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FEDERAL EXPRESS

June 8, 2022

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

**Re: Application of PPL Electric Utilities Corporation for Approval of the
Transfer by Sale of Facilities Located at 5137 Lower Mud Run Road,
Easton, Northampton County, Pennsylvania to H & K Group, Inc./Easton
Quarry
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 Facilities Located at 5137 Lower Mud Run Road, Easton to H & K Group, Inc./Easton Quarry. The facilities are located in Northampton County, Pennsylvania.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is deemed filed on June 8, 2022, 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

DATE OF DEPOSIT

JUN 08 2022

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric :
Utilities Corporation for Approval of the :
Transfer by Sale of Facilities Located :
at 5137 Lower Mud Run Road, Easton, :
Northampton County, Pennsylvania to :
H & K Group Inc./Easton Quarry :
Pursuant to 66 Pa.C.S. § 1102(a)(3) :
: :
: :

Application
Docket No. _____

DATE OF DEPOSIT

JUN 08 2022

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 facilities located at 5137 Lower Mud Run Road, Easton, Northampton,, Pennsylvania to H & K Group Inc./Easton Quarry ("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

5. The attorneys for PPL Electric are:

Kimberly A. Klock (ID #89716)
Michael J. Shafer (ID #205681)
PPL Services Corporation
Office of General Counsel
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Allentown, Pennsylvania 18101
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E-mail: kklock@pplweb.com
E-mail: mjshafer@pplweb.com

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

6. Buyer, H & K Group Inc./Easton Quarry, has an address of P.O. Box 196, Skippack, Pennsylvania 19474.

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 5137 Lower Mud Run Road, Easton, Northampton 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 FACILITIES

11. Under the Agreement, Buyer has agreed to purchase PPL Electric's distribution line and secondary service facilities located at 5137 Lower Mud Run Road.²

12. PPL Electric originally purchased the facilities in question in 1970, 1982, 2002, 2019 and 2020.³

13. As detailed in the Agreement, Buyer has agreed to purchase PPL Electric's facilities located at 5137 Lower Mud Run Road for \$30,744.00. See Appendix A ¶ 2.

14. A list of the facilities to be conveyed, along with a plan showing the location of the facilities, is attached as **Appendix B**.

15. This sales price was the result of using established utility practices with Handy Whitman accounting.

16. The facilities' original cost, original depreciated cost, present day cost, and present day depreciated cost are as follows:

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 facilities to be transferred is set forth in the Agreement. See Appendix A, p. 1.

³ The facilities 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	\$26,687.96	\$11,503.10	\$38,191.06
Original Cost Depreciated	\$13,779.95	\$1,994.00	\$15,773.95
Present Day Cost Undepreciated	\$106,996.10	\$50,810.38	\$157,806.48
Present Day Cost Depreciated	\$22,657.64	\$8,086.20	\$30,743.84

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	\$38,191.06
Credit	101	Electric plant in service	(\$38,191.06)
<i>Proceeds from the sale of depreciable assets</i>			
Debit	131	Cash	\$30,744.00
Credit	108	Accumulated provision for depreciation of electric utility plant	(\$30,744.00)

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.

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

20. The Commission should approve the sale of 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 these facilities will significantly benefit H & K Group Inc./Easton Quarry 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 LP4 service, the transfer of facilities 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 facilities in Easton, Northampton 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

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).

Electric is satisfied as to the adequacy, continuity, safety of service, and other relevant factors regarding electrical supply to H & K Group Inc./Easton Quarry.

26. Based on the foregoing, approval of this application is necessary or proper for H & K Group Inc./Easton Quarry 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 H & K Group Inc./Easton Quarry's right to service on the most favorable and economic basis under PPL Electric's retail tariff.

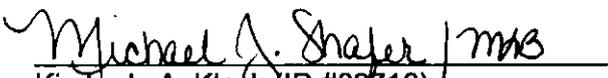
27. Finally, as mentioned previously, the parties are scheduled to close on the transaction as soon as reasonably possible. Commission approval of the Agreement is required as a condition of closing or the Buyer has the option to terminate. See Appendix A.

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: June 8, 2022



Kimberly A. Klock (ID #89716)
Michael J. Shafer (ID #205681)
PPL Services Corporation
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Attorney for PPL Electric Utilities Corporation

APPENDIX A

DATE OF DEPOSIT

JUN 08 2022

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



AGREEMENT OF SALE made this _____ day of _____, 2022, 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 H&K Group Inc. / Easton Quarry hereinafter called VENDEE, whose principal address is P.O. Box 196, Skippack, PA 19474 .

WITNESSETH: That VENDOR in consideration of \$30,744.00, plus Pennsylvania State Sales Tax of \$1,844.64 does hereby agree to sell unto VENDEE, all of its right, title and interest in and to certain electric facilities located at Easton Quarry, 5137 Lower Mud Run Road, Easton PA, 18040 as described in the schedule attached hereto and made part hereof entitled "Exhibit A - LIST OF FACILITIES TO BE CONVEYED TO H&K Group Inc. / Easton Quarry BY PPL ELECTRIC UTILITIES CORPORATION," and as shown on plan dated January 20, 2022 entitled "Exhibit B - PLAN SHOWING LOCATION OF ELECTRIC FACILITIES TO BE CONVEYED TO H&K Group Inc. / Easton Quarry 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.

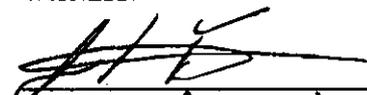
VENDEE SHALL INDEMNIFY AND SAVE HARMLESS THE VENDOR AGAINST AND FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, SUITS AND ALL OTHER LIABILITY WHATSOEVER ON ACCOUNT OF OR BY REASON OF, OR GROWING OUT OF PERSONAL INJURIES OR DEATH TO ANY PERSON OR ENTITY INCLUDING VENDEE AND ITS EMPLOYEES, 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.

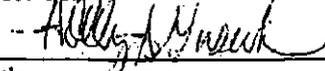
Upon acceptance of this Agreement by the parties hereto, VENDOR will invoice VENDEE for the amount shown above, which amount VENDEE agrees to pay upon presentation of said invoice. Upon payment of the amount specified in the invoice, title to the facilities will vest in VENDEE.

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:


Title: Key Account Manager

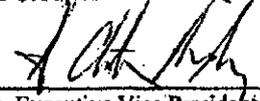
WITNESS


Title: _____

PPL Electric Utilities Corporation

BY: 
Title: Manager Business Services

H&K Group Inc. / Easton Quarry

BY: 
Title: Executive Vice President

APPENDIX B

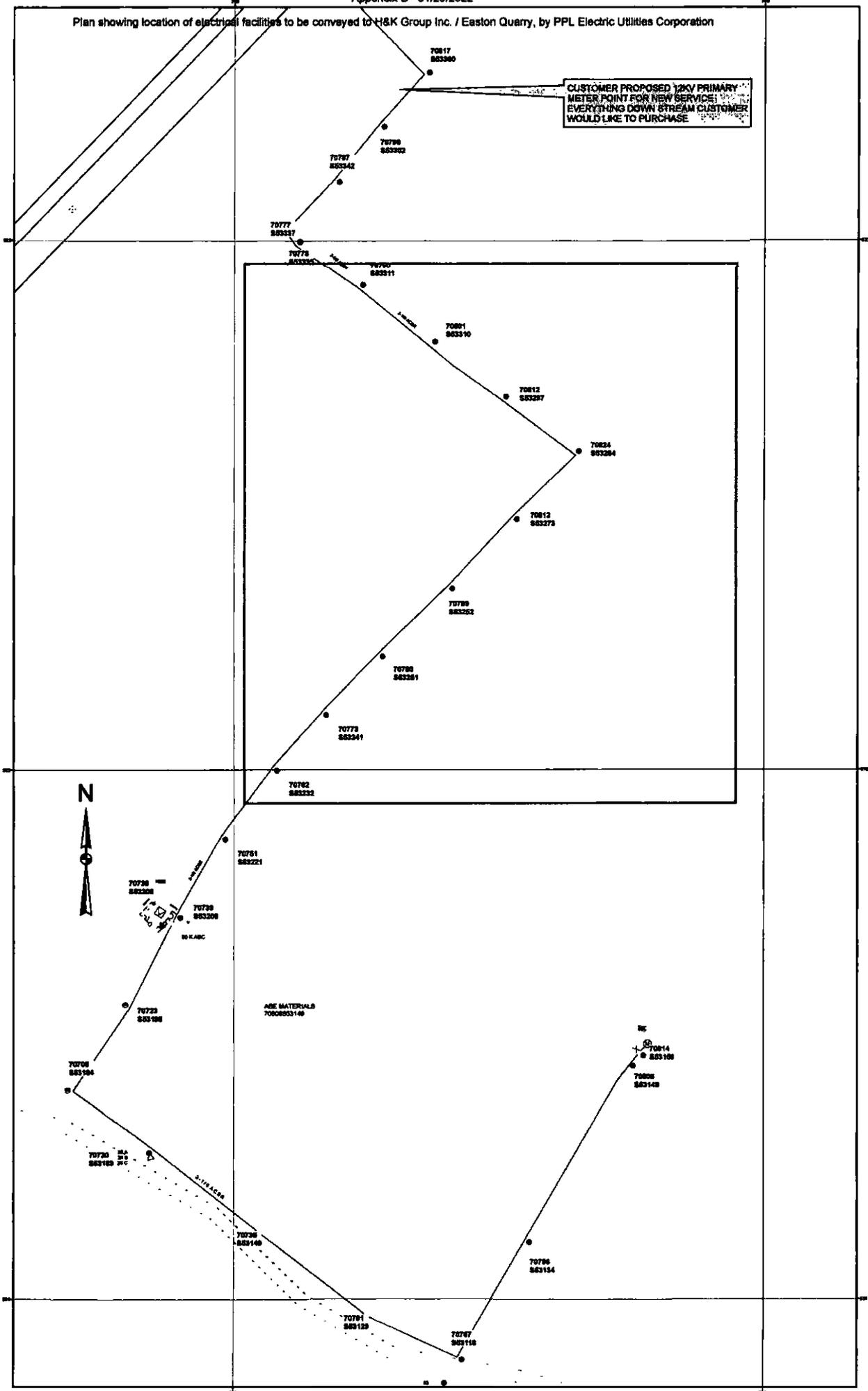
DATE OF DEPOSIT

JUN 08 2022

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

Plan showing location of electrical facilities to be conveyed to H&K Group Inc. / Easton Quarry, by PPL Electric Utilities Corporation

CUSTOMER PROPOSED 12KV PRIMARY METER POINT FOR NEW SERVICE EVERYTHING DOWN STREAM CUSTOMER WOULD LIKE TO PURCHASE



Appendix B - List of Facilities to be conveyed to H&K Group Inc. / Easton Quarry by PPL Electric Utilities Corporation

1	-	Poles wood: pole: wood 25 and under
12	-	Poles wood: pole: wood 40
8	-	Poles wood: pole: wood 45
1	-	Poles wood: pole: wood 40 : 613007
1	-	Poles wood: pole: wood 45 : 613008
10,800	-	wire aluminum conductor: 1/0 & below 1/c
50	-	wire copper conductor: 750 - 1000 1/c
50	-	wire copper conductor: 2/0 - 4/0 1/c
1,770	-	wire aluminum conductor: 1/0 & below 1/c : 625210
1	-	services: overhead : 683801
1	-	transformers service: pm 1000kva 480/277 3ph
1	-	pole 30-75kva 1ph: 388360

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).

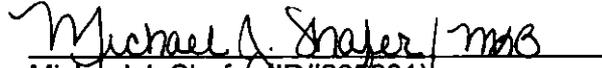
VIA FEDERAL EXPRESS

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

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

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

Date: June 8, 2022


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DATE OF DEPOSIT

JUN 08 2022

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ORIGIN ID: ABEA (610) 774-2599
MICHAEL J SHAFER

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GENTW3
ALLENTOWN, PA 18101
UNITED STATES US

SHIP DATE: 08JUN22
ACTWGT: 1.00 LB
CAD: 2531289377/NET4490

BILL SENDER

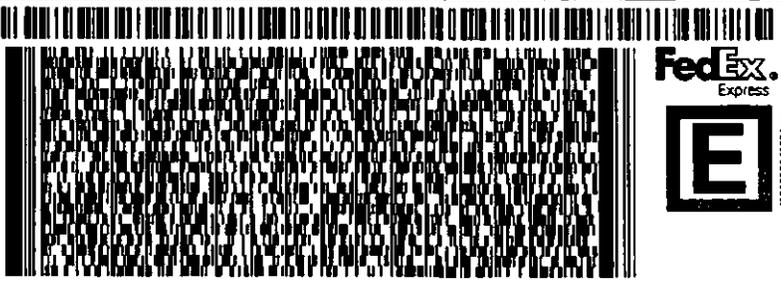
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TO ROSEMARY CHIAVETTA, SECRETARY
PA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH ST
HARRISBURG PA 17120

(717) 772-7777
INV.
PO:

REF: 0206

DEPT: 734617-811

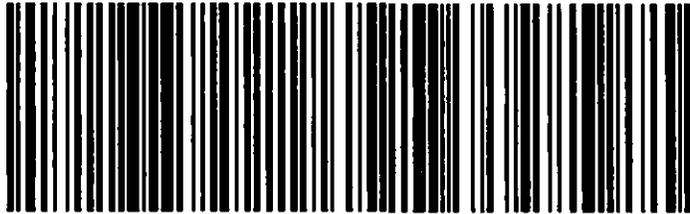


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