

Decision No. 77573

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ROBERT C. CRABB, dba MT. SHASTA RADIOTELEPHONE COMPANY, for certificate of public convenience and necessity to construct a Radiotelephone Utility System.

Application No. 51618  
(Filed January 12, 1970)

Robert C. Crabb, in propria persona, applicant.  
Warren A. Palmer, attorney, and Thomas Poor, for Radio Electronic Products Company, protestant.  
Carl Hilliard, attorney, for Blaisiar-Smith, Inc., interested party.  
John Gibbons and John D. Quinley, for the Commission staff.

O P I N I O N

By this application, Robert C. Crabb (Mt. Shasta Radiotelephone Co.) seeks a certificate of public convenience and necessity to construct and operate a public utility radiotelephone system for service to the cities of Mt. Shasta, Weed, Dunsmuir and McCloud and surrounding territory.

Public hearing in the matter was held before Examiner Emerson on June 9 and 10, 1970, in the City of Mt. Shasta, and on June 16, 1970, in San Francisco. Submission was taken on the latter date.

Applicant proposes to construct and operate a public utility radiotelephone system which would provide service to an overall area which is either presently unserved or only partially served by other public utility systems. His center of operations would be in Mt. Shasta City, with a remotely controlled base station on Grey Butte, a mountain peak about 7.1 miles northeast of the city where he has a

building which presently houses two transmitters for private radio systems. His public utility services, for which he must obtain FCC licensing, would consist of two 150-Mhz radio channels and one 450-Mhz radio channel. He proposes to use one of the 150-Mhz channels for mobile-to-mobile station service and mobile-to-dispatch station service. The second 150-Mhz channel would be devoted to radiotelephone calls involving interconnection with landline telephone systems. The 450-Mhz would be used to accommodate transient users and also to provide rural radiotelephone service. A selective-call paging service would be provided on all channels. His message center and a telephone answering service would be located in rented quarters in Mt. Shasta City with 72-75 Mhz control links between the center and the base station.

Twenty-two public witnesses testified respecting public need for the proposed services, in general, indicating a wide-spread public support of applicant and in some instances specific intent to use the services as soon as available. Applicant's neighboring RTU to the north (Yreka) fully supports applicant and foresees an increasing public use of his own system because of the stimulating effect of a reliable radiotelephone service in areas beyond the useful range of his system. The neighboring RTU to the south (Redding), although technically appearing as a protestant in this proceeding, in general, supports applicant's proposal to serve the four cities but fears that the overlapping of useful signal-strength areas south of Dunsmuir would not only place a competitive hardship on his operations but would prove to be mutually detrimental. This RTU presently has a repeater-station application before the FCC for enlargement of its area of coverage. ✓

Applicant has personally been involved in the radiotelephone field for many years. In fact he is a pioneer in the business and presently is Chairman of the Board of Directors and President of one of the largest RTUs in the nation. His technical competence and abilities in the RTU field are unquestioned. If RTU service can successfully be provided in the area for which he seeks a certificate of public convenience and necessity, it seems certain that he should be able to provide it. As in any beginning enterprise, however, only estimates concerning the number of customers, revenues, expenses and plant costs are available as a basis for judging the prospective economic feasibility of the proposed operations. Applicant has provided such estimates for assumed first-year and fourth-year operations and forecasts a profitable operation by the fourth year. Upon analyzing the exhibits attached to the application, the financial and accounting staff of the Commission raised doubts as to applicant's ability to generate a sufficient cash flow to assure an economically successful enterprise. Additional detailed exhibits were presented by applicant during the hearing and the testimony and cross-examination respecting the same is convincing that there is sufficient probability of success to warrant a finding that the proposed operations are economically feasible, albeit a positive net income may not be realized in the first few years of operation.

Applicant's proposed rates and charges for the various services to be offered are those generally charged by the RTU industry in California. They appear to be just and reasonable.

With respect to areas of service, a Commission staff engineer suggested that the Commission should, by its order herein, establish specific limitations on applicant and the two neighboring RTUs. In

view of the absence of convincing supporting testimony and the averment of the Redding RTU that the engineer's specific proposal is impractical and unworkable and, further, in the absence of any alternative proposal, we shall not at this time undertake to define a specific service area for applicant. We believe these RTUs can and should agree upon the limits of their operations to the end that destructive competition will be avoided, however, and we recommend that they implement the spirit and intent of the engineer's suggestion. If, under actual operations, unreasonable overlapping of service areas occurs the Commission will, upon complaint of any affected RTU, consider placing specific limitations as to areas of operations and the solicitation of customers for the same.

In view of the record, the Commission makes the following findings of fact:

1. Public convenience and necessity require and will require the public utility radiotelephone services proposed by applicant.
2. Applicant possesses the ability and resources to construct and operate the proposed system.
3. The proposed operations are economically feasible.
4. The rates proposed in the application are just and reasonable for the service to be rendered.
5. Applicant should file rules, standard forms and other tariff sheets as needed to define conditions of rendering public utility service.

The Commission concludes that the application herein should be granted, as provided in the order which follows.

The certificate hereinafter granted is subject to the provision of law that:

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 hereby granted to Robert C. Crabb (Mt. Shasta Radiotelephone Co.) for the construction and operation of a public utility radiotelephone system for service to the cities of Mt. Shasta, Weed, McCloud and Dunsmuir and adjacent territory in Shasta and Siskiyou Counties, California.
2. Applicant is authorized to file, on or after the effective date of this order and in conformity with the provisions of General Order No. 96-A, tariffs containing the schedule of rates and charges set forth in Appendix A attached hereto together with rates governing conditions of service to subscribers, service area maps and sample copies of printed forms normally used in connection with subscribers' services and, on not less than five days' notice to this Commission and to the public to make said tariffs effective for service as of the date of such filing.
3. Applicant shall notify this Commission, in writing, of the date service is first rendered the public under the rates and rules hereinabove authorized, within five days thereafter.
4. Applicant shall keep its books and records in accordance with the Uniform System of Accounts prescribed by the Commission for radiotelephone utilities and shall determine accruals for depreciation by dividing the original cost of depreciable utility plant, less estimated

future net salvage and less depreciation reserve, by the estimated remaining life of the depreciable plant. Further, applicant shall re-view said accruals as of January 1, following the date service is first rendered and thereafter whenever major changes in plant composition may occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

5. The certificate herein granted and the authority to render service under the rates and rules hereinabove authorized will expire if not exercised within twenty-four months 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 21<sup>st</sup> day of AUGUST, 1970.

*[Signature]* Chairman  
*[Signature]*  
*William Sturgeon*  
*[Signature]*  
 Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A  
SCHEDULE OF CHARGES

	<u>Rate Per Month</u>	<u>Message Unit Allowance*</u>	<u>Each Add'l. Message Unit*</u>
<b>1. Two-Way Message Service</b>			
a. Message Service, Vehicle or Pocket Unit	\$17.00	50	\$0.30
b. Transient Service (Minimum charge in any one month \$1.25 for first four calls)	-	-	.30
c. Check-in Calls	Covered by charge for message service	3 check-in calls constitute 1 message unit	
d. Interconnection with Land Line		<u>Rate Per Call</u>	
Local Calls		\$0.10	
Toll and FEX Line Calls		.20	
e. Relay Messages			
Message relayed by utility's operator will be charged as message units under rate 1 above in accordance with the minutes required for transmittal.			
<b>2. Paging Service</b>			
a. Tone Only			
(1) Utility Furnished Unit	20.00	unlimited	-
(2) Customer Furnished Unit	8.00	unlimited	-
b. Tone with Voice Message			
(1) Utility Furnished Unit	25.00	50	.20
(2) Customer Furnished Unit	12.00	50	.20
		<u>Installation Charge</u>	<u>Rental and Maintenance Per Month</u>
<b>3. Two-way Radiotelephone Equipment Two-Channel Transistorized Equipment</b>			
a. Vehicle Mounted		\$55.00	\$30.00
b. Pocket Unit		-	35.00

\* A message unit is one minute of air time or fraction thereof for originating and for terminating messages.