



Verizon Northwest Inc.

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

October 13, 2009

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

Subject: **CONTRACT NO. 1403ICB**

Verizon Northwest Inc. submits for filing Contract No. 1403ICB, Addendum No. 8, Exhibit 22-C to a Master Services Agreement not previously filed with the Commission. The purpose of this addendum is to add services to the MSA to be provided in WA. The addendum provides Integrated Services Digital Network-Primary Rate Interface (ISDN-PRI) service. The Master Services Agreement, Attachment C and Addendum No. 5 are attached because they apply to service provided in WA. Other exhibits to the MSA and Addendums 1, 3, 4, 6 and 7 are not attached because they do not apply to service provided in WA. Addendum No. 2 was not executed. ISDN-PRI is a central office based service arrangement that supports the simultaneous transmission of circuit switched voice and data and packet switched data transmission over a four-wire facility at a standard interface.

Services provided in WA under the attached Exhibit 22-C shall expire on December 29, 2010, a term of approximately 14 months if made effective in November 2009.

The service is offered under contract because the rates are not available under tariff. The company requests an effective date of November 12, 2009 for this contract.

Verizon submits the documentation required in Section 7 of WAC 480-80-142. Verizon considers the cost computations required under sub-section 7 (b) (iii) to be confidential and protected under the provisions of WAC 480-07-160 and under the exemption from disclosure requirements per the Public Records Act, Chapter 42.56 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 treated by the Commission as confidential.

With regards to the contract, Verizon will comply with any applicable resale obligations required by RCW 80.36.170 and 80.36.180.

Please call me at 425-261-6380 if there are questions about this filing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lin Fogg", with a long horizontal flourish extending to the right.

Lin Fogg - Manager
Public Affairs, Policy & Communications

ESSENTIAL TERMS AND CONDITIONS

Contract No. 1403ICB New X Renewal Amendment

Quantity Commitment and Shortfall:

Customer must maintain 200 PRIs installed nationwide in the 19 jurisdictions identified in the Exhibits to the Master Service Agreement. If Customer falls below 200 lines, Customer will be assessed a shortfall charge equal to 60% of the average national PRI rate in year one of the Agreement, 50% of the average national PRI rate in year two of the Agreement and 40% of the average national PRI rate in year three of the Agreement. National average PRI rate = \$351.26. The shortfall charge/termination liability charge for year 1 is \$210 per PRI, for year 2 is \$176 per PRI and for year 3, \$140 per PRI.

Termination Liability:

Exhibit 22-C, Section 4. states: If Customer cancels this Exhibit 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 as specified in Addendum #5 to the Master Services Agreement, Attachment C, Section 2 "Termination Charges".

Addendum #5, Attachment C to the Master Services Agreement, Sec. 2 Termination Charges states: If Customer terminates this Attachment (C to the Agreement) or the Agreement in its entirety, Customer will be charged the applicable rate (\$210 for each month remaining in year 1, \$176 for each month remaining in year 2 and \$140 for each month remaining in year 3) times the minimum commitment of 200 PRIs.

As long as Customer maintains 200 or more PRIs, Customer may continue to add new PRIs at any time during the Term.

Location:

Bothell, Burlington, Everett, Kirkland, Kennewick, Redmond, Wenatchee

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7(b) (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.

This is a new agreement that provides Integrated Services Digital Network-Primary Rate Interface Service (to include Calling Line ID with Name if customer chooses to order this service) for a term that will expire on December 29, 2010, approximately a 14 month term if the contract is made effective in November 2009.

The attached confidential cost documentation demonstrates the contract charges 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.

The underlying costs of the individual component elements are identified in the confidential cost documentation filed with this contract. See Exhibit 22-C to the Master Service Agreement for the detailed list of services and rates subscribed to under the agreement.

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7 (v) Indicate the basis for using a contract rather than a filed tariff for the specific service involved.

 The services are offered on a contract basis because the rates are not available under tariff.

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

The contract term will expire on December 29, 2010, a term of approximately 14 months if the contract is made effective in November, 2009.