ESSENTIAL TERMS AND CONDITIONS

Contract No. 1416 ICB	New <u>X</u> Renewal Amendment	
Effective Date:	September 20, 2010	
Expiration Date:	September 19, 2013	
Renewal Options:	If the Customer indicates to The Company in writing that it desires to negotiate a new contract to continue the Services provided, the Agreement shall automatically be extended for a period not to exceed 60 days from the end of the initial term to allow the parties to finalize a new agreement. Written notice must be provided by Customer at least 30 days prior to the end of the original termination date.	
Duration of Contract:	Thirty-six (36) months	
Description of Service:	Integrated Services Digital Network (ISDN) Primary Rate Interface (PRI) Service supports the simultaneous transmission of circuit switched voice and data over a four-wire facility at a standard interface. ISDN-PRI Service provides digital end-to-end access capable of supporting a combination of public and private network access services	
Number of Units:	One (1)	
Termination Charges:	If Customer cancels this Agreement at any time during the Service Period Customer shall pay to The Company a termination charge equal to thirty five percent (35%) of \$350.00 multiplied by the number of months remaining in the unexpired portion of each Contract year multiplied by the minimum commitment for the affected Contract year.	
Monthly Recurring Charge:	\$485.00	
Location:	Kennewick	

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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 is a 36 month customer specific agreement that provides Integrated Services Digital Network-Primary Rate Interface (ISDN-PRI) Service and Direct Inward Dialing (DID) Numbers. This service is offered under contract because the negotiated rate is not available under the tariff. 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 competitive nature of the service offered under this contract justifies a discount beyond the term discounts offered in the tariff. The underlying costs of the individual component elements are identified in the confidential cost documentation filed with this contract.

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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 rate is customer specific and not available under the tariff.

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

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