ESSENTIAL TERMS AND CONDITIONS

Contract No. 1415ICB	New X Renewal Amendment				
Effective Date:	September 17, 2010				
Expiration Date:	September 16, 2015				
Duration of Contract:	Sixty months				
Description of Service:	Standardization of payment deadlines at sixty days from the invoice date for local exchange service provided by the Company and affiliates across twelve states. It also standardizes the late payment charge for undisputed charges at 1.5% per month or the maximum rate permitted by law, which ever is lower, until the customer's account is current.				
Eligibility Criteria:	Spent at least \$50 million on a multi-state basis with the Company and its affiliates for intrastate telecommunications services in the prior year; has had installed 5,000 CentraNet lines on a multi-state basis since 2000; has had installed at least 270 PRI lines for a period of four years prior to execution of this agreement; spent in the immediately preceding twelve months over \$40,000,000 on local exchange services provided by the Company and affiliates and during said period had investment grade credit ratings of at least "A" per Standard and Poor's and "A2" per Moody's plus a "Quick Ratio" (current assets divided by current liabilities) of at least 0.5, where the value of total cash, cash equivalents and other short term investments of current assets used in the Quick Ratio calculation are at least one hundred billion dollars; short term credit ratings of at least "A1" per Standard and Poor's and "P1" per Moody's; the terms and conditions of this agreement shall not apply to any other customers with annual cumulative revenues from the Company's and affiliates' regulated local exchange services in excess of \$80,000,000.				
Location:	Various				

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.

Contract No. 1415ICB	New <u>X</u>	Renewal	Amendment

480-80-142

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.

480-80-142

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.

Contract No. 1415ICB	New _	<u>X</u> _	Renewal	Amendment
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480-80-142

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

The contract term is sixty (60) months.