

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

In the Matter of the Application of)	DOCKET UT-071922
)	
VERIZON NORTHWEST INC.,)	ORDER 01
)	
For Order Regarding Transfer and Sale)	ORDER GRANTING
of Property)	APPLICATION
.....)	

BACKGROUND

- 1 On September 25, 2007, Verizon Northwest Inc. (Verizon or the Company), filed with the Washington Utilities and Transportation Commission (Commission) an application under WAC 480-143-180(2) requesting concurrence from the Commission that two properties described below might be sold without obtaining written authority from the Commission. The first property consists of a building and land located at 2510, 2600 and 2610 West Casino Rd. in Everett. The second property is a parking lot area at 320 Penny Rd. in Wenatchee. Verizon amended this filing twice, first on November 19, 2007, and later on December 4, 2007, most recently to request approval for a transfer of property under RCW 80.12 for the Everett property.
- 2 Staff reviewed the initial application and identified several modifications necessary to bring the application into compliance with rule, including changing the nature of the request with regard to the Everett property from concurrence that the property is surplus to approving a transfer of property. Staff requested supporting financial information and a corrected certification. Verizon subsequently amended its application, adding the required certification and demonstrating that full value would be received. The Company also altered the nature of the request with regard to the Everett property, requesting approval of the transfer under RCW 80.12.020 and providing supporting financial and accounting information.
- 3 The assets have a net book cost of approximately \$3 million and a fair market value of substantially more, according to estimates provided to Verizon and reviewed by staff. Verizon will transfer the assets at the higher market value.
- 4 Verizon states that transfer of the Everett property is consistent with the public interest, because the transaction will allow Verizon to: (i) improve its operations by converting to a new, more efficient inventory distribution system; (ii) receive full market value for the

property and (iii) improve its financial health by adding cash and eliminating unnecessary costs associated with ownership of the property.

5 Verizon states that it does not currently use and does not anticipate needing to use the relevant portion of the parking lot for parking or other purposes, and seeks to rid itself of the ownership and maintenance costs associated with the unused portion of the parking lot.

6 Staff recommends that the Commission approve the property transfer agreement. Staff also recommends that the Commission provide the concurrence Verizon requests for the Wenatchee property.

FINDINGS AND CONCLUSIONS

7 (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.*

8 (2) Verizon, a Delaware corporation, is a public service company subject to Commission jurisdiction.

9 (3) This matter came before the Commission at its regularly scheduled meeting on December 12, 2007.

10 (4) After reviewing Verizon's amended petition filed on December 4, 2007, 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.

ORDER

THE COMMISSION ORDERS:

- 11 (1) Verizon Northwest Inc.'s request for approval of an agreement for the transfer of a building and land located at 2510, 2600 and 2610 West Casino Rd. in Everett is granted as described in the application.
- 12 (2) The Commission concurs that the property at 320 Penny Rd. in Wenatchee as described in the application is surplus.
- 13 (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.
- 14 (4) The Commission retains jurisdiction over the subject matter and Verizon Northwest Inc. 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 December 12, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary