

DEC 20 1983

Decision 83 12 055**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Intrastate Radio Telephone, Inc. of )  
 San Francisco, a California )  
 corporation, for a Certificate of )  
 Public Convenience and Necessity to )  
 Expand its Facilities to Provide )  
 Radiotelephone Utility Service in and )  
 around Modesto, California. )

Application 83-09-35  
 (Filed September 14, 1983)

O P I N I O N

Applicant Intrastate Radio Telephone, Inc. of San Francisco, a California corporation, requests a certificate of public convenience and necessity to construct and operate radio communication facilities for the purpose of providing one-way radio paging and two-way mobile radiotelephone service on frequency 454.125 megahertz (MHz) from a base station located at 142 North 9th Street in Modesto. Notice of the filing of the application appeared in the Commission Daily Calendar of September 20, 1983. The application shows that copies of the application were served on MCI Airsignal, Delta Valley Radiotelephone Co., Inc., The Pacific Telephone and Telegraph Company, the Board of Supervisors of Stanislaus County, and the City Councils of Modesto, Ripon, and Oakdale. No protests to the application have been received. Applicant has the requisite Federal Communications Commission (FCC) construction permit.

The application shows that applicant presently provides one-way and two-way fully interconnected radiotelephone services operating on frequency 454.125 MHz in the Greater San Francisco Bay Area. Such services include tone-only, tone-and-voice, and digital one-way paging as well as direct dial mobile telephone service. For the past four years applicant has operated a communications equipment

and sales facility at 142 North 9th Street in Modesto where there are readily available two technicians, one installer, one sales person, and an administrative assistant. Various members of the Modesto public as well as many of applicant's existing radiotelephone customers have expressed an interest in obtaining services in the Modesto area similar to those now offered by applicant in the Greater San Francisco Bay Area. As the proposed frequency to be used in the Modesto area is the same that applicant presently uses in the Greater San Francisco Bay Area and because both areas will be linked by microwave facilities, persons travelling throughout all those areas will be able to obtain radiotelephone service using their present equipment. Applicant anticipates there will be 100 paging units and 30 mobile telephone units in use by subscribers to its Modesto service by the end of the first year and that by the end of the fifth year of operation of its Modesto service there will be 300 paging and 50 mobile units in use.

Microwave links are already in place between applicant's control centers at San Francisco, Fairfield, and its facility at Modesto, the latter point being the proposed base station location. The 39 dBu signal contour of its Modesto service area is approximately 45 miles in diameter. Twenty-four-hour operator services will be made available through applicant's existing office in Fairfield.

The proposed rates and services differ from the rates and services presently tariffed in applicant's San Francisco service area. Applicant proposes to charge \$20 per month, including a 60-minute allowance of air time, and 25¢ for each minute of overtime for manual service. The charge for automatic service will be \$10 per month with 50¢ for the first three minutes of continuous air time per call and 25¢ for each additional minute or fraction. One-way paging service will be charged \$10 per month for direct-dial tone and voice; \$8 per month for direct-dial tone only; \$15 per month, including 50 calls, for manual tone and voice; \$12 per month, including 100 calls, for digital display; and \$8 per month, including 35 calls, for message holding service.

Applicant estimates that initial system cost of the proposed facilities will be \$30,000. Applicant points out that this cost is extremely low due to the fact that applicant already controls the Modesto antenna site, while its existing work force at the site is sufficient to operate the system and market the facilities to be made available thereon. In addition, the microwave links between control stations and base station are already in place and operating. Applicant's pro forma income statement for the first year of operation of its Modesto service assumes total revenue of \$17,760 and total expenses of \$19,765 for a first year loss of \$2,005. Applicant's consolidated balance sheet as of December 31, 1982 shows that applicant had a net worth of approximately \$3,900,000.

The application states that the area proposed to be served by applicant presently receives some radiotelephone services from three companies but that none of these companies provides all of the services proposed to be offered by applicant.

Applicant's FCC construction permit expires March 29, 1984.

#### Findings of Fact

1. Applicant requests a certificate to construct and operate radio communications facilities for the purpose of providing one-way radio paging and two-way mobile radiotelephone service to the Modesto area on frequency 454.125 MHz with a base station located at 142 North 9th Street in Modesto.
2. No protests to the application have been received.
3. Applicant has the requisite FCC construction permit.
4. Applicant currently provides the same type of service for which it is applying in the Greater San Francisco Bay Area.
5. The proposed base station in Modesto will be located at applicant's present facility where it has operated a communications equipment and sales facility for the last four years.
6. The proposed base station site is presently linked to the proposed control stations in San Francisco and Fairfield.
7. The 39 dBu signal contour of its proposed base station is approximately 45 miles in diameter.

8. The proposed cost of the initial facilities will be \$30,000.
9. First year results of operation will result in a loss of approximately \$2,005 with 100 paging and 50 mobile units in service.
10. By the end of the fifth year of operation, however, applicant expects to have 300 paging units and 50 mobile units in use.
11. Applicant has received requests from members of the Modesto public as well as its own present customers to institute the proposed service in the Modesto area.
12. Applicant has had extensive experience in managing public utility radiotelephone service and in installing and selling radiotelephone communications equipment.
13. Applicant is financially fit to construct and operate the subject facilities.
14. The proposed service is technically feasible.
15. Public convenience and necessity require the issuance of the proposed certificates.
16. A grant of the proposed service will not so damage existing service or the particular marketplace as to deprive the public of adequate service to the public.
17. A public hearing is not necessary.
18. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Intrastate Radio Telephone, Inc. of San Francisco (applicant) for the construction and operation of a public utility radiotelephone system providing one-way paging and two-way mobile telephone service with a base station and service area as follows:

Base station location: 142 North 9th Street,  
Modesto.

Service area: As set out in Exhibit D to  
Application (A.) 83-09-35.

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 and in compliance with Ordering Paragraph 3, tariffs applicable to the service authorized containing rates, rules, and charges as set forth in A.83-09-35. This filing shall comply with General Order 96-A. The tariffs shall become effective on not less than 10 days' notice.

4. Applicant shall file, after the effective date of this order and compliance with Ordering Paragraph 3, as part of its individual tariff, an engineered service area map drawn in conformity with the provisions of the Federal Communications Commission Rule 22.504, commonly known as the "Carey Report," conforming to Exhibit D to A.83-09-35.

5. Applicant shall notify this Commission, in writing, of the date service is first rendered the public under the rates, rules, and charges authorized within five days after service begins.

6. Applicant shall maintain separate financial accounting for its Modesto operation in accordance with this Commission's Uniform System of Accounts for Radiotelephone Utilities. Applicant shall file with this Commission within 60 days from the effective date of

this order a letter of intent to transfer existing plant-in-service to its Modesto operation and provide a listing by type of equipment and depreciated value. Applicant shall provide a separate CPUC Annual Report Form L for its Modesto operation. On its reports applicant shall divide the costs to its Modesto and San Francisco Bay operations for such items as billing and other overhead services at actual cost.

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

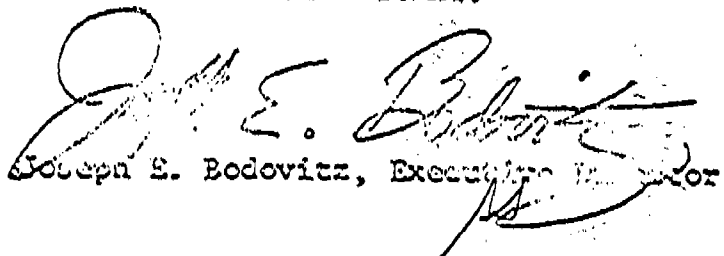
This order becomes effective 30 days from today.

Dated DEC 20 1983, at San Francisco,  
California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
PRISCILLA C. GREW  
DONALD VIAL  
WILLIAM T. BAGLEY  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director