

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the matter of the tariff filing of AT&T	)	
Communications of the Southwest, Inc.	)	Case No. TO-2008-0104
concerning revision in billing method	)	Tariff No. JX-2008-0187, -0188, -0189
for certain types of prepaid calling cards.	)	

**UNANIMOUS STIPULATION  
AND AGREEMENT**

AT&T Communications,<sup>1</sup> Staff of the Missouri Public Service Commission (“Staff”) and Office of the Public Counsel (“Public Counsel”) (collectively, the “Parties”), pursuant to 4 CSR 240-2.115, respectfully submit the following Stipulation and Agreement which, if approved by the Missouri Public Service Commission (“Commission”), will resolve all issues pertaining to AT&T Communications’ inadvertent failure to timely update its tariffs for certain prepaid calling cards. The Parties propose this Stipulation and Agreement in this case relating to the tariff revisions for billing certain prepaid calling cards as a just and reasonable way to resolve the issues without the delay, the expenditure of time, and the costs of a separate complaint case claiming AT&T failed to update tariffs and seeking monetary penalties and/or refunds. Pursuant to this Settlement Agreement, AT&T Communications, without admitting or denying any violation of Commission rules, will make a voluntary contribution of 50,000 AT&T prepaid calling cards, with each card to contain 100 interstate calling minutes to United States military personnel.<sup>2</sup> These cards will be delivered by AT&T Communications to the USO within 10 days of a Commission Order approving this Stipulation and Agreement, with directions that all or a significant portion of the cards are to be distributed to service men and women in Missouri or attached to Missouri-based military units (e.g., Fort Leonard Wood, Whitman Air Force Base). In addition, AT&T Communications agrees that for ninety (90) days after the date this

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<sup>1</sup> AT&T Communications of the Southwest, Inc. will be referred to in this pleading as “AT&T Communications.”

<sup>2</sup> These cards have a retail market value of approximately \$425,000.

Stipulation and Agreement is approved by the Commission, AT&T will continue to make adjustments for Missouri customers that contact AT&T Communications to complain that they were confused about the Missouri 8:1 decrementation rate, provided only one adjustment will be made for each PIN. AT&T Communications respectfully requests that the Commission consider and approve this Stipulation and Agreement, to be effective on and after December 5, 2007, or as soon thereafter as reasonably practicable as the parties would prefer to have these cards in military personnel hands for the holidays. No Party objects to AT&T Communication's request.

### **Background**

On September 21, 2007, AT&T Communications, filed revisions to its Message Telecommunications Service Tariff, PSC Mo.-No. 1, to revise the domestic in-state "decrementation" rate for certain AT&T Communications' prepaid calling cards from 1:1 to 8:1. "Decrementation" refers to the rate at which minutes, units or dollars<sup>3</sup> are deducted from a calling card's available balance for each minute of conversation. The Commission had previously allowed the same 8:1 tariffed decrementation rate to go into effect for in-state calls made with other AT&T Communications calling cards. AT&T Communications sought through these tariff revisions to bring more uniformity to its in-state prepaid calling card rates.

On September 26, 2007, the Commission Staff filed a recommendation regarding the proposed tariff changes, concluding that the tariffs met the requirements of all applicable statutes and do not conflict with applicable Commission rules. On October 12, 2007, Public Counsel filed a Motion asking the Commission to suspend AT&T Communications' proposed tariff revisions for certain prepaid calling card terms, stating the new decrementation rate was

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<sup>3</sup> For ease of reference, this Stipulation and Agreement frames the discussion in terms of minute-based cards, but is also intended to apply to unit and dollar-based cards, as described in MoPSC Tariff File Nos. JX-2008-0187, -0188 and -0189.

misleading, discriminates against calls made within Missouri, and contrary to Commission rules. On October 17, 2007, AT&T Communications filed a Response to Public Counsel's Motion to Suspend, explaining that the calling card services at issue are competitive services, provided by a competitive company, in a very competitive market. AT&T Communications further explained that the increased decrementation ratio is necessary because of the high in-state access charges it must pay in Missouri. Further, it explained that consumers that buy the calling cards are notified of the increased costs for Missouri in-state calls when they purchase the cards (a sample of the card and its packaging was provided with its Response). On October 17, 2007, Staff filed a Response to Public Counsel's Motion, concurring with AT&T Communications' position.

On October 18, 2007, the Commission at its agenda meeting discussed Public Counsel's Motion to Suspend AT&T Communications' proposed tariffs and declined to act to suspend them. The tariffs therefore went into effect by operation of law on their October 21, 2007 effective date. On November 1, 2007, the Commission issued an Order Denying Motion to Suspend Tariff. In that Order, the Commission stated that the challenged calling card tariffs relate to a competitive service offered by a competitive company, the prospective customers are notified of the "decrementation" rate at the time they purchase the cards and can refuse to purchase the card from AT&T Communications if they are unsatisfied.<sup>4</sup>

After filing the proposed tariffs, AT&T Communications notified Staff that while AT&T Communications had timely revised its intrastate tariff to reflect the 8:1 decrementation rate for prepaid cards sold directly by AT&T Communications (which the Commission had previously approved), it had inadvertently failed to do so for certain such cards sold through third party retailers. The Parties agreed that this tariff updating issue was a matter separate from the

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<sup>4</sup> In the Matter of the Tariff Filing of AT&T of the Southwest, Inc. Concerning Revisions in Billing Method for Certain Types of Prepaid Calling Cards, Case No. TO-2008-0104, Order Denying Motion to Suspend Tariffs, issued November 1, 2007, at p. 2.

substantive issues Public Counsel raised concerning the appropriateness of the revised decrementation rate, which Public Counsel had contested. This Stipulation and Agreement is intended to resolve any and all issues or claims relating to AT&T Communications' failure to update its intrastate tariffs prior to issuing the prepaid calling cards described in MoPSC Tariff File Nos. JX-2008-0187, -0188, and -0189.

### **Stipulation and Agreement Provisions**

1. AT&T Communications, without admitting any violation of Commission rules or federal or state law, agrees to make a voluntary contribution to United States military personnel of 50,000 AT&T prepaid calling cards, with each card to contain 100 interstate calling minutes (a sample of the type of card to be donated is appended as Attachment 1). AT&T Communications agrees to deliver the cards to the USO within 10 days of a Commission Order approving this Stipulation and Agreement, with directions that all or a significant portion of the cards are to be distributed to service men and women in Missouri or attached to Missouri-based military units (e.g., Fort Leonard Wood, Whitman Air Force Base). AT&T Communications also agrees that for ninety (90) days after the date this Stipulation and Agreement is approved by the Commission, AT&T will continue to make adjustments for Missouri customers that contact AT&T Communications to complain that they were confused about the Missouri 8:1 decrementation rate, provided only one adjustment will be made for any PIN.

2. The Parties agree that this Settlement and Agreement has been entered into to avoid litigation and resolves all claims and issues relating to AT&T Communications' failure to update its intrastate tariffs prior to issuing the prepaid calling cards described in MoPSC Tariff File Nos. JX-2008-0187, -0188, and -0189. The Parties acknowledge that AT&T Communications' failure to timely update these tariffs appears to be inadvertent. The signatories

represent that the terms of this Stipulation and Agreement constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. None of the Parties to this Stipulation shall have been deemed to have approved, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie, any of the issues provided for herein.

3. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not unconditionally approve this Stipulation and Agreement or approves the Stipulation and Agreement with modifications or conditions that a Party to the Stipulation and Agreement objects to, then the Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions in the Stipulation and Agreement. The Stipulations herein are specific to the resolution of the claims and issues described in this Stipulation and Agreement, and all stipulations are made without prejudice to the rights of the Parties to take other positions in other unrelated proceedings.

4. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved in the Stipulation and Agreement: their respective rights pursuant to Section 536.070.2 (RSMo 2000) to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1 (RSMo 2000); their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 (RSMo 2000); their respective rights to seek rehearing pursuant to Section 386.500 (RSMo 2000); and their respective rights to judicial review pursuant to Section 386.510 (RSMo 2000).

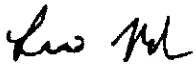
5. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that Staff shall, to the extent reasonably practicable, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is required from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure.

6. If the Commission so requests, the Staff shall file suggestions or a memorandum in support of this Stipulation. Each of the other Parties shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's suggestions or memorandum, responsive suggestions or a responsive memorandum which shall also be served on all Parties. The contents of any memorandum provided by any Party are its own and not acquiesced in or otherwise adopted by the other Parties to the Stipulation, whether or not the Commission approves and adopts this Stipulation.

WHEREFORE, the signatory Parties respectfully request that the Commission issue its Order approving all of the terms and conditions of this Unanimous Stipulation and Agreement.

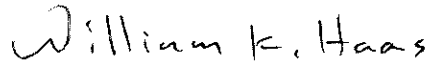
Respectfully submitted,

AT&T COMMUNICATIONS SOUTHWEST, INC.;  
SOUTHWESTERN BELL TELEPHONE COMPANY,  
D/B/A AT&T MISSOURI; AND  
SBC LONG DISTANCE, LLC, D/B/A AT&T LONG  
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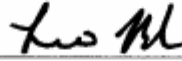
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**CERTIFICATE OF SERVICE**

Copies of this document were served on the following parties by e-mail on November 28, 2007.

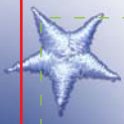


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## To Place a Call from WITHIN the U.S.:

1. Dial **1 800 631-1142**.
2. Enter your PIN number.
3. For calls in the U.S., Canada or the Caribbean, dial 1 + Area Code + Number. For other international calls, dial 011 + Country Code + City Code + Phone Number.

PIN:

Pin Number Imaged Here

**For Customer Care:** Call 1 800 361-4470. **Minute value applies to state-to-state calls. A surcharge not to exceed 13 minutes applies to U.S. pay phone calls**, some of which compensates pay phone providers. **Int'l rates are higher than state-to-state rates, differ according to area called and can change. In-state rates and calls made to/from mobile phones may be higher.** One-minute billing increments; partial minutes used are billed as full minutes. Card can't be returned/exchanged unless defective. Service provided by AT&T Corp. or

affiliate; by  
AT&T Alascom  
in AK  
**17314**  
FOR PROMO USE ONLY  
NOT FOR RESALE

Control Number Imaged Here

## To Place a Call from OUTSIDE the U.S.:

1. Dial the **AT&T USADirect®** Service Access Number for the country you are in. (Call Customer Care for access numbers before leaving the U.S.)
2. Dial **800 631-1142**.  
You do not need to dial "1" before the 800 number.

3. Enter your PIN number.
  4. For calls to the U.S., Canada or the Caribbean, dial 1 + Area Code + Number. For other international calls, dial 011 + Country Code + City Code + Phone Number.
- For Customer Care:** Dial the **AT&T USADirect®** Service Access Number for the country you are in. Then dial **800 361-4470**.  
**Card expires 6/30/08**



The Mark Area



44 Whippany Road  
Morristown, NJ 07960  
973-775-6700

JOB #: APP-022076

Description: Generic Promo Card

Trim: 7 7/16 x 3 7/16

Bleed: 1/8"

Safety: 3/32"

Line Screen: 150 lpi

Colors: CMYK

Galley/Proof  
Approval

Dept	Initials	Date	Time
PR	_____	_____	_____
AD	_____	_____	_____
CW	_____	_____	_____
AB	_____	_____	_____
ACC	_____	_____	_____
PROD	_____	_____	_____
TRAF	_____	_____	_____