



**Verizon Northwest Inc.  
1800 – 41<sup>st</sup> Street  
WA0105RA  
P. O. Box 1003  
Everett, WA 98206**

October 9, 2006

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, Washington 98504-7250

Dear Ms. Washburn:

**Subject: Contract No. 1328ICB (Renewal in Docket UT-030727)**

Verizon Northwest Inc. submits Contract No. 1328ICB, a renewal of Synchronized Optical Networking (SONET) OC-12 Multi-Protocol Hubbing Service for a term of twenty-four months. SONET provides a fiber-based, self-healing, fully redundant facility in a ring architecture. This service is provided under contract because it is not available under tariff and has limited demand. The customer currently receives this service under Contract No. 1252, effective June 15, 2003 for a term of three years. Amendment No. 1 to the existing agreement was made effective on January 28, 2006. The rates are not impacted in this renewal agreement. Verizon requests approval on less than required notice with an effective date of October 12, 2006. The LRN form is attached to this filing.

Verizon submits the documentation required in Section 5 of WAC 480-80-142 as an attachment to this filing. Verizon considers the contract and all cost computations required under Section 5 (b) of WAC 480-80-142 to be confidential and protected under the provisions of WAC 480-07-160. Verizon considers this cost documentation to also be protected under the exemption from disclosure requirements per the Public Records Act, Chapter 42.17 RCW. The cost documentation is marked "Confidential per WAC 480-07-160". The company, for commercial reasons, may be harmed if this information is not considered confidential. Please direct questions to Lin Fogg at 425-261-6380.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. Valdez".

David S. Valdez  
Vice President West – Public Affairs, Policy and Communications

Attachments (2006-368963)

DSV/LF

**ESSENTIAL TERMS AND CONDITIONS  
PER WAC 480-80-142**

**Contract No. 1328ICB**   **New** \_\_\_\_\_   **Renewal** **X**   **Amendment** \_\_\_\_\_

Effective Date:                      October 12, 2006

Expiration Date:                     October 11, 2008

Renewal Options:                    If Customer indicates to Verizon in writing that it desires to negotiate a new contract to continue or replace the Services provided for in the Agreement, the Agreement shall automatically be extended for a period not to exceed 60 days from the end of the initial Service Period to allow the parties to finalize a new agreement or to transition to a tariff service arrangement. Written notice must be provided by Customer at least 30 days prior to the end of the initial Service Period. For purposes of this condition, written notice may be by facsimile or electronic mail.

Duration of Contract:                Twenty-four (24) months

Description of Service:              SONET provides a fiber-based, self-healing, fully redundant facility in a ring architecture.

Number of Units:                    2 OC12 Customer Premise (CP) Nodes  
    1 OC12 Central Office (CO) Node  
    Gig E 10 Mb/100Mb Port per Node (month to month)  
    Gig E 24 1000 Mb Port per Node (month to month)  
    DS1 Port per Node (month-to-month)  
    DS3 Port per Node (month-to-month)

Monthly Recurring Charge:         \$5,125.00

Non-Recurring Charge:                Applicable tariff service ordering charges in the WN U-16, Section 5 for Optical/Electrical Drops ordered on a month-to-month basis.

Location:                                Marysville

Contract No. 1328ICB New \_\_\_\_\_ Renewal X Amendment \_\_\_\_\_

5(a) A statement summarizing the basis of the rate or charge proposed in the contact and an explanation of the derivation of the proposed rate or charge.

### **Nonrecurring (NRC) Charges**

Applicable tariff service ordering charges in the WN U-16, Section 5 for Optical Electrical Drops ordered on a month-to-month basis.

### **Termination Liability**

Termination liability applies to all Services under this Agreement with the exception of the Optical / Electrical Drops (which are provided on a month-to-month basis). For the OC12 CP Nodes and CO Node, if Customer cancels this Agreement in whole or in part or terminates any Services prior to the expiration of the Service Period, Customer shall pay to Verizon a termination charge equal to twenty-five (25%) of the applicable monthly rate for the terminated Service multiplied by the number of months remaining in the unexpired portion of the Service Period. Termination liability will not apply to a Customer upgrade (change to a higher capacity Dedicated SONET Ring (DSR) service), if all of the following conditions are met: (a) A new commitment period commences with the upgrade, b) The new expiration date extends beyond the discontinued plan date, c) The new DSR service has at least one Customer Premise Node and one Central Office Node in common with the discontinued service(s).

### **Monthly Charges**

The average monthly charge is \$5,125.00.

**Contract No. 1328ICB**    **New** \_\_\_\_\_    **Renewal**   X   \_\_\_\_\_    **Amendment** \_\_\_\_\_

5(b)    An explanation of all cost computations involved in arriving at the derivation of the level of the rate or charge in the contract.

Cost computations and explanations required by WAC 480-80-142 are attached. They have been stamped confidential and are protected pursuant to WAC 480-07-160 for commercial reasons.

**Contract No. 1328ICB**    **New** \_\_\_\_\_    **Renewal**   X   \_\_\_\_\_    **Amendment** \_\_\_\_\_

- 5 (c) A statement indicating the basis for the use of a contract rather than a filed tariff for the specific service involved.

Verizon is offering this service on a contract basis because the service is not available under tariff and has limited demand.

**Contract No. 1328ICB**    **New** \_\_\_\_\_    **Renewal**   X      **Amendment** \_\_\_\_\_

6.     Duration of contract. All contracts shall be for a stated time period.

       The term for this contract is twenty-four (24) months.