

Agenda Date: October 10, 2001  
Item Number: 2D

**Docket:** UT-010334  
Company Name: Intellicall Operator Services, Inc.

Staff: Dennis Shutler, Compliance Specialist  
Vicki Elliott, Assistant Director, Consumer Affairs

**Recommendation:**

Issue a Complaint against Intellicall Operator Services, Inc. Accept the proposed Settlement Agreement to resolve the Complaint.

**Discussion:**

The proposed Complaint and Settlement Agreement in this matter comes from a staff investigation into the operator services practices of Intellicall Operator Services, Inc. (Intellicall).

This investigation was initiated by consumer complaints filed with the Consumer Affairs Section of the Washington Utilities and Transportation Commission (the Commission), where the consumers disputed charges assessed by Intellicall.

Staff began its investigation in January 2001, by requesting a list of pay phone locations from Intellicall. On February 13, 2001, Staff conducted test calls from 26 pay phones where Intellicall is the operator services provider. During the ensuing investigation, Staff found that Intellicall did not meet the requirements for verbal disclosure of rates as contained in WAC 480-120-141(2)(b). RCW 80.36.520 directs the Commission to adopt rules to assure appropriate disclosure to consumers of the rates, charges, and fees for services provided by an operator services provider. The Commission adopted such rules in WAC 480-120-141 on December 29, 1998. During its investigation, Staff found 28 instances where Intellicall's operators did not properly offer a rate quote to pay phone consumers.

In August 2001, Staff notified Intellicall of its findings and invited the company to enter into discussions to resolve these issues. Commission Staff and Intellicall shared information and discussed a possible resolution. These discussions resulted in the proposed Settlement Agreement presented today.

Briefly, in the Agreement, Intellicall has agreed to pay the Commission a total of \$17,457.01. This amount represents penalties of \$14,000.00 for 28 violations of WAC 480-120-141(2)(b), and reimbursement to the Commission for the cost of the investigation in the amount of \$3,457.01. In addition, Intellicall has agreed to immediate and continued compliance with all state laws and rules.

Docket No. UT-010334  
October 10, 2001  
Page 2

**Recommendation**

Staff recommends the Commission issue a Complaint against Intellicall Operator Services, Inc., and accept the proposed Settlement Agreement to resolve the Complaint.

Attachment

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	DOCKET NO. UT-010334
	)	
Complainant,	)	
	)	
v.	)	SETTLEMENT AGREEMENT
	)	
INTELLICALL OPERATOR SERVICES,	)	
INC.	)	
	)	
Respondent.	)	

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Intellicall Operator Services, Inc. (Intellicall) and the Staff of the Washington Utilities and Transportation Commission (Staff) (collectively, “the Parties”) have reached agreement on certain issues raised by the Complaint and wish to present their agreement on these issues for the Commission’s consideration. The Parties therefore adopt the following Agreement. The Parties enter into this Agreement voluntarily to resolve the matters in dispute between them and to expedite the orderly disposition of this matter.

**AGREEMENT**

Now, therefore, the Parties hereby agree as follows:

**I. RESOLUTION OF ISSUES RAISED IN THE COMPLAINT**

**A. Scope of Agreement**

Staff and Intellicall agree that the terms of this Agreement resolve, between them, all contested issues in this proceeding before the Commission. Nothing in this Agreement shall be construed to limit or bar any other entity from pursuing available legal remedies against Intellicall or to limit or bar Intellicall from asserting any defenses to such claims. This Agreement resolves all issues raised by the Complaint and except as specifically set forth herein, nothing in this Agreement shall be cited or construed as precedent or as indicative of the parties’

positions on any of the issues resolved. This limitation shall not apply to any proceeding to enforce the terms of this Agreement or any Commission Order fully adopting this Agreement.

**B. Support of Agreement**

Intellicall and Staff shall cooperate in submitting this Agreement promptly to the Commission for consideration, and shall support adoption of this Agreement in proceedings before the Commission, through testimony or briefing, as resolution of the issues included in the Complaint. No party to this Agreement or its agents, employees, consultants, or attorneys will engage in any advocacy contrary to the Commission's adoption of this Agreement in resolution of the issues included in the Complaint. Intellicall and Staff shall make available a witness or witnesses in support of this Agreement if the Commission determines a hearing is necessary.

## II. COMMITMENTS OF INTELICALL

**A. Compliance with Verbal Disclosure Rules**

The Complaint was based on an investigation of intrastate telephone calls made from pay phones on March 26, 2001, where Intellicall is the operator services provider. The investigation tested compliance of verbal rate quote disclosure requirements and found Intellicall in violation of Commission rule (specifically, WAC 480-120-141(2)(b)) regarding the requirements for verbal rate quote disclosure. Intellicall commits to full compliance with Washington's verbal disclosure requirements set forth in WAC 480-120-141(2)(b) for all aggregator locations.

**B. Remedy**

Staff will request the Commission issue an order accepting, in settlement of the issues raised in the Complaint in Docket No. UT-010334, a total payment by Intellicall of \$17,457.01. This amount represents penalties of \$14,000.00 for 28 violations of WAC 480-120-141(2)(b), and reimbursement to the Commission for the cost of the investigation in the amount of

\$3,457.01. The total amount shall be ordered due and payable 15 days after the Commission issues its order.

**C. Compliance Regarding Other Rules**

Intellicall will comply with all applicable Commission rules. This Agreement does not preclude the Commission from pursuing penalties for violations of Commission rules not related to the subject matter of this Agreement.

**III. GENERAL PROVISIONS**

**A. Effective Date of Agreement**

This Agreement is an integrated document that shall become effective when executed, and the parties shall recommend the Commission adopt this Agreement in its entirety. In the event that the Commission rejects all or any portion of this Agreement as resolving the issues within the Complaint, each party reserves the right to withdraw from this Agreement by written notice to the other party and the Commission. In such case, neither party to this Agreement shall be bound or prejudiced by the terms of this Agreement, and either party shall be entitled to seek reconsideration of the Commission Order rejecting all or any portion this Agreement, file any testimony it chooses, cross-examine witnesses, and in general to put on such case as it deems appropriate. If this Agreement does not become effective according to its terms, it shall be null and void.

**B. Execution in Counterparts**

This Agreement may be executed by the Parties in counterparts and as executed shall constitute one agreement. Copies sent by facsimile are as effective as original documents.

**C. Necessary Actions**

The Parties shall take all actions necessary as appropriate to carry out this Agreement.

**D. Entire Agreement**

This Agreement constitutes the parties' entire agreement on all matters set forth herein and supersedes any and all prior oral and written agreement on such matters that previously existed or occurred. The parties acknowledge this Agreement is the product of negotiations and compromise and shall not be construed against either party on the basis that it was the drafter of any or all portions of this Agreement.

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION  
STAFF

CHRISTINE O. GREGOIRE  
Attorney General  
INC.

INTELLICALL OPERATORS SERVICES,

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JONATHAN THOMPSON  
Attorney General  
Counsel for Commission Staff

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B. Reid Presson, Jr.  
Regulatory Consultant

Dated: \_\_\_\_\_, 2001.

Dated: \_\_\_\_\_, 2001.