

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

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In the Matter of the Application of	)	
PORTLAND GENERAL ELECTRIC COMPANY in	)	APPLICATION
Regard to the Exchange of its Property	)	

Pursuant to ORS 757.480 and OAR 860-027-0025, Portland General Electric Company ("PGE") seeks approval from the Oregon Public Utility Commission ("Commission") for the Exchange of certain PGE property no longer useful or necessary for providing utility service to the public.

History

Reser's is a long-time area employer and receives service from PGE. They currently produce 100 million pounds of various kinds of salad annually and have production facilities nationwide. They have acquired additional commitments for production of salad at their Jenkins Road facility in Beaverton, Oregon. Production at the facility will increase approximately 25%, requiring additional warehouse space. However, the current plant is constrained by SW 158<sup>th</sup> St. to the west, Jenkins Rd to the north, a parking lot and wetlands to the east and PGE's 115 kV transmission lines to the south (see Exhibit I, License For Use, Page 15, aerial photo). Reser's has decided to work with PGE and expand the building to the south.

PGE holds an easement interest ("right-of-way") in real property located in the City of Beaverton, County of Washington, Oregon (hereinafter "Property"), over which several PGE transmission lines are currently located. In order for Reser's to expand, PGE must give them authorization to build under one of the 115kV transmission lines or relocate that line. For safety reasons, PGE does not allow any permanent buildings under its transmission lines.

PGE asks for Commission approval to exchange the right that it has under the existing “right-of-way”. The existing right-of-way (270 feet wide) has several 115 kV lines on it. Reser’s will pay PGE to move one of the 115 kV lines south, closer to a second 115 kV line on the existing right-of-way and provide a second and new right-of-way north of the plant, along SW 158<sup>th</sup> Avenue and Jenkins Road, between St. Mary’s West and East, and near to the Bonneville Power Administration right-of-way (see Exhibit I, License For Use, Attachment C, Page 10) over which PGE could place a transmission line in the future if needed to serve future load. (See also highlighted drawing, Exhibit I, License For Use, Pages 9 and 14.)

The License For Use (“License”), which will be signed in the next few days, provides that Reser’s will construct a refrigerated space and commercial loading dock for food processing services on a portion of the existing PGE right-of-way, which right will terminate after 20 years, unless renewed by the parties. (see Exhibit I, License For Use, Pages 1 through 15)

For information purposes only, PGE has begun the process of obtaining an MAI appraisal for the exchange, but has not received a final appraisal amount. For the purposes of this application, PGE has estimated the following values: (1) PGE is allowing Reser’s to use 47,000 square feet of the existing right-of-way for 20 years; (2) PGE estimates the real property underlying the existing right-of-way has an estimated worth of approximately \$6 per square foot; (3) The new License Area right-of-way would be worth approximately 50% of the existing right-of-way or \$3 per foot, for a total estimated value greater than \$100,000.

The relocation of the 115 kV transmission line is expected to cost approximately \$250,000. Reser’s will pay PGE for all fully loaded costs associated with moving and relocating the existing 115 kV transmission line south (see Exhibit I, License For Use, Exhibit

D, Pages 12 and 13). Reser's will pay PGE the sum of \$50,000 on or before May 15, 2005, and all other invoices within thirty days.

Since the PGE 115kV transmission line would be moved south on its existing right-of-way, the specific rights that PGE is providing to Reser's are no longer needed for utility purposes, nor are they necessary or useful in the performance of PGE's duties to the public.

As a condition of use by Reser's on a portion of the existing right-of-way, PGE will to obtain a new electric transmission line right-of-way in a different location along Jenkins Road, which has value for PGE's future ability to meet load. Once the 115kV line is relocated, PGE's transmission facilities will not be disrupted by Reser's use of the Property.

As a result of the project, PGE expects to accommodate Reser's growth thereby retaining and adding traded sector jobs and corresponding load. PGE does not believe there will be any incremental accounting actions as a result of the exchange of property.

1) Pursuant to the requirements of OAR 860-027-0025, PGE represents that:

a) PGE's name and address are Portland General Electric Company, One World Trade Center, 121 SW Salmon Street, Portland, Oregon 97204.

b) PGE is a corporation organized and existing under and by the laws of the State of Oregon, and the date of its incorporation is July 25, 1930. PGE is authorized to transact business in the states of Oregon, Washington, California, Arizona and Montana, and in the District of Columbia, but conducts retail utility business only in the State of Oregon. As of February 21, 1995, PGE is also registered as an extra provincial corporation in Alberta, Canada.

c) *The names and addresses of the persons authorized to receive notices and communications in respect of this Application:*

PGE-OPUC Filings  
Rates & Regulatory Affairs  
Portland General Electric Company  
121 SW Salmon Street, 1WTC0702  
Portland, OR 97204  
(503) 464-7857 (telephone)  
(503) 464-7651 (telecopier)  
[pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

The names and addresses to receive notices and communications via the e-mail service list are:

Patrick G. Hager, Manager Regulatory Affairs  
E-Mail: [Patrick.Hager@pgn.com](mailto:Patrick.Hager@pgn.com), and

Jay Tinker, Project Manager  
E-Mail: [Jay.Tinker@pgn.com](mailto:Jay.Tinker@pgn.com)

d) *The names and titles of its principal officers as of December 31, 2004, are as follows:*

<u>NAME</u>	<u>TITLE</u>
Peggy Y. Fowler	Chief Executive Officer & President
James J. Piro	Executive Vice President, Finance, Chief Financial Officer & Treasurer
Arleen Barnett	Vice President, Administration
Carol A. Dillin	Vice President, Public Policy
Stephen R. Hawke	Vice President, Customer Service & Delivery
Ronald W. Johnson	Vice President, Business & Government Customers; Economic Development
Pamela G. Lesh	Vice President, Regulatory Affairs & Strategic Planning
James F. Lobdell	Vice President, Power Operations & Resource Planning
Joe A. McArthur	Vice President, Distribution
Douglas R. Nichols	Vice President, General Counsel & Secretary
Stephen M. Quennoz	Vice President, Nuclear & Power Supply / Generation

Kirk M. Stevens	Controller and Assistant Treasurer
William J. Valach	Assistant Treasurer
Angus H. Davis*	Assistant Secretary
Steven F. McCarrel	Assistant Secretary
J. Mack Shively	Assistant Secretary

\* Houston Officer - Held by Enron Corp., parent corporation of the Applicant, and considered officers of convenience and not principal officers.

e) PGE is engaged in the generation, purchase, transmission, distribution, and sale of electric energy for public use in Clackamas, Columbia, Hood River, Jefferson, Marion, Morrow, Multnomah, Polk, Washington, and Yamhill counties, Oregon.

f) *The capital stock as of the date of the balance sheet:* December 31, 2004

	Outstanding	
	Shares	Amount (\$000s)
<i>Cumulative Preferred Stock * :</i>		
7.75% Series No Par Value (30,000,000 shares authorized):	204,727	\$20,473
\$1 Par Value Limited voting Jr.	1	-
Total Preferred Stock	<u>204,728</u>	<u>\$20,473</u>
<i>Common Stock ** :</i>		
\$3.75 Par Value (100,000,000 shares authorized):	<u>42,758,877</u>	<u>\$160,346</u>

\*As required by SFAS No. 150, PGE's 7.75% Series preferred stock has been reclassified Long-Term Debt, effective July 1, 2003, and the Company began recording the related dividends as interest expense.

\*\*All of the common stock is held by Enron Corp., parent corporation of the Applicant. Applicant has been informed by Enron management that shortly after the filing of Enron's bankruptcy petition, Enron entered into a debtor in possession credit agreement with Citicorp USA, Inc. and JP Morgan Chase Bank. The agreement was amended and restated in July 2002. Company management has been advised by Enron management and its legal advisors that, under the amended and restated agreement and related security agreement, all of which were approved by the Bankruptcy Court, Enron has pledged its stock in a number of subsidiaries, including the Applicant, to secure the repayment of any amounts due under the debtor in possession financing. The pledge will be automatically released upon a sale of the Applicant otherwise permitted under the terms of the credit agreement. Enron also granted the lenders a security interest in the proceeds of any sale of the Applicant. The lenders may not exercise substantially all of their rights to foreclose against the pledged shares of the Applicant's common stock or to exercise control over the Applicant unless and until the lenders have obtained the necessary regulatory approvals for the transfer of the Applicant's common stock to the lenders.

None of the capital stock is held as reacquired securities, pledged, held by affiliated corporations, or held in any sinking or other fund, except as noted above.

g) *The long-term debt as of the date of the balance sheet: December 31, 2004*

<b>Description</b>	<b>Authorized (\$000s)</b>	<b>Outstanding (\$000s)</b>
First Mortgage Bonds:		
MTN Series due August 15, 2005 9.07%	18,000	18,000
MTN Series due June 15, 2007 7.15%	50,000	50,000
MTN Series due August 11, 2021 9.31%	20,000	20,000
8-1/8% Series due February 1, 2010	150,000	150,000
5.6675% Series due October 25, 2012	100,000	100,000
5.279% Series due April 1, 2013	50,000	50,000
5.625% Series due April 1, 2013	50,000	50,000
6.75% Series due April 1, 2023	50,000	50,000
6.875% Series due April 1, 2033	<u>50,000</u>	<u>50,000</u>
Total First Mortgage Bonds	<u>538,000</u>	<u>538,000</u>
Pollution Control Bonds:		
City of Forsythe, Montana		
5.45% Series due May 1, 2033	21,000	21,000
5.20% Series due May 1, 2033	97,800	97,800
Port of Morrow		
5.20 % Series May 1, 2033	23,600	23,600
Port of St. Helens, Oregon		
4.80% Series due April 1, 2010	20,200	20,200
4.80% Series due June 1, 2010	16,700	16,700
5.25% Series due August 1, 2014	9,600	9,600
7.125% Series due December 15, 2014	5,100	5,100
Total Pollution Control Bonds	<u>194,000</u>	<u>194,000</u>
Other Long-Term Debt:		
8.25% Quids Series A	75,000	0
6.91% Conservation Bonds	75,000	19,239
7-7/8% Notes due March 15, 2010	150,000	149,250

Other Long-Term Obligation		103
Unamortized Debt Discount and Other	<u>(1,500)</u>	<u>(1,402)</u>
Total Other Long-Term Debt	<u>298,500</u>	<u>167,190</u>
Less Maturities and Sinking Funds Included in Current Liabilities	<u>54,847</u>	<u>28,018</u>
Total Long-Term Debt	<u>975,653</u>	<u>870,998</u>

None of the long-term debt is pledged or held as reacquired securities, by affiliated corporations, or in any fund, except as noted above.

h) *Whether the application is for disposition of facilities by sale, lease, or otherwise, a merger or consolidation of facilities, or for mortgaging or encumbering its property, or for the acquisition of stock, bonds, or property of another utility, also a description of the consideration, if any, and the method of arriving at the amount thereof:*

This application requests approval for PGE and Reser’s to exchange certain rights over the existing right-of-way for a period of twenty years or until there is a change of use of the property, whichever comes first, and authorizing the relocation of an existing 115 kV transmission line south and closer to a second 115 kV transmission line on the same right-of-way property. Reser’s will authorize a new PGE transmission line right-of-way north of the plant, along Jenkins Road, near the Bonneville Power Administration right-of-way, for use by PGE.

PGE has initiated, but not yet received an independent MAI appraisal for the property. A copy of the appraisal will be provided when available and incorporated as Attachment “M.”

The book value of the Property was estimated using PGE’s accounting records.

i) *A statement and general description of facilities to be disposed of, consolidated, merged, or acquired from another utility, giving a description of their present use and of their proposed use after disposition, consolidation, merger, or acquisition:* The

existing right-of-way consists of approximately 6.02 acres of land. PGE currently has two 115 kV transmission lines located over a portion of this right-of-way. A description of the Property is provided in Exhibit “I,” License For Use, Pages 1 through 15. PGE will relocate one of the two transmission lines within its right-of-way over the property, and will relinquish rights to a portion of the existing right-of-way over which Reser’s will have the right to construct a new building for a period of 20 years or until there is a change of use of the property, whichever comes first. PGE will receive a new right of way (transmission line) along Jenkins Road near the Bonneville Power Administration right-of-way. This transaction does not include all the operating facilities of PGE.

j) *A statement by primary account of the cost of the facilities and applicable depreciation reserve involved in the sale, lease, or other disposition, merger or consolidation, or acquisition of property of another utility, and a statement indicating where all existing data and records may be found:* Provided as Exhibit L.

k) *A statement as to whether or not any application with respect to the transaction or any part thereof, is required to be filed with any federal or other state regulatory body:* No other application with respect to this exchange of the Property is required to be filed with any federal or state regulatory body.

l) *The facts relied upon by applicants to show that the proposed sale, lease, assignment, or consolidation of facilities, mortgage or encumbrance of property, or acquisition of stock, bonds, or property of another utility will be consistent with the public interest:* The release of certain of PGE’s rights over the existing right-of-way for a period for 20 years or until there is a change of use of the property, whichever comes first, is consistent with the public interest because the 115 kV transmission line will be relocated at Reser’s expense to a southern location on the existing PGE right-of-way and therefore the rights given



up are surplus to PGE's needs and not necessary for serving PGE's duty to the public. PGE will retain all other rights over the existing right-of-way, and will gain a new right-of-way over the Reser Property for access, operation and maintenance purposes for a future transmission line, if needed to meet future load.

m) *The reasons, in detail, relied upon by each applicant, or party to the application, for entering into the proposed sale, lease, assignment, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, and the benefits, if any, to be derived by the customers of the applicants and the public:* See paragraphs i) and l) above.

n) *The amount of stock, bonds, or other securities, now owned, held or controlled by applicant, of the utility from which stock or bonds are proposed to be acquired:* Not applicable. See paragraphs i) and l) above.

o) *A brief statement of franchises held, showing date of expiration if not perpetual, or, in case of transfer, that transferee has the necessary franchises:* Not applicable.

2) The following exhibits are submitted and by reference made a part of this application:

Exhibit A Articles of Incorporation, as amended. (Previously filed in Docket UP-79 and by reference made a part of this application.)

Exhibit B Bylaws, as Amended and Restated. (Previously filed in Docket UF-4206 and by reference made a part of this application.)

Exhibit C Not Applicable.

Exhibit D None.

Exhibit E Balance sheet as of December 31, 2004.

Exhibit F Statement of contingent liabilities as of December 31, 2004.

- Exhibit G      Income statement for the 3-month period ended December 31, 2004.
- Exhibit H      Analysis of retained earnings for the 3-month period September 30, 2004.
- Exhibit I      Documents supporting the Transaction: Sale Agreement and Appraisal documentation.
- Exhibit J      Proposed journal entries.
- Exhibit K      Not applicable.
- Exhibit L      Statement by primary account of the Cost of the Property.

Dated this 21st day of April, 2005.

Respectfully Submitted,

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<b><u>Exhibits Attached to Application :</u></b>		<b><u>Format</u></b>
E	Balance Sheet for transaction	Electronics (Excel file)
F	Statement of Contingent Liabilities	Electronics (Excel file)
G	Statement of Income	Electronics (Excel file)
H	Statement of Retained Earnings	Electronics (Excel file)
I	License For Use	Electronics (Excel file)
	I-A. Electric Transmission Line Easement	Hard Copy (Pages 7 & 8)
	I-B. License Area ( <b>colored included</b> )	Hard Copy (Pages 9 & <b>14</b> )
	I-C. New PGE Transmission Easement	Hard Copy (Page 10)
	I-C-A-1. Power Line Easement	Hard Copy (Page 11)
	I-D. Amendment to Existing Easement	Hard Copy (Pages 12 & 13)
	Aerial Photo – New Easement	Excel File (Page 15)
J	Proposed Journal Entry	Electronics (Excel file)
L	Cost and Description of Property	Electronics (Excel file)
M	Appraisal Summary	[To be provided at a later date]

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