



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

IN THE MATTER OF THE APPLICATION OF)
VERIZON NEW JERSEY, INC. FOR THE)
APPROVAL OF THE SALE AND CONVEYANCE)
OF REAL PROPERTY LOCATED IN THE)
TOWNSHIP OF ROCHELLE PARK, BERGEN)
COUNTY, NEW JERSEY TO GLF REALTY CO.,)
INC.)

TELECOMMUNICATIONS

ORDER OF APPROVAL

DOCKET NO. TM07100789

(SERVICE LIST ATTACHED)

BY THE BOARD

On October 23, 2007, Verizon New Jersey Inc. ("Petitioner" or "VNJ") filed an application for approval of the sale and conveyance of real property located in the Township of Rochelle Park, Bergen County, New Jersey ("Property") to GLF Realty Co., Inc. ("Buyer"). According to the petition, VNJ is the owner of a certain Property consisting of approximately 2.67 acres of improved land located in the Township of Rochelle Park, Bergen County, New Jersey. The Property is known and designated as Lot 1 in Block 80.01 on the Tax Map of the Township of Rochelle Park, Bergen County.

The Property was originally acquired by Petitioner on February 27, 1973 to accommodate employee parking for Petitioner's Central Office at 65-75 W. Passaic St. Rochelle Park. The Property which has the capacity for parking 168 vehicles exceeds the present and projected future needs of Petitioner for parking, and thus has ceased to be useful for such purposes except to the extent provided for in the easements included in the contract of sale. In May, 2007, VNJ determined that the Property was not required for any present or prospective utility purposes, and therefore would be marketed for sale.

Welsh Chester Galiney Matone, Inc., a real estate appraiser, was requested to review the current market conditions and to determine the value of the Property. The appraiser concluded, based on the available market data, that as of March 14, 2007, without a parking easement, the market value of the Property was \$2,175,000. That original appraisal was later re-examined by the appraiser. By report dated, June 29, 2007, the market value of the Property with the reservation of a parking easement to Petitioner was determined to be \$1,850,000. The petitioner is reserving a portion of the parking space for its future use.

The Property is presently carried on Petitioner's books in the amount of \$509,888. The Property is not income producing, and its 2006/2007 assessed value is \$1,252,000.

The Property was advertised for sale on June 3, 2007 and June 10, 2007. On July 20, 2007, two bids were received. The highest bid in the amount of \$2,200,000.00 was received from GLF Reality Co, and was accepted by the Petitioner. Petitioner believes that the Buyer's bid is the best price attainable for the Property and represents the true fair market value of the Property.

According to VNJ, it reserves rights, titles, and interest in and to all telecommunications facilities presently located in the public streets adjoining the Property, and permanent and perpetual right, privilege, authority, easement and right of way to place, replace, construct, reconstruct, install, operate, use, repair, maintain, relocate and remove such telecommunications facilities as VNJ and its successors and assigns may from time to time deem necessary in, on, over, under and through the streets adjoining the Property. VNJ also reserves the right to use a portion of the Property for parking. These rights and interests are detailed in the sale agreement between the parties.

In the petition, VNJ maintains that VNJ and the buyer have complied with all statutory requirements regarding the sale of utility property as contained in N.J.A.C. 14:1-5.6 and N.J.S.A. 48:3-7, and that there is no relationship between the parties other than that of transferor and transferee.

The Division of the Rate Counsel ("Rate Counsel") filed its comments on November 27, 2007, recommending that VNJ's petition be approved. However, Rate Counsel recommended that the Board modify its previously issued sharing order, and direct a sharing of the proceeds of the sale with the ratepayers.

In its comments filed on December 5, 2007, VNJ argued that the Rate Counsel continues to maintain its position that ratepayers must be permitted to share in the proceeds of the sale despite the fact the Board squarely rejected its sharing argument in a separate investigative proceeding solely on this issue. See Order, I/M/O The Board's Investigation as to Whether Ratepayers Should Share in the Proceeds Arising from the Sale and Conveyance of Real Property by Verizon New Jersey, Inc., BPU Docket No. TX04080749 (August 12, 2005) (the "Sharing Order").

DISCUSSION

The Board finds that it resolved the sharing issue in the Sharing Order, indicating that VNJ is regulated under an Alternate Plan of Regulation that does not require sharing of any proceeds arising from the sale and conveyance of real property by VNJ.¹

In view of the foregoing, the Board FINDS that the proposed sale of said Property will not affect Petitioner's ability to provide safe, adequate and proper service, is in the public interest and in accordance with law, and accordingly HEREBY APPROVES the sale, subject to the following conditions:

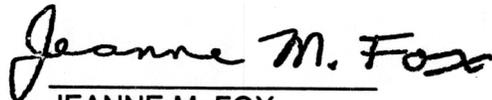
¹ On January 4, 2008, the Appellate Division affirmed the Board's reasoning in the Sharing Order that VNJ is not required to share proceeds while it is regulated under the current PAR-2. I/M/O the Applications of Verizon New Jersey, Inc. for Approval of the Sale and Conveyance of Real Property, A-4473-05T2, 6566-05T2, 6567-05T2.

1. Petitioner is directed to advise the Board of the date on which the transaction is completed, within ten (10) days of completion;
2. this Order shall be of no effect, null and void, if the sale hereby approved is not completed within six (6) months of the date hereof unless otherwise ordered by the Board; and
3. the approval of the proposed journal entries recording the sale of this Property shall not affect or in any way limit the exercise of the authority of this Board, or of this State, in any future petition or in any proceeding with respect to rates, financing, accounting, capitalization, depreciation or in any other matters affecting Petitioner.

DATED: 1/17/08

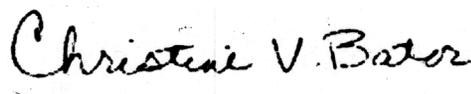
BOARD OF PUBLIC UTILITIES

BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

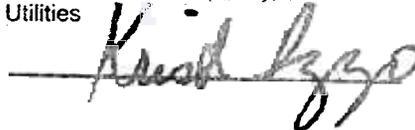

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



SERVICE LIST

Docket No. TM07100789

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