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**ORIGINAL**

Decision No. 72453

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of DONALD G. POLLARD, dba SISKIYOU )  
MOBILFONE for a Certificate of )  
Public Convenience and Necessity )  
to Construct a New Radio Telephone )  
Utility System. )

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Application No. 48927  
(Filed November 4, 1966)

O P I N I O N

Donald G. Pollard, doing business as Siskiyou Mobilfone, seeks a certificate of public convenience and necessity to construct and operate a mobile radiotelephone system in the Yreka area of Siskiyou County. The application states that an order from this Commission granting the certificate is a prerequisite to approval by the Federal Communications Commission (F.C.C.) and that upon receiving such an order applicant will apply to the F.C.C. for a construction permit and a license to operate the proposed radio system. Applicant proposes to offer the following services:

1. Two-way communications service with selective calling.
2. One-way paging, selective tone and message service.
3. Rural radio service.

The station will provide primary service to the communities of Yreka, Montague, Grenada, Fort Jones, Greenville, Gottville, and adjacent unincorporated areas of Siskiyou County. A map setting forth outlines of the predicated coverage as indicated by 37 dbu and 43 dbu contours of the base station is attached to the application.

The application alleges that there is no existing common carrier mobile telephone service in the Yreka area; that applicant's survey indicates that there is a need for such service; and that his

A. 48927 em

survey shows that the system will be used by 25 to 30 units within the first year of operation.

The application states the following: Applicant's proposed base station will be on Mahogany Peak, five miles west of Yreka; the base station will be controlled by radio from a control point at applicant's message center in Yreka; applicant will seek F.C.C. authority for remote control of the base station utilizing frequencies in the 450 mc/s band; the effective radiated power of the base station will be 12.5 watts; and the base mobile system will be operated on frequencies in the 152 mc/s band. The equipment necessary for the proposed service will be purchased from Motorola Communications and Electronics, Inc. (Motorola).

The application further states that applicant's message center in Yreka will act as dispatcher for applicant; arrangements have been made with Yreka Answering Service to perform dispatching as applicant's agent and under his supervision and control; and that said message center initially will be manned from 7:00 a.m. to midnight daily.

Attached to the application are a balance sheet, dated October 1, 1966, and a projection of income and expense for the proposed operation. A proposed schedule of charges also is attached to the application. The balance sheet shows that applicant's current assets exceeded his current liabilities on October 1, 1966, by \$5,000. Applicant's revenue and expense projection is based on the number of expected users who have expressed a firm interest in using the proposed service. The projection indicates that the proposed service will be profitable.

The application states that applicant has worked in the electronics industry as an engineer and radio technician for several

years; and has owned and operated Siskiyou Two-Way, a radio communications service shop in Yreka, since August 1965. Said company was purchased from Motorola. Applicant was employed by Motorola prior to the purchase of the company.

The application was served in accordance with the Commission's rules. No protests have been received.

The results of a staff investigation are set forth in a report dated April 10, 1967, prepared by an engineer in the Commission's Utilities Division - Communications Branch. Said report is incorporated in the record as Exhibit 1. The staff report contains a comprehensive analysis of applicant's proposed operations, including engineering features, equipment, public need for the service, financing of the proposed system, qualifications of applicant to render the proposed service, proposed rates, and estimated revenues and expenses. The following is a summary of the facts, recommendations and conclusions set forth in the staff report.

It is estimated that 15,000 persons are encompassed within applicant's proposed service area. Based upon staff interviews, the staff concluded that there exists a public need for two-way communications, rural radio service and one-way paging or signalling service in applicant's proposed area, and there will be sufficient usage to make the service practical. There is no present radiotelephone utility offering services of these types in said area. Applicant is fully qualified, through prior experience, to operate and maintain the radio equipment. Applicant's present radio repair business is profitable, and as of February 28, 1967, applicant had a net worth in excess of \$19,000. Applicant has a line of credit with Motorola well in excess of that necessary to purchase the equipment required for the proposed system. The staff estimates that the initial cost of the system will total \$9,503.

The staff recommends the establishment of rates for the proposed service which are different in some respects from those proposed in the application. The staff report indicates that applicant agrees with the staff recommended rates. Based on said rates and estimates of expected usage, the staff estimates of revenues and expenses indicate that the proposed service will be profitable.

The Commission finds as follows:

1. Public convenience and necessity require the radiotelephone service which applicant seeks to provide.
2. Applicant possesses the ability and the financial resources to construct and operate the proposed radiotelephone system.
3. The rates proposed in the application and as modified and set forth in Appendix A attached hereto are fair and reasonable for the service to be rendered.
4. Applicant should file rules, standard forms and other tariff sheets as needed to define the conditions of rendering public utility service; applicant should file for each of three twelve-month consecutive periods a special report on the results of his utility operations so that the reasonableness of his rates may be reviewed.
5. A public hearing is not necessary.

The Commission concludes that applicant should be granted a certificate of public convenience and necessity to establish a radiotelephone utility service at Yreka, Siskiyou County, California, as provided in the order which follows.

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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Donald G. Pollard, doing business as Siskiyou Mobilfone, authorizing him to construct and operate a mobile communications service in the area of Yreka, Siskiyou County, California.

2. Applicant is authorized to file, after the effective date of this order, the schedule of rates and charges set forth in Appendix A, attached hereto and by this reference made a part hereof, to become 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, after filing as hereinabove provided.

3. 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.

4. Applicant shall determine accruals for depreciation by dividing the original cost of the depreciable utility plant, less estimated future net salvage and less depreciation reserve, by the estimated remaining life of the depreciable plant. Applicant shall

review the accruals as of January 1, following the date service is first furnished to the public under the rates and rules authorized herein and thereafter when major changes in depreciable utility plant composition occur, and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

5. For each of three consecutive twelve-month periods subsequent to the date service is first rendered to the public under the rates and rules authorized herein and within two months after the end of each period, applicant shall file a written report of the results of his utility operations separated from his nonutility business. The report shall include revenues by types of service, average and end of period number of subscribers to each type of service, expenses by each major class of operating expense, operating taxes, depreciation, the basis of separation of common utility and nonutility expense and plant, the amount of the depreciation reserve, and the plant and other assets devoted to public service.

6. The certificate herein granted and the authority to render service under the rates and rules authorized herein will expire if not exercised within two years 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 23rd day of MAY, 1967.

*[Signature]*  
President  
*[Signature]*  
*[Signature]*  
*[Signature]*  
Commissioners

APPENDIX A

Proposed Schedule of Charges

A. Two-Way Mobile Service

Monthly Service Charge - (1) Covers 60 calls per month per mobile unit, a call being defined as one minute, or portion thereof, of air time . . . . \$ 15.00  
 (2) For each call over minimum . . . . . \$ .15

Rental of Mobile Equipment - Subscriber shall have option to acquire and use his own mobile units, or rent them from applicant. If applicant furnishes mobile unit, the rental charge therefor will be . . . . . \$ 17.50

Installation and Removal Charge per unit . . . . . \$ 35.00

Monthly Maintenance Charge per unit whether customer owned or rented . . . . . \$ 7.50

The charges herein relate only to the radio link service. Any additional charges incurred by, or on behalf of the subscriber for wireline service, or otherwise shall be charged to subscribers.

B. One-Way Signalling Service

Message Service - Applicant will provide a signalling code with a voice message following, for which the monthly service charge per unit, for 60 message allowance, will be . . . . . \$ 7.00

Cost of each additional message . . . . . \$ .15

Rental of Paging Equipment - Subscriber shall have the option to acquire and use his own equipment, or rent it from the applicant. If applicant furnishes the paging unit, the monthly rental charge therefor will be . . . . . \$ 7.00

Maintenance of Paging Equipment - If rented from applicant will be, per month . . . . . \$ 3.00

Subscribers shall be responsible for replacing batteries in the units at their own expense.