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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP 164

In the Matter of the Application of Portland)
General Electric Company in Regard to the) ORDER
Sale of its Property.)

DISPOSITION: APPLICATION GRANTED

On June 3, 1999, Portland General Electric Company (PGE) filed an application to sell a 10.5 percent interest in the Kelso Beaver Pipeline (KB Pipeline) to United States Gypsum Company (USGC). Two petitions to intervene were granted, one by Northwest Natural Gas (NNG) and KB Pipeline Company and the other by USGC and its subsidiary, B-R Pipeline Company.

A prehearing conference was held on July 23, 1999. The parties agreed to hold informal meetings to work toward resolution of operational issues. In August 1999, the parties resolved most issues. On September 21, 1999, PUC Staff presented a memorandum to the Commission at a public meeting. The memorandum stated that all issues had been resolved and recommended that the Commission grant the application subject to certain conditions. The Commission adopted the memorandum. However, NNG informed the Commission that it had not resolved issues relating to an interconnect agreement with PGE. NNG stated that it would withdraw its intervention when the issue was resolved. On December 16, 1999, NNG informed the Commission that the issue had been resolved and that its petition to intervene was, in NNG's view, moot.

As noted above, the Commission considered this matter at its September 21, 1999, public meeting and agreed to grant the application based on Staff's memorandum. Now that the concerns that NNG had have been resolved, we will issue this order granting the application. Staff's memorandum is incorporated in this order and attached as Appendix A. It should be noted that approval of the accounting treatment does not constitute approval for ratemaking purposes.

ORDER NO.

ORDER

IT IS ORDERED that the application by Portland General Electric Company for approval of its application to sell a 10.5 percent interest in the Kelso Beaver Pipeline is granted, subject to the following conditions:

1. PGE shall file, as soon as possible, final executed or conformed copies of all documents related to this transaction;
2. PGE shall file, as soon as possible, copies of the journal entries recording the transaction.

Made, entered, and effective _____.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements of OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070. A party may appeal this order to a court pursuant to ORS 756.580.

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