

ORIGINALDecision No. 68254

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of REDWOOD RADIO TELEPHONE CORPORATION, a California corporation, 1. for a certificate of public convenience and necessity authorizing mobile radio communications service - Santa Rosa, and 2. for authority to sell and issue shares of its common stock.	}	Application No. 46721 (Filed June 12, 1964; Amended September 4, 1964)
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Berol, Loughran & Geernaert, by Bruce R. Geernaert,
 for Redwood Radio Telephone Corporation, appli-
 cant.

Sidney J. Webb and Ernet Macario, for the Commission
 staff.

O P I N I O N

This application was heard before Examiner Gillanders at Santa Rosa on September 11, 1964 and was submitted on receipt of a late-filed exhibit on September 24, 1964.

Copies of the application and notice of hearing were served in accordance with the Commission's procedural rules. There were no protests.

Applicant requests the issuance of a certificate of public convenience and necessity to construct and operate two radio stations in the domestic public land mobile radio service, to operate a paging service and to provide general communications services in the area of Santa Rosa, California. Applicant also requests permission to issue 30,000 shares of its \$1.00 par value common stock to its president and to issue evidence of a long-term obligation of \$4,000.

Applicant presently is not engaged in the furnishing of communications services.

Applicant proposes the installation of a base radio station and a paging transmitter in Santa Rosa, both of which will produce 500 watts of effective radiated power. Applicant also proposes to maintain a message center in Santa Rosa.

Application will be made to the Federal Communications Commission for a construction permit for said facilities.

Applicant proposes that subscriptions for service will be accepted in the following order of precedence:

- a. Public safety and health
- b. Public service
- c. Quasi-public service
- d. Physically handicapped
- e. Industrial
- f. Traveling public
- g. All others.

Applicant proposes the following rates for mobile service:

- A. When applicant furnishes mobile unit, the charges shall be:
 - (1) Installation and removal \$35.00
 - (2) Rental per mobile unit (maintained) 25.50 per month
- B. Message Service - charge to subscribers whether mobile unit furnished by applicant or subscriber:
 - (1) Minimum charge (covers 45 calls per month per mobile unit) \$18.00 per month
 - (2) For each call over minimum .20 per call
 - (3) A call shall be defined as 1 minute or portion thereof of air time, each additional minute or portion thereof shall constitute an additional call.

- C. Rental of remote dispatch equipment in office of subscriber (via wire line) (maintained) \$20.00 per month
- D. The charges provided for cover the radio link service only. Any additional charges incurred by or on behalf of the subscriber for wire line telephone service or otherwise shall be charged to the subscriber.

The record shows that applicant proposes a charge of \$15.00 per month per unit for paging service.

To demonstrate the public requirements for service in the area under consideration, applicant presented seven witnesses. Six of those witnesses testified as to their need and desire for mobile service and one testified as to the need and desire for paging service.

Applicant alleges no existing carrier is providing service within its proposed service contours (37 dbu for mobile service, 43 dbu for paging service).

Applicant presented evidence to show estimated results of operation for twelve months based on various assumptions of use. Under minimum operation, applicant estimated it would lose \$6,972, and under maximum operation would realize a profit of \$5,364.

Applicant presented testimony showing its financial ability to provide the services. In addition, applicant testified that it could and would pay cash for its equipment if its request to incur debt was denied.

Upon consideration of the evidence, the Commission finds that:

1. The public has need for the proposed services which are not presently available or obtainable by the use of other services.

2. Public convenience and necessity require that applicant construct and operate the proposed systems.

3. Applicant possesses the financial resources to construct and operate the proposed systems without incurring long term debt.

4. The rates set forth in Appendix A attached hereto are fair and reasonable for the services to be rendered.

5. The money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein, and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

The Commission concludes that:

1. The application should be granted as set forth in the ensuing order.

2. Applicant should file rules, standard forms and other tariff sheets as needed to define the conditions of rendering public utility service.

The certificate hereinafter granted shall be subject to the following provision of law:

The Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends

paid as measuring the return applicant should be allowed to earn on its investment in plant and that the authorization herein given is not to be construed as a finding of value of applicant's stock or properties nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Redwood Radio Telephone Corporation, authorizing it to construct and operate a mobile communications service in the area of Santa Rosa, California.

2. Within one year after the effective date hereof, applicant may issue not to exceed 30,000 shares of its \$1 par value common stock at par for cash, for the purposes set forth in the application, as amended.

3. Applicant shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is made a part of this order.

4. The request to incur \$4,000 of long-term debt is denied.

5. Applicant is authorized to file, after the effective date of this order, the schedule of rates and charges set forth in Appendix A attached to this order, to be effective on or before the date service is first rendered to the public under the authority herein granted, and rules governing service to subscribers, tariff service area maps and sample copies of printed forms normally used in connection with subscribers' services, in accordance with the

requirements of General Order No. 96-A. Such rates, rules, tariffs service area maps and forms shall become effective on five days' notice to this Commission and to the public as hereinabove provided.

6. Applicant shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein, within ten days thereafter.

7. Applicant shall file with this Commission copies of all annual reports made to the Federal Communications Commission.

8. The certificate herein granted and the authority to render service under the rates and rules authorized herein will expire if not exercised within one year after the effective date of this order.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 24th day of NOVEMBER, 1964.

Fredrick B. Holbrook
President

Robert E. Dittman

Charles W. Ray

George A. Grover

Hillemann Bennett
Commissioners

APPENDIX A

RATES

Schedule No. L-1

Two-Way Mobile Service

Mobile equipment furnished by company:

Each mobile unit - Installation including removal	\$35.00
- Rental including maintenance	\$25.00 per month

Message service:

Minimum (includes an allowance of 45 message units per month)	\$18.00 per month
Each message unit over allowance	\$.20

A message unit is defined as one minute or fraction thereof of air time.

Remote dispatch equipment provided on customer premises:

Rental including maintenance (service via wire line)	\$20.00 per month
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Schedule No. L-2

One-Way Signalling Service

Pocket receiver furnished by company:

Each receiver - rental including maintenance	\$15.00 per month
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