

Decision No. 68255

ORIGINAL

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 - San Rafael, and 2. for authority to sell and issue shares of its common stock.

) Application No. 46739
) (Filed June 18, 1964;
) Amended September 10, 1964;
) Amended September 16, 1964)

In the Matter of Application of UNITED AMBULANCE COMPANY, INCORPORATED, for Certificate of Public Convenience and Necessity to Construct a New Radio Telephone Utility System.

) Application No. 46800
) (Filed July 14, 1964)

Berol, Loughran & Geernaert by Bruce R. Geernaert and Lester W. Spillane, for Redwood Radio Telephone Corporation - Marin, applicant.

Lester W. Spillane, for United Ambulance Company, Incorporated, applicant.

Sidney J. Webb and Ermet Macario, for the Commission Staff.

O P I N I O N

On September 15 and 16, 1964, public hearing on these matters was held before Examiner Gillanders at San Rafael, and the matters were submitted on September 16.

Counsel for United Ambulance Company, Incorporated, requested that Application No. 46800 be dismissed as United Ambulance and Redwood Radio Telephone Corporation had formed a new corporation called Redwood Radio Telephone Corporation - Marin.

Counsel for Redwood Radio Telephone Corporation requested that Application No. 46739 be amended to show the substitution of Redwood Radio Telephone Corporation - Marin, for the applicant Redwood Radio Corporation.

Applicant, Redwood Radio Telephone Corporation - Marin, requests authority to issue 30,000 shares of its \$1.00 par value common stock for \$30,000 cash; 15,000 shares to Daniel W. Cochran, the proposed sole stockholder of the original Redwood Radio Telephone Corporation, and 15,000 shares to Angelo Turrini, the principal stockholder of United Ambulance Company, Incorporated. Applicant also requests authority to incur a long term obligation of not to exceed \$4,000.

Applicant seeks a certificate authorizing it to perform radiotelephone services in San Rafael and vicinity, or in the alternative, an order granting such certificate upon issuance by the Federal Communications Commission of a construction permit.

Applicant proposes to construct and operate a two-way radio station and a one-way signalling radio station in the domestic public land mobile radio service and to maintain a message center in San Rafael, California.

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

Applicant proposes the installation of its base station transmitter and its one-way signalling transmitter at the same location in San Rafael. Both transmitters will produce 500 watts of effective radiated power.

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, in Exhibit D-1 attached to the September 10th amendment to the application, 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 single channel mobile unit 25.50 per mo.
- (3) Rental per dual channel mobile unit. 27.00 per mo.

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 mo.
- (2) For each call over minimum20 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 mo. ✓

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. ✓

E. One-way signalling service - unlimited pages \$15.00 per mo.

To demonstrate the public requirements for service in the San Rafael area, applicant presented nine witnesses. Six of these witnesses testified as to their need and desire for mobile service and three testified as to the need and desire for signalling service.

Applicant alleges no existing carrier is providing service within its proposed service contours (37 dbu for mobile service, 43 dbu for paging service). On the first day of hearing the vice president in charge of operations of ITT Mobile Telephone, Inc. stated that his company was equipped to extend its present San Francisco and East Bay

service to Marin and was working on an agreement with The Pacific Telephone and Telegraph Company to do so. He urged that both applications be denied.

Applicant presented evidence of estimated results of operation for twelve months based on various assumptions of use. Under minimum operation, applicant estimated it would lose \$2,772 and under maximum operation estimated it would realize a profit before income taxes of \$9,564.

The record shows that applicant has the financial resources to provide the services without incurring long-term debt.

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 proposed by applicant 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. Application No. 46800 should be dismissed.
2. The application of Redwood Radio Telephone Corporation - Marin, should be granted as set forth in the ensuing order.
3. 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. Application No. 46800 is dismissed.
2. A certificate of public convenience and necessity is granted to Redwood Radio Telephone Corporation - Marin, authorizing it to construct and operate a mobile communications service in the area of San Rafael, California.
3. 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 value for cash for the purposes set forth in the application as amended.
4. 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.

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

6. Applicant is authorized to file, after the effective date of this order, the schedule of rates and charges set forth in Exhibit D-1 attached to the September 10th amendment to the application, 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, tariff service area maps and forms shall become effective on five days' notice to this Commission and to the public as hereinabove provided.

7. 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.

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

9. 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. Hillhoff
President
Paul J. Delaney
Robert W. Boye
George L. Grover
William M. Beard
Commissioners