

Paul E. Russell
Associate General Counsel

PPL
Two North Ninth Street
Allentown, PA 18101-1179
Tel. 610.774.4254 Fax 610.774.6726
perussell@pplweb.com



FEDERAL EXPRESS

March 9, 2011

Rosemary Chiavetta, Esquire
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

RECEIVED

MAR 9 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Application of PPL Electric Utilities Corporation
For Approval of Sale of Facilities
Docket No.**

Dear Ms. Chiavetta:

Enclosed for filing, pursuant to 66 Pa. C. S. § 1102, are an original and three (3) copies of PPL Electric Utilities Corporation's Application for the approval of the transfer by sale of certain facilities to the Supervisors of Loyalsock Township. The facilities are located in Loyalsock Township, Lycoming County, Pennsylvania.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on March 9, 2011, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

I have enclosed a check for \$350 to cover the filing fee.

Very truly yours,

Paul E. Russell

Enclosures

cc: Robert F. Wilson

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric :
Utilities Corporation for Approval of the :
Transfer by Sale to the Supervisors of : Application
Loyalsock Township of the Street Light : Docket No. _____
System Located in the Township of :
Loyalsock, Lycoming County, :
Pennsylvania. :

RECEIVED

MAR 9 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**APPLICATION OF
PPL ELECTRIC UTILITIES CORPORATION**

PPL Electric Utilities Corporation (hereafter "PPL Electric"), by its attorney, hereby makes application pursuant to 66 Pa. C.S. § 1102(a)(3) for the approval of a transfer by sale of certain facilities, and in support thereof states:

1. Applicant is PPL Electric Utilities Corporation, Two North Ninth Street, Allentown, Pennsylvania 18101, a public utility incorporated in Pennsylvania for the purpose of supplying light, heat and power to the public by means of electricity in all or portions of twenty-nine counties in eastern-central Pennsylvania.

2. The name and address of PPL Electric's attorney is Paul E. Russell, Two North Ninth Street, Allentown, Pennsylvania 18101.

3. The Supervisors of Loyalsock Township, (hereafter the "Supervisors"), located in Lycoming County, Pennsylvania, is not affiliated with PPL Electric.

4. The Supervisors desire to purchase all of PPL Electric's rights, title and interest in certain Street Light System located in Loyalsock Township,

Lycoming County as detailed in Exhibit A of the Agreement. The purchase of these facilities will qualify the Supervisors to change from Rate Schedule SHS to Rate Schedule SE for all of its street lighting service, which will result in a rate savings.

5. PPL Electric will recover costs for the street lighting system and will be relieved of the cost of owning and maintaining the system in the Loyalsock Township.

6. PPL Electric agreed to sell and the Supervisors agreed to purchase the facilities for \$27,310.00, representing the present day depreciated costs of the facilities. Attachment 1, which is attached hereto and made a part hereof, contains the Agreement of Sale and a description of the facilities.

7. The facilities' original cost, original depreciated cost, present day cost, and present day depreciated cost are as follows:

	<u>Other Facilities</u>	<u>Transformers</u>	<u>Total</u>
Original Cost Undepreciated	\$77,473	0	\$77,473
Original Cost Depreciated	14,563	0	14,563
Present Day Cost Undepreciated	180,758	0	180,758
Present Day Cost Depreciated	27,310	0	27,310

8. The sales price is the result of arms-length negotiations.

9. PPL Electric's engineering and operating representatives have reviewed the proposed sale of facilities and their relation to PPL Electric's operations. PPL Electric is satisfied as to the adequacy, continuity, safety of service, and other relevant factors regarding electrical supply to the Supervisors.

PPL Electric is satisfied as to the adequacy, continuity, safety of service, and other relevant factors regarding electrical supply to the Supervisors.

10. Approval of this application is necessary and proper for the Supervisors to take service in a manner which does not: result in uneconomic removal expenditures to PPL Electric, cause duplication of facilities, or render PPL Electric's existing facilities less valuable. The application also recognizes the Supervisors' right to service on the most favorable and economic basis under PPL Electric's retail tariff.

11. Attachment 2, which is attached hereto and made a part hereof, contains PPL Electric's responses to the Commission's Interrogatories regarding applications filed pursuant to 66 Pa. C.S. § 1102.

WHEREFORE, in view of the foregoing, PPL Electric respectfully requests that the Pennsylvania Public Utility Commission approve the above-captioned application for transfer of facilities by sale.

Respectfully submitted,

PPL Electric Utilities Corporation

A handwritten signature in black ink, appearing to read "Paul E. Russell", written over a horizontal line.

Paul E. Russell
Its Attorney

Dated: March 9, 2011
at Allentown, Pennsylvania

RECEIVED

MAR 9 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ATTACHMENT 1

RECEIVED

MAR 9 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

STREET LIGHT SYSTEM PURCHASE AND SALE AGREEMENT

This Street Light System Purchase and Sale Agreement ("Agreement") is hereby entered into as of the 29th day of SEPTEMBER, 2010 ("Effective Date") by and between the SUPERVISORS OF LOYALSOCK TOWNSHIP, Lycoming County, Pennsylvania, a Pennsylvania municipal corporation ("Loyalsock"), and PPL ELECTRIC UTILITIES CORPORATION, a Pennsylvania corporation ("PPL"). Each of Loyalsock and PPL may be referred to herein as a "Party," or collectively as the "Parties."

RECITALS:

Loyalsock furnishes, or is about to furnish, street lighting service in Loyalsock Township; and

Pursuant to the terms of this Agreement, PPL desires to sell and Loyalsock desires to purchase PPL's Street Light System in Loyalsock Township, in exchange for the payment by Loyalsock to PPL of twenty-seven thousand three hundred ten dollars (\$27,310) (the "Purchase Price"); and

Certain Make Ready Work must be completed before the sale of existing street lighting facilities; and

Loyalsock may desire, now, and in the future, to place certain of its street lighting facilities and apparatus on utility poles belonging to PPL; and

PPL, to the extent that it has a legal right to do so, is willing to grant permission to Loyalsock to attach certain of Loyalsock's Facilities to PPL's poles; and

PPL agrees to perform and Loyalsock agrees to pay for Complex Make Ready Work upon the terms and conditions hereinafter set forth; and

Loyalsock has prepaid PPL the amount of twenty-two thousand dollars (\$22,000) (the "Prepayment") for, among other things, the Pre-Attachment Inspection and Complex Make Ready Work; and

Upon mutual agreement of the Parties, Loyalsock and/or Loyalsock's contractor(s) may perform Simple Make Ready Work at Loyalsock's expense upon the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby

agree that the foregoing recitations are true and correct, and further covenant and agree as follows:

ARTICLE 1
DEFINITIONS

For the purpose of this Agreement the following terms when used herein shall have the following meaning:

1.1 Attachment – The binding or fastening of Loyalsock’s Facilities to PPL’s poles by means of, but not limited to, bolts, lags and screws.

1.2 Complex Make Ready Work – All Make Ready Work that is not Simple Make Ready Work, to be done by PPL and/or its contractor.

1.3 Loyalsock’s Facilities – The street light bracket, luminaire and cable needed to make connection to PPL’s service wire as well as underground equipment and poles owned by Loyalsock.

1.4 Make Ready Work – All work that must be completed prior to the sale of existing street lighting facilities by PPL to Loyalsock.

1.5 Net-Non Betterment Cost – Cost of furnishing and erecting a new pole, less credit for used life of the existing pole multiplied by the applicable used-life ratio.

1.6 Pre-Attachment Inspection – The inspection of PPL’s facilities to validate PPL records and identify any facilities that either (a) do not meet clearance requirements or (b) may otherwise require Make Ready work.

1.7 Post-Attachment Inspection – The inspection made by PPL of the poles to which Loyalsock has made Attachments or performed any required Simple Make Ready work to verify that such Attachments or Simple Make Ready Work have been performed according to the terms and conditions of this Agreement.

1.8 Simple Make Ready Work – The Make Ready Work to be done by Loyalsock and/or its contractor(s), which shall be limited to: (a) installation of fuses; (b) application of black and yellow tape and attachment of plates signifying Loyalsock’s ownership of the street light; (c) following (i) deactivation of the applicable lines by PPL and (ii) express permission of and designation of location by PPL, the physical installation of splice boxes for any street lights fed by underground lines; and (d) any other Make Ready Work that may hereafter be mutually agreed upon in writing by the Parties.

RECEIVED

MAR 9 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ARTICLE 2
PERMISSION TO ATTACH AND MAKE READY WORK

2.1 PPL, to the extent that it has a legal right to do so, hereby grants permission to Loyalsock to maintain existing and/or make future Attachments of Loyalsock's Facilities to PPL's poles, following performance of Make Ready Work pursuant to Section 2.2, below.

2.2 Make Ready Work shall be or has been performed as follows:

- (a) PPL shall do the Pre-Attachment Inspection.
- (b) Loyalsock and/or its contractor shall perform Simple Make Ready Work, unless the Parties mutually agree that PPL will perform Simple Make Ready Work, at Loyalsock's expense.
- (c) As of the Effective Date, PPL has completed all Complex Make Ready Work, at Loyalsock's expense.
- (d) At the completion of all Make Ready Work, PPL shall conduct a Post-Attachment Inspection at Loyalsock's expense, to verify that all Simple Make Ready Work has been completed in accordance with PPL's requirements. Loyalsock shall make corrections and changes, if necessary, as identified by PPL in the Post-Attachment Inspection report.

2.3 Loyalsock may make Attachments to additional poles of PPL in a manner consistent with the provisions of this Agreement and to PPL's Outdoor Lighting Customer Reference Specification document (the "Specification") then in effect. A copy of the Specification as of the Effective Date is attached hereto as Exhibit B and by this reference made a part hereof; during the term of this Agreement, PPL will provide a copy of the then-current Specification to Loyalsock upon request. Loyalsock shall provide at least thirty (30) days advance written notice to PPL of its intentions to make such Attachments, and the notice shall be in compliance with municipal approvals deemed necessary to advise PPL to take the appropriate action and executed with proper authorization. This notice shall include the following information: pole number, street location, wattage, lumen size, type of equipment and proposed installation date. PPL will notify Loyalsock in writing of its permission (or lack thereof) to Loyalsock to make the requested Attachment and indicate if Simple Make Ready Work is required. Loyalsock will notify PPL of pole locations so that PPL can perform the Post-Attachment Inspection on and energize the facilities and add the luminaire to Loyalsock's bill account, provided the new installation is in compliance with the requirements stated herein. If the installation is not in compliance, PPL will notify Loyalsock of any additional requirements necessary for compliance.

2.4 Loyalsock agrees that it shall make such Attachments within ninety (90) days from the date approval is obtained from PPL or within ninety (90) days from the date said poles are made available for Loyalsock's use. If such Attachments are not made within the ninety (90) day period, PPL may terminate Loyalsock's right to attach to those poles.

2.5 Nothing herein contained shall be construed as affecting (a) the rights or privileges previously conferred by PPL to others not a party to this Agreement, by contract or otherwise, to use any PPL poles located in Loyalsock Township, or (b) PPL's ongoing right to confer such rights or privileges. The Attachment privileges herein granted shall at all times be subject to such contracts and arrangements.

2.6 In the event of any conflict between the provisions of this Agreement and the provisions of the Specification or this Agreement is silent on a matter addressed in the Specification (either, a "Conflict"), Loyalsock shall notify PPL of such Conflict in writing and PPL shall in a commercially reasonable manner resolve the Conflict and Loyalsock shall proceed in compliance with PPL's resolution.

ARTICLE 3 TERM OF AGREEMENT

3.1 This Agreement shall become effective on the Effective Date. The sale of the Street Light System as set forth in Article 13 shall be complete upon entry of a final order by the Pennsylvania Public Utility Commission approving such sale in form and substance acceptable to PPL ("Effective Date"). This Agreement shall continue in full force and effect thereafter until terminated in whole or in part by either Party as further set forth in this Article 3.

(a) If this Agreement is terminated pursuant to Section 3.2 below, Loyalsock must remove Loyalsock's Facilities from PPL's poles within ninety (90) days of written notice of termination.

(b) If Loyalsock fails to remove Loyalsock's Facilities pursuant to paragraph 3.1(a), above, PPL may remove Loyalsock's Facilities and recover all direct and indirect costs of such removal from Loyalsock.

3.2 PPL reserves the right to terminate the permission granted to Loyalsock for attaching to any specific pole or poles by giving ninety (90) days written notice to Loyalsock when, in PPL's sole judgment, such action is necessary in the conduct of PPL's business, or because of Loyalsock's failure to comply with any terms and conditions of this Agreement or for reason beyond PPL's control.

3.3 Regulatory Changes. If a Party's activities hereunder become subject to regulation of any kind under any governmental law, rule, regulation, code or judicial determination thereof (a "Governmental Rule") to a greater or different extent than that existing on the Effective Date, and such Governmental Rule has a material adverse effect on the benefits or obligations of this Agreement to either Party, then the Party affected by such Governmental Rule shall have the right, upon provision of written notice, to require the other Party to enter into good faith negotiations to amend this Agreement to permit the affected Party to continue performance of this Agreement. In the event that the Parties have not agreed upon a mutually acceptable amendment to this Agreement within ninety (90) days of the date that the affected Party delivered the notice contemplated above, either Party may terminate this Agreement by giving written notice pursuant to Section 3.1 of the Agreement.

ARTICLE 4
GENERAL ADMINISTRATIVE PROVISIONS AND PROCEDURES

4.1 The general administrative provisions and procedures contained in this Article 4 shall apply to all Attachments made by Loyalsock and all Make Ready Work performed by PPL or its contractor pursuant to this Agreement and shall remain in effect until such time as a change in said provisions and/or procedures are deemed necessary by PPL. Changes made to said provisions and/or procedures shall be issued by PPL to Loyalsock and when issued shall form a part of this Agreement.

4.2 PPL shall make a Pre-Attachment Inspection to determine whether new Attachments contemplated by Loyalsock can be made in accordance with the requirements of PPL as set forth in Article 5 of this Agreement.

4.3 PPL shall make a Post-Attachment Inspection of each new installation of Loyalsock's Facilities on PPL's poles. Such Post-Attachment Inspection by PPL shall not relieve Loyalsock of any responsibility, obligation or liability imposed on Loyalsock by this Agreement.

4.4 PPL shall have the sole right to refuse to approve a request of Loyalsock for the Attachment of Loyalsock's Facilities to any pole or poles of PPL. If, however, approval is granted by PPL, Loyalsock's Facilities shall be attached, operated, maintained, renewed, replaced and/or removed at Loyalsock's sole cost and expense in a safe condition and in conformance with the terms and conditions set forth in this Agreement.

4.5 Loyalsock may, at any time during the term of this Agreement or any renewal thereof, remove all or part of Loyalsock's Facilities attached pursuant to this Agreement by giving written notice to PPL of its intentions to remove said Loyalsock's Facilities. Loyalsock shall provide advance written notice to PPL of its intentions to remove Loyalsock's Facilities. Such notice shall be in compliance with municipal approvals deemed necessary to advise PPL to take the appropriate action and executed with proper authorization. This notice shall include the following information: pole number, street location, wattage, lumen size, type of equipment and proposed removal date.

4.6 Loyalsock has paid PPL, in advance, the Prepayment for the estimated cost of the Pre-Attachment Inspection and Complex Make Ready work. Following completion of all work required of either Party under this Agreement, the Parties shall compare the Prepayment to the total amount due to PPL under this Agreement, and within sixty (60) days of completion of such comparison, (a) any overpayment shall be refunded by PPL to Loyalsock, or (b) any underpayment shall be paid by Loyalsock to PPL.

4.7 Consistent with PPL's tariff, Loyalsock shall pay to PPL the Net-Non Betterment cost of any pole replacement when PPL requires the location then being used

by Loyalsock to be replaced, unless the pole was previously replaced at Loyalsock's expense pursuant to Section 4.6 hereof.

4.8 If, for any reason, PPL is required to relocate or replace its pole or make any change in the type, character or location of any of its facilities on such pole after Loyalsock has made Attachments thereto, PPL shall notify Loyalsock of such fact and of the time when such work will be performed. Loyalsock agrees that it will make the necessary rearrangements or transfers of its Attachments at its own expense before the time PPL makes such replacement, relocation or change in PPL's pole and/or facilities.

4.9 If Loyalsock fails to make the necessary rearrangements or transfers of Loyalsock's Facilities as necessary to comply with PPL's time schedule, PPL shall have the right, but not the duty, to perform such rearrangements or transfers. In such event, Loyalsock shall pay to PPL a fixed fee of two hundred dollars (\$200) for each rearrangement or transfer. This fixed fee may be adjusted by PPL, by notification to Loyalsock of such adjustment, at least sixty (60) days prior to the effective date of such adjustment.

4.10 PPL shall not be liable for any loss or damage to Loyalsock's Facilities or the system of which they may be part, including the loss of, or interference with, the service or use of said Attachments or system, by reason of performing any of the work of rearranging or transferring such Attachments or the manner in which such work is performed.

4.11 If any Loyalsock's Facilities require splicing in order to be compliant with the final inspection of the Make Ready Work, PPL shall do the splicing at Loyalsock's expense.

4.12 If PPL is required to return to the work site to remove the old pole as a result of Loyalsock's failure to rearrange or transfer such apparatus at the time of the scheduled work, Loyalsock shall pay PPL a fixed fee of five hundred ninety dollars (\$590) per pole to cover the cost of returning to the site to remove the pole or poles. This fixed fee may be adjusted by PPL, by notification to Loyalsock of such adjustment, at least sixty (60) days prior to the effective date of such adjustment.

4.13 Section 4.12 may be waived by PPL if Loyalsock is at the work site with PPL but is unable to perform said rearrangements or transfers through no fault of Loyalsock.

4.14 Except as may otherwise be set forth herein, payment of any amounts due to either Party under this Agreement shall be made within twenty (20) days after receipt of an accurate invoice. Interest shall accrue on any overdue unpaid amounts at a rate of one percent (1.0%) per month.

ARTICLE 5
SPECIFICATIONS AND SAFETY OF ATTACHMENTS

5.1 The specifications and safety requirements contained herein shall apply to all Attachments made and all Simple Make Ready Work performed by Loyalsock pursuant to this Agreement and shall remain in effect until such time as a change in said specifications and/or safety requirements are deemed necessary by PPL. Changes made to such specifications and/or safety requirements shall be issued by PPL and, when issued, shall be deemed a part of this Agreement.

5.2 All work undertaken under this Agreement shall be performed in accordance with the following priority:

- (a) First, the practices and specifications of this Agreement, including without limitation the Specification; then
- (b) the then-current version of the National Electric Safety Code, including all future supplements, and the National Electrical Code where applicable; and
- (c) All applicable rules and regulations of federal, state and local agencies having jurisdiction over such work.

5.3 All Attachments shall be made and maintained in good condition in a place and manner satisfactory to PPL at Loyalsock's sole cost and expense in accordance with the specifications set forth in this Agreement.

5.4 Loyalsock agrees that during the construction, maintenance and operation of Loyalsock's Facilities, Loyalsock shall take all necessary precautions to protect all persons and property from injury or damages that may result from attaching Loyalsock's Facilities to PPL's poles. It shall be the sole responsibility of Loyalsock to properly instruct and train its employees and/or agents as to the necessary precautions to be taken by Loyalsock's employees and/or agents during the construction, maintenance and operation of Loyalsock's Facilities on PPL's poles. PPL shall not be considered in any way responsible for the adequacy or inadequacy of such instruction or training nor the adequacy or inadequacy of such precautions.

5.5 Loyalsock agrees to utilize only qualified employees and/or contractors to perform all Simple Make Ready Work and perform construction, maintenance and operation of Loyalsock's Facilities. Loyalsock shall provide to PPL proof that Loyalsock's employees and/or contractors have been trained in these requirements, including an outline of the training program and a copy of the training materials. In order to be considered qualified, employees and/or contractors must meet all of the following requirements:

- (a) Trained in and familiar with the requirements of OSHA 1926 and OSHA 1910.331 through 1910.335.
- (b) Possess the skills and techniques necessary to distinguish exposed live components from other parts of electrical equipment.

(c) Possess the skills and techniques necessary to determine the nominal voltage of exposed live components.

(d) Familiarity with the clearances specified in OSHA 1910.333(c), and the corresponding voltages to which the qualified person will be exposed.

5.6 Loyalsock's construction, maintenance and operation shall be in accordance with the requirements of this Article 5. In the event that Loyalsock's construction, maintenance and operation is found by PPL not to be in compliance with those requirements, PPL or its contractor may perform the additional work to bring said construction, maintenance and operation into compliance, and such additional work shall be at Loyalsock's sole cost and expense.

5.7 Each Attachment shall be made, repaired, maintained and removed in a safe and workmanlike manner, preserving clear pole climbing space and sufficient clearance between all wires and cables so as not to interfere with the serviceability, maintenance, repair and replacement of PPL's wires and equipment and/or Attachments by third parties.

5.8 Following transfer of ownership and completion of all Make Ready Work, PPL shall make all connections of Loyalsock's Facilities to PPL's general distribution system. Loyalsock shall coil a sufficient length of wire at the base of each street light mast arm to reach PPL's general distribution system, and provide molding or conduit to cover said wire.

5.9 Upon receipt of written notice from PPL that any Attachment made pursuant to this Agreement interferes with PPL's property or endangers its employees, or conflicts with PPL's use of said poles, Loyalsock shall, at its own cost and expense, alter, rearrange, improve, renew or repair said Attachment in such a manner as PPL may direct. In the event of an emergency or failure to comply with written notice from PPL within a specified period of time, PPL may alter, rearrange, improve, renew or repair Loyalsock's Facilities, transfer them to substituted poles or perform any other work in connection with said Loyalsock's Facilities as may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon, or for the service needs of PPL, and Loyalsock shall reimburse PPL for all expenses thereby incurred unless costs for the same work were reimbursed under other arrangements for relocation activities as a result of a third party project for which PPL has received payment or consideration.

5.10 Loyalsock shall identify each of Loyalsock's Facilities by affixing two adjacent wraps of 2-inch wide, yellow and black diagonal striped, pressure sensitive adhesive tape to the support bracket 2 inches behind the luminaire. Loyalsock shall install a service tag at each location with a telephone number and web site for maintenance of the luminaire. PPL shall provide Loyalsock with the above-mentioned tape for each installation.

ARTICLE 6
RIGHTS OF PROPERTY

Nothing herein contained shall be construed to confer upon Loyalsock any property rights in PPL's poles, or the right or permission to sublet space on PPL's poles to others. Nothing herein shall be construed to compel PPL to maintain said poles longer than PPL determines, in its sole discretion.

ARTICLE 7
ENFORCEMENT OF AGREEMENT

Failure of PPL to enforce or insist upon compliance with any of the terms and conditions of this Agreement or any other items and conditions incorporated in any permission issued hereunder shall not constitute a waiver or relinquishment by PPL of any rights under such terms or conditions.

ARTICLE 8
INTERRUPTION TO LOYALSOCK'S SERVICE

PPL shall not be liable to Loyalsock for any delay, interruption to or interference, electrical or otherwise, with Loyalsock's business or with the operation of its facilities caused by facilities or electric phenomenon of PPL or any other cause, or for any claim for loss, cost, damage or expense incurred by Loyalsock or any of Loyalsock's customers, employees, and/or agents, or any other third parties, and Loyalsock shall indemnify and save harmless PPL from all such claims.

ARTICLE 9
GOVERNMENTAL, MUNICIPAL AND PRIVATE RIGHT OF WAY

Loyalsock shall, at its own expense, secure any and all consents, franchises, certificates of approval and permits that may now or hereafter be required by any governmental agencies, federal, state or municipal, and by property owners for or in connection with the placing, maintaining, renewing, operating, replacing and removing of its Attachments on any pole or poles of PPL as set forth in this Agreement. Loyalsock shall at all times comply with all applicable laws, ordinances, rules and regulations pertaining to the placement, maintenance, operation or removal of its Attachments. Upon the request of PPL, Loyalsock shall submit proof satisfactory to PPL that any or all of the foregoing have been obtained or accomplished. PPL makes no representation or warranty that Loyalsock may place its Attachments on the pole or poles covered by such permission without obtaining the consent of the property owners affected and makes no representation or warranty that any such consent is valid and sufficient. Loyalsock agrees to indemnify and save harmless and defend PPL against any loss or expense that PPL may incur as a result of Loyalsock's failure to comply with the provisions of this Article 9.

ARTICLE 10
LIABILITY

Loyalsock shall indemnify and save harmless PPL from and against any and all losses resulting from injury or damage to any persons or property whatsoever, including injuries or death to the employees of PPL or Loyalsock or damage to the property of PPL or Loyalsock, arising out of, resulting from or in any manner caused by the presence, use or maintenance of said Attachments on said poles, or by the acts or omissions of Loyalsock or Loyalsock's agents or employees while engaged in the work of placing, maintaining or renewing said Attachments on said poles or removing them therefrom, and such losses shall include all costs, charges, expenses and attorney's fees reasonably incurred in connection with such injury or damage and also any payments made by PPL to its injured employees or to their relatives or representatives in conformity with the provisions of any workers' compensation act or any act creating a liability in the employer to pay compensation for personal injury to an employee by accident in the course of employment. Loyalsock's monetary obligations under this Article 10 shall be reduced to the extent such losses are caused by the negligence or willful misconduct of PPL.

Loyalsock also agrees to hold and save PPL harmless from any and all legal fees and expenses incurred by PPL in defending itself concerning any matter contained in this Agreement.

ARTICLE 11
INSURANCE

11.1 Loyalsock shall procure and maintain, and cause any of its contractors to procure and maintain, the following insurance coverages, herein referred to as 'required coverages' on policies written with insurance carriers having an A.M. Best rating of A- or better and a financial category of VIII or higher. All coverages required of Loyalsock shall be in full force and effect during Loyalsock's performance of this Agreement and for a period of 3 years thereafter. Prior to the execution of this Agreement, Loyalsock shall furnish proof of the required coverages (acquired directly and/or through an agent), using the standard insurance industry accord form, and such certificates shall provide that insurance carriers shall endeavor to give thirty (30) days written notice to PPL of any change in or cancellation of any policy.

11.2 All policies shall be written on an occurrence basis and (except workers' compensation and employer's liability policy) shall include PPL ELECTRIC UTILITIES CORPORATION as an Additional Insured. Policies shall contain endorsement (if terminology is not printed on the form) that Loyalsock policies shall be primary in all instances regardless of what, if any, like coverages are carried by PPL ELECTRIC UTILITIES CORPORATION.

11.3 All renewal certificates of insurance for said policies shall be provided to PPL's local representative fifteen (15) days prior to the expiration date of said policies.

11.4 Loyalsock's liability is not limited to the amount of insurance coverage required in this Article 11.

<u>TYPE OF COVERAGE</u>	<u>MINIMUM AMOUNT REQUIRED</u>
<p>1. Workers' Compensation Employer's Liability</p>	<p>Statutory \$1,000,000</p>
<p>2. Commercial General Liability Bodily Injury and Property Damage</p> <p>Including but not limited to the following with same above limit of liability for Bodily Injury and Property Damage.</p> <p>a) Contractual Liability b) Products and Completed Operations c) Broad Form Property Damage d) Care, Custody and Control (if work performed on PPL property)</p>	<p>\$2,000,000 Per Occurrence and in the Aggregate</p>
<p>3. Comprehensive Vehicle Liability</p> <p>Said coverage shall cover all licensed or unlicensed vehicles and/or automotive equipment owned, leased, hired or borrowed when used in connection with performance of this contract.</p> <p>Bodily Injury Property Damage</p>	<p>\$1,000,000 Combined Single Limit</p>

ARTICLE 12
ASSIGNMENT OF RIGHTS

12.1 Loyalsock shall not assign or transfer this Agreement or any rights or authorizations granted hereunder without the prior written consent of PPL, and any such transfer or attempted transfer without such consent shall be null and void.

12.2 In the event such consent is granted by PPL, this Agreement shall extend to and bind the successors and assigns of the Parties hereto.

12.3 PPL shall not assign or transfer this Agreement or any rights or authorizations granted hereunder without the prior written consent of Loyalsock.

12.4 In the event such consent is granted by Loyalsock, this Agreement shall extend to and bind successors and assigns of the Parties hereto.

ARTICLE 13
SALE OF STREET LIGHT SYSTEM

13.1 For the purchase price of \$27,310.00 (Purchase Price) and subject to the conditions stated in this Agreement, PPL agrees to sell and Loyalsock agrees to purchase all of PPL's right, title, and interest in certain street light facilities located in Loyalsock Township, Lycoming County, Pennsylvania, as more fully described in Exhibit A, which is attached hereto and by this reference made a part hereof, entitled List of Street Lighting Facilities to be Conveyed to Loyalsock Township by PPL Electric Utilities Corporation (collectively, the "Street Light System").

13.2 The Street Light System will be subject to a final inventory after all necessary Make Ready Work has been completed. The Street Light System and Exhibit A will be revised to include any additional street lights, poles and/or equipment that are to be transferred to Loyalsock. Those street lights, poles and/or equipment shall be sold by PPL and purchased by Loyalsock under the terms of this Agreement, at a purchase price to be determined by PPL and on a closing date to be determined by mutual agreement of PPL and Loyalsock.

ARTICLE 14
CLOSING OF THE SALE

14.1 The closing of the sale of the Street Light System shall be held no later than one business day after receipt of Public Utility Commission approvals of the sale ("Closing"), provided that all of the conditions precedent set forth in paragraph 3, below, shall have been satisfied. Closing shall be held at a time and location mutually acceptable to Loyalsock and PPL.

14.2 At Closing, PPL shall deliver to Loyalsock any and all documents of conveyance and transfer, as are necessary and effective to convey and vest in Loyalsock all of PPL's right, title, and interest in the Street Light System. PPL shall receive any necessary mortgage release from PPL's mortgage holder(s) within 180 days of Closing.

14.3 At Closing, Loyalsock shall deliver to PPL a certified or bank cashier's check payable to PPL in the amount of the Purchase Price.

ARTICLE 15
CONDITION PRECEDENT TO CLOSING

All obligations of PPL under this Agreement are subject to the condition that all of the following events shall have occurred prior to Closing:

15.1 Loyalsock shall have obtained all municipal approvals that Loyalsock deems necessary.

15.2 Both Parties shall have completed their respective Make Ready Work to PPL's reasonable satisfaction.

15.3 Loyalsock shall have made all payments due under this Agreement prior to or at Closing.

15.4 PPL shall have received all Pennsylvania Public Utility Commission approvals that PPL deems necessary. In addition, all such approvals must be fully acceptable to PPL in both form and substance.

ARTICLE 16
REPRESENTATIONS AND WARRANTIES.

PPL represents and warrants to Loyalsock as follows:

16.1 At Closing, PPL shall deliver good and marketable title to the Street Light System, free and clear of all mortgages, liens, pledges, security interests, claims, and other encumbrances and defects of title of any nature whatsoever. The remedy for the breach of the warranty stated in this subparagraph is limited to the replacement of any of the property covered by this Agreement.

16.2 PPL's execution, delivery, and performance of the Closing will not violate, conflict with, or result in the breach of any term, condition, or provision of any mortgage, indenture, agreement, permit authorization, or other document or understanding by which PPL or any portion of the Street Light System may be bound or affected.

ARTICLE 17
PURCHASE "AS IS."

PPL MAKES NO REPRESENTATIONS OR GUARANTEES, EXPRESS OR IMPLIED, IN RESPECT TO THE PROPERTY COMPRISING THE STREET LIGHT SYSTEM, EXCEPT THAT IT WILL DELIVER GOOD TITLE TO THE STREET LIGHT SYSTEM FREE AND CLEAR OF ALL LIENS AND ENCUMBRANCES, AS DESCRIBED IN SECTION 16.1 ABOVE. LOYALSOCK SHALL RECEIVE SAID PROPERTY "AS IS." THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, THAT EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN.

ARTICLE 18
ELECTRIC SERVICE.

No later than one business day after Closing, PPL shall provide electric service to the Street Light System under Rate Schedule SE of PPL's Tariff-Electric Pa.P.U.C. 201, or its successor, as modified from time to time by PPL. This obligation shall be subject to all terms and conditions of PPL's Tariff-Electric Pa. P.U.C. No. 201, shall continue only so long as Rate Schedule SE or its successor rate, as modified from time to time, exists and only so long as the Street Light System qualifies for service under Rate Schedule SE.

ARTICLE 19
RISK OF LOSS PRIOR TO TRANSFER OF TITLE.

In the event that any portion of the Street Light System shall be damaged in any way or removed prior to Closing, PPL shall, at its sole cost and expense, repair or replace any facilities so damaged or removed.

ARTICLE 20
BINDING EFFECT.

The provisions of this Agreement shall inure to and bind the successors and assigns of the respective Parties.

ARTICLE 21
GOVERNING LAW.

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

ARTICLE 22
CAPTIONS.

The Captions in this Agreement are for reference purposes only and shall not affect the interpretation of this Agreement.

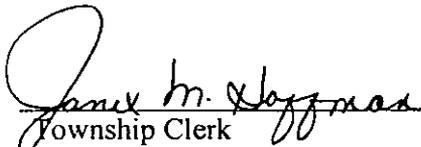
ARTICLE 23
PRIOR AGREEMENT(S)

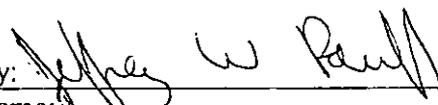
This Agreement and the exhibits attached hereto constitutes the entire agreement between Loyalsock and PPL for (a) the placement or Attachment and maintenance of Loyalsock's Facilities on PPL's poles and (b) Loyalsock's purchase of the Street Light System. There are no other provisions, terms or conditions to this Agreement, whether written or oral, and all prior or contemporaneous agreements with respect to the subject matter herein are superseded by this Agreement.

IN WITNESS HEREOF, the Parties have executed this Agreement as set forth below.

ATTEST:

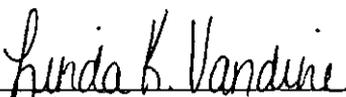
SUPERVISORS OF LOYALSOCK
TOWNSHIP


Township Clerk

By: 
Name: _____
Title: _____

ATTEST:

PPL ELECTRIC UTILITIES CORPORATION


Assistant Secretary

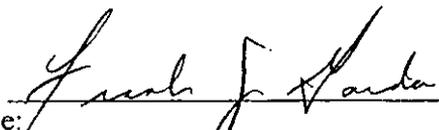
By: 
Name: _____
Title: Regional Director Operations

EXHIBIT A

**LIST OF STREET LIGHTING FACILITIES TO BE CONVEYED TO THE
SUPERVISORS OF LOYALSOCK TOWNSHIP BY PPL ELECTRIC UTILITIES
CORPORATION**

<u>NO.</u>	<u>DESCRIPTION</u>
55	5800 Lumen high pressure sodium fixtures
248	9500 Lumen high pressure sodium fixtures
38	16000 Lumen high pressure sodium fixtures
1	50000 Lumen high Pressure sodium fixtures
15	Concealed wire wood poles
2	Low mount fiberglass poles
867 ft	Street light wire of various sizes

RECEIVED
MAR 9 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ATTACHMENT 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric :
Utilities Corporation for Approval of the :
Transfer by Sale to the Supervisors of : Application
Loyalsock Township of the Street Light : Docket No. _____
System Located in the Township of :
Loyalsock, Lycoming County, :
Pennsylvania. :

RECEIVED
MAR 9 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**RESPONSES OF
PPL ELECTRIC UTILITIES CORPORATION
TO INTERROGATORIES PROPOUNDED BY THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Question:

1. Provide an accurate legal description and location identification of the property and the interest therein to be sold, leased or transferred.

Response:

1. See Exhibit A of Application Attachment 1.

Question:

2. Provide, where applicable, an inventory identifying the buildings, structures, fixtures and other improvements, including appurtenant removable building equipment, which are considered to be part of the property for sale, lease or transfer.

Response:

2. See Exhibit A of Application Attachment 1.

Question:

3. State whether or not the sale, lease or transfer of the property will affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way. Explain.

Response:

3. The sale will significantly benefit Loyalsock Township, by permitting more efficient and economical operations. PPL Electric Utilities Corporation (hereafter "PPL Electric") and its customers will be benefited by no longer having to maintain the transferred facilities.

Question:

4. State the reason for the sale, lease or transfer of property.

Response:

4. The Supervisors of Loyalsock Township requested the transfer to qualify the municipality to change from Rate Schedule SHS to rate schedule SE for all of its street lighting service, which will result in a yearly rate savings.

Question:

5. State the alternatives that PPL Electric has considered to the prospective sale, lease or transfer.

Response:

5. PPL Electric did not consider any alternatives to the proposed sale because it is most efficient, and it is in the public interest for the customer to receive and maintain these facilities.

Question:

6. State whether or not the sale, lease or transfer of this property will result in an interruption or curtailment of existing services to the public. Explain.

Response:

6. The proposed sale will not result in an interruption or curtailment of existing services to the public.

Question:

7. State whether or not the sale, lease or transfer of this property will result in either a staff reduction or a termination of some portion of PPL Electric's operation. Explain.

Response:

7. The sale involves a minor portion of PPL Electric's assets and will not cause a staff reduction or a termination of any of PPL Electric's operations.

Question:

8. State whether or not the sale, lease or transfer of this property will result in a physical relocation of the main office, branch office or service office of PPL Electric.

Response:

8. The sale will not result in relocation of any PPL Electric offices.

Question:

9. State whether or not the sale of this property will require the acquisition of replacement property. If replacement is required, state the cost and description of the property to be acquired.

Response:

9. PPL Electric will not have to acquire replacement property due to the sale. The transferred facilities serve only Loyalsock Township.

Question:

10. State whether or not PPL Electric anticipates or has reason to believe that it will be necessary to seek a rate increase in order to withstand the financial impact of the transaction that is the subject of these interrogatories. Explain.

Response:

10. PPL Electric does not anticipate a need to seek increased rates due to this sale.

Question:

11. State whether or not the property has been part of a rate case that has appeared before the PUC. If it has been, identify the case by Commission docket number and date.

Response:

11. The property to be transferred has been included in PPL Electric's most recently filed rate case at Docket No. R-2010-2161694, and in prior rate cases.

Question:

12. State whether or not the property is the subject of a state or federal proceeding. If it is, identify the proceeding and explain.

Response:

12. The property is not the subject of any state or federal proceedings.

Question:

13. State whether the property is to be sold at a price above or below its fair market value as determined by at least two appraisals and a third review appraisal with the three appraisals being performed by qualified independent real estate appraisers; if the property is stock, indicate the book value and current market value of the shares involved.

Response:

13. Independent real estate appraisals were not needed because the real estate is not involved in the sale. The sales price is PPL Electric's present day cost depreciated.

Question:

14. State the net profit or loss to be realized by PPL Electric from the sale, lease or transfer of this property after the following factors have been taken into consideration:

- a. date and cost of acquisition,

- b. cost of improvements,
- c. allowance for depreciation,
- d. brokerage fees and commissions,
- e. tax consequences of the sale,
- f. recording fees, transfer taxes, and similar expenses incidental to conveying such property,
- g. penalty costs and other charges for prepayment of any pre-existing recorded mortgage encumbering such property and
- h. net damages or benefits accruing to the remaining PPL Electric property.

Response:

14. Considering the listed factors, PPL Electric will not realize a net profit or loss from the sale.

Question:

15. State the uses to which proceeds of this sale will be applied.

Response:

15. Proceeds from the sale will be applied to general corporate purposes.

Question:

16. State the accounting entries that will be made in the sale, lease or transfer of the property.

Response:

16. The retirement of depreciable facilities sold will be recorded as follows:

Account 108 - Accumulated Provision for Depreciation of Electric Utility Plant will be debited and Account 101-Electric Plant in Service will be credited for the sale of depreciable plant other than line transformers and customer meters. Accordingly, interim retirements are not recorded for line transformers or customer meters.

The proceeds from the sale of depreciable assets will be recorded as follows:

Account 131 – Cash will be debited and Account 108 – Accumulated Provision for Depreciation of Electric Utility Plant will be credited.

Question:

17. State the effect that the sale will have on PPL Electric's short-range or long-range plans for expanding or upgrading any of the services that PPL Electric is now offering to the public.

Response:

17. The sale will not affect PPL Electric's short or long-range plans for expanding or upgrading any services now offered to the public.

Question:

18. Where an affiliated interest of a public utility is involved in the property transfer, explain fully the relationship between the affiliate and the jurisdictional utility.

Response:

18. No affiliated interests are involved in the sale.

Question:

19. State what portion of the original cost of the property being transferred represents material cost, and what portion represents installation cost.

Response:

19. Practically the entire amount of the property's original cost represents material costs.

Question:

20. State when the property was installed and/or constructed.

Response:

20. The equipment was installed during the 1983 to 2004 time period. However, the majority of the installation was placed in-service in 1988.

From: (610) 774-6908
Karen Posten
PPL Corporation
2 N 9th St

Origin ID: ABEA



J11101012220225

Allentown, PA 18101

Ship Date: 09MAR11
ActWgt: 2.0 LB
CAD: 8616795/INET3130

Delivery Address Bar Code



SHIP TO: (717) 787-8009 **BILL SENDER**
ROSEMARY CHIAVETTA
PA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BLDG
400 NORTH ST
HARRISBURG, PA 17120

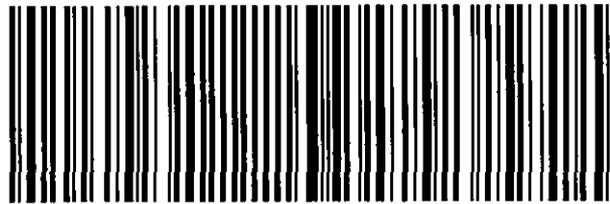
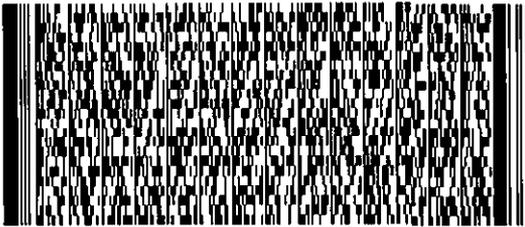
Ref # PER 205 734268 006
Invoice #
PO #
Dept #

THU - 10 MAR A1
PRIORITY OVERNIGHT

TRK# 7945 1208 2478
0201

ZN MDTA

17120
PA-US
MDT



50DG2/6DDG/7EFB

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.