

Qwest Corporation

1801 California, Suite 4730 Denver, Colorado 80015 Phone: (303) 896-5123 E-mail: Mark.Brinton@qwest.com

Mark Brinton Manager - Regulatory Public Policy

July 7, 2005

Carole Washburn, Secretary Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive SW Olympia, Washington 98504-9022

Attention: Jing Roth

RE: Docket UT-051037, Basic Contract Number: OMR #1106835 and 1105484

Dear Ms. Washburn:

Earlier today, pursuant to WAC 480-80-142, Qwest Corporation (Qwest) forwarded a copy of a forty-eight (48) month Special Contract (Site Agreement) along with Amendment 1 for Advanced Ethernet Services.

Attached is a revised non-proprietary statement of the essential terms and conditions of this contract. Also attached is a revised Less than Required Notice Consideration Form associated with this Site Agreement and Amendment 1.

Very truly yours,

Attachments

RECEIVED JULY 7, 2005 WA. UT. & TRANS. COMM. ORIGINAL UT-051037 SUB 07/07/05

REVISED ESSENTIAL TERMS AND CONDITIONS

Basic Contract Number: OMR #1106835 and 1105484
New Modified <u>X</u> Renewal
Duration of Agreements: 48 months
Effective Date of Agreements: On July 14, 2005

This Site Agreement is effective on the latest signature date and expires forty-eight (48) months from the date Service is available to DIS under this Site Agreement, as evidenced by QC records ("Term"). This Agreement will become effective only after mandatory filing requirements are met and approved by the Washington Utilities and Transportation Commission.

This is a site Agreement to the supplemental Work Order 04-01 of Contract Number T02-TSD-319 for Advanced Transport Service by and between Qwest Corporation and the State of Washington, Department of Information Services for the provision of Ethernet Service. Amendment 04-01 to Supplemental Work Order 04-01 to Basic Contract Number T02-TSD-319 was approved on February 25, 2004 and became effective on February 26, 2004.

Description of Underlying Services:

Advanced Ethernet is a flexible transport service that uses established Ethernet transport technology. The service provides connections between multiple customer locations with an area using native Ethernet protocol.

Under Agreement OMR #1106835

Monthly recurring Charge: \$855.00 Nonrecurring Charge: \$2,875.00 Number of Circuits: 1

Service Location(s) in Washington: Yakima

TELECOMMUNICATIONS CONTRACTS: 480-80-142 (7)

- (A) Documentation: Standard filing requirements and effective dates. Contracts must be filed with the commission not less than 30 days before the proposed effective date of the contract. Each application filed for commission approval of a contract must include a complete copy of the proposed contract. Documentation must show that the contract does not result in undue or unreasonable discrimination between customers receiving like and contemporaneous service under substantially similar circumstances; and demonstrate, at a minimum, that the contract charges cover the company's cost of providing the service. In addition, the company must summarize the following information with each contract submitted:
- (1) Summarize the basis of the charge(s) proposed in the contract and explain the derivation of the proposed charge(s) including all cost computations involved.

Answer: The charges for the Ethernet connection to the above location are based upon costs for these services from Qwest's subcontractor. The competitive nature of these services justifies providing a cost plus offering to our customer and a deviation from traditional tariff pricing for similar services. The underlying costs of the individual component elements are identified in Attachment A that provides summary cost and contribution analysis.

Since pricing is based on a cost plus basis and the costs for this service were subsequently reduced by the subcontractor, Amendment 1 to site agreement OMR # 1105484 was executed to reflect the cost reduction.

(2) Indicate the basis for using a contract rather than a filed tariff for the specific service involved.

Answer: This service represents a custom Ethernet offering provided to the State of Washington Department of Information by Qwest through our subcontractor. This custom offering is not offered on a tariffed basis. With these prices, Qwest is responding to the competitive marketplace.

RECEIVED JULY 7, 2005 WA. UT. & TRANS. COMM. ORIGINAL UT-051037 $\overset{\circ}{\text{SUB}}$ 07/07/05