

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of PPL Interstate :
Energy Company and PPL Electric :
Utilities Corporation for All of the : Docket Nos. A-2014-2435752
Necessary Authority, Approvals, and : A-2014-2435833
Certificates of Public Convenience (1) :
for the Transfer of PPL Corporation's :
Ownership Interests in PPL Interstate :
Energy Company to Talen Energy :
Corporation, and Certain Post-Closing :
Transactions Associated therewith; (2) :
for the Transfer of Certain Property :
Interests Between PPL Electric Utilities :
Corporation and PPL Energy Supply, :
LLC and its Subsidiaries in Conjunction :
with the Transfer of All of the Interests :
of PPL Energy Supply, LLC and its :
Subsidiaries to Talen Energy :
Corporation; (3) for any Modification or :
Amendment of Associated Affiliated :
Interest Agreements; and (4) for any :
Other Approvals Necessary to :
Complete the Contemplated :
Transactions :

JOINT APPLICANTS' STATEMENT No. 4

Direct Testimony of Marc A. Jackson

August 27, 2014

1 **INTRODUCTION**

2 **Q. Please state your full name and business address.**

3 A. My name is Marc A. Jackson. My business address is 2 North Ninth Street, Allentown,
4 PA 18101.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by PPL Services Corporation (“PPL Services”), a wholly owned direct
8 subsidiary of PPL Corporation (“PPL Corp.”), as the Manger of Real of Estate Services.

9
10 **Q. What are your duties as the Manger of Real of Estate Services?**

11 A. In this capacity, I am responsible for the overall management of PPL Corp.’s
12 Pennsylvania and New Jersey real estate portfolio, which consists of approximately
13 50,000 acres of land, buildings, and improvements. My real estate functions and
14 responsibilities include property acquisitions, divestitures, leasing (office, warehouse,
15 residential, agricultural, telecommunications, and etc.), management of property taxes
16 (valuations, payments, filings, returns, and appeals), securing and granting perpetual
17 easements, securing building permits and land development approvals, utilizing
18 geographical information systems (GIS mapping), and resolving encroachments and
19 unauthorized uses of PPL Corp.’s lands.

20
21 **Q. What is your educational background?**

22 A. In 1995, I received a Bachelor of Business Administration in Real Estate from Temple
23 University.

1 **Q. Please describe your professional experience.**

2 A. I have been employed by PPL Corp. affiliates for 11 years. From 2011 to the present, I
3 have held the position of Manager of Real Estate Services, with the responsibilities I
4 previously described.

5 From 2008 to 2011, I held the position of Manager of Real Estate Taxes with PPL
6 Services having the responsibility for all personal and real property tax filings for various
7 subsidiaries of PPL Corp., including the annual Public Utility Realty Tax Act
8 (“PURTA”) filing and reconciliations for PPL Electric Utilities Corporation (“PPL EU”) and
9 PPL Interstate Energy Company (“PPL IEC”). In addition, I was responsible for the
10 oversight, analysis, and payment of approximately two thousand annual property tax
11 payments, the management of the annual property tax obligation, and reviewing
12 opportunities to enroll in preferential tax treatment initiatives. My responsibilities also
13 included performing extensive property valuations to identify excessive property tax
14 assessments. The results of these valuations were utilized to assist in formulating the
15 appropriate strategies and documentation to support the property tax appeal process at the
16 Board of Assessment level and/or the Court of Common Pleas.

17 From May 2005 to 2008, I held the position of Senior Real Estate Specialist with
18 PPL Services. In this capacity, I was responsible for negotiating and securing the
19 required right of way easements necessary for PPL EU’s proposed substations and
20 electric transmission line projects. I was also responsible for the disposition and
21 acquisition of real estate to support the needs of the various subsidiaries of PPL Corp.

1 From March 2003 to May 2005, I held the Senior Product Manager position with
2 PPL Telecom, LLC. I was responsible for the annual budgeting and the sales, marketing
3 and leasing functions for the group. In addition, I oversaw the process pursuant to which
4 the rights were secured from property owners that permitted the installation of
5 telecommunication facilities.

6 From 2001 to 2002 I held the position of Director of Business Development with
7 Telecom Acquisition Group, LP. In this position, I developed, and launched the
8 company's sales/acquisition and marketing processes as well as negotiated and structured
9 agreements to purchase recurring, long-term telecommunication revenue streams.

10 From 1999 to 2001 I held the position of Manager of Site Management with
11 Spectrasite Communications, Inc. I managed the day to day operations of a 12 member
12 office staff and a 16 member field staff focused on the oversight of telecommunication
13 construction on the company's regional and nationwide real estate management portfolio.

14 From 1998 to 1999 I held the position of Manager of Client Relations with
15 Spectrasite Communications, Inc. In this position, I was responsible for maintaining
16 client relations with our nationwide real estate clients. In addition I developed
17 opportunities to increase revenues on their portfolios by structuring strategic partnership
18 agreements with telecommunication companies.

19 From 1994 to 1998 I represented numerous regional and national real estate
20 companies by overseeing the construction activities related to telecommunications
21 facilities while working as a site manager for Apex Site Management.

1 In addition, I have twenty-two years of experience as an independent
2 Owner/Investor in residential and commercial real estate. In these capacities, I am
3 responsible for market research analysis, property valuations, budgeting, acquisitions,
4 dispositions, capital financing, leasing, and all aspects of property management.

5
6 **Q. Have you previously testified as a witness before the Pennsylvania Public Utility
7 Commission (“PUC” or “Commission”)?**

8 A. Yes. I submitted testimony in support of the “Application of PPL Electric Utilities
9 Corporation Filed Pursuant to 52 PA Code Chapter 57, Subchapter G, for Approval of the
10 Siting and Reconstruction of the Proposed Coopersburg #1 and #2 138/69 kV Tap in
11 Upper Saucon Township, Lehigh County and Springfield and Richland Townships,
12 Bucks County, Pennsylvania,” Docket No. A-2008-202294.

13
14 **Q. What is the subject matter of your direct testimony?**

15 A. I will describe certain property interests that will be transferred or clarified as part of the
16 Proposed Transaction in order to reaffirm certain property rights among PPL EU and the
17 subsidiaries of PPL Energy Supply, LLC (“PPL Energy Supply”).

18
19 **Q. Are you sponsoring any exhibits?**

20 A. Yes. On behalf of PPL EU, I am sponsoring all or a portion of the following Appendices
21 to the Joint Application:

- 22 • Appendix A – Separation Agreement [**HIGHLY CONFIDENTIAL treatment is**
23 **required for the Separation Agreement Schedules (ALL FILED UNDER SEAL)**]

- 1 • Appendix B – Transaction Agreement [**HIGHLY CONFIDENTIAL treatment is**
2 **required for the Parent Disclosure Letter and RJS Disclosure Letter (ALL**
3 **FILED UNDER SEAL)]**
- 4 • Appendix H – List of properties owned by PPL Energy Supply and/or its subsidiaries
5 that currently are encumbered by PPL EU transmission rights-of-way
- 6 • Appendix I – List of properties owned by PPL Energy Supply and/or its subsidiaries
7 that currently are encumbered by PPL EU distribution rights-of-way
- 8 • Appendix J – List of properties owned by PPL Energy Supply and/or its subsidiaries
9 at which PPL EU substation facilities are located
- 10 • Appendix K – List of miscellaneous properties and interests owned by PPL Energy
11 Supply and/or its subsidiaries that currently are used by PPL EU
- 12 • Appendix L – List of miscellaneous properties and interests owned by PPL EU that
13 currently are used by PPL Energy Supply and/or its subsidiaries

14 I am also sponsoring Joint Applicants’ Exhibit MAJ-1, which is a *pro forma* Agreement
15 Reaffirming Right-of-Way Rights.

16
17 **Q. Please summarize the categories of property rights to be transferred or clarified as**
18 **part of the Proposed Transaction.**

19 A. Certain existing property interests that are used or useful in providing intrastate public
20 utility service by PPL EU will be reaffirmed or clarified as part of the Proposed
21 Transaction in order to facilitate the separation of PPL Corp.’s electric utility and
22 competitive generation businesses. There are several categories of property rights that
23 will be clarified as part of the Proposed Transaction. The proposed manner of clarifying
24 those rights depends on the nature of the real property right and the facilities located on
25 the property. The proposed transfers/clarifications fall into five broad categories: (1)
26 properties owned by PPL Energy Supply and/or its subsidiaries that currently are
27 encumbered by PPL EU transmission rights-of-way; (2) properties owned by PPL Energy

1 Supply and/or its subsidiaries that currently are encumbered by PPL EU distribution
2 rights-of-way; (3) properties owned by PPL Energy Supply and/or its subsidiaries at
3 which PPL EU substation facilities currently are located; (4) miscellaneous properties
4 and interests owned by PPL Energy Supply and/or its subsidiaries that currently are used
5 by PPL EU; and (5) miscellaneous properties and interests owned by PPL EU that
6 currently are used by PPL Energy Supply and/or its subsidiaries.

7
8 **Q. Please explain whether the Applicants are seeking Commission approval of the**
9 **transfers/clarifications of property interests between PPL EU and PPL Energy**
10 **Supply.**

11 A. As I explain in greater detail below, the proposed agreements are simply memorializing
12 existing rights previously reserved by PPL EU and, therefore, no monetary consideration
13 will be exchanged. For these reasons, PPL EU does not believe that Commission
14 approval is required for these proposed agreements. Nevertheless, to the extent that the
15 Commission concludes that approval is required for these agreements, PPL EU requests
16 such approval.

17
18 **TRANSMISSION RIGHTS-OF-WAY TO BE TRANSFERRED/CLARIFIED**

19 **Q. What properties owned by PPL Energy Supply and/or its subsidiaries are**
20 **encumbered by PPL EU transmission rights-of-way?**

21 A. Currently, PPL EU transmission rights-of-way encumber properties owned by the
22 following subsidiaries of PPL Energy Supply: PPL Holtwood, LLC; PPL Brunner Island,
23 LLC; PPL Montour, LLC; PPL Martins Creek, LLC; PPL Susquehanna, LLC; and PPL

1 Generation, LLC. In total, there are 156 tracts of lands owned by these PPL Energy
2 Supply subsidiaries that are encumbered by PPL EU transmission rights-of-way. A
3 detailed list of the properties owned by these PPL Energy Supply subsidiaries that
4 currently are encumbered by PPL EU transmission rights-of-way is provided in Appendix
5 H to the Joint Application.

6
7 **Q. Please explain how PPL EU will transfer or clarify the transmission rights-of-way**
8 **that currently encumber properties owned by subsidiaries of PPL Energy Supply.**

9 A. The existing PPL EU transmission facilities are located on these properties based on
10 reservation language in the applicable deed of transfer from PPL EU. The tracts of land
11 at issue are generally related to the deregulated electric generation plants that are being
12 indirectly transferred to Talen Energy Corporation (“Talen Energy”) as part of the
13 Proposed Transaction. Following deregulation, these plant properties were transferred
14 from PPL EU to the PPL Energy Supply subsidiaries that now own and operate the
15 deregulated electric generation plants. However, because PPL EU transmission line
16 rights-of-way were necessary to interconnect the plants to the electric grid, the deed
17 conveying the plant property from PPL EU to the PPL Energy Supply subsidiaries
18 contained a reservation that permitted existing and future PPL EU transmission facilities
19 on these properties.

20 Upon closing of the Proposed Transaction, PPL Corp.’s indirect ownership of the
21 deregulated electric generation plants and the associated tracts of land will be transferred
22 to Talen Energy. In order to ensure that these electric generation plant facilities remain
23 interconnected to the electric grid, PPL EU must have sufficient rights to maintain and

1 operate its existing and future transmission line rights-of-way serving these plants.
2 Therefore, upon or after the closing of the Proposed Transaction, each encumbrance on
3 each property will be memorialized, notarized and recorded with a right-of-way
4 agreement and map depicting the existing and, where applicable, expanded easement
5 area.

6
7 **Q. Will there be any consideration exchanged for these transmission rights-of-way?**

8 A. No. There will be no cash or other consideration provided by PPL EU for these rights-of-
9 way. The transmission rights-of-way described in Appendix H to the Joint Application
10 are existing rights-of-way that were previously reserved to PPL EU. The proposed new
11 transmission right-of-way agreements are merely reaffirming and memorializing the
12 existing transmission rights-of-way. Attached to my direct testimony as Joint Applicants'
13 Exhibit MAJ-1 is a *pro forma* agreement between PPL EU and the applicable PPL
14 Energy Supply entities reaffirming the transmission rights-of-way that currently
15 encumber properties owned by subsidiaries of PPL Energy Supply.

16
17 **Q. Are the Applicants seeking Commission approval of these agreements reaffirming**
18 **the existing transmission rights-of-way?**

19 A. No. I am advised by counsel that, under Section 1102(a)(3)(ii)(B) of the Public Utility
20 Code, Commission approval is not required for the sale or transfer of realty that is used or
21 useful in the public service if it has an undepreciated book value less than \$50,000. PPL
22 EU is not acquiring or transferring realty that is used or useful. As I previously
23 explained, the proposed transmission right-of-way agreements are merely reaffirming the

1 existing rights-of-way. Further, because the proposed transmission right-of-way
2 agreements are simply memorializing an existing right, no consideration will be
3 exchanged. For these reasons, PPL EU seeks a finding by the Commission that Section
4 1102(a)(3) will not apply to these proposed transmission right-of-way agreements. In the
5 event that the Commission concludes that approval is required for these agreements, PPL
6 EU requests such approval.

7
8 **Q. In your opinion, will the transfer or clarification of these transmission rights-of-way**
9 **provide a public benefit?**

10 A. Yes. The proposed transmission rights-of-way will ensure that PPL EU is able to
11 continue to provide safe, reliable, and continuous service to its customers. The
12 reaffirmation of the existing transmission rights-of-way will ensure that the electric
13 generation plant facilities remain interconnected to the electric grid, and that PPL EU has
14 sufficient rights in the future to maintain and operate its transmission lines serving these
15 plants.

16
17 **DISTRIBUTION RIGHTS-OF-WAY TO BE TRANSFERRED/CLARIFIED**

18 **Q. What properties owned by PPL Energy Supply and/or its subsidiaries are**
19 **encumbered by PPL EU distribution rights-of-way?**

20 A. Currently, PPL EU distribution rights-of-way encumber properties owned by the
21 following subsidiaries of PPL Energy Supply: PPL Holtwood, LLC; PPL Montour, LLC;
22 PPL Susquehanna, LLC; and PPL Generation, LLC. In total, there are 352 deeds
23 representing tracts of land held by these PPL Energy Supply subsidiaries that are

1 encumbered by PPL EU distribution rights-of-way. A detailed list of the properties
2 owned by PPL Energy Supply subsidiaries that currently are encumbered by PPL EU
3 distribution rights-of-way is provided in Appendix I to the Joint Application.

4
5 **Q. Please explain how PPL EU will transfer or clarify the distribution rights-of-way**
6 **that currently encumber properties owned by subsidiaries of PPL Energy Supply.**

7 A. Similar to the transmission rights-of-way I previously described, the existing PPL EU
8 distribution rights-of-way are located on these properties based on reservation language
9 in the applicable deed of transfer from PPL EU. Upon closing of the Proposed
10 Transaction, PPL Corp.'s indirect ownership of the deregulated electric generation plants
11 and the associated tracts of land will be transferred to Talen Energy. In order to ensure
12 that PPL EU has sufficient rights to maintain and operate its existing distribution
13 facilities across these plant properties following closing, an appropriate agreement will be
14 executed and recorded, if necessary, to confirm the rights for the existing distribution
15 rights-of-way.

16
17 **Q. Will there be any consideration exchanged for these distribution rights-of-way?**

18 A. No. There will be no monetary or other consideration provided by PPL EU for these
19 rights-of-way. The distribution rights-of-way described in Appendix I to the Joint
20 Application are existing rights-of-way that were previously reserved by PPL EU. The
21 proposed new distribution right-of-way agreements are merely reaffirming and
22 memorializing the existing distribution rights-of-way. The existing distribution rights-of-

1 way will be reaffirmed by the *pro forma* agreement attached to my direct testimony as
2 Joint Applicants' Exhibit MAJ-1.

3
4 **Q. Are the Applicants seeking Commission approval of these agreements reaffirming**
5 **the existing distribution rights-of-way?**

6 A. No. I am advised by counsel that, under Section 1102(a)(3)(ii)(B) of the Public Utility
7 Code, Commission approval is not required for the sale or transfer of realty that is used or
8 useful in the public service if it has an undepreciated book value less than \$50,000. PPL
9 EU is not acquiring or transferring realty that is used or useful. As I previously
10 explained, the proposed distribution right-of-way agreements are merely reaffirming the
11 existing rights-of-way. Further, because the proposed distribution right-of-way
12 agreements are simply memorializing an existing right, no monetary consideration will be
13 exchanged. For these reasons, PPL EU seeks a finding by the Commission that Section
14 1102(a)(3) will not apply to these proposed distribution right-of-way agreements. In the
15 event that the Commission concludes that approval is required for these agreements, PPL
16 EU requests such approval.

17
18 **Q. In your opinion, will the transfer or clarification of these distribution rights-of-way**
19 **provide a public benefit?**

20 A. Yes. The proposed distribution rights-of-way will ensure that PPL EU is able to continue
21 to provide safe, reliable, and continuous service to its customers. The reaffirmation of
22 the existing distribution rights-of-way will ensure that PPL EU has sufficient rights to
23 maintain and operate its distribution lines that traverse the generating plant properties.

1 **SUBSTATION FACILITY PROPERTIES TO BE TRANSFERRED/CLARIFIED**

2 **Q. Please describe the PPL EU substation facilities that are currently located on**
3 **properties owned by PPL Energy Supply and/or its subsidiaries**

4 A. Currently, the following PPL EU substation facilities are located on properties owned by
5 subsidiaries of PPL Energy Supply: two PPL EU substation facilities are located on eight
6 tracts of land owned by PPL Holtwood, LLC; one PPL EU substation is located on two
7 tracts of land owned by PPL Brunner Island, LLC; two PPL EU substation facilities are
8 located on three tracts of land owned by PPL Montour, LLC; two PPL EU substation
9 facilities are located on two tracts of land owned by PPL Martins Creek, LLC; three PPL
10 EU substation facilities are located on four tracts of land owned by PPL Susquehanna,
11 LLC and Allegheny Electric Cooperative; one PPL EU substation is located on two tracts
12 of land owned by PPL Generation, LLC; and one PPL EU substation is located on land
13 owned by PPL IEC. In total, there are 12 PPL EU substation facilities currently located
14 on twenty-two tracts of land owned by subsidiaries of PPL Energy Supply. A detailed
15 list of the PPL EU substation facilities that currently are located on properties owned by
16 subsidiaries of PPL Energy Supply is provided, attached hereto as Appendix "J."

17
18 **Q. Please explain how PPL EU will transfer or clarify the property interests for the**
19 **substation facilities that currently are located on properties owned by subsidiaries**
20 **of PPL Energy Supply.**

21 A. Similar to the transmission and distribution rights-of-way I previously described, the
22 existing PPL EU substation facilities are located on these properties based on reservation
23 language in the applicable deed of transfer from PPL EU. A survey will be conducted to

1 confirm the metes and bounds and appropriate legal description of the substation
2 properties.

3 For the substation facilities located on the PPL Holtwood and PPL Generation
4 properties, the portion of the properties occupied by the substation facilities will be
5 transferred by deed to PPL EU upon or after the closing of the Proposed Transaction. In
6 addition, PPL Holtwood and PPL Generation will grant PPL EU one or more access
7 easements across related properties as reasonably necessary for the routine operation and
8 maintenance of the substation facilities.

9 For the two PPL EU substation facilities located on PPL Montour land, one
10 substation is located at the Montour generating facility “within the plant fence,” and one
11 is located at the Harwood site in Luzerne County on a non-generating property. Upon or
12 after the closing of the Proposed Transaction, (i) a perpetual easement agreement will be
13 executed by PPL Montour in favor of PPL EU with respect to the substation located at
14 the plant property and (ii) a deed of transfer will be executed by PPL Montour
15 transferring ownership of the site located in Luzerne County to PPL EU. In addition,
16 PPL Montour also will grant PPL EU one or more access easements across related
17 properties as reasonably necessary for the routine operation and maintenance of the
18 substation facilities.

19 There are two PPL EU substation facilities located on the PPL Martins Creek
20 property and one PPL EU substation site located on the PPL Brunner Island property.
21 Each of these substation sites is located within the fenced area for the respective
22 generating plants. Upon or after the closing of the Proposed Transaction, perpetual
23 easement agreements will be prepared and executed by PPL Martins Creek and PPL

1 Brunner Island in favor of PPL EU. In addition, PPL Martins Creek and PPL Brunner
2 Island will grant PPL EU one or more access easements across related properties as
3 reasonably necessary for the routine operation and maintenance of the substation
4 facilities.

5 For the three PPL EU substations located on the PPL Susquehanna property, one
6 is located on PPL Susquehanna plant property “within the plant fence,” a second is
7 located in close proximity to the fenced plant, and the third is located in Conygham
8 Township on buffer lands. Upon or after the closing of the Proposed Transaction,
9 perpetual easement agreements will be prepared and executed by PPL Susquehanna in
10 favor of PPL EU with respect to the two substations within or near the plant fence. For
11 the third PPL EU substation located in Conygham Township on buffer lands, an
12 appropriate property interest will be transferred to PPL EU upon or after the closing of
13 the Proposed Transaction. In addition, PPL Susquehanna will grant PPL EU one or more
14 access easements across related properties as reasonably necessary for the routine
15 operation and maintenance of the substation facilities.

16 For the PPL EU substation located on PPL IEC property, a survey will be
17 conducted to confirm the metes and bounds and appropriate legal description of the
18 substation property and, upon or after the closing of the Proposed Transaction, an
19 appropriate property interest will be transferred to PPL EU.
20

1 **Q. Will there be any consideration exchanged for the transfer or clarification of the**
2 **PPL EU substation sites?**

3 A. No. There will be no monetary or other consideration provided by PPL EU for the
4 transfer or clarification of the PPL EU substation sites. The PPL EU substation sites
5 described in Appendix J to the Joint Application are existing substation sites that were
6 previously reserved by PPL EU. These existing substation sites will merely be
7 reaffirmed by an appropriate easement or deed of transfer.

8
9 **Q. Are the Applicants seeking Commission approval of these agreements to transfer or**
10 **clarify the PPL EU substation sites?**

11 A. No. I am advised by counsel that, under Section 1102(a)(3)(ii)(B) of the Public Utility
12 Code, Commission approval is not required for the sale or transfer of realty that is used or
13 useful in the public service if it has an undepreciated book value less than \$50,000. PPL
14 EU is not acquiring or transferring realty that is used or useful. As I previously
15 explained, PPL EU substation sites described in Appendix J to the Joint Application are
16 existing substation sites. Further, because the appropriate easements or deeds of transfer
17 are simply memorializing existing rights or transferring back property that is encumbered
18 by the existing reservation, no monetary consideration will be exchanged for these PPL
19 EU substation sites. For these reasons, PPL EU seeks a finding by the Commission that
20 Section 1102(a)(3) will not apply to these existing PPL EU substation sites. In the event
21 that the Commission concludes that approval is required for these agreements, PPL EU
22 requests such approval.

1 **Q. In your opinion, will the transfer or clarification of these substation rights-of-way**
2 **provide a public benefit?**

3 A. Yes. The appropriate easements or deeds of transfer will ensure that PPL EU is able to
4 continue to provide safe, reliable, and continuous service to its customers. The
5 reaffirmation of the existing substation sites will ensure that PPL EU has sufficient rights
6 in the future to maintain, operate, and access its existing substations, which are necessary
7 to provide electric service to the public.

8

9 **MISCELLANEOUS PROPERTY INTERESTS**

10 **Q. Are there other miscellaneous properties and interests that will be transferred or**
11 **clarified as part of the Proposed Transaction?**

12 A. Yes. Certain miscellaneous properties and interests owned by PPL Energy Supply and/or
13 its subsidiaries currently are used by PPL EU. Similarly, there are certain miscellaneous
14 properties and interests owned by PPL EU that are currently used by PPL Energy Supply
15 and/or its subsidiaries. These property interests will be transferred or clarified as part of
16 the Proposed Transaction.

17

18 **Q. Please describe the miscellaneous properties and interests owned by PPL Energy**
19 **Supply and/or its subsidiaries that currently are used by PPL EU.**

20 A. These property interests include PPL EU's access/use of existing fiber-optic network
21 cabling and other telecommunication equipment located on PPL Energy Supply
22 subsidiaries' properties. In addition, there are control equipment houses located on
23 property owned by PPL Energy Supply subsidiaries and currently utilized by both PPL

1 EU and the applicable PPL Energy Supply subsidiaries. A detailed list of the
2 miscellaneous properties and interests owned by PPL Energy Supply and/or its
3 subsidiaries that currently are used by PPL EU is provided in Appendix K to the Joint
4 Application.

5
6 **Q. How will the properties and interests owned by the subsidiaries of PPL Energy
7 Supply and currently used by PPL EU be transferred or clarified?**

8 A. Upon or after closing, appropriate easements and/or license agreements will be executed
9 to ensure that PPL EU's use of the fiber-optic network cabling and telecommunication
10 equipment will continue consistent with past practices. Upon or after closing, easements
11 and/or license agreements will be prepared and executed by the applicable PPL Energy
12 Supply subsidiaries in favor of PPL EU to ensure the continued use of the control
13 equipment houses, and that such use is consistent with past practices.

14
15 **Q. Please describe the miscellaneous properties and interests owned by PPL EU that
16 currently are used by PPL Energy Supply and/or its subsidiaries.**

17 A. These property interests include: (i) easements between PPL EU and PPL Martins Creek,
18 LLC for combustion turbine generator facilities located on PPL EU property; (ii) office
19 space and records center owned by PPL EU but currently used by PPL Corp. subsidiaries,
20 including PPL Energy Supply and its subsidiaries; (iii) license agreements for air
21 monitoring equipment on PPL EU's property; and (iv) PPL Energy Supply subsidiaries'
22 access/use of existing fiber-optic network cabling and other telecommunication
23 equipment located on PPL EU's property. A detailed list of the miscellaneous properties

1 and interests owned by PPL EU that currently are used by PPL Energy Supply and/or its
2 subsidiaries is provided in Appendix L to the Joint Application.

3
4 **Q. How will the Proposed Transaction impact the easements for the combustion
5 turbine generator facilities?**

6 A. These rights are currently memorialized in existing easement agreements and recorded in
7 the applicable County Recorder of Deeds Office. These easements will continue but will
8 be updated upon or after closing of the Proposed Transaction to include customary and
9 reasonable environmental indemnity language as agreed between PPL EU and PPL
10 Martins Creek.

11
12 **Q. How will the Proposed Transaction impact the use by PPL Energy Supply and its
13 subsidiaries of PPL EU's office space and record center?**

14 A. On or before the closing of the Proposed Transaction, the PPL Energy Supply
15 subsidiaries will no longer use the office space owned by PPL EU. Similarly, the active
16 use of the PPL EU record center by PPL Energy Supply and its subsidiaries will cease
17 upon the closing of the Proposed Transaction, subject to PPL Energy Supply's right to
18 request access to documents retained therein pursuant to the terms of the Separation
19 Agreement and any applicable transition services agreement.

20

1 **Q. How will the Proposed Transaction impact the license agreements for monitoring**
2 **equipment on PPL EU's property?**

3 A. These license agreements are between PPL EU (licensor) and PPL Susquehanna, LLC
4 (licensee). These agreements permit PPL Susquehanna's air monitoring stations, which
5 are required by the Nuclear Regulatory Commission, and are located on PPL EU
6 property. Upon or after closing, it is anticipated that the continued use by PPL
7 Susquehanna of PPL EU's land for the required air monitoring stations will be more
8 permanently memorialized in an appropriate agreement and such agreement will be
9 recorded with the applicable County Recorder of Deeds Office.

10

11 **Q. In your opinion, will the transfer or clarification of these miscellaneous property**
12 **interests provide a public benefit?**

13 A. Yes. The proposed transfer and clarification of property interests will ensure that PPL
14 EU and PPL Energy Supply have all the property rights and access rights necessary to
15 operate and maintain their existing facilities so that they may continue to provide safe and
16 reliable service to customers.

17

18 **Q. Does this conclude your direct testimony?**

19 A. Yes, it does. However, I reserve the right to supplement my testimony as additional
20 issues arise during the course of this proceeding.

21

Joint Applicants'

Exhibit MAJ-1

AGREEMENT REAFFIRMING RIGHT-OF-WAY RIGHTS

This Agreement Reaffirming Right-of-Way Rights (“Agreement”) is entered into between **PPL [APPROPRIATE GENERATION ENTITY]**, a [STATE OF ORGANIZATION (e.g. Delaware)] [TYPE OF ENTITY (e.g. limited liability company corporation)], hereinafter called “PPL [APPROPRIATE GENERATION ENTITY]”, and **PPL ELECTRIC UTILITIES CORPORATION**, a Pennsylvania corporation, hereinafter referred to as “PPL ELECTRIC”.

WITNESSETH:

WHEREAS, PPL [APPROPRIATE GENERATION ENTITY] is the owner of certain property located in _____ Township, _____ County, Pennsylvania identified as Tax Parcel Number _____, which property is more fully described in the Deed recorded in the Office of the Recorder of Deeds for _____ County at Book _____, Page _____ (the “Property”); and

WHEREAS, PPL [APPROPRIATE GENERATION ENTITY] acquired the Property from PPL Electric, and in the Deed PPL ELECTRIC reserved certain rights and privileges to construct, reconstruct, operate and maintain its electric and communication facilities, which rights and privileges are more fully set forth in the Deed;

WHEREAS, the Deed references an unrecorded plan entitled “PPL ELECTRIC UTILITIES CORPORATION EASEMENT AND RIGHT OF WAY PLAN for {identify correct plan}” by L. ROBERT KIMBALL & ASSOCIATES, dated _____, PPL [APPROPRIATE GENERATION ENTITY]; (the “Kimball Plan”); and

WHEREAS, PPL ELECTRIC and PPL [APPROPRIATE GENERATION ENTITY] seek to resolve any ambiguity between the language of the Deed and the Kimball Plan; and

WHEREAS, the parties have agreed that the easement rights being reaffirmed shall be as depicted on Exhibit “A” attached hereto and incorporated herein; and

WHEREAS, PPL ELECTRIC UTILITIES CORPORATION EASEMENT and PPL ELECTRIC are executing this Agreement to reaffirm and clarify those certain of the parties’ respective rights and obligations with respect to the rights previously reserved by PPL ELECTRIC in the Deed.

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants, conditions and other promises set forth herein, the sufficiency and adequacy of which being acknowledged by the parties and intending to be legally bound thereby, the parties agree as follows;

1. The recitals set forth above are incorporated as a material part hereof.

2. The parties hereby agree that the right-of-way and easement rights reaffirmed by the parties shall be those specifically identified on Exhibit "A" attached hereto and incorporated by reference.

3. PPL ELECTRIC and PPL [APPROPRIATE GENERATION ENTITY] agree that PPL ELECTRIC shall not have any rights in any other areas not identified on Exhibit "A". .

4. In the easement areas identified on Exhibit "A", the parties reaffirm that PPL ELECTRIC shall have the right to construct, reconstruct, operate, repair and/or maintain its overhead and underground electric transmission, distribution and communication lines, including but not limited to the placement of poles, towers, guys, cables, wires, fiber optics and fixtures and apparatus above and below ground that may be from time to time necessary for the convenient transaction of the business of PPL ELECTRIC. Such right shall include the right to remove any and all trees within said easement areas, as well as the right to trim and cut down any and all trees adjoining and outside of the said easement areas if such trees, which in the judgment of PPL ELECTRIC, menace the said lines and facilities and/or may interfere with the construction, reconstruction, maintenance or operation of said facilities, including but not limited to the right to remove by mechanical means and to spray said brush and undergrowth with chemicals for their removal and control. PPL ELECTRIC shall also have the right to permit the attachment of wires and cables of any other person or company to said poles. PPL ELECTRIC shall not be limited in its enjoyment of the rights hereby granted as may be existing or later constructed, but shall have at all times in the future the right to construct, operate, and maintain and from time to time to reconstruct additional electric/communication wires, cables, fixtures and apparatus upon, across, over under and along the Property in the designated retained easement areas.

5. PPL [APPROPRIATE GENERATION ENTITY] agrees that it shall not construct any buildings or structures within the easement areas to be retained by PPL ELECTRIC and that no inflammable or explosive materials of any kind shall be stored in said easement areas. PPL [APPROPRIATE GENERATION ENTITY] understands and agrees that if proposes any improvements, including but not limited to landscaping and detention basins and ponds, within the easement areas to be retained by PPL ELECTRIC and identified on Exhibit "A", PPL [APPROPRIATE GENERATION ENTITY] shall be required to enter into an encroachment agreement in recordable form permitting PPL [APPROPRIATE GENERATION ENTITY] to use such easements upon terms and conditions acceptable to PPL ELECTRIC and permitted by PPL ELECTRIC'S Encroachment Policy. PPL ELECTRIC shall have the right to determine in its sole discretion whether, and to what extent, to allow encroachments within the easement areas.

7. No purported amendment, modification or waiver of any of the provisions of this Agreement shall be binding unless set forth in a writing signed by both parties.

8. This Agreement shall be governed by and interpreted in accordance with the domestic internal laws of the Commonwealth of Pennsylvania, without regard to its principles of conflicts of laws.

9. This Agreement constitutes the entire agreement between the parties hereto and supersedes and cancels any and all prior or contemporaneous negotiations, undertakings, discussions or agreements, oral or written, with respect to the subject matter hereto.

10. If any clause or provision of this Agreement shall be adjudged to be invalid or unenforceable, such adjudication shall not affect the validity of all other clauses or provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year above first written.

WITNESS:

PPL [APPROPRIATE GENERATION ENTITY]

By: _____
Print Name: _____
Title: _____

WITNESS:

PPL ELECTRIC ELECTRIC UTILITIES
CORPORATION

By: _____
Print Name: _____
Title: _____