

ESSENTIAL TERMS AND CONDITIONS

Contract No. 1386ICB New Renewal Amendment

Effective Date: April 25, 2009

Expiration Date: April 24, 2011

Extension Option: If Customer gives the Company at least 60 days notice before the end of the Service Period, it may extend the Service period on a month-to-month basis for up to twelve months. If at least 30 days before the expiration of the Service Period, including any extension, the Customer gives the Company notice it desires to negotiate a new contract for the Services, the Service Period will be extended for up to 60 days.

Duration of Contract: Twenty-four (24) months

Description of Service: ISDN PRI flat rate port with DS1

Number of Units: Two (2)

Monthly Recurring Charge: \$389 – based on a multistate service agreement with possible monthly credits based on lines in service that could reduce the effective rate to as low as \$340, and with possible shortfall charges of up to \$375 per line below the minimum if specified national minimum in-service quantities are not maintained.

Non-Recurring Charge: None for initial service; per tariff for changes.

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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.

The attached confidential cost documentation demonstrates the contract charges cover the Company's cost of providing the subject service in Washington.

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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.

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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 due to the customer's national needs and to competitive market conditions, and because the negotiated pricing structure is not available under tariff.

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

The contract term is twenty-four (24) months.

