to this Application. In order to effectuate the merger, CenturyTel, Inc. formed a new direct, wholly-owned subsidiary, CAC. Embarq and CAC will merge. Post-merger, Embarq's Tennessee operating subsidiaries, including UTSE, ECI and EPSI will be wholly-owned subsidiaries of Embarq, and Embarq will be a wholly-owned subsidiary of CenturyTel. The certificated entities, including UTSE, ECI and EPSI will continue to exist in their current form after the merger is completed and will not change. Likewise, the existing CenturyTel Tennessee operating subsidiaries of CenturyTel, Inc. will not change but will become affiliates of UTSE, ECI and EPSI.

17. Immediately following the completion of the Transaction, the shareholders of pre-transaction Embarq are expected to own approximately 66% of the post-transaction CenturyTel and the shareholders of pre-transaction CenturyTel, Inc. are expected to own approximately 34% of post-transaction CenturyTel. Following the completion of the Merger, the CenturyTel Board of Directors will be composed of eight members designated by the pre-transaction CenturyTel Board of Directors and seven members designated by the pre-Transaction Embarq Board of Directors.

V. THE PROPOSED TRANSACTION WILL ENSURE THAT THE UTILITY SERVICES BEING TRANSFERRED ARE PROVIDED EFFICIENTLY

18. The proposed Transaction is in the public interest. The Transaction will provide benefits to consumers of the combined company without any countervailing harms. It also

combines two leading communications companies with strong customer-centric histories that will ensure its customers are provided high quality communications services in an efficient and reliable manner. Since its separation from Sprint, Embarq has delivered on its promise to serve the public interest by pursuing a single-minded focus of becoming the preferred hometown communications company in the local service areas in which it operates. Embarq has a rich history of providing telecommunications services to local communities that dates back over a hundred years, and since its emergence it has strengthened its local community roots. CenturyTel has a similarly rich history in local telecommunications service. Like Embarq, CenturyTel serves customers in predominantly rural service areas and smaller markets and its primary role has been as a communications provider anchored by wireline service in its existing certificated areas. CenturyTel has a proven track record for customer service and provisioning high-quality telecommunications and advanced services. Thus, the merger will bring together two companies whose businesses are built upon serving local customers in predominantly rural areas and smaller markets by creating a variety of products and services that more directly address the preferences of those customers. CenturyTel is uniquely qualified to manage the Embarq Companies as part of the CenturyTel family of companies.

19. The communications industry has been and is expected in the future to be the subject of rapid and fundamental changes in technology, customer preferences, and the competitive landscape. Rapid changes in technology and customer preferences require equally rapid responses and execution strategies by telecommunications carriers. To respond rapidly and succeed most effectively in this competitive market environment, carriers must have a strategic focus on providing products and services that differentiate them in the market, and they need sufficient scale to execute upon their strategic focus. Even a carrier that knows its customers'

preferences cannot compete effectively in today's marketplace without sufficient size and scope to match those preferences with suitable products or services at affordable rates. The Transaction will result in a combined enterprise that can achieve greater economies of scale and scope than the two companies operating independently. This, in turn, will enhance its ability to focus more strategically and rapidly respond to customer preferences in providing a full portfolio of quality, advanced communications services that will differentiate the company in the markets it serves.

20. Additionally, with its distinctive expertise in serving smaller, rural areas, the new entity will deliver these services to areas that are often underserved by the larger communications companies. The combination of two mid-sized local wireline providers—the only two with investment grade ratings and with solid financial fundamentals and adequate access to capital—will position the combined enterprise to capitalize on its collective knowledge of its local customers' preferences to deliver innovations in technology and product offerings to the rural and smaller markets. Customers will benefit from increased access to those offerings, and the post-merger CenturyTel will benefit from retaining and attracting customers whose needs are satisfied by its offerings, service quality and customer care. The public interest will be served by the Transaction as it will allow the new company to bring to bear the combined resources of Embarq and CenturyTel on the shared single focus of delivering a full portfolio of services that meet the targeted needs of the local customers in predominantly rural and smaller markets.

21. Moreover, the transaction offers the financial strength and flexibility for the operating subsidiaries of the post-transaction CenturyTel to continue providing outstanding service and enhanced offerings to customers, while delivering returns to shareholders. The post-transaction company is expected to have pro forma revenue in excess of \$8.8 billion, pro forma

earnings before interest, taxes, depreciation and amortization (“EBITDA”) of approximately \$4.2 billion, pro forma leverage of 2.1 times EBITDA and pro forma free cash flow of approximately \$1.8 billion, based on anticipated full run-rate synergies and operating results for the twelve months ended September 30, 2008. Based upon these financial attributes, CenturyTel anticipates having post-transaction financial metrics consistent with those of companies that have been rated “investment grade” by major ratings agencies—characteristics that CenturyTel and Embarq possess pre-transaction. These attributes help insure that CenturyTel will have the fiscal stability to pursue necessary strategies. This financial strength will continue to allow UTSE, ECI and EPSI to have the financial stability and access to capital necessary to continue to provide reliable services in the ever-increasingly competitive telecommunications marketplace.

22. Consumers of communications services, including both residential and businesses, have more choices than ever before in the market for local and long distance calling services, high speed Internet and other data services, video services, and wireless services. Intermodal competition to provide these services is now widespread. The two companies combined will be the largest independent wireline communications company serving approximately eight million access lines, two million broadband customers and approximately 400,000 video subscribers. With the significantly increased scale of the combined company, the Transaction will enhance the competitive position of CenturyTel to facilitate economically attractive deployment of growth products and services, including broadband and wireless data offers.

23. Ensuring the continuation of high quality service and customer experience pre- and post-merger is vitally important. UTSE, ECI and EPSI understand that continuing to meet customer needs is its top priority. The Transaction will not change the incentives of the

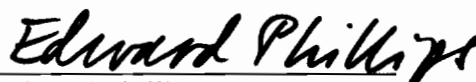
combined entity to do so. Accordingly, immediately following consummation of the Transaction, UTSE, ECI and EPSI will offer the same full range of products and services that they offered immediately prior to the Transaction, at the same prices, and under the same terms and conditions.

24. UTSE, ECI and EPSI will continue to employ personnel experienced and dedicated to the provision of service in Tennessee. The customer service, network and operations functions that are critical to each company's success today will continue when the Transaction is complete, and the post-transaction company will be staffed to ensure that continuity. The local operations of UTSE will continue to be managed by employees with extensive knowledge of the local telephone business and with a commitment to the needs of the local community.


25. Furthermore, upon completion of the merger, the Authority will retain the same regulatory authority over UTSE, ECI and EPSI that the Authority possesses just prior to consummation of the Transaction. UTSE and ECI will continue to provide local exchange service, and to offer long distance service, subject to the same rules, regulations and applicable tariffs. UTSE will remain subject to existing price regulation, service quality obligations, and tariffs, as modified pursuant to any future Authority or legislative decisions. Future end user rate changes will continue to be governed by the same rules and procedures as today, again, as modified by future Authority or legislative decisions. Likewise, the terms and prices for existing wholesale services under UTSE's access tariffs will be unchanged immediately after closing of the Transaction. Moreover, this Transaction will have no impact on the terms of any existing interconnection agreements or UTSE's obligations under state and federal laws regarding interconnection.

WHEREFORE, based on the foregoing, the Applicants respectfully request pursuant to Tenn. Code Ann. § 65-4-113, and any other applicable statutes, that the Authority: (1) approve the indirect transfer of control of United Telephone Southeast LLC d/b/a Embarq, Embarq Communications, Inc. and Embarq Payphone Services, Inc. as described herein; (2) grant other such other relief as may be necessary, reasonable and consistent with the foregoing; and (3) grant any approval found to be necessary in an expedited manner.

Respectfully submitted,

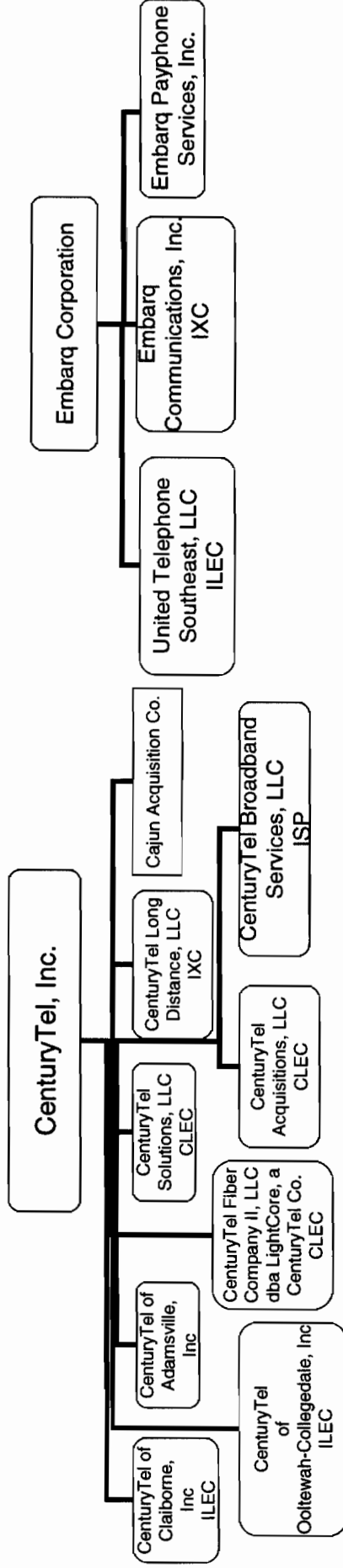

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*by RDG.
w/ permission*


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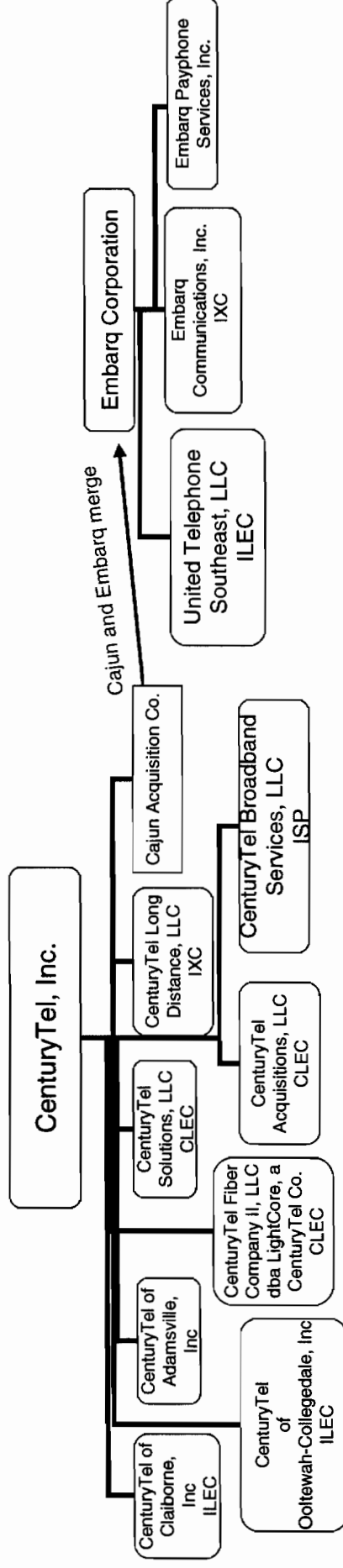
TENNESSEE

Pre-Merger



TENNESSEE

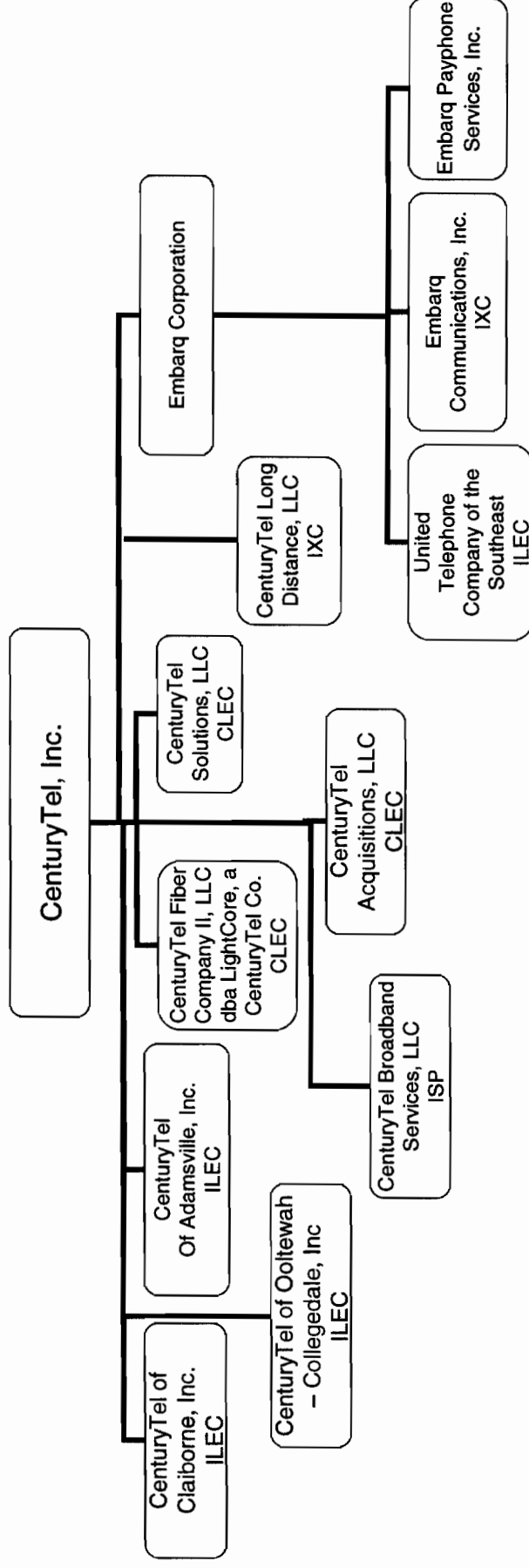
Merger



- Embarq Corp. is the surviving entity
- Embarq Corp. adopts:
 - Cajun's Certificate of Incorporation
 - Cajun's Bylaws
- Embarq Corp. becomes wholly-owned subsidiary of CenturyTel, Inc.

TENNESSEE

Post-Merger



8 Directors from Pre-Merger CenturyTel, Inc.
 7 Directors from Pre-Merger Embarq Corp.
 66% owned by Pre-Merger Embarq Stockholders
 34% owned by Pre-Merger CenturyTel Stockholders

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

Joint Application of Embarq Corporation and
CenturyTel, Inc. Regarding Transfers of Control
of United Telephone Southeast LLC d/b/a
Embarq, Embarq Communications, Inc. and
Embarq Payphone Services, Inc.

DOCKET NO.

VERIFICATION

STATE OF LOUISIANA

PARISH OF OUACHITA

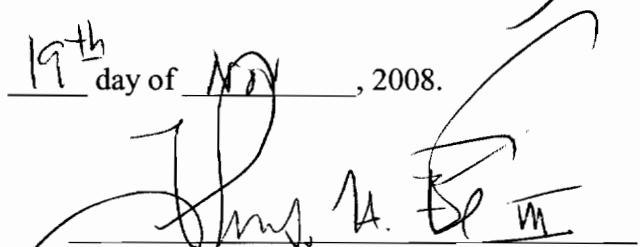
Garland C. Bailey, being duly sworn, deposes and says:

1. I am the Vice President Treasurer and I am authorized to make this Verification on behalf of CenturyTel, Inc.

2. I have read the contents of the foregoing Joint Application and hereby verify that the statements therein contained, insofar as they relate to CenturyTel, Inc. are true and accurate to the best of my knowledge, information and belief.


Garland C. Bailey

Sworn to and subscribed before me this 19th day of Nov, 2008.


Notary Public

My Commission Expires: perpetual

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

In re:)	
)	
Joint Application of Embarq Corporation and)	
CenturyTel, Inc. Regarding Transfers of Control)	
of United Telephone Southeast LLC d/b/a)	Docket No.
Embarq, Embarq Communications, Inc. and)	
Embarq Payphone Services, Inc.)	
)	
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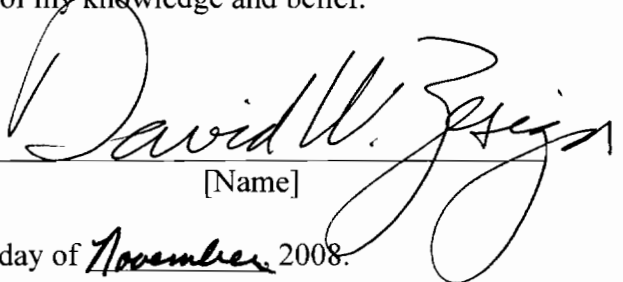
VERIFICATION

STATE OF KANSAS

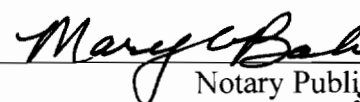
COUNTY OF JOHNSON

David W. Zesiger, being duly sworn, deposes and says:

1. I am the Senior Vice President of Regulatory Policy and External Affairs. I am authorized to make this Verification on behalf of Embarq Corporation.
2. I have read the contents of the foregoing Joint Application and hereby verify that the statements therein contained, insofar as they relate to Embarq Corporation and its Tennessee operating subsidiaries are true and accurate to the best of my knowledge and belief.


[Name]

Sworn to and subscribed before me this 19th day of November, 2008.


Notary Public

My Commission Expires: 2/11/10

