

Decision **90 08 071** AUG 29 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Century Yuma Paging Corp. to purchase all issued and outstanding stock of Hendrix Electronics, Inc. and to acquire control of Hendrix Radio Communications, Inc., dba Cal-Com Radio Telephone Service (U-2005-C) and (U-5137-C) and application for the sale and transfer of property and request for expeditious relief.

Application 90-06-031  
(Filed June 11, 1990)

O P I N I O N

Applicant Century Yuma Paging Corporation (Century Yuma) requests authority to purchase all the stock of Hendrix Electronics, Inc. (Hendrix), thereby acquiring control of Hendrix Radio Communications, Inc., dba Cal-Com Radiotelephone Service (Cal-Com).

Notice of this application appeared in the Commission's Daily Calendar of June 20, 1990. No protests to the application have been filed; therefore, a public hearing is not necessary.

Century Yuma is a Delaware corporation organized solely for the purpose of acquiring all the stock of Hendrix. Century Yuma is a wholly owned subsidiary of Century Cellular Holding Corporation and Subsidiaries (Century Holding). Century Holding is a wholly owned subsidiary of Century Communications Corporation.

Century Yuma provides no services at this time, and represents that its acquisition of Hendrix will allow it to achieve its business goal of establishing service in California. Century Yuma will provide service pursuant to Cal-Com's existing tariffs, and will honor all existing obligations regarding security deposits. Exhibit E attached to the application indicates that the

purchase price is \$8,000,000, subject to certain specified adjustments at the time of consummation of the purchase.

Cal-Com, a wholly owned subsidiary of Hendrix, is certified by the Commission to provide service to the public as a radiotelephone utility (U-2005-C) and an interexchange carrier (U-5137-C). Cal-Com owns and operates microwave transmission facilities, authorized by the Federal Communications Commission, for the purposes of controlling radiotelephone transmissions and services.

Hendrix is entering into this sale agreement because it no longer desires to provide radiotelephone and interexchange services in California.

The balance sheet of Century Holding, attached to the application as Exhibit C, indicates a negative net worth of \$26,600,000 on December 31, 1989. However, Century Holding has obtained long-term borrowing of \$139,500,000. A portion of those funds are available to finance the operations of Century Yuma.

It can be seen with certainty that the proposed transfer will not have an adverse impact on the environment because it involves only the transfer of ownership of radiotelephone utility and interexchange carrier facilities. No new construction is proposed.

Ordering Paragraph 1 of Decision 87-10-035 provides in part that:

"...the Executive Director...may grant noncontroversial applications by nondominant telecommunications carriers and radiotelephone utilities for authority to transfer asset or control under §§ 851-855 of the PU Code."

This application should be approved by the Executive Director on an expedited basis because this application is noncontroversial and because applicants are nondominant telecommunication carriers.

Findings of Fact

1. Applicant requests authority to purchase all the stock of Hendrix, thereby acquiring control of Cal-Com, a wholly owned subsidiary of Hendrix.
2. Cal-Com is certified by the Commission as a radiotelephone utility (U-2005-C) and as an interexchange carrier (U-5137-C).
3. Cal-Com owns and operates microwave transmission facilities authorized by the Federal Communications Commission.
4. No protests to the application have been filed.
5. Applicant agrees to provide service pursuant to Cal-Com's existing tariffs, and to honor all existing obligations of Cal-Com regarding security deposits.
6. It can be seen with certainty that the proposed purchase will not have an adverse impact on the environment.

Conclusion of Law

The application should be granted.

This authority is not a finding of the value of the rights and property to be purchased.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order, Century Yuma Paging Corporation (Century Yuma) may purchase all the stock of Hendrix Electronics, Inc. (Hendrix), thereby acquiring control of Hendrix Radio Communications, Inc. in accordance with the terms described in the application.
2. Century Yuma and Hendrix shall jointly notify the existing customers of Hendrix of the date of sale and transfer of the operations.

3. Century Yuma shall inform the Commission Advisory and Compliance Division Director in writing of the actual date of sale completion and of transfer of operations.

4. Century Yuma 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 applicable rates, charges, and rules. The rates and charges shall be the same as currently in effect for Hendrix.

5. Within 90 days after sale completion, Hendrix shall file with the Commission, in the prescribed form, an annual report on its operations from the first day of the current year through the date of sale completion.

6. When the authorized sale is completed and conditions of this order are fulfilled, Hendrix shall be relieved of its public utility obligations for the transferred system and its corporate identification numbers U-2005-C and U-5137-C shall be abrogated.

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

8. Century Yuma 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.

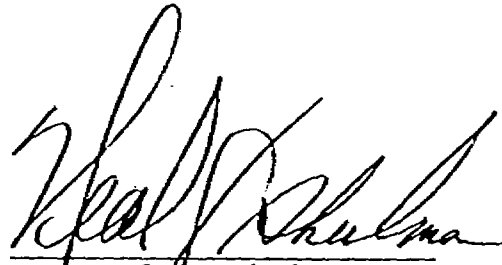
9. The corporate identification numbers assigned to Century Yuma are U-2123-C as a radiotelephone utility and U-5218-C as an interexchange carrier which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

10. Century Yuma is subject to the user fee as a percentage of gross revenue under Public Utilities Code § 401 et seq.

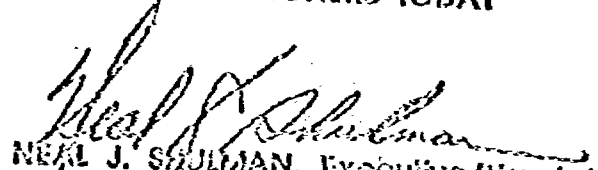
11. The authority granted to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months after the effective date of this order.

This order is effective today.

Dated AUG 29 1990, at San Francisco, California.

  
Neal J. Shulman  
Executive Director

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

  
NEAL J. SHULMAN, Executive Director  
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