

Decision 87 10 037**ORIGINAL** OCT 16 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SACRAMENTO CELLULAR TELEPHONE COMPANY)
 (U-4041-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 the Greater)
 Sacramento Metropolitan Area.)

Application 87-03-022)
 (Filed March 12, 1987;)
 amended April 17, 1987)

OPINION

Applicant Sacramento Cellular Telephone Company, a California partnership, seeks a certificate of public convenience and necessity (CPC&N) to construct and provide domestic public cellular radiotelephone service to the public throughout the Sacramento Metropolitan Statistical Area (MSA), including portions of Sacramento, Yolo, and Placer counties. 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 12, 1987. On April 13, 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 Proponent's Environmental Assessment. The application was amended on April 17, 1987 to provide additional environmental information, and was deemed filed 30 days later, on May 18, 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 Sacramento 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 2,200 square miles in the Sacramento MSA, in Sacramento, Yolo, and Placer counties. Its system is designed to meet its projection of growth in customer demand. It is designed to meet estimated 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 environmental impact report 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 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 Sacramento MSA.

Applicant is a joint venture partnership comprised of ACC/McCaw Cellular of Sacramento (ACC/McCaw) 91.67% and of Sacramento Cellular Communications (SCC) 8.33%. Applicant avers that:

McCaw Communications of Sacramento, Inc.'s corporate parent, MCC, is a diversified communications holding company engaged in the provision of paging, traditional mobile telephone, and cellular radio telecommunications services. MCC currently provides paging and traditional mobile telephone service to over 100,000 customers in 11 states. MCC and its affiliates are currently providing facilities-based cellular radiotelephone service in 16 MSAs in 14 states. MCC and its affiliates are also reselling cellular radio telecommunications service in an additional 18 MSAs.

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

Sacramento Cellular Communications is a limited partnership that includes ACC/McCaw (41.89%) and several Sacramento area business people.

Applicant holds a certificate from the Commission as a reseller of cellular radiotelephone services in the Sacramento MSA pursuant to D.86-10-046. It is a wholesale purchaser from Sacramento-Valley Limited Partnership (SVLP), the cellular system wireline resale carrier in the Sacramento 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 reseller certificate for the Sacramento MSA granted pursuant to D.86-10-046.

Fresno Cellular Telephone Company, an affiliate of applicant, is being granted a certificate today in A.87-03-051. Since this application was filed in April, Fresno filed and received authority to acquire the customer base of GTE's cellular resale business in the Sacramento, Stockton, Fresno, and Modesto areas (A.87-05-016, D.87-06-063). This puts Fresno in the position of competing as a reseller in the Sacramento area with applicant, who will be providing both wholesale and retail cellular service in the same area.

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 State policy, it should apply to Fresno as well as to PacTel Mobile Services. Therefore, at the time applicant surrenders its reseller certificate for the Sacramento area, Fresno will also be required to cease operations as a reseller in the Sacramento area so that it will not be competing with its affiliate. We will assert this requirement in our decision in Fresno's A.87-03-051 issued today and will offer, as an alternative, the opportunity for Fresno to petition to modify that decision by making a showing that surrender of its resale authority 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 seven cells will be initially required to cover the Sacramento 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 Tahoe National Forest area near Colfax, Emigrant Gap and Mt. Pluto.

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 September 15, 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 \$14.3 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

SACRAMENTO CELLULAR TELEPHONE COMPANY					
CONSOLIDATED INCOME STATEMENT					
PRO FORMA					
	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
REVENUE					
RETAIL	1,834,181	4,957,787	7,733,091	10,689,331	14,981,390
WHOLESALE	83,307	213,586	575,106	1,045,952	1,661,403
TOTAL REVENUE	1,917,488	5,171,373	8,308,197	11,735,283	16,642,793
EXPENSES					
CELLULAR FACILITIES OPERATIONS	472,100	689,900	1,061,150	1,408,319	1,967,300
ADMINISTRATION = "	173,348	130,730	139,395	148,500	187,629
RESELLER RELATED SERVICES	343,800	361,338	373,179	417,697	458,390
DEPRECIATION & AMORTIZATION	184,988	291,034	384,427	500,793	700,402
INTEREST EXPENSES	1,086,419	1,091,032	1,187,344	1,364,686	1,620,742
STATE/LOCAL TAXES	1,014,267	1,104,448	1,230,561	1,314,045	1,367,652
RETAIL EXPENSE	133,306	189,163	256,439	339,341	459,276
TOTAL EXPENSES	4,994,797	5,474,378	6,310,554	7,359,231	9,344,062
INCOME (LOSS)	(3,077,309)	(303,005)	1,997,643	4,376,052	7,298,731

TABLE 2

SACRAMENTO CELLULAR TELEPHONE COMPANY					
RETAIL INCOME STATEMENT					
PRO FORMA					
	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
RETAIL REVENUE					

SERVICE ESTABLISHMENT	166,850	299,450	431,400	580,450	835,550
ACCESS & USAGE	1,667,331	4,658,337	7,301,691	10,108,881	14,145,840
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TOTAL REVENUE	1,834,181	4,957,787	7,733,091	10,689,331	14,981,390
RETAIL COST					

SERVICE ESTABLISHMENT	50,055	89,835	129,420	174,135	250,665
ACCESS & USAGE	1,299,817	3,693,096	5,692,249	7,880,677	11,027,808
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TOTAL COST OF SERVICE	1,349,872	3,782,931	5,821,669	8,054,812	11,278,473
GROSS MARGIN	484,309	1,174,856	1,911,422	2,634,519	3,702,917
	=	=	=	=	=
EXPENSES					

BILLING & COLLECTION	93,447	203,456	252,747	349,749	489,654
ADVERTISING	213,690	247,286	258,097	275,414	339,077
COMMISSIONS	677,400	501,228	449,742	497,827	795,912
SALES & MARKETING	444,982	481,866	504,359	511,813	709,398
CUSTOMER SERVICE	63,902	83,952	88,989	117,911	124,985
FACILITIES AND OVERHEAD	93,148	98,945	104,125	113,136	123,645
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TOTAL EXPENSES	1,586,569	1,616,733	1,678,059	1,865,850	2,582,671
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INCOME (LOSS)	(1,102,260)	(441,877)	233,343	768,669	1,120,246
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TABLE 3

SACRAMENTO CELLULAR TELEPHONE COMPANY
 WHOLESALE INCOME STATEMENT
 PRO FORMA

WHOLESALE REVENUE	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V

SERVICE ACTIVATION	53,145	97,065	143,790	199,080	288,270
ACCESS AND USAGE	1,380,034	3,899,452	6,252,985	8,901,684	12,651,606
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TOTAL REVENUE	1,433,179	3,996,517	6,396,775	9,100,764	12,939,876
EXPENSES					

CELLULAR FACILITIES	472,100	689,900	1,061,150	1,408,319	1,967,300
OPERATIONS	173,348	130,730	139,395	148,500	187,629
ADMINISTRATION	343,800	361,338	373,179	417,697	438,390
RESELLER RELATED SERVICES	184,988	291,034	384,427	500,793	700,402
DEPRECIATION & AMORTIZATION	1,086,419	1,091,032	1,187,344	1,364,686	1,620,742
INTEREST EXPENSES	1,014,267	1,104,448	1,230,561	1,314,045	1,367,652
STATE/LOCAL TAXES	133,306	189,163	256,439	339,341	459,276
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TOTAL EXPENSES	3,408,228	3,857,645	4,632,495	5,493,381	6,761,391
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INCOME (LOSS)	(1,975,049)	138,872	1,764,280	3,607,383	6,178,485
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Applicant projects that its operations will be profitable by the third year of operations based on debt financing. Exhibit J attached to the application contains the assumptions underlying Tables 1 through 4.

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*	3,337	206	3,543
Year II	5,989	482	6,471
Year III	8,628	958	9,586
Year IV	11,609	1,663	13,272
Year V	16,711	2,507	19,218

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

Rates

Applicant's proposed rates are shown in Table 4:

TABLE 4-1

SACRAMENTO CELLULAR TELEPHONE COMPANY
PROPOSED WHOLESALE RATES

Rates - Bulk and WholesaleA. Basic Service

1.	Number Activation	
	To process an order for activation of an access number, per number, per order	\$15.00
2.	Change	
	To add optional features or change an access number, per access number affected, per order	\$10.00
3.	Access Charge	<u>Per Month</u>
a.	For each access number up to 100 numbers (minimum initial order of 50, and subsequent orders in blocks of 10 numbers)	\$15.30
b.	For each access number over 100 numbers (in blocks of 10 numbers)	\$14.30
4.	Usage Rates	<u>Per Minute</u>
a.	Peak Period	
	For usage up to and including 20,000 minutes per month (minimum average of 100 minutes per number per month is required)	\$.206
	For usage over 20,000 minutes per month	\$.203
b.	Off-Peak Period	
	For usage up to and including 2,000 minutes per month (minimum average of 10 minutes per number per month is required)	\$.123
	For usage over 2,000 minutes	\$.122

TABLE 4-2

SACRAMENTO CELLULAR TELEPHONE COMPANY

PROPOSED RETAIL RATES

A. Service

1. Service Establishment

To process an order for activation of 1 - 5 access numbers per customer \$50.00

To process an order activation of six or more access numbers per customer \$45.00

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 \$15.00

3. Service Restoral Charge

Reactivation of service which has been temporarily suspended due to nonpayment of billed charges \$15.00

B. Basic Plan

1. Access Charge

Per Month

1 - 5 access numbers per customer \$ 20.00

6+ access numbers per customer \$ 18.00

2. Usage Rates

Per Minute

Peak Period \$ 0.25

Off-Peak Period \$ 0.15

TABLE 4-3

C. High User Plan

1. <u>Access Charge</u>	<u>Per Month</u>
1 -5 access numbers per customer	\$ 35.00
6+ access numbers per customer	\$ 33.00
2. <u>Usage Rates</u>	<u>Per Minute</u>
First 300 minutes per month, per number	
Peak Period	\$ 0.25
Off-Peak Period	\$ 0.15
Additional Minutes	
Peak Period	\$ 0.206
Off-Peak Period	\$ 0.123

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 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 seven cell sites and three areas for location of future cell sites have been identified. The expansion area is in the Tahoe National Forest and will be subject to Federal environmental requirements and prior approval by the FCC. The

seven cell site locations, which applicant asserts constitute a workable operating system are: Carmichael, West Sacramento, Woodland, Rocklin, Auburn, U.S. 50 East and Elk Grove. The MTSO facility will be located in Sacramento County. 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 24, 1987 to July 15, 1987.

Letters were received on the Negative Declaration from the Cities of Woodland and West Sacramento and from the Environmental Coordinator, Sacramento County. The staff responded to these letters by memorandum dated August 5, 1987. The memorandum will be marked as Exhibit 2 and will be made a part of the record in this proceeding. The staff analysis of the comments convinces us that the subject Negative Declaration and Initial Study adequately describe the proposed project and that no significant adverse environmental impacts will occur. Accordingly, we will approve the Negative Declaration.

Findings of Fact

1. Applicant holds a construction permit from the FCC for cellular radiotelephone system in the Sacramento 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 seven-cell system covering over 2,200 square miles in the Sacramento 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 \$14.3 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. Applicant's partners have provided declarations by their respective officers that each knows of the need for internal funds and that each would be willing to provide a share of such funds.

9. This decision does not determine that applicant's construction program is necessary or reasonable for rate-fixing purposes.

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

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

12. 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 SVLP. It will notify its customers of the transfer and will surrender its reseller certificate for the Sacramento MSA granted pursuant to D.86-10-046. The proposed discounts between retail and wholesale range from 21% to 23% on access and range from 17.6% to 18.7% on usage, ranges which are similar but not identical to those of other California cellular systems.

13. The Commission, acting as lead agency under CEQA, has prepared a properly noticed Negative Declaration for the proposed project. The staff has reviewed the comments filed in response to the Negative Declaration and concludes that with mitigation measures, the environmental impacts are not significant. This decision approves the Negative Declaration.

14. Public hearing is not necessary.

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.

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 Sacramento Cellular Telephone Company (applicant) to construct and operate a cellular mobile telecommunications system in the Sacramento Metropolitan Statistical Area.

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 Decision (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 Sacramento MSA granted pursuant to D.86-10-046.

10. 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.

11. 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.

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



Victor Weisser, Executive Director

**Public Utilities Commission**

STATE OF CALIFORNIA

FILE NO.

NOTICE

PUBLICATION OF A NEGATIVE DECLARATION
CALIFORNIA PUBLIC UTILITIES COMMISSION

Description of Proposed Action: The Sacramento 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 Sacramento metropolitan area, including portions of Placer and Yolo Counties. 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 seven new antennas and a Mobile Telephone Switching Office (MTSO) within the Sacramento metropolitan area. The MTSO will be located in an existing office building near Howe Avenue and Arden Way in Sacramento. The general locations of the proposed antennas that are necessary to serve this system are as follows: (1) intersection of Fair Oaks Boulevard and Marconi Avenue, Carmichael; (2) Tower Court, West Sacramento; (3) near intersection of Highway 113 and Interstate 5, Woodland; (4) near Mountain View Avenue, Rocklin; (5) near Ferguson Road, Auburn; (6) near Highway 50 and Placerville Road, eastern Sacramento County; and (7) Kammerer Road, Elk Grove.

Document Available for Review: The PUC has prepared an Initial Study and Negative Declaration describing the proposed 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 24, 1987 to July 15, 1987. Comments must be received in writing by close of business on July 15, 1987. Written comments should be addressed to:

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

**Public Utilities Commission**

STATE OF CALIFORNIA

FILE NO.

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 Sacramento Cellular Telephone Company for the installation and operation of a mobile telephone system to serve the greater Sacramento metropolitan area. The proposed project consists of the installation of seven antennas and a mobile telephone switching office. The antenna sites are distributed throughout portions of Placer, Sacramento, and Yolo Counties. The switching office will be in an existing office building in Sacramento.

Findings: An Initial Environmental Study (attached) was prepared to assess the project's 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 telephone system will not have a significant effect on the geology, soils, climate, hydrology, vegetation, or wildlife of the antenna or switching office sites.
2. The proposed telephone system will have no significant effect on municipal or social services, utility services, or community structure.
3. The proposed telephone system will not have a significant adverse effect on air or water quality, the existing circulation system, ambient noise levels, or public health.
4. Because individual telephone 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 minimized because of the distance between most viewers and the antenna sites, the specific locations of the antenna sites (commercial or rural settings), and their respective designs. All the antenna sites have been selected so as to minimize their respective environmental impact, while still providing the precise radio coverage required by the PUC.


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 the 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 site 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. For the Carmichael site, in order to reduce potential visual impacts, the total combined height of the monopole and antennas shall not exceed 131 feet above ground level.
2. The Applicant will consult with Federal Aviation Administration, local county department of airports, or other appropriate aviation agencies concerning the need for tower lighting, height, or placement prior to construction of each cell antenna.
3. For future expansion antenna sites, which would allow the system to serve a larger 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

CALIFORNIA PUBLIC UTILITIES COMMISSION
INITIAL ENVIRONMENTAL STUDY
CHECKLIST

Project Title: Sacramento Cellular Telephone Company System -

Greater Sacramento Metropolitan Area

Study Date: June 22, 1987

I. BACKGROUND INFORMATION

A. Name of Project:

Sacramento Cellular Telephone Company System

B. Project Description:

The Sacramento 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 Sacramento Metropolitan Statistical Area. This cellular system would consist of seven cell sites or transmitting/receiving stations located throughout the geographic service area. The system's mobile telephone switching office (MTSO) will be located in the Landmark Plaza building at 1750 Howe Avenue in Sacramento.

The proposed cellular system is intended to provide a wide variety of local and long distance communications between fixed (office/home) and mobile (motor vehicles/portable units) 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, medical, and fire agencies. This system would function as an extension of the present telephone network in the Sacramento metropolitan area. There is only one other mobile telephone service company that is licensed to serve the project area.

Mobile telephone systems operate by using low power radio transmitter/receivers situated near the center of small (2.5 to 10 mile diameter) geographical units called cells. Each mobile phone communicates using radio signals to or from the cell's antenna. The cell antennas are connected to a central switching office by wire lines or microwave units. The central switching office automatically passes a telephone conversation from cell to cell as the mobile unit moves through the service area.

On April 9, 1981, the Federal Communications Commission (FCC) adopted rules for 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 area 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 if properly designed and constructed.

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 Sacramento 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 Commission.

C. Project Setting:

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

1. Mobile Telephone Switching Office - 1750 Howe Avenue, Sacramento County. The central computer switching equipment that will support the proposed cellular telephone system will be housed in an existing multi-story office building at 1750 Howe Avenue in Sacramento. The Landmark Plaza building is situated in a commercial area bounded by the Alta Arden Expressway, Bell Street, Arden Way, and Howe Avenue. There is a major electrical utility corridor, which contains large transmission towers, on the east side of the building. The property is zoned Limited Commercial. The Assessor's Parcel Numbers for this site are 278-0290-040 and 278-0290-043. See Figure 1 for the location of this site.

Small dish antennas would be mounted on the top of this building approximately six feet above the inter-building parapetwall. Because of the size and mounting of the

antennas, and the overall height of the building, there would only be limited views of this new equipment. There are other radio transmission facilities already mounted on top of this building.

All other electronic equipment associated with the switching office would be located inside of the first floor of the Landmark Plaza building.

2. Cell 1 - 6320 East Fair Oaks Boulevard, Unit E, Carmichael, Sacramento County. The antenna in this cell will be situated at the back (east) of the Fair Oaks Shopping Center near the intersection of Fair Oaks Boulevard and Marconi Avenue/Palm Drive. The building site is bounded by commercial uses such as a parking lot, laundromat, pharmacy, and retail stores. Land use adjacent to the shopping center includes other similar retail/commercial strip development along Fair Oaks and Marconi and a post office on the north side of Palm Drive. Areas of residential development back up to the east side of the subject shopping center. The site is zoned Commercial-SC. The Assessor's Parcel Number is 273-0170-075. See Figure 2 for the location of this antenna.

The site will have a self-supporting monopole approximately 150 feet above ground level. Eleven foot high antennas will be mounted at the top of this pole. All other associated electronic equipment will be installed within a vacant office at the back of shopping center. This cell site will serve the communities of Carmichael, Fair Oaks, Citrus Heights, and portions of the City of Sacramento in conjunction with other adjacent cell sites.

3. Cell 2 - Tower Court, West Sacramento, Yolo County. The antenna in this cell will be located at the end of Tower Court in West Sacramento, Yolo County. The antenna site is a vacant parcel bounded by West Capitol Avenue on the west, the Southern Pacific railroad tracks to the north and east, and the connector from Capitol Avenue to Business 80. The property is zoned C-2, Community Commercial. The Assessor's Parcel Number is 67-330-03. See Figure 3 for the location of the antenna site.

This site will have a self-supporting monopole approximately 150 feet high. Eleven foot high omnidirectional antennas will be mounted on the top of this pole. Construction of the tower will require some grading to provide a foundation and improve site drainage, the installation of a six foot high chain link fence, a layer of gravel inside the fence, and a driveway. The applicant will consult with the City of West Sacramento about the need for landscaping. All associated electronic equipment will be housed in a small modular building to be installed at the base of the antenna.

4. Cell 3 - Near Intersection of Highway 113 and Interstate 5, Woodland, Yolo County. This antenna would be situated in the southwest corner of a vacant parcel of industrial land directly adjacent to Highway 113, approximately one half mile north of Interstate 5 on the north side of Woodland. Land use surrounding the site consists of industrial, undeveloped commercial/industrial, agricultural, or transportation. The parcel is zoned Industrial, the Assessor's Parcel Number is 27-320-35. See Figure 4 for the location of this site.

This site will have a self-supporting monopole approximately 280 feet high. Eleven foot high omnidirectional antennas will be mounted on the top of this pole. Construction of the tower will require some grading to provide a foundation and improve site drainage, the installation of a six foot high chain link fence, a layer of gravel inside the fence, and a driveway. The applicant will consult with the City of Woodland about the need for landscaping. All associated electronic equipment will be housed in a small modular building to be installed at the base of the antenna.

5. Cell 4 - Near Mountain View Avenue, Rocklin, Placer County. The antenna site is situated adjacent to the water tank on the southwest crest of Rocklin Ridge in Rocklin. The ridge is bounded by portions of Midas, Mountain View, and Argonaut Avenues. The project site is zoned OA, Open Area. There is residential and rural residential development in the general vicinity of the site. The Assessor's Parcel Number is 030-140-25-00. See Figure 5 for the location of this site. The City of Rocklin has requested that the applicant remove and/or combine this antenna with other communication facilities on the site.

The site will have a self-supporting monopole approximately 75 feet high. Eleven foot high omnidirectional antennas will be mounted on the top of this pole. Construction activities will include demolition and removal of the existing communications facilities, minor grading work to level the site, installation of a security fence, and providing a layer of gravel inside the fenced area. Other measures include the installation of a small modular building to house electronic equipment associated with the antenna and securing an access easement across the existing road to the site.

6. Cell 5 - Near Ferguson Road and Lincoln Way, Auburn, Placer County. The subject antenna site is situated near the intersection of Ferguson Road and Lincoln Way, one block south of Foresthill Road on the north side of Auburn. The antenna would be placed in a commercial area consisting of restaurants, gas stations, and other similar uses. The Placer County Water Association currently has a

communications facility adjacent to the site. The parcel is zoned HS-DC-TL and the Assessor's Parcel Number is 54-180-076. See Figure 6 for the location of this antenna.

This site will have a self-supporting monopole approximately 150 feet high. Eleven foot high omnidirectional antennas will be mounted on the top of this pole. Construction of the tower will require some grading to provide a foundation and improve site drainage, the installation of a six foot high chain link fence, a layer of gravel inside the fence, and a 12 foot wide 100 foot long gravel driveway. The applicant will consult with the County of Placer about the need for landscaping. All associated electronic equipment will be housed in a small modular building to be installed at the base of the antenna.

7. Cell 6 - Near Highway 50 and Placerville Road, eastern Sacramento County. This antenna site is situated on the first ridge of foothills in eastern Sacramento County approximately 750 feet south of U.S. Highway 50 and one half mile west of Sacramento/El Dorado County line. Land use in the project area consists of open space and livestock grazing. There are two other existing radio transmission antennas adjacent to this site. The area is zoned Agricultural. The Assessor's Parcel Number is 072-0270-029. See Figure 7 for the location of this site.

The proposed antenna will be a 280 foot self-supporting tower with 11 foot high omnidirectional antennas mounted at the top. All associated electronic equipment will be sheltered in a small modular building placed at the base of the tower. Site development will require extension of an access road, minor grading for construction of the shelter and tower foundations, installation of a security fence, and covering the area within the fence with a layer of gravel.

8. Cell 7 - Kammerer Road, near Elk Grove, Sacramento County. This antenna would be placed in a vacant field off Kammerer Road approximately 1.7 miles west of Highway 99 in the southern part of Sacramento County. The project site is zoned agricultural. Land use around the site consists of open space, agricultural, or rural residential. The Assessor's Parcel Number for the site is 132-0151-012. There is an existing AT&T microwave tower situated approximately 500 feet northwest of this site. See Figure 8 for the location of this site.

The proposed structure will be a 280 foot guyed tower with 11 foot omnidirectional antennas mounted at the top. All associated electronic equipment will be sheltered in a modular structure placed at the base of the tower. Site preparation would require some grading, construction of a 12

foot wide 330 foot long access road, installation of a security fence and placement of a layer of gravel inside the fenced area.

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

G. Responsible Agencies:

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

A.87-03-022 A.B. 1/15/59

FIGURE 1 -- SWITCHING OFFICE

1750 HOWE AVENUE

PROJECT SITE

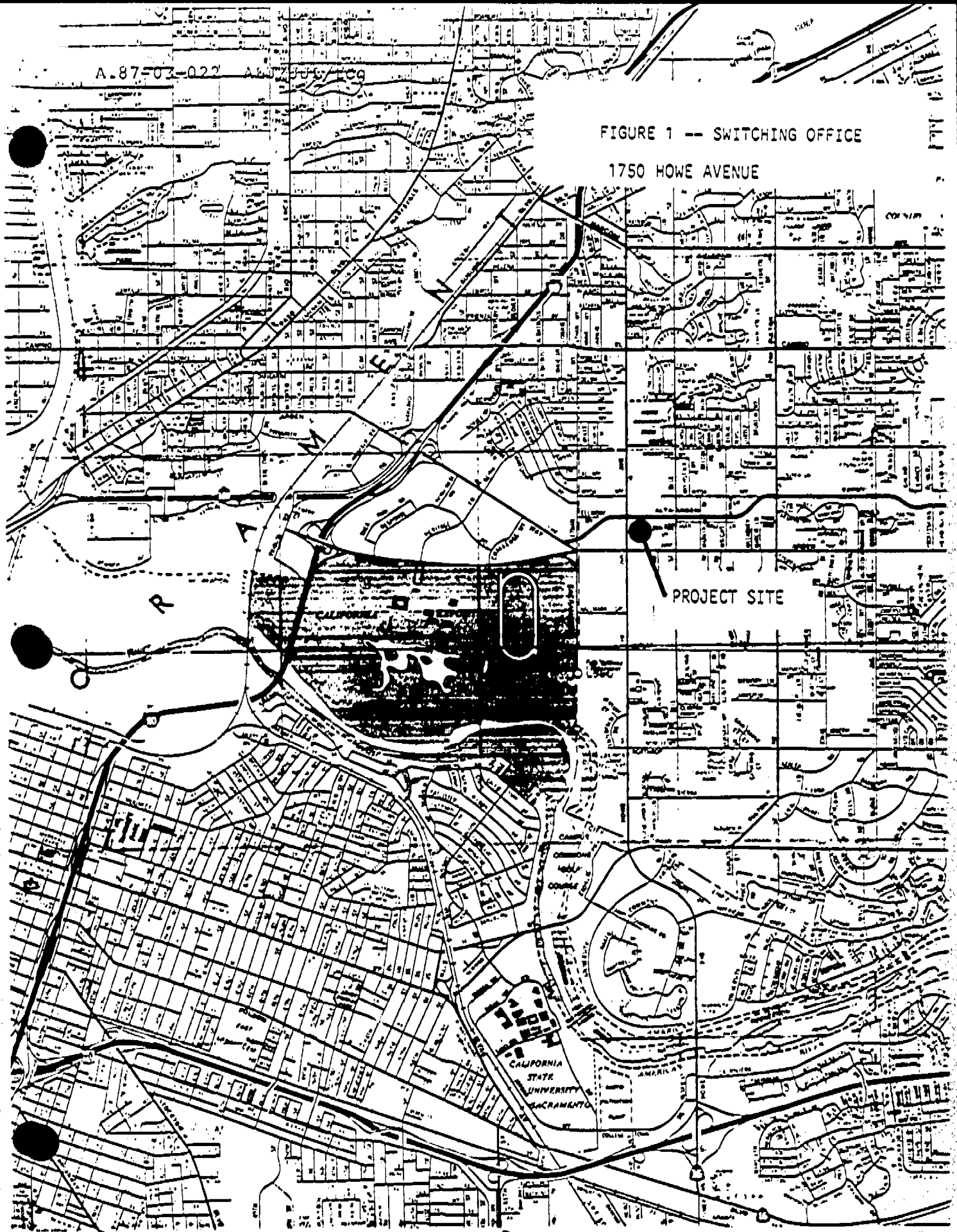
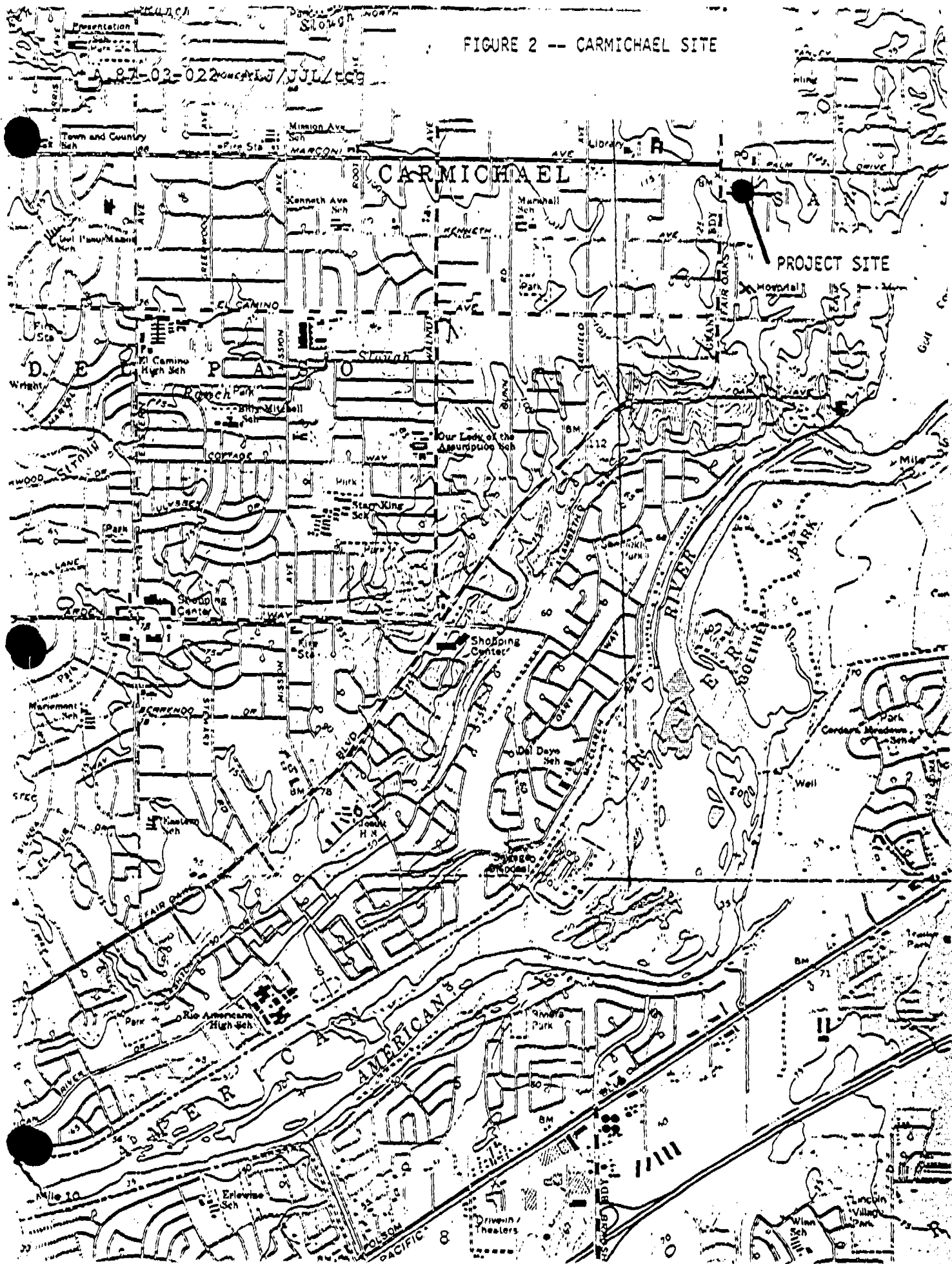
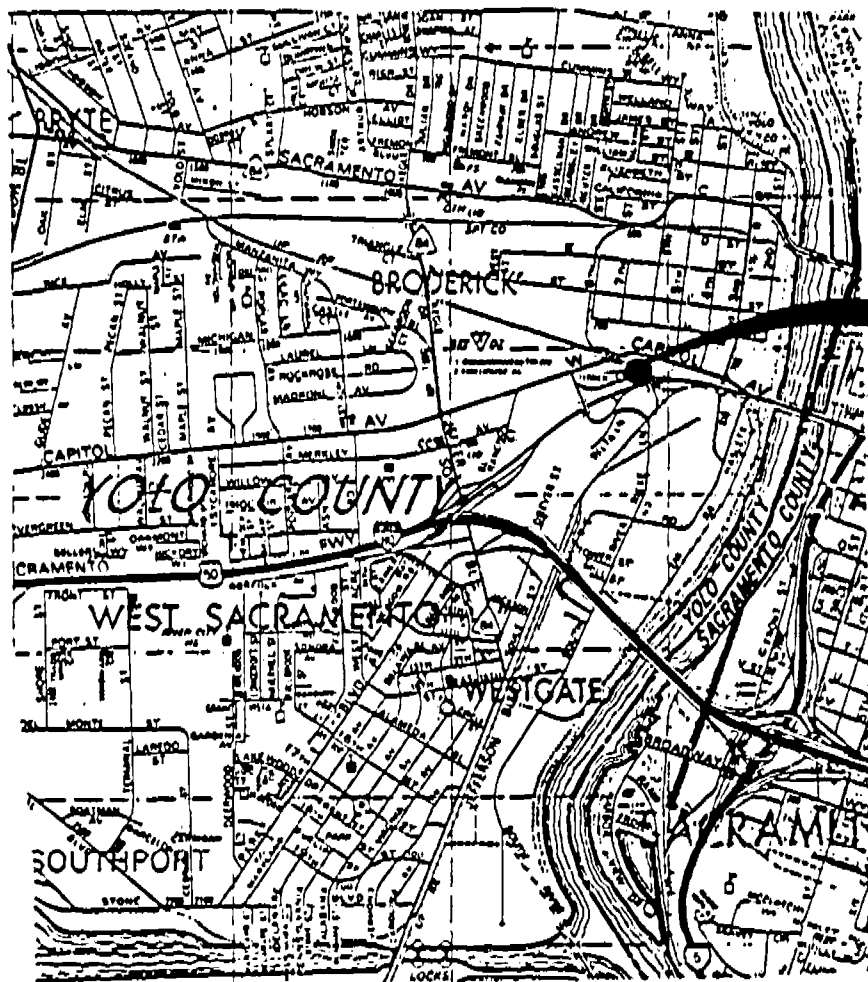


FIGURE 2 -- CARMICHAEL SITE

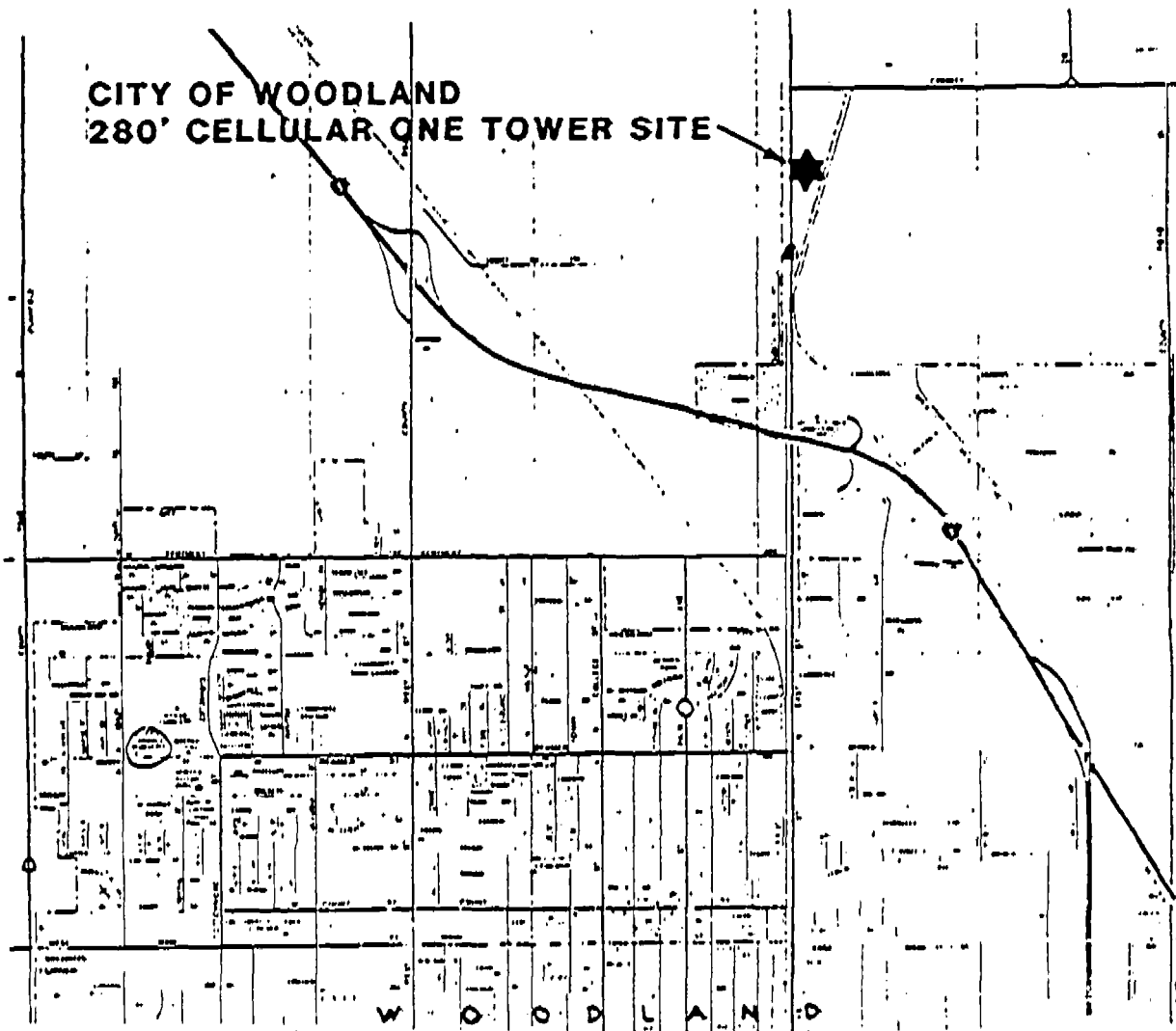


WEST SACRAMENTO SITE

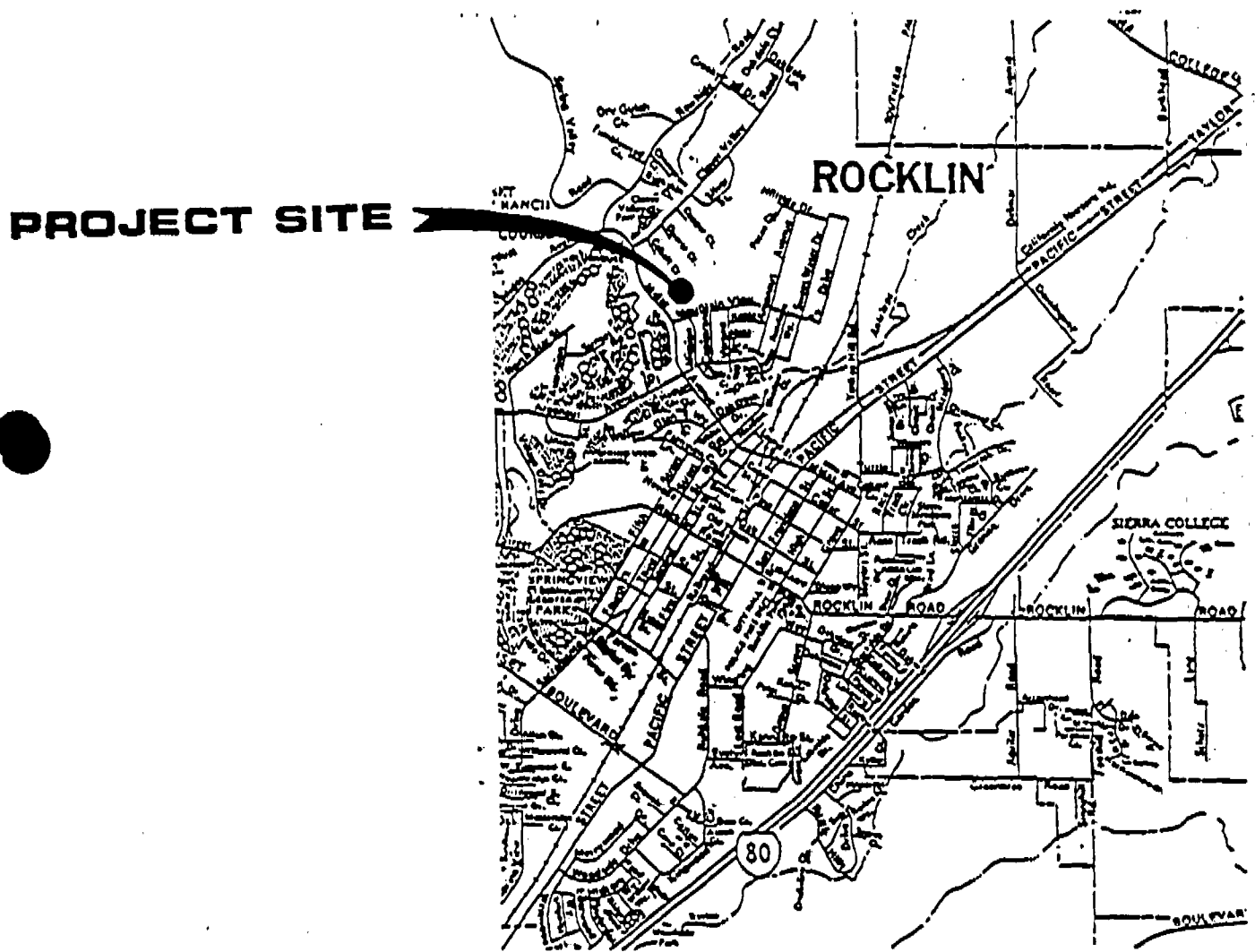


PROJECT SITE

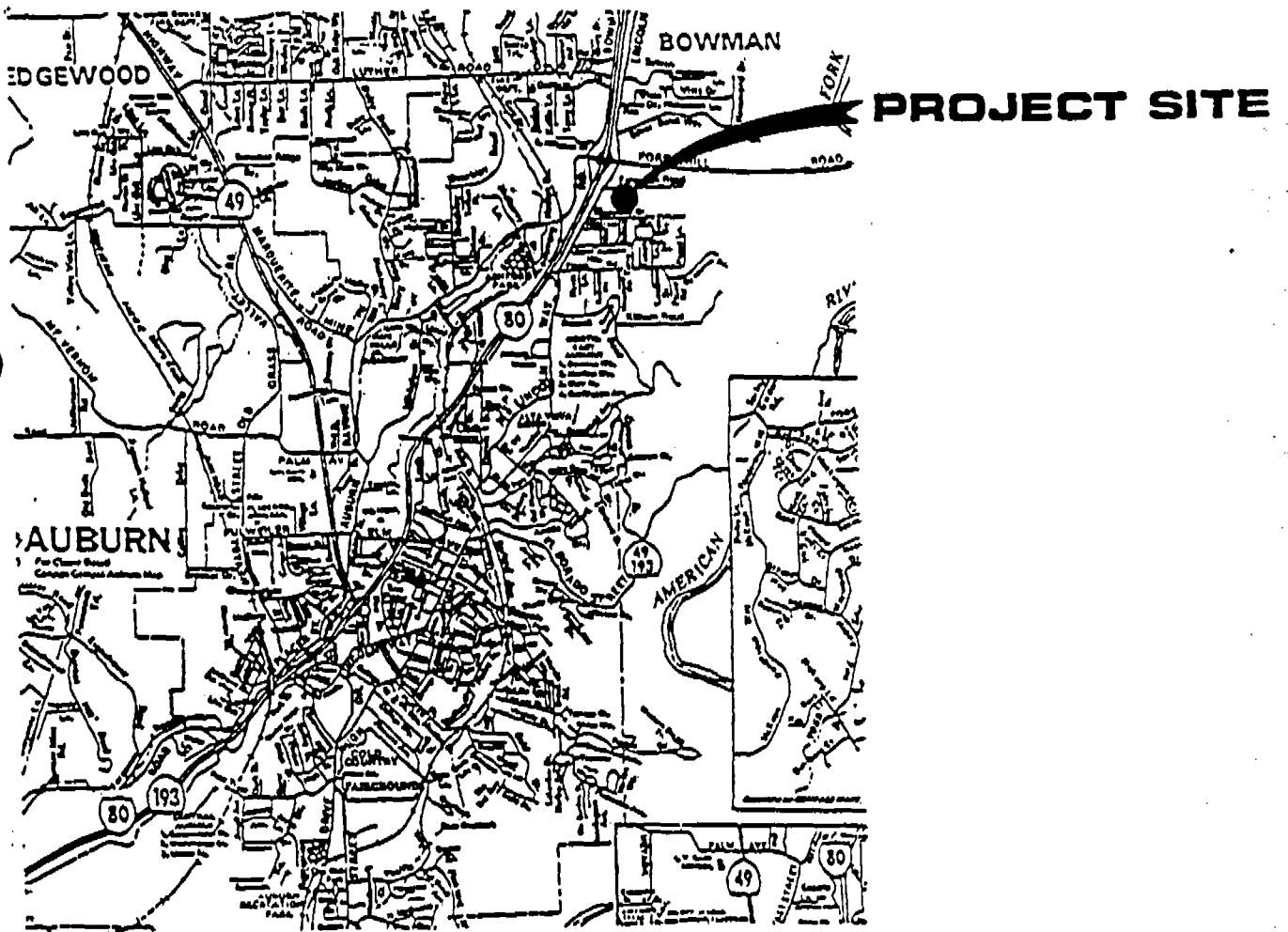
WOODLAND SITE



CITY OF ROCKLIN SITE

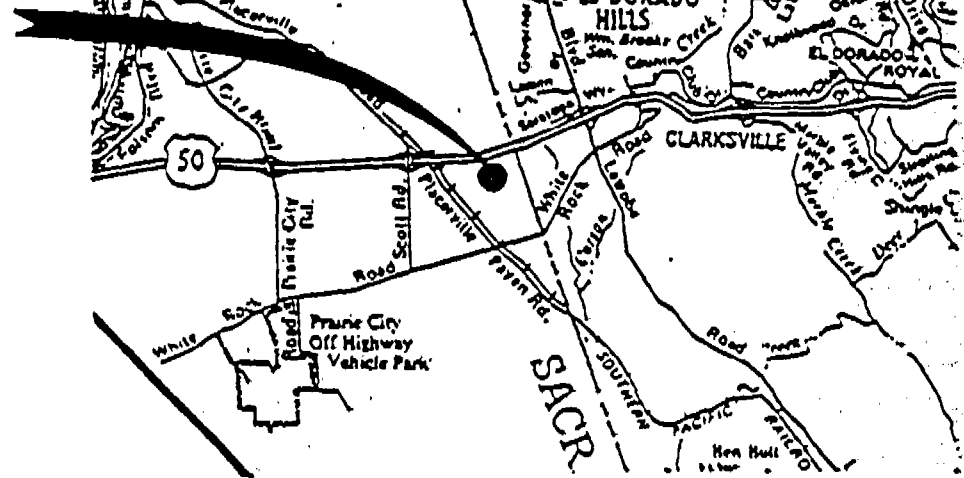


AUBURN SITE



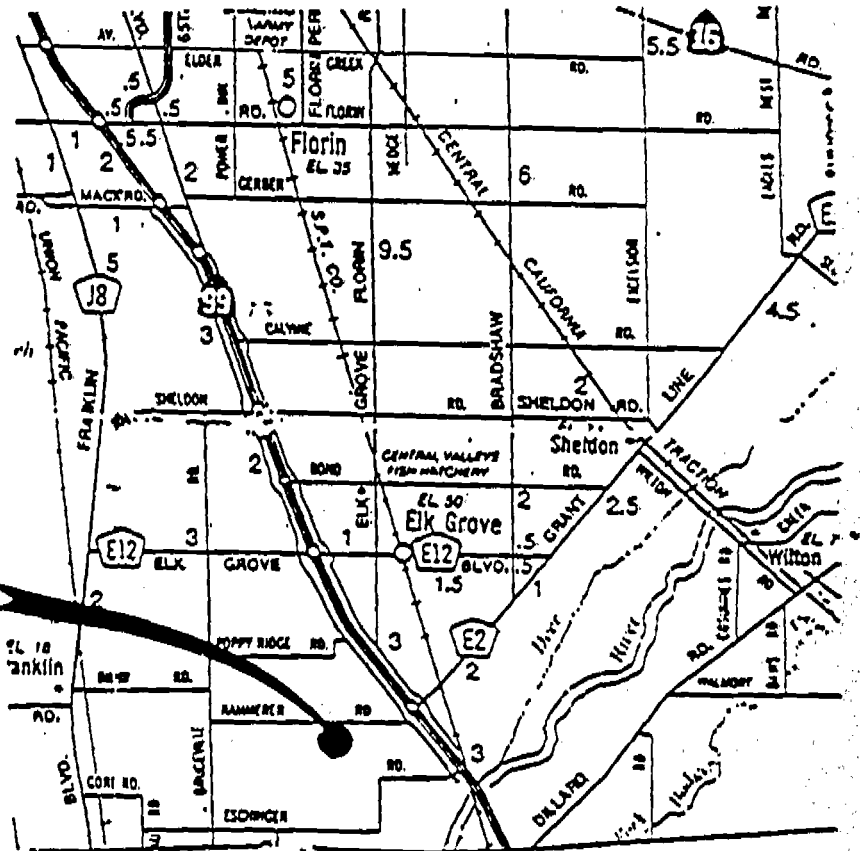
U.S. 50 EAST SITE

PROJECT SITE



ELK GROVE SITE

PROJECT SITE



II. ENVIRONMENTAL IMPACTS

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

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 the project sites.

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

1. Disruptions, displacements, compaction or overcovering of the soil?	—	—	<u>X</u>
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The project will involve a very minor amount of grading for foundations.

2. Increased erosion from wind or water?	—	—	<u>X</u>
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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?	—	—	<u>X</u>
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C. Air Quality/Climate. Will the proposal result in:

1. Substantial air emissions or deterioration of ambient air quality?	—	—	<u>X</u>
-----------------------------------------------------------------------	---	---	----------

2. Creation of objectionable odors?	—	—	<u>X</u>
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3. Alteration of air movement, moisture, temperature, or any change in climate, either locally or regionally?	—	—	<u>X</u>
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	<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 to 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, in some cases by conditional use permit (if such local permits were applicable to this cellular telephone system), at all the proposed 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 seven antennas, which will vary in height, will be visible from neighboring properties to differing degrees. The ones in urban settings, such as Cells 1, 2, 4, and 5, will be noticeable to the largest number of viewers. The other three will be in more rural environments where the majority of viewers will normally be at some distance from the base of the towers. For the ones in urban areas, features of the local terrain, their respective placement in commercial/retail type zones, and existing vegetation and adjacent building structures combine to adequately reduce the visual effects of these new towers. The visual effects of these towers will be further minimized by the use of appropriate building materials and colors, the selection of the tower and antenna design, and use of landscaping (where appropriate).

The Carmichael site, Cell 1, will possibly be one of the more noticeable sites because of its developed commercial/residential setting and the

high volume of traffic on adjacent streets. However, while the upper half of the tower will be visible from portions of nearby streets, the setting of the area will lessen the visual impact of this tower. The base (20-40 feet) will be obscured by the buildings of the shopping center and the mature vegetation (evergreen trees) around these buildings and on adjacent properties. The gently rolling nature of lands around the site, the intervening height of other commercial structures, such as those along Fair Oaks Boulevard, and other vertical landscape components (power lines, other antennas) will also serve to greatly reduce the visual effects of this tower.

The applicant, as is required by the PUC, has surveyed other potential antenna sites in this neighborhood, but was not able to identify a site that would still adequately serve this area, was available to a private party for sale, lease, or rent, or would have provided a substantially less visible setting.

To further minimize the visual impact of the antenna at the Carmichael site, the PUC will require that the combined height of the monopole and small antennas mounted at its top do not exceed 131 feet (120 foot monopole). The PUC will also require that the Applicant use an open antenna support structure instead of the more typical enclosed type at the top of the monopole. This height is expected to be sufficient to provide adequate telephone coverage in this cell.

The staff of the PUC will also work with the applicant to assure that the other antennas serving this project, are no higher than is necessary to serve their respective cells.

As noted in Section I, for the proposed cellular telephone system to operate properly, there must be towers placed within certain geographical boundaries of each cell. The PUC requires that the Applicant review alternative antenna locations within each cell to minimize the environmental effects of the antennas and maximize cellular telephone coverage.

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
3. New light or glare substantially impacting other properties?	---	---	X
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

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
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.

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

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
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
Q. <u>Hazards.</u> 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 significant risk to humans. The PUC is aware that concerns have been expressed regarding the danger of these transmissions from another microwave project in the Sacramento area. At the present time, the Commission is not aware of, nor has it been presented with, substantial evidence indicating that such systems pose a

threat to the public. The proposed cellular telephone system will be operated at a very low wattage (one-eighth watt) using appropriately designed and installed microwave equipment.

The PUC does acknowledge that technicians working on microwave installations must use due caution on equipment that is operating at certain power levels. The Commission also acknowledges that improperly aimed microwave signals could pose a health threat in certain circumstances. However, the Commission believes that the Applicant's equipment will be properly designed, installed, and operated so that the public is not at risk from this system.

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 such as high winds and rain.

Yes Maybe No

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

— — X

The proposed cellular telephone system will improve the emergency communications system in the Sacramento metropolitan area by providing individuals with mobile telephones the ability to contact police, fire, and emergency medical services from their vehicles 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

IV. REFERENCES

1. Proponent's Environmental Assessment, Sacramento Cellular Telephone Company, before the Public Utilities Commission of the State of California, Application #A87-03-022 and supplemental information provided by the applicant.
2. Federal Communications Commission, FCC 87-63, Gen. Docket No. 79-144, February 12, 1987 and May 5, 1987.

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
3. Alcides Freitas
Sacramento County Environmental Coordinator
827 - 7th Street, Room 101
Sacramento, CA 95814

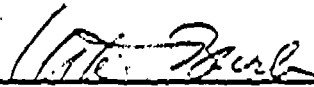
VI. DETERMINATION (To be completed by the Lead Agency)

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

6/24/87



Mike Burke

Regulatory & Environmental Coordinator

A.87-03-022 ALJ/JJL/tcg APPENDIX B
NOTICE OF DETERMINATION

TO: Office of Planning and Research FROM: Calif. Public Utilities Comm.
1400 - 10th Street, Room 121 505 Van Ness Avenue
Sacramento, CA 95814 San Francisco, CA 94102

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

Project Title

Sacramento Cellular Telephone Company Project

State Clearinghouse Number (If submitted to Clearinghouse)	Contact Person	Telephone Number
N/A	Mike Burke	(916) 322-7316

Project Location

Various Locations in Placer, Sacramento and Yolo Counties

Project Description

The proposed project consists of the installation of seven new antennas and a Mobile Telephone Switching Office (MTSO) within the Sacramento metropolitan area. The MTSO will be located in an existing office building near Howe Avenue and Arden Way in Sacramento. The general locations of the proposed antennas that are necessary to serve this system are as follows: (1) intersection of Fair Oaks Boulevard and Marconi Avenue, Carmichael; (2) Tower Court, West Sacramento; (3) near intersection of Highway 113 and Interstate 5, Woodland; (4) near Mountain View Avenue, Rocklin; (5) near Ferguson Road, Auburn; (6) near Highway 50 and Placerville Road, eastern Sacramento County; and (7) Kammerer Road, Elk Grove.

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
Title Executive Director

TABLE 4-2

SACRAMENTO CELLULAR TELEPHONE COMPANY
 PROPOSED RETAIL RATES

A. Service

1. Service Establishment

To process an order for activation of 1 - 5 access numbers per customer \$50.00

To process an order activation of six or more access numbers per customer \$45.00

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 \$15.00

3. Service Restoral Charge

Reactivation of service which has been temporarily suspended due to nonpayment of billed charges \$15.00

B. Basic Plan

1. Access Charge

Per Month

1 - 5 access numbers per customer \$ 20.00

6+ access numbers per customer \$ 18.00

2. Usage Rates

Per Month

Peak Period \$ 0.25

Off-Peak Period \$ 0.15