

Activities of an Electric Company Real Estate Division

by Howard G. Loflin

RIGHT OF WAY magazine is featuring the Utilities Industry in its June 1983 issue. "Activities of an Electric Company Real Estate Division" is a preview of this very special issue. If you wish to contribute to the Utility Industry issue final manuscripts must be submitted before January 15, 1983.

Over a period of years, as times change and rules and regulations become more sophisticated and complex, the Real Estate Division along with many other Departments within the Company have found it necessary, as a part of its role in meeting responsibilities involving the Company's Operations, to become involved in various unique activities not previously encountered in its normal day-to-day operations. It has been the experience of the Real Estate Division that this potpourri of unusual activities, often times of a critical nature, requires flexibility, diversification and vision in order to guarantee the full potential of success as an end result. It is several of these unique activities which I would like to focus on.

1. Conowingo Re-Licensing

The first topic involves our surveying function as it relates to the Re-Survey of the Conowingo Project required by the Federal Energy Regulatory Commission in accordance with the provisions of the License for Conowingo Project 405 issued August 14, 1980. The License requires the Company to make a thorough study regarding the relation-

ship of over 600 cottage sites and recreational areas to both the design flood line and the 100 year flood line. We are also required to develop a new project boundary, by metes and bounds, to be set 5 feet above the design flood line. This is a mammoth undertaking, considering the size of the project, the terrain and the poor accessibility of much of the project. No existing mapping is available which is accurate enough to meet these requirements, and the locations of cottage sites are known only approximately at best.

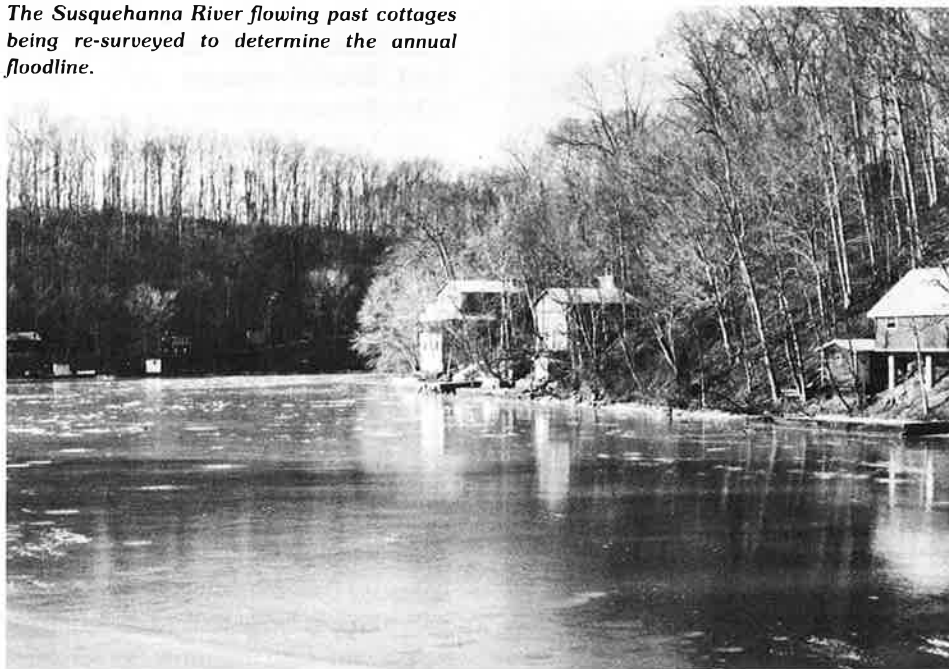
To locate the cottages, recreation areas and flood lines by conventional survey methods, would require over two years of work and almost half a million dollars. Experience gained in a Regional Mapping and Land Records project at Norristown Pennsylvania in which Philadelphia Electric Company was involved, along with others, convinced us that photogrammetric methodology would not only be more accurate but also more economical. The one drawback would be the necessity of surveying the many points required to control the photography which could be extremely time consuming and expensive in terrain such as exists within this area. However, in recent years a new surveying technology has been developed, whereby inertial guidance systems utilized in nuclear submarines are mounted in vehicles and helicopters. Using this methodology, the vehicle is driven from point to point and stopped over each point, where the device computes x-y coordinates and elevation. The Conowingo Project re-survey appeared to be a perfect test for this



Howard G. Loflin has been with the Philadelphia Electric Company for 29 years. He began in the Right of Way Section of the Real Estate Department of PE Co. In November, 1977, Loflin was named Assistant Manager of the Real Estate Division.

Currently Loflin is Education Chairman of Pennsylvania Chapter 9. He also has chaired the Land and Land Rights Committee of the Pennsylvania Electric Association.

The Susquehanna River flowing past cottages being re-surveyed to determine the annual floodline.



new system due to its sheer magnitude. Over 100 control points would have to be established in an area of over 200 square miles. Utilizing this new inertial system, the necessary information was obtained in only three days, the majority of which was well within accuracy requirements. For that data which did not meet the requirements, a mathematical method of correction was developed. The method worked, for we have since been told that the information supplied to the photogrammetric contractor was among the most accurate which they had ever worked with.

A savings of approximately \$100,000 was realized by using the new inertial surveying methodology as opposed to performing the photogrammetric control portion of the work by conventional methods, which also would have added 200 days to the time required to complete this phase of the work.

To date, the photogrammetric



Pictured is the Inertial Guidance System and the control point determined for each area surveyed.

ground control, aerial photography, geodetic survey and analytics have been completed on schedule. The new computerized mapping is being performed and new project plans are expected to be completed on schedule.

2. Forest Management Program

We have an ongoing Forest Management Program in the Conowingo Basin area which was initiated in the Spring of 1976. A study of our license for the Conowingo Hydroelectric Project issued by the Federal Government affecting property along the Susquehanna River indicated that prudent management of our forest land was acceptable. Four pilot areas were selected by our property agent with the guidance of a Forester from the Maryland Forestry Department. These four sites were located on the West bank of the Susquehanna River between the Conowingo Hydroelectric Dam in Maryland and the Peach Bottom Nuclear Generating Station in Pennsylvania. In addition to the four pilot areas, there are several thousand additional acres of timber within our Conowingo Project area from which we would average approxi-

DICK AVAZIAN
PRESIDENT

GENE SCHMOLL
VICE PRESIDENT

RIGHT OF WAY ACQUISITION • SURVEYING •
TELEPHONE ENGINEERING • MINERALS LEASING •
ENVIRONMENTAL IMPACT STATEMENTS •

NFS

NATIONAL FIELD SERVICE CORP
TUXEDO SQUARE, TUXEDO, NY 10987 / 914-351-5128



mately \$600 per acre for the timber removed for an annual gross revenue of \$180,000. Since a good Forest Management Program establishes a 10 year growth cycle within previously worked areas, it is anticipated that the monetary and environmental benefits from such a program will be realized on an ongoing basis. To date, we have received a net revenue of nearly \$200,000 for the timber removed from the four pilot areas which encompassed approximately 350 acres.

One problem facing us regarding this program is the threat of the Gypsy Moth. We are currently investigating the possibility of qualifying for assistance for control of this pest under state programs in both Pennsylvania and Maryland.

Regarding future timbering operations, we envision that other Company owned locations at Muddy Run and Fulton in Pennsylvania and Seneca Point and Chesapeake City in Maryland qualify as having the potential for anticipated revenue under such a program. With this thought in mind, we may recommend that the Company investigate the benefits of hiring a full time Forester, as several neighboring utilities have already done, in order to maximize our efforts not only in the concept of developing and maintaining an effective Forest Management Program, but in addition, to help manage other Company tree re-

moval and trimming activities and participate in our transmission line siting studies. This is another area of increased activity having an impact on the Real Estate Division, as well as other departments within our Company, brought about due to the adoption by the Pennsylvania Public Utility Commission of new regulations requiring the submission of a formal written Application for the siting of transmission lines which became effective May 20, 1978.

3. Siting Regulations

The following twenty criteria, presently used in establishing a preferred route for a transmission line were reviewed and considered prior to the adoption of these regulations:

1. Existing Electric Transmission Corridors
2. Existing Gas, Oil, Water Communication, Railroad, Turnpike or Expressway Corridors
3. Historic Archaeologic or Geologic Sites
4. Parks, Recreation and Public Places
5. Terrain
6. Vegetation
7. Number of Dwellings Directly Affected
8. Length of Route
9. Construction and Load Costs
10. Present Land Use and Zoning
11. Future Land Use

12. Number of Properties
13. Road Crossings
14. Property Lines
15. Legal Restraints
16. Efficient Use of Land
17. Reliability of Transmission Line
18. Public Inconvenience During Construction
19. Ease and Time of Construction
20. Joint Use of Facilities

The regulations now require that this information not only be reviewed and considered but also documented and incorporated in a formal written Application. This information is obtained from the nine agencies listed below:

1. Federal Register of Historic Places
2. Federal Register of Historic Landmarks
3. Pennsylvania Register of Historic Sites
4. County Planning Commissions
5. Delaware Valley Regional Planning Commission
6. Pennsylvania State Archaeologist
7. Sierra Club
8. Keystone Trails Association
9. The Nature Conservancy

Thus far, the Company has been successful in obtaining approval for two lines, one being a 230KV transmission line extending between our Concord and Middletown substations in Delaware County, Pennsylvania and the other being a 500KV transmission line between our Elroy switching station and Hosensack Substation in Montgomery and Lehigh Counties, Pennsylvania.

In addition to the normal procedure followed under the siting regulations, there are certain situations which enable the applicant to file a petition for waiver if certain conditions or criteria are met. The Company has filed for such a waiver for our North Wales-Heaton Line along with five transmission lines associated with our Limerick Generating Station being constructed in Montgomery County, Pennsylvania. The Commission granted the waiver on the North Wales-Heaton Line, but has requested notification to all municipalities affected by the five

Limerick Lines. These municipalities have been so notified and served with a copy of the petition. In early March 1982 the Pennsylvania Public Utility Commission submitted to Philadelphia Electric Company a total of 97 questions or interrogatories to be answered by Philadelphia Electric Company relating to these five transmission lines. We are in the process of answering these questions which hopefully will result in a waiver being obtained.

In 1981, our Division spent approximately ½ man year to produce the information required for the application involving the five lines associated with Limerick. In addition, the out of pocket cost for the printing of exhibits and brochures amounted to approximately \$11,000 for this application.

4. Pottstown-Limerick Airport Management

The Pottstown-Limerick Airport, located in Montgomery County, Pennsylvania and acquired in 1968, is over 200 acres. The airport has a main hanger/office building located on Route 422, a main thoroughfare, from which airport operations are conducted, several additional buildings used for aircraft storage, a 3,400 foot-long concrete runway, and a grass runway approximately 800 feet long.

Ownership of the airport permitted us to control its total operation and regulate the size of the aircraft, to insure compatibility with the licensing requirements associated with the Limerick Generating Station, located nearby.

The airport was initially leased to a private operator known as Penn Airways until December of 1980. Not completely satisfied with the leasing arrangements, we acquired the assets of Penn Airways through a trust arrangement with Keystone Helicopter Company which acquired the corporation and the license to operate the airport. This gave us complete control, and the ability to shut down the airport on short notice, if required. Keystone was retained to manage the airport for us

Ownership of the airport permitted us to control its total operation and regulate the size of the aircraft, to insure compatibility with the licensing requirements associated with the Limerick Generating Station, located nearby.

through competitive bids and is presently operated under its subsidiary Penn Airways. Among the assets that were acquired was a Cessna Sky Hawk, a first for Philadelphia Electric Company. Much to the relief of our Insurance Manager, we were able to sell the plane with very little flying time.

Presently the airport serves as a base for 58 aircraft, ranging from a Piper Cub pleasure craft valued at approximately \$3,000. to a ten passenger, twin engine jet, Cessna Citation II, valued at \$2,300,000. The present value of aircraft in the main hanger exceeds ten million dollars. Almost 70% of the aircraft based at the airport are used for business purposes, including a fleet of seven helicopters, operated by Keystone. One of our customers is Drew Lewis, the present Secretary of the Department of Transportation.

We contracted with Atlantic Engineers & Constructors for a comprehensive study regarding the development of the Airport to its fullest potential taking into consideration the proximity of our Limerick Generating Station. The study has been completed and is presently under review. It indicates that we can operate a first class airport, but it will require significant capital expenditures. We of course must weigh this against any adverse impact to our new generating station. In the event the decision is made to



Pictured is an aerial view of the Pottstown-Limerick Airport.

close the airport, the main hanger building as well as auxiliary hangers could be converted for industrial or commercial use which would yield a significant return on our present investment with the potential for further development of our property holdings as an industrial/commercial complex. On the other hand, if the airport is kept open, it will be possible to develop the land not required for airport operations as an "airpark" tenanted by industrial/commercial customers.

5. Exchange of Lease Agreements

In center city Philadelphia we are about to finalize a long anticipated settlement that required close coordination between the Real Estate Division and our Electrical Engineering Department. This project will exchange Lease Agreements with

Within the city, is the aerial view of the proposed substation area.



the City of Philadelphia. A future substation is required to serve projected growth in the area of the City primarily north of the Ben Franklin Parkway, West of Broad Street to the Schuylkill River. The respective leases, each with a 99 year duration and automatic 99 year extensions, will permit the Company to construct and maintain an underground 230-13 KV substation on a site owned by the City located in an area known as Fairmount Park located south of the Art Museum along the former B & O Railroad Right of Way. In exchange, the City will utilize a strip of Company property extending from John F. Kennedy Boulevard to Market Street, between the Schuylkill River and the former B & O Railroad Right of Way for the development of the Schuylkill Park, furthering the recreational opportunities and development of the western entry to Center City. The Parkway is presently under construction and will extend from South Street to the Art Museum along the east bank of the Schuylkill River.

The Company also obtained the right to install and maintain underground transmission and distribution facilities within the sidewalk area of the park extending from the underground substation to South Street. The advantages to both the Company and the City in this exchange of Leases are: 1) avoiding the

use of high cost prime center city real estate for a substation, 2) providing a more secure site for center city service reliability, and 3) creating a dual use of non-taxable property. The exchange also demonstrates the good planning between the Company and the City regarding the proper placement of utility facilities for center city needs.

6. Employee Relocation

Another project of an on-going nature which has had an impact on the Real Estate Division is our involvement in Philadelphia Electric Company's Employee Relocation Policy, the purpose of which is to facilitate

the transfer of qualified employees by reducing the impact of expenses associated with a change of residence when an employee is permanently re-assigned to a work location within the Company's service area.

Our function in this program is to assist employees in the sale of their property by initially obtaining two fair market appraisals as prepared by competent appraisers familiar with sales in the immediate area of the employee's residence. These appraisals may then be used by the employees in establishing a fair market value for the sale of their property. Since early 1977, we have obtained appraisals on 88 properties located in Pennsylvania, New Jersey, Maryland and Delaware.

In the event the employee is not successful in selling a residence through their own efforts, we, upon written request, will take action to acquire the property based on a consideration equivalent to the average of the two appraisals.

At settlement the Company assumes the cost of all charges incidental to the acquisition, including real estate transfer taxes, notary and certification fees and other miscellaneous costs, so that the net consideration paid to the employee is the average of the two appraisals less, of course, the balance due under any existing obligations of the employee, such as outstanding

The Philadelphia skyline.



Employee Relocation Program

Total Properties Purchased	50
Total Properties Re-sold	32
Expenditures for Acquisition (Includes Consideration and Expenses)	\$ 1,288,415
Expenditures for Re-sale	\$ 108,455
Carrying costs during Utility Ownership (Includes Interest and Expenses)	\$ 102,566
Total Cost to Company during Ownership	\$ 1,499,426
Consideration Realized from Re-sales	\$ 1,296,400
Net Cost to Company	\$ 203,026
Net Average Cost per Property	\$ 6,345
Total Properties held for Re-sale	18
Total Costs Outstanding for Properties held for Re-sale. (Includes consideration, expenses, and carrying costs)	\$ 1,222,051

(These figures include transactions through December 31, 1981)

mortgages or liens, real estate taxes and water and sewer charges prorated up to the time of settlement.

In addition, it is the responsibility of the employee to make any repairs necessary to put the home in marketable condition.

Upon acquiring title to the employee's residence, we immediately contract with an outside broker to resell the home as promptly as possible in order to keep the Company's financial impact to a minimum.

Since 1977, the Company has acquired 53 of the 88 properties previously mentioned, 35 of which have been resold at an average cost to the Company of \$6,345.

If the employee is successful in selling the home without further Company involvement, the employee is still reimbursed by the Company for those charges incidental to the sale.

Since current economic conditions have had a tremendous negative impact on the real estate market and more specifically interest rates relating to residential financing, we are exploring various methods of crea-

tive financing relating to the purchase and sale of employee's homes, which hopefully, will not only assist the employee in the relocation process, but will also enable the Company to resell its inventory of homes on a more timely basis.

The Real Estate Division spent well over half a man year in 1981 working on various aspects pertain-

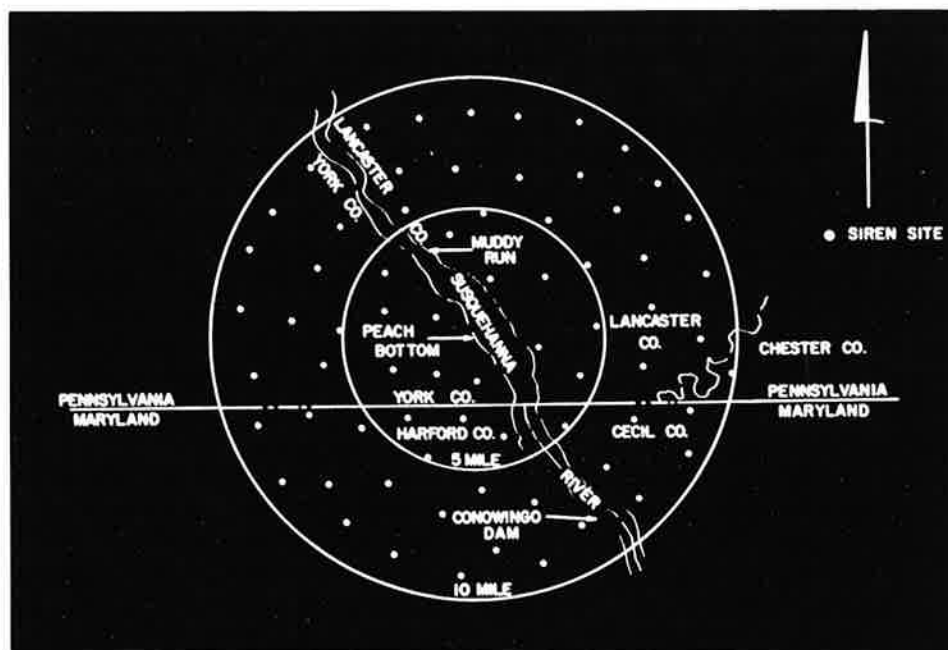
ing to the relocation policy. The relocation policy is reviewed and revised from time to time in order to serve both the employees and the Company on an equitable basis.

7. Peach Bottom Siren Alert System

Last, but by no means least, was a project of a unique and critical nature that required cooperation and coordination between various Divisions within our Company, including Engineering, Electric T & D and Real Estate, as well as Corporate Communications. This project is the Peach Bottom Emergency Public Alert System. It has 70 siren sites located in two states, five counties, and fifteen local municipalities. The Real Estate Division's involvement in the project began in mid-February, 1981 when we were informed that new nuclear regulatory regulations dictated that a system be established which would alert the population within a ten (10) mile radius of our Peach Bottom Nuclear Generating Station located in Peach Bottom Township, York County, Pennsylvania, of any incident within the plant itself.

The initial requirement necessitat-

The map indicates the location of the 70 different siren sites. Note that this map also gives the relative location of other projects mentioned in this article.



EXPERIENCE, RESPONSIBILITY

COATES FIELD SERVICE

CONSULTANTS

- Right of Way and Land Acquisition.
- Damage Claim Settlement.
- Oil, Gas, Coal and other Mineral Lease Acquisition.
- Title Search and Document Preparation.
- Right of Way Evaluation Studies.
- Crossing Permit Acquisition.
- Municipal Water and Sewer Projects.
- Appraisals.

SPECIAL SERVICES

- Route Selection Studies.
- Investigation and Acquisition of Microwave, Power Generating, Industrial and Other Plant Sites.
- Relocation Assistance.

DIVISION OFFICES:
Albany, New York
Houston, Texas
and Seattle, Wash.



COATES
FIELD SERVICE, INC.

CALL: A/C 405 528-5676
WRITE: P.O. BOX 25277
OKLAHOMA CITY 73125

(An Equal Opportunity Employer)

COATES FIELD SERVICE,
CANADA LTD.
CALL: A/C 604 584-7227
WRITE: 14651 108TH AVENUE
SURREY, B.C., CANADA
V3R 1V9

ed the securing of two test sites at specific designated locations. Two sites were obtained, warning devices (a siren mounted on a 55 foot pole) were installed and tested successfully, and in late July, 1981 we were requested to acquire twenty additional sites located within a five mile radius of the Peach Bottom Plant. Two negotiators from the Real Estate Division were assigned to contact the property owners to be impacted by these devices for the purpose of acquiring the necessary rights of way.

In late September, 1981 we were informed that 50 additional sites, located between the 5 and 10 mile radius limits, were to be acquired in sufficient time to construct the entire system for testing by February 1, 1982. Due to the critical time involved, we assigned three Assistant Negotiators to assist in the securing of the additional required rights of way.

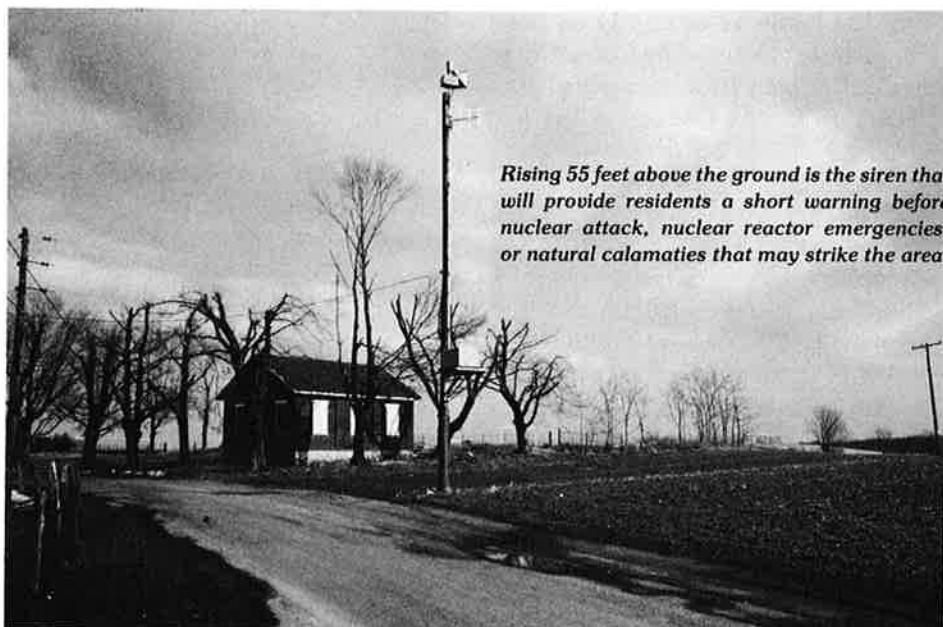
The five Division Personnel, operating from a control center in the city of Lancaster, Pennsylvania, proceeded to contact the additional property owners on which the devices were to be located. By mid November, 1981, the necessary rights were obtained for 63 of the 70 sites, each for a consideration of \$50. The remaining 7 sites were relocated slightly, to within the limits of public roads where the alert facilities were constructed by virtue of permits

obtained from the local municipality.

This unique warning system cost approximately two million dollars. Decried by the Nuclear Regulatory Commission, constructed and maintained by the Electric Company, the sirens will be operated and tested by the Emergency Management Office of the Counties in which the sirens are located. The sirens will also serve as an integral part of the Emergency Broadcast System and will be utilized in the event of nuclear attack, natural disasters, or other events which pose a public hazard.

The judicious use of additional personnel and overtime resulted in the securing of the required rights of way prior to the optimum target date at a cost nearly \$25,000 less than the budgeted \$70,000.

Now that I have reviewed some of the unusual and diverse activities in which Philadelphia Electric Company's Real Estate Division has become involved, we are firmly convinced that it is imperative to continue to develop qualified personnel and implement effective procedures to be able to continue to meet the challenges which arise as a result of these projects. We have been able to successfully meet these challenges while at the same time reducing our overall authorized work force by 10 percent over the last ten years.



Rising 55 feet above the ground is the siren that will provide residents a short warning before nuclear attack, nuclear reactor emergencies, or natural calamities that may strike the area.