



**Verizon Northwest Inc.  
1800 – 41<sup>st</sup> Street  
WA0105RA  
P. O. Box 1003  
Everett, WA 98206**

October 27, 2006

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. 1330ICB (Renewal in Docket UT-021371)**

Verizon Northwest Inc. submits Contract No. 1330ICB, a renewal of a customer specific contract for Analog CentraNet Service through December 31, 2009, approximately thirty-eight (38) months. CentraNet® Service is a central office based service arrangement which consists of host central office interface equipment and software located on Company premises. It provides local exchange access, interexchange access, intrasystem communication and features. The current agreement was filed under Contract No. 1265 as Amendment No. 2, effective November 9, 2003 in Docket No. UT-021371. Under Amendment No. 2, the customer subscribed to the Feature Package 1000 and Network Access Register (NARs) under the WN U-17 tariff. This renewal agreement includes the Feature Package 1000 as a contract rate. The NAR will continue to be provided under the tariff. The Analog CentraNet line rate in the renewal agreement is \$12.00 compared to \$12.50 in the previous agreement, a decrease of 4%.

Verizon is offering this service on a contract basis because the term and rates are not available under the tariff.

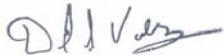
The company requests approval on less than required notice with an effective date of November 14, 2006 for this contract filing. The LRN form is attached to this filing.

Carole J. Washburn, Executive Secretary  
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Verizon submits the documentation required in Section 5 of WAC 480-80-142 as an attachment to this filing. Verizon considers the contract and all cost computations required under Section 5 (b) 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 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.

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

Very truly yours,



David S. Valdez  
Senior Vice President West – Public Affairs, Policy and Communications

Attachments  
(2006-383459)

DSV/LF

**ESSENTIAL TERMS AND CONDITIONS  
PER WAC 480-80-142**

**Contract No. 1330ICB**   **New** \_\_\_\_\_     **Renewal**   X       **Amendment** \_\_\_\_\_

Effective Date:    November 14, 2006

Expiration Date:    December 31, 2009

Renewal Options:     If Customer indicates to Verizon in writing that it desires to negotiate a new contract to continue or replace the Services provided for in the Agreement, the Agreement shall automatically be extended for a period not to exceed 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 30 days prior to the end of the initial Service Period. For purposes of this condition, written notice may be by facsimile or electronic mail.

Duration of Contract:                                        Approximately thirty-eight (38) months

Description of Service:                                     CentraNet Service is a central office based service arrangement which consists of host central office interface equipment and software located on Company premises. It provides local exchange access, interexchange access, intrasystem communication and features.

Number of Units:    653 Analog CentraNet Lines  
653 Feature Package 1000  
439 Network Access Registers (NARs) pursuant to tariff

Minimum Quantity:                                         201 Analog CentraNet Lines

Monthly Recurring Charge:                              \$9,305.00 (Analog CentraNet Line plus FP 1000)

**ESSENTIAL TERMS AND CONDITIONS  
PER WAC 480-80-142**

**Contract No. 1330ICB**    **New** \_\_\_\_\_    **Renewal**   X   \_\_\_\_\_    **Amendment** \_\_\_\_\_

**Non-Recurring Charge:**                      As this agreement provides for a continuation of Service provided pursuant to a prior agreement, there are no non-recurring charges for Service installed as of the effective date of this Agreement. Additional quantities of Service installed after the effective date of this Agreement shall be billed any applicable non-recurring charges (including Service Order and Line Connection Charges) from Verizon's tariff (WN U-17, Section 5 and 11).

**Locations:**                                      Anacortes, Arlington, Blaine, Bothell, Burlington, Camas, Chelan, Edmonds, Everett, Kennewick, Kirkland, La Conner, Leavenworth, Lynden, Lynnwood, Marysville, Mill Creek, Monroe, Mt. Vernon, Mukilteo, Oak Harbor, Pullman, Quincy, Redmond, Republic, Seattle, Sedro Woolley, Shoreline, Snohomish, Stanwood, Sultan, Sumas, Wenatchee, Westport, Woodinville, Woodland.

**Note:** Service to other Customer locations, located within Verizon's franchise territory, may be added to this Agreement using ordering procedures previously established between Verizon and Customer, provided that Service to those locations is technically and commercially available.

**Contract No. 1330ICB**    **New** \_\_\_\_\_    **Renewal**   X   \_\_\_\_\_    **Amendment** \_\_\_\_\_

5(a) A statement summarizing the basis of the rate or charge proposed in the contact and an explanation of the derivation of the proposed rate or charge.

### **Minimum Commitment and Shortfall**

Customer shall maintain a minimum quantity of 201 Analog CentraNet Lines in-service at all times during the term of this Agreement. In the event Customer reduces the number of CentraNet Analog Lines in-service to any quantity below this minimum, the basic termination liability charge below is applicable and will be charged based on the number of lines terminated below the minimum. In addition, if Customer's quantity of Analog CentraNet lines in-service falls below 201, this Agreement will terminate and Service will revert to applicable tariff rates, terms and conditions.

### **Technology Upgrade/Network Optimization**

In the event that Verizon offers new or alternate technologies that would benefit Customer prior to the end of the term of this Agreement, Customer may terminate the existing Services under contract without termination liability and upgrade to other Verizon Services so long as the upgraded service contract is for a period equal to or longer than the remaining months in the replaced contract.

### **Nonrecurring (NRC) Charges**

As this agreement provides for a continuation of Service provided pursuant to a prior agreement, there are no non-recurring charges for Service installed as of the effective date of this Agreement,. Additional quantities of Service installed after the effective date of this Agreement shall be billed any applicable non-recurring charges (including Service Order and Line Connection Charges) from Verizon's WN U-17 tariff.

### **Termination Liability**

If Customer cancels or terminates this Agreement prior to the expiration of the Service Period, Customer shall pay to Verizon a termination charge equal to a percent of the applicable minimum monthly charge per quantity times the number of months remaining in the term. In year one of the Agreement, the percentage applicable is twenty-five percent (25%); in years two and three of the contract, the amount is ten percent (10%).

### **Monthly Charges**

The average monthly charge is \$9,305.00 for the Analog CentraNet Line plus FP 1000.

**Contract No. 1330ICB**    **New** \_\_\_\_\_    **Renewal**   X   \_\_\_\_\_    **Amendment** \_\_\_\_\_

- 5(b) An explanation of all cost computations involved in arriving at the derivation of the level of the rate or charge in the contract.

Cost computations and explanations required by WAC 480-80-142 are attached. They have been stamped confidential and are protected pursuant to WAC 480-07-160 for commercial reasons.

**Contract No. 1330ICB**    **New** \_\_\_\_\_    **Renewal** **X** \_\_\_\_\_    **Amendment** \_\_\_\_\_

- 5 (c) 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 term and rates are not available under the tariff.

**Contract No. 1330ICB**    **New** \_\_\_\_\_    **Renewal**   X      **Amendment** \_\_\_\_\_

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

       The term for this contract is approximately thirty-eight (38) months.