

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP 243

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	ORDER
COMPANY)	
)	
Application for Approval of Sale of)	
Property to Cascade Futbol Club.)	

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On October 8, 2007, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (Commission) pursuant to ORS 757.480 and OAR 860-027-0025, requesting authority to sell 37.47 acres located at 5201 State Street, Salem. A full description of the filing is set forth in the Staff Report, attached as Appendix A and incorporated by reference.

OPINION

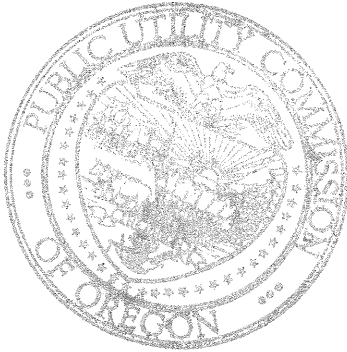
Under ORS 757.480, a public utility doing business in Oregon shall first obtain Commission approval for any transaction to sell, lease, assign or otherwise dispose of property. OAR 860-027-0025 specifies the manner and form required of such applications for approval. Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on November 20, 2007, the Commission adopted Staff's recommendation to approve the sale of the property.

ORDER

IT IS ORDERED that the requested sale of property by Portland General Electric Company to Cascade Futbol Club is approved, subject to the conditions stated in the Staff Report, attached as Appendix A.

Made, entered, and effective NOV 26 2007.

BY THE COMMISSION:



Becky L. Beier

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 by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

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DISCUSSION:

This application was filed on October 8, 2007, pursuant to ORS 757.480 and OAR 860-027-0025. The land designated for sale consists of 37.47 acres located at 5201 State Street in Salem and acts as a buffer for used and useful property.

Staff investigated the following issues:

- Scope and Terms of the Real Estate Sales Agreement
- Allocation of Gain
- Public Interest Compliance
- Records Availability, Audit Provisions, and Reporting Requirements

Scope and Terms of the Real Estate Sales Agreement

The sale property has been leased for several years as a youth soccer complex to the purchaser (formerly known as the Salem United Soccer Club). PGE has an option to construct/operate or allow third party construction/operation of a generation facility on the adjoining property to the sale property. The sales agreement requires the purchaser to support PGE's decision to use its property. As a result, conveyance of the sale land will be accomplished by a special deed with restrictive covenants that limit its usage to the current purpose, as open space, or as a public park in perpetuity. The deed also contains a PGE option to repurchase the sale property. Those covenants expire 25 years after the deed's recording if the PGE option is not exercised.

Allocation of Gain

Three appraisals were obtained on the sale property. The first appraisal did not give recognition to the aforementioned restrictive covenants and assigned a \$515,000 value. The second appraisal performed in June 2006 recognized the usage encumbrance and arrived at the sale price of \$275,160. With an original cost of \$148,274 and estimated selling expenses of \$2,500, the projected realized gain is \$124,386. The third appraisal performed in June 2007 assessed a value of \$262,500. However, no sales price decrease resulted there from. PGE has agreed to credit the gain to account 254 – Deferred Gain on Property Sale for later distribution to ratepayers.

Public Interest Compliance

The sale conforms to the no harm standard used by the Commission because the property at issue is being sold at a gain and is not used in the utility's provision of service.

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Records Availability, Audit Provisions, and Reporting Requirements

Order Condition Number 1, listed previously 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 by Portland General Electric Company to Cascade Futbol Club be approved with the conditions stated in this memorandum.

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