

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP 252

In the Matter of

AVISTA CORPORATION, dba AVISTA
UTILITIES

Application for Approval to Sell the Grants
Pass Former Computer Center Located in
Grants Pass, Oregon.

ORDER

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On July 31, 2009, the Public Utility Commission of Oregon (Commission) received an application from Avista Corporation, dba Avista Utilities (Avista), requesting approval of the sale of the Grants Pass former computer center located in Grants Pass, Oregon. The application is filed pursuant to ORS 757.480 and OAR 860-027-0025. A description of the filing and its procedural history is contained 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. 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 August 25, 2009, the Commission adopted Staff's recommendation to approve the sale of the former computer center located in Grants Pass, Oregon.

ORDER

IT IS ORDERED that the application of Avista Corporation, dba Avista Utilities, is approved, subject to the following conditions:

1. Avista Utilities 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. Avista Utilities shall notify the Commission in advance of any substantive changes to the transfer of electric properties, including any material changes in price.
4. Per Order No. 91-671, dated May 16, 1991, regarding sales of any portion of the CP National operating system, Avista Utilities will apply the gain realized on this transaction to the Oregon acquisition adjustment.
5. The final journal entry recording the transaction will be submitted to the Commission.

Made, entered, and effective SEP 01 2009

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.


ITEM NO. CA7

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 25, 2009**

REGULAR CONSENT EFFECTIVE DATE NA

DATE: August 6, 2009

TO: Public Utility Commission

FROM: Marion Anderson 

THROUGH: ⁱⁿ Lee Sparling, ^{SA} Marc Hellman, and ^{SA} Michael Dougherty

SUBJECT: AVISTA CORPORATION: (Docket No. UP 252) Application for approval of the sale of property in Grants Pass, Oregon.

STAFF RECOMMENDATION:

The Commission should approve the subject application by Avista Corporation (Avista) with the following conditions:

1. Avista 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. Avista shall notify the Commission in advance of any substantive changes to the transfer of electric properties, including any material changes in price.
4. Per Order No. 91-671, dated May 16, 1991, regarding sales of any portion of the CP National operating system, Avista will apply the gain realized on this transaction to the Oregon acquisition adjustment.
5. The final journal entry recording the transaction will be submitted to the Commission.

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DISCUSSION:

This application was filed on July 31, 2009, pursuant to ORS 757.480 and OAR 860-027-0025. This Grants Pass property consists of an office building and parking lot with the address of 624 SE "J" Street. It was purchased from CP National Corporation in 1991 and was an office/computer service center. It ceased being used and useful over ten years ago. Approximately one-third of the total area is utilized as the Easterly storage area for gas materials and will be retained by Avista. The deed will reflect an easement granted to allow placement of and access to any needed natural gas pipeline(s) with accessories owned by the utility.

The sale to Inn Between, Inc. is not finalized. However, the agreed upon price is \$350,000. The proposed accounting entries were submitted and reviewed by Staff.

Staff investigated the following issues:

1. Scope and Terms of the Real Estate Sales Agreement
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

The only unusual or restrictive terms are the aforementioned easement and general Trust Indenture release which are not harmful to ratepayers.

Allocation of Gain

The projected gain of \$212,075.42 in the proposed journal entry is in accord with Staff Recommendation Condition No. 4.

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 Conditions Numbers 1 and 5, listed above in the staff recommendation, afford the necessary Commission examination.

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

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PROPOSED COMMISSION MOTION:

The sale of the property in Grants Pass, Oregon be approved with the conditions stated in this memorandum.

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