Exhibit (BAE-3) Docket UT-082119 Witness: Betty A. Erdahl

## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of

EMBARQ CORPORATION AND CENTURYTEL, INC.

For Approval of Transfer of Control of United Telephone Company of the Northwest d/b/a Embarq and Embarq Communications, Inc. **DOCKET UT-082119** 

## **EXHIBIT TO TESTIMONY OF**

Betty A. Erdahl

## STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Embarq and CenturyTel's Response to Commission Staff Data Request No. 9

March 4, 2009

Docket No. UT-082119

Response to UTC Staff Data Request No. 9

Date 2/3/2009

Preparer: Clay Bailey

WUTC-9

Please provide all work papers or documents of any kind detailing the plans to integrate the operations of the two companies. In particular, please produce all plans detailing which subsidiaries and/or affiliates are likely (or may be likely) to have their operations, management, customer base, or any other aspects, integrated in the five years following the merger.

**OBJECTION:** 

CenturyTel and Embarq object to this request as overly broad and unduly burdensome. Moreover, the request is not reasonably calculated to lead to the discovery of relevant information and calls for speculation to the extent that it seeks any information about what "may" be likely to happen in the integration process. It would be impossible for either company to capture all documents related to the request. Notwithstanding the objection and without waiving it, CenturyTel and Embarq provide the following response:

RESPONSE:

As noted in response to 8.a. above, the integration and transition effort is being driven by an analysis of systems and functions and not by an analysis of subsidiary or affiliated corporate entities. There is no "five-year plan" that speaks to particular subsidiaries or affiliates.

Generally the integration transition process involves an evaluation of the following types of systems that are involved in a merger situation:

End User Billing and Customer Care systems Technician work force management systems Financial and accounting systems Human Resource and payroll systems **Operations Support systems Provisioning Systems** Payment Systems Carrier Access billing Systems Web Portals Employee Benefits and Compensation Systems Ecommerce and Electronic Billing Systems Collections Systems Repair and Trouble Resolution Systems Traffic and Usage Processing Systems SS7 Networks **Email Systems** Plant Inventory Systems

Following the merger, the multiple systems that must be integrated, including management information, purchasing, accounting and finance, sales, billing, payroll and benefits, fixed asset and lease administration and regulatory compliance systems will be integrated into a suite of back office applications.

Where appropriate, this will be done market by market taking care to insure a smooth transition for our customers. It is too early to have any certainty regarding the time frame to complete the integration of all systems.

It is likewise too early in the process to make all specific determinations as to the systems to be integrated, other than the general areas identified and referenced above, until integration teams have the opportunity to analyze the companies' respective systems.

However, the following customer care and billing, enterprise resource planning and workforce management systems have been selected for the combined company:

- Ensemble will be the billing and customer care system. CenturyTel's Ensemble system enables all services to be billed on a single bill and is integrated with other back-office systems including MARTENS and TRACS. For example, a new service order entered in Ensemble also triggers related customer care functions such as provisioning and customer communications.
- EMBARQ Administration and Service Order Exchange system (EASE) will be the order entry application used by wholesale customers to initiate, submit and track access service requests (ASRs) and local service requests (LSRs). Since being implemented for ASRs at Embarq in 2008, EASE has enabled easier customer access for order submissions, simplified order tracking and improved response times. EASE LSR capability is expected to be implemented in Embarq territories in 2009.
- SAP will be the enterprise resource planning system. Currently used by CenturyTel, SAP comprises such modules as Finance, Human Resources and Materials Management.
- Taskforce will be the technician workforce management system. The system uses a variety of cutting-edge technologies to dispatch the technician with the right skills and in the right location to most efficiently respond to the customer request, a process improvement commonly referred to as Next Generation Dispatch. Taskforce was launched at Embarq in mid-2008 and is scheduled for full deployment in Embarq territories by May 2009.

Ensemble and Taskforce will be phased into use on a geographical basis over a period of time after the closing of the merger. The integration schedules for EASE and SAP has not yet been determined.