



Verizon Northwest Inc.

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Fax: 425-261-5262

August 3, 2007

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. 1345ICB**

Verizon Northwest Inc. submits for filing Contract No. 1345ICB, a new agreement for a customer specific contract that provides Analog and Digital CentraNet® Service, Customer Moves, Adds and Changes (CMAC) and Station Message Detail Recording (SMDR) Services. The term of the agreement is twelve (12) months with an optional six (6) month extension period on a month-to-month basis. The customer's previous agreement was filed under Contract No. 1310ICB, effective October 10, 2005 in Docket No. UT-961536, which expired July 31, 2007. Please assign this contract filing a new docket number. The customer's rates, terms and conditions for service in the new agreement are unchanged from the original agreement. CentraNet Service provides local exchange access, interexchange access, intrasystem communication and features.

Verizon is offering this service on a contract basis because of custom pricing for a Centranet customer with a large line size. Also, the customer's line size prohibits subscription of CMAC and SMDR under the tariff.

Verizon submits the documentation required in Section 7 of WAC 480-80-142 as an attachment to this filing. Verizon considers the contract and all cost computations required under Section 7 (b) (iii) 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

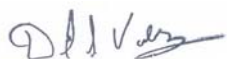
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from disclosure requirements per the Public Records Act, Chapter 42.17 RCW. The cost documentation is marked "Confidential per WAC 480-07-160". The company, for commercial reasons, may be harmed if this information is not considered confidential by the Commission.

The company requests an effective date of August 31, 2007 for this contract filing. The customer's current agreement expired July 31, 2007. The company reverted the customer's Centranet service to tariff rates for the minimum thirty (30) days required under the tariff. The customer would like their service to move back under their customer specific contract at the end of the thirty (30) day minimum service period stipulated by the tariff to get the benefit of the contract pricing and have the CMAC and SMDR service available to them as soon as possible. A request for approval on Less than Required Notice is attached to this filing.

Please direct any questions to Lin Fogg at 425-261-6380.

Very truly yours,



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

Attachments  
(2007-407703)



**ESSENTIAL TERMS AND CONDITIONS**

**Contract No. 1345ICB    New   X      Renewal       Amendment**

**Additional Quantities:**                      Customer may add additional quantities and sites to this Agreement during the initial term of the Agreement if they are within the established Verizon tariffed local exchange service area for Verizon's Bothell Central Office and where the Service is technically and commercially available using Verizon's established ordering procedures. Service provided to such additional locations and/or numbers will be subject to the terms of this Agreement and will be coterminus with this Agreement. Service to other locations outside of the Bothell Central Office may only be added by amendment to this Agreement.

**Monthly Recurring Charge:**                      \$38,996

**Non-Recurring Charge:**                      Non-recurring charges are not applicable to those Digital (ISDN) CentraNet and Analog CentraNet lines currently in service. Any new CentraNet lines will be subject to the standard Nonrecurring Charges per tariff rates which include the Initial Service Ordering and Line Connection charges in Section 5 of the General and Local Exchange Tariff, WN U-17.

**Termination Liability:**                      Termination charges apply if Customer drops below the minimum commitment (150) Analog CentraNet station lines and (50) Digital (ISDN) CentraNet station lines during the initial term or terminates the Service prior to the end of the initial term. There is no minimum quantity commitment required during the optional six (6) month, month-to-month Extended Service Period after the twelve (12) month Service Period (the initial term).

If during the Initial Term Period, Customer's quantity of Digital (ISDN) or Analog CentraNet lines in-service fall below the stated minimum quantities above, individually or both, or Customer terminates the Agreement and Service for any reason, then Customer shall pay to Verizon a termination charge equal to twenty-five percent (25%) of the applicable monthly rate for the quantity of the respective Service terminated below the Minimum Commitment multiplied by the number of months remaining in the Term. The termination liability will apply on an individual service category basis for Digital (ISDN) and/or Analog CentraNet falling below the stated Minimum Commitment; early termination charges will not apply to CentraNet Feature Package 2000, SMDR and CMAC.

**Location:**    Kirkland

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7 (b) 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 sued to provide the service, or any other commission-approved cost method.

This is a renewal of an existing customer specific agreement that provides Analog and Digital (ISDN) CentraNet service. The term for the renewal is twelve (12) months with an optional 6 month extension on a month to month basis at the end of the initial term. CentraNet Service provides local exchange access, interexchange access, intrasystem communication and features.

The customer is currently receiving this service under Contract No. 1310ICB, effective October 10, 2005 in Docket No. UT-961536 which expired on July 31, 2007.

This contract provides customer specific pricing for CentraNet Service for a customer with a large line size. Custom pricing is also provided for Customer Adds, Moves and Changes (CMAC) Service and Station Message Detail Recording (SMDR) Service due to the customer's large line size. (See the WN U-17 Tariff, Sec. 11, Sheets 120.3 and 120.6.)

The company submits under confidential cover cost documentation that demonstrates the rates the Company charges for the service cover the Company's cost of providing the service.

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7 (b) (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.

This contract provides customer specific pricing for CentraNet Service for a customer with a large line size. Custom pricing is also provided for Customer Adds, Moves and Changes (CMAC) Service and Station Message Detail Recording (SMDR) Service. Due to the customer's line size, CMAC and SMDR must be provided on an ICB basis pursuant to the WN U-17 Tariff, Sec. 11, Sheets 120.3 and 120.6.

Verizon Northwest includes as a confidential attachment to this contract filing the cost documentation and explanations required by WAC 480-80-142.

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- 7 (v) 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 custom pricing offered to the customer for the Analog and Digital CentraNet Station Lines and Feature Package are not available under the tariff. Also, SMDR and CMAC service are not available under the tariff to customers with large line sizes.

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

The service life for this contract is twelve (12) months with one six (6) month optional extension period on a month-to-month basis.