



**Contract No. 1415ICB    New   X      Renewal       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.

Since no service rate is changed by this contract, a cost study is not provided.

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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 basis of the bill payment deadline is this customer's large, multistate operation and use of the Company's and affiliates' service in large quantities, the customer's credit worthiness, and the customer's desire to have a standard sixty day payment deadline and late payment charge across these states and services. The late payment charge rate is the same as set forth in the Company's Washington local exchange services tariff.

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

The arrangement negotiated with this customer due to competitive market conditions 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 sixty (60) months.