

ORIGINAL

Decision No. 87870 SEP 20 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Thomas W. Irwin, (dba The Ridge Telephone Company), for a Certificate of Public Convenience and Necessity to establish two new Telephone Exchanges to be known as the Graniteville and Jackson Meadows Exchanges, Nevada County, California.

Application No. 57071
(Filed February 14, 1977;
amended August 2, 1977)

Thomas W. Irwin, for himself, applicant.
Duane G. Henry, Attorney at Law, for The Pacific Telephone and Telegraph Company, protestant.
Ermet Macario, P.E., for the Commission staff.

O P I N I O N

Thomas W. Irwin, dba The Ridge Telephone Company, requests a certificate of public convenience and necessity authorizing him to establish two exchanges to meet the present and future demand for telephone service in an unfiled area of approximately 104 square miles in Nevada and Sierra Counties. The exchanges are to be known as Graniteville and Jackson Meadows. Irwin proposes to install a radiotelephone system from a site in the Grass Valley area to terminals located in the proximity of Graniteville and Jackson Meadows. He proposes to make toll connections at Grass Valley with The Pacific Telephone and Telegraph Company (Pacific) as Pacific has no toll facilities in the unfiled territory.

He proposes to install a dial central office in Grass Valley, in leased space, with automatic routing to the operator and automatic calling within the area. He proposes to operate the central

dial office as an unattended community dial office and procure operator office service from Pacific's Operator Office. He proposes to have two part-time employees on call. One employee will be located at Grass Valley and the other at Washington.

Irwin proposes initially to offer only toll station service within the two exchanges since the proposed exchanges are relatively undeveloped. He estimates that exchange service will be warranted in the Graniteville Exchange at the end of five years. He is unable to estimate when exchange service will be warranted in the Jackson Meadows Exchange.

Hearing was held at San Francisco on August 2, 1977 before Administrative Law Judge Gillanders and the matter was submitted. Testimony and exhibits were received from Irwin. Testimony was received from Pacific. The staff aided in developing the record by cross-examining the witnesses.

Discussion

Section 1001 of the Public Utilities Code states, among other things, that:

"The commission as a basis for granting any certificate pursuant to the provisions of this section shall give consideration to the following factors:

- (a) Community values.
- (b) Recreational and park areas.
- (c) Historical and aesthetic values.
- (d) Influence on environment."

As Irwin did not know that Section 1001 required a showing on the subjects listed above, he had no evidence to present on them.

The following items constitute important factors which we consider relevant to granting or denying a certificate of public convenience and necessity for a telephone utility wherein potential competition does exist:

- A. Public requirement for the service.
- B. Adequacy of the proposed service.
- C. Quality of the proposed service.
- D. Revenue requirements and rates.
- E. Technical feasibility of the proposed system.
- F. Technical competence of the operator.
- G. Financial integrity of the operator.

Item A

Irwin testified that in his opinion there was a need for his proposed service. He presented no public witnesses or any kind of support from potential users of his proposed service. It has long been our policy to deny requests for certificates of public convenience and necessity when the applicant does not present any showing of need. Applicant's opinion is not sufficient.

Items B, C, D, E, and F

Irwin showed an abysmal lack of knowledge regarding these items. For example, cross-examination revealed that his proposed radio system just would not function the way he testified it would and that the radio equipment he said he was going to use was not even type accepted by the Federal Communications Commission for use on the 450 MHz band.

Item G

Exhibit 4 shows the assets Irwin plans to devote to the system. Cross-examination on his Exhibit 2 entitled "Investment, Revenues, and Expenses" demolished his cost estimates. Any reasonable estimate of cost to construct his proposed system would require more money than he has available.

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Finding and Conclusion

Irwin did not establish that public convenience and necessity require the establishment of his proposed telephone system, nor did he establish that he was competent to run his proposed system or that the proposed system was technically feasible. The application should be denied.

O R D E R

IT IS ORDERED that Application No. 57071 is denied.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 20th day of SEPTEMBER, 1977.

Robert Bateman
President
William J. Quinn
George L. Sturgeon
Richard D. Howell
Clair L. Smith
Commissioners