

Decision 89 05 047 MAY 26 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
N. 21.00

In the Matter of the Application )  
 of Electropage, Inc. (U-2016-C), )  
 a California corporation, for a )  
 certificate of public convenience )  
 and necessity to construct )  
 additional radiotelephone utility )  
 facilities, pursuant to Section )  
 1001 of the Public Utilities Code. )

MAY 26 1989

Application 89-02-022  
 (Filed February 14, 1989)

OPINION

Electropage, Inc. (applicant), a California corporation, owns and operates a certificated radiotelephone utility providing one-way high-speed tone, tone-and-voice, digital display, and alphanumeric display paging service to an area encompassing portions of El Dorado, Sacramento, San Joaquin, Solano, Sutter, Yolo, and Yuba Counties. Applicant's present service area map, computed in accordance with § 22.504 of the Rules and Regulations of the Federal Communications Commission (FCC), is on file with this Commission as page 136-T of applicant's tariff. Applicant presently serves approximately 4,500 paging users within its existing authorized service area.

Applicant requests authorization to construct and operate two additional paging transmitters in Placerville, El Dorado County. Engineering data for the new facilities is attached to the application as Exhibit B, and a map showing the proposed service area which will result from the addition of the new facilities is attached to the application as Exhibit C, computed in accordance with the applicable FCC Rules. The coverage of each of the new transmitters will be identical. The purpose for two rather than one transmitter is to afford similar service on both of the frequencies operated by applicant in the area. The new facilities

will be fully interconnected with applicant's existing system to provide paging coverage throughout the entire service area.

The facilities applied for have been authorized under construction permits granted by the FCC. As is frequently the case, the FCC has not issued a formal construction permit for the second frequency at the same site, but has published official notification of the grant. Copies of these documents are attached to the application as Exhibit D.

Applicant alleges that:

"The proposed facilities are clearly in the public interest. There is a substantial need among subscribers and potential subscribers within applicant's presently authorized service area to be able to receive paging signals in the area sought to be covered by the new transmitters, owing to the growth of business in that direction, and it is for the purpose of meeting that need that applicant seeks to expand. Applicant does not intend actively to market within the expansion area itself at this time.

"The proposed addition is technically feasible, and the applicant possesses the necessary technical expertise to effectuate it. Applicant and its affiliates operate a network of radio paging systems in a number of major markets in the United States. Other affiliates design and manufacture terminals and switching equipment, and still other affiliates are involved in cellular, multipoint distribution, international data communications, and other similar fields. Applicant has a full-time technical staff, as well as numerous other technical and engineering personnel available on call through applicant's affiliates. The proposed addition to applicant's system has been designed by experienced radio engineers."

Applicant estimates that the total cost of acquiring and installing the new facilities will be approximately \$25,200. A schedule of the various items comprising those capital costs together with their respective recurring expenses is attached to

the application as Exhibit E. In comparison both with applicant's existing capital plant (\$630,301 at the end of fiscal year 1988), the cost of these new facilities can be seen to be extremely minor. Applicant intends to cover such costs out of its existing reserves.

A copy of applicant's most recent balance sheet and profit and loss statement is attached to the application as Exhibit F. Applicant alleges that, while the profit and loss statement shows a loss of \$168,451 for the year ended June 30, 1988, it may be seen from the statement that this loss results from depreciation and is therefore not reflective of applicant's actual revenue from operations. When the depreciation component is removed from the analysis, applicant shows positive net earnings. Irrespective of applicant's net earnings for the year, however, it may clearly be seen from applicant's balance sheet that with retained earnings of over \$1.3 million, applicant can easily cover all costs of acquiring and installing the equipment necessary for this expansion, as well as the nominal incremental operational costs that will result.

Attached to the application as Exhibit G is Proponent's Environmental Assessment, from which can be seen with certainty that there is no possibility that the project in question may have a significant adverse effect on the environment.

No franchises or health and safety permits have been required, or are known to be required, for the proposed project.

Applicant does not intend to alter the rates for its services from those now specified in Schedule No. L-2 of applicant's currently filed tariffs. Service will be offered throughout the expanded area at the rates specified therein, i.e. \$7-\$10 per unit per month for tone-only, and \$9-\$13 for digital display service, and \$10-\$13 for tone-and-voice service, depending upon quantity.

Applicant is a wholly owned subsidiary of Graphic Scanning Corp. (Graphic). Graphic owns and operates

telecommunications facilities throughout the United States and abroad, and is publicly traded on the National Over the Counter Exchange. Therefore, in lieu of the statement that no matters have occurred or been proposed since applicant's last previous annual report was filed with the Commission, which would have been designated for inclusion by § 2 of General Order 104-A, a copy of Graphic's most recent proxy statement is attached to the application as Exhibit H, in accordance with Rule 18(i).

Copies of the application have been served on cities and counties within the proposed service territory and on other entities with which the proposed service is likely to compete, as listed in the certificate of service attached to the application. Notice of this application appeared in the Commission's Daily Calendar of February 17, 1989. No protests to the application have been received; therefore, a public hearing is not necessary.

Findings of Fact

1. Applicant requests a certificate of public convenience and necessity to construct and operate two additional paging transmitters in Placerville, El Dorado County.

2. Copies of the application have been served on the cities and counties within the proposed service territory and on other entities with which the proposed service is likely to compete.

3. Notice of the application appeared on the Commission's Daily Calendar of February 17, 1989.

4. No protests to the application have been received.

5. The facilities applied for have been authorized under construction permits granted by the FCC.

6. Applicant is a certificated radiotelephone utility.

7. The proposed operation is technically feasible.

8. The proposed operation is economically feasible.

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

10. Public convenience and necessity require the granting of this application.

11. A public hearing is not necessary.

Conclusion of Law

The application should be granted.

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 Electropage, Inc. (applicant) to construct and operate a public utility one-way radiotelephone system with base station at 2986 Coloma Street, Placerville (Lat. 38° 43' 30" N, Long. 120° 48' 43" W).
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 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 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 FCC Rule 22.504(b)(2), consistent with its proposed service area.

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. Applicant shall provide a copy of this decision to all local permitting agencies not later than 30 days from today.

7. 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 MAY 26 1989, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

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

*Victor Weisler*  
Victor Weisler, Executive Director

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