



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

TELECOMMUNICATIONS

IN THE MATTER OF THE LETTER PETITION OF )	ORDER OF APPROVAL
VERIZON NEW JERSEY, INC. REQUESTING A WAIVER )	
OF THE PROVISIONS OF N.J.A.C. 14:1-5.6(b) TO )	
PERMIT THE FILING OF A PETITION FOR APPROVAL )	
OF THE SALE OF LAND IN MADISON, NEW JERSEY )	
BEYOND 150 DAYS FROM THE ADVERTISEMENT OF )	
THE PROPERTY )	DOCKET NO. TO08020091

(SERVICE LIST ATTACHED)

BY THE BOARD:

On February 14, 2008, Verizon New Jersey Inc. ("Petitioner" or "VNJ") filed a letter petition with the Board of Public Utilities ("Board") requesting a waiver of N.J.A.C. 14:1-5.6 (b) to permit the filing of a petition for approval of the sale of property in Madison, New Jersey ("Madison Property" or the "Property") more than 150 days from the last date the Property was advertised for sale (the "Waiver Petition"). Petitioner advertised the Property for public sale on September 23 and September 30, 2007 as required by N.J.A.C. 14:1-5.6 (b), which also requires that the advertisements occur "within 150 days immediately prior to the filing of a petition for approval of the sale..." In this case because the Property was last advertised for sale on September 30, 2007, the 150 day period for the filing of a petition for approval of a sale of the Property expired on February 20, 2008.

In the Waiver Petition, VNJ stated that the Property was advertised for sale on September 23, 2007, and September 30, 2007 in accordance with the Board's Rules. On October 31, 2007, the date specified in the advertisements for receipt and opening of bids, Petitioner received fourteen bids ranging from \$28 million to \$10 million. After reviewing and analyzing the bids, Petitioner rejected the highest bid of \$28 million finding it nonconforming because it required grant of final and non-appealable zoning and site plan approvals for residential development.

Petitioner accepted the highest responsive bid of \$24,640,000., submitted by Digital Realty Trust. Following acceptance of the Digital Realty Trust bid, VNJ began negotiation of the terms and conditions of a formal contract of sale as contemplated by the bidding documents. According to VNJ the negotiations continued until February 4, 2008, when Digital Realty Trust notified Petitioner's agent that it would not be moving forward with the acquisition of the Property.

Upon the receipt of notice from Digital Realty Trust, Petitioner contacted the next highest bidder and determined that it remained interested in acquiring the Property at its submitted bid of \$21,950,000. VNJ states that it has commenced formal contract negotiations for the sale of the Property at that price; however, it was not possible to conclude negotiations and file a petition for the approval of the sale with the current highest bidder by February 20, 2008, the date that the 150 day period for filing under N.J.A.C. 14:1-5.6 (b) expired.

Petitioner submits that the current highest bid in the amount of \$21,950,000 reflects the fair market value and the best price obtainable for the Property. The bid exceeds the appraised value of the Property as determined by an appraisal obtained from Cushman and Wakefield of New Jersey, Inc., on May 15, 2007. Additionally, according to VNJ, the recent nationwide tightening of markets and general decline of real estate values in the area make it unlikely that re-advertising the Property at this time or in the near future would produce a higher bid than the current highest bid of \$21,950,000. In the event the waiver is not granted, VNJ maintains that it may not be able to effectively market the Property at a price comparable to bids received as a result of the September 2007 advertisements. VNJ further argues that the expense of continued ownership and maintenance of the Property which is no longer used or useful for Petitioner's utility purposes is contrary to the interests of the Petitioner's customers and the general public. The Petitioner requests that the period for submission of a petition for approval of a sale of the Property be extended till June 4, 2008.

On March 11, 2008, the Division of Rate Counsel (Rate Counsel) filed its comments stating that it does not oppose the waivers.

## **BOARD'S DISCUSSION**

The Board has the authority to liberally construe its rules so that it may effectively carry out its statutory functions, and expeditiously determine issues properly presented. Accordingly, the Board may grant waivers of sections of its rules for good cause shown if full compliance with the rule would, among other things, adversely affect the public interest. N.J.A.C. 14:1-1.2.

After reviewing the Petitioner's Waiver Petition and additional submissions including the cancellation notices discussed above, the Board finds that it is in the public interest to grant Petitioner's request for waiver of N.J.A.C. 14:1-5.6 (b) to permit filing of a petition for approval of the sale of the Property to the current highest bidder more than 150 days from the date the Property was last advertised for sale.

In view of the foregoing, the Board HEREBY APPROVES the Waiver Petition and extends the date for the filing of a petition for approval of the sale to June 4, 2008.

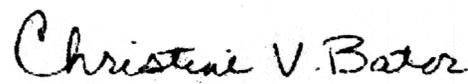
DATED: 3/19/08

BOARD OF PUBLIC UTILITIES  
BY:

  
\_\_\_\_\_  
JEANNE M. FOX  
PRESIDENT

  
\_\_\_\_\_  
FREDERICK F. BUTLER  
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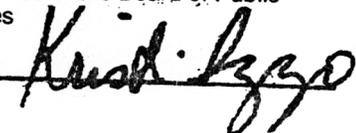
  
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CHRISTINE V. BATOR  
COMMISSIONER

  
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NICHOLAS ASSELTA  
COMMISSIONER

ATTEST:

  
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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

  
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In the Matter of the Letter Petition of Verizon New Jersey, Inc. Requesting a Waiver of the Provisions of N.J.A.C. 14:1-5.6(b) to Permit the Filing of a Petition for Approval of the Sale of Land in Madison, New Jersey Beyond 150 Days from the Advertisement of the Property

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