

Decision 88 01 044 JAN 28 1988

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
AAAlert Paging Company of San Francisco, )  
(U-2085-C), a California corporation, )  
for a certificate of public convenience )  
and necessity to expand it's facilities )  
to provide radiotelephone services in )  
and around the cities of Santa Rosa and )  
Carmel, California. )

Application 87-08-016  
(Filed August 10, 1987;  
amended September 18, 1987)

OPINION

AAAlert Paging Company of San Francisco (applicant), a California corporation, requests a certificate of public convenience and necessity (CPC&N) to construct and operate additional radiotelephone facilities at Mt. Barham, Santa Rosa and Hidden Hills, Carmel, and to provide radiotelephone utility (RTU) service in and around the Cities of Santa Rosa and Carmel. A map and engineering statements of the proposed service territory are attached to the application as Exhibits B and C, respectively.

Copies of the application were served on entities with which applicant's proposed service is likely to compete, as listed on Exhibit E to the application.

Notice of this application appeared in the Commission's Daily Calendar of August 13, 1987. A protest from General Telephone Company of California (GenTel) was filed on September 4, 1987, pursuant to Article 2.5 of the Commission's Rules of Practice and Procedure.

Subsequently, on September 18, 1987, applicant filed an amendment to its application, providing necessary data to process applicant's request. The amendment disclosed, among other matters, estimated capital requirements for the construction and operation of the proposed system. The amendment clarified the fact that

copies of application have been mailed to cities and counties within which applicant proposes to operate.

Applicant possesses the requisite Federal Communications Commission (FCC) permit for the two proposed base stations to be located at Mt. Barham, approximately 5.5 miles northeast of Santa Rosa, and at the Hidden Hills Site, approximately 7.0 miles east of Carmel on a frequency of 454.4250 megahertz (MHz). A copy of the FCC permit for these sites is attached to the application as Exhibit A.

Applicant, a certificated radiotelephone utility (RTU), provides one-way paging services and two-way radio telephone services in parts of San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, and Marin Counties.

Applicant is a wholly owned subsidiary of AAlert Paging Company, which in turn is wholly owned by Citizens Utilities Company. Citizens Utilities Company is a publicly held corporation which owns several public utilities in California and other states, including Citizens Utilities Company of California.

Applicant represents that there is a public need and demand because it has received numerous requests from its customers for service in the proposed territory, and it currently competes with several large RTUs already providing service in the proposed territory. Applicant is willing and able to provide its customers with a comparable coverage area.

According to applicant, the proposed facilities are technically feasible. This claim is supported by engineering data submitted to the FCC, Exhibit C to the application.

The proposed base stations are to be located on existing towers in existing antenna farms. Access, parking, power, and other facilities are already in place. Therefore, applicant believes that there is reasonable certainty that the grant of this application will not result in a significant effect upon the environment.

Applicant estimates that \$40,000 is needed to fund the additional base stations, including transmitters, antennae, transmission line, and related equipment. The funds for these additional facilities are to be provided by Citizens Utilities Company, its parent corporation.

By the end of the first year of operation, applicant expects to be serving 200 paging customers, albeit an operating loss of \$976. However, applicant expects that by the end of the fifth year of operation, it will be serving 1,000 paging customers and operating with a net profit of \$87,940, before income taxes.

The proposed rates and charges for applicant's extended Santa Rosa and Carmel services are to be the same as for similar services that applicant presently has on file with the Commission.

The only issue remaining to be addressed is GenTel's protest. GenTel does not dispute applicant's request for authority to construct and operate a RTU system in and around the Cities of Santa Rosa and Carmel. However, GenTel believes that applicant's CPC&N should be conditioned upon provision of timely access charge billing information and timely payments of access charge billings to local telephone utilities.

GenTel recommends that these conditions be placed on applicant because of access charge problems GenTel is experiencing with carriers and resellers in general. These problems include the alleged failure to track intrastate minutes of use and late or nonexistent access charge payments by carriers and resellers. GenTel represents that continuation of these problems will adversely affect it and its ratepayers, who must underwrite carriers, such as applicant, by bearing the costs of late and/or non-existent access charge payments.

The proposed conditions will not alleviate GenTel's alleged access charge problems because GenTel's problems are not with applicant. In GenTel's own words, the problems are with other carriers and resellers. Should GenTel be experiencing such

problems it should consider filing a petition for modification of the Commission's access charge decisions, enforcing its tariffs pertaining to the payment of bills, and filing a formal complaint against alleged violators. Alternatively, GenTel may address its access charge problem in our ongoing generic rulemaking proceeding (R.85-09-008) regarding access charges.

GenTel has not presented any facts or demonstrated that applicant is a contributor to GenTel's alleged access charge problems; therefore, GenTel's protest should not be considered further in arriving at our decision. A public hearing is not necessary.

Findings of Fact

1. Applicant requests a CPC&N to construct and operate additional RTU facilities in and around the Cities of Santa Rosa and Carmel.
2. Notice of the application appeared on the Commission's Daily Calendar of August 13, 1987.
3. A protest from GenTel was filed on September 4, 1987.
4. Applicant filed an amendment to its application on September 18, 1987.
5. Applicant possesses the requisite FCC permit for its proposed base stations.
6. Applicant is a certificated RTU.
7. The proposed operation is technically feasible.
8. It can be seen with certainty that there is no possibility that the granting of this application will have a significant effect on the environment.
9. The proposed operation is economically feasible.
10. GenTel's access charge problems are not with applicant.
11. Public convenience and necessity require the granting of the application.
12. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. GenTel's protest should be dismissed because GenTel has not presented any facts or demonstrated that applicant is a contributor to GenTel's alleged access charge problems.

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 the monopoly feature of these rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to AAlert Paging Company of San Francisco (applicant) for the construction and operation of a public utility one-way and two-way radiotelephone system with base stations and service areas as follows:

Base station locations:

- a. Mt. Barham, approximately 5.5 miles northeast of Santa Rosa.  
(Lat. 38° 30' 31" N, Long. 122° 39' 41" W)
- b. Hidden Hills Site, approximately 7.0 miles east of Carmel.  
(Lat. 36° 33' 12" N, Long. 121° 47' 05" W)

Service areas: As shown in Exhibit B to Application (A.)  
87-08-016.

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

3. Applicant is authorized to file, after the effective date of this order and in compliance with General Order 96-A, tariffs applicable to the service authorized containing rates, charges, and

rules applicable to its radiotelephone services. The tariffs shall become effective on not less than five days' notice. The rates and charges shall be the same as for similar services that applicant presently has on file with the Commission.

4. Applicant shall file as part of its individual tariff, after the effective date of this order and, consistent with Ordering Paragraph 3, an engineered service area map drawn in conformity with the provisions of Federal Communications Commission Rule 22.504, commonly known as the "Carey Report," and consistent with Exhibit B to A.87-08-016.

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

6. General Telephone Company of California's protest to the application is dismissed.

7. The corporate identification number assigned to AAlert Paging Company of San Francisco is U-2085-C which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

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

This order becomes effective 30 days from today.

Dated JAN 28 1988, at San Francisco, California.

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

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

  
Victor Weiss, Executive Director