

Verizon Northwest Inc.

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February 24, 2006

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

Dear Ms. Washburn:

Subject: CONTRACT NO. 1320ICB

Verizon Northwest Inc. submits for filing Contract No. 1320ICB, Amendment No. 6 to a customer specific agreement that provides OC48 Enhanced Dedicated SONET Ring (EDSR) Service for a term of three (3) years from the customer's in-service date. The original agreement was filed under Contract No. 1285ICB, effective November 12, 2004 in Docket No. UT-041835. Subsequent amendments include: Amendment No. 1, Contract No. 1292ICB, effective January 22, 2005, Amendment No. 2, Contract No. 1297ICB, effective April 15, 2005, Amendment No. 3 Contract No. 1305ICB, effective May 25, 2005, Amendment No. 4, Contract No. 1309ICB effective September 9, 2005, Amendment No. 5, Contract No. 1311ICB, effective December 10, 2005.

The purpose of Amendment No. 6 is to add to <u>Section 1, Services and Quantity Commitments</u> additional Enhanced OC48 Nodes to EDSR Rings #1 and #2 and revise Transport for these Nodes. A new paragraph 3. <u>In-Service Date and Early Termination Charges for the Additional Enhanced OC-48 Nodes</u> is added to the Agreement to state the additional nodes will be coterminous with the term period of the Agreement and stipulate termination liability provisions for the two new Nodes will apply in addition to Termination Charges as defined in Exhibit A to the Agreement. <u>Section 6, Locations of Exhibit A of the Agreement is amended to revise the listed locations to include the locations of the new nodes.</u> Amendment No. 6 is coterminous with the original agreement.

The company provides this service under contract because the service is not available under tariff.

Carole J. Washburn, Executive Secretary Page 2

Verizon submits the documentation required by WAC 480-80-142. Verizon considers the contract and cost support confidential and protected under the provisions of WAC 480-07-160. A redacted copy of the contract is included with this filing. The cost support pages are marked "Confidential per WAC 480-07-160". The company, for commercial reasons, may be harmed if this information is not considered confidential.

The Company requests an effective date of March 26, 2006 for this filing. Please contact Lin Fogg at (425) 261-6380, if you have questions regarding this filing.

Very truly yours,

911 Vers

David S. Valdez

Vice President – Public Policy, Affairs and Communications

DSV/DV/If

Attachments (WA5354104/2006-357400)

ESSENTIAL TERMS AND CONDITIONS PER WAC 480-80-142

| Contract No. 1320ICB | New Renewal AmendmentX | | | | | |
|--|--|--|--|--|--|--|
| Effective Date: | March 26, 2006 | | | | | |
| Expiration Date: | January 19, 2008 as stated in Amendment No. 4 to the Agreement, effective 9/9/05 in Docket No. UT-041835. Amendment No. 6 is coterminous with the Agreement filed under Contract No. 1285ICB effective 11/12/04. | | | | | |
| Duration of Contract: | Three (3) years | | | | | |
| Renewal Options: | If the Customer indicates to Verizon in writing that it desires to negotiate a new contract or tariff service arrangement to continue or replace the Service provided under the Agreement, the Service Period shall automatically be extended for a period not to exceed sixty (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 thirty (30) days prior to the end of the initial Service Period. | | | | | |
| Description of Service: | EDSR (SONET) Service provides a dedicated high capacity customized network which is a ring architecture that assures survivability. | | | | | |
| Termination Charges In the Original Agreement: | Termination charges will apply to each rate element for which | | | | | |

Termination charges will apply to each rate element for which Service is terminated except for month-to-month ports for which the one-month minimum service charge applies. If the termination occurs within the first two (2) years of a term plan, a termination charge equal to one hundred percent (100%) of the applicable monthly rate for the terminated Service multiplied by the number of months remaining in the first two years plus twentyfive percent (25%) of the monthly charges in the remainder of the plan. If the termination occurs after the first two years of a service term plan, then termination liability is equal to twenty five percent (25%) of the monthly charges for the remaining life of the term. Any such termination liability charge shall be due and payable in one lump sum within thirty (30) days of billing. If Customer terminates this Agreement subsequent to the execution of this Agreement by the Parties but prior to the in-service date, Customer shall pay to Verizon all costs incurred by Verizon for contract and service preparation. Termination charges will not

ESSENTIAL TERMS AND CONDITIONS PER WAC 480-80-142

| Contract No. 1320ICB New Renewal AmendmentX_ | |
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Termination Charges In the Original Agreement:

apply if Customer, by new agreement or formal amendment to this Agreement, changes the term period to one longer than the three year term period specified in this Agreement.

Termination liability will not apply should Customer upgrade to another EDSR service (change to a higher capacity EDSR service) if all of the following conditions are met: a) A new term commitment period commences with the upgrade which will be reflected in a formal amendment to this Agreement or a new agreement; b) The expiration date of the new service/commitment period from (a) above must extend beyond the three year expiration date of the term period for this Agreement; and c) the new DSR service is provided at the same Customer locations(s) and/or Verizon CO locations(s) as the discontinued service; and d) Additional nodes and ports added at the time of the upgrade incur all applicable rates.

Termination liability will not apply should Customer upgrade a term port to a higher capacity term port if the value of the higher capacity port for it's' term is equal to or greater than the remaining value of the replaced port.

Termination Charges as Amended under Amendment No. 4:

In the event that Customer terminates Service at the 424 Kirkland Way, Kirkland WA node after the in service date for the amended Service but prior to the expiration of the service term, termination charges in the amount of one hundred percent (100%) of the applicable monthly rate for the transport times the number of months remaining in the first 24 months of its separate in-service period and fifty-five percent (55%) of the applicable monthly rate for the transport times the number of months in the remainder of any term prior to the expiration of the Agreement. Termination Charges associated with the OC48 Node added by this Amendment No. 4 will be per the Agreement.

ESSENTIAL TERMS AND CONDITIONS PER WAC 480-80-142

| Contract No. 1320ICB Ne | ew Renewal AmendmentX |
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| Termination Charges as Amended under Amendment No. 5: | Section 4, Termination Charges, of Exhibit A, of the Agreement as previously amended in Amendment No. 4 is hereby further amended to alter the common designation location of the Enhanced OC48 Node as being at the Bungie Bldg and the numerical and street portion of the address is changed from 424 Kirkland Way, Kirkland WA to 434 Kirkland Way, Kirkland, WA. |
| Termination Charges for the Additional Quantities added Under Amendment No. 6: | The additional Enhanced OC48 Service Nodes shall be subject to Termination Charges, as defined in Exhibit A to the Agreement. Since this term of the Agreement has already commenced and this additional Service will be coterminous with the overall term period of the Agreement, if either of these additional Enhanced OC48 Nodes is terminated during contract year two (or months 13-24 of the term), early termination charges for the terminated Enhanced OC48 Node(s) respectively will be equal to 100% of the applicable monthly rate for the remainder of contract year two plus 25% of the applicable monthly rate for contract year three (or months 25-36 of the term). If termination occurs during the third (and final) contract year, early termination charges for the terminated Enhanced OC48 Node(s) respectively will be 25% of the applicable monthly rate for the remaining months in contract year three. |
| Number of Units: | 2 OC48 Nodes under Amendment No. 6 |
| Monthly Recurring Charge(s) per unit: | \$4,800.00 per node \$1,350.00 Transport for additional OC48 Node on Ring #2 |
| Non-Recurring Charge(s): | N/A |
| Locations: | Kirkland, Redmond |
| | |

REDACTED

| Contract No. 1320ICB New Renewal AmendmentX | Contract No. 1320ICB | New | Renewal | AmendmentX | |
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WAC 480-80-142:

7(iii) Demonstrate, at a minimum, that the contract charges cover the company's cost of providing the service. Costs will be determined under a long-run incremental cost analysis, including as part of the incremental cost, the price charged by the offering company to other telecommunications companies for any essential function used to provide the service, or any other commission-approved cost method. (iv) 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.

Verizon Northwest includes as an attachment to this contract filing the documentation and explanations required by WAC 480-80-142. The cost support has been labeled confidential and is protected pursuant to the provisions of WAC 480-07-160 for commercial reasons.

| Contract No. 1320ICB | New | Renewal | Amendment _ | _X |
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WAC 480-80-142:

7 (v) Indicate the basis for using a contract rather than a filed tariff for the specific service involved. If the basis for using a contract is the availability of an alternative service provider, identify that provider.

Service is provided under a contract because it is not available under the tariff.

| Contract No. 1320ICE | New | Renewal | Amendment _ | _X |
|----------------------|-----|---------|-------------|----|
| WAC 480-80-142: | | | | |

(2) Duration of contract. All contracts shall be for a stated time period.

The term shall expire on January 19, 2008, approximately thirty-six (36) months from the Customer's in-service date for services ordered under the original Agreement.