

Decision 87 10 036

OCT 16 1987

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 FRESNO CELLULAR TELEPHONE COMPANY)
 (U-4040-C) for a Certificate of)
 Public Convenience and Necessity)
 under Section 1001 of the Public)
 Utilities Code of the State of)
 California for authority to construct)
 and operate a new domestic public)
 cellular radio telecommunication)
 service to the public in Fresno)
 encompassing Fresno County.)

Application 87-03-051
 (Filed March 27, 1987;
 amended April 20, 1987)

OPINION

Applicant Fresno Cellular Telephone Company seeks a certificate of public convenience and necessity (CPC&N) to construct and provide domestic public cellular radiotelephone service to the public throughout the Fresno Metropolitan Statistical Area (MSA), including all or a portion of Fresno County. Applicant contends that its Proponent's Environmental Assessment (PEA) sets forth sufficient facts to conclude with certainty that there is no possibility that the construction and operation of its proposed cellular system would have an adverse effect on the environment. It requests Commission issuance of a Negative Declaration for all facilities other than its mobile telephone switching office (MTSO), a Commission finding that an environmental impact report (EIR) is not required in this proceeding, and a further finding that the installation of its MTSO would not have a significant adverse effect on the environment. Applicant seeks the latter finding in conjunction with its request for an immediate interim ex parte authority to permit it to immediately begin construction of the MTSO and to prepare the cell sites in its system to avoid unnecessary delay in starting its system operations.

The application was filed on March 27, 1987. On April 23, applicant was notified that the application had been reviewed by the Commission staff and that it could not be accepted as complete due to deficiencies in the PEA. The application was amended on April 20, 1987 to provide additional environmental information, and was deemed filed 30 days later, on May 20, 1987, under Government Code Section 65943.

Summary

This decision grants applicant a CPC&N to construct and operate a cellular radiotelephone system to provide service in the Fresno MSA. Since this decision grants the requested CPC&N, the request for interim authority to construct the MTSO is moot.

Applicant's design criteria require 90% coverage for the MSA at -100 dBm or better. We agree that such coverage is adequate.

The initial wholesale and retail service rates proposed by applicant are approved. Applicant's initial service proposal covers over 1,590 square miles in the Fresno MSA, in Fresno County. Its system is designed to meet its projection of growth in customer demand.

This decision approves staff's Negative Declaration (Appendix A of this decision), including the conditions incorporated in the Negative Declaration to preclude the occurrence of any significant adverse effects on the environment. The Commission staff analyzed the comments received on the Negative Declaration and its responses are persuasive. No EIR is warranted.

Applicant will be required to file additional environmental information with the Evaluation and Compliance Division prior to construction of any future expansion antenna sites.

Background

In 1982, the Federal Communications Commission (FCC) determined that a need for cellular service had been established throughout the nation and that this service, using new cellular technology and offering superior transmission quality and privacy with far greater capacity than conventional mobile radiotelephone service in use, should be made available in accord with the market structure it established (Memorandum Opinion and Order on Reconsideration, 47 Fed. Reg. 1018, 10033-34; 89 FCC 2d (1982)). Under this plan, applicant is one of the two utilities authorized to operate in the Fresno MSA.

Applicant is wholly owned by ACC/McCaw Cellular of Fresno, a joint venture comprised of McCaw Communications of Fresno, Inc. (50%) and Affiliated Cellular of Fresno, Inc. (50%). McCaw Communications of Fresno Inc.'s corporate parent, McCaw Communications Companies Inc. (McCaw), is a diversified communications holding company engaged in providing paging, traditional mobile telephone and cellular radio telecommunications services. McCaw and its affiliates are currently providing facilities-based cellular radio telephone service in 16 MSAs in 14 states. McCaw and its affiliates are also reselling cellular radio telecommunications service in an additional 18 MSAs.

Affiliated Cellular of Fresno, Inc.'s corporate parent, Affiliated Publishing, Inc. (API), is a minority shareholder in McCaw. API is also the owner of The Boston Globe, one of the oldest daily newspapers in the country.

Applicant holds a certificate from the Commission as a reseller of cellular radiotelephone services in the Fresno MSA pursuant to Decision (D.) 86-10-0407. It is a wholesale purchaser from Fresno MSA Limited Partnership, the cellular system wireline resale carrier in the Fresno MSA. Upon certification and after construction of the system, applicant will transfer its current resale customers to its own system, notify them of this, and will

surrender its resellers certificate for the Fresno MSA granted pursuant to D.86-10-007.

Since this application was filed in April, applicant filed and received authority to acquire the customer base of GTE's cellular resale business in the Sacramento, Stockton, Fresno, and Modesto areas. (Application (A.) 87-05-016, D.87-06-063). This puts applicant in the position of competing as a reseller in the Sacramento area with its affiliate, Sacramento Cellular Telephone Company, which we are certificating today in A.87-03-022 as the nonwireline carrier in Sacramento, authorized to provide both wholesale and retail cellular service. Applicant will be in the same competitive position in the Stockton area if we certificate Stockton Cellular Telephone Company in A.87-06-019.

In D.85-04-015 we stated "PacTel Mobile Services should not be authorized to function as a reseller of services which would compete with similar services offered, directly or indirectly, by its affiliate, PacTel Mobile Access". Since this has been our stated policy, it should apply to Fresno as well as PacTel Mobil Services. Therefore, at the time its affiliate Sacramento Cellular Telephone Company (and Stockton Cellular Telephone Company if authorized) surrenders its reseller certificate for the Sacramento area, Fresno Cellular Telephone Company shall also surrender its reseller certificate for the Sacramento (and later, Stockton) area. In the alternative, Fresno may petition to modify this decision by making a showing that surrender of its resale certificate for the Sacramento area should not be required.

Proposed System

Applicant's proposed system design involves high capacity in which the radio spectrum assigned is divided into discrete channels which are allocated in groups to small geographic cells covering a defined service area not coextensive with nor limited in any fashion to local political jurisdictions. This allows reuse of the limited number of radio channels allocated by

FCC in different cells within the overall metropolitan area. Each cell contains low-powered radio transmitter-receiver units that will carry calls over its antenna, and each cell is connected to a computer-controlled call-switching center. Thus multiple channels are available, and can be used simultaneously by different customers in nearby cells.

The radiated power emissions from the antennas may not exceed 100 watts and the height of each cell's antenna is critical: if too high, too great an area is blanketed, reducing the number of radio channels available in nearby cells; and if too low, the serving area of the cell is not adequately covered, resulting in unsatisfactory or no service. These considerations are implemented in determination of base radio sites. Based on a computer program validated in other MSAs, a geographic grid was designed to provide continuous service with a 90% or greater probability that a signal in the Sacramento MSA will register a satisfactory signal (of -100 dBm or greater) at a cellular mobile unit.

Applicant considered various radii for cellular transmission to minimize the number of cell sites, lower costs, and, at the same time, provide reliable coverage. This analysis included demographic variables such as highway traffic, population density, employment and income distribution, and business locations in conjunction with detailed propagation studies. The propagation studies give consideration to variations in terrain, obstructions to radio propagation, and to enhancement of radio signals due to water and other factors.

Applicant asserts that four cells will be initially required to cover the Fresno MSA adequately. The system was designed to handle expansion to accommodate more than 30,000 subscribers through use of radios, sectorization, and cell splitting. Future cell sites are planned in the vicinity of Silver Creek and State Highway 180, Interstate 5 and State Highway 180, and Academy along State Highway 168.

Applicant chose Ericsson, Inc. (Ericsson), a Swedish equipment manufacturer with extensive experience in providing public and private telephone service around the world. Ericsson has installed cellular equipment in 18 countries serving more than 230,000 subscribers, including service in six MSAs in the United States including one serving the San Francisco-San Jose area. Ericsson has a full-fledged service and support staff located in Texas. It will provide dedicated support staffing during applicant's initial operations and consulting staff for later operations.

The equipment to be provided applicant fully meets FCC Cellular System Mobile Station-Land Station Capability Specifications. The equipment will provide basic cellular capabilities, including normal call-processing, hand-off, traffic data, and enhanced features such as call forwarding, call waiting, and three-way calling.

Financing

A letter from applicant received on October 13, 1987, (Exhibit 1) temporarily adopts the fall-back options in its financing plan; namely, to initially meet its construction and operational requirements with funds from its owners or from their corporate parents. Applicant's chairman is also vice president of McCaw Communications Companies, Inc. (MCCI). He avers that he has executive responsibility for all functional activities of applicant, including the financial functions of the partnership; applicant will require \$7.6 million to commence operation of the system in 1987; with expected growth additional capital of \$10.5 million will be invested in the second through fifth years of its operations to expand the system, as shown in its projection; MCCI avers that it would provide needed funding to applicant as long as the undertaking is likely to be profitable.

The application states that applicant intended to fund the cost of constructing its cellular system with funds borrowed

from the Provident National Bank (Bank). The Bank would loan up to \$5.1 million to applicant for construction and working capital financing of the proposed system. It would set up a three-year revolving loan converting to a seven-year term loan. The interest rate would be prime plus 1%. Principal and interest would be payable quarterly. Interest only would be payable during the three-year revolving loan period.

Applicant now plans to file a later application to secure authority for long-term debt financing, as contemplated in the subject application.

Financial Viability

To the extent applicant's operational and construction estimates are valid, substitution of equity for debt would increase applicant's cash flow by eliminating below the line debt expense.

Applicant's initial consolidated projected income statements along with breakdowns of retail and wholesale services are shown in Tables 1 through 3.

TABLE 1

FRESNO CELLULAR TELEPHONE COMPANY
 CONSOLIDATED INCOME STATEMENT
 PRO FORMA

	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
REVENUE					
RETAIL	875,815	2,337,425	3,788,949	5,253,716	7,072,694
WHOLESALE	35,652	121,427	284,748	542,943	947,171
TOTAL REVENUE	911,467	2,458,852	4,073,697	5,796,659	8,019,865
EXPENSES					
CELLULAR FACILITIES	251,658	304,249	458,302	658,035	971,560
OPERATIONS	150,504	171,025	180,828	191,190	202,149
ADMINISTRATION	322,645	323,698	359,751	396,514	433,440
RESELLER RELATED SERVICES	97,167	110,339	163,313	196,521	292,718
RETAIL EXPENSES	675,094	714,230	809,718	866,495	1,101,270
DEPRECIATION & AMORTIZATION	506,481	508,304	544,481	577,909	664,257
INTEREST EXPENSES	333,510	464,325	531,653	570,902	594,193
STATE/LOCAL TAXES	48,426	70,375	91,646	123,808	164,300
TOTAL EXPENSES	2,385,485	2,666,546	3,139,672	3,581,374	4,423,867
INCOME (LOSS)	(1,474,018)	(207,694)	934,025	2,215,285	3,595,998

TABLE 2
FRESNO CELLULAR TELEPHONE COMPANY
RETAIL INCOME STATEMENT
PRO FORMA

	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
RETAIL REVENUE					
SERVICE ESTABLISHMENT	38,653	31,067	40,701	35,606	59,048
ACCESS & USAGE	837,162	2,306,358	3,748,263	5,218,110	7,013,646
TOTAL REVENUE	875,815	2,337,425	3,788,964	5,253,716	7,072,694
COST OF SERVICE					
Service Establishment	25,769	31,067	40,701	35,606	59,048
Access & Usage	663,696	1,828,464	2,971,584	4,136,880	5,560,368
TOTAL COST OF SERVICE	689,465	1,859,531	3,012,285	4,172,486	5,619,416
GROSS MARGIN	186,350	477,894	776,664	1,081,230	1,453,278
EXPENSES					
BILLING & COLLECTIONS	37,041	80,514	105,425	146,557	197,099
ADVERTISING	135,661	136,060	145,500	148,779	178,397
COMMISSIONS	193,264	155,336	189,938	154,294	246,034
CUSTOMER SERVICE	42,320	49,100	52,045	82,750	87,715
SALES/MARKETING	206,901	220,341	236,732	250,083	297,745
FACILITIES & OVERHEAD	59,907	72,880	80,078	84,032	94,280
TOTAL EXPENSES	675,094	714,230	809,718	866,495	1,101,270
INCOME (LOSS)	(488,744)	(236,336)	(33,054)	214,735	352,008

TABLE 3
FRESNO CELLULAR TELEPHONE COMPANY
WHOLESALE INCOME STATEMENT
PRO FORMA

	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
WHOLESALE REVENUE					
SERVICE ACTIVATION	27,101	23,134	31,353	29,957	50,011
ACCESS AND USAGE	698,016	1,957,824	3,265,680	4,685,472	6,516,576
TOTAL REVENUE	725,117	1,980,958	3,297,033	4,715,429	6,566,587
EXPENSES					
CELLULAR FACILITIES	251,658	304,249	458,302	658,035	971,560
OPERATIONS	150,504	171,025	180,828	191,190	202,149
ADMINISTRATION	322,645	323,698	359,731	396,514	433,440
RESELLER RELATED SERVICES	97,167	110,339	163,313	196,521	292,718
DEPRECIATION & AMORTIZATION	506,481	508,304	544,481	577,909	664,237
INTEREST EXPENSES	333,510	464,325	531,653	570,902	594,193
STATE/LOCAL TAXES	48,426	70,375	91,646	123,808	164,300
TOTAL EXPENSES	1,710,391	1,952,316	2,329,954	2,714,879	3,322,597
INCOME (LOSS)	(985,274)	28,642	967,079	2,000,550	3,243,990

Applicant projects that its operations will be profitable by the third year of operations based on debt financing. Exhibit I attached to the application contains the assumptions underlying Tables 1 through 3.

Customers

The following is applicant's estimate of the subscribers to be served during the first five years of operation:

	<u>Retail</u>	<u>Resellers</u>	<u>Total Wholesale</u>
Year I*	1,257	65	1,322
Year II	2,206	180	2,386
Year III	3,422	377	3,799
Year IV	4,413	662	5,075
Year V	6,118	1,149	7,267

*Year I numbers include 8 months of retail sales as reseller.

Rates

Applicant's proposed rates are shown in Table 4:

TABLE 4
FRESNO CELLULAR TELEPHONE COMPANY
Proposed Retail Rates

A. Service

1. Service Establishment

To process an order for activation of 1 - 5 access numbers per customer	\$30.00
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To process an order activation of six or more access numbers per customer	\$25.00
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2. Change

To add or remove optional features or temporarily suspend service per a customer's request, or change an access number affected per order	\$25.00
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3. Service Restoral Charge

Reactivation of service which has been temporarily
suspended due to nonpayment of billed charges

B. Basic Plan1. Access ChargePer Month

1 - 5 access numbers per customer	\$31.00
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6+ access numbers per customer	\$28.00
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2. Usage RatesPer Minute

Peak Period	\$ 0.35
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Off-Peak Period	\$ 0.20
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(Continued)

TABLE 4 (Continued)
FRESNO CELLULAR TELEPHONE COMPANY

Proposed Wholesale Rates

RATES - BULK AND WHOLESALEA. Service Connect Charge

To process an order to initiate or restore service per access number	\$20.00
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B. <u>Monthly Access Charge</u> (minimum of 50 numbers for each CGSA with additional orders in blocks of 10)	\$24.00
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C. Airtime Rates Per Minute

Peak Period

Up to 50,000 minutes per month in each CGSA	\$.287
Over 50,000 minutes per month in each CGSA	\$.280

Off-Peak Period

Up to 50,000 minutes per month in each CGSA	\$.165
Over 50,000 minutes per month in each CGSA	\$.160

Proponent's Environmental Assessment

Applicant alleges that the construction and operation of the project proposed in this application would not result in an environmental impact that is significant, as defined by the California Environmental Quality Act (CEQA). Of the basic physical elements of the proposed cellular telephone system, only the towers needed to support the radio antennas at certain cell sites would have a potential environmental impact. For those sites at which towers would be visible from surrounding areas, the visual impacts of the towers would be mitigated by the careful location and design of the tower. Other environmental issues that could result from the construction and operation of the cellular system are short term or otherwise insignificant.

The Commission, in its role as regulator of telephone service within the State, must review and approve any proposed telephone system before it approves construction and operation. The application for a CPC&N under Public Utilities (PU) Code Section 1001 is subject to environmental review under the CEQA, under Public Resources Code Section 21,000, et seq. and Rule 17.1 of the Commission Rules of Practice and Procedure.

The Commission is the lead agency under CEQA in conducting an environmental review which must precede consideration and approval of the cellular system. Applicant anticipates that the environmental review will result in the issuance of a Negative Declaration. As a matter of practice, the Commission review also relies on, and takes into full account, all of the zoning, planning, design, and environmental requirements of each jurisdiction within which the individual radio transmitters of the cellular system will be located.

A total of four cell sites and three areas for location of future cell sites have been identified. The four cell site locations, which applicant asserts constitute a workable operating system are: Fresno-North, Sanger, Caruthers, and San Joaquin.

The MTSO facility will be located in Fresno. Applicant agrees to follow all local environmental review, permitting and approval processes and to comply with any conditions of approval that are imposed.

The Commission staff has examined applicant's PEA and the findings of the local agencies and agrees that the project, as presented, has no significant effect on the environment. As a result, staff prepared a Negative Declaration. The PEA, confirmed by staff study, served as the initial study for the project. A notice of publication of a Negative Declaration was issued making the Negative Declaration available for a 20-day public review period from June 19, 1987 to July 9, 1987.

No adverse comments concerning the potential environmental impact of the project were directly received from property owners or any public agency. This decision adopts the Negative Declaration, attached as Appendix A.

Findings of Fact

1. Applicant holds a construction permit from the FCC for cellular radiotelephone system in the Fresno MSA.
2. Applicant is a certificated reseller of cellular radiotelephone services, is familiar with the operation of cellular radiotelephone systems, and possesses the ability, experience, and financial resources to perform the proposed services.
3. Applicant has negotiated and executed an interconnection agreement with Pacific Bell to allow operations of the proposed system to connect to the wireline network.
4. Cell site equipment, warranty, and customer support will be supplied by Ericsson, a company which has demonstrated ability to install and service cellular radiotelephone systems in California.
5. Applicant's initial development is a four-cell system covering over 1,590 square miles in the Fresno MSA. It is designed

to meet the forecast of customer demand in the area with an adequate level of signal quality.

6. Applicant proposes initially to fund construction and operations with funds on advances from its owners and or their corporate parents. This will be temporary financing. Subsequently applicant will seek approval from this Commission for permanent financing arrangements. Applicant has secured a line of credit of up to \$5.1 million from Provident at prime plus 1%.

7. The proposed interim financing arrangements operating on advances from its parent and/or corporate parents are not adverse to the public interest.

8. This decision does not determine that applicant's construction program is necessary or reasonable for ratefixing purposes.

9. Applicant has the ability, experience, and financial resources to perform the proposed services

10. Public convenience and necessity require the service proposed by applicant.

11. Applicant plans to offer both wholesale and retail services. It will separate its resale operations in other MSAs from its retail operations within its overall organization. Applicant plans to transfer its existing resale customers to its system from Fresno MSA Limited Partnership. It will notify its customers of the transfer and will surrender its reseller certificate for the Fresno MSA granted pursuant to D.86-10-007.

12. The Commission, acting as lead agency under CEQA, has prepared a properly noticed Negative Declaration for the proposed project. The staff has concluded that with mitigation measures, the environmental impacts are not significant. This decision approves the Negative Declaration.

13. A public hearing is not necessary.

14. Applicant holds authority to resell cellular services in the Sacramento, Fresno, Stockton, and Modesto areas as authorized in D.87-06-063.

Conclusions of Law

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

2. Applicant is subject to the user fee system set forth in PU Code Section 401 et seq. The surcharge for fiscal year 1987-1988 is 0.1%.

3. The proposed base rates for wholesale and retail tariffs should be authorized.

4. Applicant is a FCC cellular communications licensee and hence must use the Uniform System of Accounts established by D.86-01-043 in OIR 85-03-075.

5. The proposed interim financing arrangements are for lawful purposes and the money, property, or labor to be obtained by applicant are required for these purposes.

6. The Commission should adopt the attached Negative Declaration and direct the Executive Director to file a Notice of Determination with the Office of Planning and Research.

7. This Commission has previously declined to allow affiliates to function as both resellers and retailers of cellular service in competition with each other in the same area.

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 any monopoly feature of these rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Fresno Cellular Telephone Company (applicant) to

construct and operate a cellular mobile telecommunications system in the Fresno Metropolitan Statistical Area (MSA).

2. Within 30 days after this order is effective applicant shall file a written acceptance of the certificate of public convenience and necessity with the Evaluation and Compliance Division.

3. Applicant shall keep its books as directed by the Uniform System of Accounts for cellular communications licensees as prescribed by D.86-01-043.

4. The Commission adopts the attached Negative Declaration and directs the Executive Director to file a Notice of Determination approving the Negative Declaration with the Office of Planning and Research.

5. In constructing its system, applicant shall undertake the environmental mitigation measures stated as conditions in the Negative Declaration.

6. Applicant shall use the net proceeds from its interim financing arrangements for the purposes set forth in the application.

7. Applicant shall notify Evaluation and Compliance Division in writing of the day it starts operating.

8. On or after the effective date of this order, applicant is authorized to file wholesale and retail tariff schedules in accordance with Table 4 of this decision. The filing shall comply with General Order Series 96 and shall be effective not earlier than five days after filing.

9. After transfer of its existing resale customers to its own system, applicant shall surrender its reseller certificate for the Fresno MSA granted pursuant to D.86-10-007.

10. When applicant's affiliate, Sacramento Cellular Telephone Company, surrenders its cellular reseller certificate for the Sacramento area, applicant shall concurrently either surrender its own cellular reseller certificate for the Sacramento area or

petition to modify this decision showing why it should not be required to do so. Applicant shall perform the same action for the Stockton area if and when Stockton Cellular Telephone Company is certificated.

11. Applicant shall file additional environmental information with the Evaluation and Compliance Division for all future expansion antenna sites prior to the construction of such antennas. Determination will be made at that time whether any supplemental environmental documentation is required in accordance with the provisions of the California Environmental Quality Act.

12. This application is granted as set forth above.
This order is effective today.

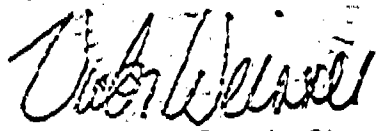
Dated OCT 16 1987, at San Francisco, California.

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
Commissioners

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

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



Victor Weiss, Executive Director

JB



Public Utilities Commission
STATE OF CALIFORNIA

FILE NO.

NOTICE

PUBLICATION OF A NEGATIVE DECLARATION
CALIFORNIA PUBLIC UTILITIES COMMISSION

Description of Proposed Action: The Fresno Cellular Telephone Company has applied to the California Public Utilities Commission (PUC) for a Certificate of Public Convenience and Necessity for the installation and operation of a mobile telephone system to serve the greater Fresno County area. A Negative Declaration has been prepared for the proposed system in compliance with the provisions of the California Environmental Quality Act. This document and the accompanying Initial Study are now available for public review.

The proposed project consists of the installation of four new antennas and a Mobile Telephone Switching Office (MTSO) within Fresno County. The MTSO will be located in an existing office building on Palm Avenue in Fresno. This cellular telephone system will initially use four antennas. The locations of these antennas are as follows: (1) North Parkway Drive, Fresno; (2) near Newmark Road, Sanger; (3) intersection of Cedar and Mountain View Avenues, Monmouth (Caruthers site); and (4) near State Avenue west of Kerman (San Joaquin site).

Document Available for Review: The PUC has prepared an Initial Study and Negative Declaration describing the project, its environmental impacts, and the conditions that will be imposed to ensure the project will not cause any significant environmental impacts.

Where Document Can Be Reviewed: The subject Negative Declaration may be reviewed at the offices of the California Public Utilities Commission, 1107 - 9th Street, Suite 710, Sacramento, CA, or at 505 Van Ness, PUC Information Center, San Francisco, CA. Copies can be obtained by calling the PUC at (415) 557-2400.

Review Period: The subject Negative Declaration is available for a 20-day public review period from June 19, 1987 to July 9, 1987. Comments must be received in writing by the close of business on July 9, 1987. Written comments should be addressed to:

Mr. Mike Burke
California Public Utilities Commission
1107 - 9th Street, Suite 710
Sacramento, CA 95814

NEGATIVE DECLARATION

PURSUANT TO DIVISION 13
CALIFORNIA PUBLIC RESOURCES CODE

Project Description: The California Public Utilities Commission (PUC) proposes to grant a Certificate of Public Convenience and Necessity to the Fresno Cellular Telephone Company for the installation and operation of a mobile telephone system to serve the greater Fresno County area. The proposed project consists of the installation of four new antennas and a mobile telephone switching office. Three of the antenna sites are in rural portions of the County, while the fourth is in a commercial area in the City of Fresno. The switching office will be in an existing office complex also in Fresno.

Findings: An Initial Environmental Study (attached) was prepared to assess the project's potential effects on the environment and the significance of those effects. Based upon the initial study, the project will not have any substantial adverse effects on the environment. This conclusion is supported by the following findings:

1. The proposed project will not have a significant effect on the geology, geomorphology, soils, climate, hydrology, aesthetics, vegetation, or wildlife of the antenna or switching office sites.
2. The project will have no significant effect on municipal or social services, utility services, or community structure.
3. The project will not have a significant adverse effect on air or water quality, the existing circulation system, ambient noise levels, or public health.
4. Because the individual systems operate at a low power level in frequency bands well-separated from television and ordinary broadcasting frequencies, no significant interference with radio or television reception is anticipated.
5. While the new towers will be visible from some surrounding areas, the visual impacts are expected to be minimal because of the distance between most viewers and the antenna sites, the specific locations of the antennas (commercial or rural settings), and their design. All the antenna sites have been selected so as to minimize their respective environmental impact, while still providing the precise radio coverage requirements of the proposed cellular system.

To assure that significant adverse effects do not occur as a result of this project, the following conditions are incorporated into this Negative Declaration:

1. The applicant will consult with appropriate local public agencies on project details such as the design, color, and type of materials used in the antenna towers, the specific configuration

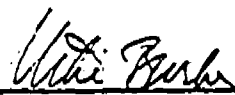
of equipment on each facility site, and any other relevant community building codes, provided such conditions or requirements do not render the project infeasible. While it is the PUC's intent that local concerns be incorporated into the design, construction, and operation of this system, no additional permits from local authorities are required as a condition of this certificate. In the event that any certified facilities do not conform with any applicable local codes, ordinances, etc. (other than those codes requiring local permits), the applicant shall inform the Commission in writing of such noncompliance prior to construction of the affected component.

2. For future expansion antenna sites to serve other portions of this market area, the Applicant shall submit environmental information to the PUC prior to construction of such antennas. The PUC will review this material and determine at that time whether any supplemental environmental documentation is required in accordance with the provisions of the California Environmental Quality Act.

Copies of this Negative Declaration and Initial Study may be obtained by addressing a request to the preparer:

California Public Utilities Commission
1107 - 9th Street, Suite 710
Sacramento, CA 95814

Attention: Mike Burke
(916) 322-7316



Mike Burke, Regulatory and Environmental Coordinator
California Public Utilities Commission

A.87-03-051

CALIFORNIA PUBLIC UTILITIES COMMISSION
INITIAL ENVIRONMENTAL STUDY
CHECKLIST

Project Title: Fresno Cellular Telephone Company

Study Date: June 12, 1987

I. BACKGROUND INFORMATION

A. Name of Project:

Fresno Cellular Telephone Company System.

B. Project Description:

The Fresno Cellular Telephone Company has applied to the California Public Utilities Commission (PUC) for a Certificate of Public Convenience and Necessity for the installation and operation of a mobile telephone system to serve the Fresno Metropolitan Statistical Area. This cellular system would initially consist of four cell sites or transmitting/receiving stations located throughout the geographic service area. The system's mobile telephone switching office (MTSO) will be located at 5260 North Palm Avenue in Fresno.

The proposed cellular system is intended to provide a wide variety of local and long distance communications between fixed (office/home) and mobile (automobiles) sites or between two mobile bases. Cellular telephones can be used for regular business and personal telephone conversations, as well as for emergency services such as police, hospital, and fire agencies. This system would function as an extension of the present telephone network in the Fresno County area.

On April 9, 1981, the FCC adopted rules for the provision of the installation and operation of cellular telephone systems. The provisions include:

1. There will be two cellular systems per market area. Each defined market area is based upon standard metropolitan statistical areas.
2. Twenty (20) MHz is held in reserve for all land mobile services.
3. There are no limits on the number of markets that can be served by a single cellular mobile radio service (CMRS) operator.
4. Licensees and affiliates of licensees are allowed to manufacture radio equipment.
5. Telephone companies will be required to establish a fully separate subsidiary to provide CMRS.
6. Wire line companies must provide equal interconnection to all cellular systems.
7. The FCC will preempt the State jurisdictions with regard to licensing but will not regulate rates.

8. The FCC has found that point-to-point microwave and other regular cellular telephone radio transmissions do not pose a human health hazard.

The California Public Utilities Commission's Rule 17.1 of Practice and Procedure entitled "Special Procedure for Implementation of the California Environmental Quality Act of 1970" and the California Environmental Quality Act (CEQA) require an environmental review of all developmental projects before the PUC can issue a Certificate of Public Convenience and Necessity for a project, such as the proposed Fresno mobile telephone system.

Depending upon demand, the Company may consider expanding this system to provide cellular telephone service to other portions of the project area in the future. The installation of antennas not covered in this document would require additional environmental review by the California Public Utilities Commission.

C. Project Setting:

As noted above, the proposed cellular telephone system will initially consist of four radio towers and a centralized mobile telephone switching office. The following is a description of these five project sites and the equipment that will be installed at each:

1. Mobile Telephone Switching Office. - The central computer switching equipment that will support the proposed cellular telephone system will be housed in an existing office structure located at 5260 North Palm Avenue in Fresno. Existing development in this area includes the Fig Garden shopping center, other commercial uses, and residential areas. The property is zoned C-P-CZ. The Assessor's Parcel Number is 417-140-20. See Figure 1 for the location of this site.

A microwave dish would be installed on the top of this 65 foot high building.

2. Cell 1 - 3393 North Parkway Drive, Fresno. The antenna in this cell will be located south of the intersection of North Valentine and North Parkway Drive at the Astro Motel on the north side of Fresno. The site is bounded by vacant land to the west, a truck parking lot to the north, and a single story motel to the south. State Highway 99 is approximately .10 miles to the east. The parcel is zoned Commercial, C-6. The Assessor's Parcel Number is 433-070-31. See Figure 2 for the location of this site.

This site will have a self-supporting 280 foot tower. Omni-directional antennas mounted on its top and side will extend

structure that will be constructed adjacent to the base of the tower.

Construction of the tower and modular building will require a minor amount of grading, covering the lot with a layer of gravel, and the installation of a 6 foot high chain link fence. Other improvements, such as landscaping, may be recommended by the City of Fresno.

3. Cell 2 - Northeast corner of South Newmark and East American Avenues near the City of Sanger, Fresno County.

This cell site is in the middle of a partially abandoned vineyard approximately three-quarters of a mile northwest of Sanger. The parcel is zoned AL-20, Limited Agricultural, 20-acre minimum. The Assessor's Parcel Number is 332-070-32. Land use adjacent to the antenna site consists of railroad tracks and Newmark Road on the west, vineyards and orchards on the east, south, and north. See Figure 3 for the location of this site.

The proposed structure will be a 280 foot guyed tower with 11 foot high antennas mounted at the top and sides. All associated electronic equipment will be sheltered in a modular structure that will be constructed at the base of the tower.

Construction of the tower will require some grading to raise the building pad to avoid local flooding problems and installation of a 6 foot high chain link fence. An access driveway approximately 150 feet long will be extended from an existing adjacent roadway.

4. Cell 3 - Southeast corner of East Mountain View and South Cedar Avenues near the community of Monmouth (also identified as the "Caruthers site"), Fresno County.

The tower site is in the southeast quadrant of a 40 acre parcel of agricultural land. The parcel is zoned AE-40, Exclusive Agricultural, 40-acre minimum. The project parcel is presently vacant, except for a small mobile home. Land use adjacent to the site consists of agricultural uses such as vineyard and orchards. There is an existing 400 foot communications tower situated approximately one-half mile north of this site. The Assessor's Parcel Number for this parcel is 042-290-01S. See Figure 4 for the location of this site.

The proposed structure will be a 280 foot guyed tower with 11 foot high antennas mounted at the top and sides. All

associated electronic equipment will be sheltered in a modular structure that will be constructed at the base of the tower.

Construction of the tower will require a minor amount of grading, the installation of security fencing, covering the area within the fence with a layer of gravel, and the extension of a 200 foot access road.

5. Cell 4 - West side of South State Avenue alignment between West Central and West North Avenue alignments near the City of *Kerman (also known as the "San Joaquin" site), Fresno County.

The proposed tower site is on a vacant ten acre parcel zoned AE-20. Surrounding land use consists of pasture, field crops, scattered mobile homes, and open space. The Assessor's Parcel Number for this site is 20-20-43. See Figure 5 for the location of this site.

The proposed structure will be a 280 foot guyed tower with 11 foot high antennas mounted at the top and sides. All associated electronic equipment will be sheltered in a modular structure that will be constructed at the base of the tower.

Construction of the tower will require a minor amount of grading, the installation of security fencing, covering the area within the fence with a layer of gravel, and the extension of a 230 foot access road.

D. Lead Agency Contact Person:

Mr. Mike Burke
Energy Resources Branch
California Public Utilities Commission
1107 - 9th Street, Suite 710
Sacramento, CA 95814
(916) 322-7316

E. Lead Agency:

California Public Utilities Commission
505 Van Ness
San Francisco, CA 94102

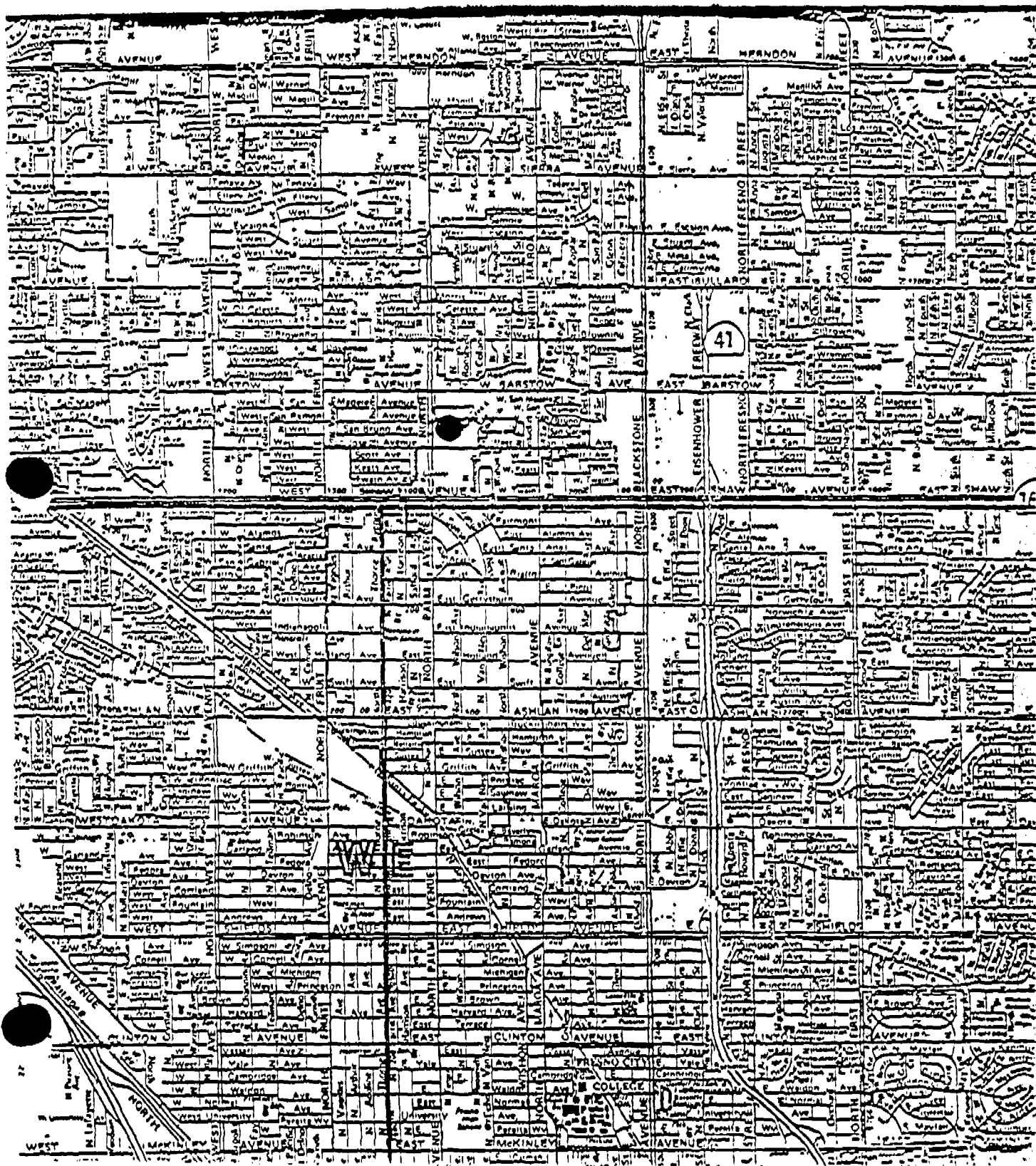
F. Responsible Agencies:

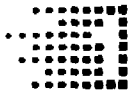
Except for the California Public Utilities Commission, no other State or local agencies have discretionary approval over cellular telephone systems.



Cellular One

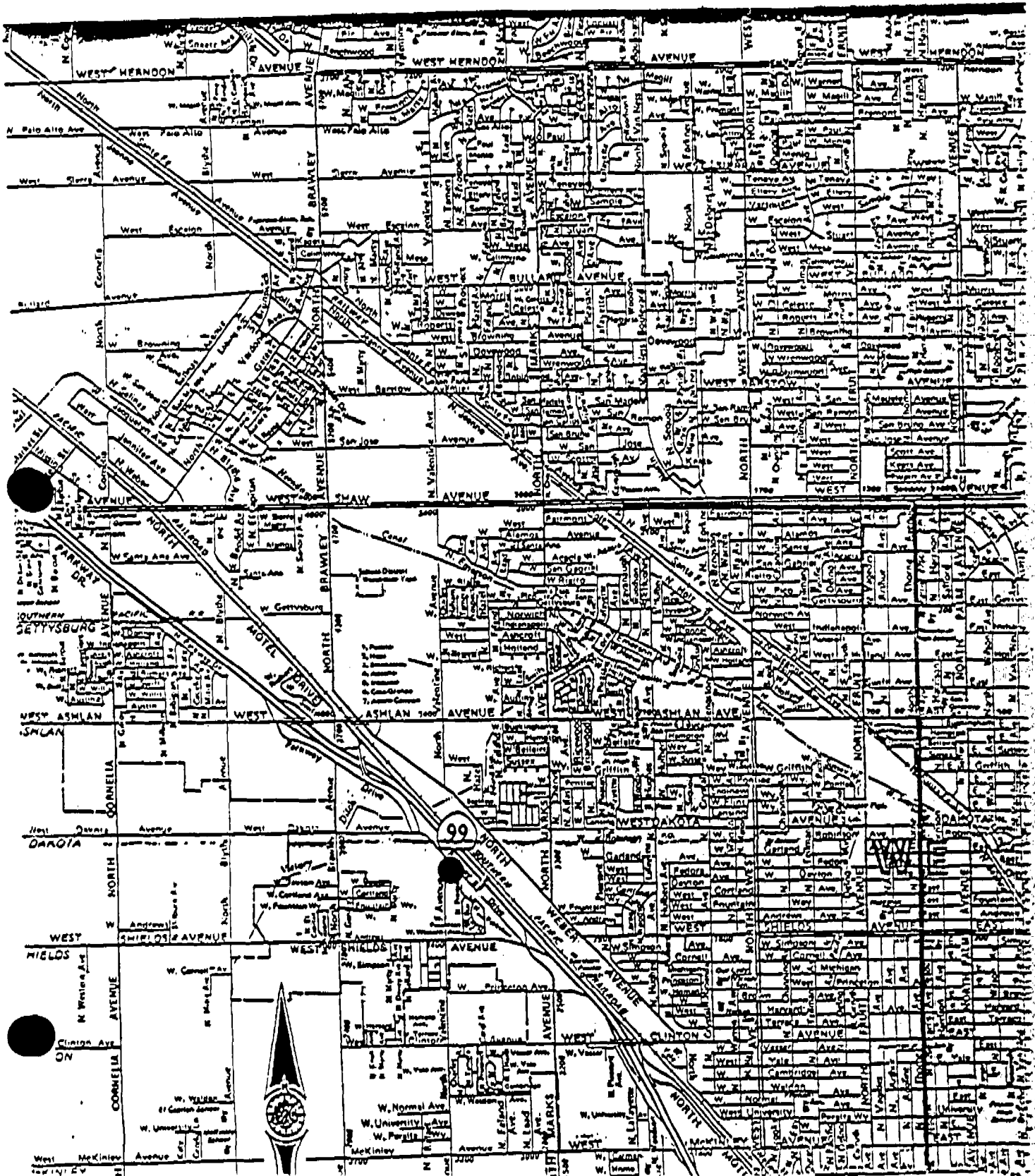
MTSO





Cellular One

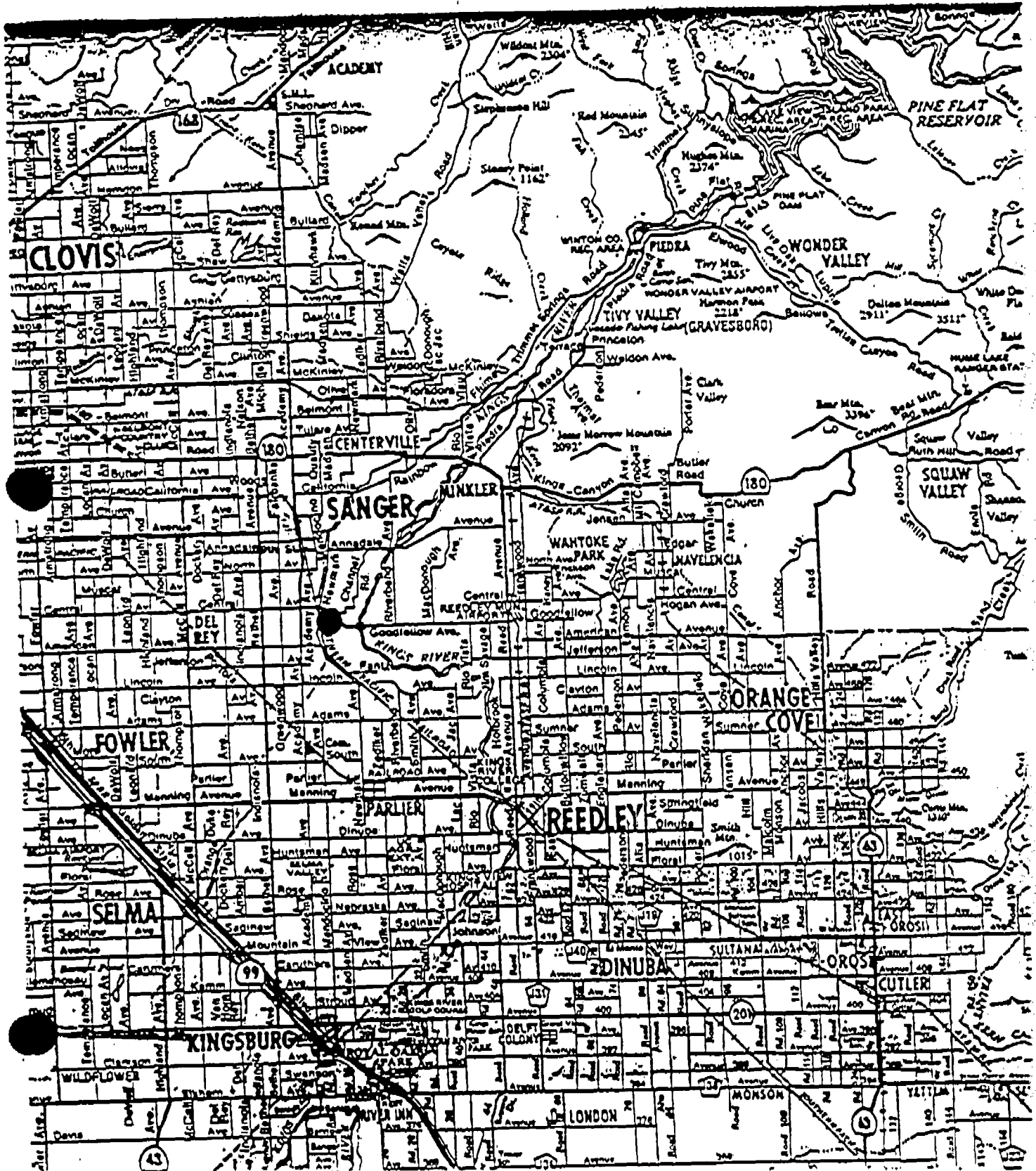
CELL NO. 1 North Fresno





Cellular One

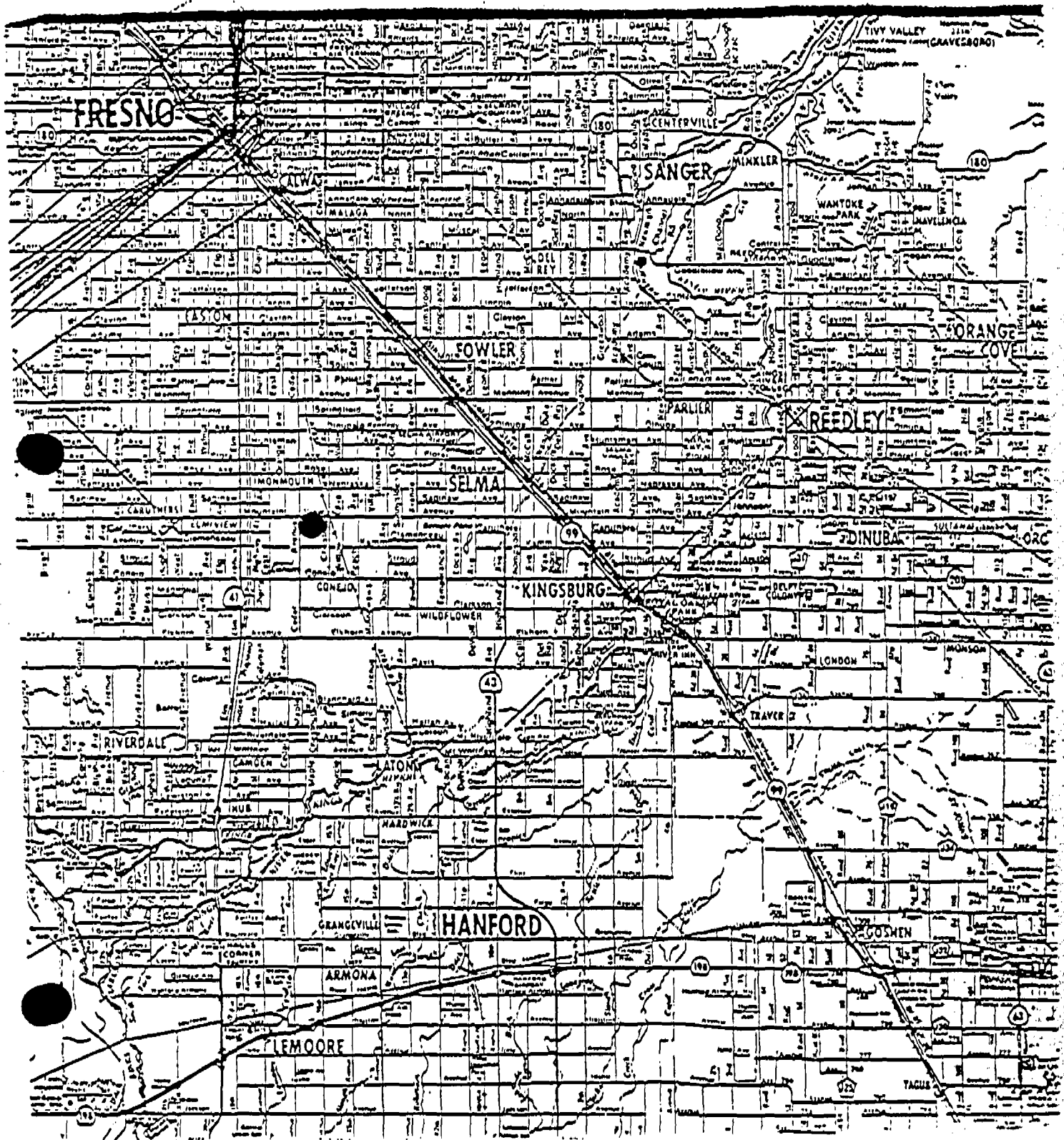
CELL NO. 2 SANGER





Cellular One

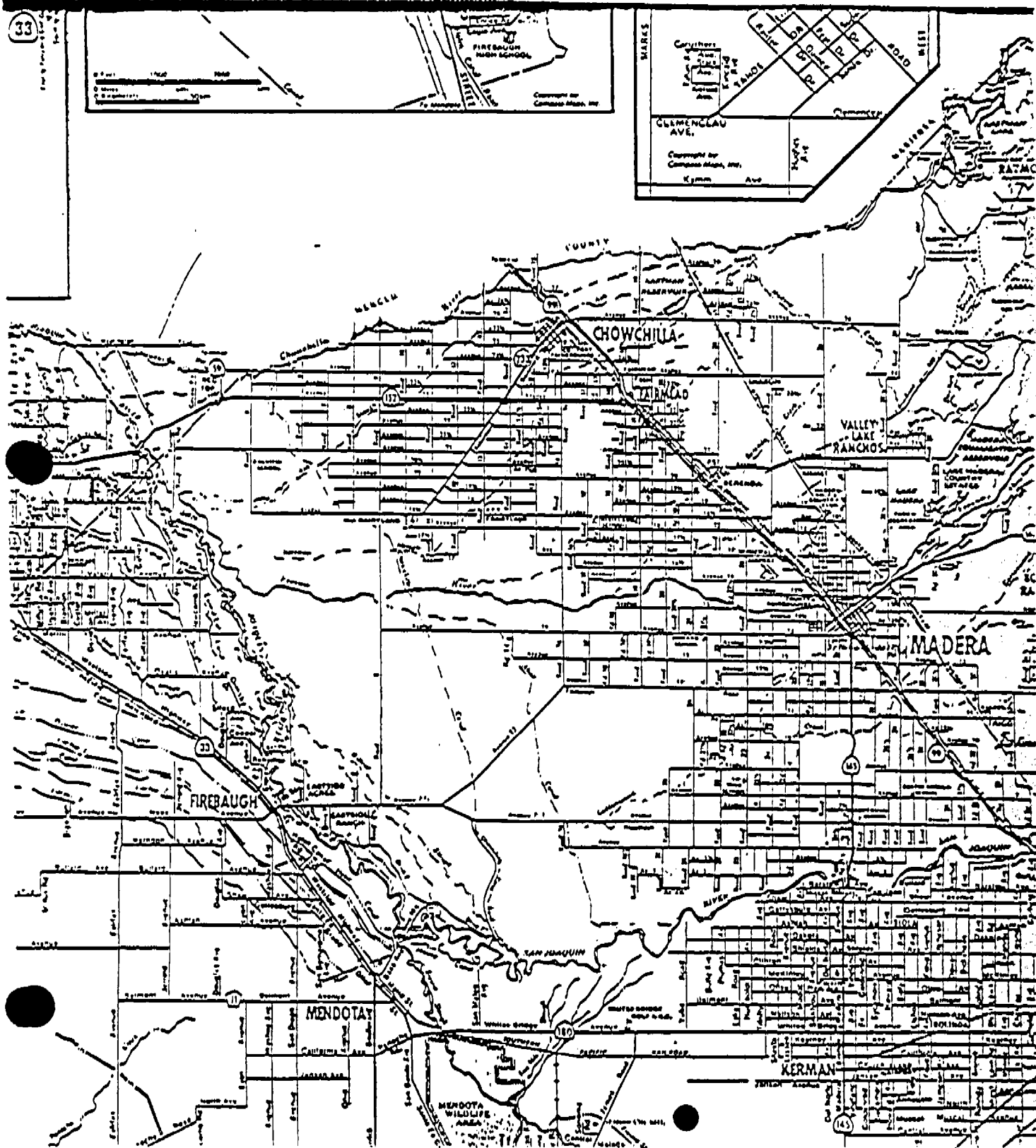
CELL NO. 3 CARUTHERS





Cellular One

CELL NO. 4 San Joaquin



II. ENVIRONMENTAL IMPACTS

	Yes	Maybe	No
A. <u>Geology/Geomorphology.</u> Will the proposal result in:			
1. Unstable earth conditions or changes in geologic substructures?	—	—	X
2. Changes in topography or any unique geologic or physical features of the site?	—	—	X

The foundations for some of the towers will require a minor amount of grading. This grading will result in a minor, insignificant modification of the existing topography of project sites.

3. Exposure of people or property to major geologic hazards (earthquakes, slides, subsidence, liquefaction, volcanism)?	—	—	X
B. <u>Soils.</u> Will the proposal result in:			
1. Disruptions, displacements, compaction or overcovering of the soil?	—	—	X

Project will involve a very minor amount of grading for foundations.

2. Increased erosion from wind or water?	—	—	X
3. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet or lake?	—	—	X
C. <u>Air Quality/Climate.</u> Will the proposal result in:			
1. Substantial air emissions or deterioration of ambient air quality?	—	—	X
2. Creation of objectionable odors?	—	—	X
3. Alteration of air movement, moisture, temperature, or any change in climate, either locally or regionally?	—	—	X

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
D. <u>Water.</u> Will the proposal result in:			
1. Degradation of water quality?	—	—	X
2. Degradation or depletion of ground water resources, or interference with ground water recharge?	—	—	X
3. Depletion or contamination of public water supply?	—	—	X
4. Erosion, siltation, or flooding?	—	—	X
5. A change in the amount of surface water in any water body?	—	—	X
6. Alterations to the course or flow of flood waters?	—	—	X
E. <u>Vegetation.</u> Will the proposal result in:			
1. A change in the diversity of species, or numbers of any species of plants (including trees, shrubs, grass, crops, microflora and aquatic plants)?	—	—	X
2. A reduction of the numbers of any unique, rare or endangered species of plants?	—	—	X
3. The introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species?	—	—	X
4. A reduction in acreage of any agricultural crop?	—	—	X
F. <u>Wildlife.</u> Will the proposal result in:			
1. A change in the diversity of species, or numbers of any species of animals (birds and animals, including reptiles, fish and shellfish, benthic organisms, insects or microfauna)?	—	—	X
2. A reduction of the numbers of any unique, rare or endangered species of animals?	—	—	X

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
--	------------	--------------	-----------

3. Introduction of new species of animals into an area?

—	—	X
---	---	---

4. Deterioration to existing fish or wildlife habitat, or interference with the movement of resident or migratory fish or wildlife?

—	—	X
---	---	---

G. Land Use. Will the proposal result in:

1. A substantial alteration of the present or planned land use in the area?

—	—	X
---	---	---

The project components will be installed adjacent or in existing buildings or on small vacant rural sites.

2. A conflict with Local, State or Federal land use plans or elements to those plans?

—	—	X
---	---	---

The project components are allowable uses with appropriate permits, such as Fresno County conditional use permits, at all the sites.

H. Visual Quality. Will the proposal result in:

1. Obstruction of any scenic vista or view now observed from public areas?

—	—	X
---	---	---

2. Creation of an aesthetically offensive site open to public view?

—	—	X
---	---	---

Aesthetic considerations for the towers and equipment modules were evaluated for each cell site and the switching office. The 4 cell antennas, which will be a total of 291 feet high, will be visible from neighboring properties, especially the three sites in agricultural areas. However, the potential visual impacts of these towers have been adequately minimized by selection of the respective project sites, the design of each antenna, and the use of appropriate building materials and colors. For example, cell site number one is in a commercial development area that has other vertical components. The visual effects of the other towers are minimized by their rural, open agricultural settings and the distance of most viewers from the antennas.

3. New light or glare substantially impacting other properties?

—	—	X
---	---	---

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
I. <u>Human Population.</u> Will the proposal result in:			
1. Growth inducement or concentration of population?	—	—	X
2. Relocation of people (involving either housing or employment)?	—	—	X
J. <u>Housing.</u> Will the proposal affect existing housing, or create a demand for additional housing?	—	—	X
K. <u>Transportation/Circulation.</u> Will the proposal result in:			
1. An increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system?	—	—	X
2. Effects on existing parking facilities, or demand for new parking?	—	—	X
3. A substantial increase in transit demand which cannot be accommodated by current transit capacity?	—	—	X
4. An increase in traffic hazards to motor vehicles, bicyclists or pedestrians?	—	—	X
5. Alterations to present patterns of circulation or movement of people and/or goods?	—	—	X
6. Alterations to waterborne, rail or air traffic?	—	—	X
L. <u>Noise.</u> Will the proposal result in:			
1. An increase in ambient noise levels?	—	—	X
2. An effect on noise sensitive receptors near or on project site?	—	—	X

The project will generate short-term noise increases during construction of the various project components. These increases are not expected to have a significant effect on adjacent residents.

		<u>Yes</u>	<u>Maybe</u>	<u>No</u>
M.	<u>History/Archaeology.</u> Will the proposal result in:			
	1. Alteration or destruction of a prehistoric or historic archaeological site?	—	—	X
	2. Adverse physical or aesthetic effects to a prehistoric or historic building, structure or object?	—	—	X
	3. A physical change which would affect unique ethnic cultural values?	—	—	X
	4. Restriction of existing religious or sacred uses within the potential impact area?	—	—	X
N.	<u>Public Services.</u> Will the proposal result in:			
	1. Increased demand for fire or police protection?	—	—	X
	2. Increased demand for schools, recreation or other public facilities?	—	—	X
	3. Increased maintenance of public facilities, including roads?	—	—	X
O.	<u>Utilities.</u> Will the proposal result in:			
	1. Expansion or alteration of water, sewer, power, storm water drainage or communication facilities?	—	—	X
	2. A breach of published national State or local standards relating to solid waste or litter control?	—	—	X
P.	<u>Energy/Natural Resources.</u> Will the proposal result in:			
	1. Use of substantial amounts of fuel or energy?	—	—	X
	2. Substantial increase in demand on existing sources of energy?	—	—	X
	3. Substantial depletion of any nonrenewable natural resource?	—	—	X

Yes Maybe No

Q. Hazards. Will the proposal result in:

1. Creation of a potential health hazard or exposure of people to potential health hazards?

— — X

The Federal Communications Commission has determined that the microwave and other radio transmissions associated with cellular telephone systems do not pose a risk to humans. The towers that will be necessary for this system will be designed and constructed so that they are not subject to failure from anticipated natural forces.

2. Interference with emergency response plans or emergency evacuation plans?

— — X

The proposed cellular telephone system will improve the emergency communications system in the Fresno County area by providing individuals with mobile telephones the ability to contact police, fire, and other public safety agencies from their cars or mobile units.

III. MANDATORY FINDINGS OF SIGNIFICANCE

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
A. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of a major period of California history or prehistory?	—	—	X
B. Does the project have the potential to achieve short-term, to the disadvantage of long-term environmental goals?	—	—	X
C. Does the project have impacts which are individually limited, but cumulatively considerable?	—	—	X
D. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	—	—	X

A.87-03-051

IV. REFERENCES

1. Proponent's Environmental Assessment, Fresno Cellular Telephone Company, before the Public Utilities Commission of the State of California, Application #A87-03-051 and supplemental information provided by applicant.
2. Federal Communications Commission, FCC 87-63, Gen. Docket No. 79-144, February 12, 1987 and May 5, 1987.

A.87-03-051

V. PERSONS AND/OR AGENCIES CONSULTED

1. Michael Burke
California Public Utilities Commission
1107 - 9th Street, Suite 710
Sacramento, CA 95814
2. E. C. Fishel, Director
Engineering and Operations
Cellular One
1750 Howe Avenue, Suite 102
Sacramento, CA 95815

VI. DETERMINATION (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- ☒ I find the proposed project COULD NOT have a significant effect on the environment. A NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described in this Initial Study have been added to the project. A NEGATIVE DECLARATION will be prepared.
- ☐ I find the proposed project MAY have significant effects on the environment and an ENVIRONMENTAL IMPACT REPORT is required.

Date 6/18/87


Mike Burke

Regulatory & Environmental Coordinator

APPENDIX B

NOTICE OF DETERMINATION

TO: Office of Planning and Research
1400 - 10th Street, Room 121
Sacramento, CA 95814

FROM: Calif. Public Utilities Comm.
505 Van Ness Avenue
San Francisco, CA 94102

SUBJECT: Filing of Notice of Determination in compliance with Section 21108
or 21152 of the Public Resources Code.

Project Title

Fresno Cellular Telephone Company Project

State Clearinghouse Number
(If submitted to Clearinghouse)

N/A

Contact Person

Mike Burke

Telephone Number

(916) 322-7316

Project Location

Various Locations in Fresno County

Project Description

The proposed project consists of the installation of four new antennas and a Mobile Telephone Switching Office (MTSO) within Fresno County. The MTSO will be located in an existing office building on Palm Avenue in Fresno. This cellular telephone system will initially use four antennas. The locations of these antennas are as follows: (1) North Parkway Drive, Fresno; (2) near Newmark Road, Sanger; (3) intersection of Cedar and Mountain View Avenues, Menmouth (Caruthers site); and (4) near State Avenue west of Kerman (San Joaquin site).

This is to advise that the California Public Utilities Commission has approved the above described project and has made the following determinations regarding the above described project:

1. The project will, X will not, have a significant effect on the environment.
2. An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
- X A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.

The EIR or Negative Declaration and record of project approval may be examined at:

California Public Utilities Commission

1107 - 9th Street, Suite 710

Sacramento, CA 95814

3. Mitigation measures X were, were not, made a condition of the approval of the project.
4. A statement of Overriding Considerations was, X was not, adopted for this project.

Date Received for Filing

Signature

Victor Weisser

Executive Director

Title

TABLE 4
FRESNO CELLULAR TELEPHONE COMPANY
Proposed Retail Rates

A. Service

1. Service Establishment

To process an order for activation of 1 - 5 access numbers per customer	\$30.00
---	---------

To process an order activation of six or more access numbers per customer	\$25.00
---	---------

2. Change

To add or remove optional features or temporarily suspend service per a customer's request, or change an access number affected per order	\$25.00
---	---------

3. Service Restoral Charge

Reactivation of service which has been temporarily suspended due to nonpayment of billed charges

B. Basic Plan

1. Access Charge

Per Month

1 - 5 access numbers per customer	\$31.00
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6+ access numbers per customer	\$28.00
--------------------------------	---------

2. Usage Rates

Per Month

Peak Period	\$ 0.35
-------------	---------

Off-Peak Period	\$ 0.20
-----------------	---------

(Continued)