

Decision 87 10 015 OCT 16 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PAGE-U, INC., a California corporation,)
for a Certificate of Public Convenience)
and Necessity to construct and operate a)
Radiotelephone Utility System in the State)
of California and for Authority to Issue)
Its Capital Stock.)

ORIGINAL
Application 87-04-006
(Filed April 7, 1987)

OPINION

Page-U, Inc. (Page-U) has applied for a certificate of public convenience and necessity to construct and operate a radiotelephone utility (RTU) to provide one way paging and two way mobile RTU services. Page-U also seeks authorization to issue and sell 1,000 shares of its common stock to its parent company, Cal-Page, Inc., a California corporation for the aggregate cash consideration of \$1,000 plus the transfer of the existing construction permits from their present holder. The Board of Directors of each corporation has determined this sum to be reasonable. Additional funds, as necessary, will be advanced to Page-U by Cal-Page.

Page-U is a California corporation. This application, if approved, would allow Page-U to build and operate a series of RTU stations covering much of northern coastal California and the Central Valley. Page-U seeks authority to initiate one-way paging service throughout California. Page-U states that it will compete with other RTU services by offering services of a quality and coverage area to fit customer needs. The proposed operating frequencies are as yet uncongested. The proposed system will be capable of supporting all conventional analog and digital signaling formats, one way and two way paging, and two-way marine message service. Applicant proposes to install fill-in transmitters and

base stations as the need develops. Terminal and business space would be leased.

Page-U requests a Certificate of Public Convenience and Necessity (CPC&N) for 18 transmitters. Each of the proposed transmitter sites is an existing antenna farm or tower. Hence, it can be seen with certainty that construction and operation of these specific sites has no adverse environmental impact.

The associated call signs and frequencies are: KNKD282 (152.75 MegaHertz (MHz), Stockton and Sacramento; KNKI222 (43.60 MHz), Stockton, Sacramento, Modesto, Oakland, near Ukiah, near Glen Ellen, and near Westley; KNKI 233 (152.78) MHz, Modesto; KNKI208, 454.20 MHz, near Ukiah; KNKI780, 43.60 MHz, Fresno; KNKJ203, 43.60 MHz, near Beverly Hills; KNKJ431, 152.78 MHz, near Fort Bragg; KNKJ256, 454.60 MHz, near Westley; and WHW826, 158 MHz (marine) and 161.28 MHz, near Fort Bragg.

Federal Communications Commission (FCC) applications for construction permits for 43.60 MHz paging transmitters at all proposed sites have been granted to either Pac-West Telecomm, Inc. or Cal-Page, Inc. (formerly known as Pac-North Telecomm Corp.). Formal applications have been made at the FCC to transfer these construction permits to Page-U.

Funding for construction and early operation will be through open account advances from Cal-Page, Inc. Cal-page has provided adequate financial statements as part of the Application. All transmitters, terminals, and other equipment are to be leased. Page-U has provided a financial plan for the proposed system which indicates that it will be profitable in the second year of operation. Proposed rates and charges are as shown in Table 1. Detailed tariffs in conformance with Commission requirements will be filed before start of operation.

Page-U requests authority to issue 1000 shares of common stock of stated value of \$1.00 per share to its parent company Cal-Page Inc. for an aggregate cash consideration of \$1,000.00 and the transfer of FCC construction permits to Page-U.

Copies of the application were served on the county and cities within the proposed service area and on other entities with which applicant's proposed service is likely to compete, as listed on the certificate of service attached to the application.

Notice of this application appeared in the Commission's Daily Calendar of April 10, 1987. No protests to the application were received. A public hearing is not necessary.

The proposed services include regionalized voice message paging, extended area tone-only, numeric display, and alphanumeric display paging. The proposed services would provide increased opportunity to select services to fit consumer needs. The frequencies to be used are presently uncongested and should allow an improved grade of service.

The proposed services use conventional equipment and will be installed by qualified employees of the equipment supplier (Pac-West, Inc.). Page-U's Vice President and Operating Officer, John K. LaRue has nine years of experience with a San Joaquin Valley RTU, has developed, installed, and sold an out-of-state RTU paging utility, and has held numerous consulting positions.

Findings of Fact

1. Applicant is a California corporation.
2. Applicant requests a CPC&N to construct RTU facilities to provide one-way paging service statewide.
3. No protests to the application were received. A public hearing is not necessary.
4. Applicant possesses the requisite FCC construction permits.
7. The proposed operation is economically feasible.
8. The proposed operation is technically feasible.

9. It can be seen with certainty that there is no possibility that the granting of this application may have a significant effect on the environment.

10. Public convenience and necessity require the granting of this application.

Conclusion of Law

The application should be granted to the extent provided for in the following order.

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

The number of shares outstanding, the total stated value of the shares, and the dividend paid do not determine the allowable return on plant investment. This authorization is not a finding of the value of the utilities stock or property, nor does it indicate the amounts to be included in rate setting proceedings.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Page-U, Inc. for the construction and operation of a public utility one-way radiotelephone system with base stations and service areas as follows:

Base Station locations:

43.60 MHz:

- a. Wolf Mountain, near Grass Valley - KNKI222
(Lat. 39 08' 01" N, Long. 121 05' 38" W)
- b. Spanish Mountain, near Ukiah - KNKI222
(Lat. 39 07' 00" N, Long. 121 13' 54" W)

- c. 926 J Street, Sacramento - KNKI222
(Lat. 38 34' 49" N, Long. 121 29' 34" W)
- d. Mt Barham, near Santa Rosa - KNKI292
(Lat. 38 30' 31" N, Long. 122 39' 41" W)
- e. 420 No. California Street, Stockton - KNKI222
(Lat. 37 57' 29" N, Long. 121 17' 05" W)
- f. 1624 Franklin Ave., Oakland - KNKI222
(Lat. 37 48' 21" N, Long. 122 16' 02" W)
- g. 928 12th Street, Modesto - KNKI222
(Lat. 37 38' 31" N, Long. 120 59' 48" W)
- h. Mt Oso, near Westley - KNKI222
(Lat. 37 30' 21" N, Long. 121 22' 26" W)
- i. 2220 Tulare Avenue, Fresno - KNKI780
(Lat. 36 44' 10" N, Long. 119 47' 10" W)
- j. Lookout Mountain, near Beverly Hills - KNKI203
(Lat. 34 06' 35" N, Long. 118 23' 26" W)

152.75MHz:

- k. 420 No. California St., Stockton - KNKD282
(Lat. 37 57' 22" N, Long. 121 17' 08" W)
- l. 926 J Street, Sacramento - KNKD282
(Lat. 38 34' 49" N, Long. 121 29' 34" W)

152.78 MHz:

- m. 928 12th Street, Modesto - KNKI233
(Lat. 37 38' 31" N, Long. 120 59' 48" W)
- n. Bald Hill, near Fort Bragg - KNKJ431
(Lat. 39 28' 03" N, Long. 123 45' 34" W)

158 MHz (Marine):

- o. Bald Hill, near Fort Bragg - WHW826
(Lat. 39 28' 03" N, Long. 123 45' 34" W)

161.8 MHz:

- p. Bald Hill, near Fort Bragg - WHW826
(Lat. 39 28' 03" N, Long. 123 45' 34" W)

454.20 MHz:

q. Spanish Mountain, near Ukiah - KNKI208
(Lat. 39 07' 00" N, Long. 123 13' 54" W)

454.60 MHz:

r. Mt Oso, near Westley - KNKJ256
(Lat. 37 30' 21" N, Long. 121 22' 26" W)

Service areas: As shown in Attachments A and C to Application (A.) 87-02-014.

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

3. Applicant is authorized to file, after the effective date of this order and in compliance with General Order 96-A, tariffs applicable to the service authorized containing rates, charges, and rules applicable to its radiotelephone services. The tariffs shall become effective on not less than 10 days' notice. The rates and charges shall be the same as represented in A.87-04-006.

4. Applicant shall file, after the effective date of this order, and in compliance with Ordering Paragraph 3, as part of its individual tariff, service area maps drawn in conformity with the provisions of the FCC Rule 22.504, commonly known as the "Carey Report," and consistent with Attachments A and C to A.87-04-006.

5. Applicant shall notify the Commission's Evaluation and Compliance Division Director in writing of the date service is first rendered to the public as authorized herein, within five days after service begins.

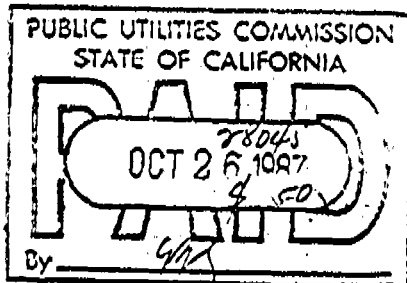
6. The corporate identification number assigned to Page-U, Inc. is U-2094-C which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

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

8. On or after the effective date of this order, but before July 1, 1988, for the purposes specified, transferee may issue up to 1,000 shares of stock with a stated value of \$1.00 per share.

The authority granted by this order to issue stock will become effective when the issuer pays \$50.00, set by PU Code § 1904.1. In all other respects this order becomes effective 30 days from today.

Dated OCT 16 1987, at San Francisco, California.



STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
Commissioners

Commissioner John B. Ohanian, being necessarily absent, did not participate.

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

Victor Weisser, Executive Director