**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Application of CENTURYTEL of WASHINGTON, Inc. d/b/a CENTURYLINK Regarding the Sale and Transfer of Property | Docket No.  CENTURYTEL of WASHINGTON, INC.’S APPLICATION REGARDING TRANSFER AND SALE OF 26166 UNITED ROAD NE, KINGSTON, WASHINGTON BUILDING |

1. CenturyTel of Washington, Inc. d/b/a CenturyLink (“CenturyLink”), by and through its undersigned counsel, and on behalf of, hereby submits this application pursuant to Chapters 80.12 RCW and 480-143 WAC. This application regards the permanent transfer and sale of the land and building located at 26166 United Road NE, Kingston, Washington.

# RELIEF REQUESTED

1. CenturyLink respectfully requests the Commission enter an order approving the sale pursuant to Chapters 80.12 RCW and 480-143 WAC.

# DESCRIPTION OF THE TRANSACTION

1. The sale is comprised of a purchase agreement effective June 3, 2011. The transaction is an arms length transaction, negotiated between unaffiliated parties, neither one being under a compulsion to buy or sell. Pursuant to WAC 480-143-120, a copy of the purchase agreement is attached hereto as Confidential Exhibit A. A brief description of the transaction follows:
   * Assets. This transaction involves the sale the land and building located at 26166 United Road NE, Kingston, Washington, owned by CenturyTel of Washington, Inc. (now d/b/a CenturyLink). A complete legal description of the property is included in the Sale and Purchase Agreement.
   * Purchase Price. Contained in Confidential Exhibit A.
   * Closing Date. The sale agreement states that closing will take place no later than November 10, 2011, or on an earlier date mutually agreed upon by the buyer and seller. There is a separate deadline for regulatory approval that requires CenturyLink to obtain Commission authorization to transfer the property by November 10, 2011.

# DISCUSSION

1. RCW 80.12.020 requires pre-approval of any sale, lease, assignment or other disposal by a public service company of any of its franchises, properties or facilities which are necessary or useful in the performance of its duties to the public. The Commission’s rules clarify that, for purposes of RCW 80.12.020, property is not “necessary or useful” if it is excluded from the public service company’s rate base. *WAC 480-143-180(4).*
2. The assets that are being transferred in this case have been included in CenturyLink’s Washington rate base, and have been used by CenturyLink in the provision of telecommunications services in Washington.
3. CenturyLink respectfully requests the Commission to promptly approve the sale as being consistent with the public interest for a number of reasons.
4. The property being disposed of is no longer necessary or useful to CenturyLink in its provision of services to the public. The Kingston building has, in the past, housed four to five employees who performed network construction, installation and maintenance functions. The site served as a workshop/garage/office space on the Kitsap Peninsula. After the merger with Embarq (Docket No. UT-082119) those employees and functions have been transferred to a former-Embarq property nearby in Poulsbo.
5. Further, the sale reflects fair market value for an asset that is no longer needed in the business. The property was aggressively marketed by a professional real estate broker with substantial experience selling commercial property of this type. The transaction is with a non-affiliated buyer in an arm’s-length transaction and CenturyLink believes that the sale price reflects fair market value for the property.
6. Pursuant to WAC 480-143-140, a copy of CenturyLink’s current financial statement is attached to this application as Exhibit B. To assist in the Commission’s review of this matter, a copy of the proposed journal entries is attached as Confidential Exhibit C.
7. Due to the deadlines contained in the Agreement, CenturyLink respectfully requests that the Commission give this matter expedited consideration and approve it at an open meeting within the next 30 days.

# CONCLUSION

1. For the foregoing reasons, CenturyLink respectfully requests that the Commission expeditiously consider this application and approve the transfer of property as described herein.

DATED this \_\_\_\_\_ day of June, 2011.

CENTURYTEL OF WASHINGTON, INC.

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