

**Paul E. Russell**  
Associate General Counsel

**PPL**  
Two North Ninth Street  
Allentown, PA 18101-1179  
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**FEDERAL EXPRESS**

August 28, 2012

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

**RECEIVED**

AUG 28 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: Application of PPL Electric Utilities Corporation  
For Approval of Sale of Facilities to  
Danville State Hospital, Phase Two  
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 Danville State Hospital. The sale represents the second phase of the purchase. The facilities are located in Danville, Montour County, Pennsylvania.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on August 28, 2012, 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

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric :  
Utilities Corporation for Approval of the :  
Transfer by Sale to Danville State : Application  
Hospital of Electric Facilities Located at : Docket No. \_\_\_\_\_  
the Danville State Hospital, Montour :  
County, Pennsylvania; Phase Two. :

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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**APPLICATION OF  
PPL ELECTRIC UTILITIES CORPORATION**

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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 Danville State Hospital, located in Montour County, Pennsylvania, is not affiliated with PPL Electric.

4. The Danville State Hospital desires to purchase all of PPL Electric's rights, title and interest in certain electric facilities located in at the Danville State Hospital, Montour County as detailed in Exhibit A of the Agreement. The

purchase of these facilities will qualify Danville State Hospital to change from Rate Schedule SHS to Rate Schedule SE for part of its street lighting service, which will result in a rate savings. This sale is the second phase of the purchase. The first phase was approved by the Commission on July 19, 2011 at Docket No. A-2011-2243131.

5. PPL Electric will recover costs for the street lighting system and will be relieved of the cost of owning and maintaining the system at the Danville State Hospital.

6. PPL Electric agreed to sell and the Danville State Hospital agreed to purchase the facilities for \$27,258. 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	\$32,461	0	\$32,461
Original Cost Depreciated	\$15,200	0	\$15,200
Present Day Cost Undepreciated	\$104,540	0	\$104,540
Present Day Cost Depreciated	\$27,258	0	\$27,258

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 Danville State Hospital.

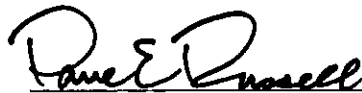
10. Approval of this application is necessary and proper for the Danville State Hospital to take service in a manner which does not: result in uneconomic removal expenditures to PPL Electric, cause duplication of facilities, or render PPL Electric's existing facilities less valuable. The application also recognizes Danville State Hospital's 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 that reads "Paul E. Russell". The signature is written in a cursive style with a horizontal line extending to the right across the signature.

Paul E. Russell  
Its Attorney

Dated: August 28, 2011  
at Allentown, Pennsylvania

**ATTACHMENT 1**

**RECEIVED**

AUG 28 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU



AGREEMENT OF SALE made this 28th day of Aug. , 2012 in Allentown, Pennsylvania, between PPL ELECTRIC UTILITIES CORPORATION, hereinafter called VENDOR, a Pennsylvania corporation whose principal address is Two North Ninth Street, Allentown, Pennsylvania, and the Commonwealth of Pennsylvania, Department of Public Welfare, hereinafter called VENDEE, 200 State Hospital Drive, Danville, Pennsylvania.

WITNESSETH: That VENDOR in consideration of payment of \$27,258 does hereby agree to sell unto VENDEE, all of its right, title and interest in and to certain electric facilities located at the Danville State Hospital, Danville, Pennsylvania as described in the schedule attached hereto and made part hereof entitled "Exhibit A - LIST OF FACILITIES TO BE CONVEYED TO DANVILLE STATE HOSPITAL BY PPL ELECTRIC UTILITIES CORPORATION," and as shown on plan dated April 27, 2012 entitled "Exhibit B - PLAN SHOWING LOCATION OF ELECTRIC FACILITIES TO BE CONVEYED TO DANVILLE STATE HOSPITAL BY PPL ELECTRIC UTILITIES CORPORATION," also attached hereto and made a part hereof.

VENDOR MAKES NO REPRESENTATIONS OR GUARANTEES, EXPRESS OR IMPLIED, IN RESPECT TO THE PROPERTY COVERED BY THIS AGREEMENT, EXCEPT THAT IT WILL DELIVER GOOD TITLE TO SAID PROPERTY FREE FROM ALL LIENS AND ENCUMBRANCES. THE REMEDY FOR THE BREACH OF SAID WARRANTY OF GOOD TITLE IS LIMITED TO THE REPLACEMENT OF ANY OF THE PROPERTY COVERED BY THIS AGREEMENT. VENDEE SHALL RECEIVE SAID PROPERTY "AS IS." THERE ARE NO WARRANTIES, INCLUDING THE WARRANTY OF MERCHANTABILITY, WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN.

VENDEE SHALL INDEMNIFY AND SAVE HARMLESS THE VENDOR AGAINST AND FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, SUITS AND ALL OTHER LIABILITY WHATSOEVER ON ACCOUNT OF OR BY REASON OF, OR GROWING OUT OF PERSONAL INJURIES OR DEATH TO ANY PERSON OR ENTITY INCLUDING VENDEE AND ITS EMPLOYEES, OR PROPERTY DAMAGE SUFFERED BY ANY PERSON OR ENTITY INCLUDING VENDEE AND ITS EMPLOYEES, WHETHER OR NOT THE SAME RESULTS FROM THE NEGLIGENCE OF VENDOR OR ITS EMPLOYEES PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT TO THE EXECUTION OF THIS AGREEMENT. THE INTENT OF THE PARTIES TO THIS AGREEMENT IS TO ABSOLVE AND PROTECT VENDOR FROM ANY AND ALL LOSS; PREDICATED ON STRICT AND/OR NEGLIGENT LIABILITY BY REASON OF THIS AGREEMENT.

THE VENDOR MAY AT ITS OPTION REQUIRE VENDEE TO PROVIDE EVIDENCE OF INSURANCE SATISFACTORY TO THE VENDOR COVERING THE LIABILITIES AND INDEMNIFICATION PROVIDED IN THIS AGREEMENT.

This agreement shall be filed by VENDOR with the Pennsylvania Public Utility Commission and shall thereafter become effective in accordance with the provisions of the Public Utility Law. Upon receipt by VENDOR of an Order of the Pennsylvania Public Utility Commission approving this Agreement, VENDOR will invoice VENDEE for the amount shown above, which amount VENDEE agrees to pay upon presentation of said invoice. Upon payment of the amount specified in the invoice, title to the facilities will vest in VENDEE.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have caused these presents to be duly executed the day and year aforesaid.

ATTEST:

*Thomas B. [Signature]*  
Title Chief Operations Officer

ATTEST:

\_\_\_\_\_  
Title

PPL ELECTRIC UTILITIES CORPORATION

BY:

*[Signature]*  
Title President-PPL Electric Utilities Corp.

BY:

\_\_\_\_\_  
Title



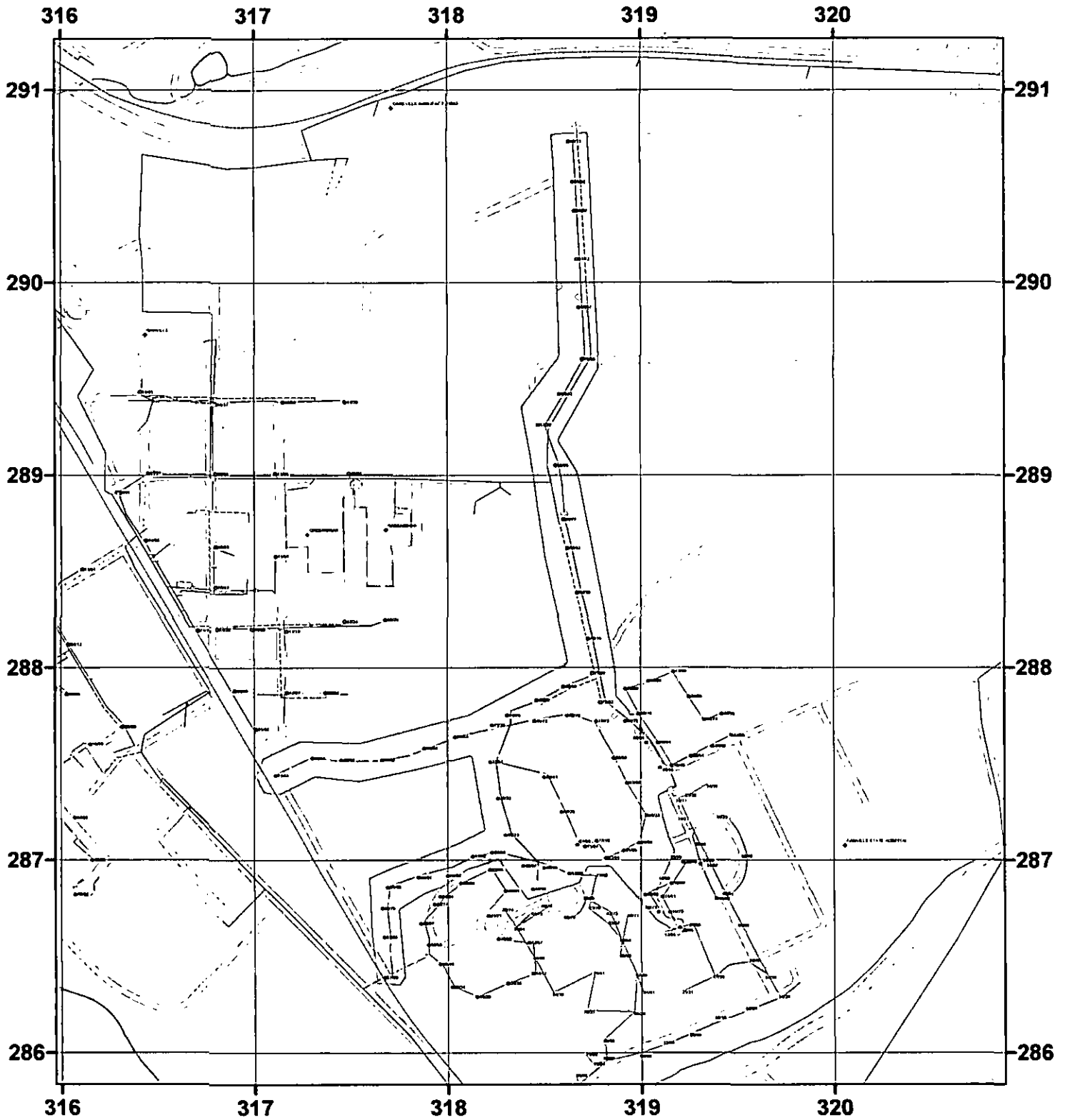
## Exhibit A

**LIST OF FACILITIES TO BE CONVEYED TO DANVILLE STATE HOSPITAL BY PPL ELECTRIC UTILITIES CORPORATION**

<b>Quantity</b>	<b>Vintage</b>	<b>Description</b>
<b>33</b>	<b>1967</b>	<b>street lighting poles: steel</b>
<b>50</b>	<b>1967</b>	<b>street lighting fixture: sodium vapor</b>
<b>2</b>	<b>1995</b>	<b>street lighting fixture: sodium vapor</b>
<b>1</b>	<b>1997</b>	<b>street lighting fixture: sodium vapor</b>
<b>7</b>	<b>1999</b>	<b>street lighting fixture: sodium vapor</b>
<b>6</b>	<b>1999</b>	<b>street lighting poles: aluminum : 694891</b>
<b>1</b>	<b>2009</b>	<b>street lighting fixture: sodium vapor</b>
<b>2</b>	<b>2010</b>	<b>street lighting fixture: sodium vapor</b>
<b>5585</b>	<b>1967</b>	<b>wire copper conductor: 1/0 &amp; below 1/c</b>
<b>150</b>	<b>1995</b>	<b>wire aluminum conductor: 1/0 &amp; below 2/c</b>
<b>563</b>	<b>1999</b>	<b>wire aluminum conductor: 1/0 &amp; below 2/c</b>
<b>300</b>	<b>2008</b>	<b>wire aluminum conductor: 1/0 &amp; below 2/c</b>

# EXHIBIT B

Plan showing facilities to be conveyed to DANVILLE STATE HOSPITAL by PPL ELECTRIC UTILITIES CORPORATION



## Legend

- ⊙ OH Supplied PPL Light
- UG Supplied PPL Lights

Facilities to be transferred

04/27/2012

nbj

**ATTACHMENT 2**

**RECEIVED**

AUG 28 2012

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric                   :  
Utilities Corporation for Approval of the       :  
Transfer by Sale to Danville State               :  
Hospital of Electric Facilities Located at       :  
the Danville State Hospital, Montour         :  
County, Pennsylvania; Phase Two.             :

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

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

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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 Attachment 1 to the Application.

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 Attachment 1 to the Application.

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 the Danville State Hospital, 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 Danville State Hospital requested the transfer to qualify the customer to change from Rate Schedule SHS to Rate Schedule SE for part 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 the Danville State Hospital.

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-2012-2290597, 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. PPL Electric agreed to sell and the Danville State Hospital agreed to purchase the facilities for \$27,258.

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 majority of the equipment was installed in 1967.

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA )  
: SS  
COUNTY OF LEHIGH )

GREGORY N. DUDKIN, being duly sworn according to law, deposes and says that he is President-PPL Electric Utilities Corporation; that he is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct to the best of his knowledge, information and belief and he expects the said PPL Electric Utilities Corporation to be able to prove the same at any hearing hereof.

*[Handwritten Signature]*  
\_\_\_\_\_

Sworn to and subscribed  
before me this 28 day  
of August, 2012

*Jacqueline M. Jacob*  
\_\_\_\_\_

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AUG 28 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

NOTARIAL SEAL  
JACQUELINE M. JACOB  
Notary Public  
ALLENTOWN CITY, LEHIGH COUNTY  
My Commission Expires Mar 20, 2016

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

Origin ID: ABEA



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Allentown, PA 18101

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SECRETARY'S BUREAU

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**ROSEMARY CHIAVETTA, SECRETARY**  
**PA Public Utility Commission**  
**400 NORTH ST**  
**COMMONWEALTH KEYSTONE BUILDING**  
**HARRISBURG, PA 17120**

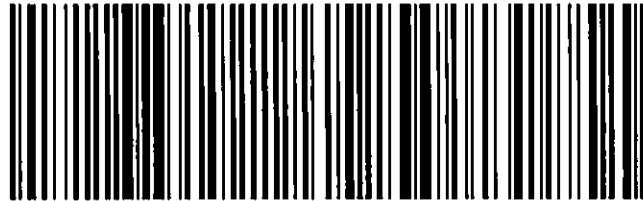
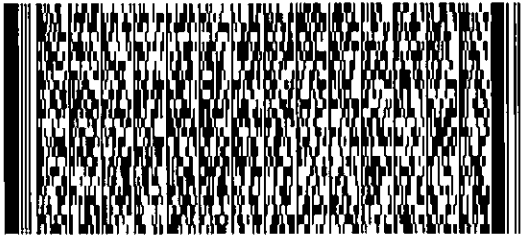
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