

Paul E. Russell
Associate General Counsel

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

January 28, 2016

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

RECEIVED

JAN 28 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Application of PPL Electric Utilities Corporation
For Approval of Sale of Property to Area 18, LP
Docket No.**

Dear Ms. Chiavetta:

Enclosed for filing, pursuant to 66 Pa. C. S. § 1102, is an original of PPL Electric Utilities Corporation's Application for the approval of the transfer by sale of certain facilities to Area 18, LP. The facilities are located in Manheim Township, Lancaster County, Pennsylvania.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on January 28, 2016 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 Area 18, LP of : Application
Property Located in Manheim : Docket No. _____
Township, Lancaster County, :
Pennsylvania. :

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JAN 28 2016

**APPLICATION OF
PPL ELECTRIC UTILITIES CORPORATION**

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 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. Area 18, LP located in Manheim Township, Lancaster County, Pennsylvania, is not affiliated with PPL Electric.

4. Area 18, LP desires to purchase all of PPL Electric's rights, title and interest in certain property located in Manheim Township, Lancaster County, Pennsylvania as detailed in the Agreement. The purchase of this property will result

in benefits to the local community as Area 18, LP plans to develop the site. This sale will also result in reduced maintenance costs for PPL Electric and will have no impact on operations.

5. PPL Electric will recover costs for the property and will be relieved of the cost of owning and maintaining the specified property in Manheim Township, Lancaster County, Pennsylvania.

6. PPL Electric agreed to sell and Area 18, LP agreed to purchase the property for \$595,000. Attachment 1, which is attached hereto and made a part hereof, contains the Agreement of Sale and a description of the property.

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

	<u>Other Facilities</u>	<u>Transformers</u>	<u>Property</u>	<u>Total</u>
Original Cost Undepreciated	N/A	N/A	\$13,412.	\$13,412.
Original Cost Depreciated	N/A	N/A	N/A	N/A
Present Day Cost Undepreciated	N/A	N/A	\$595,000.	\$595,000.
Present Day Cost Depreciated	N/A	N/A	N/A	N/A

8. The sales price is the result of arm's length negotiations.

9. PPL Electric's engineering and operating representatives have reviewed the proposed sale of property and its 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 Area 18, LP.

10. Approval of this application is necessary and proper for Area 18, LP to take ownership of this property in a manner which does not: result in uneconomic maintenance expenditures to PPL Electric, affect PPL Electric's long term plans, or render PPL Electric's existing property less valuable. The application also recognizes the benefits Area 18, LP will provide to the local community in the form of an increased property tax base.

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 property by sale.

Respectfully submitted,

PPL Electric Utilities Corporation

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

Paul E. Russell
Its Attorney

Dated: January 28, 2016
at Allentown, Pennsylvania

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JAN 28 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ATTACHMENT 1

AGREEMENT OF SALE

THIS AGREEMENT, made this 22 day of October, 2015, between **PPL ELECTRIC UTILITIES CORPORATION**, formerly known as PP&L, Inc., formerly known as Pennsylvania Power & Light Company, a Corporation in the Commonwealth of Pennsylvania, with offices at Two North Ninth Street, Allentown, Lehigh County, Pennsylvania, hereinafter called Seller, and **AREA 18, LP**, of Manheim Township, Lancaster County, Pennsylvania, hereinafter called Buyer.

WITNESSETH:

WHEREAS, Seller is the owner of an approximate 38.79 acre property located in Manheim Township, Lancaster County, Pennsylvania, which property is more fully described in a certain Deed dated December 15, 1969 and recorded in the Recorder of Deeds Office of and for Lancaster County at Deed Book O, Volume 59, Page 615;

WHEREAS, subject to final and proper subdivision, Buyer desires to purchase an approximate 4.547 acre portion of the aforementioned property, (the "Property"), which Property is generally described as follows:

ALL THAT CERTAIN parcel or tract of land being more fully bounded and described as follows:

BEGINNING at a point on the eastern right-of-way line of Manheim Pike (SR-0072), said point being the western most corner of the above described lot, thence through lands of PPL Electric Utilities Corporation the six (6) following courses and distances: 1) North forty-six degrees fifty minutes forty-eight seconds East (N46°50'48"E) five hundred fifteen and seventy-three hundredths (515.73) feet to a point, 2) South sixty-two degrees forty-one minutes fifty seconds East (S62°41'50"E) one hundred eighty-four and seventy-seven hundredths (184.77) feet to a point, 3) on a line curving to the left having a radius of one hundred fifty and zero hundredths (150.00) feet, an arc length of nineteen and twenty-four hundredths (19.24) feet, the chord thereof being South sixty-six degrees twenty-two minutes twenty-one seconds East (S66°22'21"E) nineteen and twenty-three hundredths (19.23) feet to a point, 4) South seventy degrees two minutes fifty-two seconds East (S70°02'52"E) thirty-seven and seventy-nine hundredths (37.79) feet to a point, 5) on a line curving to the right having a radius of one hundred fifty and zero hundredths (150.00) feet, an arc length of seventy-six and thirty-three hundredths (76.33) feet, the chord thereof being South fifty-five degrees twenty-eight minutes eleven seconds East (S55°28'11"E) seventy-five and fifty-one hundredths (75.51) feet to a point, 6) South forty degrees fifty-three minutes thirty seconds East (S40°53'30"E) fifty-six and forty-seven hundredths (56.47) feet to a point on the northern right-of-way line of Delp Road, thence along the northern right-of-way line of Delp Road, South forty-nine degrees six minutes thirty seconds West (S49°06'30"W) six hundred sixteen and fifty-eight hundredths (616.58) feet to a point at the right-of-way intersection of Delp Road and Manheim Pike (SR-0072), thence along the eastern right-of-way line of Manheim Pike (SR-0072), North forty-three degrees nine minutes twelve seconds West (N43°09'12"W) three hundred thirty-one and thirty-six hundredths (331.36) feet to the **POINT OF BEGINNING**.

CONTAINING 4.547 acres.

It being agreed that the above description may need to be modified based on the actual Plan (as defined below) of the Property.

WHEREAS, Seller desires to sell the Property to the Buyer, and Buyer desires to purchase the Property from Seller for use as a car dealership (the "Intended Use"), under and subject to the terms and conditions set forth herein.

NOW THEREFORE, the parties, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt, adequacy and sufficiency of which being acknowledged, intending to be legally bound, hereby agree as follows:

1. The price or consideration shall be Five Hundred Ninety-Five Thousand Dollars (\$595,000.00), which shall be paid to the Seller by the Buyer as follows: A Deposit of \$59,500.00, which shall be paid to Seller within five (5) days of this Agreement being executed. The balance of \$535,500.00 is due at Closing.
2. At Closing, Seller shall convey good and marketable fee simple title to the Property (subject to Paragraph 21 hereof), free and clear of all liens and encumbrances except for easements of record which Buyer does not object, as hereinafter provided; being such title as will be insured at regular rates by a reputable title insurance company, licensed in the Commonwealth of Pennsylvania. Buyer shall examine the title to the Property, inspect the Property and take any other action the Buyer deems is necessary to determine the condition of title to the Property. Buyer shall provide Seller with written notification of any objections to the title within sixty (60) days of the full execution of this Agreement. If matters to which Buyer objects would, in Buyer's reasonable opinion, significantly impair Buyer's Intended Use of the Property and are not remedied by Seller prior to Closing (or Seller does not commit to remedy such objection, within such sixty (60) day period, prior to Closing), or if Seller is unwilling to remedy the objections and Buyer does not waive its objections, then at Buyer's election, Buyer may (i) terminate its obligation hereunder to purchase the Property and this Agreement shall be null and void, and Buyer shall be entitled to a return of the deposit and there shall be no further liability between Seller and Buyer with respect to the subject matter of this Agreement, or (ii) Buyer may waive such title objections and proceed with the purchase of the Property in accordance with the terms hereof.
3. Buyer shall have a period of one hundred twenty (120) days (the "Feasibility Period") from the date of the full execution of this Agreement to determine, in Buyer's sole discretion, the economic and engineering feasibility of developing the Property for the Buyer's Intended Use, including but not limited to all matters relating to zoning, subdivision and land development approvals, vehicular access, availability and cost of utilities, and project costs and profitability. Buyer shall have the right from the date of the full execution of this Agreement to enter onto the Property for the purpose of performing engineering, topographic, environmental, subsurface and any other test or inspection of the Property, all as Buyer may determine is necessary or appropriate. Buyer agrees to indemnify and hold Seller, and the Property, free and harmless from any costs or liability incurred by reason of any such investigation or investigations, and, should the Closing herein described be canceled for any reason, to repair any damage caused to the Property by reason of any such investigation or investigations by Buyer and to restore the Property to its current condition. In the event that, in the sole discretion of Buyer, the development of the Property for the Buyer's Intended Use is not feasible, Buyer shall give written notice to Seller prior to the expiration of the Feasibility Period and return the Property to its original condition. In such event this Agreement shall terminate, the deposit shall be released to the Buyer and the parties shall have no further obligations hereunder.

4. Buyer agrees to pay all costs and fees associated with, and pursue any and all required subdivision and land development approvals and associated local, state, and/or federal permits and approvals needed to subdivide the Property from the Residue Property (hereinafter defined), and for Buyer's Intended Use of the Property, including but not limited to any required Pennsylvania Department of Transportation permits and approvals and any and all environmental permits (collectively "Permits and Approvals"). Buyer obtaining all such Permits and Approvals shall be a Buyer condition of Closing and in the event the Buyer makes the determination, at any time, that it will not be able to obtain any such Permits or Approvals, Buyer shall be permitted to terminate this Agreement, the Deposit shall be returned and neither party shall have any further obligations hereunder. Any conditions imposed upon such Permits and Approvals must be acceptable to Buyer, in its sole discretion.
5. Buyer agrees to pay all costs associated with any site improvements on the Property or on the Residue Property, and any off-site improvements that are a result of the subdivision and/or land development of the Property by Buyer and any relocation of existing structures, improvements, and systems needed to subdivide the Property from the Residue Property or as required as part of the Permits and Approvals identified in Paragraph 2 above, including costs associated with satisfying any and all conditions attached to any of the Permits and Approvals and/or Buyer's development and use of the Property.
6. Seller's Conditions
 - a. Seller's obligation to proceed to Closing is conditioned on there being no material and/or adverse impact on the Seller's Residue Property, which shall be determined in the Seller's sole discretion, arising out of the Buyer's efforts to secure the Permits and Approvals for the subdivision of the Property. An impact on the Residue Property shall include, but not be limited to, any requirement that the Seller obtain additional permits and approvals from any governmental body, any requirement that improvements be made to the Residue Property, any violation of local, state, or federal ordinances, regulations, and/or statutes arising out of Buyer's subdivision of the Property, and/or any other matter which would require the Seller to perform work or expend funds on the Residue Property. In the event that Seller agrees to proceed to Closing despite the fact that Buyer's subdivision of the Property has an impact on the Residue Property, Buyer agrees that it shall be responsible for any and all costs and expenses associated with any changes, improvements, and alterations required for Seller's Residue Property and due as a result of the subdivision and/or land development of the Property (or Buyer shall agree to perform such work, all at its cost and expense). If at any time prior to Closing Seller determines, in its sole discretion, that Buyer's subdivision of the Property will have an impact on the Residue Property similar to those examples provided for above, Seller has the right to terminate this Agreement by providing written notice to Buyer, and upon providing said notice the Agreement shall become null and void and the Deposit shall be returned to the Buyer. Notwithstanding anything contained in this Agreement to the contrary and provided that Buyer fully complies with the requirements of Paragraph 7 and obtains Seller's consent to such actions, plans, comments, letters etc. throughout the subdivision and land development process, it is agreed that Seller shall not have the right to terminate this Agreement unless and until further actions occur (for example, additional revisions to the plans, additional comments are made, conditions are imposed, etc.) that will cause an impact on the Residue Property.

- b. Buyer obtaining lawful independent access to the Property. In no event shall Buyer be permitted to access the Property from, over or on the Residue Property.
 - c. Buyer shall, to the extent permitted by law, plant and maintain a vegetative screen on the eastern side of the Property that shares a boundary with the Residue Property. The vegetative screen shall be at least 5 feet in height.
 - d. Exterior lighting on the property shall be installed and shielded in a manner that excess light does not spill onto the Residue Property.
 - e. Buyer shall maintain a 50 foot wide building setback along the eastern side of the Property that shares a boundary with the Residue Property boundary line.
 - f. The deed from Seller to Buyer shall include restrictive covenants in favor of Seller *granting the Seller the right to enforce the provisions of paragraph 6.c, d, and e of this Agreement*
7. Buyer shall 15 days in advance of the initial submission to the Township or other governmental reviewing agency, and 5 days in advance of any subsequent submission provide to Seller a copy of any and all subdivision and land development plans, including but not limited to any highway occupancy permit plans, E&S plans, and any other plan required as part of the subdivision and land development approval process (collectively the "Plan") and Seller shall provide Buyer with comments, if any, to the initial submission within 5 days and any subsequent submissions within 2 days (and if Seller does not provide any such comments, it shall be deemed to have consented to such submission). Buyer shall also provide to Seller copies of any engineer review letters relating to its Plan, any other review or comment letters relating to Buyer's Plan, and all of Buyer's responses thereto and Seller shall provide Buyer with comments, if any, to such submissions within 5 days and any subsequent submissions within 2 days. Buyer shall notify Seller of any conditions of the approval being proposed that may affect, or have a potential impact upon, Seller's remaining 34.243 acre tract ("Residue Property") and Seller shall provide Buyer with any comments, if any, to such submission within 5 days and any subsequent submissions within 2 days. Buyer shall endeavor to provide Seller with a copy of the draft resolution of approval of Buyer's subdivision and land development plan so that Seller may determine whether Buyer's approval will have an impact on the Residue Property and Seller shall provide Buyer with comments, if any, to such submissions within 5 days and any subsequent submissions within 2 days.
8. Subject to Buyer's inspection rights provided for above, the Property is being transferred subject to all currently existing rights, title and interests in and to any and all electrical service, distribution and or transmission, or communication facilities, of whatever nature or kind, located on the Property (and if such interests exist, the deed to Buyer shall reserve an easement in favor of Seller). Subject to Buyer's inspection rights provided for above, the Property is also being sold subject to all exceptions, reservations, encumbrances and easements of record and visible upon the Property. Subject to the foregoing and as otherwise set forth herein, the Property is to be conveyed free and clear of all liens and the title of the Property shall be good and marketable and such as will be insured by any reputable title insurance company at the regular rates.
9. Subject to the Buyer's inspection rights, the Property is being sold as is/whereas. In no event shall Seller be required to make any repairs, modifications, or corrections to the Property, or Residue Property, as part of this transaction.

10. Closing shall be on or before sixty (60) days of Buyer receiving all final and unappealable Permits and Approvals needed for its Intended Use of the Property, including, without limitation, in connection with the Plan, which Permits and Approvals shall be obtained no later than two (2) years from the date of this Agreement (at which point the Buyer shall be permitted to terminate this Agreement, the Deposit shall be returned and neither party shall have any further obligations). Buyer shall notify Seller once all such necessary permits and approvals have been obtained.
11. Possession is to be given at the time of settlement free of any third party rights and by delivery of a special warranty deed.
12. Taxes shall be apportioned pro rata as of date of settlement, which apportionment shall be based upon the actual fiscal years of the taxing authorities for which the subject taxes are levied.
13. It is understood and agreed that all transfer taxes imposed by any governmental body shall be borne equally by Buyer and Seller.
14. In the event the Seller is unable to give a good and marketable title and such as will be insured by any reputable title insurance company, as above set forth, Buyer shall have the option of taking such title as the Seller can give without abatement of price, or of being repaid all monies paid on account by Buyer; and in the latter event there shall be no further liability or obligation by either of the parties hereunder and this Agreement shall become null and void.
15. Should the Buyer violate or fail to fulfill and perform any of the terms or conditions of this Agreement, then, and in that case, all sums paid by the Buyer on account of the purchase price or consideration herein may be retained by the Seller as liquidated damages for such breach which shall be the exclusive remedy of the Seller. Should the Seller violate or fail to fulfill and perform any of the terms or conditions of this Agreement, then, and in that case, the Buyer shall have the right to terminate this Agreement and the deposit shall be returned or pursue any other remedy available to the Buyer, specifically including, without limitation, specific performance.
16. Risk of loss shall remain on Seller until final settlement hereunder. In the event of a condemnation or taking of all or a portion of the Property, Buyer shall have the right to terminate this Agreement or proceed with Closing without a reduction in purchase price, but with Seller assigning to Buyer all rights in such condemnation.
17. Seller and Buyer hereby represent that they have not utilized the services of any broker in connection with the sale and purchase of this Property.
18. Seller agrees to execute and/or deliver to Buyer at closing any and all reasonable documentation required by Buyer's title insurance company or required by law.
19. Deed preparation and acknowledgment are to be paid by Seller.
20. Final closing shall be held at a time and location agreed upon by the parties.

21. It is expressly understood and agreed between the Seller and Buyer herein that Seller shall have one (1) year from the date of Closing to deliver to Buyer a release or releases of the Property from any mortgage or mortgages of Seller to which it is subject. Buyer and Seller shall enter into a separate obligating Seller to comply with this Paragraph 21, and indemnifying Buyer from any liability incurred from Seller's breach this Paragraph 21 and/or separate agreement.
22. In the Deed from Seller to Buyer, Buyer agrees to release, quitclaim, discharge, indemnify, defend and hold harmless Seller, its officers, directors, employees, agents, successors and assigns from and against any and all loss, liability, damages, demands, claims, suits, fines, penalties or causes of action whatsoever, including but not limited to environmental and third party claims, caused by, arising out of, resulting from, or in any way related to any environmental issues related to the Property.
23. 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.
24. 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 or email copies of this Agreement may be executed by the parties and such facsimile copies or email shall have the same legal force and effect executed original copies would have.
25. This Agreement shall insure to the benefit of, and be binding upon, the parties hereto and their respective heirs, personal representatives, successors and assigns.
26. 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.
27. Seller and Buyer acknowledge and agree that times contained in this Agreement shall be of the essence.
28. 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.
29. Both parties hereto acknowledge that they have had the benefit of independent counsel with regard to this Agreement, and that this Agreement has been prepared as a result of the joint efforts of both parties and their respective counsel. Accordingly, both parties agree that the provisions of this Agreement shall not be construed or interpreted for or against any party hereto based upon authorship or incidents of negotiations.
30. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. 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. Seller and Buyer agree that the Court of Common Pleas of Lehigh County, Pennsylvania shall be the venue for any court action filed related to this agreement, and waive the right, claim, power, or motion under the doctrine of Forum Non Conveniens or otherwise, to transfer any such action to any other court.

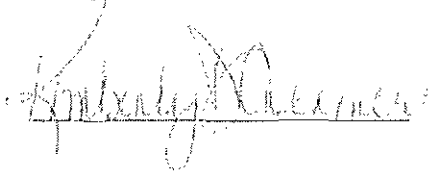
31. No provision of this Agreement shall be deemed to merge in any deed delivered pursuant to this Agreement, and all the provisions of this Agreement shall survive the delivery of any such deed.
32. Seller represents that it has no knowledge of any existing environmental conditions on the Property. Prior to settlement, Buyer shall have the opportunity to inspect the Property and conduct such environmental and other tests Buyer deems necessary, at Buyer's sole cost, risk, and expense.
33. The Agreement of Sale, once executed, will be filed with the Pennsylvania Public Utility Commission ("PUC") so that the Seller can obtain from the PUC, a Certificate of Public Convenience, permitting the contemplated transaction.
34. All notices provided for in this Agreement shall be directed by registered or certified mail to the parties at the addresses set forth below, or at such other addresses as the parties shall designate to each other, in writing. All notices shall be deemed delivered upon receipt.

To Seller: PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101
Attention: Thomas Martino, Jr.
And
Michael J. Shafer, Esq.

To Buyer: Area 18, LP
5260 Main Street
East Petersburg, PA 17520
Attention: Frank L. Nolt

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have hereunto set their hands and seals the day and year first above written.

WITNESS:



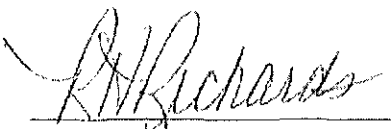
PPL ELECTRIC UTILITIES CORPORATION

By:



Charles Johnson, Director -- Facilities Management

WITNESS:



*00829343 / 1 (33437.001)

AREA 18, LP
BY: AREA 18 AND COUNTING, LLC



Frank L. Nolt, Managing Member

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JAN 28 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ATTACHMENT 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric
Utilities Corporation for Approval of the
Transfer by Sale to the Area 18, LP of
Property Located in Manheim
Township, Lancaster County,
Pennsylvania.

Application
Docket No. _____

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JAN 28 2016

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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. Not applicable.

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 Area 18, LP, by accommodating its request to purchase the property. The local community will also benefit from the increased property tax base. PPL Electric Utilities Corporation (hereafter "PPL Electric") and its customers will be benefited by no longer having to maintain the transferred property.

Question:

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

Response:

4. Area 18, LP requested the transfer to expand their existing business operations.

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 Area 18, LP to receive and maintain this property.

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 property is currently not in use by PPL Electric.

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 recent rate case at Docket No. R-2015-2469275, 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 conducted during the negotiation process. As a result of those appraisals, PPL Electric agreed to sell and Area 18, LP agreed to purchase the facilities for \$595,000.

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. PPL Electric will realize a net profit of \$581,588. from this 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 proceeds from the sale of the property, less expenses related to the sale, will be recorded as follows:

Account 42110 – Gain on Disposition of Property

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. None, practically the entire amount of the property's original cost represents real estate costs.

Question:

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

Response:

20. The property was originally purchased by PPL Electric in December, 1969.

AFFIDAVIT

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COUNTY OF LEHIGH)

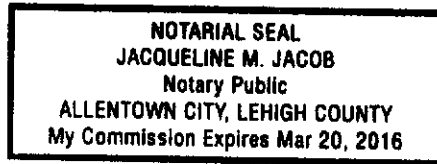
JAN 28 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

MARLENE C. BEERS, being duly sworn according to law, deposes and says that she is Finance and Regulatory Affairs Vice President-PPL Electric Utilities Corporation; that she 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 her knowledge, information and belief and she expects the said PPL Electric Utilities Corporation to be able to prove the same at any hearing hereof.

Marlene C. Beers

Sworn to and subscribed
before me this 28th day
of January, 2016



Jan 28, 2016 Jacqueline M. Jacob

ORIGIN ID: ABEA (610) 774-4254
PAUL E RUSSELL
PPL CORPORATION
2 N 9TH STREET

ALLENTOWN, PA 18101
UNITED STATES US

SHIP DATE: 28JAN16
ACTWGT: 1.00 LB
CAD: 104308816/NET3730

BILL SENDER

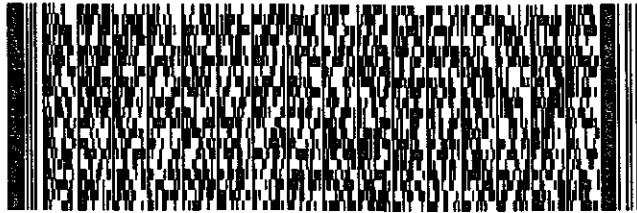
TO ROSEMARY CHIAVETTA, SECRETARY
PA PUBLIC UTILITY COMMISSION
400 NORTH ST
COMMONWEALTH KEYSTONE BUILDING
HARRISBURG PA 17120

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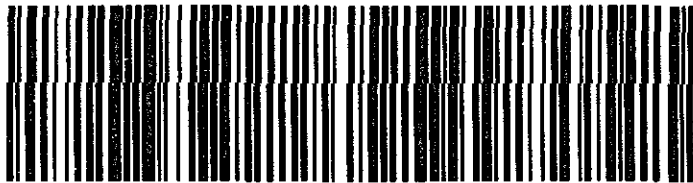
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