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January 23, 2009

VIA EMAIL & FEDEX DELIVERY ON

MONDAY, JANUARY 26, 2009

filed electronically in docket office on 01/23/09

Acting Chairman Eddie Roberson ATTN: Sharla Dillon, Dockets & Records Manager 460 James Robertson Parkway Nasvhille, TN 37243-0505

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.; TRA Docket No.: 08-00219

#### Dear Chairman Roberson:

We submit herewith the original and five copies of our Reply to Response of Embarq Corporation and CenturyTel, Inc., to the Northeast Tennessee TVA Power Distributors' Petition for Leave to Intervene, which has been electronically filed today in the above-captioned matter. Please return one "stamped" copy to our office in the enclosed self-addressed, stamped envelope.

If you have any questions, please feel free to contact our office.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

William C. Bovender

**Enclosures** 

cc: Edward Phillips, Esq. (via email)

R. Dale Grimes, Esq. (via email)

Honorable Sara Kyle, Director (via FedEx on 1/26/09) Honorable Mary Freeman, Director (via FedEx on 1/26/09) Northeast Tennessee TVA Power Distributors (via email)

## BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

Joint Application of Embarq Corporation	)	
and CenturyTel, Inc., Regarding Transfers	)	
of Control of United Telephone Southeast	)	Docket No.: 08-00219
LLC d/b/a Embarq, Embarq	)	
Communications, Inc., and Embarq	)	
Payphone Services, Inc.	)	

# REPLY OF NORTHEAST TENNESSEE TVA POWER DISTRIBUTORS TO RESPONSE OF EMBARQ CORPORATION AND CENTURYTEL, INC. TO THE NORTHEAST TENNESSEE TVA POWER DISTRIBUTORS' PETITION FOR LEAVE TO INTERVENE

Come the Northeast Tennessee TVA Power Distributors ("Electric Distributors"), who have previously filed a Petition to Intervene in this Docket, and reply to the response that Embarq Corporation and CenturyTel, Inc., (collectively "Embarq") have filed in opposition to the Electric Distributors' Petition to Intervene.

### 1. T.C.A. § 65-4-113(b) reads as follows:

"(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit of the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest."

Contrary to the assertion of Embarq, this code section does not "limit" the jurisdiction or scope of review of the Tennessee Regulatory Authority ("TRA") in passing on the proposed merger. Rather, the code section mandates that the TRA "...shall take into consideration all relevant factors ..." Id.

Embarq provides local and long distance telephone service in all the counties served by the Electric Distributors. While there are clearly contractual disputes between Embarq and the Electric Distributors, the issues raised by the Electric Distributors in their Petition go well beyond those contractual disputes. Rather, the Electric Distributors seek findings by the TRA that the merged company that will survive will properly and adequately interface with the Electric Distributors for the benefit of the public.

- 2. Notwithstanding certain specific responses to the Petition contained in the latter portions of the Response which are, at minimum, factually inaccurate, Embarq has failed and/or refused to cooperate with the Electric Distributors on operational issues since Embarq came into existence. The explanation which Embarq has provided has generally been that its Northeast Tennessee operations lacked sufficient resources to, for example, stay current on pole transfers. Only within the past few weeks which it became clear that the Electric Distributors might move to intervene in this docket has Embarq become somewhat more responsive and responsible.
- 3. As stated in the Petition, the Electric Distributors do not necessarily oppose the merger as such. What they do oppose is a return to lip service which renders unsafe situations over seven counties. The merged survivor must adhere to service and safety

principles and practices for the protection of the public. That has not been the pattern of conduct displayed by Embarg over the past two years.

4. Any contract disputes between Embarq and the Electric Distributors will hopefully be resolved. However, that resolution, in advance of the merger, does not insure the same issues, concerns, and threats to the public's safety will not reoccur after the merger is approved. It is for this reason that the Electric Distributors have moved to intervene and pray their Petition be granted.

Respectfully submitted,

William C. Bovender

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### CERTIFICATE OF SERVICE

I hereby certify that on January 23, 2009, a copy of the foregoing document was served on the following, via the method indicated:

<ul><li>[ ] Hand</li><li>[ ] Mail</li><li>[ ] Facsimile</li><li>[ ] Overnight</li><li>[X] Electronic</li></ul>	Edward Phillips 14111 Capital Boulevard Mailstop: NCWKFR0313 Wake Forest, NC 27587-5900 Edward.phillips@embarq.com
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