

Decision 84 09 007 SEP 6 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
seeking authority for Intelcom )  
Corporation to transfer its )  
certificate of public convenience )  
and necessity to operate as a )  
reseller of cellular telecommuni- )  
cations services to California )  
Intelcom Corporation II, and for )  
California Intelcom Corporation II )  
to issue stock. )

Application 84-07-031  
(Filed July 10, 1984)

O P I N I O N

Intelcom Corporation (IC), a certificated reseller of cellular telecommunications services, seeks authorization to transfer its certificate of public convenience and necessity (CPC&N) to California Intelcom Corporation II (CI), a California corporation. CI seeks authorization to acquire IC's CPC&N under Public Utilities (PU) Code Section 851 and to issue stock under PU Code Sections 816-830.

IC markets cellular radiotelephone service on an agency basis in the states of Arizona, Colorado, Minnesota, and Washington, and acts as a reseller of such services in Indiana. It also sells customer premises equipment such as telephones and paging receivers in those states. Decision (D.) 84-06-103 dated June 6, 1984 granted IC a CPC&N as a reseller of cellular telecommunications services in California, but IC has not as yet commenced business operations in California.

CI was incorporated in California on July 3, 1984 for the purpose of conducting IC's regulated utility business in California. In addition to acquiring IC's CPC&N, CI seeks authority to issue 100 shares of its common stock in consideration of a \$30,000 noninterest-bearing promissory note of IC, payable to CI on demand. Except for the promissory note and standard form common stock certificate, there is and will be no written agreements, bill of sale, or other written documents memorializing the proposed transaction. Since neither CI nor IC has or will have any utility property dedicated to a public use in California, the proceeds from the proposed sale of stock will be used to fund CI's initial marketing efforts. In the application, it is alleged that public interest would be served by segregating into a separate corporation IC's regulated business conducted in California from the remainder of IC's business.

In granting a CPC&N to IC, D.84-06-103 ordered the filing of specific tariffs and the keeping of records in a specified manner. It is axiomatic that similar requirements will be appropriate for CI on its assumption of IC's CPC&N. Similarly the imposition of the surcharge set forth in PU Code Sections 401, et seq., is appropriate.

Findings of Fact

1. IC sells customer premises equipment and markets cellular radiotelephone service on an agency basis in the states of Arizona, Colorado, Minnesota, and Washington, and acts as a reseller of such services in Indiana.

2. D.84-06-103 dated June 6, 1984 granted IC a CPC&N as a reseller of cellular telecommunications services in California.

3. CI was incorporated in California on July 3, 1984 for the purpose of conducting IC's regulated utility business in California.

4. The proposed stock issue is for lawful purposes and the money, property, or labor to be obtained by it are required for these purposes.

5. The provisions of D.84-06-103 pertaining to tariffs and record-keeping are commensurate with and applicable to CI's proposed operations.

6. It will be to the public interest to segregate IC's Commission-regulated and nonregulated activities by the transfer of IC's CPC&N to the newly formed CI.

7. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted as provided in the order which follows.

2. Because of the immediate need for the service, the order should become effective today.

The number of shares outstanding, the total par (stated) value of the shares, and the dividends paid do not determine allowable return on plant investment. This authorization is not a finding of the value of the utility's stock or property, nor does it indicate the amounts to be included in ratesetting proceedings.

O R D E R

IT IS ORDERED that:

1. The certificate of public convenience and necessity (CPC&N) to operate as a reseller of cellular radio telecommunications service within California granted Intelecom Corporation (IC) by Decision 84-06-103 dated June 6, 1984 is authorized for transfer to California Intelecom Corporation II (CI).

2. CI is authorized to acquire the above CPC&N from IC and on or after the effective date of this order but before October 31, 1984, for the purposes specified, CI may issue 100 shares of its common stock to IC in consideration of a \$30,000 noninterest-bearing promissory note of IC, payable to CI on demand.

3. Within 30 days of the effective date of this order CI is to file an advice letter indicating its acceptance and continuation of IC's tariffs. Any deficiencies in the complete

tariffs prescribed by General Order Series 96-A are to be filed with the above advice letter, all of which are to be effective on not less than five days' notice.

4. The application is granted as set forth above.

The authority granted by this order to issue stock shall become effective when the issuer pays \$50, set by PU Code Section 1904.1. In all other respects this order is effective today.

Dated SEP 6 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
PRISCILLA C. CREW  
DONALD VIAL  
WILLIAM T. BAGLEY  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director

