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BEFORE THE PUBLIC UTILITY COMMISSION**

OF OREGON

UP 217

In the Matter of)	
)	ORDER
PORTLAND GENERAL ELECTRIC)	
)	
Application for approval to sell property in)	
Multnomah County to Metro, a Municipal)	
Corporation.)	

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On December 6, 2004, the Public Utility Commission of Oregon (Commission) received an application from Portland General Electric Company (PGE), pursuant to ORS 757.480 and OAR 860-027-0025, requesting approval of the sale of land by PGE to Metro, a Municipal Corporation. The land is no longer used and useful in the provision of PGE's services.

OPINION

Under ORS 757.480, a public utility doing business in Oregon shall first obtain Commission approval for any transaction to sell, lease, assign or otherwise dispose of property. 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 January 4, 2005, the Commission adopted Staff's recommendation to approve the sale of land by PGE to Metro. Staff's recommendation is attached as Appendix A and is incorporated by reference.

ORDER

IT IS ORDERED that the application of Portland General Electric Company is approved, subject to certain conditions, as further stated 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 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 in 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(2). A party may appeal this order to a court pursuant to applicable law.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 4, 2005**

REGULAR _____ CONSENT X EFFECTIVE DATE _____ N/A _____

DATE: December 23, 2004

TO: Lee Sparling through Marc Hellman and Rebecca Trujillo

FROM: Marion Anderson

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UP 217) Application for approval to sell property in Multnomah County to Metro, a Municipal Corporation.

STAFF RECOMMENDATION:

The Commission should approve the sale of land by Portland General Electric Company to Metro, with the following conditions:

1. Portland General Electric Company shall provide the Commission access to all books of account, as well as all documents, data, and records that pertain to the transfer of electric properties.
2. The Commission reserves the right to review for reasonableness all financial aspects of this transaction in any rate proceeding or earnings review under an alternative form of regulation.
3. Portland General Electric Company shall notify the Commission in advance of any substantive changes to the transfer of electric properties, including any material changes in price. Any changes to the agreement terms that alter the intent and extent of activities under the agreement from those approved herein, shall be submitted for approval in an application for a supplemental order (or other appropriate format) in this docket.
4. In accordance with the docket UE 115 stipulation, the gain on the sale will be directed to a balancing account for subsequent refund to ratepayers.
5. Written confirmation that the proposed journal entry recording the transaction has been made will be submitted to the Commission with the appropriate periodic report.

DISCUSSION:

This application was filed on December 6, 2004, pursuant to ORS 757.480 and OAR 860-027-0025. The property designated for sale is located along the southwest side of NW St. Helens Road immediately south of NW Yeon Avenue, in the City of Portland, Multnomah County, Oregon. It is 2.3 acres of land no longer used and useful in the provision of Portland General Electric's services. The utility retains an easement for the maintenance and operation of its transmission lines with right-of-way access to transmission facilities. The purchaser is Metro, under an agreement with a final signature of November 4, 2004.

The land has a book value of \$10,395. A copy of the appraisal, performed by Real Estate Analysis Northwest, was submitted showing a fair market value of \$377,000, which is the sale amount. Deduction of the \$6,564 estimated selling expenses for this transaction results in a gain of \$360,041. The proposed entry was submitted with the application and met with staff's approval.

Staff investigated the following issues:

1. Scope and Terms of the Real Estate Sales Agreement with Addendum
2. Allocation of Gain
3. Public Interest Compliance
4. Records Availability, Audit Provisions, and Reporting Requirements

Scope and Terms of the Real Estate Sales Agreement with Addendum

There does not appear to be any unusual or restrictive terms harmful to ratepayers.

Allocation of Gain

Portland General Electric has agreed to credit the gain to account 254 – Deferred Gain on Property Sale.

Public Interest Compliance

The sale conforms to the no harm standard used by the Commission because the property at issue is no longer used and useful, and is being sold at a gain.

Records Availability, Audit Provisions, and Reporting Requirements

Order Condition Number 1, listed above in the staff recommendation, affords the necessary Commission examination.

After review of the filing, staff concludes that the application is fair and reasonable and not contrary to the public interest.

PROPOSED COMMISSION MOTION:

The requested sale of property byPortland General Electric Company to Metro, a Municipal Corporation be approved with the conditions stated in this memorandum.

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