

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held July 11, 2024

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

Application of PPL Electric Utilities Corporation for
Approval of a Certificate of Public Convenience of a
Transfer by Sale of Real Property and Facilities
located at 26-44 N. 9th Street and
901-909 W. Hamilton Street, Allentown,
Pennsylvania

Docket No.
A-2024-3048204

ORDER

BY THE COMMISSION:

On April 3, 2024, PPL Electric Utilities Corporation (PPL Electric), Utility Code 110500, filed an application pursuant to 66 Pa. C.S. § 1102(a)(3) seeking a Certificate of Public Convenience (CPC) for the approval of a transfer by sale of real property and facilities located at 26-44 N. 9th Street, Allentown, Pennsylvania (North Building) and 901-909 W. Hamilton Street, Allentown, Pennsylvania (Tower Building) (collectively, Tower Building Complex) to DDCAP Allentown, LLC (DDCAP). On May 1, 2024, PPL Electric filed updates to the application.

For the reasons expressed in this Order, the Pennsylvania Public Utility Commission (Commission) approves the application consistent with this Order.

PPL Electric served the application on the Office of Small Business Advocate, the Office of Consumer Advocate, and the Commission's Bureau of Investigation and Enforcement. Notice of the Application was published in a newspaper of general circulation in the applicable area, *The Morning Call*, on April 14, 2024, and proof of publication was provided to the Commission on April 25, 2024. Notice of the filing was also published in the *Pennsylvania Bulletin* on April 20, 2024, with a protest period ending on May 6, 2024. No protests or comments have been received.

PPL Electric is a public utility engaged in the business of providing electric distribution, transmission, and default supply services to approximately 1.5 million customers in all or portions of 29 counties in eastern and central Pennsylvania. Application ¶¶2 and 3.

DDCAP is a Pennsylvania limited liability company, located in Wilkes-Barre, Pennsylvania, that was established by D&D Realty Group for the purpose of purchasing and developing the Tower Building Complex. Application ¶¶6 and 7.

PPL Electric requested approval for a CPC for the sale of the fixtures, tools, furniture, and furnishings remaining in the improvements located on certain parcels, identified as Lehigh County parcel number 549790734206-1 located at 26-44 North 9th Street, and Lehigh County parcel number 549790819126-1 located at 901-909 West Hamilton Street, both in Allentown, Lehigh County, Pennsylvania, but specifically excluding any personal property, equipment, facilities or fixtures located in the areas covered by: (a) that certain Easement Agreement that will be granted from Buyer to PPL Electric at the time of closing (PPL Easement); (b) that

certain License Agreement between PPL Electric and the City of Allentown dated April 1, 2018 as the same may be assigned (City License); and (iii) that certain Lease between Buyer and PPL Electric that will be executed at the time of closing (PPL Lease) and any other personal property, equipment or fixtures owned by any tenant, licensee or grantee under the PPL Easement, the City License or the PPL Lease (collectively, Excluded Personal Property). Application ¶¶16.

PPL Electric stated that it entered into an Agreement of Sale with DDCAP, on February 29, 2024, to sell the Property for \$9 million. PPL Electric further stated that the purchase price was a result of the company’s competitive bidding process followed by arm’s length negotiations between PPL Electric and the winning bidder. Application ¶¶10, 15 and 17.

PPL Electric stated that the sale will help “right-size” PPL Electric’s office space needs because the company’s evolving workforce needs have changed over time. PPL Electric also stated that selling these properties and relocating PPL Electric’s employees to other locations will reduce related capital spending and expenses. PPL Electric further stated the sale will relieve the company of the costs of owning and maintaining the properties because it will save approximately \$3.8 million in annual net operation and maintenance expense and \$2.2 million in annual capital spending due to the sale of the Tower Building Complex. PPL avers relocating to other offices and no longer owning and maintaining the Tower Building Complex will benefit PPL Electric’s ratepayers. Application ¶¶22 and 23.

PPL Electric stated the sale is projected to have no negative impact on PPL Electric’s operations. PPL Electric also stated the sale will not result in any interruption or curtailment of existing services, cause a termination of any PPL Electric operations, or affect PPL Electric’s short or long-range plans for expanding or upgrading any services now offered to the public. Application ¶¶24.

We agree that PPL Electric's sale of real property and facilities will provide affirmative benefits in the public interest and will not adversely impact PPL Electric's operations.

Upon review of the application, we find that approval of this application is necessary and proper for the service, accommodation, and convenience of the public. For these reasons, we conclude that approval of the application is in the public interest; **THEREFORE,**

IT IS ORDERED:

1. That the Application of PPL Electric Utilities Corporation at Docket No. A-2024-3048204 is hereby approved.

2. That a Certificate of Public Convenience be issued pursuant to 66 Pa. C.S. §1102(a) (3) authorizing PPL Electric Utilities Corporation to transfer by sale of real property and facilities located at 26-44 N. 9th Street, Allentown, Pennsylvania and 901-909 W. Hamilton Street, Allentown, Pennsylvania.

3. That a copy of this Order be served on the Office of Small Business Advocate, the Office of Consumer Advocate, the Commission's Bureau of Investigation and Enforcement, and DDCAP Allentown, LLC.

4. That within 30 days of the consummation of the transaction described in Ordering Paragraph No. 2 above, PPL Electric Utilities Corporation shall notify the Commission of the effective date of the sale. If PPL Electric Utilities Corporation determines that the proposed transaction will not take place, it shall promptly so notify this Commission.

5. That upon completion of all issuances pursuant to this Order and submission of final filings under Ordering Paragraph No. 4, above, this proceeding at Docket No. A-2024-3048204 shall be marked closed.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is fluid and cursive, with the first letter of each name being significantly larger and more stylized.

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: July 11, 2024

ORDER ENTERED: July 11, 2024