

Qwest Corporation

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Mark Brinton Manager - Regulatory Public Policy

June 24, 2005

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

RE: Basic Contract Number: OMR #1106233

Dear Ms. Washburn:

Pursuant to WAC 480-80-142, Qwest Corporation (Qwest) is forwarding a copy of a Special Contract for Advanced Ethernet Services that will become effective upon the Washington Utilities and Transportation Commission's approval on or after July 24, 2005.

This contract is not subject to federal competitive bid. Pursuant to the requirements of the Telecommunications Act of 1996, and RCW 80.36.170 and 80.36.180, where those statutes are applicable, Qwest offers the local exchange service in this contract for resale under the same terms and conditions set forth in this contract and at the discounted rate where applicable as established by the Commission in Docket No. UT-960369.

Attached is a non-proprietary statement of the essential terms and condition of this contract. Also attached is the associated Contract Analysis. Some of these documents are considered confidential and should be protected under provisions of WAC 480-07-160.

Very truly yours,

Attachments

RECEIVED JUNE 24, 2005 WA. UT. & TRANS. COMM. ORIGINAL UT-040241

ESSENTIAL TERMS AND CONDITIONS

Basic Contract Number. OWR #1100255
New Modified _X Renewal
Duration of Agreements: 60 months
Effective Date of Agreements: On or after July 24, 2005

Davis Cantuart Namban. OMD #1106222

This Agreement will become effective only after mandatory filing requirements are met and approved by the Washington Utilities and Transportation Commission.

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 #1106233

Monthly recurring Charge: \$9,000.00 Nonrecurring Charge: \$26,250.00

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 is 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.

(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 Transportation 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.