

Decision 88 03 055

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ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Metromedia
Telecommunications, Inc. (U-2078-C),
a California corporation (MTI), for
a Certificate of Public Convenience
and Necessity to Construct and
Operate Additional Radio Telephone
Utility Facilities.

Application 87-10-040
(Filed October 28, 1987)

OPINION

Metromedia Telecommunications, Inc. (applicant), a California corporation, requests a certificate of public convenience and necessity to construct and operate additional one-way radiotelephone utility facilities in Sonoma, Riverside, Monterey, and Sacramento County, pursuant to Section 1001 et seq. of the Public Utilities Code. Engineering statements and a map identifying applicant's proposed service territory is attached to the application as Exhibit B and C, respectively.

Copies of the application were served on the cities and counties within which the proposed service area and on other entities with which applicant's proposed service is likely to compete, Exhibit F to the application.

Notice of the application appeared in the Commission's Daily Calendar of November 5, 1987. No protests to the application were received; therefore, a public hearing is not necessary.

Applicant possesses the requisite Federal Communications Commission (FCC) permits for its five additional base station facilities located in Sonoma, Riverside, Monterey, and Sacramento County on a frequency of 931.8625 megahertz (MHz), Exhibit B to the application. However, because of factors, not identified in the application, applicant was unable to comply with the 30-day application filing requirement of Rule 18(o)(1) of the Commission's

Rules of Practice and Procedure. Accordingly, applicant requests a waiver of Rule 18(o)(1).

The grid coordinates on the FCC permit for the Riverside County site is inconsistent with the applicable engineering data. By letter of February 3, 1988, applicant has clarified that the coordinates on the engineering data are correct and has requested a corrected permit from the FCC.

Applicant is a public utility one-way radiotelephone (RTU) certified to construct and operate 48 base station facilities throughout California. It also owns and operates a 900 band RTU paging system in portions of Nevada and Arizona.

Applicant was wholly owned by Metromedia, Inc., which in turn was acquired by Metromedia Company, a partnership, pursuant to Decision (D.) 86-10-009. By D-86-12-066, the control of applicant was transferred to Southwestern Bell Corporation (SWB) and Metromedia Paging Services, Inc. (MPS), a wholly owned subsidiary of SWB, contingent upon approval of the FCC and the Federal District Court for the District of Columbia. Subsequently, the FCC and the Federal District Court granted applicant its requisite authority, and the transfer of control of applicant to SWB and MPS was consummated on September 30, 1987.

Applicant represents that D-86-03-018 found that a public need and demand existed for its proposed one-way RTU service in a service area which covers the western two-thirds of California from the Mexican Border north to Marysville, and asserts that the five additional base station facilities it presently request is an integral part of the sites needed to complete its RTU system and to meet the public need and demand.

The costs to construct the proposed facilities and estimated revenues and expenses for the first and fifth full year of operation are set forth in Application 85-08-064 and D-86-03-018. On a prorata basis, the construction cost of each of the 5

base station facilities is approximately \$25,000, or a total of approximately \$125,000.

Applicant asserts that, with the addition of applicant's 5 proposed facilities, it will be in a better position to achieve its forecasted revenue for the first and fifth full year of operations. Once fully constructed and operational, its 900 band paging system will be economically feasible.

The cost data, developed for applicant's Application 85-08-064, dated August 1985, was incorporated into this application by reference only. It was developed over two years ago and has been used by applicant, unmodified, on three separate occasions for authority to construct and operate base station facilities. This data is approaching obsolescence and should not be used for any further CPC&N requests by applicant. This is also true of applicant's justification that a public demand and need exists. Future CPC&N applications by applicant will not be considered unless applicant provides current cost data, current projected revenue and expense data with its current customer base, and justification for public need and demand.

SWB and MPS, to the extent that applicant's internally generated funds are insufficient to construct and operate the proposed base station facilities, are committed to provide the necessary funds to construct and operate the proposed base station facilities. By the February 3, 1988 clarification letter, applicant submitted a letter from MPS which demonstrates that MPS will undertake the obligations and operating expenses associated with the proposed service. MPS's financial statement as of September 30, 1987 shows that MPS's net worth of approximately \$218 million is sufficient to provide the necessary funds for the construction and operation of the proposed facilities.

The proposed base station facilities are to be located at communication sites already in existence, including towers, transmitters, antennas, buildings and other structures.

Accordingly, applicant represents that it can be seen with certainty that there is no possibility that the proposed facilities may have a significant adverse impact on the environment.

The proposed rates and charges are to be the same rates and charges for similar services that applicant presently has on file with the Commission.

Further, applicant requests that this order become effective on the date of issuance because the proposed facilities are essential to complete applicant's paging system at a reasonable cost, to meet the public need and demand; to provide the public services at reasonable rates in areas where there is little, if any, comparable service; and to avoid further delays.

Since there were no protests to this application and the proposed base stations are to be an extension of applicant's present service area, we will make this order effective on the date issued.

Findings of Fact

1. Applicant requests a CPC&N to construct and operate additional RTU facilities in Sonoma, Riverside, Monterey, and Sacramento County.
2. Notice of the application appeared in the Commission's Daily Calendar of November 5, 1987.
3. No protests to the application were received.
4. Applicant possesses the requisite FCC permits.
5. Applicant was unable to comply with Rule 18(o)(1) because of factors beyond its control.
6. Applicant is a certificated RTU providing one-way radiotelephone service throughout California.
7. Public convenience and necessity require the granting of this application.
8. The proposed operation is technically feasible.
9. Applicant's cost data was incorporated into the application by reference.

10. Applicant's cost data was developed over two years ago and has been used by applicant, unmodified, on three separate occasions to obtain CPC&Ns.

11. MPS is committed to providing the necessary funds for the construction and operation of the proposed facilities.

12. The proposed operation is economically feasible.

13. It can be seen with certainty that there is not any possibility that the granting of this application may have a significant effect on the environment.

14. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.

2. Waiver of the 30-day filing requirement of Rule 18(o)(1) of the Commission's Rules of Practice and Procedure should be granted for this application only.

3. Because of the immediate need for service, this order should become effective today.

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

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Metromedia Telecommunications, Inc. (applicant) to construct and operate a public utility one-way radiotelephone system with base stations and service area as follows:

Base Station locations:

- a. Taylor Mountain, KZST-FM Tower, Santa Rosa. (Lat. 38° 25' 07" N, Long. 122° 40' 33" W)

- b. Indio Hill, Indio.
(Lat. 33° 48' 07" N, Long. 116° 13' 27" W)
- c. Edom Hill, 3.9 miles east northeast of Palm Springs. (Lat. 33° 51' 48" N, Long. 116° 26' 26" W)
- d. Fremont Peak, 10 miles northeast of Salinas
(Lat. 36° 45' 23" N, Long. 121° 30' 05" W)
- e. 0.8 miles northeast of City Center, Walnut Grove.
(Lat. 38° 14' 48" N, Long. 121° 29' 59" W)

Service area: As shown in Exhibit C to Application (A.) 87-10-040.

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 in compliance with General Order 960A, 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 5 days' notice. The rates and charges shall be the same as for similar services that applicant 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 Federal Communications Commission Rule 22.504(b)(2), and consistent with Exhibit C to A.87-10-040.

5. The 30-day filing requirement of Rule 18(o)(1) of the Commission's Rules of Practice and Procedure is waived for this application only.

6. 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.

7. The corporate identification number assigned to Metromedia Telecommunications, Inc. is U-2078-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 is effective today.

Dated MAR 23 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.

[Signature]
Executive Director