ESSENTIAL TERMS AND CONDITIONS

Contract No. 1410ICB New X Renewal Amendment Effective Date: June 15, 2010 **Expiration Date:** June 14, 2012 (or June 14, 2013) **Extension Option:** Customer may extend the agreement by 12 months upon giving the Company written notice at least 60 days before the end of the Service Period. **Duration of Contract:** Twenty-four (24) months, with an optional 12 month extension Description of Service: ISDN PRI Access System - flat rate voice & data with PRI DS1 facility; Calling Line Identification with Name. Number of Units: Two (2) Monthly Recurring Charge: \$537.60; \$30.00 Non-Recurring Charge: Not applicable; this contract continues existing service Termination Liability: Twenty-five percent of monthly rate times the remaining months in the Service Period. Wenatchee, Kennewick Location:

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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.

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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 page 5 the contract document for the 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 due to the customer's national needs and to competitive market conditions.

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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, with an optional 12 month extension