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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UP 191

In the Matter of the Application of PORTLAND)	
GENERAL ELECTRIC COMPANY for)	ORDER
Approval to Sell a Portion of the Ruby North)	
Substation Property to O&C, Inc, (dba Obrist)	
and Cunningham).)	

**DISPOSITION: APPLICATION GRANTED;
WITH CONDITIONS & REQUIREMENTS**

On January 26, 2002, the Public Utility Commission of Oregon (Commission) received an application from Portland General Electric Company, pursuant to ORS 757.480 and OAR 860-027-0025, requesting approval to sell a portion of the Ruby North Substation property to O&C, Inc. (dba Obrist and Cunningham).

Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on March 21, 2002, the Commission adopted Staff's recommendation to approve the sale of assets as proposed. Staff's recommendation is attached as Appendix A and is incorporated by reference.

OPINION

Under ORS 757.480, an electric utility doing business in Oregon shall first obtain Commission approval for any transaction to sell, lease, assign or otherwise dispose of property.

OAR 860-027-0025 specifies the information regarding applications for authority to sell, lease, assign, mortgage, merge, consolidate or otherwise dispose of property. This application contains the necessary information.

The proposed sale of property involves assets that have an appraisal value of \$104,800. Commission approval of the accounting treatment for this transaction does not constitute approval for ratemaking purposes. There is no indication that the proposed sale will impair Portland General Electric Company's abilities to provide public utility service in Oregon.

ORDER

IT IS ORDERED that the application of Portland General Electric Company requesting approval to sell a portion of the Ruby North Substation property to O&C, Inc. (dba Obrist and Cunningham), is granted, as further described in Appendix A.

Made, entered and effective _____.

BY THE COMMISSION:

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order to a court pursuant to ORS 756.580.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: MARCH 21, 2002**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____

DATE: March 7, 2002

TO: John Savage through Marc Hellman and Rebecca Hathhorn

FROM: Tom Riordan

SUBJECT: PORTLAND GENERAL ELECTRIC COMPANY: (Docket No. UP 191)
Application for approval to sell a portion of the Ruby North Substation property to O&C, Inc. (dba Obrist and Cunningham).

STAFF RECOMMENDATION:

The Commission should approve Portland General Electric Company's (PGE) application for the sale of a portion of the Ruby North Substation property to O&C, Inc., and include the following conditions:

1. PGE shall provide the Commission access to all books of account, as well as documents, data, and records of PGE that pertain to this transaction.
2. The Commission reserves the right to review for reasonableness all financial aspects of this transaction in any rate proceeding or alternative form of regulation.
3. PGE shall notify the Commission in advance of any substantive changes to the agreement, including any material change in price. Any such change shall be submitted in an application for a supplemental order (or other appropriate format) in this docket.
4. PGE shall file, as soon as available, copies of the final journal entries recording the transaction.

DISCUSSION:

PGE filed this application on January 26, 2002, pursuant to ORS 757.480 and OAR 860-027-0025. PGE requests authorization from the Commission to sell, to a third party

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purchaser, O&C, Inc., certain property that is not needed for utility purposes, and is no longer useful or necessary in the performance of PGE's duties to the public. The property consists of a portion (14,383 square feet) of PGE's Ruby North Substation in Gresham, Oregon.

For valuation purposes, an independent MAI appraiser inspected the property and researched general market conditions. The MAI appraiser stated that the 14,383 square feet of property being sold had a value at exchange of \$104,800.

The sale provides PGE with the following consideration: 1) \$26,800 that is paid in cash upon closing of the sale and 2) property consisting of approximately 10,501 square feet, located adjacent to the substation, valued at exchange at \$78,000. The sale and exchange of properties is believed by PGE to improve the physical access to and facilitate the expansion planned for 2002 of the existing substation.

After review of the filing, staff concludes that the application is in the public interest.

PROPOSED COMMISSION MOTION:

Portland General Electric Company's UP 191 application to sell a portion of the Ruby North Substation property to O&C, Inc. (dba Obrist and Cunningham), including the four recommended conditions stated in this memorandum be approved.

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