

Decision 87 12 052 DEC 17 1987**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 NAPA CELLULAR TELEPHONE COMPANY)
 for a certificate of public)
 convenience and necessity under)
 Section 1001 of the Public)
 Utilities Code of the State of)
 California for authority to con-)
 struct and operate a new domestic)
 public cellular radiotelecommunica-)
 tion service to the public in the)
 Napa-Fairfield-Vallejo Cellular)
 Geographic Service Area in)
 California and for authority under)
 Sections 816 through 830 and 851)
 of the Public Utilities Code to)
 issue evidences of indebtedness in)
 the principal amount of up to)
 \$4,500,000 and to encumber public)
 utility property.)

Application 87-09-022
 (Filed September 15, 1987)

INTERIM OPINION

Napa Cellular Telephone Company (NCTC), a California general partnership, seeks a Certificate of Public Convenience and Necessity (CPC&N) to construct and operate a new domestic public cellular radiotelephone service to the public in the Napa-Fairfield-Vallejo (Napa) Metropolitan Statistical Area (MSA), encompassing substantial portions of Napa and Solano Counties. NCTC also seeks authority under Public Utilities (PU) Code Sections 816 through 830 and Section 851 of the PU Code to issue evidences of indebtedness in principal amount up to \$4,500,000 and to encumber public utility property as security for the payment of such evidences of indebtedness. Since NCTC is entering into a market in competition with an already-constructed cellular system and is eager to commence service as soon as possible, it requests that the Commission issue an interim order authorizing the

construction of two of the four proposed cell sites and make said order effective on the day it is approved.

NCTC's application was filed with the Commission on September 15, 1987. Notice of the filing of the application was published in the Commission's Daily Calendar on September 22, 1987. There were no protests. However, the Commission Advisory and Compliance Division, Telecommunications Branch (Branch) had certain concerns about the application which were communicated to NCTC and the assigned Administrative Law Judge. Thereafter, NCTC provided requested information to Branch and modified its request to seek the interim authority above-noted. Branch does not oppose the request for interim authority presently before us.

The application included a proponent's environmental assessment (PEA). The application was deemed complete and accepted for filing in accordance with Government Code Section 65950. The Negative Declaration was issued on November 10, 1987. The environmental review period ended on December 1, 1987.

I. Summary of Decision

This decision grants NCTC a temporary CPC&N to construct the two cell sites which are located in the Napa MSA prior the issuance, if ever, of an certificate authorizing construction of the entire system and operation of the system.

The Commission, as lead agency, has proposed a Negative Declaration for the system, concluding that the project as presented with its prescribed mitigation measures would have no significant adverse effects upon the environment.

NCTC is also authorized to issue evidences of indebtedness in the aggregate principal amount of up to \$4,500,000 under the financing arrangements set forth in NCTC's application.

II. Background

NCTC has provided copies of its present partnership agreement and a description of its partners. At the present time, there are 11 units of ownership in NCTC, held by the following partners: Cellular Communications and Cable (5.4%); Cellular Technology, Inc. (5.4%); Comstar Cellular Limited Partnership (5.4%); International Cellular Systems, Inc. (5.4%); Lextel, Partnership (5.4%); McCaw Communications of Vallejo, Inc. (46%); National Cellular Communications Limited Partnership (5.4%); National Material Corporation (5.4%); Pinnacle Communications, Inc. (5.4%); Telecellular Corporation (5.4%); and West Mountain Telecommunications (5.4%).

NCTC has also provided a general description of the partnership as well as a copy of the partnership agreement which defines the rights, duties and obligations of NCTC's general partners. McCaw Communications of Vallejo, Inc. (McCaw) holds options to purchase each of the remaining partner's interests. McCaw may not exercise these options and gain control of NCTC, however, without first securing the Commission's authorization pursuant to Section 854 of the PU Code. If and when the potential transfer of control of NCTC to McCaw should occur, we will expect the appropriate filing required by Section 854. At such time, we will discharge our authority to determine whether the plan to transfer control is in the public interest.

NCTC holds the permit from the Federal Communications Commission (FCC) to operate a domestic public cellular telecommunications system on frequency Block A to serve the Napa-Fairfield-Vallejo CGSA. (Memorandum Opinion and Order in FCC File No. 33391-CLP-111-A-84, released on February 26, 1987 granting application of Napa Cellular Telephone Company. The Memorandum Opinion is attached to the application as Exhibit C.) The holder of the frequency Block B permit for the same market is already

providing service. The FCC allows only two permits in each MSA. Since the Block B carrier is already serving the market, NCTC is eager to commence construction of two of the four proposed sites in December of 1987.

III. The Proposed System

The operation of cellular radiotelephone systems has been described in several previous decisions of this Commission. This description recapitulates previous descriptions and emphasizes those features unique to the present application.

NCTC has negotiated and executed a construction agreement with Bay Area Cellular Telephone Company (BACTC), the neighboring Block A non-wireline cellular radio telephone provider in the San Francisco/San Jose CGSA. Under this agreement, BACTC has agreed to build, install and operate the proposed non-wireline cellular system in the Napa-Fairfield-Vallejo CGSA. In consideration for BACTC's services, NCTC will pay BACTC construction and systems management fees and will reimburse BACTC for direct and indirect costs incurred in said construction and management.

The proposed system will be able to route signals between mobile phones and conventional or other mobile phones. The system will have four major groups of components: (1) The Mobile Telephone Switching Office (MTSO); (2) The cell sites (radio equipment); (3) The interconnecting facilities (some of which may be leased from Pacific Bell and some of which may be microwave facilities owned or leased by NCTC); and (4) Mobile or portable subscriber units.

The MTSO is the central coordinating point for the system. It controls the cellular system and connects with the telephone network, microwave facilities (if and when used), and cell sites. As a subscriber's cellular unit is moved from cell to cell while a call is in progress, electronic equipment in the MTSO

transfers or "hands-off" the call from one cell site to another. This automatic transferring assures continuity and enhances the service quality throughout a conversation as subscriber equipment is moved from cell to cell. As demand for service increases, the capacity of the system can be increased by adding channels, implementing sophisticated propagation use techniques, and "cell-splitting".

NCTC has executed a switch-sharing agreement to allow the proposed system to share the MTSO operated by BACTC in Oakland, California. The proposed shared use will allow both carriers to operate economically and efficiently, and to allow for the future growth of both systems.

The cell sites are fixed radio stations which receive signals from the mobile units and send signals to them. Each cell site serves a defined geographic area, a cell. The radio equipment at the cell site interfaces with mobile and portable units operating within the cell site's geographic area.

Two of the four cell sites proposed by NCTC are located in the service territory of BACTC. The two cell sites are owned and operated by BACTC and are located just south of the proposed service area of NCTC. One site, TV Hill, is currently in service and providing coverage for BACTC. The other site, Martinez, is expected to be operational in the BACTC system by mid-December 1987. NCTC states that NCTC and BACTC have agreed to share the costs of construction (if necessary), operation and maintenance of these two cell sites. The two sites will be used by both companies to serve a portion of the service territories of both NCTC and BACTC.

NCTC has informed the Commission that BACTC has filed with the FCC an application to modify its construction permit to permit the proposed site sharing arrangement with NCTC. That application, filed on November 20, 1987, seeks to reconfigure the specific cell sites in question, and NCTC expects that the FCC will

act to modify BACTC's construction permit by approximately January 1988.

Given the uncertainties associated with BACTC's application of modification, we cannot now authorize the installation of radio equipment at the Martinez and TV Hill cell sites as reconfigured to serve the Napa system and the operation of the NCTC system until BACTC receives approval of its request to modify its construction permit from the FCC. We are, however, willing to authorize the construction of the two cell sites located within the Napa MSA for the reasons set forth below.

IV. Financing

NCTC estimates that the capital cost of equipment, construction and installation for the initial service offering is \$2.24 million. This estimate does not include purchasing, constructing and installing an MTSO, since NCTC contemplates sharing the MTSO located in Oakland, which is owned and operated by BACTC. An additional capital expenditure of \$1.2 million is expected by the end of the fourth year of operation. A contingency fund of \$1.1 million has also been set aside to cover unexpected growth requirements or equipment costs or shortfalls of internally generated cash intended to cover capital expenditures.

NCTC's capital requirements will be met through a financing arrangement with Ericsson, under which Ericsson proposes to lend up to \$4.5 million to finance this purchase. As part of the arrangement, Ericsson will require that NCTC execute mortgages on its real property, owned and used as part of the system, assign all leasehold interests in similarly used real property and execute an agreement granting Ericsson a security interest in all equipment delivered to Applicant for use in providing cellular services in the Napa-Fairfield-Vallejo area.

NCTC further states that in the unlikely event that loan funds were not made available as described above, the partners in NCTC would be able to contribute the necessary capital. This statement is supported by the declarations of each partner or its parent.

V. Environmental Review

The application contains a PEA prepared in accordance with the California Environmental Quality Act of 1970 (CEQA) and Rule 17.1 of our Rules of Practice and Procedure. Rule 17.1 requires that the proponent of a project for which this Commission is the lead agency shall file sufficient information to enable the Commission to evaluate the project and to prepare a Negative Declaration or an environmental impact report. The Commission staff has reviewed the environmental aspects of the proposed project and the associated mitigation measures and based on this review, prepared a draft Negative Declaration. The Negative Declaration was issued on November 10, 1987. A Notice of Preparation was distributed to local property owners on November 10, 1987 and was published during two weeks in November, 1987, thus complying with Rule 17.1(f)(1)(A). The environmental review period ended on December 1, 1987. No comments indicating significantly adverse potential environmental impacts of the project have been received from the property owners, from any public agency, or from any other source. This decision adopts the Negative Declaration.

VI. Request for Interim Authority

NCTC requests that this Commission issue an immediate, ex parte interim order permitting NCTC to begin construction of two of the four proposed cell sites to serve the Napa MSA. NCTC urges

that the public convenience and necessity require the immediate and timely construction of these cell sites which are located in the Napa MSA. It alleges that any delay in the start of such construction will unnecessarily extend the project operating date of NCTC's cellular system, and, as a consequence, will deny to the public those benefits, intended by federal and state policy, to flow from expected and meaningful competition between the two authorized providers of cellular service in the Napa MSA.

NCTC agrees that the construction of these two cell sites will be undertaken at its own risk and that there is no guarantee that an operating right will be granted in this proceeding. NCTC asserts that the grant of interim authority to construct these cell sites would serve the public interest by accelerating the date on which NCTC would begin to provide cellular service in competition with the service currently provided by GTE Mobilenet.

Under PU Code § 1001, no telephone corporation can begin construction of a facility or system without having first obtained from the Commission a certificate that the present or future public convenience and necessity require or will require such construction. The Commission may condition the issuance of such authority under § 1005(a) of the PU Code. That section provides:

"The Commission may with or without hearing, issue the Certificate as prayed for, or refuse to issue it, or issue it for the construction of a portion only of the contemplated... system...or for the partial exercise only of the right or privilege, and may attach to the exercise of the rights granted by the certificate such terms and conditions, including provision for the acquisition by the public of the franchise or permit and all rights acquired thereunder and all works constructed or maintained by authority thereof, as in its judgment the public convenience and necessity require; provided, however, upon timely application for hearing by any person entitled to be heard thereat, the Commission before issuing or refusing to issue the certificate, shall hold a hearing thereon."

NCTC asserts that there is ample precedent to support an interim order authorizing it to commence construction of certain specified elements of its cellular system in advance of a final order granting a Certificate of Public Convenience and Necessity. NCTC cites D.83-06-080 wherein the Commission authorized Los Angeles SMSA partnership to commence construction of its cellular system in Los Angeles on an interim basis stating:

"Under P.U. Code § 1005 this Commission may attach the exercise of the rights granted by the certificate such terms and conditions as in its judgment the public convenience and necessity require. It is axiomatic that the limitations to the exercise of the rights of the certificate can include withholding authorization to operate the system in service to the public. The withholding of the right to operate the system in service to the public with no guarantee that such an operating right will ever be granted will place AMPS on notice that it may proceed with the construction and installation of the cellular system, but it would do so at its own risk. A grant of such a limited certificate would be somewhat analogous to an FCC proceeding whereby a permit to construct is first issued and subsequently followed by a license to operate. As previously stated, the FCC has already granted AMPS a permit to construct the proposed wireline cellular system for the Los Angeles SMSA."

NCTC alleges that the FCC has already granted it authority to construct the system in Napa, citing Napa Cellular Telephone Company, Memorandum Opinion and Order, FCC File No. 33391-CLP-111-A-84 (released February 26, 1987), at Ordering Paragraph 12, p. 2. GTE Mobilenet, the other authorized cellular carrier in Napa, is now operating. In order to effectuate the regulatory policy that competition between two cellular carriers should exist, it is in the public interest that competitive service be commenced as soon as possible.

NCTC asserts that its projected in-service date for its cellular radiotelephone system is January, 1988. In order to meet that date, it will be necessary, according to NCTC, to undertake the construction of the two cell sites located in the Napa MSA in December of 1987. Once the FCC has granted BACTC's petition to modify its construction permit to allow the TV Hill and Martinez cell sites, (which are to be utilized by NCTC for the provision of service in the Napa MSA) the installation of the various radio equipment may be done in a week to ten days. In the case of the cell sites in the Napa MSA, however, a longer construction time frame (a minimum of six weeks) is required due to the fact that the entire cell site system must be built.

NCTC argues that unless the Commission grants interim authority to begin construction of the two cell sites located in the Napa MSA, it would be impossible for NCTC to meet its proposed in-service date in January of 1988. Such an outcome would not be in the public interest, according to NCTC. It therefore urges that public convenience and necessity require the issuance of an interim order by December 18, 1987, to enable it to begin immediately to construct the two cell sites located in the Napa MSA.

No other points require discussion. The Commission makes the following findings and conclusions.

Findings of Fact

1. NCTC has been authorized by the FCC to construct the Block A cellular radiotelephone system in the Napa MSA.
2. NCTC's initial development plan is for a four cell system to serve the Napa MSA. Two of the cell sites are located within the Napa MSA and two are located in the neighboring San Francisco/San Jose MSA served by BACTC.
3. BACTC has filed an application with the FCC for a major modification of its construction permit to permit NCTC to use two of BACTC's cell sites (TV Hill and Martinez) under a cell site sharing arrangement, to provide service in the Napa MSA.

4. Immediate authorization to construct the two cell sites located in the Napa MSA is necessary to meet NCTC's projected operating date of January, 1988.

5. NCTC assumes the risk that operating authority may not be granted by the Commission in this proceeding.

6. NCTC proposes to enter into a financing arrangement with Ericsson to finance the purchase, construction, and installation of the proposed system. Ericsson proposes to lend up to \$4.5 million to finance this purchase. Ericsson will require that NCTC execute mortgages on its real property owned and used as part of the system, assign all leasehold interests in similarly-used real property, and execute an agreement guaranteeing Ericsson a security interest in all equipment delivered to NCTC for use in providing the service.

7. The proposed financing arrangements, related financing documents, and proposed encumbrances of property are not adverse to the public interest.

8. NCTC has a need for external funds for the purposes set forth in the application. The funds to be raised by the described financing agreement are reasonably related to the purposes set forth in the application.

9. Under its financing arrangement, NCTC will receive funds from Ericsson pursuant to a term loan agreement. Such funds will be used to purchase equipment, to construct and install the system, and to discharge obligations. The proposed financing arrangement is for a lawful purpose as are the money, property or labor to be obtained by it. Proceeds from this financing may not be charged to operating expenses or income.

10. The Commission does not, by this decision, determine that NCTC's construction program is necessary or reasonable for ratemaking purposes. These issues are normally tested in general rate or rate base offset proceedings.

11. The Commission, acting as the lead agency under CEQA, has prepared a properly noticed and reviewed Negative Declaration for the proposed project. The Negative Declaration was issued on November 10, 1987. The environmental review period ended on December 1, 1987. No comments indicating significantly adverse potential environmental impacts of the projects have been received from the property owners, a public agency or any other source.

12. The environmental impacts of the proposed action, as mitigated by the conditions listed in the Negative Declaration, are not significant.

13. A public hearing is not necessary in this matter.

14. Public convenience and necessity require the construction of two of the four cell sites to begin in advance of possible certification of the entire cellular system proposed by NCTC.

Conclusions of Law

1. The request for interim authority to construct the two cell sites to be located in the Napa MSA should be granted.

2. NCTC's application was deemed complete and accepted for filing in accordance with Government Code Section 65950. The attached negative declaration should be adopted.

3. The proposed financing arrangements are for lawful purposes and the money, property or labor to be obtained by these arrangements are required for these purposes. The proceeds from the proposed financing arrangements may not be charged to operating expenses or income.

4. The interim authority granted herein is not a precursor for any action the Commission may take in its final decision on the application.

5. The following order should be effective on the date the order is signed because public convenience requires prompt construction of the two cell sites located in the Napa MSA in order that NCTC may be in a position to begin service to the public in January of 1988, or thereafter, if it receives appropriate

operating authority from the Commission. The portion of the order granting financing authority, however, should not become effective until NCTC has paid the fee set by PU Code Section 1904(b).

INTERIM ORDER

IT IS ORDERED that:

1. A temporary certificate of public convenience and necessity is granted to Napa Cellular Telephone Company (NCTC) for construction of two cell sites within the Napa MSA, at the following locations:

- a. Mount Saint Helena off Highway 29 near Robert Louis Stevenson State Park, about 5.5 miles north of Calistoga;
- b. Radio Station KVON, Northeast of Silverado Trail and Oakvale Cross Road, about 3.5 miles east of Yountville.

2. NCTC shall not operate this system in service to the public without further authorization from this Commission. There is absolutely no guarantee that such operating authority will be forthcoming.

3. NCTC is authorized to issue evidences of indebtedness in the aggregate principle amount of up to \$4,500,000 under the financing arrangements set forth in the application.

4. NCTC is authorized to encumber its public utility property as provided for under the financing arrangement set forth in the application.

5. NCTC shall use the net proceeds from these financing arrangements for the purposes set forth in the application.

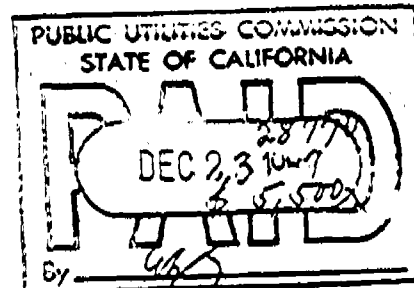
6. The Commission adopts the attached Negative Declaration (Appendix B), including the mitigation measures ordered therein, and directs the Executive Director to file the attached Notice of Determination (Appendix A) approving the Negative Declaration with the Office of Planning and Research.

The authority granted by this order to issue evidences or indebtedness will become effective when NCTC pays \$5,500, the fee set by Public Utilities Code Section 1904(b). In all other respects, this order is effective today.

Dated DEC 17 1987, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

Commissioner Frederick R. Duda
being necessarily absent, did not
participate.



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

A handwritten signature in cursive script, appearing to read "Victor Weissert".

Victor Weissert, Executive Director

APPENDIX A
NOTICE OF DETERMINATIONTO: Office of Planning and Research
1400 - 10th Street, Room 121
Sacramento, CA 95814FROM: Public Utilities Commission
1107 - 9th Street, Suite 710
Sacramento, CA 95814SUBJECT: Filing of Notice of Determination in compliance with Section 21108
or 21152 of the Public Resources Code.

Project Title

Napa Cellular Telephone Company System

State Clearinghouse Number
(If submitted to Clearinghouse)

Contact Person

Telephone Number

N/A

Elaine Russell

(916) 324-6195

Project LocationCellular telephone antenna sites located: (1) On Mount Saint Helena, and
(2) 3.5 miles east of Yountville in Napa County.

Project Description

The proposed project consists of the installation of two cellular telephone antennas and associated radio equipment. The specific antenna sites are at an existing radio facility on Mount Saint Helena, and at a site approximately 3.5 miles east of Yountville. The new equipment associated with this project would be integrated into the existing structures at these sites.

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 were, X 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

Victor Weissner
Executive Director

(END OF APPENDIX A)



APPENDIX B

Page 1

Public Utilities Commission

STATE OF CALIFORNIA

FILE NO.

NOTICE

**PUBLICATION OF A NEGATIVE DECLARATION
CALIFORNIA PUBLIC UTILITIES COMMISSION**

Description of Proposed Action: Napa Cellular Telephone Company has applied to the California Public Utilities Commission (PUC) for a Certificate of Public Convenience and Necessity to construct a domestic cellular mobile radio system to serve the Napa-Vallejo-Fairfield Metropolitan Statistical Area (MSA). Service would be provided within Napa and Solano Counties. A Negative Declaration has been prepared for the proposed components of this 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 system would be the second cellular telephone system in the MSA, and would be bounded by similar mobile telephone systems currently operating in the Bay Area and the Sacramento area.

The proposed project consists of the installation of two cellular telephone antennas and associated radio equipment. The specific antenna sites are on Mount Saint Helena and 3.5 miles east of Yountville in Napa County. Both sites have existing communication facilities. The new equipment associated with this project would be integrated into the existing structures at these sites.

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 November 10, 1987 to December 1, 1987. Comments must be received in writing by the close of business on December 1, 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 Napa Cellular Telephone Company for the installation and operation of a mobile telephone system to serve the Napa-Vallejo-Fairfield Metropolitan Statistical Area. The proposed project consists of the installation of two cellular telephone antennas and associated radio equipment.

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 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. Visual impacts are expected to be minimal because no additional towers would be constructed. The project includes a new pre-engineered equipment shelter in Yountville, but it would replace an existing shelter. Both sites are improved with communication equipment. The project components are conforming uses. 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.

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

CALIFORNIA PUBLIC UTILITIES COMMISSION
INITIAL ENVIRONMENTAL STUDY
CHECKLIST

Project Title: Napa Cellular Telephone Company

Study Date: November 1987

I. BACKGROUND INFORMATION

A. Name of Project:

Napa Cellular Telephone Company

B. Project Location:

Napa 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 Napa-Vallejo-Fairfield Metropolitan Statistical Area. This cellular system would initially consist of two cell sites or transmitting/receiving stations in the company's geographic service area.

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 Napa-Vallejo-Fairfield Area.

On April 9, 1981, the FCC adopted rules providing 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 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 San Joaquin County 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 Description:

As noted above, the proposed cellular telephone system will consist of two new antennas. See Figure III-1 for the general locations of these antennas. The following is a description of the two project sites and the equipment that will be installed at each:

1. Cell 1 - Mount Saint Helena

The site is located on Mount Saint Helena at an existing Telecommunications Properties facility. The site is about 5.5 miles north of Calistoga on land owned by the Bureau of Land Management. Access to the site would be via an existing unimproved access road. (Figures 1-1 and 1-2)

The site area is currently approved by the Bureau of Land Management for communication facilities. Several communication towers supporting various types of radio equipment are located at and adjacent to the site. The area surrounding the site is largely grassy hillside and is an undeveloped recreation area open to hikers.

2. Cell 2 - Yountville

The site is located in the foothills east of the Silverado Trail, about 3.5 miles east of Yountville. The site is occupied by the KVON, FM communication facility, consisting of an equipment shelter and a guyed tower. The surrounding area is undeveloped. Access to the site is via an existing unimproved access road. (Figures 2-1 and 2-2)

Napa Cellular will remove the existing equipment shelter and construct a new pre-engineered equipment shelter to house cellular switching equipment and KVON's radio equipment.

Transmitter and antennas will be mounted either on the roof of the shelter or on a (less than 20 feet high) monopole tower next to the shelter.

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.

THE NEXT 2
DOCUMENTS ARE
POOR ORIGINALS

MICROFILMING SERVICES

*will not assume responsibility
for the image quality*

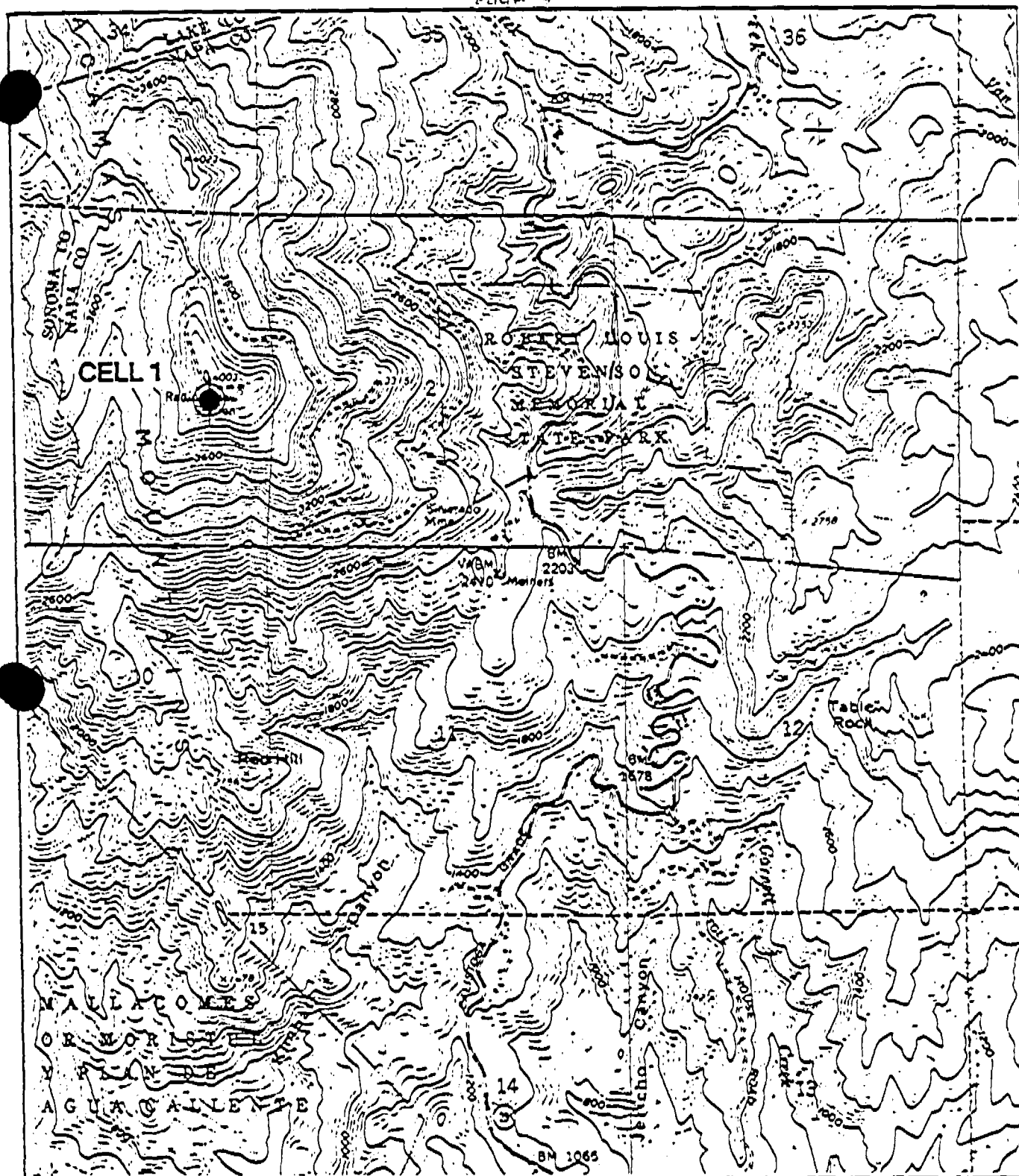


FIGURE 1-1
CELL 1 - MOUNT ST. HELENA
SOURCE: USGS - 7.5 Series (Topographic)
Detert Reservoir Quadrangle

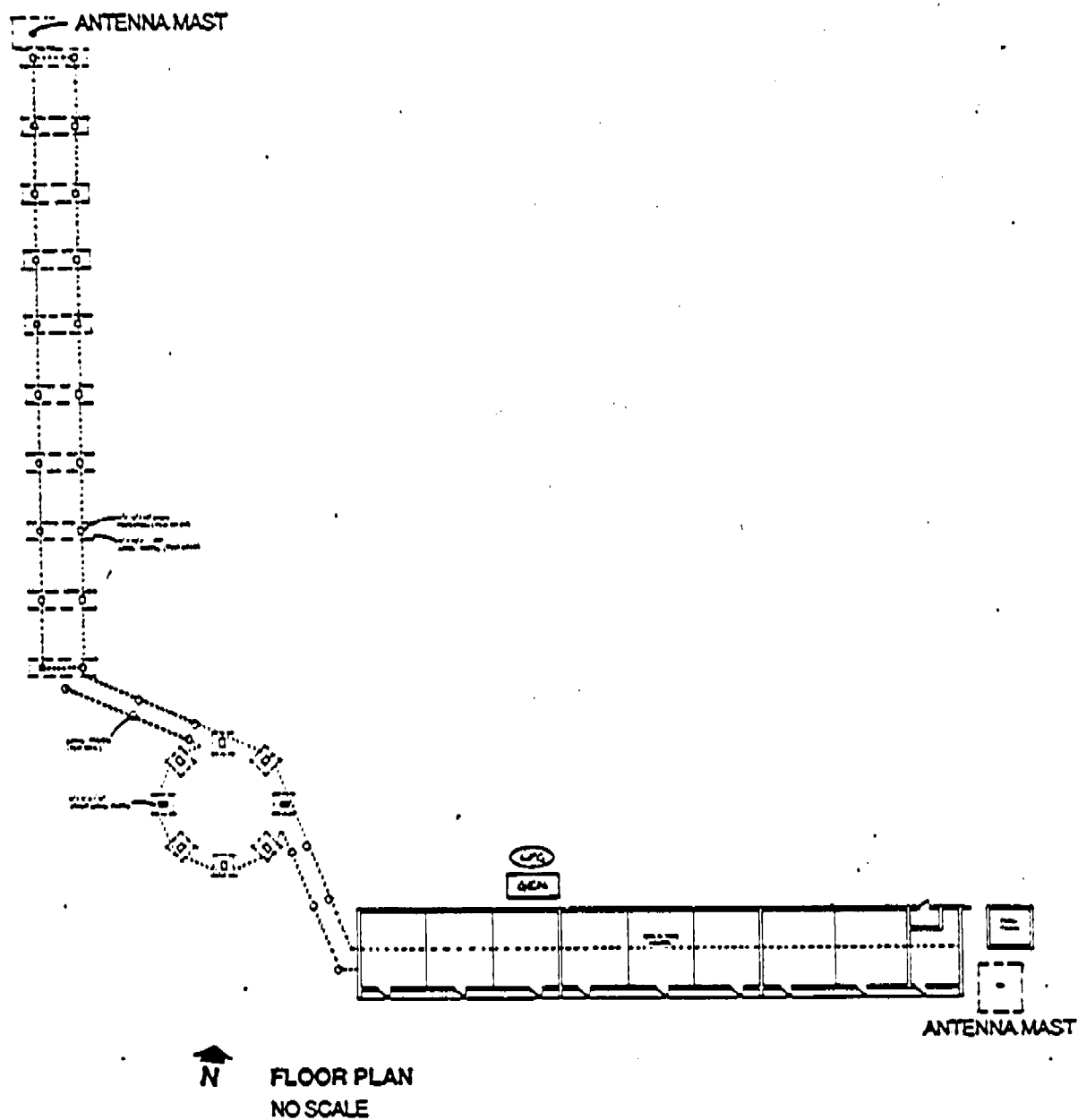


FIGURE 1-2
CELL 1 - MOUNT ST. HELENA
FLOOR PLAN
SOURCE: J. Michael Lothouse, Architect

THE NEXT 1

DOCUMENTS

ARE FOR

ORIGINALS

MICROFILMING SERVICES

WILL NOT ASSUME

RESPONSIBILITY FOR THE

IMAGE QUALITY

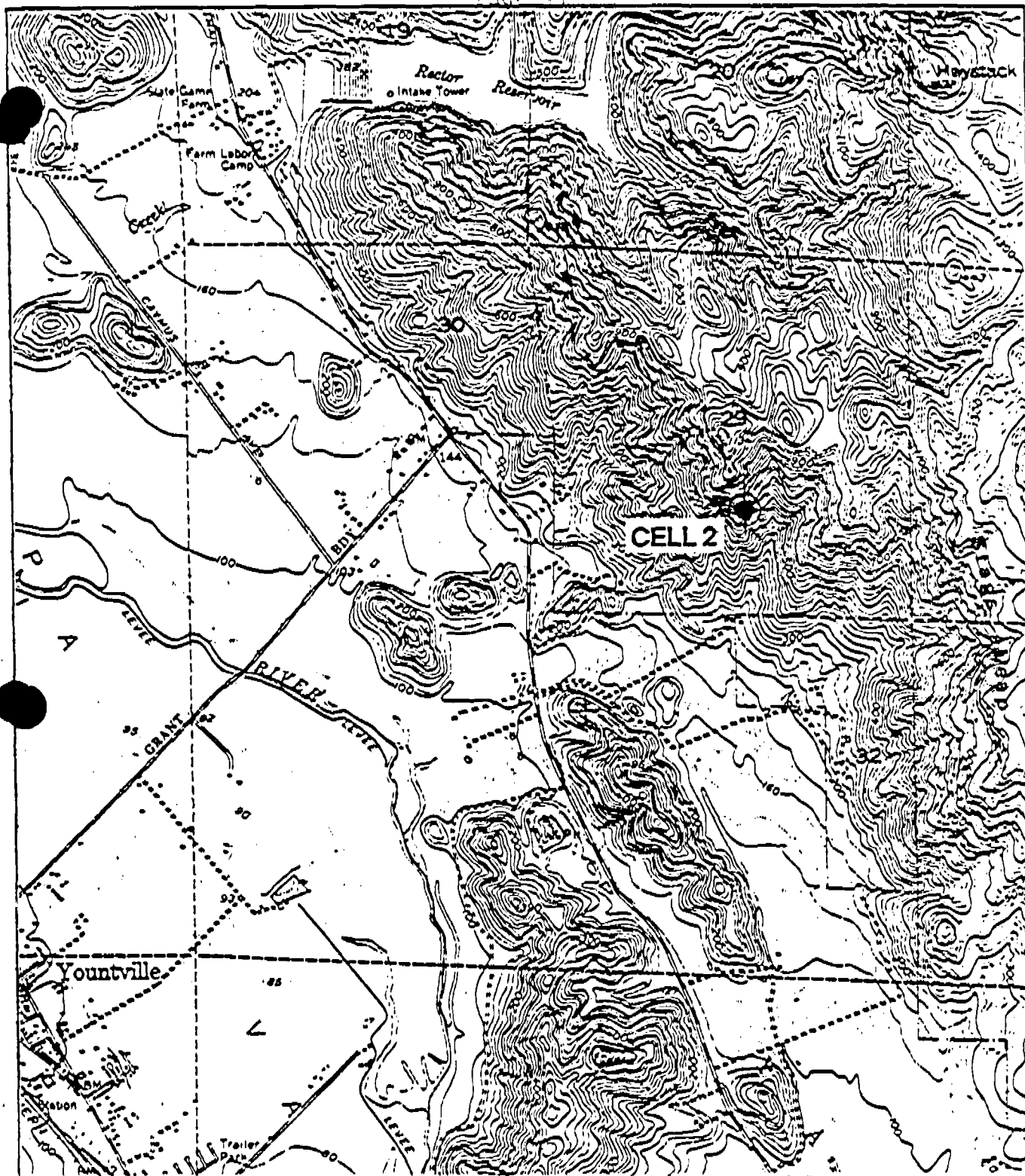


FIGURE 2-1
CELL 2 - YOUNTVILLE

SOURCE: USGS - 7.5' Series (Topographic)
Yountville Quadrangle

(N) Pre-engineered equipment shelter

(N) Monopole

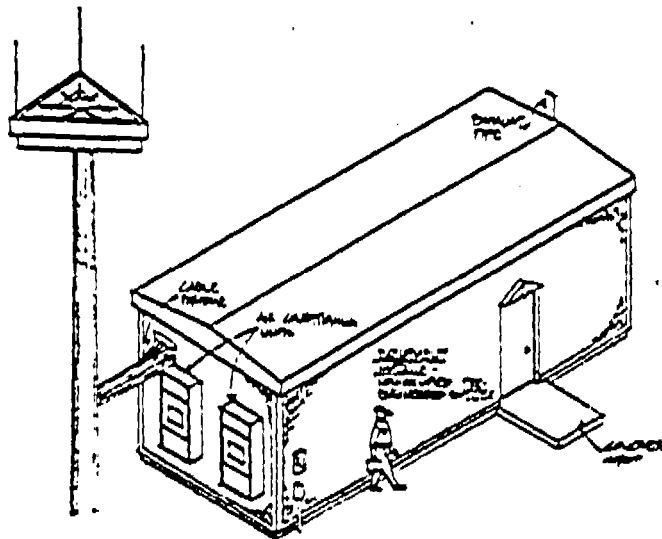
OEN
LPG(E) Shelter
(To be removed)

FIGURE 2-2
CELL 2 - YOUNTVILLE
TYPICAL SITE PLAN

SOURCE: Garretson, Elmendorf, Zinov

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?	—	—	X
2. Changes in topography or any unique geologic or physical features of the site?	—	—	X
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	—
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
Minor displacement, compaction, and overcovering of soil would occur as a result of the construction of cell number 2. This would be a minor effect.			
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

	Yes	Maybe	No
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	—	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. <u>Land Use.</u> Will the proposal result in:			
1. A substantial alteration of the present or planned land use in the area?	—	—	X
2. A conflict with Local, State or Federal land use plans or elements to those plans?	—	—	X
H. <u>Visual Quality.</u> 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
3. New light or glare substantially impacting other properties?	—	—	X
The proposed antenna sites are current communications facilities. The visual effects would be insignificant.			
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

	Yes	Maybe	No
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
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

	Yes	Maybe	No
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 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.

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 Napa/Solano Counties by providing individuals with mobile telephones the ability to contact police, fire fighters, and other public safety agencies from their cars or mobile units.

IV. REFERENCES

1. Proponent's Environmental Assessment, Napa Cellular Telephone Company before the Public Utilities Commission of the State of California.
2. Federal Communications Commission, Gen. Docket No. A 87-09-022.

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

V. 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

10-9-87

Mike Burke
Mike Burke

Regulatory and Environmental Coordinator

(END OF APPENDIX B)