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BOARD OF PUBLIC UTILITIES

FEB 27 2018

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February 26, 2018

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Office of the Secretary  
Attn: Aida Camacho  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350

RECEIVED  
MAIL ROOM

FEB 26 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

EM18020193

Re: **In the Matter of the Verified Petition of Jersey Central Power & Light Company  
For Approval of the Sale and Conveyance of Certain Portions of its Property in the  
Borough of Allenhurst, Monmouth County, New Jersey and the Granting and  
Transfer of Certain Easements in Connection Therewith Pursuant to N.J.S.A. 48:3-7  
and N.J.A.C. 14:1-5.6.  
Docket No.**

Dear Ms. Camacho:

On behalf of Jersey Central Power & Light Company ("JCP&L"), enclosed for filing in the above-referenced matter is a Petition (original and 11 copies) requesting approval of the sale of certain property in the Borough of Allenhurst, Monmouth County, New Jersey to Power Station At Allenhurst, LLC for a purchase price of \$5,238,095.24.

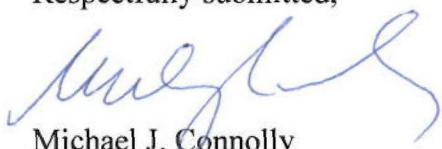
I hereby certify that two copies of the within Petition and Appendices have this day been transmitted to Stephanie Brand, Esq., Director of the Division of Rate Counsel, via hand delivery. Kindly stamp one of the enclosed copies as "filed" and return to the undersigned using the enclosed self-addressed stamped envelope.

Thank you in advance for your cooperation.

CMS  
LEGAL  
DAG  
BPA  
T. WALKER

S. Peterson  
B. Romaine  
ENERGY(3) TOC

Respectfully submitted,

  
Michael J. Connolly

MJC:km

cc: (w/enc.: Service List as indicated)

{80193283:1}

NY #630821 v1

# JERSEY CENTRAL POWER & LIGHT COMPANY

*I/M/O the Verified Petition of Jersey Central Power & Light Company For Approval of the Sale and Conveyance of Certain Portions of its Property in the Borough of Allenhurst, Monmouth County, New Jersey and the Granting and Transfer of Certain Easements in Connection Therewith Pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6.*

BPU Docket No. \_\_\_\_\_

<p><b>**JCP&amp;L</b> M.A. Mader, Director New Jersey Rates Jersey Central Power &amp; Light Company 300 Madison Avenue P.O. Box 1911 Morristown, New Jersey 07960 (973) 401-8697 <a href="mailto:mamader@firstenergycorp.com">mamader@firstenergycorp.com</a></p>	<p><b>**JCP&amp;L</b> K.F. Connelly, Staff Analyst Rates &amp; Regulatory Affairs Jersey Central Power &amp; Light Company 300 Madison Avenue P.O. Box 1911 Morristown, New Jersey 07960 (973) 401-8708 <a href="mailto:kconnelly@firstenergycorp.com">kconnelly@firstenergycorp.com</a></p>	<p><b>**JCP&amp;L</b> Levin, Joshua E FirstEnergy Service Company 76 S. Main Street Akron, OH 44308 (330) 384-5690 <a href="mailto:levin@firstenergycorp.com">levin@firstenergycorp.com</a></p>
<p><b>**JCP&amp;L</b> James O'Toole Jersey Central Power &amp; Light Company 300 Madison Avenue P.O. Box 1911 Morristown, New Jersey 07960 (973) 401-8296 <a href="mailto:jotoole@firstenergycorp.com">jotoole@firstenergycorp.com</a></p>	<p><b>**JCP&amp;L</b> M. Espinoza Jersey Central Power &amp; Light Company 300 Madison Avenue P.O. Box 1911 Morristown, New Jersey 07960 <a href="mailto:mmespinoza@firstenergycorp.com">mmespinoza@firstenergycorp.com</a></p>	<p><b>**JCP&amp;L</b> Harry A. Flannery, Esq. FirstEnergy Service Company 76 S. Main Street Akron, OH 44308 (330) 761-4206 <a href="mailto:flanneryh@firstenergycorp.com">flanneryh@firstenergycorp.com</a></p>
<p><b>**JCP&amp;L</b> Lauren Lepkoski, Esq. FirstEnergy Service Company 2800 Pottsville Pike Reading, Pennsylvania 19601 (610) 921-6213 <a href="mailto:llepkoski@firstenergycorp.com">llepkoski@firstenergycorp.com</a></p>	<p><b>**JCP&amp;L</b> Michael Connolly, Esq. Windels Marx Lane &amp; Mittendorf, LLP One Giralda Farms Madison, NJ 07940 (973) 966-3244 <a href="mailto:mconnolly@windelsmarx.com">mconnolly@windelsmarx.com</a></p>	<p><b>**JCP&amp;L</b> Gregory Eisenstark, Esq. Windels Marx Lane &amp; Mittendorf, LLP 120 Albany Street Plaza New Brunswick, NJ 08901 732.448.2537 <a href="mailto:geisenstark@windelsmarx.com">geisenstark@windelsmarx.com</a></p>
<p><b>**JCP&amp;L</b> Grace C. Bertone, Esq. Bertone Piccini LLP 777 Terrace Avenue, Suite 201 Hasbrouck Heights, NJ 07604 (201) 483-9333 <a href="mailto:gbertone@bertonepiccini.com">gbertone@bertonepiccini.com</a></p>	<p><b>*BPU</b> Office of Secretary New Jersey Board of Public Utilities Attn: Aida Camacho 44 South Clinton Street, 9th Floor PO Box 350 Trenton, New Jersey 08625-0350 <a href="mailto:Board.secretary@bpu.nj.gov">Board.secretary@bpu.nj.gov</a></p>	<p><b>*BPU</b> Paul Flanagan Executive Director NJ Board of Public Utilities 44 South Clinton Avenue, 10<sup>th</sup> floor CN 350 Trenton, NJ 08625-0350 <a href="mailto:Paul.Flanagan@bpu.nj.gov">Paul.Flanagan@bpu.nj.gov</a></p>



<u>*BPU</u> Thomas Walker, Director Division of Energy Board of Public Utilities 44 South Clinton Avenue – 9 <sup>th</sup> Floor P. O. Box 350 Trenton, New Jersey 08625-0350 <a href="mailto:Thomas.Walker@bpu.nj.gov">Thomas.Walker@bpu.nj.gov</a>	<u>*BPU</u> Stacy Peterson Board of Public Utilities Division of Energy 44 South Clinton Avenue, 9 <sup>th</sup> Floor P.O. Box 350 Trenton, NJ 08625-0350 (609) 292-4517 <a href="mailto:stacy.peterson@bpu.state.nj.us">stacy.peterson@bpu.state.nj.us</a>	<u>*BPU</u> Cynthia Covie, Chief Counsel Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor P. O. Box 350 Trenton, New Jersey 08625-0350 <a href="mailto:cynthia.covie@bpu.state.nj.us">cynthia.covie@bpu.state.nj.us</a>
<u>**BPU</u> Geoff Gersten Deputy Attorney General Division of Law, Public Utilities 124 Halsey Street P.O. Box 45029 Newark, NJ 07101 <a href="mailto:geoff.gersten@dol.lps.state.nj.us">geoff.gersten@dol.lps.state.nj.us</a>	<u>*BPU</u> Bethany Rocque-Romaine, Esq NJ Board of Public Utilities Legal Specialist 44 South Clinton Avenue, 10 <sup>th</sup> floor CN 350 Trenton, NJ 08625-0350 <a href="mailto:bethany.rocque-romaine@bpu.state.nj.us">bethany.rocque-romaine@bpu.state.nj.us</a>	<u>*Rate Counsel</u> Stephanie Brand, Esq. Division of Rate Counsel 140 East Front Street, 4 <sup>th</sup> Floor P.O. Box 003 Trenton, NJ 08625 (609) 984-1460 <a href="mailto:sbrand@rpa.state.nj.us">sbrand@rpa.state.nj.us</a>
<u>*Rate Counsel</u> Ami Morita Division of Rate Counsel 140 East Front Street, 4 <sup>th</sup> Floor P.O. Box 003 Trenton, NJ 08625 (609) 984-1460 <a href="mailto:amorita@rpa.state.nj.us">amorita@rpa.state.nj.us</a>		

\*Indicates Service by Hand Delivery

\*\*Indicates Service by Regular U.S. Mail and/or Electronic Mail

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

RECEIVED  
MAIL ROOM

FEB 26 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

\_\_\_\_\_  
In the Matter of the Verified Petition of **Jersey** :  
**Central Power & Light Company** For :  
Approval of the Sale and Conveyance of Certain :  
Portions of its Property in the Borough of :  
Allenhurst, Monmouth County, New Jersey and :  
the Granting and Transfer of Certain Easements :  
in Connection Therewith Pursuant to N.J.S.A. :  
48:3-7 and N.J.A.C. 14:1-5.6. \_\_\_\_\_ :

Docket No. \_\_\_\_\_

**VERIFIED PETITION**

**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

Petitioner, Jersey Central Power & Light Company ("**JCP&L**" or the "**Company**"), an electric public utility subject to the regulatory jurisdiction of the New Jersey Board of Public Utilities (the "**Board**"), and maintaining offices at 300 Madison Avenue, Morristown, New Jersey 07962, and 101 Crawford Corner Rd. Building #1, Suite 1-511, Holmdel, New Jersey 07733, in support of the within Verified Petition, respectfully shows:

1. JCP&L is a New Jersey electric public utility primarily engaged in the purchase, transmission, distribution and sale of electric energy and related utility services to more than 1,000,000 residential, commercial and industrial customers located within 13 counties and 236 municipalities of the State of New Jersey.

**Summary of Relief Requested:**

2. By this Verified Petition, the Company seeks the Board's approval, (a) pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6, of JCP&L's sale of certain portions of the



Company's property in Allenhurst, Monmouth County, New Jersey, as hereinafter described (the "*Allenhurst Property*") upon the terms and conditions set forth in the several agreements hereinafter described, and (b) other related approvals as described herein. The following appendices are provided in support of this Petition:

- a. Appendix A-1 and Appendix A-2 – A copy of the property descriptions of the Allenhurst Property (Block 18, Lot 1 (Appendix A-1); and Block 21, Lot 5, 6, and 7 (Appendix A-2), as required by N.J.A.C. 14:1-5.6(a)1.i;
- b. Appendix B-1, Appendix B-2, Appendix B-3 and Appendix B-4 - A copy of the Purchase and Sale Agreement (and all attachments thereto) (the "*PSA*") (Appendix B-1), as required by N.J.A.C. 14:1-5.6(a)3, a copy of the Agreement to Provide a Future Access Easement (Appendix B-2), a copy of the proposed form of the future access easement (the "*Future Access Easement*") (Appendix B-3), a copy of the post-closing escrow agreement ("*Post-Closing Escrow Agreement*") (Appendix B-4) (to be provided);
- c. Appendix C - A certified copy of the resolution of the Company's Board of Directors dated November 15, 2017 authorizing the transfer of the Company's interest in the Allenhurst Property under the PSA as required by N.J.A.C. 14:1-5.6(a)4;
- d. Appendix D (to be provided) - A copy of the appraisal prepared by J. L. Guyer, Inc. dated June 23, 2017 is attached hereto in accordance with N.J.A.C. 14:1-5.6(a)6;
- e. Appendix E (to be provided) – Copies of proposed *pro forma* journal entries to record the transaction described herein as required by N.J.A.C. 14:1-5.6(a)12;
- f. Appendix F - **Reserved** - There is no mortgage on the Allenhurst Property. Accordingly, no description is necessary under N.J.A.C. 14:1-5.6(a) 14;
- g. Appendix G - A copy of the advertisement of the Allenhurst Property for sale (the "*Advertisement*") together with an affidavit of publication as required by N.J.A.C. 14:1-5.6(b), attached hereto as required by N.J.A.C. 14:1-5.6(a)15;
- h. Appendix H - A copy of a sample of the on-line marketing web materials provided or utilized by Ten-X (as defined below) evidencing the additional advertising and marketing efforts of the Company in connection with the sale of the Allenhurst Property.

3. Based on the information, and for the reasons, set forth herein pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6, the Company represents that:

- a. The sale of the Allenhurst Property will not adversely affect the public interest;
- b. The Allenhurst Property is no longer used or useful for utility purposes;
- c. The sale of the Allenhurst Property will not compromise the ability of the Company to render safe, adequate and proper service to its customers;
- d. The selling price represents the fair market value of the Allenhurst Property to be sold based on the results of a sealed bid process that resulted in a selling price consistent with a current independent appraisal; and
- e. There is no relationship between the Company and Buyer (as defined below), other than that of transferor and transferee.

**Summary of the Transaction:**

4. JCP&L proposes, and seeks the Board's approval, to sell the Allenhurst Property to Power Station At Allenhurst, LLC (the "**Buyer**"), a New Jersey limited liability company with a principal address of 520-523 Main Street and 312-324 Hume Street, Allenhurst, New Jersey 07711 and a current mailing address of 1000 Sanger Avenue, Oceanport, New Jersey 07757.<sup>1</sup>

5. On November 7, 2017 the Company and Buyer entered into a Purchase and Sales Agreement ("**PSA**") and related agreements providing for the sale of the Allenhurst Property to Buyer for Five Million, Two Hundred Thirty-Eight Thousand, Ninety-Five Dollars and Twenty-Four Cents (\$5,238,095.24) (the "**Purchase Price**") to be paid in immediately available funds at closing as further explained herein.

6. Under §2 of the PSA, the Buyer has made an earnest money deposit equal to Five Hundred Twenty-Three Thousand, Eight Hundred and Nine Dollars and Fifty-Two Cents

(\$523,809.52) representing 10% of the Purchase Price. The balance of the Purchase Price will be due at closing.<sup>2</sup>

7. There is no other relationship between the Company and Buyer other than that of Seller and Buyer of the Allenhurst Property.<sup>3</sup>

8. The Purchase Price is considered fair market value based on the results of the robust marketing, advertising and sales process described below and because it is substantially consistent with the appraisal to be provided as Appendix D hereto.<sup>4</sup>

9. At closing JCP&L will pay Ten-X a co-broker's fee of two percent (2%) of the Purchase Price or One Hundred Four Thousand, Seven Hundred Sixty-One Dollars and Ninety Cents (\$104,761.90).

10. In addition, as a condition of completing the Inspection Period under the PSA, JCP&L and Buyer have agreed to enter into the Post-Closing Escrow Agreement requiring the deposit of an agreed-upon not-to-exceed amount from the proceeds of sale at closing into escrow to be used by Buyer for the reasonable, actual and verifiable costs of post-closing environmental remediation associated with Allenhurst Property.

11. According to the Company's accounting records, as of January 31, 2018, the book value for the Allenhurst Property is \$3,736,153.63.

12. The Allenhurst Property is not income producing.

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<sup>1</sup> This information is provided as required by N.J.A.C. 14:1-5.6(a)2.

<sup>2</sup> In addition to the Purchase Price, the Buyer is also responsible for the payment of a transaction fee in the amount of Two Hundred Sixty-One Thousand, Nine Hundred and Four Dollars and Seventy-Six Cents (\$261,904.76) (the "**Transaction Fee**") payable to Ten-X, LLC ("**Ten-X**") in accordance with the terms of the Ten-X addendum which is attached to the PSA as Exhibit B thereto. As discussed in ¶¶ 23 and 24 herein, Ten-X is a provider of online real estate marketing services, which JCP&L engaged to provide its on-line real estate marketing and sales expertise with respect to the proposed sale of the Allenhurst Property.

<sup>3</sup> This information is provided as required by N.J.A.C. 14:1-5.6(a)9.



13. The Assessed Value and the annual taxes due in 2017 for the respective block and lots of the Allenhurst Property were as follows:<sup>5</sup>

Block 21, Lot 5: having an Assessed value of \$2,511,900 (comprised of \$1,940,000 for improvements, and \$571,900 for land) with Annual Taxes due in 2018 of \$16,781.44;

Block 21, Lots 6/7: having an Assessed value of \$2,813,800 (comprised of \$2,380,400 for improvements and \$433,400 for land) with Annual Taxes due in 2018 of \$19,484.61;

Block 18, Lot 1: having an Assessed value of \$2,767,300 (comprised of \$380,200 for improvements and \$2,387,100 for land) with Annual Taxes due in 2018 of \$21,384.06.

14. Except to the limited extent addressed by the reservation or obtaining of easements and access rights, as described below, the Allenhurst Property has been determined to be no longer used for utility purposes and there is no prospective use of the Allenhurst Property for utility purposes and the sale of the Allenhurst Property will not affect JCP&L's ability to render safe, adequate and proper service to its customers. This determination was made by James V. Fakult, the President of JCP&L after consultation with, and review and assessment by, the JCP&L and FirstEnergy Service Company engineering departments.<sup>6</sup>

15. The closing of the sale of the Allenhurst Property is not subject to the receipt of any other regulatory approvals besides that of the Board.

16. In addition to seeking the Board's approval of the sale of the Allenhurst Property to Buyer upon the terms and conditions described and discussed herein, the Company also

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<sup>4</sup> This information will be provided as required by N.J.A.C. 14:1-5.6(a)7.

<sup>5</sup> This information is provided as required by N.J.A.C. 14:1-5.6(a)10, 11., and 13.

<sup>6</sup> This information is provided as required by N.J.A.C. 14:1-5.6(a)5. As the Board is aware, JCP&L and FirstEnergy Service Company are wholly-owned subsidiaries of FirstEnergy Corp. ("**FirstEnergy**") and part of the FirstEnergy holding company system. JCP&L receives services from FirstEnergy Service Company, the centralized service company affiliate within the FirstEnergy holding company system.

specifically notes that it retains liability for, among other things, compliance with remediation obligations under ISRA (as defined herein at ¶21.c. below), breaches of representations and warranties by the Company, and other matters. Therefore, the Company seeks additional relief in the form of a Board authorization to defer any costs relating to its ISRA remediation obligations (as generally described below in ¶21.c.) with respect to the Allenhurst Property for future recovery from customers through JCP&L's non-utility generation clause ("*Additional Relief*").

### **Terms of the Sale**

17. As indicated above, the PSA requires the Buyer to pay the Purchase Price in immediately available funds at closing.

18. As set forth in the PSA, the Company will convey to Buyer all of its right, title and interest in and to all of the land, appurtenant rights and any fixtures and improvements currently located thereon and constituting the Allenhurst Property excluding all electrical distribution and transmission facilities.

19. The PSA also includes customary covenants, representations and warranties regarding attendant liabilities (including environmental liabilities), title, title insurance, and permitted encumbrances, among other things. PSA at §§3, 4, 5 and 11.

20. Except as otherwise provided in the PSA, the Buyer shall accept the Allenhurst Property in an "as-is-where-is" condition. §8(a).

21. The PSA contains several contingencies, including the following:

- a. The obligations under the PSA are contingent upon the Buyer obtaining a Survey and preparing a Subdivision Plan for submission to the Planning and Zoning Board of the Borough of Allenhurst within thirty days of the PSA Effective Date in order to subdivide the Block 21, Lots 5, 6 and 7 of the Allenhurst Property

from the adjacent Block 21, Lot 4, which JCP&L currently owns and intends to continue to own following the closing of the sale of the Allenhurst Property. PSA at §6. (a).<sup>7</sup>

- b. The obligations under the PSA are also contingent upon obtaining written approval of the Company's Board of Directors (§6. (b)) and the approval of the Board (§6. (c)).
- c. Under §7 of the PSA, which is intended to survive the closing of the transaction, JCP&L, at its expense, shall remain obligated to comply with certain remediation obligations under the New Jersey Industrial Site Recovery Act, N.J.S.A., 13:1K-6 et seq., and Hazardous Discharge Site Remediation Act, N.J.S.A. 58:10B-1 et seq. (collectively, "**ISRA**") (see PSA §7) until such time as the Company obtains a response Action Outcome ("**RAO**") related to JCP&L's completion of its ISRA compliance with respect to the Allenhurst Property. §7. (c) and (e).
  - i. Thereafter, Buyer shall be solely liable and shall assume and indemnify the Company for any and all past, present and future terms, conditions, and obligations under ISRA and the Site Remediation Recovery Act ("**SRRA**") as and to the extent covered by one or more RAOs, including a final RAO, for the Allenhurst Property.
  - ii. Buyer's assumption and indemnification obligations are set forth in an Assumption and Indemnity Agreement attached to the PSA as Exhibit D thereto.
  - iii. Because of the remote possibility that applicable governmental authorities may seek to require the Company to conduct any future remediation at the Allenhurst Property, JCP&L and Buyer have also entered into a Post-Closing Access Agreement, which is attached to the PSA as Exhibit E thereto.
- d. Under the PSA, Buyer is also entitled to an Inspection Period of sixty days from the Effective Date of the PSA (*i.e.*, November 7, 2017), during which time the

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<sup>7</sup> By agreement of the parties, if necessary, Buyer will submit a subdivision application to the Borough of Allenhurst by no later than March 26, 2018.



Buyer may terminate the PSA if Buyer is not satisfied with the physical or environmental condition of the Allenhurst Property. (§7. (b)).<sup>8</sup>

- i. As mentioned in ¶10 above, as a condition of completing the Inspection Period under the PSA, JCP&L and Buyer have agreed to enter into the Post-Closing Escrow Agreement.

22. Title shall be transferred to Buyer by a bargain and sale deed in the form attached to the PSA as Exhibit F thereto subject to the Company's reservation of easements (as set forth in §12 of the PSA) for all electrical distribution and transmission facilities present on the Allenhurst Property. In this regard, as mentioned above, and as further discussed below, if necessary based on the results of a formal survey, the PSA requires Buyer to subdivide Block 21, Lots 5, 6 and 7 from Lot 4. The Company and Buyer have also agreed (as set forth in the Future Access Easement attached as Appendix B-3 hereto), to negotiate the grant of an access easement to Buyer over a discrete portion of Lot 4, which will be delivered at closing.

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<sup>8</sup> The Inspection Period was to expire on January 8, 2018. On December 21, 2017, Buyer reported on its progress and requested an extension of the Inspection Period until February 16, 2018, which the Company granted based on Buyer's representations regarding its reasonable need for the extension. On February 6, 2018, Buyer further reported on its progress and requested an additional extension of the Inspection Period to February 23, 2018 to accommodate certain unanticipated delays in its ability to conclude the inspection process. The Company also granted the additional extension as requested by Buyer. With the parties' agreement regarding the Post-Closing Escrow Agreement, the Inspection Period and Buyer's right to terminate the PSA thereunder have now expired.

## **Marketing, Advertising and Sales Process<sup>9</sup>**

23. In August of 2017, JCP&L engaged the services of Ten-X, which provides an online real estate transaction marketplace. Ten-X is headquartered in Irvine and Silicon Valley, Calif., and has offices in key markets nationwide.

24. JCP&L engaged Ten-X to provide its on-line real estate marketing and sales expertise to attempt to maximize the pool of buyers and the sales price for the Allenhurst Property.

25. The Allenhurst Property was advertised for sale in the Advertisement (*See*, Appendix G for a copy of the Advertisement) via a sealed-bid auction process with the possibility of a later live on-line auction. The Advertisement was published on September 29, 2017 and again on October 6, 2017 in two daily newspapers (*i.e.*, the Asbury Park Press and the Newark Star Ledger) published or circulated in Monmouth County where the Allenhurst Property is situated. (See Appendix G for copy of the Affidavit of Publication).

26. In addition, “For Sale” signs were placed on the Allenhurst Property beginning on September 25, 2017. Additional “For Sale” signage was also placed on the Allenhurst Property during October of 2017.

27. Beginning on September 25, 2017, Ten-X initiated a comprehensive marketing campaign, which, in addition to the Advertisement mentioned above, included exposing the Allenhurst Property to a global audience via email, print, digital and onsite marketing, which included, among other things, the creation of a web-based marketing site (*See* Appendix H), direct mailers, national print brochures, e-mail blast campaigns, web marketing

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<sup>9</sup> This information is provided as required by N.J.A.C. 14:1-5.6(a)8.

and additional advertisement placements to contact buyer and broker leads in the Ten-X database, and strategic listings with other on-line real estate marketing companies designed to reach a very broad and geographically diverse audience of potentially interested bidders. Ten-X reported that there were approximately 5,100 visitors to the property display page of the web-based marketing site and approximately 91 parties accessed the due diligence vault site (containing pertinent transaction, disclosure and related documents) during the marketing period.

28. Both the Ten-X on-line marketing and the Advertisement described a sealed bid process with a due date for sealed bids of November 6, 2017. In addition, both the Advertisement and Ten-X's other marketing communications addressed the possibility of an on-line auction to take place on November 8, 2017 if the sealed bid process did not result in an executed PSA.

29. As advertised and marketed, JCP&L had reserved the right to reject any or all bids with no obligation to accept any bid. The terms for prospective purchasers to participate in the sealed bid process and, if necessary, the on-line auction process, including information regarding a transaction fee to be paid to Ten-X, were set forth in the on-line marketing and in the Advertisement.

30. More than fifteen (15) sealed bids were received on or before 9 a.m. on November 6, 2017 at 300 Madison Avenue, Morristown, NJ 07962, by JCP&L's Sr. Real Estate Representative. The bids were opened (one at a time) at approximately 9:30 a.m. After review, the Company determined to: (i) accept the highest sealed bid as submitted by Buyer, and (ii) dispense with the on-line auction, which had been tentatively scheduled for November 8, 2017, by having Ten-X post an on-line auction cancellation notice to the web-based marketing site.



### **Allenhurst Property Background Information<sup>10</sup>**

31. The Allenhurst Property consists of a four-story masonry utility operations and maintenance offices, work facilities and garage building, a one- (and part-two-) story utility operations and maintenance offices and work facilities building, built in the 1920s, located on approximately 1.15 acres of land located at 520-523 Main Street, Allenhurst, New Jersey and designated as Block 21, Lots 5, 6, and 7 on the official tax maps of the Borough of Allenhurst, Monmouth County, New Jersey, and a one-story garage structure built in the 1920s, located on approximately 2.19 acres of land located at 312-324 Hume Street, Allenhurst, New Jersey and designated as Block 18, Lot 1 on the official tax maps of the Borough of Allenhurst, Monmouth County, New Jersey. (*See*, Appendix A-1 and Appendix A-2 for property descriptions).

32. The Allenhurst Property was utilized continuously since the 1930s as utility facilities including utility administrative and business offices, an electric line shop facility, garage, and maintenance facilities in support of utility operations until approximately mid-2009.

33. In May of 2004, JCP&L relocated its then central region headquarters from the Block 21, Lots 5, 6 and 7 of the Allenhurst Property to a corporate office park on Newman Springs Road in Middletown.

34. Thereafter, as explained below, until approximately August, 2009, the Allenhurst Property continued to be used for certain limited purposes including as the JCP&L Allenhurst Business Office where customers could pay bills or conduct other business with the Company.

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<sup>10</sup> This information is provided as required by N.J.A.C. 14:1-5.6(a) 5.

35. In 2008, in an effort to reduce maintenance and repair expenses associated with continuing to house the JCP&L Allenhurst Business Office in the utility operations and maintenance offices, work facilities and garage building on Block 21, Lots 5, 6, and 7 (at 525 Main Street in Allenhurst), the Company sought and received Board approval to relocate the JCP&L Allenhurst Business Office a short distance from 525 Main Street to leased space at 300 Main Street in Allenhurst, where it remains today. The business office relocation was completed in approximately August of 2009. *See*, Board Order dated May, 9, 2008 in BPU Docket No. EE08030133.

36. Since August 2009, the buildings on the Allenhurst Property have been unoccupied, except for routine, periodic security and maintenance inspections, necessary maintenance or repair work, access to utility infrastructure as needed, and necessary environmental remediation and/or monitoring and maintenance by JCP&L that has been ongoing since prior to 2004.

37. There are also certain electrical distribution and transmission facilities located on Block 21, Lots 5, 6 and 7, which continue to be operated and maintained in connection with the provision of electric service to customers. For instance, the facilities include two underground 34.5kV circuits; three primary circuits with secondary wire on wood poles and one underground distribution service with an associated 750kVa padmount transformer. In addition, any utility distribution or transmission facilities on Block 18, Lot 1 will be identified prior to closing. These utility facilities are not intended to, and will not, be sold as part of the sale of the Allenhurst Property to Buyer and are, and will be, addressed through an easement or easements and/or a license or licenses, which have been reserved under, or will be conveyed to JCP&L pursuant to, the PSA.

38. Currently, the Block 18, Lot 1 portion of the Allenhurst Property contains a vacant garage structure and an associated parking area.

39. Currently, the Block 21, Lots 5, 6 and 7 portion of the Allenhurst Property consists of the vacant utility operations and maintenance offices, work facilities and garage building.

40. JCP&L also owns Lots 3 and 4 of Block 21, on which are located a Company substation and associated other facilities, work areas and parking spaces. However, these Lots are not part of the Allenhurst Property that JCP&L intends to sell to Buyer. Indeed, as explained above, if necessary based on the results of a formal survey, the PSA requires Buyer to subdivide Block 21, Lots 5, 6 and 7 from Lot 4. The Company and Buyer have also agreed (as set forth in the Future Access Easement attached as Appendix B-3 hereto), and as mentioned above, to negotiate the grant of an access easement to Buyer over a discrete portion of Lot 4, which will be delivered at closing.

41. The Allenhurst Property, which has been subject to on-going environmental remediation and/or monitoring and maintenance by JCP&L since prior to 2004, has also been available for sale since then and, from time to time, JCP&L has received expressions of interest in the Allenhurst Property, which did not result in an agreement to purchase at any earlier time.



**JCP&L Contact Information**

42. Copies of all correspondence and other communications relating to this proceeding should be addressed to:

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**-and-**

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**-and-**

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**WHEREFORE**, the Petitioner respectfully requests that the Board issue an Order (a) approving the sale of the Allenhurst Property to Buyer pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6, upon the terms and conditions set forth in the PSA attached hereto (Appendix B-1) and the Future Access Easement attached hereto (Appendix B-3) and as otherwise describe herein, (b) approving the Additional Relief described in ¶16 above, and (c) rendering such other and further relief as Board may deem just and equitable.

Respectfully submitted,

Dated: February 26, 2018

**WINDELS MARX LANE & MITTENDORF, LLP**  
Attorneys for Petitioner,  
**Jersey Central Power & Light Company**

By: 

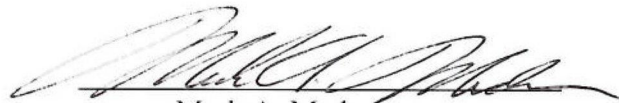
Michael J. Connolly  
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**AFFIDAVIT**  
**OF**  
**VERIFICATION**


Mark A. Mader, being duly sworn upon his oath, deposes and says:

1. I am Director of Rates and Regulatory Affairs – New Jersey for Jersey Central Power & Light Company (“JCP&L”), the Petitioner named in the foregoing Verified Petition, and I am duly authorized to make this Affidavit of Verification on its behalf.

2. I have read the contents of the foregoing Verified Petition by JCP&L insofar as it relates to the sale and conveyance of the Allenhurst Property, and the granting and transfer of certain easements in connection therewith, to the Buyer, Power Station At Allenhurst, LLC, and I hereby verify that the statements of fact and other information contained therein are true and correct to the best of my knowledge, information and belief.

  
Mark A. Mader

Sworn to and subscribed before me  
this 2<sup>nd</sup> day of Feb., 2018.

  
\_\_\_\_\_  
(Notary Public)

