

**Michael J. Shafer**  
Senior Counsel

**PPL**  
Two North Ninth Street  
Allentown, PA 18101-1179  
Tel. 610.774.2599 Fax 610.774.4102  
MJShafer@pplweb.com



**FEDERAL EXPRESS**

August 10, 2020

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

RECEIVED

AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: Application of PPL Electric Utilities Corporation  
For Approval of the Transfer by Sale of Real Property  
and Facilities to Emerald Isle North, LLC  
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 Emerald Isle North, LLC. The facilities are located in the City of Carbondale, Lackawanna County, Pennsylvania.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on August 10, 2020, 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,

Michael J. Shafer

Enclosures

cc: Certificate of Service

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric :  
Utilities Corporation for Approval of the :  
Transfer by Sale of Real Property and :           Application  
Facilities Located at One Electric :           Docket No. \_\_\_\_\_  
Street, Carbondale, Pennsylvania to :  
Emerald Isle North, LLC Pursuant to 66 :  
Pa.C.S. § 1102(a)(3) :

RECEIVED

AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

---

**APPLICATION OF**  
**PPL ELECTRIC UTILITIES CORPORATION**

---

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 66 Pa. C.S. § 1102(a)(3), authorizing the transfer by sale of real property and facilities located at One Electric Street, Carbondale, Pennsylvania to Emerald Isle North, LLC ("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 October 16, 2020. If the parties are unable to close on that date, the Buyer has the option to terminate. Therefore, the Company requests that the Commission review and approve the Application on or before October 8, 2020.

## 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)  
Michael J. Shafer (ID #205681)  
PPL Services Corporation  
Office of General Counsel  
Two North Ninth Street  
Allentown, Pennsylvania 18101  
Phone: 610-774-5696  
Phone: 610-774-2599  
Fax: 610-774-4102  
E-mail: [kklock@pplweb.com](mailto:kklock@pplweb.com)  
E-mail: [mjshafer@pplweb.com](mailto:mjshafer@pplweb.com)

RECEIVED

AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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

6. Buyer, Emerald Isle North, LLC, is a Pennsylvania Limited Liability Company located in Lackawanna County, Pennsylvania.

7. Buyer is not affiliated with PPL Electric.

8. Effective May 12, 2020, PPL Electric and buyer executed the Agreement, under which Buyer would purchase the real property and facilities located at One Electric Street, Carbondale, Lackawanna County, Pennsylvania from the Company.

9. Closing on the transaction is set for October 16, 2020.

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).<sup>1</sup>

RECEIVED

AUG 10 2020

**II. APPLICATION TO SELL REAL PROPERTY AND FACILITIES**

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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 One Electric Street.<sup>2</sup>

12. PPL Electric originally purchased the property located at One Electric Street in May 1974.<sup>3</sup>

13. PPL Electric's sole use of One Electric Street was for housing line crews and equipment. The crews and equipment were consolidated with another service center location and, therefore, the Company no longer has use for the property.

14. As detailed in the Agreement, Buyer has agreed to purchase PPL Electric's real property and facilities located at One Electric Street for \$1,000,001.00. See

---

<sup>1</sup> 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.

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

<sup>3</sup> The property to be transferred has been included in PPL Electric's most recently filed rate case at Docket No. R-2015-2469275 and in prior rate cases.

**RECEIVED**  
AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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:

	<u>Other Facilities</u>	<u>Transformers</u>	<u>Total</u>
Original Cost Undepreciated	\$3,000,608	0	\$3,000,608
Original Cost Depreciated	\$1,106,978	0	\$1,106,978
Present Day Cost Undepreciated	\$8,700,248	0	\$8,700,248
Present Day Cost Depreciated	\$2,910,813	0	\$2,910,813

16. PPL Electric will realize a net profit of \$305,762.20 from the sale.<sup>4</sup> The ratemaking treatment of the sale will be determined in a future base rate proceeding.

17. Tentative journal entries include:

	<b>Account</b>	<b>Description</b>	<b>Amount</b>
<b><i>Retire Service Center</i></b>			
Debit	108	Accumulated depreciation	\$3,008,753.87
Credit	101	PPE at original cost	\$(3,008,753.87)
<b><i>Retire Land Rights</i></b>			
Debit	108	Accumulated depreciation	\$2,404.75
Credit	108	PPE at original cost	\$(2,404.75)

<sup>4</sup> 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 an pre-existing recorded mortgage encumbering such property; and (8) net damages or benefits accruing to the remaining PPL Electric property.

<b>Record Portion of Proceeds Related to Building</b>			
Debit	131	Cash	\$731,701.00
Credit	108	Accumulated depreciation	\$(731,701.00)
<b>Record Portion of Proceeds Related to Equipment</b>			
Debit	131	Cash	\$153,300.00
Credit	108	Accumulated depreciation	\$(153,300.00)
<b>Record Sale of Land, Including Gain</b>			
Debit	131	Cash	\$115,000.00
Credit	101	PPE at original cost	\$(64,238.17)
Credit	421.1	Gain on disposition of property	\$(50,761.83)

18. The property is not the subject of any state or federal proceedings.

19. 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 interest<sup>5</sup> for several reasons.

20. The transfer of this property will significantly benefit the local community because Buyer plans to operate their essential business from the location, providing trucking, shipping and transport services in these uncertain times, resulting in additional jobs and increased tax revenue in the area.

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

---

<sup>5</sup> 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).

22. 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.

23. Moreover, PPL Electric's engineering and operating representative 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 One Electric Street.

24. 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 reduce PPL Electric's maintenance expenditures; (2) will not negatively affect PPL Electric's operations; and (3) will provide substantial benefits to the local community in the form of additional jobs and an increased property tax base.

25. Finally, as mentioned previously, the parties are scheduled to close on the transaction on October 16, 2020. Commission approval of the Agreement is required as a condition of closing or the Buyer has the option to terminate. See Appendix A ¶ 17.

26. Therefore, PPL Electric respectfully requests that the Commission review and approve the Application on or before October 8, 2020.

WHEREFORE, in view of the foregoing, PPL Electric respectfully requests that the Pennsylvania Public Utility Commission approve the above-captioned application for transfer of facilities by sale.

Respectfully submitted,

Dated: August 10, 2020

Handwritten signature of Michael J. Shafer in black ink, with the initials 'mjs' written at the end of the signature.

Kimberly A. Klock (ID #89716)  
Michael J. Shafer (ID #205681)  
PPL Services Corporation  
Office of General Counsel  
Two North Ninth Street  
Allentown, Pennsylvania 18101  
Phone: 610-774-5696  
Phone: 610-774-2599  
Fax: 610-774-4102  
E-mail: [kklock@pplweb.com](mailto:kklock@pplweb.com)  
E-mail: [mishafer@pplweb.com](mailto:mishafer@pplweb.com)

*Attorney for PPL Electric Utilities Corporation*

RECEIVED

AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA )  
 : SS  
COUNTY OF LEHIGH )

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

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

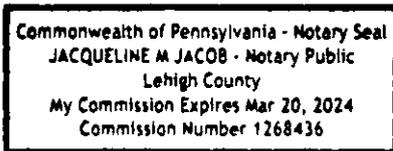
Sworn to and subscribed  
before me this 10<sup>th</sup> day  
of August 2020

RECEIVED

AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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



RECEIVED

AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**APPENDIX A**

RECEIVED

AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

AGREEMENT OF SALE

**THIS AGREEMENT of SALE** is made this 12<sup>th</sup> day of MAY, 2020 (the "Execution Date"), by and between PPL Electric Utilities Corporation, a Pennsylvania corporation having an address of 2 N. 9<sup>th</sup> Street, Allentown, Lehigh County, Pennsylvania (hereinafter "Seller") and Emerald Isle North, LLC, a Pennsylvania limited liability company, having an address of 130 Monahan Avenue, Dunmore, Pennsylvania (hereinafter "Buyer").

**RECITALS:**

**WHEREAS**, Seller owns a parcel of land located in Carbondale, Lackawanna County, Pennsylvania, having an address of One Electric Street, Carbondale PA, 18407, and being more fully described in the deed recorded in the Recorder of Deeds Office in and for Lackawanna County as follows: Deed Book 827, Page 680, and further identified as Tax PIN 06407-101-006 (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:
  - a. the Property described in the above recitals; and
  - b. the articles of personal property owned by Seller as set forth on Exhibit A attached hereto and made a part hereof.
2. The total purchase price for the Property is One Million and One Dollar (\$1,000,001.00) ("Purchase Price"), which shall be paid by the Buyer to the Seller as follows:
  - a. \$25,000 nonrefundable 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 one hundred eighty (180) 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.

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 plans 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. 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.

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

9. 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 9, and indemnifying Buyer from any liability incurred from Seller's breach of this Paragraph 9 and/or separate agreement.

10. Risk of loss shall remain on Seller until Closing hereunder to Buyer.
11. The parties hereby represent that they have not utilized the services of any broker in connection with the sale and purchase of the Property.
12. 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.
13. Deed preparation and acknowledgement are to be paid by Seller.
14. Closing shall be held at the offices of Fitzpatrick, Lentz & Bubba, P.C. Allentown, Pennsylvania.
15. 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.
16. The Agreement shall be binding upon the parties hereto and each of their respective heirs, executors, administrators, successors and assigns.
17. 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.

[execution on following page]

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:



Thomas Martino, Jr.  
Supv - Real Estate & Property Tax

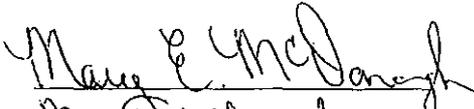
SELLER:

PPL Electric Utilities Corporation



Shawn A. Cappellano-Sarver  
Director - Facilities Operations for PPL EU  
Services Corporation and Authorized Agent  
for PPL Electric Utilities Corporation

WITNESS:

  
Mary E. McDonough  
Controller

BUYER:

Emerald Isle North, LLC

  
James Barrett  
Managing Member

RECEIVED

AUG 10 2020

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Exhibit A**

**Personal Property**

Racking  
Shelving

## 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 § 1.54 (relating to service by a participant).

### VIA FEDERAL EXPRESS

Tonya J. McCloskey, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Rick Kanaskie, Esquire  
Director  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265

John R. Evans  
Small Business Advocate  
Office of Small Business Advocate  
300 North Second Street, Suite 1102  
Harrisburg, PA 17101

RECEIVED

AUG 10 2020

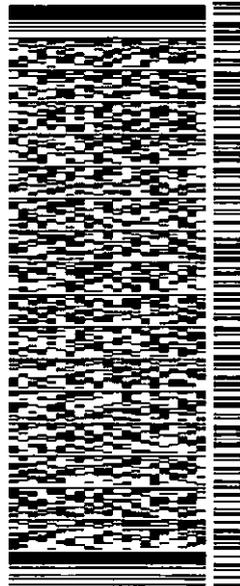
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

ORIGIN ID: ABEA (610) 774-6256  
KIMBERLY KLOCK  
PPL CORPORATION  
2 N 9TH STREET

ALLENTOWN, PA 18101  
UNITED STATES US

SHIP DATE: 10AUG20  
ACTWGT: 1.00 LB  
CAD: 109920348NINET4280  
BILL SENDER

TO ROSEMARY CHAVETTA, SECRETARY  
PENNSYLVANIA PUBLIC UTILITY COMMISS  
COMMONWEALTH KEYSTONE BLDG  
400 NORTH ST  
HARRISBURG PA 17120  
(717) 772-7777  
REF: MLB 205 734602 588  
DEPT



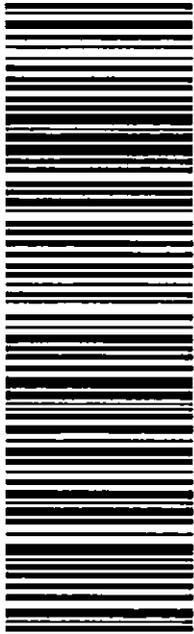
568.2/7709.0766

TRK# 7712 1614 4579  
0201

TUE - 11 AUG 10:30A  
PRIORITY OVERNIGHT

EN MDTA

PA-US 17120  
MDT



**After printing this label:**

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

**Warning:** Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on [fedex.com](http://fedex.com). FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.