

Contract No. 1409ICB New ___ Renewal X Amendment ___

480-80-142

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 agreement continues the provision of analog video transport service for a period of thirty-six (36) months. 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 A to the contract document for the service and rate 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 service is offered on a contract basis because the service is not available under tariff and has very limited demand.

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

The contract term is thirty-six (36) months.

