

Decision 90 03 012 MAR 14 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Paging Dimensions, Inc., a California)
corporation, for a certificate of)
public convenience and necessity to)
construct and operate a one-way)
paging service in Orange, Los)
Angeles, Riverside, San Bernardino,)
and Ventura Counties, California.)

Application 89-09-013
(Filed September 6, 1989)

O P I N I O N

Paging Dimensions, Inc. (applicant) requests a certificate of public convenience and necessity (CPC&N) to construct and operate a radiotelephone utility (RTU) system to provide one-way paging services in Orange, Los Angeles, Riverside, San Bernardino, Ventura, and San Diego Counties, pursuant to Public Utilities Code § 1001. Engineering statements and maps defining the proposed service area are attached to the application as Exhibit C.

Copies of the application were served on the cities and counties within the proposed service area and on potential competitors, as shown in the service list attached to the application.

The application was noticed on the Commission's Daily Calendar on September 15, 1989. No protests to the application were received within the 30-day protest period and a public hearing is not necessary.

Applicant provides one-way paging service on a private carrier paging frequency in the same area for which it seeks a CPC&N. Applicant has provided this service since June 1986.

Applicant indicates that it had received construction permits from the Federal Communications Commission (FCC) to

construct and operate four base stations. These construction permits have expired. Applicant states that it filed an application for reinstatement of the expired permits with the FCC on August 10, 1989, and approval is expected in five to six months. Applicant hopes to commence operations within a short time after receipt of the construction permits and, therefore, requests that we grant the CPC&N prior to receipt of the construction permits. There is no reason to assume that the FCC will not issue these permits so we will grant the certificate but condition its effectiveness until applicant has submitted appropriate documentation demonstrating receipt of the construction permits.

Applicant has conducted studies to determine the need for additional one-way paging services. Applicant believes that there is a substantial market of potential users whose service needs are not being met in the greater Southern California area. The substantial financial and population growth in this area has created a significant demand for paging services. Applicant is well suited to respond to this public need and demand because it has had extensive experience in providing one-way paging services. Applicant indicates that the latest available technologies will be offered in the form of state-of-the-art equipment.

Maintenance and repair of the proposed system will be performed by Enterprise Electronics pursuant to a standard maintenance and service agreement. The proposed system will be designed to operate on a completely automatic basis.

Applicant estimates that the total capital requirement for the proposed facilities will be \$75,000. Applicant's Balance Sheet as of December 31, 1988 showed Total Stockholders Equity of nearly \$165,000. Applicant indicates that the proposed operations will be financed by a loan from an affiliated company, Site Resources, Inc., and out of cash flow from its existing operations. Applicant's Income Statement for 1988 showed a net income before taxes of nearly \$105,000. Applicant expects to realize a gross

profit before taxes of \$35,000 for the first full year of operations increasing to a gross profit before taxes of over \$50,000 by the fifth year.

Applicant indicates that the proposed antennas will be side mounted on existing towers. Therefore, it can be seen with certainty that there is no possibility that the granting of this application may have a significant effect on the environment.

The rates to be charged for the proposed services are shown in Exhibit G attached to the application. Tariffs setting forth the detailed rates, practices, and classifications will be filed with the Commission upon exercise of the CPC&N.

Applicant should be subject to the fee system, as set forth in PU Code § 401 et seq., which is used to fund the cost of regulating common carriers and businesses related thereto and public utilities. Appropriate rules should be incorporated in applicant's tariffs for the imposition of a surcharge.

Findings of Fact

1. Applicant requests a certificate of public convenience and necessity to construct a radiotelephone utility system to provide one-way paging services in Los Angeles, Orange, San Bernardino, Riverside, Ventura, and San Diego Counties.

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

3. Notice of the application appeared on the Commission's Daily Calendar of September 15, 1989.

4. No protests to the application have been received.

5. Applicant had the required FCC construction permits, but the construction permits expired. Applicant has filed an application with the FCC for reinstatement of the expired construction permits.

6. The proposed operation is technically feasible.

7. The proposed operation is economically feasible.
8. It can be seen with certainty that there is no possibility that the granting of this application may have a significant effect on the environment.
9. Applicant is subject to the user fee system, as set forth in PU Code § 401 et seq.
10. Public need and demand require the granting of this application.
11. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. The certificate should be conditioned upon applicant demonstrating that it has received the appropriate FCC construction permits.
3. The user fee for the 1989-90 fiscal year should be 0.1%.
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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Paging Dimensions, Inc. (applicant) for the construction and operation of a public utility radiotelephone system providing one-way paging services with base stations and a service area as follows:

Base Station Locations:

- a. Santiago Peak, 12 miles south of Corona.
(Lat. 33° 42' 38" N, Long. 117° 32' 00" W)
- b. Oat Mountain, 5 miles north of Chatsworth.
(Lat. 34° 19' 30" N, Long. 118° 34' 34" W)

- c. 2555 Briarcrest Road, Los Angeles.
(Lat. 34° 07' 08" N, Long. 118° 23' 30" W)

Service area: As shown in Exhibit C to A.89-09-013.

2. The certificate granted in Ordering Paragraph 1 shall not become effective until applicant demonstrates in writing to the Director of the Commission Advisory and Compliance Division that it possesses Federal Communications Commission construction permits for the three base station locations.

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

4. 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 5 days' notice. The rates and charges for service shall be as proposed in Exhibit G to A.89-09-013.

5. Applicant shall file as part of its tariffs, after the effective date of this order and, consistent with Ordering Paragraph 4, an engineered service area map drawn in conformity with FCC Rule 22.504(b)(2), commonly known as the "Carey Report", and consistent with its proposed service area as shown in Exhibit C to A.89-09-013.

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

7. Applicant shall keep its books and records in accordance with the Uniform System of Accounts for Radiotelephone Utilities prescribed by this Commission.

8. Applicant shall file an annual report, in compliance with General Order 104-A, on a calendar-year basis using CPUC Annual Report Form L and prepared according to the instructions included in that Form.

9. Applicant is subject to the user fee as a percentage of gross intrastate revenue under PU Code § 401, et seq.

10. The corporate identification number assigned to Paging Dimensions, Inc. is U-2114-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.

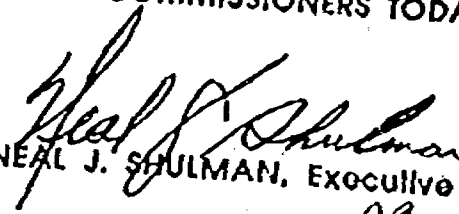
11. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if applicant has not complied with Ordering Paragraph 2 within 120 days after the effective date of this order or if the certificate is not exercised within 12 months after applicant has complied with Ordering Paragraph 2.

12. Applicant shall send a copy of this decision to concerned local permitting agencies not later than 30 days from today.

This order becomes effective 30 days from today.

Dated MAR 14 1990, at San Francisco, California.

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


NEAL J. SHULMAN, Executive Director
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G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. CHAIKIN
PATRICIA M. ECKERT
Commissioners