



17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Main Fax
www.postschell.com

Devin Ryan

dryan@postschell.com
717-612-6052 Direct
717-731-1985 Direct Fax

March 8, 2018

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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PA PUC
SECRETARY'S BUREAU
FRONT DESK

Re: Application of PPL Electric Utilities Corporation for Approval to Transfer by Sale of Real Property and Facilities Located at 1237 Susqui Street, Allentown, Pennsylvania to 2270 S. 12th St. Holdings, L.L.C. Pursuant to 66 Pa.C.S. § 1102(a)(3) - Docket No. A-2018-

Dear Secretary Chiavetta:

Enclosed for filing is the Application of PPL Electric Utilities Corporation ("PPL Electric" or the "Company") for the above-referenced proceeding. Also enclosed is a check in the amount of \$350 for the filing fee. Copies will be provided as indicated on the Certificate of Service.

PPL Electric respectfully requests that the Pennsylvania Public Utility Commission ("Commission") review and approve this Application on an **expedited basis**. As explained in the Application, PPL Electric and 2270 S. 12th St. Holdings, L.L.C. are scheduled to close on the Company's proposed sale of 1237 Susqui Street on May 5, 2018.

If the parties are unable to close on that date, the Agreement of Sale may terminate. Therefore, PPL Electric respectfully requests that the Commission review and approve the Application on or before May 3, 2018.

Respectfully submitted,

Devin Ryan

DTR/jl

Rosemary Chiavetta, Secretary
March 8, 2018
Page 2

Enclosures

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PPL Electric Utilities :
Corporation for Approval of the Transfer :
by Sale of Real Property and Facilities : Docket Nos. A-2018-
Located at 1237 Susqui Street, Allentown, :
Pennsylvania to 2270 S. 12th St. Holdings, :
L.L.C. Pursuant to 66 Pa.C.S. § 1102(a)(3)

**APPLICATION OF
PPL ELECTRIC UTILITIES CORPORATION**

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By this Application, PPL Electric Utilities Corporation ("PPL Electric" or the "Company") hereby requests all necessary authority, approvals, and certificates of public convenience from the Pennsylvania Public Utility Commission ("Commission") pursuant to Section 1102(a)(3) of the Public Utility Code, 66 Pa.C.S. § 1102(a)(3), authorizing the transfer by sale of real property and facilities located at 1237 Susqui Street, Allentown, Pennsylvania to 2270 S. 12th St. Holdings, L.L.C. ("Buyer") pursuant to the Agreement of Sale ("Agreement"). A copy of the Agreement is attached hereto as **Appendix A**.

Further, PPL Electric respectfully requests expedited review and approval of the Agreement. PPL Electric and the Buyer are scheduled to close on the transaction on May 5, 2018. If the parties are unable to close on that date, the Agreement may terminate. Therefore, the Company requests that the Commission review and approve the Application on or before May 3, 2018.

I. INTRODUCTION

1. PPL Electric is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. PPL Electric is a wholly owned direct subsidiary of PPL Corporation.

2. PPL Electric furnishes electric distribution, transmission and default supply services to approximately 1.4 million customers throughout its certificated service territory, which includes all or portions of 29 counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania.

3. PPL Electric is a “public utility,” an “electric distribution company” and a “default service provider” as defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa.C.S. §§ 102, 2803.

4. The complete name and address of the Applicant is as follows:

PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101

5. The attorneys for PPL Electric are:

Kimberly A. Klock (ID # 89716)
Amy E. Hirakis (ID # 310094)
PPL Services Corporation
Office of General Counsel
Two North Ninth Street
Allentown, PA 18101
Phone: 610-774-4254
Fax: 610-774-4102
E-mail: kklock@pplweb.com
E-mail: aehirakis@pplweb.com

David B. MacGregor (ID # 28804)
Devin T. Ryan (ID # 316602)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: dmacgregor@postschell.com
E-mail: dryan@postschell.com

The Company’s attorneys are authorized to receive all notices and communications regarding this Application.

6. Buyer, 2270 S. 12th St. Holdings, L.L.C., is a Pennsylvania Limited Liability Company located in Lehigh County, Pennsylvania.

7. Buyer is not affiliated with PPL Electric.

8. Effective November 6, 2017, PPL Electric and Buyer executed the Agreement, under which Buyer would purchase the real property and facilities located at 1237 Susqui Street, Allentown, Lehigh County, Pennsylvania from the Company.

9. Closing on the transaction is set forth May 5, 2018.

10. Because the Agreement involves the transfer of tangible property that is used or useful in the public service, Commission approval of the Agreement is required pursuant to 66 Pa.C.S. § 1102(a)(3).¹

II. APPLICATION TO SELL REAL PROPERTY AND FACILITIES

11. Under the Agreement, Buyer has agreed to purchase all of PPL Electric's rights, title and interest in the real property and facilities located at 1237 Susqui Street.²

12. PPL Electric originally purchased the property located at 1237 Susqui Street in December 1975.³

13. PPL Electric's sole use of 1237 Susqui Street was for storage of hard copy records. As a result of the transfer of PPL Energy Supply, LLC to Talen Energy Corporation⁴ and the implementation of more efficient and cost-effective record storage processes, the Company no longer has use for the property.

¹ Section 1102(a)(3) provides, in pertinent part, that the Commission's prior approval, evidenced by a certificate of public convenience, is required:

For any public utility or an affiliated interest of a public utility . . . to acquire from, or to transfer to, any person or corporation . . . by any method or devise whatsoever, including the sale or transfer of stock and including a consolidation, merger, sale or lease, the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.

² A legal description of the property to be transferred is set forth in the Agreement. *See* Appendix A, p. 1.

³ The property to be transferred was included in PPL Electric's most recently filed base rate case at Docket No. R-2015-2469275 and in prior rate cases as well.

⁴ *Joint Application of PPL Interstate Energy Co. and PPL Elec. Utils. Corp.*, Docket Nos. A-2014-2435752, A-2014-2435833 (Order entered Apr. 15, 2015).

14. As detailed in the Agreement, Buyer has agreed to purchase PPL Electric's real property and facilities located at 1237 Susqui Street for \$630,000. See Appendix A ¶ 2. This sales price was the result of arms-length negotiations, and independent real estate appraisals were conducted during the negotiation process.

15. The real property's book value and the facilities' original cost, original depreciated cost, present day cost, and present day depreciated cost are as follows:

	Other Facilities	Transformers	Property	Total
Original Cost Undepreciated	\$632,570	N/A	\$9,253	\$641,823
Original Cost Depreciated	\$376,036	N/A	\$9,253	\$385,289
Present Day Cost Undepreciated	\$1,490,281	N/A	\$9,253	\$1,499,534
Present Day Cost Depreciated	\$706,552	N/A	\$9,253	\$715,805

16. PPL Electric will realize a net profit of \$172,333 from the sale.⁵ The ratemaking treatment of the sale will be determined in a future base rate proceeding.

17. The Commission should approve the sale of real property and facilities to Buyer pursuant to Section 1102(a)(3) of the Public Utility Code because the transaction is reasonable and in the public interest⁶ for several reasons.

⁵ In calculating the net profit from the sale of the real property, the Company considered the following factors: (1) date and cost of acquisition; (2) cost of improvements; (3) allowance for depreciation; (4) brokerage fees and commissions; (5) tax consequences of the sale; (6) recording fees, transfer taxes, and similar expenses incidental to conveying such property; (7) penalty costs and other charges for prepayment of any pre-existing recorded mortgage encumbering such property; and (8) net damages or benefits accruing to the remaining PPL Electric property.

18. The transfer of this property will significantly benefit the local community because Buyer plans to redevelop the site, which will result in additional jobs and tax revenue in the Lehigh Valley.

19. The sale also will relieve the Company of the costs of owning and maintaining the parcel and building located at that address. The reduced maintenance costs will benefit the Company and its customers.

20. Further, the sale is projected to have no negative impact on operations. The sale involves a minor portion of PPL Electric's assets and will not: (1) result in any interruption or curtailment of existing services; (2) cause a staff reduction or a termination of any PPL Electric operations; (3) result in the relocation of any PPL Electric offices; (4) require the Company to acquire replacement property; or (5) affect PPL Electric's short or long-range plans for expanding or upgrading any services now offered to the public.

21. Moreover, PPL Electric's engineering and operating representatives have reviewed the proposed sale of facilities 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 the property located at 1237 Susqui Street.

22. Based on the foregoing, approval of this application is necessary or proper for the service, accommodation, convenience, or safety of the public because it: (1) will provide substantial benefits to the local community in the form of additional jobs and an increased

⁶ Section 1103 of the Public Utility Code sets forth the procedure to obtain certificates of public convenience. The Commission may issue a certificate of public convenience upon a finding that "the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public." 66 Pa.C.S. § 1103(a). The "public interest" standard is satisfied by a simple preponderance of the evidence of benefits, and such burden can be met by showing a likelihood or probability of public benefits that need not be quantified or guaranteed. *Popowsky v. Pa. Pub. Util. Comm'n*, 594 Pa. 583, 611, 937 A.2d 1040, 1057 (2007).

property tax base; (2) will reduce PPL Electric's maintenance expenditures; and (3) will not negatively PPL Electric's operations.

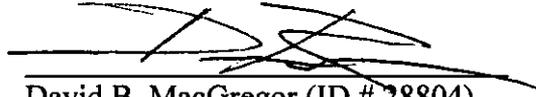
23. Finally, as mentioned previously, the parties are scheduled to close on the transaction on May 5, 2018. Commission approval of the Agreement is required as a condition of closing or the Agreement may terminate. *See* Appendix A ¶ 18.

24. Therefore, PPL Electric respectfully requests that the Commission review and approve the Application on or before May 3, 2018.

III. CONCLUSION

WHEREFORE, PPL Electric Utilities Corporation respectfully requests that the Pennsylvania Public Utility Commission grant all necessary authority, approvals and certificates of public convenience under the Public Utility Code authorizing the sale of real property and facilities as set forth in the attached Agreement of Sale on or before May 3, 2018.

Respectfully submitted,



Kimberly A. Klock (ID # 89716)
Amy E. Hirakis (ID # 310094)
PPL Services Corporation
Office of General Counsel
Two North Ninth Street
Allentown, PA 18101
Phone: 610-774-4254
Fax: 610-774-4102
E-mail: kklock@pplweb.com
E-mail: aehirakis@pplweb.com

David B. MacGregor (ID # 28804)
Devin T. Ryan (ID # 316602)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: dmacgregor@postschell.com
E-mail: dryan@postschell.com

Date: March 8, 2018

Attorneys for PPL Electric Utilities Corporation

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APPENDIX “A”

AGREEMENT OF SALE

THIS AGREEMENT of SALE is made this 6 day of NOV, 2017 (the "Execution Date"), by and between PPL Electric Utilities Corporation, a Pennsylvania corporation having an address of 2 N.9th Street, Allentown, Lehigh County, Pennsylvania (hereinafter "Seller") and 2270 S.12th Holdings, LLC (hereinafter "Buyer").

RECITALS:

WHEREAS, Seller owns a parcel of land located in Allentown, Lehigh County, Pennsylvania, having an address of 1237 Susqui Street, and being more fully described in the deed recorded in the Recorder of Deeds Office in and for Lehigh County as follows: Deed Book 1204, Page 281, and further identified as Tax PIN 640508559637 1 (the "Property"); and

WHEREAS, Buyer is desirous of purchasing the Property from Seller, and Seller is desirous of selling the Property to Buyer, under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the promises, covenants and agreements hereinafter contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, the Property described in the above recitals.
2. The total purchase price for the Property Six Hundred Thirty Thousand (\$630,000.00) ("Purchase Price"), which shall be paid by the Buyer to the Seller as follows:
 - a. \$63,000 deposit to be paid within five (5) days of the execution of this Agreement ("Deposit")
 - b. Balance of Purchase Price to be paid at the time of Closing (hereinafter defined).
3. The Property is to be conveyed free and clear of all liens, encumbrances, and easements, except easements and restrictions of record or visible on the Property, and the title to the Property shall be good and marketable and such as will be insured by a reputable title insurance company at regular rates.
4. Buyer shall have ninety (90) days (the "Due Diligence Period") from the execution date of the Agreement of Sale to investigate and inspect the Property and to cause such studies, tests, investigations, including but not limited to surveys, environmental testing and the ability to obtain bank financing to be made which in the sole opinion of Buyer are necessary or advisable to determine whether the Buyer will proceed to Closing. In the event that Buyer determines in its sole discretion, during the Due Diligence Period to terminate this Agreement for any reason, Buyer shall, not later than the expiration of the Due Diligence Period, notify Seller, in writing, of such determination, whereupon this Agreement shall be at an end, without further rights or obligation in either party, except that Realtor for Seller holding the down

payment monies will return same to Buyer within 3 business days of receiving notification of the termination.

In connection with the above testing, 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 plats or other tests 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) 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 arising out of or relating to Buyer's exercising its rights hereunder; and (b) restore the Property substantially to its condition as existed immediately prior to the execution of this Agreement.

5. Closing shall be made on or before ninety (90) days from the expiration of the Due Diligence Period ("Closing").

6. Possession is to be given at the time of Closing by delivery of a special warranty deed conveying the Property.

7. Buyer has informed Seller that Buyer does not wish to purchase certain shelving units installed at the Property and Seller has agreed to remove the shelving units prior to Closing.

8. Taxes shall be apportioned pro rata for each parcel as of date of Closing, which apportionment shall be based upon the actual fiscal years of the taxing authorities for which the subject taxes are levied.

9. It is understood and agreed that all transfer taxes imposed by any governmental body shall be divided equally between by Buyer and Seller.

10. 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 at regular rates 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 any and 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. 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 agreement obligating Seller to comply with this Paragraph 10, and indemnifying Buyer from any liability incurred from Seller's breach this Paragraph 10 and/or separate agreement. Notwithstanding anything to the contrary in this

paragraph, this Agreement will be contingent upon Fidelity National Title Insurance Corporation Underwriting Department agreeing that it will be able to issue a title policy without excepting to outstanding mortgages on the strength of an acceptable indemnity that all liens and mortgages will be released within one year of the settlement

11. Risk of loss shall remain on Seller until Closing hereunder to Buyer.
12. The parties hereby represent that they have not utilized the services of any broker in connection with the sale and purchase of the Property.
13. Seller agrees to execute and/or deliver to Buyer at Closing any and all affidavits and documentation required by Buyer's title insurance company or required by law.
14. Deed preparation and acknowledgement are to be paid by Seller.
15. Closing shall be held at the offices of Kolb, Vasiliadis & Florenz, LLC Bethlehem, Pennsylvania.
16. Buyer may assign its rights and obligations under this Agreement to another party, including but not limited to an affiliated entity, without obtaining the consent of Seller, so long as the assignee accepts all terms and conditions set forth herein.
17. The Agreement shall be binding upon the parties hereto and each of their respective heirs, executors, administrators, successors and assigns.
18. Seller's obligation to perform under this Agreement and proceed to Closing is conditioned on Seller receiving a Certificate of Public Convenience ("Certificate") from the Pennsylvania Public Utility Commission ("PUC"). If Seller does not obtain the Certificate from the PUC prior to Closing, Seller has the right upon written notice to terminate this Agreement, and this Agreement shall immediately become null and void and the parties shall be relieved of all obligations hereunder with the Deposit being returned to Buyer. It is a condition of closing that at the time of the settlement Seller will have the appropriate Certificate of Public Convenience from the PA PUC. Should Seller be unable to obtain the Certificate of Public Convenience by the date of Closing this Agreement shall be at an end, without further rights or obligation in either party, except that Realtor for Seller holding the down payment monies will return same to Buyer within 3 business days of receiving notification of the termination.

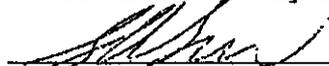
IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have hereunto set their hand and seals to the day and year first above written.

WITNESS:

SELLER:

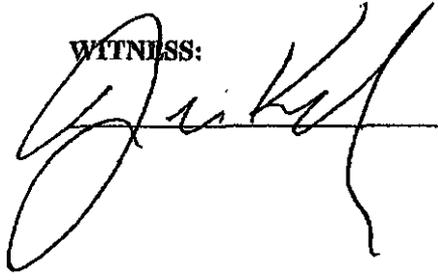


PPL Electric Utilities Corporation


Shawn A. Cappellano-Sarver

Director - Facilities Operations for PPL BU Services Corporation and Authorized Agent for PPL Electric Utilities Corporation

WITNESS:



BUYER:



Name: *MO ELBANNA*
Title: *CEO*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL & FIRST CLASS MAIL

Tanya J. McCloskey, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

John R. Evans
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Richard A. Kanaskie, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
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