

SILLS CUMMIS & GROSS

A PROFESSIONAL CORPORATION

The Legal Center
One Riverfront Plaza
Newark, New Jersey 07102-5400
Tel: 973-643-7000
Fax: 973-643-6500

30 Rockefeller Plaza
New York, NY 10112
Tel: 212-643-7000
Fax: 212-643-6500

Valerie A. Hamilton
Direct Dial: (609) 227-4608
E-mail: vhamilton@sillscummis.com

650 College Road East
Princeton, NJ 08540
Tel: 609-227-4600
Fax: 609-227-4646

April 15, 2008

Via CM/ECF

Honorable Rosemary Gambardella, U.S.B.J.
United States Bankruptcy Court
50 Walnut Street
Newark, New Jersey 07102

Re: **Pascack Valley Hospital Association**
Case No. 07-23686 (RG)

Dear Judge Gambardella:

This firm represents Pascack Valley Hospital Association, the above-referenced debtor and debtor-in-possession ("Debtor"). Please accept this letter in lieu of more formal response by the Debtor to the motion ("Motion") of Public Service Electric & Gas ("PSE&G") to compel the Debtor to pay \$276,554.19 to PSE&G on account of an alleged administrative expense claim for post-petition utility services. While the Debtor does not dispute that PSE&G would have an allowed Chapter 11 administrative claim for utility services actually used by the Debtor post-petition, the Debtor disputes the amount of such claim. The documents attached to the certification filed by PSE&G in connection with the Motion are not actual invoices issued to the Debtor by PSE&G, but appear to be a computer printout from PSE&G's accounts receivable ledger. The Debtor has made multiple payments to PSE&G totaling \$212,959.14 that are not reflected in PSE&G's computer printout. According to the Debtor's records, the Debtor is current with PSE&G for actual usage of utility services post-petition. A chart setting forth the unaccounted for payments made by the Debtor and the invoices to which they should have been applied is annexed hereto as Exhibit A. The Debtor will continue to work with PSE&G in an effort to reconcile the amount due, and we are optimistic that this issue can be resolved by consent. If not, limited discovery in connection with the Motion may be required.

Honorable Rosemary Gambardella

April 15, 2008

Page 2

The Debtor further objects to the Motion to the extent that it seeks an Order compelling payment of an allowed administrative claim within ten (10) days. This Court has discretion to determine the timing of payment of administrative expense claims. *In re Colortex Industries*, 19 F.3d 1371, 1384 (11th Cir. 1994); *In re HQ Global Holdings, Inc.*, 282 B.R. 169, 173 (Bankr. D. Del. 2002); see also 4 Collier on Bankruptcy ¶ 503.3, at 503-13 (15th rev. ed. 2006) ("[t]he time at which a particular administrative expense can or must be paid will vary from case to case depending upon the chapter under which the case was filed and the circumstances of the case"). The Debtor has ceased operations and, depending upon the allowed amount of PSE&G's administrative claim, may not have sufficient cash on hand to pay it at this time. However, like all administrative creditors, PSE&G will receive payment in full of the allowed amount of its administrative claim at such time as a plan becomes effective. Accordingly, the Debtor respectfully requests that the Motion be denied to the extent that it seeks to compel payment of PSE&G's administrative claim within ten days.

We thank the Court for its kind consideration of this matter.

Respectfully submitted,

/s/ Valerie A. Hamilton

VALERIE A. HAMILTON

cc: Suzanne M. Klar, Esq., counsel for PSE&G (by CM/ECF)
William Kannel, Esq., counsel for Bank of New York (by CM/ECF)
Brett S. Moore, Esq., counsel for the Committee (by CM/ECF)
Mitchell Hausman, Esq., Office of the U.S. Trustee (by CM/ECF)

EXHIBIT A

ALL PAYMENTS WILL FIRST BE APPLIED TO THE DEPOSITS, REMAINDER TO ACTUAL USAGE

ACCOUNT #	DATE	UNPAID	AMOUNT DUE	DUE INCL DEPOSIT	1st PAYMENT	2nd PAYMENT	CHECK DATE	AMOUNT	CHECK #
41-005-955-81	12/1/2007	\$7,212.29	\$7,212.29				2/27/2008	\$16,200.53	#201307
	1/1/2008	\$14,672.49	\$14,672.49				3/27/2008	\$16,200.53	#201346
	2/1/2008	\$10,516.28	\$10,516.28						
DEPOSIT	2/15/2008	\$12,280.00	\$32,401.06	\$44,681.06	\$16,200.53	\$16,200.53			
41-806-971-73	11/1/2007	\$23,182.28	\$23,182.28				2/27/2008	\$18,823.43	#201309
	12/1/2007	\$14,464.57	\$14,464.57				3/27/2008	\$18,823.42	#201348
	2/15/2008	\$58,880.00	\$37,646.85	\$96,526.85	\$18,823.43	\$18,823.42			
DEPOSIT	2/15/2008	\$58,880.00	\$37,646.85	\$96,526.85	\$18,823.43	\$18,823.42			
41-806-952-94	12/28/2007	\$69,171.17	\$69,171.17				2/27/2008	\$70,019.40	#201308
	1/30/2008	\$70,867.62	\$70,867.62				3/27/2008	\$70,019.39	#201347
	2/15/2008	\$48,615.00	\$140,038.79	\$188,653.79	\$70,019.40	\$70,019.39			
DEPOSIT	2/15/2008	\$48,615.00	\$140,038.79	\$188,653.79	\$70,019.40	\$70,019.39			
41-806-064-10	11/1/2007	\$613.51					2/27/2008	\$113.13	#201310
	12/1/2007	\$420.68 CR					3/27/2008	\$113.12	#201350
	1/1/2008	\$226.25	\$226.25	\$226.25	\$113.13	\$113.12			
41-806-067-12	11/1/2007	\$505.85 CR					2/27/2008	\$1,323.10	#201311
	12/1/2007	\$1,105.87					3/27/2008	\$1,323.09	#201350
	1/1/2007	\$1,540.32	\$2,646.19	\$2,646.19	\$1,323.10	\$1,323.09			
TOTALS			\$212,959.14	\$332,734.14	106,479.59	\$106,479.55			