



Agenda Date: 3/19/08
Agenda Item: IVB

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

TELECOMMUNICATIONS

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 SCOTCH PLAINS, NEW)
JERSEY BEYOND 150 DAYS FROM THE)
ADVERTISEMENT OF THE PROPERTY)

ORDER OF APPROVAL

DOCKET NO. TO08020090

(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 Scotch Plains, New Jersey ("Scotch Plains Property" or the "Property") more than 150 days after the Property was last advertised for sale ("Waiver Petition"). Petitioner advertised the Property for public sale twice, on September 23 and September 30, 2007, a week apart 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 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 eleven bids ranging from \$4,171,400 to \$960,000. After reviewing and analyzing the bids, Petitioner accepted the highest responsive bid, \$4,171,400., submitted by Westfield Senior Citizens Housing Corp. ("WSCH").

Following the acceptance of the WSCH bid, VNJ began negotiation of the terms and conditions of a formal contract of sale as contemplated by the bidding documents and a purchase and sale agreement was executed by WSCH on January 14, 2008 (the "Purchase Agreement"). However, on January 30, 2008, WSCH notified Petitioner's attorney that it was exercising its right to terminate the Purchase Agreement.

Upon receipt of notification from WSCH, Petitioner contacted the next highest bidder, and determined that it remained interested in acquiring the Property at its submitted bid of \$2,512,525. Petitioner represents 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 the February 20, 2008 deadline for filing under N.J.A.C. 14:1-5.6 (b).

Petitioner submits that the current highest bid in the amount of \$2,512,525 reflects the fair market value and the best price obtainable for the Property for the following reasons. The bid exceeds the appraised value of the Property as determined by an appraisal obtained from Cushman and Wakefield of New Jersey, Inc., on March 21, 2007, and updated on October 30, 2007. Additionally, 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 bid of \$2,512,525.

In the event the waiver is not granted, VNJ maintains that due to the general decline of the real estate values in the area, it may not be able to effectively market the Property at a price comparable to bids received in response to 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. VNJ is requesting that the period for submission of a petition for approval of a contract for the sale of the Property to the current highest bidder be extended to April 1, 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

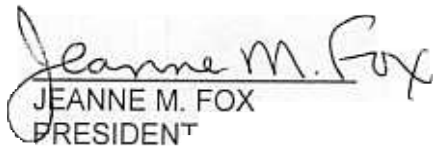
The Board has the authority to liberally construe its rules so that it may effectively carry out its statutory functions, and expeditiously determine issues properly presented. Accordingly, the Board may grant waivers of sections of its rules for good cause shown if full compliance with the rule would, 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 mentioned above, the Board FINDS that it is in the public interest to grant Petitioner's request for a waiver of the provisions 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 to a date more than 150 days from the date the Property was advertised for sale

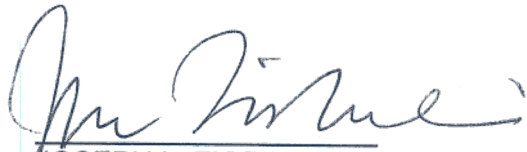
Accordingly the Board HEREBY APPROVES the Waiver Petition and extends the date for the filing of a petition for approval of the sale to April 1, 2008.

DATED: 3/31/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

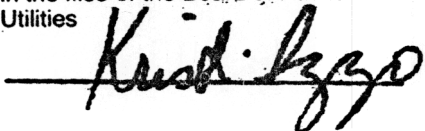

CHRISTINE V. BATOR
COMMISSIONER


NICHOLAS ASSELTA
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



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 Scotch Plains, New Jersey Beyond 150 Days from the Advertisement of the Property

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