

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of)	DOCKET UT-081937
)	
VERIZON NORTHWEST INC.,)	ORDER 01
)	
For Order Concurring in the Transfer of)	
416 and 420 N. Quay St., Kennewick,)	ORDER GRANTING
Washington)	APPLICATION
.....)	

BACKGROUND

- 1 On October 24, 2008 Verizon Northwest Inc., (Verizon) filed with the Washington Utilities and Transportation Commission (Commission) an application seeking approval under RCW 80.12 of an agreement for the transfer of property located at 3035 134th Avenue NE in Bellevue, Washington (“Bellevue Property”) and requesting concurrence so that two properties located at 416 and 420 N. Quay St., Kennewick, Washington (together known as “Kennewick Property”) might be sold without obtaining written authority from the Commission. In a letter received by the Commission on November 7, 2008, Verizon withdrew its request for approval to transfer the Bellevue Property.

- 2 Pursuant to WAC 480-143-180, a public service company may not dispose of property that is necessary or useful to perform its public duties without written authority from the Commission. The rule further provides that necessary and useful property does not include surplus assets for which full value is received from the transfer. Accordingly, Verizon seeks the Commission’s concurrence that the Kennewick Property represents surplus property for which full value is received.

- 3 The Kennewick Property represents a land area of approximately ten acres. A 4,875 square foot office and warehouse building as well as a 3,286 square foot warehouse, storage building, and fueling facility occupy the Kennewick Property. Verizon states that it does not use the Kennewick Property for any purpose and seeks to eliminate ownership and maintenance costs associated with it. Verizon had used it as an employee reporting center and warehouse until August 2008 when these operations were consolidated into other facilities.

- 4 The Benton County Assessor lists the total value of the Kennewick Property at \$1,345,990.¹ Verizon has stated that through the use of a qualified independent real estate broker it has received a competitive offer from an unaffiliated bidder. In confidential filings and responses to Staff inquiries, Verizon has also provided to Staff the identity of the perspective purchaser, the purchase price, and the net book value of the Kennewick Property.
- 5 Staff has reviewed the application with respect to the Kennewick Property for compliance with property transfer rules. Based on the information provided to Staff by Verizon, Staff recommends that the Commission concur with Verizon's determination that the Kennewick Property is surplus and the purchase price represents a reasonable full value to Verizon.

FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including telecommunications companies. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.36.*
- 7 (2) Verizon, a Delaware corporation, is a public service company subject to Commission jurisdiction.
- 8 (3) This matter came before the Commission at its regularly scheduled meeting on November 26, 2008.
- 9 (4) After reviewing the application filed in Docket UT-09000081937 on October 24, 2008, and giving due consideration to all relevant matters and for good cause shown, the Commission finds the application is consistent with the public interest and should be granted.

¹ Benton County Assessor's Property Search Site:
<<http://bentonpropertymax.governmaxa.com/propertymax/rover30.asp>>, Parcels Nos. 1329940128403001

ORDER

THE COMMISSION ORDERS:

- 10 (1) The Commission concurs that the Kennewick Property as described in the application is surplus.
- 11 (2) The Commission also concurs that the sales price represents a reasonable full value to Verizon.
- 12 (3) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 13 (4) The Commission retains jurisdiction over the subject matter and Verizon to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Executive Secretary to enter this Order.

DATED at Olympia, Washington, and effective November 26, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary