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BEFORE THE  
PENNSYLVANIA SECRETARY'S OFFICE  
PUBLIC UTILITY COMMISSION

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A. 78109 - Application of Northern Pennsylvania Power Company, etc.

A. 78110 - Application of John F. Kiser, etc.

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TRANSCRIPT OF PROCEEDINGS

Towanda, Pa., Friday, December 21, 1951.

RECORD  
FOLDER

DO NOT  
REMOVE

BEFORE THE  
PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

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A. 78109 - Application of Northern Pennsylvania Power Company for approval of the transfer by sale to John F. Kizer of its steam heat distribution system, in the Borough of Towanda, Bradford County. Initial hearing.

A. 78110 - Application of John F. Kizer for approval of (1) the acquisition from Northern Pennsylvania Power Company of the steam heat distribution system of said company in the Borough of Towanda, Bradford County, and (2) the beginning of the exercise of the right, power or privilege of furnishing steam heat service to the public in said borough. Initial hearing.

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TRANSCRIPT OF PROCEEDINGS had before Daniel H. Jenkins, Esq., Examiner, at the court house, Towanda, Bradford County, Pennsylvania, Friday, December 21, 1951, beginning at ten o'clock A.M.

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APPEARANCES: The appearances in both cases are the same.

Roy J. Lilley, Esq., Towanda, Pennsylvania appeared on behalf of the applicant, John F. Kizer.

Harold J. Ryan, Esq., Reading, Pennsylvania appeared on behalf of the Northern Pennsylvania Power Company.

Hon. C. M. Culver and Romeyn F. Culver, Esq. appeared on behalf of several property owners--namely, Sam Patton, Jesse Marks, Ruth Sussman Goodman, Maurice Goodman, Brewster A. Ruggles, Thomas J. Finn, William Chaffee, William M. Rosenfield, John Spentzas, William H. Siegel, Charles Davidson, Fred Davidson, C. Myer Fairchild, Romeyn F. Culver, Mary Abell, Schuyler Lawrence, Vincent Mattie, Newman Benson, Myra Jean Benson, Elmer King, May King, Dorothy McLeary, Frances Evans, Edward Hoffman, Henry Dunn, Donald Rhodes, Tony Tama, Horace Cohen and Dr. J.T. Kielty.

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Reported by Marguerite H. Wiggins, General Reporter  
Towanda, Pennsylvania

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I N D E X

| <u>APPLICANT'S WITNESSES</u>   | <u>DIRECT</u>                   | <u>CROSS</u> |
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THE EXAMINER: We are calling the applications of the Northern Pennsylvania Power Company Docket No. 78109 and that of John Kizer, Docket No. 78110. The appearances in both cases are the same--Judge Culver and Romeyn F. Culver for the protestants, Attorney Lilley for Mr. Kizer and Harold J. Ryan for the Northern Pennsylvania Power Company. Are there any other appearances.

(No response)

H AROLD J. RYAN: The Commission has directed the Northern Pennsylvania power Company to serve certain notices of this hearing on steam heat customers and the Borough authorities of the Borough of Towanda and publish a notice of this hearing in the local newspaper. I have here proof of service and publication in accordance with the Commissions requirements and offer them for the record.

THE EXAMINER: We accept them

DIRECT EXAMINATION

DAVID R. SMITH: Called as a witness on behalf of the Northern Pennsylvania Power Company, being first duly sworn according to law testified on direct examination as follows:

BY MR. RYAN:

- Q. Your name is?
- A. David R. Smith.
- Q. And you live where?
- A. Towanda, Pennsylvania.
- Q. What is your occupation?
- A. I am President of the Northern Pennsylvania Power Co.

Q. Is the Northern Pennsylvania Power Company engaged in the business of serving the public as a public service company?

A. That is correct.

Q. What services do you furnish?

A. Electrical service to Northeastern Pennsylvania and steam heat service in a portion of the Borough of Towanda.

Q. When was the Northern Pennsylvania Power Company incorporated?

A. Northern Pennsylvania Power Company was incorporated in May 7, 1923.

Q. Since its incorporation has it acquired property and franchises of other public service companies?

A. It has acquired property and franchises of a number of small companies and a few of the larger ones.

Q. Did they all serve only electricity?

A. That is correct, except the Towanda Electrical Illuminating Company which served steam heat in a portion of Towanda Borough and Towanda Gas & Water Company which serves gas for Towanda and its immediate vicinity.

Q. Has the gas business recently been disposed of?

A. The gas business of the company was disposed of in 1945 and since that time we have had no gas manufactured or service in the Borough.

Q. You mention Towanda Electrical Illuminating Company is that the Company that originated steam heating service in

Towanda?

A. Yes.

Q. When was that Company formed?

A. That Company was incorporated in December 1889.

Q. What was its charter purpose?

A. Furnishing electrical service.

Q. Did it have any public grant to supply heating service?

A. It had no charter for steam heat distribution.

Q. Very briefly how did steam heat distribution arise?

A. Well, they had a small generating plant on South

Main Street in Towanda--

Q. Was that owned by the Towanda Electrical Illuminating Company?

A. That was the property of the Towanda Electrical Illuminating Company. They went into the steam heating business to utilize exhaust steam from the plant.

Q. Did Towanda Electrical Illuminating Company have a local consent and franchise from the Borough to put steam heat mains in the streets?

A. That is correct.

Q. And the applicant here, Northern Pennsylvania Power Company is successor to Towanda Electrical Illuminating Company?

A. That is true.

Q. How many Counties in Northeastern Pennsylvania does your Company supply with electricity?

A. Eight Counties, Northern Wayne, Susquehanna, Wyoming, Bradford Sullivan, Lycoming, Tioga and Potter.

Q. How many steam heat customers presently are being served by your Company as of November 30, 1951?

A. As of November 30, 1951 we were serving 28 residential customers, 67 Commercial, 3 industrial and 6 public institutions making a total of 104.

Q. Have you a plan or map which shows location and layout of steam heat distribution system?

A. We do have.

Q. May I see it?

C. M. CULVER: Is it the same as before

WITNESS: I think so, Judge, there may be a few changes to correct errors or slight changes made in the system.

MR. RXAN: Witness produces map or plan entitled Northern Pennsylvania Power Company Steam Heat Distribution System Towanda Borough which I will ask the Reporter to mark as Exhibit 1.

Q. There are heavy black lines on the map what do they show?

A. The main steam distribution lines and they are the lines which we propose to transfer to Mr. Kizer.

Q. Does the exhibit show the location of all the mains, physical and existing steam plant of the Company?

A. That is correct.

Q. And the lines that are shaded instead of being solid

what do they indicate.

A. They are the lines owned by the customers.

Q. Only those shown in heavy black are owned by the Northern Pennsylvania Power Company?

A. That is true.

Q. There are some legends on this exhibit and they are correct statements of things they purport to set forth?

A. That is true.

Q. How do the number of services compare with the number of customers?

A. Fewer services are shown on this plan than customers because in some instances more than one customer is served from one service.

Q. Now, if this application by your Company to sell the steam heat distribution system is consummated what do you propose to do about the power plant where the steam now furnished is supplied to the system and particularly the generating units therein?

A. Those units and various equipment in that plant will be removed and we will use that plant in our electrical operation.

Q. How many generators are there in that plant now?

A. Two

Q. What type?

A. Well, there are two units, one Allis Chalmers unit directly connecting the two Allis Chalmers generators which has a capacity of approximately 300 kilowatts and a Ridgeway engine

connected directly to Ridgeway generators with a capacity of 200 kilowatts.

Q. How many boilers are there?

A. Four boilers with 150 H.P. each.

Q. Are the boilers and generators of small ancient vintage?

A. The boilers--one was put in in 1904, one in 1911 one in 1912 and one in 1920. The engine units in 1920 and 1924.

Q. Do you operate generators all the year around?

A. Only during the period supplying steam.

Q. Are they efficient and low cost or otherwise?

A. Non-condensing units and very inefficient.

Q. Do they amount to high cost generation of electrical energy?

A. They do.

Q. What is the main source of electrical energy?

A. The main source of supply is through contract with The New York State Electric and Gas Corporation. We buy wholesale from that Company.

Q. About what percentage of electrical energy requirements are supplied through that contract?

A. Somewhere in the neighborhood of 95%.

Q. Is your electrical energy which is generated in Towanda of any consequence?

A. It is not.

Q. What use, if any, will you make of building in which these generators are now located if this transaction is consummated?

A. It is our plan to utilize that building as a store room, garage, shop and electrical maintenance man and we will probably put additional floor in and use it for offices of one or two of our departments.

Q. Does it adjoin your present office building and garage?

A. It does.

Q. Now, so far as you know, what is Mr. Kizer's plan and undertaking?

A. As far as I know, Mr. Kizer--I have discussed it with him, plans to put in<sup>a</sup> modern boiler plant and connect that plant to the steam heating system. He also plans to put in a certain amount of additional pipe in the south end of the Borough and to operate the plant in the same manner and at the same charge that we are operating.

Q. Is there any plan here by which your Company can go out of the business prior to the time Mr. Kizer has built the new plant, connected it to the mains and taken over the mains?

A. We do not contemplate doing that.

Q. Your Company and Mr. Kizer entered into a contract?

A. We do .

Q. Do you have a copy of it?

A. I do.

Q. What is the date of it?

A. 10th of August 1951.

MR. RYAN--Witness produces document which starts out, "This Agreement made this 10th day of August 1951 between the Northern Pennsylvania Power Company and John F. Kizer"--I will ask that it be marked Exhibit 2. And I call it to the Examiner's attention for the purpose of the record that this Exhibit is exactly the same as Exhibit A attached to the petition signed by the Northern Pennsylvania Power Company in this case. I also say for the record that the original of this contract is here and Judge Culver has it. I want, however, to put copies in the record instead of the original.

Q. Is this the original contract?

A. Yes, it is.

Q. Your signature is on it?

A. Yes.

Q. And were these copies prepared in your office?

A. Yes.

Q. And they are the same as the original?

A. They are.

Q. The price that the purchaser is to pay your Company is how much?

A. \$5,148.00.

Q. With any adjustments up or down?

A. Well that amount represents the capital expenditures

which the Company has made since January 1, 1949 less depreciation for the period up to January 1, 1952.

Q. If you make any more capital changes to this steam distribution system between the date of the agreement and the closing is there to be anything added to the purchase price?

A. Any increase in capital changes between now and the closing would be added to the purchase price.

Q. How about any increase between the date of the agreement and now?

A. There have been none other than what I testified to.

Q. Whether Towanda Electrical Illuminating Company had local consent from the Borough to Construct and maintain steam mains in streets?

A. That is true.

Q. And under the terms of this agreement with Mr. Kizer, what is to be done about local consent situation?

A. The local consent is to be transferred to Mr. Kizer.

Q. And will that require some action by Borough authorities of the Borough of Towanda?

A. The Borough authorities in Towanda have approved the transfer of that franchise.

Q. Have you there a copy of the original consent to Towanda Electrical Illuminating Company?

A. I have.

MR. RYAN: Witness produces a paper marked "Ordinance

granting to Towanda Electrical Illuminating Company the right to lay steam heating pipe in public streets of Borough". I will ask the reporter to mark that Exhibit 3. And if the Examiner please I say for the record that I have here a certified copy of that ordinance in my file, I want however to put in the record copies of that certified copy.

Q. Can you say that these copies of the ordinance are correct copies of the certified copy?

A. They are correct copies.

Q. You also stated that the Borough of Towanda had taken some action consent to the transfer by your company of the local consent to Mr. Kizer, was that consent by Borough of Towanda in the form of an ordinance?

A. It was.

Q. Have you a copy?

A. The copies are here.

MR. RYAN: Witness produces document as follows:  
"Ordinance consenting to assignment by Northern Pennsylvania Power Company, successor by merger, to Towanda Electrical Illuminating Company to John F. Kizer, his heirs and assigns of the franchise right to maintain properly steam heating mains in the streets of the Borough of Towanda. I ask the reporter to Mark that Exhibit 4.

Q. Now, if this transaction is accepted your company's business will be confined to what?

A. Our company's business will be confined strictly to furnishing electrical service.

Q. Now, you will continue to operate this system pending the consummation of this transaction?

A. That is correct.

Q. And your power plant at which the steam is presently manufactured to supply this system will not be discontinued prior to the time that this transaction is concluded will it?

A. That is true.

Q. Under the terms of the contract which you have with Mr. Kizer can this transaction be concluded before he has constructed a new steam plant?

A. No.

Q. Can this transaction be consummated under the terms of this contract prior to the time that Mr. Kizer's new plant is actually connected with steam heat mains?

A. No.

Q. So the whole deal is contingent upon Mr. Kizer's building a new plant and connecting it up?

A. That is correct.

MR. RYAN; At this time Mr. Examiner, I will offer in evidence the Exhibits which the witness has identified by number.

EXAMINER: We will accept. Call your next.

MR. RYAN: That is all I have.

EXAMINER: Cross Examine.

CROSS EXAMINATION

BY JUDGE CULVER:

Q. Mr. Smith, why does your Company desire to sell this heating system?

A. Because it is a small part of our operations and we want to confine ourselves entirely to the electrical business.

Q. And you will also desire to have possession and use of the plant where the generator plant now is?

A. We need that space.

Q. Do you know where Mr. Kizer proposes to construct his building to house the generating plant?

A. Yes.

Q. Where is it located?

A. On State Street between State and Park.

Q. That is pretty well toward the northern end of the section served by you in that it is towards the northern end but not as close to the southern end. When the plant was constructed originally and later pipes placed in the street, it was constructed on the basis that the plant would be near the southern end was it not?

A. I would suppose so but I don't know.

Q. Are the pipes laid through the streets --main pipes of uniform size?

A. They are as far as the intersection of Park and Main Streets.

Q. And from there on they are smaller?

A. On the upper side from Park Street north the size is reduced.

Q. Do you know whether or not that main system through the streets here is laid on a level or graded to take care of drainage?

A. It drains--it would have to.

Q. And that is laid so that it drains towards the south, is it not?

A. Not in all cases.

Q. On the main line?

A. I can't tell you where it drains to but some of it drains south and some drains down side streets and is dripped off at the end of lines.

Q. If a generating plant be constructed on location mentioned, I understand you propose to lay pipes south and then connect with main pipe near Pine Street, is that correct?

A. I presume Mr. Kizer will testify to that it is not my understanding.

Q. It is my understanding that he plans to tie into Main on Park Street, that would be where the beginning of a 4" pipe of Main pipe?

A. Main pipes comes out of the plant at eight inches and at Park it is reduced to six inches.

Q. And that is where you understand he is to connect?

A. That is my understanding.

Q. As I understand the course in this proceeding, your Company proposes to transfer to Mr. Kizer the right, franchises, your possessions, laying furnishing steam heat in Towanda Borough and also all of the physical property connected with the outside of your generating plant?

A. That is correct.

MR. CULVER; That is all

THE EXAMINER: That is all, Mr. Smith.

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J O H N A. D U N L A P: Called as a witness on behalf of the Northern Pennsylvania Power Company, being first duly sworn according to law and examined, testified on direct examination as follows:

DIRECT EXAMINATION

BY MR. RYAN:

Q. What is your name?

A. John A. Dunlap.

Q. Where do you live, Mr. Dunlap?

A. Shellington, Pa.

Q. What is your connection with the Northern Pennsylvania Power Company?

A. Secretary-Treasurer.

Q. Have you a balance sheet of Northern Pennsylvania Power Company as of July 31, 1951?

A. I have.

MR. RYAN: Witness produces a balance sheet of the Northern Pennsylvania Power Company as of July 31, 1951 on one sheet of paper which I will ask the reporter to mark Exhibit 5.

Q. Is this true and correct in accordance with the books of your Company?

A. Yes it is.

MR. RYAN: I offer it in evidence.

THE EXAMINER: We accept.

Q. Have you an income statement for Northern Pennsylvania Power Company for twelve months prior to this same date?

A. I have.

MR. RYAN: Witness produces single sheet entitled Northern Pennsylvania Power Company Statement of Income for twelve months ended July 31, 1951--I will ask the reporter to mark this Exhibit 6.

Q. Is that statement correct and in accord with the books of your Company for that purpose?

A. It is

MR. RYAN: I offer in evidence.

THE EXAMINER: We accept.

Q. This price \$5148 mentioned in the contract--what does this represent?

A. It represents construction expenditures made to steam heat property subsequent to January 1, 1949 less an estimated amount

of depreciation.

Q. Is that figure in this contract \$5148 subject to any upward adjustment?

A. It is subject to upward adjustment for any additional construction expenditures which the Company may make to steam heat.

Q. And by steam heat system you do not mean power plant?

A. Steam heat distribution mains, services and meters.

Q. As of this time have there been any such capital additions since the date of the agreement?

A. There have been none.

Q. Now, have you a statement of the original cost to Northern Pennsylvania Power Company of the plant to be transferred pursuant to this agreement?

A. I have.

Q. May I see that.

MR. RAYN: Witness produces a single sheet entitled Northern Pennsylvania Power Company Utilities plant to be transferred to purchaser--July 31, 1951 which I will ask the reporter to mark Exhibit 7.

Q. There are two tabulations on this sheet are there not?

A. There are.

Q. The first is what?

A. Utility Plant to be transferred to purchaser July 31, 1951.

Q. On What basis?

A. On the basis of original cost to Northern Pennsylvania Power Company.

Q. The second tabulation is what?

A. Estimated Depreciation reserve which has been set up against property to be transferred.

Q. And this exhibit was prepared by you was it not?

A. It was.

MR. RYAN: I offer it for the record.

THE EXAMINER: We accept it.

Q. Has your Board of Directors of your Company taken any action authorizing the proposed sale?

A. They have.

Q. Have you a copy of the resolution accepted by the Board?

A. I have.

MR. RYAN: Witness produces single sheet entitled Northern Pennsylvania Power Company certified resolutions. I will ask the reporter to mark this Exhibit 8.

Q. It is a correct copy of the resolutions passed by the Board of Directors of the Northern Pennsylvania Power Company?

A. It is.

MR. RYAN: We offer it for the record.

THE EXAMINER: We accept it.

Q. Is the Northern Pennsylvania Power Company in default of payments to the Public Utility Commission?

A. They are not.

Q. They are all paid to date?

A. Yes, they are.

Q. And if there are any more which are just and right and proper made against your Company between now and the date of closing will you pay those?

A. Yes.

MR. RYAN: That is all from this witness.

That is all I have.

THE EXAMINER: You rest?

MR. RYAN: I do.

oOo

J O H N F. K I Z E R T E S T I M O N Y

J O H N F. K I Z E R: Called as a witness on his own behalf being first duly sworn according to law and examined, testified on direct examination as follows:

DIRECT EXAMINATION

BY MR. LILLEY:

MR. LILLEY: The Order of the Commission said we would produce a certified copy of the Ordinance that has been reproduced by the Northern Pennsylvania Power Company and I presume I do not have to present it.

THE EXAMINER: It has yes, there is one other important question, however, that is the question of rates.

Q. Where do you live Mr. Kizer?

A. Towanda, Pa. 215 York Avenue.

Q. You are the Mr. Kizer who signed the agreement with Northern Pennsylvania Power Company which has been introduced in evidence?

A. I am.

Q. Have you made at this time plans as to what you will do if you are authorized to take over steam heating plant?

A. Yes.

Q. What are your plans?

A. I propose to purchase property located on the south side of State Street and erect a building large enough to house two 300 H.P. boilers, fuel oil fired, also an office in the building and to lay insulated pipe from the building through to Park Street, a distance of 335 feet hooking on the main at Park Street and then on South Main Street there is ~~1100~~ feet of pipe to be laid from the present outlet of the steam heating exhaust south to take care of the pipe that is now partly laid inside of the building where they are generating steam at the present time and each one of these boilers, 300 H.P. are adequate to take care of whatever steam would have to be generated, judging by the amount generated by the present company.

Q. With these changes you have suggested, the system will be able to take care of all the present customers of the plant?

A. Yes, that is the plan.

Q. Are your plans properly under supervision of an engineer?

A. Yes.

Q. And you are advised that this will furnish sufficient steam to supply the present customers and an excess over the amount which has been required by the Northern Pennsylvania Power Company?

A. So far as the last years are concerned--the season of 1950-1951.

Q. Mr. Kizer, I show you Exhibit 8 and ask you what that is?

A. That is a drawing of the proposed steam heating plant.

Q. Who prepared it.

A. John H. Vockroth of Scranton, Pa. a registered architect and engineer.

Q. That is substantially designed as you propose to erect?

A. That is right.

Q. Do you have a detailed statement of the machinery you propose to put in the plant?

A. Two 300 H.P. steam generators, with heavy oil burner, each unit designed to generate 10,350 pounds of steam per hour from and at 212°F. Unit constructed to conform with ASME Boiler Code for 15 PSI maximum working pressure and equipped with motors and controls designed for operation on 220 or 110 volt, 3 phase, 60 cycle current. The steam generator is complete with a full complement of accessories and controls including jacketed insulation.

Q. What is this you are reading from Mr. Kizer?

A. A quotation from a concern in Scranton.

Q. What concern?

A. Joseph F. O'Hora & Sons

Q. What is that?

A. They represent different manufacturers of steam heating equipment.

Q. And it was under their direction that this plan was proposed to be designed?

A. Yes.

Q. Do you have copies?

A. I only have one copy but I could get more.

. Also one complete steam header.

Q. Have you made a study of the operating costs and necessary expenses connected with this so you are able to tell what your schedule of rates will be as you judge if this plan is taken over?

A. My figures were bases on number 6 fuel oil at 8¢ per gallon delivered in the tanks.

Q. And at that price state whether or not you expect to continue under the present rate schedule of the Northern Pennsylvania Power Company?

A. Yes, I would expect to continue under the same rates.

Q. So far as you know the only change in that rate would be that of the cost of oil?

A. That is right.

Q. If the Commission gives the authority to you and Northern Pennsylvania Power Company to carry out this plan do you

intend to start with the new year?

A. That is right.

Q. You are certain that you are able to erect this plant and get it in operating condition?

A. I am.

Q. And that you intend to do?

A. Yes.

Q. And in that connection you will comply with the rules and orders that the Public Utility Commission may make in connection with this operation?

A. Yes.

#### CROSS EXAMINATION

BY MR. RYAN:

Q. How much is your initial investment in this transaction?

A. \$60,000.

Q. You are in a position to supply or raise the money?

A. I am.

Q. Do you anticipate any difficulties in getting your boilers and equipment?

A. That I cannot answer, at the present time, when the quotations were given me I could get them in three months--I am not positive but I believe that the same situation still holds.

Q. And assuming that you could, about how long would it take after you started underway to get your plant constructed and connected with the mains?

A. About five months.

Q. Now under the terms of the contract which you have with the Northern Pennsylvania Power Company you are not obligated to go ahead until the Public Utility Commission has said they will approve the deal but if the Public Utility Commission does say it will approve the deal then your commitment is to go ahead promptly and that you propose to do?

A. I do.

Q. You have said your understanding is that you would not take over the mains until after your plant had been constructed and connected to those mains?

A. That is right.

Q. And in the meantime the Northern Pennsylvania Power Company will continue to supply mains with steam and operate those mains?

A. That is correct.

Q. So Mr. Kizer, under the terms of the contract there will be no period of time when there will be no steam service available to customers, is that right?

A. That is correct.

Q. Northern Pennsylvania Power Company doesn't stop service until the day you start?

A. That is right.

MR. RYAN: That is all.

BY MR. CULVER:

Q. Mr. Kizer, do you own the land where you propose to build the building?

A. No.

Q. Mr. Wilson?

A. Yes.

Q. Do you have an arrangement by which you are sure you can get it?

A. Yes.

Q. What do you know about the condition of the main pipes of the distribution system?

A. Not too very much.

Q. If as a matter of fact it should develop that those pipes are practically worn out and within a period of a year or two or maybe longer it would become necessary to replace with new piping are you contemplating doing that?

A. Those plans are in my budget.

Q. Are you aware that in the proceeding this applicant had two years ago in regard to the heating system, Mr. Smith, President of the company or manager, testified that the main pipes were practically worn out?

A. I wasn't present at any of those hearings.

JUDGE CULVER: I think that is all, Mr. Kizer.

ROMEYN CULVER: One question, please.

Q. The pipe at the south end of the

system is that the pipe that would furnish heat to the Meredith building and Towanda Wholesale and then cross the street to Sylvania and

A. That is correct.

Q. And is it your plan to continue to furnish heat to these users without any expense to them?

A. Yes, that is what I referred to as eleven hundred feet of pipe on South Main Street.

Q. That is a separate line?

A. Yes, part of it comes through the Northern Penn.

Q. Some of the users were interested to know as to whether or not they would have to pay any expense other than the usual heat rates?

A. No, the main running south would join the other main that is already in.

Q. Then there would be no extra expense to the users?

A. No.

BY MR. RYAN:

Q. Mr. Kizer have you been in the Public Utility Business before?

A. Yes, Towanda Water Works.

Q. For how long?

A. Twenty eight years.

Q. Did you run that?

A. Yes, I tried.

Q. Was that Company subject to regulations of this Commission?

A. Yes.

Q. So you have had experience in operating a public utility and in complying with the public utility laws?

A. Yes.

Q. Was that operation carried on in this town?

A. Yes in this vicinity.

MR. RYAN: I have nothing more.

BY JUDGE CULVER:

Q. Mr. Kizer in the plans which you have outlined are you making any arrangement or arrangements for extending the service beyond the customers who are now receiving heat?

A. Not any definite plans although I feel that I have the capacity enough to supply more consumers.

Q. If the service were here would it in your judgment not be feasible and practical for a good many more people along main street and in town to heat buildings than are now being heated?

A. I would think so.

Q. And the Court House Building which is the largest in town is available as a customer if we had the heat to furnish the steam?

A. Yes.

Q. And the County Commissioner's have endeavored to negotiate at different times to get heat here because they are unable to furnish that?

A. That I do not know.

MR. LILLEY: I offer in evidence Exhibit No. 9

THE EXAMINER: We accept.

MR. RYAN: May the record show that Applicant's are willing to have the case submitted on the record?

THE EXAMINER: Yes.

Judge Culver you have no testimony?

JUDGE CULVER: We are going to offer no evidence.

THE EXAMINER: Gentlemen, the applicants desire to submit this on the record is that agreeable to you.

JUDGE CULVER: I guess it will be alright.

THE EXAMINER: You do not desire any briefs

JUDGE CULVER: No.

THE EXAMINER: Oral Argument

JUDGE CULVER: No.

THE EXAMINER: Submitted on the record.

(Testimony concluded at 11:15 o'clock a.m.)

I hereby certify that the proceedings, evidence and rulings of the Examiner are contained fully and accurately in the notes taken by me on the hearing of the above application, and that this copy is a correct transcript of the same.

*Marguerite H. Higgins*  
General Reporter  
Towanda, Penna.

The foregoing record of the proceedings upon the hearing of the above application is hereby approved and directed to be filed.

---

Examiner

Applicants Exhibit 1  
A 78109 RECORD

# OVERSIZE DOCUMENTS

5/6/52  
1/1/52

|                               |                      |
|-------------------------------|----------------------|
| PA. PUBLIC UTILITY COMMISSION |                      |
| Docket No. A 78109-78110      | Exhibit No. --       |
| Applicants                    | Exhibit No. JAN 9 10 |
| Hearing at Towanda, Pa.       | Date 12-21-51        |
| Reporter <i>W. H. Wiggins</i> |                      |

RECEIVED JAN 9 1952  
 EXHIBIT A  
 Page 1 of 5  
 10 45 AM 1952  
 RECORD FOLDER  
 1951

AGREEMENT made this 10th day of August 1951,

by and between NORTHERN PENNSYLVANIA POWER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, having its principal office in the Borough of Towanda, Bradford County, Pennsylvania (hereinafter called "Seller"), party of the first part, and JOHN F. KIZER, of the said borough (hereinafter called "Buyer"), party of the second part.

W I T N E S S E T H :

That the parties hereto, in consideration of the sum of One dollar (\$1.00) by each to the other in hand paid, the receipt whereof is hereby acknowledged, do hereby covenant and agree with each other as follows:

1. Subject to the provisions hereinafter set forth, Seller shall sell and Buyer shall purchase and pay for the steam heat mains, services, meters and all other equipment appurtenant to and physically connected to the steam heat distribution system owned by the Seller located in the Borough of Towanda, Bradford County, Pennsylvania (other than the portion thereof located on the steam plant property of Seller on the East side of Main Street in the said borough), the general location of the said steam heat mains and services being more particularly shown in solid black lines and the general description of said mains and services being shown as a legend on a print of drawing No. C-148 entitled "Northern Pennsylvania Power Co. Steam Heat Distribution System Towanda Boro", dated 9/28/48, revised 7/27/51, attached hereto and made a part hereof/ Seller shall assign to Buyer its franchise rights under the ordinance referred to in Article 4 hereof. The section of main shown on the said drawing as being privately owned by Towanda Wholesale Company, as well as the land, building, boilers, machinery and equipment located on Seller's said steam

plant property, are expressly excluded from the terms of this agreement.

2. Buyer shall pay to Seller for the property purchased and sold pursuant to the terms of this agreement the sum of Five thousand one hundred and forty-eight dollars (\$ 5148.00 ) plus an amount equal to any sum expended by Seller between the date of this agreement and the date of closing hereinafter provided for with respect to the property covered by this agreement and properly chargeable to plant or property account in accordance with the regulations, rules and orders of the Pennsylvania Public Utility Commission. The payment in this Article provided for shall be made in cash at the time of settlement.

3. The transfer of title to the property to be purchased and sold pursuant to the terms of this agreement shall be by an appropriate instrument or appropriate instruments in writing satisfactory in form to counsel for the Seller and shall operate to convey to the Buyer all the Seller's right, title and interest therein, free and clear of all liens and encumbrances, but without any warranty, express or implied, as to condition at the time of such transfer.

4. The purchase and sale contemplated by this agreement is contingent upon (a) securing the necessary approval from the Pennsylvania Public Utility Commission, free from conditions and restrictions unsatisfactory to either of the parties hereto, and (b) the enactment by the Borough of Towanda of an appropriate ordinance, free from conditions and restrictions unsatisfactory to either of the parties hereto, consenting to the assignment by Seller to Buyer of the franchise rights to lay and maintain steam mains and pipes in the streets of the said borough granted to Towanda Electric Illuminating Company (a predecessor constituent company of Seller) by ordinance enacted August 3, 1896, and

relieving Seller of any obligations, duties or liabilities arising under that franchise ordinance on and after the date of the assignment thereof by Seller to Buyer and the completion of all necessary steps before the Pennsylvania Public Utility Commission with respect to the new ordinance. Each of the parties hereto shall with promptness and diligence take and pursue the necessary steps designed to successfully conclude the matters hereinbefore set forth in this Article, and shall cooperate with each other to that end.

5. Buyer represents that he has acquired or is in a position to acquire an appropriate site for a plant to manufacture steam to supply the requirements of the said steam heat distribution system and the necessary boilers and equipment, and to erect the said plant on the above mentioned site. Immediately upon securing from the Pennsylvania Public Utility Commission the approval contemplated by (a) of Article 4 hereof and the enactment by the Borough of Towanda of an appropriate ordinance as contemplated by (b) of Article 4 hereof, Buyer shall proceed with all diligence to construct the steam manufacturing plant referred to in the preceding sentence of this Article, to connect the same with the steam heat distribution system which is the subject of this agreement, and lay the necessary connecting mains or pipes at the southern end of the said system so that the requirements of the steam heat customers can be supplied without the use of the mains, pipes and other equipment located on Seller's steam plant property situated on the East side of Main Street in the said Borough of Towanda.

6. Settlement shall be made on the first day of the month following the perfection of the various matters set forth in Articles 4 and 5 hereof and shall be held at the office of Seller in the Borough of Towanda at 10:00 o'clock A.M. (E.S.T.) on that day.

7. All revenues from the operation of the steam heat business up to and including the last day of the month preceding the settlement shall belong to Seller and any thereof which may subsequently come into the hands of or be collected by Buyer shall be promptly turned over by Buyer to Seller. All expenses incident to the operation of the said steam heat business up to and including the last day of the month prior to the date of settlement shall be borne by Seller; provided, however, that Seller shall be under no obligation (between the date of this agreement and the date of closing) to do anything more than the minimum necessary to keep the said steam heat distribution system in operation and Buyer shall, on the date of closing, reimburse Seller for any capital expenditures of the nature contemplated by Article 2 hereof as there provided.

Any claims for injuries to persons or damages to property arising out of matters occurring prior to the settlement shall be the responsibility of Seller and any such arising thereafter shall be the responsibility of Buyer. Each party shall indemnify and save the other harmless from any loss, cost and expense by reason of any such claims which are, under the terms of this agreement, to be its responsibility.

8. This agreement is contingent upon the matters referred to in Articles 4 and 5 hereof being accomplished and if the parties or either of them are unable to accomplish any of those things prior to July 1, 1952, this agreement shall terminate and neither party shall be under any further liability to the other by reason thereof. All expenses incurred by either party in attempting to carry out the provisions of this agreement shall be borne by the party so incurring them.

9. The provisions in this agreement that (1) as set forth in Article 3 hereof there shall be no express or implied

warranty as to condition and (2) as set forth in Article 7 hereof certain claims for damages shall be the responsibility of the parties there set forth shall not be superseded by or merged into the instrument or instruments of conveyance to be delivered by Seller to Buyer at the closing but shall in all respects continue in full force and effect.

10. This agreement, together with all its terms and conditions, shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns, as the case may be, of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed, in duplicate, as of the day and year first above written.

NORTHERN PENNSYLVANIA POWER COMPANY

(SEAL) Attest:  
/s/ J. A. Dunlap  
Secretary

By /s/ D. R. Smith  
President

Witness: /s/ John F. Kizer (SEAL)  
/s/ Nellie R. Howell

PA. PUBLIC UTILITY COMMISSION

Docket No. A. 78109-78110 Ex. Ct. No. --

Applicants \_\_\_\_\_ Exhibit No. 3

Hearing at Towanda, Pa. Date 12-21-51

Reporter M. H. Wiggins

JAN 9

AN ORDINANCE  
Granting to the Towanda  
Electric Illuminating Company  
the right under certain re-  
strictions to lay Steam  
Heating Pipes in the Public  
Streets of the Borough of  
Towanda, Pa.

AN ORDINANCE

Granting to the Towanda Electric Illuminating Company the right under certain restrictions to lay Steam Heating Pipes in the Public Streets of the Borough of Towanda, Pa.

WHEREAS, the said company propose to furnish steam heat to the inhabitants of certain portions of this borough provided the right, which it has asked for, be given to lay pipes for that purpose in the streets, therefore,

BE IT ORDAINED BY THE TOWN COUNCIL OF THE BOROUGH OF TOWANDA, AND IT IS HEREBY ORDAINED BY AUTHORITY OF THE SAME, That the right be and is hereby given to the said Towanda Electric Illuminating Company to enter upon the streets, alleys and other public highways of this borough for the purpose of digging trenches, laying pipes and for such other purposes as may be necessary for the construction and maintenance of a steam heating plant, upon the following terms, restrictions and condition, viz:

First: No trenches shall be dug or pipes laid except in such part of any streets as the Borough Engineer shall designate for that purpose, and all pipes shall be so laid that their top shall be at least three feet below the surface of the ground and the same distance below the grade of the street as then established, and in digging trenches and laying pipes said company shall do the same in a manner that will discommode the public as little as possible, consistent with a proper construction or maintenance of its works.

Second: While constructing or repairing its plant, said company shall at all times properly guard its trenches or any obstruction placed by it in the street, and shall at all times save this borough harmless from any loss or damage by reason of any use or occupancy of any street by said company, and whenever it shall dig in any street, or take up any pavement, said company shall as soon as practicable restore said street and pavement to as good a condition as they had previously been in. Should there be any settling or unevenness in a street or paving in consequence of anything which had been done by said company, it shall immediately place the same in good condition, and on its failure to do so in a manner satisfactory to the Street Committee, after two days' notice, the borough authorities may make the necessary repair at the cost of said company, which said cost with a penalty of 20 per cent added, said company shall pay to said borough, and in default of payment the same may be collected as other debts are now collected.

Third: All mains and supply pipes shall be laid before streets are paved or repaved.

Fourth: Any breakage or leakage in a pipe, so that steam escapes, shall be repaired within 48 hours after the same occurs, and for each day or fraction thereof that said breakage or leakage shall continue after the expiration of said 48 hours, said company shall pay to said borough a penalty of five dollars to be collected as fines and penalties are now collected. Provided, however, that for good cause shown the Burgess may extend the time in which to repair such breakage or leakage, and in that case the company shall be liable to the penalty of five dollars for each day it is in default after the expiration of such extension.

Fifth: That the granting to said company the right to enter upon the streets as aforesaid shall in no way prevent the said Town Council from giving the right to any incorporated steam heating company to lay pipes in any of the streets which may be used under this ordinance.

Sixth: That before the said Towanda Electric Illuminating Company shall have any rights or privileges under this Ordinance, it shall give to this borough its bond with sureties in the penal sum of one thousand (\$1,000) dollars, to be approved of by the Burgess, conditioned

that said company will from time to time and at all times keep harmless and indemnify this borough from and against any suit, loss or damage or expense occasioned by or resulting from any default or neglect of said company while occupying or using the streets, and shall well and truly pay all charges, fines and penalties incurred under the conditions upon which this ordinance is passed.

Enacted into an Ordinance August third, 1896.

I, J. H. Blackwell, Secretary of the Borough Council of the Borough of Towanda, Bradford County, Pennsylvania, do hereby certify that the above and foregoing is a true and correct copy of an ordinance passed by the Borough Council on the 3rd day of August, 1896, and approved by the Burgess on the 4th day of August, 1896; and that the same remains in full force and effect.

Witness my hand and the seal of the said Borough of Towanda this 11th day of October, 1951.

(SEAL)

/s/ J. H. Blackwell  
Secretary, Borough Council

**PA. PUBLIC UTILITY COMMISSION**

Docket No. A. 78109-78110 Folder No. --

Applicants \_\_\_\_\_ Exhibit No. 4

Hearing at Towanda, Pa. Date 12-21-51

Reporter W. N. Wiggins

RECORDED  
FOLDED

**DOCK**  
APPLICANTS  
JAN 8 10 47 AM 1952

**AN ORDINANCE**

Consenting to the Assignment by Northern Pennsylvania Power Company, successor by Merger to Towanda Electric Illuminating Company, to John F. Kizer, his heirs and assigns, of the franchise right to maintain and operate steam heat mains in the Streets, Alleys and other Public Highways of the Borough of Towanda, Bradford County, Pennsylvania, as evidenced by an Ordinance enacted August 3, 1896, and relieving Nor-

thern Pennsylvania Power Company and its successors of any obligations, duties and liabilities arising thereunder on and after the effective date of the said assignment.

RECEIVED OFFICE  
SECRETARY COMM.  
JAN 8 10 47 AM 1952

AN ORDINANCE

Consenting to the Assignment by Northern Pennsylvania Power Company, successor by Merger to Towanda Electric Illuminating Company, to John F. Kizer, his heirs and assigns, of the franchise right to maintain and operate steam heat mains in the Streets, Alleys and other Public Highways of the Borough of Towanda, Bradford County, Pennsylvania, as evidenced by an Ordinance enacted August 3, 1896, and relieving Northern Pennsylvania Power Company and its successors of any obligations, duties and liabilities arising thereunder on and after the effective date of the said assignment.

*Handwritten signature*

BE IT ORDAINED AND ENACTED by the Council of the Borough of Towanda, Bradford County, Pennsylvania, that:

Section 1. Consent is hereby granted to the assignment by Northern Pennsylvania Power Company, successor by various mergers to Towanda Electric Illuminating Company, to John F. Kizer, his heirs and assigns, of the franchise right granted by this borough to Towanda Electric Illuminating Company as evidenced by an ordinance of this borough enacted August 3, 1896, the said consent to be contingent upon (1) the acquisition by the said John F. Kizer, his heirs or assigns, of the steam heat mains located in the streets, alleys and other public highways of this borough, and (2) the filing by the said John F. Kizer, his heirs or assigns, with the Borough Secretary of a written acceptance of the terms and conditions of the said ordinance enacted August 3, 1896.

Section 2. On and after the date of acquisition by the said John F. Kizer, his heirs or assigns, of the steam heat mains and the filing of the written acceptance, both of which are referred to in Section 1 hereof, Northern Pennsylvania Power Company and its successors be and they hereby are relieved of any obligations, duties or liabilities arising under the said franchise ordinance dated August 3, 1896 or any other ordinances of this borough relating to the said steam heat mains.

Section 3. This ordinance shall take effect at the expiration of thirty (30) days from the time it is filed with the Pennsylvania Public Utility Commission, or, in the event proceedings with respect thereto are instituted by the said Commission pursuant to the provisions of the Public Utility Law, upon the grant of approval thereof by the said Commission.

Section 4. Northern Pennsylvania Power Company shall pay the cost of printing and publishing this ordinance.

Enacted into an ordinance and passed by the Council of the Borough of Towanda this First day of October, 1951.

(SEAL)

/s/ H. Kent Bresee  
President of Council

Attest:

/s/ J. H. Blackwell  
Borough Secretary

Approved this First day of October, 1951.

/s/ Wesley Perry  
Burgess

I, J. H. Blackwell, Secretary of the Borough Council of the Borough of Towanda, do hereby certify that the above and foregoing is a true and correct copy of an ordinance passed by the Borough Council on the First day of Oct, 1951, and approved by the Burgess on the First day of Oct, 1951; that the said ordinance was passed by the Council of the Borough at a duly authorized meeting at which a quorum was present; that all local rules of the Council were complied with in connection with its passage; that it was properly advertised in a newspaper of general circulation, as required by law, and has been recorded in the Ordinance Book on the Fifth day of Oct, 1951.

Witness my hand and the seal of the Borough of Towanda this 5th day of October, 1951.

/s/ J. H. Blackwell  
Borough Secretary (SEAL)

NORTHERN PENNSYLVANIA POWER COMPANY

BALANCE SHEET  
as at July 31, 1951

ASSETS AND OTHER DEBITS

UTILITY PLANT:

Electric  
Steam Heating

TOTAL UTILITY PLANT

INVESTMENT AND FUND ACCOUNTS:

Other Physical Property  
Investment in Affiliated Company  
Other Investments

TOTAL INVESTMENT AND FUND ACCOUNTS

CURRENT AND ACCRUED ASSETS:

Cash  
Special Deposits  
Working Funds  
Accounts Receivable  
Interest and Dividends Receivable  
Materials and Supplies  
Prepayments

TOTAL CURRENT AND ACCRUED ASSETS

DEFERRED DEBITS:

Preliminary Survey and Investigation Charges  
Retirement Work in Progress  
Other Work in Progress  
Other Deferred Debits

TOTAL DEFERRED DEBITS

LIABILITIES AND OTHER CREDITS

CAPITAL STOCK:

Common Capital Stock

TOTAL CAPITAL STOCK

LONG-TERM DEBT:

Bonds

TOTAL LONG-TERM DEBT

CURRENT AND ACCRUED LIABILITIES:

Note Payable  
Accounts Payable  
Accounts Payable to Affiliated Companies  
Customers' Deposits  
Taxes Accrued  
Interest Accrued  
Other Current and Accrued Liabilities

TOTAL CURRENT AND ACCRUED LIABILITIES

DEFERRED CREDITS:

Customers' Advances for Construction  
Other Deferred Credits

TOTAL DEFERRED CREDITS

RESERVES:

Reserve for Depreciation of Utility Plant (Note 1):  
Electric  
Steam Heating  
Reserve for Uncollectible Accounts  
Other Reserves (Note 2)

TOTAL RESERVES

CONTRIBUTIONS IN AID OF CONSTRUCTION

SURPLUS:

Capital Surplus  
Earned Surplus (Note 3)

TOTAL SURPLUS

TOTAL LIABILITIES AND OTHER CREDITS

TOTAL ASSETS AND OTHER DEBITS

|                                      |                |
|--------------------------------------|----------------|
| <b>PA. PUBLIC UTILITY COMMISSION</b> |                |
| Docket No. A.78109-78110             | File No. 0. -- |
| Applicants                           | Filed on 5     |
| Hearing at Towanda, Pa.              | Dates 12-21-51 |
| Reporter <i>M. J. Wiggins</i>        |                |

*lf*

\$13,982,852.13

\$13,982,852.13

\$12,740,645.64

129,899.74

\$12,870,545.38

\$ 79,639.55

100,000.00

1,900.00

\$ 181,539.55

\$ 335,982.06

180.29

4,182.19

352,672.66

15.84

213,811.13

16,306.07

\$ 923,150.24

\$ 4,602.13

1,533.70

1,193.72

287.41

\$ 7,616.96

\$ 2,713,000.00

\$ 2,713,000.00

\$ 5,100,000.00

\$ 5,100,000.00

\$ 100,000.00

305,304.20

4,495.94

44,481.53

545,657.61

20,648.25

5,364.36

\$ 1,025,951.89

\$ 102,967.03

3,358.09

\$ 106,325.12

\$ 2,667,778.71

109,700.28

22,042.09

342,000.00

\$ 3,141,521.08

\$ 27,886.45

\$ 301,500.00

1,566,667.59

\$ 1,868,167.59

\$13,982,852.13

NORTHERN PENNSYLVANIA POWER COMPANY

Statement of Income  
for the Twelve Months ended July 31, 1951

|  | <u>Electric</u>    | <u>Steam Heating</u> | <u>Total</u>       |
|--|--------------------|----------------------|--------------------|
| OPERATING REVENUE                                    | \$4,693,377.96     | \$53,219.56          | \$4,746,597.52     |
| OPERATING REVENUE DEDUCTIONS:                        |                    |                      |                    |
| Operating expenses (other than shown below)          | \$ 799,112.47      | \$46,612.69          | \$ 845,725.16      |
| Purchased and interchange power (net)                | 2,047,769.18       |                      | 2,047,769.18       |
| Maintenance  | 250,905.49         | 3,904.89             | 254,810.38         |
| Provision for depreciation of utility plant (Note 1) | 332,050.00         | 1,200.00             | 333,250.00         |
| Provision for taxes:                                 |                    |                      |                    |
| Federal income (Note 2)                              | 381,000.00         |                      | 381,000.00         |
| State income   | 39,600.00          |                      | 39,600.00          |
| Other  | 210,659.42         | 548.86               | 211,208.28         |
| <br>TOTAL OPERATING REVENUE DEDUCTIONS               | <br>\$4,061,096.56 | <br>\$52,266.44      | <br>\$4,113,363.00 |
| OPERATING INCOME                                     | \$ 632,281.40      | \$ 953.12            | \$ 633,234.52      |
| OTHER INCOME   |                    |                      | \$ 1,462.98*       |
| GROSS INCOME   |                    |                      | \$ 631,771.54      |
| INCOME DEDUCTIONS:                                   |                    |                      |                    |
| Interest on long-term debt                           |                    |                      | \$ 135,045.14      |
| Other interest charges                               |                    |                      | 6,508.13           |
| Interest charged to construction                     |                    |                      | 7,421.57*          |
| Miscellaneous income deductions                      |                    |                      | 6,607.61           |
| <br>TOTAL INCOME DEDUCTIONS                          |                    |                      | <br>\$ 140,739.31  |
| NET INCOME   |                    |                      | \$ 491,032.23      |

\* Denotes red figure.

PA. PUBLIC UTILITY COMMISSION

Docket No. A. 78109-78110 Folder No. --

Applicants                      Exhibit No. 6

Hearing at Towanda, Pa. Date 12-21-51

Reporter M. H. Wiggins

NORTHERN PENNSYLVANIA POWER COMPANY

Utility Plant to be transferred to Purchaser

July 31, 1951

| <u>Acct. No.</u> | <u>Title</u>        | <u>Original Cost and Book Value</u> |
|------------------|---------------------|-------------------------------------|
| 225              | Distribution Mains  | \$19,865.82                         |
| 226              | Services            | 665.27                              |
| 227              | Meters              | 6,364.18                            |
| 228              | Meter Installations | 303.92                              |
|                  | <b>Total</b>        | <b><u>\$27,199.19</u></b>           |

NORTHERN PENNSYLVANIA POWER COMPANY

Estimated Depreciation Reserve applicable to  
Utility Plant transferred

| <u>Acct. No.</u> | <u>Title</u>           | <u>Amount</u>                            |
|------------------|------------------------|--|
| 225              | Distribution Mains     | Not Segregated<br>By Primary<br>Accounts |
| 226              | Services               |  |
| 227              | Meters                 |  |
| 228              | Meter Installations    |  |
|                  | <b>Estimated Total</b> | <b><u>\$21,982.54</u></b>                |

PA. PUBLIC UTILITY COMMISSION

Docket No. A. 78109-78110 Folder No. ---

Applicants \_\_\_\_\_ Exhibit No. 7

Hearing at Towanda, Pa. Date 12-21-51

Reporter W. H. Wiggins

|                                     |               |
|-------------------------------------|---------------|
| PA. PUBLIC UTILITY COMMISSION       |               |
| Docket No. A. 78109-78110           | File No. --   |
| Applicants                          | LAH No. 8     |
| at Towanda, Pa.                     | Date 12-21-51 |
| by <i>M. J. Wiggins</i>             |               |
| NORTHERN PENNSYLVANIA POWER COMPANY |               |

*[Handwritten signature]*

CERTIFIED RESOLUTIONS

RESOLVED, that the proper officers of this Company be and they hereby are authorized on its behalf to execute and deliver an agreement in substantially the form presented and read at this meeting covering the proposed sale by this Company of its steam heat mains, services, meters and other appurtenant equipment in the Borough of Towanda to the extent described therein and the assignment of its franchise rights to occupy the streets of the said Borough with steam heat pipes to John F. Kizer for a consideration of Five thousand one hundred forty-eight dollars (\$5,148), plus an amount equal to any sum which may be expended by this Company between the date of the agreement and the date of closing provided for therein with respect to the property covered by the agreement and properly chargeable to plant or property account.

FURTHER RESOLVED, that the proper officers of this Company be and they hereby are authorized on its behalf to take such other steps and do such further acts, including the securing of any approvals which may be required from regulatory bodies, as may be necessary to carry out the terms of the agreement.

THIS IS TO CERTIFY that the undersigned is Secretary of Northern Pennsylvania Power Company, a corporation of the Commonwealth of Pennsylvania; that the above and foregoing is a true and correct copy of certain resolutions duly and regularly adopted by the Board of Directors of said Company at a meeting thereof duly convened and held on the 10th day of August, 1951, at which meeting a quorum was present and voted; that "Exhibit A" of the application of Northern Pennsylvania Power Company to Pennsylvania Public Utility Commission dated October 15, 1951, for approval of the transfer by sale of its steam distribution system to John F. Kizer, is in the form of the agreement referred to in the foregoing resolution; and that said resolutions have not been annulled, revoked or amended in any way whatsoever and are in full force and effect.

WITNESS the signature of the undersigned as such officer of the Company and its corporate seal hereunto affixed this 21<sup>st</sup> day of ~~October~~, 1951.  
*December*

*[Handwritten signature]*  
Secretary