

CAPTION SHEET

CASE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00 :
- 2. BUREAU: FUS :
- 3. SECTION(S) : :
- 5. APPROVED BY: : 4. PUBLIC MEETING DATE:
- DIRECTOR: : 00/00/00
- SUPERVISOR: : :
- 6. PERSON IN CHARGE: : 7. DATE FILED: 04/03/07
- 8. DOCKET NO: A-110500 F0389 : 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: BDS PROPERTIES, LLC

RESPONDENT/APPLICANT: PPL ELECTRIC UTILITIES CORP

COMP/APP COUNTY: UTILITY CODE: 110500

ALLEGATION OR SUBJECT

APPLICATION OF PPL ELECTRIC UTILITIES CORPORATION FOR APPROVAL OF THE TRANSFER BY SALE TO BDS PROPERTIES LLC OF PROPERTY LOCATED IN THE CITY OF HARRISBURG, DAUPHIN COUNTY, PA.....

DOCUMENT
FOLDER

DOCKETED

APR 18 2007

Paul E. Russell
Associate General Counsel

ORIGINAL

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



FEDERAL EXPRESS

April 3, 2007

James J. McNulty, Esquire
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

DOCUMENT
FOLDER RECEIVED

APR 03 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: **Application of**
PPL Electric Utilities Corporation
Docket No. A-110500F0389

Dear Mr. McNulty:

Enclosed for filing, pursuant to 66 Pa. C. S. § 1102, are an original and three copies of PPL Electric Utilities Corporation's Application for the approval of the transfer by sale of certain property to BDS Properties, LLC. The property is located in the City of Harrisburg, Dauphin County, Pennsylvania.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on April 3, 2007, 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: Mr. Robert Bennett

50

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric
Utilities Corporation for Approval of the
Transfer by Sale to BDS Properties,
LLC of Property Located in the City of
Harrisburg, Dauphin County,
Pennsylvania.

Application
Docket No.

A-110500F0389

DOCUMENT
FOLDER

APPLICATION OF
PPL ELECTRIC UTILITIES CORPORATION

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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 property, 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. BDS Properties, LLC (hereafter "BDS"), a limited liability company having an address at 642 South 20th Street, Harrisburg, Pennsylvania, is not affiliated with PPL Electric.

DOCKETED

APR 18 2007

4. PPL Electric is seeking to reduce its warehouse capacity in the Harrisburg area in order to meet its storage needs for that region in a more efficient and cost-effective manner. Conversely, BDS is seeking to increase its warehouse capacity in the region. To meet these objectives, PPL Electric is proposing to sell the warehouse and property described in this application to BDS. In a separate transaction, PPL Electric will purchase a smaller warehouse from Cumberland Electronics, Inc. a company that is affiliated with BDS.

5. PPL Electric will recover from BDS slightly less than the estimated market value of this property.

6. PPL Electric agreed to sell and BDS agreed to purchase the property for \$2,199,500. This price was agreed to by the parties as a result of arms length negotiations and, in the opinion of both parties, represents a fair and appropriate price for the property. Attachment 1, which is attached hereto and made a part hereof, contains the Agreement of Sale and a description of the property

7. The book values of the property are as follows:

Land	\$568,584
Building	428,930
Renovations	<u>1,544,504</u>
Total	\$2,542,018

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

9. PPL Electric's engineering and operations representatives have reviewed the proposed sale of the property and its relation to PPL Electric's operations. PPL Electric is satisfied that the sale will have no effect on the adequacy, continuity, safety of service, and other relevant factors concerning electrical supply after the proposed sale.

10. Approval of this application is necessary and proper for PPL Electric to decrease its warehouse capacity in the Harrisburg area and thereby meet its storage needs for that region in a more efficient and cost-effective manner.

11. Attachment 2, which is attached hereto and made a part hereof, contains PPL Electric's responses to the Commission's Interrogatories concerning 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 property by sale.

Respectfully submitted,

PPL Electric Utilities Corporation



Paul E. Russell
Its Attorney

Dated: April 3, 2007
at Allentown, Pennsylvania

ATTACHMENT 1

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APR 03 2007

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

**AGREEMENT FOR THE SALE AND PURCHASE
OF REAL ESTATE**

THIS AGREEMENT FOR THE SALE AND PURCHASE OF REAL ESTATE is made as of the 8th day of January, 200~~8~~⁷, by and between PPL ELECTRIC UTILITIES CORPORATION (formerly known as Pennsylvania Power & Light Company, also formerly known as PP&L, Inc.), a Pennsylvania corporation with an address of Two North Ninth Street, Allentown, Pennsylvania 18101 (hereinafter "Seller")

- A N D -

BDS PROPERTIES, LLC, a Pennsylvania limited liability company with a business address of 642 South 20th Street, Harrisburg, Pennsylvania 17104 (hereinafter "Buyer").

BACKGROUND

A. Seller is the owner of a certain property located in the City of Harrisburg, Dauphin County, Pennsylvania, having an address of 2501 Sycamore Street, Harrisburg, Pennsylvania, identified as Tax Map Parcel 63-024-061 and containing a total of approximately 6.75 acres, which property is more fully described in the Deeds recorded at Deed Book 3073, Page 341 in the Recorder of Deeds Office for Dauphin County, Pennsylvania (the "Property").

B. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of their mutual promises herein contained, and with the intention of being legally bound hereby, the parties hereto agree as follows:

1. The Background. The matters set forth in the BACKGROUND above are hereby incorporated into the body of this Agreement and made a part of the Agreement.

2. Agreement for Sale and Purchase of the Property.

A. Property. Subject to the terms and conditions herein set forth, Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase the Property from Seller. As herein used, the term "Property" includes not only that described in the BACKGROUND above and all improvements thereto, but also all of the

Seller's right, title and interest in and to any abutting streets and highways, and all of the Seller's rights in and to all easements, cross easements, rights-of-way and other rights and privileges, if any, appurtenant to the Property.

3. Purchase Price. The Purchase Price for the Property shall be Two Million One Hundred Ninety-Nine Thousand Five Hundred and 00/100 (\$2,199,500.00) Dollars. The Purchase Price shall be paid by Buyer to Seller by cash, title insurance check or certified check at the time of Closing.

4. Feasibility Period.

A. Buyer shall have sixty (60) days (the "Feasibility Period") from the date on which a fully-executed original of this Agreement is delivered to Buyer, (the "Effective Date") to investigate and inspect the Property and to cause such studies, tests, investigations and evaluations (including but not limited to a Phase I environmental study) to be made which in the sole opinion of Buyer are necessary or advisable to determine whether the Property can be used for Buyer's intended purpose and whether Buyer will proceed to Closing.

B. In the event that Buyer determines, in its sole discretion, during the Feasibility Period to terminate this Agreement because of the results of any testing, studies or evaluations, Buyer shall, not later than the expiration of the Feasibility Period, notify Seller, in writing, of such determination, whereupon this Agreement shall be at an end, with no further rights or obligations in either party.

5. Seller's Covenants and Representations. To induce Buyer to enter into this Agreement, Seller hereby represents and warrants to Buyer as follows:

A. Seller has no knowledge or information that there are or ever were any other tanks or any other holding containers, whether under, at or above ground surface, located at or upon the Property.

B. To the best of Seller's knowledge, information and belief, no person or entity has at any time conducted or authorized the generation, storage, treatment or disposal of any hazardous or toxic substances of any kind on the Property that would require investigation or clean-up under any federal, state or local law or regulation.

C. Seller is not aware of any notice having been given, or any legal proceeding ever having been instituted, based upon an allegation that any environmental laws or regulations of any kind had been violated in connection with the use of or activity on the Property.

D. Seller will not substantially alter the Property pending Closing, including the placement of any liens, easements or other encumbrances which will affect the marketability of title or Buyer's intended use of the Property.

E. Seller is a Pennsylvania corporation authorized to do business under the laws of the Commonwealth of Pennsylvania and has full power and authority to enter into and fulfill its obligations under this Agreement and to consummate the sale of the Property. The execution, delivery and performance of this Agreement by Seller constitutes the legal, valid and binding obligations of Seller and will not constitute a violation or breach by Seller of any contract, charter or bylaws, or other instrument to which Seller is a party or to which Seller is subject or by which any of Seller's assets or properties may be affected or any judgment, order, writ, injunction or decree issued against or imposed be affected or any judgment, order, writ, injunction or decree issued against or imposed upon Seller, nor will the sale result in a violation of any applicable law, order, rule or regulation of any governmental authority. No consent, waiver or approval by any other party is required in connection with the execution and delivery of this Agreement by Seller except for Seller's constituted Board of Directors, Seller's performance of its obligations under this Agreement, or the execution and delivery of any instrument contemplated hereby by Seller's duly authorized officers.

F. Seller is the owner of fee simple title to the Property and has full authority to convey title to the Property to Buyer at Closing. The Property is not subject to any leases or any other outstanding options or Agreements of Sale, nor will there be at Closing any leases, contracts, agreements or understandings, written or oral, to which Seller is a party and which adversely affect the Property.

G. To Seller's knowledge there is no litigation or proceeding pending or threatened which in any way relates to the Property.

H. To the best of Seller's knowledge there are no special assessments contemplated or in effect against the Property;

I. To the best of Seller's knowledge all present driveways and other access routes to the Property are from public streets.

J. To the best of Seller knowledge the current use and operation of the Property conforms to all applicable building, zoning, safety and subdivision laws, environmental laws and other legal requirements, and all restrictive covenants and restrictions and conditions affecting title.

K. To the best of Seller's knowledge all public utilities (including water, gas, electric, storm and sanitary sewage and telephone lines) required to operate the Property are available to the Property and such utilities enter the boundaries of the Property through adjoining public streets, permanent easements or rights-of-way of record in favor of Seller. Such public utilities are all connected pursuant to valid permits, are all in good working order and are adequate to service the operations of the Property as currently conducted and permit full compliance with all legal requirements. Seller has not received any written notice of any proposed, planned or actual curtailment of service of any utility supplied to the Property.

L. Seller represents and warrants that there is no pending condemnation, expropriation, eminent domain or similar proceeding affecting all or any portion of the Property.

M. Seller has no knowledge or information of (i) any Hazardous Substances being present on or under the Property at any time during or prior to Seller's ownership thereof that would require investigation or clean-up under any federal, state or local law or regulation; (ii) any spills, releases, discharges or disposals of Hazardous Substances that have occurred or are presently occurring on, onto or under the Property, and any properties adjacent thereto; and (iii) any spills, releases, discharges or disposals of Hazardous Substances that have occurred or are presently occurring on the Property as a result of any operation or use thereof, except as disclosed on Exhibit A.

N. In conjunction with any operation, condition or use of the Property, Seller has no knowledge or information of any failure to comply with any Environmental Laws or any other federal, state or local laws, ordinances, regulations or administrative

or judicial orders related to the generation, recycling, reuse, sale, storage, handling, transport, treatment or disposal of any Hazardous Substances.

O. To the best of Seller's knowledge or information, no part of the Property has been used as a sanitary or other landfill operation, or for the purpose of accepting or disposing of landfill or other waste materials, whether or not in the ordinary course of business.

Where used in this Agreement, the term "Hazardous Substances" shall mean and include: (i) all hazardous or toxic substances, wastes or materials, including but not limited to those as now or hereafter defined by or designated in or pursuant to Environmental Laws (as hereinafter defined); (ii) all oil and petroleum products and derivatives thereof, asbestos (friable or otherwise), polychlorinated biphenyls ("PCB's"), radon gas, urea formaldehyde, lead, flammable explosives, hydrocarbons, radioactive materials, and any hazardous, toxic or dangerous substance, waste or material or any solid waste, pollutant or contaminant, including without limitation, any hazardous, toxic or dangerous substance, waste or material or any solid waste, pollutant or contaminant classified as such under any federal, state or local law, ordinance, or regulation pertaining to health, industrial hygiene, waste disposal or the environment; or (iii) any activity now or hereafter undertaken, whether on, at or off the Property, that would (A) cause the Property to become a hazardous waste treatment, storage or disposal facility under, or otherwise subject the Property to the provisions of the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §6901 et seq., (B) cause a release or disposal of Hazardous Substances on the Property under, or otherwise subject the Property to the provisions of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601 et seq., or any similar state or local law or ordinance, (C) cause the discharge of pollutants, contaminants or effluents into any water source or system, whether surface or subsurface, or of any emissions into the air, which would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., or the Clean Air Act, 42 U.S.C. §7401 et seq., or any similar state or local law or ordinance, or (D) cause any substances or conditions in, on or under the Property which may support a claim, charge or cause of action under any of the above-mentioned laws or any other federal,

state or local environmental laws, ordinances, rules, regulations, administrative or judicial orders, or any other environmental requirements (collectively, "Environmental Laws"), including without limitation the presence of any underground storage tanks or underground deposits located on the Property.

Seller shall give Buyer prompt written notice in the event that any of Seller's representations and warranties as hereinabove set forth should become no longer true or correct prior to Closing, and Buyer's obligation to proceed to Closing hereunder is expressly conditioned and contingent upon all of Seller's representations and warranties being true and correct as of Closing. The representations and warranties of Seller to Buyer contained in this Section 5 hereof shall survive the Closing and the delivery of the deed for a period of one (1) year. Except as provided in Section 5, Seller makes no, and hereby disclaims all representations and/or warranties and/or guarantees, expressed or implied, as to or concerning the condition of the Property, including but not limited to any WARRANTY OF HABITABILITY and if and to the extent applicable, the WARRANTY OF MERCHANTABILITY and/or FITNESS FOR A PARTICULAR PURPOSE.

6. Buyer's Covenants and Representations. In order to induce the Seller to enter into this Agreement, Buyer hereby warrants and represents to Seller as follows, which representations and warranties shall survive Closing:

A. Buyer has full power and authority to enter into and fulfill Buyer's obligations under this Agreement and to consummate the purchase of the Property. The execution, delivery and performance of this Agreement by Buyer constitutes the legal, valid and binding obligation of Buyer and will not constitute a violation or breach by Buyer of Buyer's Bylaws or the document by which it was formed, or of any contract or other instrument to which Buyer is a party or to which Buyer is subject, or by which any of Buyer's assets or properties may be affected, or any judgment, order, writ, injunction or decree which may have been issued against or imposed upon Buyer, nor will the purchase result in a violation of any applicable law, order, rule or regulation or any governmental authority. No consent, waiver or approval by any other party is required in connection with Buyer's execution and delivery of this Agreement or Buyer's

performance of Buyer's obligations under this Agreement or any instrument contemplated hereby.

B. Buyer is a Pennsylvania limited liability company duly organized and validly existing under the laws of the Commonwealth of Pennsylvania and has full power and authority to enter into and fulfill its obligations under this Agreement and to consummate the purchase of the Property.

7. Continuation of Representations and Warranties. All representations and warranties made by Seller and Buyer herein, or made in writing pursuant to this Agreement, are true and correct as of the date of this Agreement and will be true and correct at the time of Closing.

8. Title.

A. The Property is to be conveyed by special warranty deed free and clear of all liens, encumbrances, easements, restrictions, corporate taxes and agreements, excepting, however, easements, restrictions and right-of-ways of record, and easements visible upon the ground. Title to the Property shall otherwise be good and marketable and such as will be insured at regular rates by a title insurance company doing business in Pennsylvania for regular risks pursuant to the standard stipulations of an ALTA Policy of Owner's Title Insurance. Seller shall furnish such customary Title Affidavits as the Title Company may require for the removal of standard title objections.

B. Notwithstanding the foregoing, if title to the Property at the time of Closing is not as described in the foregoing Section 8-A hereof by reason of any willful act or omission of Seller subsequent to the full execution of this Agreement, or by reason of the failure of Seller to pay or discharge any monetary liens valid and enforceable at the Closing, the same shall constitute a breach by Seller and Buyer shall be entitled to pursue all remedies available to Buyer in accordance with the provisions of paragraph 15 of this Agreement.

C. The Property is going to be transferred subject to a certain Easement and Declaration of Covenants, Conditions and Restrictions relating to the placement of a stabilized fly ash product placed on the Property by Seller, which has been beneficially used as structural fill. A true and correct copy of the proposed

Easement and Declaration language is attached hereto as Exhibit "A" and is incorporated herein by reference.

D. Seller shall have one (1) year from the date of Closing to obtain releases from any and all mortgages encumbering the Property. If required by Buyer or Buyer's title company, Seller shall execute an indemnification at time of Closing indemnifying Buyer and Buyer's title company from and against any and all claims or losses relating to said mortgages.

9. Closing. If not previously cancelled or terminated as provided herein, Closing on the purchase of the Property by Buyer shall be held at a time and place mutually agreed to by the parties on or before March 1, 2007. Closing hereunder is contingent upon Buyer and Seller also closing on a property pursuant to an Agreement for the Sale and Purchase of Real Estate of even date herewith, under which Seller herein is purchasing from Buyer herein a certain property having an address of 628 and 642 South 20th Street, Harrisburg, Pennsylvania. Closing is further contingent upon Seller obtaining approval for the sale of the Property pursuant to this Agreement from the Pennsylvania Public Utilities Commission (the "PUC").

10. Deliveries at Closing. At Closing:

A. Seller shall deliver to Buyer the following:

(1) A Special Warranty Deed.

(2) Certificates of the appropriate public officials to the effect that Seller is a validly existing corporation in good standing in its state of incorporation as of a date not more than thirty (30) days prior to the Closing.

(3) Secretary's Certificate, dated as of the Closing, with respect to the resolutions of the Board of Directors of Seller and authorizing the execution and delivery of this Agreement and the ancillary agreements to which Seller is a party and the performance by Seller of the transactions contemplated hereby.

(4) An incumbency and specimen signature of each officer or representative of Seller executing this Agreement and any ancillary agreements to which Seller is a party.

(5) Such other documents as may reasonably be required to properly consummate the transaction contemplated by the within Agreement.

B. Buyer shall deliver to Seller the following:

(1) The Purchase Price;

(2) Certificates of the appropriate public officials to the effect that Buyer is a validly existing limited liability company in good standing in its state of creation as of a date not more than thirty (30) days prior to the Closing.

(3) Secretary's Certificate, dated as of the Closing, with respect to the resolutions of the Board of Managers of Buyer and authorizing the execution and delivery of this Agreement and the ancillary agreements to which Buyer is a party and the performance by Buyer of the transactions contemplated hereby.

(4) An incumbency and specimen signature of each officer or representative of Buyer executing this Agreement and any ancillary agreements to which Buyer is a party.

(5) Such other documents as may reasonably be required to properly consummate the transaction contemplated by the within Agreement.

11. Apportionments and Costs. At the Closing, the following apportionments shall be made:

A. Real Estate Taxes. All real estate taxes shall be apportioned as of the date of Closing.

B. Realty Transfer Taxes. Realty transfer taxes imposed on the conveyance hereunder by any governmental body shall be borne and paid equally by Seller and Buyer.

C. Seller shall pay any other obligations owing to any governmental entity or agency that constitute or could constitute liens against the title to the Property valid and existing as of the date of Closing. The provisions of this subparagraph shall survive the Closing for a period of six (6) months.

12. Tenders Waived. Tender of an executed Deed by Seller is hereby waived, but nothing herein contained shall be construed as a waiver of Seller's obligation to deliver such deed or of the concurrent obligation of Buyer to pay the

balance of the Purchase Price at Closing in accordance with the terms of this Agreement.

13. Entry Prior to the Closing. It is understood and agreed that Buyer and Buyer's agents, representatives, engineers, contractors and subcontractors shall have the right from time to time from after the full execution of this Agreement to enter upon the Property for the purposes of inspection, survey, taking of measurements, marking of test borings, preparation of plans or other test of surface and subsurface conditions or other environmental and other studies or appraisals, and generally for the ascertainment of the condition of the Property and the obtaining of such information and data as Buyer may deem necessary or advisable. If Buyer exercises its right of entry under the provisions of this paragraph, Buyer shall:

A. Keep the Property free of any liens or third party claims resulting therefrom and if any liens are so filed, satisfy or otherwise arrange for their removal within 30 days of filing.

B. Defend and save harmless Seller from, and indemnify Seller against any liability or expense for injuries to or death of persons or damage to property arising from the exercise of rights hereunder by Buyer or its employees, agents or contractors. More specifically, Buyer shall indemnify, protect, defend and hold Seller harmless from any and all liens, losses, liabilities, claims, demands, damages, costs and expenses (including reasonable attorney's fees) arising out of or relating to Buyer's exercising its rights hereunder.

C. Buyer shall restore the Property substantially to its condition as existed immediately prior to the execution of this Agreement.

14. Responsibility for Costs. Each party shall be responsible for its own costs and expenses incurred in conjunction with the contemplated sale and purchase.

15. Default. Should Buyer or Seller default under any of the terms, covenants or conditions of this Agreement, then the non-defaulting party shall have the right to seek any legal action, in law or equity, permitted under Pennsylvania law.

16. Casualty. If prior to Closing there shall be any material damage or destruction to the Property by fire or other casualty, Seller shall give prompt notice thereof to Buyer. Buyer shall inspect the Property promptly after receipt of such notice;

if in Buyer's reasonable estimation the cost of the repairs required to complete restoration of the loss, damage or destruction exceeds \$100,000, then Buyer may elect to terminate this Agreement by giving Seller written notice to that effect within thirty (30) days after receipt by Buyer of the notice of casualty. Otherwise, if there is any loss, damage or destruction to the Property by fire or other casualty and this Agreement is not terminated, Closing shall be completed without abatement of the Purchase Price. At Closing Seller shall pay over to Buyer all insurance proceeds collected by Seller with respect to such damage to the extent such proceeds have not yet been applied to the repair and restoration of the Property (and if any such proceeds have not been collected, Seller shall assign to Buyer all its right, title and interest in and to the same).

17. Real Estate Brokers. Both parties hereby warrant and represent to each other that they have not employed any real estate broker or finder in connection with the transaction set forth in this Agreement and that they have not had any dealings with any person or entity which might entitle that person or entity to a fee or commission of any kind with respect to or because of the within transaction. Buyer and Seller shall indemnify and hold the other harmless against any losses, costs or expenses (including reasonable attorney's fees) arising out of claims of any such other broker or finder in connection with this transaction, the obligation for which was incurred by the indemnifying party. The provisions of this paragraph shall survive Closing or the earlier termination of this Agreement.

18. Notices. All Notices under this Agreement shall in order to be valid be in writing and sent by either Certified Mail; return receipt requested, by a recognized overnight courier or by facsimile copy, as follows:

To Seller:

PPL Electric Utilities Corporation
Two North Ninth Street - GENN5
Allentown, PA 18101-1179
Attn: Robert J. Farley
Fax No. 610 774-6503

With copy to:

PPL Services Corporation
Two North Ninth Street - GENTW3
Allentown, PA 18101-1179
Attn: Ronald J. Reybitz, Esq.
Fax No. 610 774-6726

To Buyer:

BDS Properties, LLC
642 South 20th Street
Harrisburg, PA 17104

With copy to:

Douglas Yohe, Esq.
Latsha Davis Yohe & McKenna, P.C.
1700 Bent Creek Blvd., Ste 140

Attn: Bruce Davis
Fax No. 800-232-9234

Mechanicsburg, PA 17050
Fax. No. 717 620-2444

or to any other location that any party to this Agreement may choose, provided that said change is communicated to all other parties in the manner that Notices are required to be sent. Copies of notices must be served in the same manner as originals.

19. Recording. This Agreement shall not be recorded in any office of public record and any attempt to do so shall constitute a breach of this Agreement.

20. Counterparts and Facsimile Copies. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Facsimile copies of this Agreement may be executed by the parties and such facsimile copies shall have the same legal force and effect as executed original copies would have.

21. Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and shall supersede all prior negotiations, understandings and agreements of any nature whatsoever with respect to the subject matter hereof. No amendment, waiver or discharge of any provision of this Agreement shall be effective against either party unless that party shall have consented thereto in writing.

23. Time of the Essence. Seller and Buyer acknowledge and agree that times contained in this Agreement shall be of the essence.

24. Partial Invalidity. In the event that any Section or provision of this Agreement is determined to be unconstitutional, unenforceable or invalid, such Section or provision shall be stricken from, and construed for all purposes not to constitute a part of, this Agreement, and the remaining portion of this Agreement shall continue in full force and effect and shall for all purposes, constitute this entire Agreement.

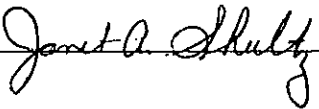
25. Attorneys' Fees. In the event litigation is required by either Party to enforce the terms of this Agreement, the prevailing Party of such action shall, in addition to all other relief granted or awarded by the court, be entitled to judgment for attorneys' fees incurred by reason of such action and all costs of suit and those incurred in preparation thereof at both the trial and appellate levels.

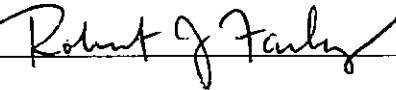
26. Survival. No provision of this Agreement shall be deemed to merge in any deed delivered pursuant to this Agreement, and all the provisions of this Agreement shall survive the delivery of any such deed.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement as of the date first above written.

WITNESS:

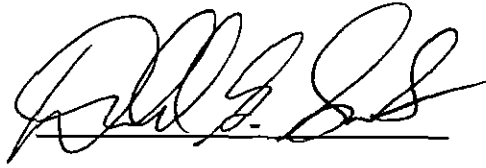
PPL ELECTRIC UTILITIES CORPORATION



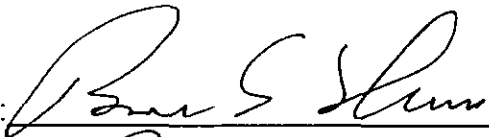
By: 

Robert J. Farley
Manager-Real Estate Services of PPL Services Corporation
And Authorized Agent for PPL Electric Utilities Corporation

WITNESS:



BDS PROPERTIES, LLC.

By: 

Name: Bruce E Davis

Title: Partner

ATTACHMENT 2

RECEIVED

APR 03 2007

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 BDS Properties, : Application
LLC of Property Located in the City of : Docket No. _____
Harrisburg, Dauphin County, :
Pennsylvania. :

RECEIVED

APR 03 2007

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 Attachment 1 to the above-captioned Application of PPL Electric Utilities Corporation (hereafter "PPL Electric").

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 above-captioned Application of PPL Electric.

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. See Paragraph 4 of the above-captioned Application of PPL Electric.

Question:

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

Response:

4. See Paragraph 4 of the above-captioned Application of PPL Electric.

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 the sale is necessary for PPL Electric to reduce its warehouse capacity in the Harrisburg area in order to meet its storage needs for that region in a more efficient and cost-effective manner.

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 property 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. The sale of this property will require the acquisition of a smaller warehouse from Cumberland Electronics, a company that is affiliated with BDS.

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 the sale of this property.

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 concluded base rate case at Docket No. R-00049255, and in prior base 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. The property is to be sold at a price slightly below its fair market value as of July 7, 2006, as determined by an independent real estate appraiser, Noone & Associates, Inc.

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 realize a net 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 the property sold will be recorded as follows:

Account 108 - Accumulated Provision for Depreciation of Electric Utility Plant and Account 253 - Deferred Credit - Sale of Property will be debited and Account 101- Electric Plant in Service will be credited for the sale of the property.

The loss from the sale of property will be recorded as follows:

Account 421 - Loss on Disposition of Property will be debited and Account 253 - Deferred Credit - Sale of Property 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. The property being transferred represents primarily real estate. An old masonry warehouse of nominal value is located on the property.

Question:

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

Response:

20. The property was acquired in 1998.

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)
 : SS
COUNTY OF LEHIGH)

DAVID G. DeCAMPLI, 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.

David G. DeCampli

Sworn to and subscribed
before me this 3rd day
of April, 2007

Francine A. Greenzweig

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
FRANCINE A. GREENZWEIG, Notary Public
City of Allentown, Lehigh County
My Commission Expires Oct. 29, 2010

RECEIVED
APR 03 2007
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE
Secretary
717-772-7777

April 17, 2007

A-110500F0389

PAUL E RUSSELL ESQUIRE
ASSOCIATE GENERAL COUNSEL
PPL ELECTRIC UTILITIES CORP
TWO NORTH NINTH STREET
ALLENTOWN PA 18101

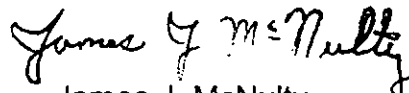
DOCUMENT
FOLDER

Dear Mr. Russell:

Receipt is acknowledged of the Application of PPL Electric Utilities Corporation for approval of the transfer by sale of certain property located in the City of Harrisburg to BDS Properties, LLC, which has been captioned and docketed to the above number.

This matter will receive the attention of the Commission and you will be advised of any further necessary procedure.

Sincerely,


James J. McNulty
Secretary

JJM:ddt

DOCKETED
APR 18 2007

DATE: April 17, 2007

SUBJECT: A-110500F0389

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary *ddt*

DOCUMENT
FOLDER

APPLICATION OF PPL ELECTRIC UTILITIES CORPORATION

We attach hereto a copy of the Application of PPL Electric Utilities Corporation for approval of the transfer by sale of certain property located in Harrisburg, PA, to BDS Properties, LLC, which has been captioned and docketed to the above number.

May we have a report prepared by your Bureau for public meeting.

Attachment

cc: Law Bureau

ddt

DOCKETED

APR 18 2007

PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

The addressee named here has paid the PA P.U.C. for the following bill:

DATE: 4/19/2007
RECEIPT NO: 250240

PPL
TWO NORTH NINTH STREET
ALLENTOWN PA 18101

IN RE: Electrical Generation fees for PPL

Docket Number A-110500F0389..... \$350.00

REVENUE ACCOUNT: 001780-017601-107

CHECK NUMBER: 0011774783
CHECK AMOUNT: \$350.00

Michael Sobolesky
(for Department of Revenue)

**DOCUMENT
FOLDER**

DOCKETED
APR 20 2007