

## ESSENTIAL TERMS AND CONDITIONS

**Contract No. 1419ICB**      **New**  **Renewal**  **Amendment**

**Effective Date:**                      January 3, 2011

**Expiration Date:**                     January 2, 2014 (or 36 months from in-service date)

**Duration of Contract:**                Thirty-six (36) months.

**Renewal Options:**                    At the end of the Service Period, the Customer, with sixty (60) days advance written notice to Frontier, may elect to extend the Service Period for one (1) additional year at the same rates, terms and conditions in this contract.

**Description of Service:**              Transparent LAN Service (TLS) is a high speed data service which uses a shared fiber network to allow for the interconnection of Local Area Networks (LANs) across selected metropolitan areas. TLS delivers an interface of 10 Mbps, 100 Mbps, 1000 Mbps or 10 Gbps from the customer's LANs to the shared network. TLS creates a network with the ability to function as a shared public network. TLS protects data privacy by using specialized screening software that permits subscribers to access only their data. TLS is available in two service types: Ethernet Multipoint Service (EMS) or Ethernet Relay Service (ERS). The customer must select either (EMS) or (ERS) as the service type for each domain.

**Termination Charges:**                Following the In-Service Date, termination charges shall apply to each circuit terminated. If the Customer terminates any or all of the circuits covered by this contract before the end of the Service Period, the Customer must pay a termination charge for each affected circuit equal to 25% of the MRCs for each affected circuit for the remainder of the Service Period. Any such termination charge shall be due and payable in one lump sum within thirty (30) days of billing. Customer is also responsible for all charges incurred up to the date of any TLS terminated. EVCs are not subject to termination charges.

**Number of Units:**                        2 TLS ERS 1000 MB (GigE) Premier Access Lines;  
4 Interoffice Mileage;  
1 ERS Ethernet Virtual Circuit (EVC) Basis – 1000 Mbps

**Monthly Recurring Charge:**        \$1800.00 per unit for TLS ERS 1000 MB (GigE) Premier Access Lines, plus applicable interoffice mileage charges, if over twenty miles  
  
\$1890.00 per unit for ERS EVC Basis – 1000 Mbps

**Non-Recurring Charge(s):**            None for initial units; after 24th month, \$1300.00 for additions.

**Location:**                                 Redmond, Kirkland

**Contract No. 1419ICB**      **New**  **Renewal**  **Amendment**

WAC 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.

The attached confidential cost documentation demonstrates the contract charges cover the company's cost of providing the service.

**Contract No. 1419ICB**      **New**  **Renewal**       **Amendment**

WAC 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 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 detailed list of services and rates subscribed to under the agreement.

**Contract No. 1419ICB      New  X       Renewal       Amendment**

WAC 480-80-142

7 (b) (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 because the negotiated rates, terms and conditions are not available under tariff.

**Contract No. 1419ICB      New       Renewal       Amendment**

WAC 480-80-142

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

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