

Decision 90 03 039 MAR 14 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SIGMA PAGING for a certificate of )  
public convenience and necessity )  
to provide radiotelephone utility )  
paging services in various )  
California locations. )

ORIGINAL

Application 89-12-030  
(Filed December 19, 1989)

O P I N I O N

Applicant is a general partnership consisting of three individuals, Charles R. Crawford, Frederick W. Daniel, and Richard G. Somers, dba Sigma Paging. The partnership was formed for the purpose of providing 900 megahertz (MHz) paging services throughout California.

Applicant requests a certificate of public convenience and necessity (CPCN) to construct and operate one-way radiotelephone utility (RTU) facilities over a frequency of 931.5125 MHz throughout California, pursuant to Public Utilities (PU) Code § 1001, et seq. Maps of the proposed service territory are attached to the application as Exhibit B. Copies of the application have been served on the counties within applicant's proposed service territory and on other entities with which applicant's service is likely to compete, as listed in Exhibit F attached to the application. Applicant requests that the Commission waive Rule 18(b) to the extent that it requires the application to be served on all cities within which service will be rendered under the certificate. Applicant alleges that compliance with the requirement would involve serving hundreds of cities at substantial cost, and would serve no useful purpose for the following reasons:

- a. The 20 California counties involved are served.

- b. The application will be published in the Commission's Daily Calendar.
- c. Applicant will furnish a copy of the application to any party requesting one from its attorney in this matter.

We find applicant's reasons for not serving the many cities to be valid.

However, we will require applicant to send a copy of this decision to all concerned local permitting agencies within 10 days of the effective date of this order.

Applicant proposes to operate 20 sites.

Proposed Transmitting Sites

Santiago Peak, CA  
33-42-40; 117-31-54\*

San Pedro Hill, CA  
33-44-46; 118-20-07

Mt. Woodson, CA  
33-00-54; 116-58-11

Flash II, CA  
34-58-17; 117-02-22

Saddle Peak, CA  
34-04-33; 118-39-27

Johnstone Peak, CA  
34-09-15; 117-48-00

San Miguel Mt., CA  
32-41-47; 116-56-06

Red Mountain, CA  
34-20-57; 119-20-07

San Marcos, CA  
33-06-55; 117-09-01

Mission Ridge, CA  
37-29-15; 121-52-03

Mt. Lukins, CA  
34-16-20; 118-14-21

Edom Hill, CA  
33-51-57; 116-25-56

Santa Ynez, CA  
34-31-36; 119-58-39

Oat Mountain, CA  
34-19-32; 118-35-01

Houser Mountain, CA  
34-32-50; 118-12-43

Keller Peak, CA  
34-11-47; 117-02-55

South Mountain, CA  
34-19-32; 119-02-18

Mt. Adelaide, CA  
35-26-20; 118-44-23

Mount Vaca, CA  
38-24-32; 122-06-34

Quartzite Mt., CA  
34-36-36; 117-17-15

\* Latitude in degrees, minutes, seconds;  
Longitude in degrees, minutes, seconds.

Applicant has received Federal Communications Commission (FCC) construction authority for 19 of the 20 sites, as indicated in Exhibit A to the application. One site, Red Mountain, CA, has not been authorized, ostensibly through an oversight. Applicant expects the FCC to issue this authority shortly.

No protests to the application have been received; therefore, a public hearing is not necessary.

Applicant represents that its proposed service will serve California residents who need service not only within their own metropolitan area but also when traveling between and within other metropolitan areas. The proposed service is made possible by the FCC licensing a single frequency throughout large geographical areas.

Applicant estimates that it will have 4,000 customers after the first year of operation, increasing to 27,000 customers at the end of five years of operation. Therefore, applicant believes that a public need and demand exist for its proposed service.

In Exhibit D attached to the application, applicant estimates the cost of providing service at \$328,000 for the first year of operation, rising to approximately \$468,000 in the fifth year of operation. Applicant estimates revenues at \$240,000 for the first year, rising to nearly \$1,000,000 in the fifth year. The service is expected to operate at a loss of \$88,000 for the first year, while showing a profit of over \$110,000 at the end of the second year. Profits are expected to increase during the third through fifth years and beyond.

Exhibit D also indicates that applicant's three general partners have combined net assets totally more than \$19 million. Applicant is committed to offset the short-term operating loss until the operation becomes profitable.

The proposed facilities are to be located at sites indicated in Exhibit C attached to the application. The sites have

existing radio facilities, including transmitters, antennae, buildings, and other structures. Applicant will follow local procedures and satisfy local requirements to the extent local use permits are required for addition to the existing facilities. Therefore, it can be seen with certainty that there is not any possibility that the grant of this application may have a significant effect on the environment.

The rates to be charged for applicant's services are attached to the application as Exhibit E.

Because of the need to commence construction before the FCC permits expire, this order should be effective immediately.

Findings of Fact

1. Applicant requests a CPCN to construct and operate RTU facilities.
2. Copies of the application were served on the counties within applicant's proposed service territory and on other entities with which applicant's proposed service is likely to compete.
3. Applicant requests a waiver of Rule 18(b) of the Commission's Rules of Practice and Procedure to exempt it from the requirement that it serve copies of the application on cities within the proposed service territory.
4. Applicant proposes to serve 20 counties throughout California.
5. Notice of the application appeared in the Commission's Daily Calendar of December 22, 1989.
6. No protests to the application have been received.
7. Applicant possesses the requisite FCC permits for 19 of the proposed sites. One permit is pending.
8. Public convenience and necessity require the granting of this application.
9. The proposed operation is technically feasible.
10. The proposed operation is economically feasible.

11. It can be seen with certainty that there is no possibility that the grant of this application may have a significant effect on the environment.

12. Applicant is subject to the fee system, as set forth in PU Code § 401, et seq.

Conclusions of Law

1. The notice to cities requirement of Rule 18(b) should be waived.
2. The application should be granted.
3. The user fee for the 1989-90 fiscal year should be 0.10%.  
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 (CPCN) is granted to Charles R. Crawford, Frederick W. Daniel, and Richard G. Somers, a partnership, dba Sigma Paging (applicant), to operate a public utility one-way radiotelephone system with base stations, and service area as follows:

Base Station location: each of the 20 transmitting sites will be used as paging terminals. The coordinates are the same as indicated above for the transmitting sites.

Service area: As shown in Exhibit B to Application (A.) 89-12-030.

2. The CPCN granted in Ordering Paragraph 1 for the base station locations indicated shall be conditioned upon applicant demonstrating to the Commission Advisory and Compliance Division (CACD) Director in writing that applicant possesses the Federal

Communications Commission (FCC) permit for the Red Mountain, California site (Lat. 34° 20' 57", Long. 119° 20' 07").

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 shall be the same as proposed for service in Exhibit E to A.89-12-030.

5. 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 FCC Rule 22.504, commonly known as the "Carey Report", and consistent with Exhibit B to A.89-12-030.

6. Applicant shall notify the CACD Director 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. The corporate identification number assigned to Sigma Paging is U-2117-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.

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

11. 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.

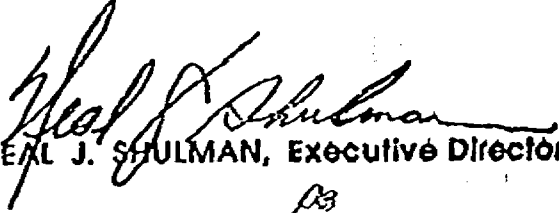
12. Applicant shall send a copy of this decision to concerned local permitting agencies not later than 30 days from today.

This order is effective today.

Dated MAR 14 1990, 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

  
NEAL J. SHULMAN, Executive Director