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Decision No. 73858

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of Martin E. Willson, dba VICTOR VALLEY RADIO-TELEPHONE COMPANY, for Certificate of Public Convenience and Necessity to Construct a New Radio-Telephone Utility System.	Application No. 49690 (Filed September 26, 1967; Amended November 17, 1967)

O P I N I O N

Martin E. Willson, doing business as Victor Valley Radio-Telephone Company, seeks a certificate of public convenience and necessity to construct and operate a mobile radiotelephone system in the Victor Valley area of San Bernardino County.

Applicant proposes to offer the following services:

1. Two-way communications service.
2. One-way communications service.
3. Rural radio communications service.

These services will be available in Victor Valley including the incorporated City of Victorville, and the Communities of Apple Valley, Hesperia, Adelanto and Oro Grande. 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 states the following:

Applicant proposes to construct and operate a common carrier mobile radiotelephone system with the base station, located at Well No. 11, 16161 Chula Vista Street, Victorville, to be controlled by wireline from applicant's message center at 15176 - 7th Street, Victorville. Arrangements have been made with Marian Higgins, dba

Victor Valley Answering Service, at 15176 - 7th Street, to perform applicant's dispatching, as his agent and under his supervision and control.

The coordinates for the base station are 34° 31' 45" North Latitude, 117° 18' 38" West Longitude. The effective radiated power of the base station will be 265 watts. It is proposed to operate the base mobile system on frequencies in the 152 MHZ band. Mobile stations and units will be served from the base station in accordance with duly filed tariff provisions.

Construction costs of the base station, and related equipment, are expected to aggregate $5,000, including administrative costs and the initial payment on leasing of ten mobile units and six pagers. The balance of the mobile units expected to be needed will be customer owned. Applicant's balance sheet is attached to the application as Exhibit B. It shows $59,650 in assets, with only negligible liabilities, and it includes more than $17,000 in readily available liquid assets. As will be noted from Exhibit C, attached to the application, which contains a detailed projection of costs and revenues, better than a break-even operation is predicted even during the first year.

Applicant, who was born in Victorville, has had extensive experience in communications. He studied electrical engineering at the University of California from 1936 to 1940. During World War II he served in the Air Force. His military service included command of organizations responsible for providing communications, air navigation and traffic control. Upon retiring from the United States Air Force after 22 years of active duty, with the rank of Colonel, applicant was employed as a radio engineer for the California Interstate Telephone Company, Victorville, from September, 1961, to

December, 1965. Since that time he has been with the California Water and Telephone Company in Monrovia, California, as engineer for radio and microwave operations. Applicant's more than five years' experience in mobile radio telephone has encompassed all phases, including filings with the Federal Communications Commission, coverage surveys, engineering systems design, costs vs. revenues, and rate of return. He is familiar with all types of equipment, as well as techniques, utilized in this field.

Presently, there is no existing radiotelephone utility in the Victorville area. The projected coverage area of the system includes the incorporated city of Victorville, estimated population of 11,000, and four unincorporated communities within a ten-mile radius. This area comprises the rapidly growing Victor Valley, with a total present population of approximately 40,000. Situated within the Valley are the Victor Valley College, a number of important industries, including the Kaiser-Permanente Cement Plant, the new Penn Military Academy, and the site of the Cedar Springs Dam and recreation area which is under construction to hold water from the Feather River water project. Even greater growth is anticipated with the arrival of water from that source. Apple Valley and Hesperia, which adjoin Victorville, are important and growing resort and residential communities.

Applicant has made a detailed survey of the need for, and interest in, the proposed radiotelephone communication system. Results of this survey are shown in Exhibit E, attached to the application. A total of 225 survey letters and questionnaires were mailed to Valley residents during summer, 1967, and 52 responses were received, 16 of which indicated a present interest in radio paging and/or radio telephone service. Thirteen other responses foresaw a

future requirement for this service. The survey shows an immediate need, from the 16 definite responses, for 12 paging and 20 radiotelephone units (total of 32) and an expanding need is forecast as the service becomes more familiar to its potential clients and the population expands. Among those definitely interested are a number of doctors, businessmen, and repair services, a rancher-attorney, a memorial chapel, and an advertising agency. Potential interest is expressed by such parties as the local high school which maintains 25 school buses and 15 other vehicles "that could very well be equipped with radiotelephones."

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 February 8, 1968, 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 40,600 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. At present there is no radiotelephone

utility offering services of these types in said area. Applicant is fully qualified, through prior experience, to operate and maintain the radio equipment.

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 Victorville, San Bernardino 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 Martin E. Willson, doing business as Victor Valley Radio-Telephone Company, authorizing him to construct and operate a mobile communications service in the area of Victorville, San Bernardino 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 19th day of MARCH, 1968.

President

Commissioners

Appendix A
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Proposed Schedule of Charges

	Rate per Month	Message Allowance	Each Add'l. Message
A. Message Service, per unit			
(For two-way mobile, fixed station and rural radio-telephone stations with selective call signaling. A message unit is one minute or less of use of radio channel.)			
a. 100 message basis	$25.00	100	$0.20
b. 50 message basis	17.50	50	.25
c. Zero message basis	8.00	0	.30
1. Transient Service, limited to subscribers of a radiotelephone utility located in another area.			
Minimum	$ 1.25	4	.30
2. Check-in Calls	Covered by charge for message service selected	3 Check-in calls constitute one message	1/3 of the charge for a message under the message service
3. One-Way Selective Tone and Voice Message Service			
a. 100 message service	$15.00	100	$0.15
b. 50 message service	12.00	50	.20
c. 25 message service	7.50	25	.25

Each selective tone and voice message will have a maximum length of 10 seconds and will be broadcast two times.

4. Fleet Subscriber eligibility for volume to apply to rates.

Note: Charges above relate only to the radio link of the service provided. Wire-line charges will be paid by the customer. Any interconnection charges will be established in accordance with Decision No. 71291, dated September 20, 1966, and by agreement with the local telephone company, after the utility begins operation.

Appendix A
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Proposed Schedule of Charges

B. Equipment Installation, Rental and Maintenance

	Installation Charge Including Removal	Rental Per Month Including Maintenance
1. Two-way equipment		
a. Single channel with selective calling equipment	$40.00*	$32.50*
b. Customer owned equipment	40.00*	-
c. Personal Pocket Sized Radiotelephone Unit	-	27.50*
d. Fixed Radiotelephone Service (rural), installed in filed service area, readily accessible via public road network, with max. 20 ft. height antenna mast and maximum 50 feet length RF cable	65.00	65.00

*For standard passenger cars only. For installation in other than standard passenger cars, and maintenance and any other service not specified in rates above, work will be performed on a time and material basis at cost to this utility. Installation and maintenance service for mobile units is available only at specified shop locations.

	Installation Charge Including Removal	Rental Per Month Including Maintenance
2. One-Way Paging Equipments		
a. Each pocket receiver, selective tone plus voice	-	$ 9.50
3. Miscellaneous		
a. Rechargeable batteries and battery charger for pocket radio equipment (where customer furnishes 120-volt supply circuit)	-	2.50
b. Batteries for pocket radio equipment provided at cost		
c. Deposits, pocket radio equipment		
1. Two-way Communications	$100	
2. One-way paging	50	