

Decision 90 01 007 JAN 9 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RAVEESH K. KUMRA, an individual doing business as WESTERN CELLULAR MANAGEMENT, for a Certificate of Public Convenience and Necessity to resell cellular radio-telephone service in California.)	Application 89-10-022
)	(Filed October 6, 1989)
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O P I N I O N

Western Cellular Management (Western) seeks a certificate of public convenience and necessity (CPC&N) to resell cellular radio telecommunications services within California. It proposes to offer service initially in San Luis Obispo.

Western served a copy of its application on cellular resellers to whom it may compete and to other interested parties. Notice of the application appeared in the Commission's Daily Calendar, and no protests were received.

Western's proposed tariffs are attached to its application. Western proposes rates that are those currently in effect in Santa Barbara, the market immediately adjacent to San Luis Obispo. Western states that its owner, Raveesh K. Kumra, has extensive technical and managerial experience in the computer and cellular services industries.

Western's balance sheet shows that its combined net worth is approximately \$1.5 million. Western expects a first year net loss of \$120,000. Western believes this loss will be short term, particularly since Western intends to operate as a facilities-based carrier in the future.

Western seeks expedited approval of its application in order that it may initiate service as soon as possible after GTE Mobilnet of California has commenced services as the facilities-based carrier in San Luis Obispo. We have sought to process this

application in a timely fashion in order to promote a competitive market in the San Luis Obispo area.

Western has provided adequate information for a grant of authority to provide cellular telecommunications services. Cellular resale markets in California are generally by their nature competitive. That competition will restrain Western from charging unreasonably high prices to customers. Western has adequate financial resources to withstand short-term losses.

Western should be subject to the fee system, as set forth in Public Utilities (PU) Code § 401 et seq., which is used to fund the costs of regulating common carriers and businesses related thereto and public utilities. By Resolution M-4752, dated May 26, 1989, the fee level for fiscal year 1989-90 for telephone corporations was set at one-tenth of 1% (0.10%) of revenue subject to the fee. Appropriate tariff rules should be incorporated in Western's tariff rules for the imposition of this surcharge.

As a telephone corporation operating as a cellular radio telecommunications reseller, applicant should also be subject to the three-tenths of 1% (0.3%) surcharge on gross intrastate revenues to fund Telecommunications Devices for the Deaf. This surcharge became effective July 1, 1989, as set forth in Resolution T-13061 dated April 26, 1989 pursuant to PU Code § 2881.

Findings of Fact

1. Western requests a CPC&N to operate as a reseller of cellular telecommunications services in the San Luis Obispo area and throughout California.
2. No protest to the application has been received.
3. The proposed operation is financially feasible.
4. Since no facilities are to be constructed, it can be seen with certainty that the proposed operation will not have a significant effect on the environment.
5. Public convenience and necessity require the granting of this application.

Conclusions of Law

1. Western is subject to the user fee system, as set forth in PU Code § 401 et seq.
2. Western should be granted a waiver of PU Code §§ 816-830 and 851-855, consistent with Decision (D.) 85-07-081 and D.85-11-044.
3. The user fee for the 1989-90 fiscal year should be 0.10%.
4. Western is subject to the three-tenths of 1% (0.3%) surcharge on gross intrastate revenues to fund Telecommunications Devices for the Deaf, pursuant to Resolution T-13061, dated April 26, 1989.
5. Western should be subject to the provisions of the Commission's General Order 96-A, as modified by D.88-05-067.

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 those rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Western Cellular Management (Western) to operate as a reseller of cellular telecommunications services in California.
2. Within 20 days of the effective date of this order, Western shall file a written acceptance of the certificate granted in this proceeding.
3. Western is authorized to file, after the effective date of this order and in compliance with General Order (GO) 96-A, tariffs applicable to its cellular resale services. The tariffs shall become effective on not less than 5 days' notice. The rates and charges shall be as proposed in this application.

4. Western 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.

5. Western is subject to the provisions of GO 96-A as revised in D.88-05-067.

6. Western shall keep its books and records in accordance with the Uniform System of Accounts for cellular telecommunications utilities prescribed by this Commission.

7. Western shall file an annual report, in compliance with GO 104-A, on a calendar-year basis using the format specified by the Chief of the Auditing and Compliance Branch of the Commission Advisory and Compliance Division (see Attachment 1).

8. Western is subject to the user fee as a percentage of gross intrastate revenues under PU Code § 401 et seq.

9. The corporate identification number assigned to Western Cellular Management is U-4083-C which shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

10. 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.

11. Within 60 days of the effective date of this order, Western shall comply with PU Code § 708, Employee Identification Cards, and notify, in writing, the Chief of the Telecommunications Branch of the Commission Advisory and Compliance Division.

This order is effective today.

Dated JAN 9 1990, at San Francisco, California.

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

Commissioner Stanley W. Hulett,
being necessarily absent, did
not participate.

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

Wesley Franklin

WESLEY FRANKLIN, Acting Executive Director

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 15, 1989

TO ALL CELLULAR RESELLER TELEPHONE UTILITIES:

Article 5 of the Public Utilities Code grants authority to the California Public Utilities Commission to require all public utilities doing business in California to file reports as specified by the Commission on the utilities' California operations.

A specific annual report form has not yet been prescribed for the California cellular resellers telephone utilities. However, you are hereby directed to submit an original and two copies of the information requested in attachment A no later than March 31, 1989.

Address your report to:

California Public Utilities Commission
Auditing and Compliance Branch, Rm 3251
505 Van Ness Avenue
San Francisco, CA 94102-3298

Failure to file this information on time may result in a penalty as provided for in sections 2107 and 2108 of the Public Utilities Code.

If you have any question concerning this matter, please call (415) 557-2484.

Very truly yours,


Kenneth K. Louie, Chief
Auditing and Compliance Branch

(END OF ATTACHMENT 1)



ATTACHMENT A

Information Requested of California Cellular Reseller Telephone Utilities.

To be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3251, San Francisco, Ca 94102-3298 no later than March 31, 1989.

- (1) Exact legal name and U # of reporting utility.
- (2) Address.
- (3) Name, title, address, and telephone number of the person to be contacted concerning the reported information.
- (4) Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
- (5) Type of organization (e.g., corporation, partnership, sole proprietorship, etc.)
If incorporated, specify:
 - (a) Date of filing articles of incorporation with the Secretary of State.
 - (b) State in which incorporated.
- (6) Commission Decision number granting operating authority and the date of that decision.
- (7) Date operations were begun.
- (8) Description of other business activities in which the utility is engaged.
- (9) A list of all affiliated companies and their relationship to the utility. State if the affiliate is a:
 - (a) Regulated Public Utility
 - (b) Publicly Held Corporation
- (10) Balance sheet as of December 31, 1988.
- (11) Income statement for California operations for the calendar year 1988.

(END OF ATTACHMENT A)