

Decision 84 07 114

JUL 18 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
NORTH STATE COMMUNICATIONS, INC. for
a Certificate of Public Convenience
and Necessity Pursuant to Section 1001
of the Public Utilities Code to
Construct a New Radiotelephone
Utility System Serving Areas In and
Around Redding and Red Bluff,
California.

Application 84-05-017
(Filed May 3, 1984;
amended May 9, 1984)

O P I N I O N

Applicant North State Communications, Inc., a California corporation, requests a certificate of public convenience and necessity to construct and operate a public utility radiotelephone system offering two-way mobile telephone and one-way paging services in and around the Cities of Redding and Red Bluff. Notice of the filing of the application and amendment appeared in the Commission's Daily Calendars of, respectively, May 9, 1984 and May 15, 1984. The application shows that a copy of the application and amendment was served on Pacific Bell, Tuolumne Telephone Co., Citizens Utilities Co., Radio Electronics Products Corp., Happy Valley Telephone Co., Shasta County, Tehama County, and the Cities of Redding and Red Bluff. No protests to the application were received. Applicant possesses the necessary Federal Communications Commission (FCC) construction permit.

Applicant was incorporated in California in 1983. As of April 30, 1984 it had assets of \$50,000, no liabilities, and a net worth of \$50,000. Applicant's president has been continuously employed in various positions where he has been responsible for the maintenance, design, planning, construction, technical supervision, and management of radiotelephone systems as an employee of a major manufacturer of radio equipment and as technical manager for the

western region of a major radiotelephone utility with nationwide operations. For the past four years he has owned and operated a company which sells and services mobile telephone and paging receivers in the Redding area. He possesses a first-class radio license from the FCC.

The proposed service in Red Bluff and the surrounding area will be provided through use of a radio transmitter operating on base station frequency 454.300 megahertz (MHz) and located at Tucson Buttes, approximately 10 miles northeast of Red Bluff. Reliable radio reception on this frequency will extend to approximately Anderson on the north, Los Molinos on the south, Blossom on the west, and Inship Hill on the east. Service in Redding and the surrounding area will be provided on base station frequency 454.100 MHz through a transmitter located at the station KEWB FM tower site, 3.5 miles west of Redding. Reliable radio reception on this frequency will extend to approximately Cottonwood on the south, O'Brien on the north, Iron Mountain on the west, and Millville on the east. All transmitters and radio antennas proposed by applicant will be constructed at existing radio transmission sites and will utilize existing transmission towers. All other terminal and ancillary equipment will be housed in rented office space. Technical specifications for the system are set out in Exhibit E to the application. Applicant estimates that the cost of acquisition and installation of the system will be approximately \$36,300.

Both mobile telephone and paging calls will be automatically dispatched through use of terminal equipment located at the applicant's office in downtown Redding. The terminal will be linked by wireline connection with applicant's facilities at the KEWB tower. Calls to and/or from units in the Redding area will be transmitted from and received at the facilities at the KEWB site. Calls to be transmitted in Red Bluff will be relayed from the KEWB

site to applicant's Tucson Buttes facilities via a 72.16 MHz control transmitter. A 75.50 MHz repeater at the Tucson Buttes site will relay mobile communications from the Red Bluff area back to applicant's receiver at the KEWB tower and thence by wireline to the utility's terminal. The system will be fully interconnected to the public-switched telephone network at the terminal location, and toll free access will be accomplished through the use of FEX lines or the equivalent. Selector level telephone numbers will be used. Paging service offered will consist of tone alert, tone plus digital readout, and tone plus voice.

Rates for the proposed services are as follows:

Mobile Telephone Service

\$20.00 per month plus \$.50 per minute of air time used.

Paging Service

Monthly Rate (includes unlimited number of messages)

Tone Alert	\$ 9.00
Tone plus Voice	11.00
Tone plus Digital Readout	10.00

Based on his experience in the radiotelephone business in northern California, applicant's president is aware of the substantial need for the services proposed herein. In order to objectively demonstrate this demand, applicant has conducted a survey of 75 randomly selected persons in the Redding and Red Bluff areas engaged in businesses which commonly use paging services. (A copy of the questionnaire to which survey participants responded is attached as Exhibit G to the application.) Those responding to the survey indicated willingness to subscribe to 13 mobile and 25 paging units.

Applicant expects to be serving 50 mobile units and 160 paging units at the end of the first 12 months of operation and projects a gross revenue of \$23,940 and a net profit of \$529. At the end of the fifth full year of operation applicant expects to be serving 60 mobile units and 650 paging units and projects gross revenue for that year to be \$117,000 and a net profit to be \$44,760.

Findings of Fact

1. Applicant requests a certificate to construct and operate a public utility radiotelephone system offering two-way mobile and one-way paging service in the Redding and Red Bluff areas.

2. Applicant possesses the requisite FCC construction permit.

3. Applicant intends to offer its service using two base stations operating on different frequencies, one base station located at Tucson Buttes, approximately 10 miles northeast of Red Bluff and the other base station located on the station KEWB FM tower site 3.5 miles west of Redding.

4. All transmitters and radio antennas proposed by applicant will be constructed at existing radio transmission sites and will utilize existing transmission towers.

5. Cost to acquire and install the facilities necessary to operate the system will be \$36,000.

6. As of April 30, 1984 applicant has a net worth of \$50,000.

7. Applicant's president has had extensive experience in the construction and operation of radiotelephone systems.

8. The proposed system will be automatically interconnected with the land line telephone system.

9. A survey conducted by applicant among business in the Redding and Red Bluff areas engaged which commonly use paging services revealed a public need and demand for the proposed services.

10. Based on such public need and demand for its services applicant projects a first year profit of \$529 and a fifth year profit of \$44,760.

11. The proposed operation is technically feasible.

12. The proposed operation is economically feasible.

13. Applicant has available to it the necessary funds to construct and operate the proposed system.

14. Public convenience and necessity require the granting of the application.

15. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

16. A public hearing is not necessary.

Conclusion of Law

The application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to North State Communications, Inc. (applicant) for the construction and operation of a public utility one-way and two-way public utility radiotelephone system with base stations and a service area located as follows:

Base station locations:

- a. KEWB (FM) site, approximately 3.5 miles SW of Redding:
Lat. 40° 33' 46" N, Long. 122° 27' 07" W.
- b. Tucson Buttes, approximately 10 miles NE of Red Bluff.
Lat. 40° 15' 46" N, Long. 122° 05' 37" W.

Service area: As set out on the map in Exhibit G to application (A.) 84-05-017.

2. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificates granted in this proceeding.

3. Applicant is authorized to file, after the effective date of this order and in compliance with Ordering Paragraph 3, tariffs applicable to the service authorized containing rates, rules, and charges otherwise applicable to its radiotelephone services. The offerings, rates, and charges shall be the same as proposed by

applicant in its A.84-05-017. This filing shall comply with General Order 96-A. The tariffs shall become effective on not less than 10 days' notice.

4. Applicant shall file, after the effective date of this order and in compliance with Ordering Paragraph 3, as part of its individual tariff, an engineered service area map drawn in conformity with the provisions of the Federal Communications Commission Rule 22-504, commonly known as the "Carey Report", consistent with Exhibit C to A.84-05-017.

5. Applicant shall notify this Commission, in writing, of the date service is first rendered to public under the rates, rules, and charges authorized within five days after service begins.

6. Applicant shall keep its books and records in accordance with the Uniform System of Accounts for Radiotelephone Utilities, prescribed by this Commission.

7. Applicant shall file an annual report, in compliance with General Order 104-A, on a calendar-year basis using CPUC Annual Report Form L and prepared in accordance with the instructions included in that form.

8. The certificate granted and the authority to render service under rates, rules, and charges authorized will expire if not exercised within 12 months after the effective date of this order.

9. The application is granted as set forth above.
This order becomes effective 30 days from today.

Dated JUL 18 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR GALVO

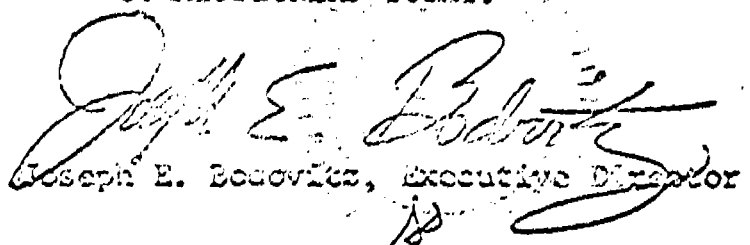
PRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TOGETHER.


Joseph E. Boacovitz, Executive Director