

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



DATE OF DEPOSIT

FEDERAL EXPRESS

July 29, 2021

JUL 29 2021

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

**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 Located at
249 Dunham Drive, Dunmore, Luzerne County, Pennsylvania to Assai
Energy, LLC
Docket No.**

Dear Ms. Chiavetta:


Enclosed for filing, pursuant to 66 Pa. C.S. § 1102, is an original of the Application of PPL Electric Utilities Corporation for Approval of the Transfer by Sale of Real Property and Facilities Located at 249 Dunham Drive, Dunmore, to Assai Energy, LLC. The facilities are located in Luzerne County, Pennsylvania.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is deemed filed on July 29, 2021, 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 \$350.00 to cover the filing fee.

Respectfully submitted,


Michael J. Shafer

Enclosures

cc: Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DATE OF DEPOSIT

In re: Application of PPL Electric :
Utilities Corporation for Approval of the :
Transfer by Sale of Real Property and :
Facilities Located at 249 Dunham :
Drive, Dunmore, Luzerne County, :
Pennsylvania to Assai Energy, LLC, :
Pursuant to 66 Pa.C.S. § 1102(a)(3) :
: :
: :
: :

JUL 29 2021

Application PA PUBLIC UTILITY COMMISSION
Docket No. _____ 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 249 Dunham Drive, Dunmore, Luzerne County, Pennsylvania to Assai Energy, LLC ("Buyer") pursuant to the Agreement of Sale ("Agreement"). A copy of the Agreement is attached hereto as **Appendix A**.

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

DATE OF DEPOSIT

5. The attorneys for PPL Electric are:

JUL 29 2021

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
E-mail: mjshafer@pplweb.com

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

6. Buyer, Assai Energy LLC, has an address of 500 Technology Drive, Canonsburg, Pennsylvania 15317.

7. Buyer is not affiliated with PPL Electric.

8. PPL Electric and Buyer have executed the Agreement, under which Buyer would purchase the distribution line and secondary service facilities located at 249 Dunham Drive, Dunmore, Luzerne County, Pennsylvania from the Company.

9. Closing on the transaction is set to occur as soon as reasonably possible.

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 PPL Electric's distribution line and secondary service facilities located at 249 Dunham Drive.²

12. PPL Electric originally purchased the property in question in 1989, 1992, and 2018.³

13. As detailed in the Agreement, Buyer has agreed to purchase PPL Electric's real property and facilities located at 249 Dunham Drive for \$62,517.00. See Appendix A ¶ 2.

14. A list of the facilities to be conveyed is attached as **Appendix B**.

15. This sales price was the result of arms-length negotiations, and independent real estate appraisals were conducted during the negotiation process.

16. 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:

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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, p. 1.

³ 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.

	<u>Other Facilities</u>	<u>Transformers</u>	<u>Total</u>
Original Cost Undepreciated	\$43,580.00	\$17,001.00	\$60,581.00
Original Cost Depreciated	\$36,251.00	\$16,157.00	\$52,408.00
Present Day Cost Undepreciated	\$62,332.00	\$16,431.00	\$78,763.00
Present Day Cost Depreciated	\$46,901.00	\$15,616.00	\$62,517.00

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SECRETARY

17. PPL Electric will realize a net profit of \$0 from the sale.⁴ The ratemaking treatment of the sale will be determined in a future base rate proceeding.

18. Tentative journal entries include:

	Account	Description	Amount
<i>Retirement of depreciable facilities sold</i>			
Debit	108	Accumulated provision for depreciation of electric utility plant	\$60,581.00
Credit	101	Electric plant in service	(\$60,581.00)
<i>Proceeds from the sale of depreciable assets</i>			
Debit	131	Cash	\$62,517.00
Credit	108	Accumulated provision for depreciation of electric utility plant	(\$62,517.00)

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

⁴ 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.

20. 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 interest⁵ for several reasons.

21. The transfer of this property will significantly benefit Assai Energy LLC by permitting more efficient and economical operations. The purchase of these facilities will qualify Buyer to change from Rate Schedule GS3 to Rate Schedule LP4 for all of its distribution line and secondary services, which will result in rate savings.

22. In addition to the customer receiving more reliable service by taking transmission LP4 service, the transfer of property will remove an overloaded condition and avoid temporary upgrades on the distribution circuit. The distribution circuit and secondary will have capacity freed up benefiting other customers on the 12kV circuit.

23. The sale will also relieve the Company of the costs of owning, operating and maintaining the transferred property in Dunmore Borough, Luzerne County, Pennsylvania. The reduced costs will benefit the Company and its customers.

24. 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.

25. 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 Assai Energy LLC.

⁵ 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).

26. Based on the foregoing, approval of this application is necessary or proper for Assai Energy LLC to take service in a manner which does not: (1) result in uneconomic removal expenditures to PPL Electric; (2) cause duplication of facilities; or (3) render PPL Electric's existing facilities less valuable. The Application also recognizes Assai Energy LLC's right to service on the most favorable and economic basis under PPL Electric's retail tariff.

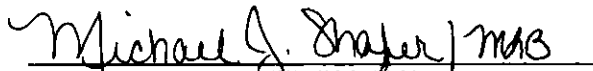
27. Finally, as mentioned previously, the parties are scheduled to close on the transaction as soon as reasonably possible. Commission approval of the Agreement is required as a condition of closing or the Buyer has the option to terminate. See Appendix A.

28. Therefore, PPL Electric respectfully requests that the Commission review and approve the Application within sixty (60) days) of the filing date.

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: July 29, 2021



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
E-mail: mishafer@pplweb.com
Attorney for PPL Electric Utilities Corporation

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)
: SS
COUNTY OF LEHIGH)

STEPHANIE R. RAYMOND, being duly sworn according to law, deposes and says that she is 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.

Stephanie R. Raymond

Sworn to and subscribed
before me this 29th day
of July, 2021.

DATE OF DEPOSIT

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Michelle L. Bartolomei

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Commonwealth of Pennsylvania - Notary Seal
Michelle L. Bartolomei, Notary Public
Lehigh County
My commission expires July 10, 2022
Commission number 1333990
Member, Pennsylvania Association of Notaries

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

APPENDIX A

DATE OF DEPOSIT

JUL 29 2021

Form 100-623A-E (2/2000)

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



AGREEMENT OF SALE made this _____ day of Ju , 2021, in Allentown, Pennsylvania, between PPL Electric Utilities Corporation, hereinafter called VENDOR, a Pennsylvania corporation whose principal address is Two North Ninth Street, Allentown, Pennsylvania, and Assai Energy LLC, hereinafter called VENDEE, whose principal address is 500 Technology Drive, Floor 2, Canonsburg, PA 15317 .

WITNESSETH: That VENDOR in consideration of \$62,517.00, plus Pennsylvania State Sales Tax of \$3,751.02 does hereby agree to sell unto VENDEE, all of its right, title and interest in and to certain electric facilities located at 249 Dunham Drive, Dunmore, PA 18512 as described in the schedule attached hereto and made part hereof entitled "Exhibit A - LIST OF FACILITIES TO BE CONVEYED TO Assai Energy LLC BY PPL ELECTRIC UTILITIES CORPORATION," and as shown on plan dated December 3rd, 2020 entitled "Exhibit B - PLAN SHOWING LOCATION OF ELECTRIC FACILITIES TO BE CONVEYED TO Assai Energy LLC BY PPL ELECTRIC UTILITIES CORPORATION," also attached hereto and made a part hereof.

VENDOR MAKES NO REPRESENTATIONS OR GUARANTEES, EXPRESS OR IMPLIED, IN RESPECT TO THE PROPERTY COVERED BY THIS AGREEMENT, EXCEPT THAT IT WILL DELIVER GOOD TITLE TO SAID PROPERTY FREE FROM ALL LIENS AND ENCUMBRANCES. THE REMEDY FOR THE BREACH OF SAID WARRANTY OF GOOD TITLE IS LIMITED TO THE REPLACEMENT OF ANY OF THE PROPERTY COVERED BY THIS AGREEMENT. VENDEE SHALL RECEIVE SAID PROPERTY "AS IS." THERE ARE NO WARRANTIES, INCLUDING THE WARRANTY OF MERCHANTABILITY, WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN.

VENDEE SHALL INDEMNIFY AND SAVE HARMLESS THE VENDOR AGAINST AND FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, SUITS AND ALL OTHER LIABILITY WHATSOEVER ON ACCOUNT OF OR BY REASON OF, OR GROWING OUT OF PERSONAL INJURIES OR DEATH TO ANY PERSON OR ENTITY INCLUDING VENDEE AND ITS EMPLOYEES, OR PROPERTY DAMAGE SUFFERED BY ANY PERSON OR ENTITY INCLUDING VENDEE AND ITS EMPLOYEES, WHETHER OR NOT THE SAME RESULTS FROM THE NEGLIGENCE OF VENDOR OR ITS EMPLOYEES PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT TO THE EXECUTION OF THIS AGREEMENT. THE INTENT OF THE PARTIES TO THIS AGREEMENT IS TO ABSOLVE AND PROTECT VENDOR FROM ANY AND ALL LOSS, PREDICATED ON STRICT AND/OR NEGLIGENT LIABILITY BY REASON OF THIS AGREEMENT.

THE VENDOR MAY AT ITS OPTION REQUIRE VENDEE TO PROVIDE EVIDENCE OF INSURANCE SATISFACTORY TO THE VENDOR COVERING THE LIABILITIES AND INDEMNIFICATION PROVIDED IN THIS AGREEMENT.

Upon acceptance of this Agreement by the parties hereto, VENDOR will invoice VENDEE for the amount shown above, which amount VENDEE agrees to pay upon presentation of said invoice. Upon payment of the amount specified in the invoice, title to the facilities will vest in VENDEE.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have caused these presents to be duly executed the day and year aforesaid.

WITNESS:

Michelle Bartolomei
Title Paranal

PPL Electric Utilities Corporation
BY:

John D. Kucher Manager Business Services
Title

WITNESS

[Signature]
Title Steve Moore

Assai Energy LLC
BY:

Ted Yovan [Signature]
Title Chief Development Officer

DATE OF DEPOSIT

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

APPENDIX B

**APPENDIX B
FACILITIES TO BE CONVEYED
ASSAI ENERGY LLC**

- 1 - 480Y/277V 300KVA pole-mounted transformer bank - with associated mechanical equipment
- 1 - 480Y/277V 1000KVA pad-mounted transformer - with associated mechanical equipment
- 11 – Wooden Poles of various heights and age with associated mechanical equipment
- 1300 feet - approx. – Distribution primary conductors - Overhead three phase

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

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

DATE OF DEPOSIT

Darryl Lawrence, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

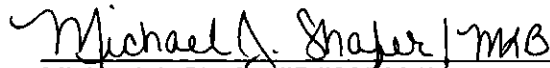
JUL 29 2021

PA PUBLIC UTILITY COMMISSION
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Rick Kanaskie, Esquire
Director
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17120

Steven Gray, Esquire
Pennsylvania Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Date: July 29, 2021

 Michael J. Shafer / MJB

Michael J. Shafer (ID#205681)
PPL Services Corporation
Office of General Counsel
Two North Ninth Street
Allentown, Pennsylvania 18101
(610) 774-2599
mjshafer@pplweb.com

ORIGIN ID: ABEA (610) 774-6068
DONNA BARRY

2 N. 9TH ST.

ALLENTOWN, PA 18101
UNITED STATES US

SHIP DATE: 29JUL21
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CAD: 253128937/NET4400

BILL SENDER

TO **ROSEMARY CHIAVETTA, SECRETARY
PENNSYLVANIA PUBLIC UTILITY COMMISS
COMMOMWEALTH KEYSTONE BLDG
400 NORTH ST
HARRISBURG PA 17120**

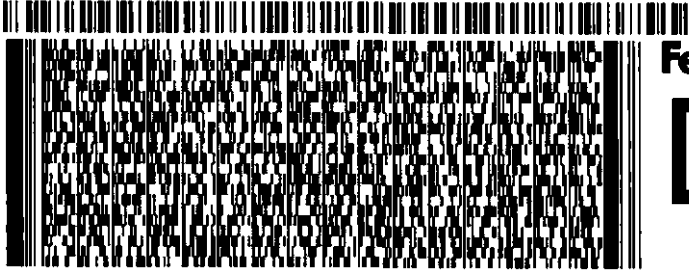
(717) 772-7777

REF: 0205

INV.
PO: MICHELLE BARTOLOMEI

DEPT: 734617-811

56D.020265FE4A

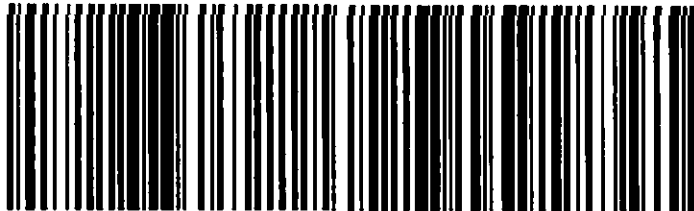


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