



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF THE SALE AND CONVEYANCE OF REAL PROPERTY LOCATED AT 248 STICKLES POND ROAD, WITH A MUNICIPAL TAX MAP DESIGNATION OF BLOCK 151, LOTS 21 AND 21Q0028, IN THE TOWNSHIP OF ANDOVER, COUNTY OF SUSSEX AND STATE OF NEW JERSEY TO SERIES 2, P.S., A SEPARATE SERIES OF BBIS INVESTMENT 767, LLC, A DELAWARE LIMITED LIABILITY COMPANY FOR THE SUM OF \$2,000,000.00)	ORDER APPROVING THE SALE OF REAL PROPERTY
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)	DOCKET NO. EM19091002

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Ana J. Murteira, Esq., Public Service Electric and Gas Company

BY THE BOARD:

On September 4, 2019, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition ("Petition") with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval of a Contract for Sale and Conveyance of Real Estate ("Contract") of certain property in the Township of Andover, New Jersey ("Property") to Series 2, P.S., A Separate Series of BBIS Investment 767, LLC ("Purchaser") for \$2,000,000. The Petition was filed pursuant to N.J.A.C. 14:1-5.6.

The Property was purchased by PSE&G on December 27, 2012, for \$3,500,000 in order to construct a segment of the Susquehanna-Roseland electric transmission line ("Project"). The Property consists of 100.8905 acres of land and three (3) residential dwellings, two (2) bearing street addresses of 248 Stickles Pond Road and one (1) of 210 Stickles Pond Road, as well as an airplane hangar, garages, and sheds. At the time of the purchase, the Property was an active private airport and the owner had the Property listed for sale.

PSE&G needed to decommission and close airport activities on the Property because the towers made safe take-off and landing of small aircraft impossible. After purchasing the Property, PSE&G used it during construction of the Susquehanna-Roseland line as a laydown and construction yard and to launch and land helicopters in support of constructing the Project. Purchasing the Property also avoided the need to building a navigational warning system on the new towers and obviated the need to obtain a waiver from New Jersey regulations in order to widen the Right of Way next to the airport. PSE&G retained an environmental consultant to perform a Phase I Environmental Assessment of the Property that determined no remedial action was required at the Property. According to PSE&G, the purchase price of the Property was charged to the Construction Work in Progress account for the Project.

PSE&G represents that the Property is no longer used or useful to PSE&G as the Project has been completed and is fully in service. PSE&G also asserts that selling the Property will not compromise its ability to provide safe, adequate, and reliable utility service. At the time of closing, PSE&G intends to record a deed restriction on the Property that will run with the land, perpetually prohibiting its use as a public or private airport or for any other aeronautical use.

PSE&G advertised the Property for sale in May 2019 with no bids received other than the bid of the Purchaser. In June 2019, the Property was appraised at a fair market value of \$993,000. On July 30, 2019, PSE&G signed the Contract with the Purchaser.

RATE COUNSEL COMMENTS:

On October 23, 2019, the New Jersey Division of the Rate Counsel ("Rate Counsel") filed comments with the Board indicating that it did not object to the sale of the Property from PSE&G to the Purchaser, subject to certain conditions. However, Rate Counsel recommended that the Company's accounting for the proceeds of the sale, the loss in value between the purchase and the sale of the Property, and the decommissioning costs and carrying costs for the Property be reviewed in PSE&G's next base rate filing or other appropriate proceeding directed by the Board.

Rate Counsel further reserved all rights to review the Company's accounting for all costs and revenues from the acquisition, ownership, decommissioning, management and sale of the Property in PSE&G's next base rate filing or other appropriate proceeding for prudence, recoverability and allocation. Accordingly, Rate Counsel requested that any Order approving the sale of the Property require PSE&G to meet certain conditions, which are incorporated herein.

DISCUSSION AND FINDINGS:

After careful review and consideration of the petition, exhibits, discovery and comments submitted in this matter, the Board **HEREBY FINDS** that the sale of Property by PSE&G to the Purchaser will not adversely affect the public interest and will not affect the Company's ability to render safe, adequate, and reliable service. Accordingly, the Board **HEREBY APPROVES** the Contract for the sale of the Property in the amount of \$2,000,000 subject to the following conditions:

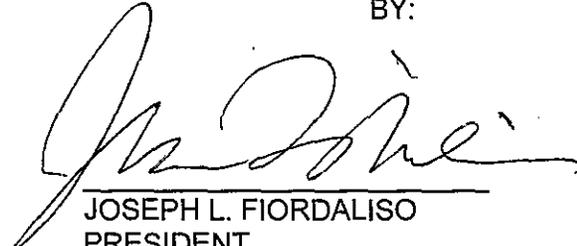
1. PSE&G shall notify the Board and Rate Counsel if it anticipates any material changes in the sale.
2. The Board and Rate Counsel retain all rights to review all costs and proceeds related to the acquisition, ownership, decommissioning, management, and sale of the Property in PSE&G's next base rate case or another appropriate proceeding.
3. The net proceeds from the sale be immediately credited as an offset to the costs of the Susquehanna-Roseland transmission project.
4. Approval of the sale does not include or imply any position as to the prudence, recoverability or allocation of costs of acquiring, owning, decommissioning, managing, or selling the Property.
5. This Order shall not affect nor in any way limit the exercise of the authority of the Board or of this State, in any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or any other matter affecting PSE&G.
6. Nothing in this Board Order shall be construed to affect PSE&G's liability for Natural Resource Damages or other responsibilities or damages arising from its activities at any site or PSE&G's responsibilities or claims in any other matter arising from environmental investigation and remediation of any of its properties.
7. At the time of closing, PSE&G will record a deed restriction on the Property that will run with the land, perpetually prohibiting use of the Property as a public or private airport or for any other aeronautical use.
8. Within 30 days of the date of closing on this transaction, the Company shall file with the Board proof of the closing, copy of the recorded deed restriction, net transaction costs, and final journal entries along with a detailed calculation, including selling expenses, of the sale.

The Company's costs remain subject to an audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

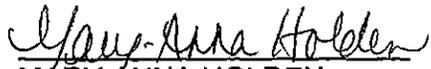
This Order shall be effective on December 30, 2019.

DATED: 12/20/19

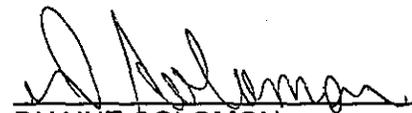
BOARD OF PUBLIC UTILITIES
BY:



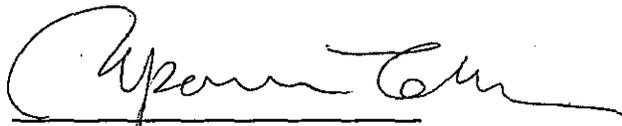
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



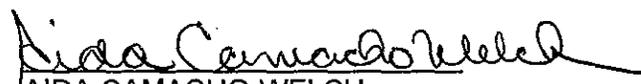
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
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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