

Amendment 2
UT-070371-Att
Om 4-30-09
No Action
verizon

Verizon Northwest Inc.

P.O. Box 1003
Everett, WA 98206-1003
Fax: 425-261-5262

March 17, 2009

Washington Utilities and
Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504-7250

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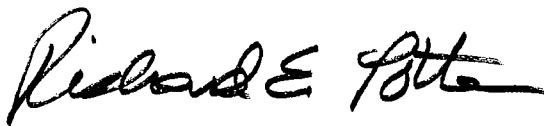
Subject: AFFILIATED INTEREST AGREEMENT – ADVICE NO. 383
Ref. UT-070371

To whom it may concern:

Enclosed for the Commission's file is a verified copy of the Second Amendment to Attachment 13 to a Master Services Agreement between Verizon telephone operating companies, including and Verizon Northwest Inc., and Verizon Wireless. The footer notwithstanding, the companies are not asking for confidential treatment of this document.

Please call me at 425-261-5006 if you have any questions.

Very truly yours,



Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of the Second Amendment to Attachment 13 to a Master Services Agreement between Verizon telephone operating companies, including and Verizon Northwest Inc., and Verizon Wireless.

Richard E. Potter Date: 3.17.09

Richard E. Potter
Director
Verizon Northwest Inc.

SECOND AMENDMENT
TO ATTACHMENT 13 TO
THE
VERIZON PARTNER SOLUTIONS
MASTER SERVICES AGREEMENT

This Second Amendment (this “**Amendment No. 2**”) to Attachment 13 (Verizon Wireless SONET TBR), entered into as of the Trifecta Approval Date, and made effective as of the Effective Date (as defined therein), to that certain Verizon Partner Solutions Master Services Agreement (the “**MSA**”), dated as of March 19, 2007, by and between Cellco Partnership d/b/a Verizon Wireless (“**Customer**”) and Verizon Services Corp., on behalf of the Verizon operating telephone companies identified on Attachment 1 thereto (individually and collectively, “**Verizon**”) is entered into as of the Product Schedule Effective Date (as defined in Attachment 16 to the MSA) (“**Amendment No. 2 Effective Date**”), by and between Customer and Verizon. In the event of any conflict between the terms of the MSA or any applicable Attachment thereto and the terms of this Amendment No. 2, the terms of this Amendment No. 2 shall control. Capitalized terms not defined herein shall have the meaning ascribed to them in Attachment 13 or the MSA, as applicable.

In consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Exclusion of Revenue Under Attachment 16 from SONET TBR.** No Services purchased under Attachment 16 shall be considered Qualifying SONET Services nor shall any revenue associated with Attachment 16 be included in the definition of Actual Annual Revenue under Attachment 13.
2. **Inclusion of Specified Upgraded SONET Revenue.** As of the Product Schedule Effective Date (as defined in Attachment 16), revenue associated with any disconnection of Qualifying SONET Services solely as a result of existing Qualifying SONET Services being converted to Service provided under Attachment 16 will be included in the calculation of the SONET TBR Base Credit through the use of the **Adjusted Actual Annual Revenue** (as defined below) (in lieu of Actual Annual Revenue), as set forth in more detail below. In order to calculate a **Revised SONET TBR Revenue Growth Credit**, the Adjusted Actual Annual Revenue and the **Adjusted SONET TBR Revenue Growth** (as defined below) (in lieu of a SONET TBR Revenue Growth) shall be used, as set forth in more detail below. In order to count such revenue in the Adjusted Actual Annual Revenue and Adjusted SONET TBR Revenue Growth, Customer must provide support for inclusion of such revenue in the Adjusted Actual Annual Revenue and Adjusted SONET TBR Revenue Growth. The support must include the following information to validate that the SONET service disconnected was in fact converted to EPL under Attachment 16: SCID, circuit IDs of the actual riders that were moved to EPL under Attachment 16, MRC associated with the Qualifying SONET Services migrated, Circuit ID of the new EPL service under Attachment 16, the order date, and the actual migration date. While Customer is required to provide the support information, Verizon will work cooperatively with Customer to obtain the necessary information during each annual period during the Term and to incorporate the results thereof during the required Annual True-Up, and not on a quarterly basis.

2.1 CALCULATION OF SONET TO ETHERNET UPGRADE REVENUE ADJUSTMENT.

Verizon shall first calculate a **SONET to Ethernet Upgrade Revenue Adjustment** by (a) subtracting the number of days the Qualifying SONET Service migrated to EPL under Attachment 16 was in service from 365, (b) dividing the result thereof by 30.41, and (c) multiplying the result thereof by the MRC for the Qualifying SONET Service disconnected and migrated to EPL under Attachment 16. A **SONET to Ethernet Upgrade Revenue Adjustment** shall be calculated for each individual Qualifying SONET Service that was migrated to EPL under Attachment 16, which such amounts shall be aggregated to arrive at the **Aggregate SONET to Ethernet Upgrade Revenue Adjustment** to be applied in each annual period of the Term.

2.2 CALCULATION OF ADJUSTED ACTUAL ANNUAL REVENUE. The **Adjusted Actual Annual Revenue** for each annual period of the Term shall equal the sum of (a) the **Actual Annual Revenue** and (b) the **Aggregate SONET to Ethernet Upgrade Revenue Adjustment**.

2.3 CALCULATION OF ADJUSTED SONET TBR REVENUE GROWTH. The **Adjusted SONET TBR Revenue Growth** shall equal the positive difference, if any, between the **Adjusted Actual Annual Revenue** and **Base Revenue**.

2.4 CALCULATION OF REVISED SONET TBR REVENUE GROWTH CREDIT. The **Revised SONET TBR Revenue Growth Credit** is calculated as follows: $((\text{Actual Annual Revenue} - \text{Base Revenue}) / (\text{Adjusted Actual Annual Revenue} - \text{Base Revenue}))$ multiplied by the **SONET TBR Revenue Growth Credit** calculated using the **Adjusted SONET TBR Revenue Growth**.

For Example, assume the following:

The MRCs for **Qualifying SONET Services** for October through December of 2007 are \$7.5M.

Base Revenue is calculated as $(\$7.5M * 4) = \$30M$.

Also assume that a **Qualifying SONET Service** was disconnected as result of migration to EPL under Attachment 16. Further assume that the EPL Circuit was migrated on 4/1/2009 and prior to the migration it was billing an MRC of \$200,000.

Based on the information provided above the **SONET to ETHERNET Upgrade Revenue Adjustment** would be \$1.80M $[((365 - 90) / 30.41) * 200,000]$.

Assuming there were no other **Qualifying SONET Services** migrated to EPL under Attachment 16, the **Aggregate SONET to Ethernet Upgrade Revenue Adjustment** would be equal to \$1.80M.

Customer's **Actual Annual Revenue** in 2009 is \$43.2M

Customer's **Adjusted Actual Annual Revenue** = $\$43.2M + \$1.8M = \$45M$

The **Adjusted SONET TBR Revenue Growth** is calculated as $(\$45M - \$30M) = \$15M$

Based on Table 1, \$15M Adjusted SONET TBR Revenue Growth would make Customer eligible for a Discount Percentage of 15% (Tier B)

The SONET TBR Base Credit would then equal \$4.5M, calculated as follows:
 $\$30M * 15\% = \$4.5M$

The Revised SONET TBR Revenue Growth Credit would be calculated as follows:

Adjusted Actual Annual Revenue = \$45M (See previous example for details)

Adjusted SONET TBR Revenue Growth is calculated as $\$45M - \$30M = \$15M$

Based on Table 1 above (see SONET TBR), \$15M Adjusted SONET TBR Revenue Growth would make Customer eligible for an Unadjusted SONET TBR Revenue Growth Credit of \$4M.


Revised SONET TBR Revenue Growth Credit = $((\$43.2M - \$30M) / (\$45M - \$30M)) * \$4M = \$3.52M$

3. **OTHER TERMS AND CONDITIONS.** Except as specifically amended hereby, all other rates, charges, terms, and conditions of Attachment 13 to the MSA shall remain in full force and effect.
4. **COUNTERPARTS.** This Amendment No. 2 may be executed in counterparts, each of which shall be an original, but all of which shall together constitute one and the same document.

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IN WITNESS WHEREOF, the parties have entered into this Amendment No. 2 as of the Amendment No. 2 Effective Date.

Cellco Partnership d/b/a Verizon Wireless

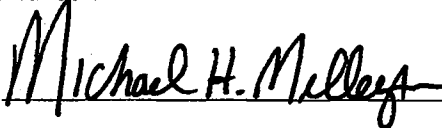
By: 

Printed: Anthony J. Melone

Title: SVP & CTO

Date: 2/9/2009

**Verizon Services Corp., on behalf of
the Verizon Operating Telephone Companies
identified below**

By: 

Printed: MICHAEL H. MILLEGAN

Title: PRESIDENT - PARTNER SOLUTIONS

Date: 2/9/2009

- Verizon Operating Telephone Companies:
- Verizon California Inc.
- Verizon West Coast, Inc.
- Verizon New York Inc.
- Verizon Delaware LLC
- Verizon Washington, DC Inc.
- Verizon Florida LLC
- Verizon Northwest Inc.
- Verizon North Inc., Verizon South Inc.
- Verizon North Inc., Contel of the South Inc.
- Verizon New England Inc.
- Verizon Maryland Inc.
- Verizon New England Inc.
- Verizon New Jersey Inc.
- Verizon Pennsylvania Inc.
- Verizon South Inc.
- GTE Southwest Incorporated, d/b/a Verizon Southwest Inc.
- Verizon Virginia Inc.