



July 1, 2016

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: Docket UP 339

Application of CenturyTel of Oregon, Inc. d/b/a CenturyLink for Authority to
Sell Land Located in Lebanon, OR per OAR 860-027-0025

Dear Commission:

On March 22, 2016, CenturyTel of Oregon, Inc. d/b/a CenturyLink filed an application seeking Commission approval pursuant to ORS 759.375 and OAR 860-027-0025 of the sale of a ten acre parcel of land in Lebanon, Oregon. On April 21, 2016 in Order No. 16 150, the Commission adopted Staff's recommendation approving CenturyLink's application to sell the property, subject to the condition that the Commission should be notified of any substantive changes to the transfer of telecommunications property, including any material changes in the price.

The purpose of this letter and exhibits is to provide notice to the Commission of the changes to the property sale that have occurred since the transaction was initially approved. On April 28, 2016, the buyer sent CenturyLink a termination notice for the original Purchase and Sale Agreement due to a significant increase in the cost to the buyer of wetland mitigation and a larger than expected area that the wetlands occupy on the property.

Subsequently, CenturyLink and the buyer engaged in additional negotiations and arrived at a mutually agreeable sales price that takes into account the buyer's increased costs of wetland mitigation. The parties are in the process of executing a "First Amendment to Purchase and Sale Agreement" (see Confidential Exhibit A) which modifies certain terms of the original agreement, including a reduction in the sales price. CenturyLink and the buyer intend to close the sale no later than July 15, 2016. CenturyLink will provide the Commission a copy of the fully executed "First Amendment to Purchase and Sale Agreement" as soon as it is available.

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Based on the new sales price, CenturyLink is also attaching revised Confidential Exhibits E, G, H and J reflecting the revised financial impacts of the sales transaction.

Confidential Exhibits A, E, G, H and J are printed on yellow paper and sealed in a separate envelope appropriately marked.

If you have any questions or concerns, please do not hesitate to contact me at (206) 345-6224 or via e-mail at phil.grate@centurylink.com.

Sincerely,

A handwritten signature in black ink that reads "Philip E. Grate". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Phil Grate
Regulatory Affairs Director

Enclosures