



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204

May 9, 2005

via E-Filing and US Mail

Public Utility Commission of Oregon
550 Capitol St., NE, No. 215
P.O. Box 2148
Salem, OR 97308-2148

Attention: **Commission Filing Center:**

Re: **UP-_____** Application for approval to Sell Property in
The City of Gresham, County of Multnomah

Enclosed is the original signed Application for approval to sell an easement in the City of Gresham, County of Multnomah. PGE provided an E-filed copy this date. PGE will provide a hard copy of the OPUC E-tracking ID (if available) with this filing.

We ask that this Application be placed on the docket for consideration at the Commission's June 14, 2005 meeting, or as soon thereafter as possible.

The application attachments in electronic form should not be placed on the OPUC Website.

If you have any questions or require further information, please call me at (503) 464-7580 or Jay Tinker at (503) 464-7002. Please direct all formal correspondence, questions, or requests to the following e-mail address pge.opuc.filings@pgn.com.

Sincerely,

/s/ Patrick G. Hager

Patrick G. Hager
Manager, Regulatory Affairs

Encls. (Copy OPUC Tracking confirmation)

PGH/lbh

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UP-___

In the Matter of the Application of)
PORTLAND GENERAL ELECTRIC COMPANY in) APPLICATION
Regard to the Sale of Easement 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 sale of certain PGE easement property no longer useful or necessary for providing utility service to the public.

History

PGE owns property located in the City of Gresham, County of Multnomah, Oregon (hereinafter "Property"). The Property consists of a strip of land approximately 100 feet wide and 1.2 miles long (or 14.85 acres) along PGE's Ruby Corridor in Gresham.

PGE asks for Commission approval to sell a 20-foot wide by 1.2 mile long easement on the existing Property to the City of Gresham ("City"). The Easement ("Agreement") dated April 13, 2005, allows for the construction and maintenance of a 12-14 feet wide multi-use trail and a 30 inch waterline. (See Exhibit I, Pages 1 through 9). The trail route includes a 1.2 mile long alignment through PGE's Ruby Corridor from E. Burnside to NE Halsey, just west of 201st/ 202nd.

The 20-foot easement property is no longer needed for utility purposes and is not necessary or useful in the performance of PGE's duties to the public, except for transmission purposes. PGE will retain maintenance access over the easement property for the transmission lines and will continue to own the Property. (Application Exhibit I, Pages 1 through 5).

For valuation purposes, an independent MAI appraiser inspected these properties and researched general market conditions. The total purchase price of \$370,000 is due and payable in cash to PGE upon closing of the sale.

For accounting purposes (See Exhibit J), PGE will defer the gain on the Property of approximately \$364,829. PGE has agreed to adhere to Staff's desired treatment of gains/losses on the sale of land for purposes of this Property sale. However, PGE continues to believe that the appropriate treatment of gains/losses on the sale of structures (when applicable) is to apply them to the depreciation reserve.

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

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, and

Jay Tinker, Project Manager
E-Mail: 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 – Office held by employee of Enron Corp., parent corporation of the Applicant, and considered officers of convenience and not principal officer.

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):	42,758,877	\$160,346
	<u><u>42,758,877</u></u>	<u><u>\$160,346</u></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*

Description	Authorized (\$000s)	Outstanding (\$000s)
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
		103
Other Long-Term Obligation		
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 to sell a 20-foot wide by 1.2 mile long (3.01 acres) trail access/utility easement to the City of Gresham. For valuation purposes, an independent MAI appraiser inspected the Property and researched general market conditions. The appraisal yielded value of the easement property at \$370,000. The book value of the easement 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 subject easement property consists of a 20-foot wide by 1.2 mile long (3.01 acres of land) piece of land on which

a 12-14 foot wide walking trail and a 30 inch waterline will be constructed. PGE currently has distribution and transmission lines located over a portion of this Property. PGE will retain use of the corridor for both existing and future overhead transmission line use. A description of the easement property is provided in Exhibit “I,” Easement, Pages 6 through 8. This transaction includes some, but not 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 the sale of this easement 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 sale of the 20-foot wide by 1.2 mile long (3.01 acres of land) easement property is consistent with the public interest because 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 easement 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 December 31, 2004.

Exhibit I Documents supporting the Transaction: Sale Agreement and Appraisal documentation.

Exhibit J Proposed journal entries.

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Exhibit K Not applicable.

Exhibit L Statement by primary account of the Cost of the Property.

Dated this 9th day of May, 2005.

Respectfully Submitted,

/s/ **Patrick G. Hager**

Patrick G. Hager
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
121 SW Salmon Street, 1WTC-0702,
Portland, Oregon 97204
Phone: (503) 464-7580
E-Mail: Patrick.Hager@pgn.com
Facsimile: (503) 464-7651

Exhibits Attached to Application : _____ Format

(Please do NOT place these attachments on the OPUC Website)

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	Easement	Hard Copy (9 pages)
J	Proposed Journal Entry	Electronics (Excel file)
L	Cost and Property Description	Electronics (Excel file)

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