

ORDER NO. 99-600

ENTERED OCT 04 1999

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP 169

In the Matter of the Application of Portland)
General Electric Company for Approval to Sell) ORDER
Land Adjacent to the Willamette Falls Dam to)
Smurfit Newsprint Corporation.)

DISPOSITION: APPLICATION GRANTED WITH CONDITIONS

On August 18, 1999, the Commission received an application from Portland General Electric Company (Company), filed pursuant to ORS 757.480 and OAR 860-027-0025, requesting approval to sell certain of its utility property alleged to be no longer necessary or useful for providing utility services to the public. The property at issue consists of 8.4 acres of land adjacent to the Smurfit Newsprint Corporation site and the Willamette Falls dam in Oregon City.

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 September 21, 1999, the Commission adopted the Staff's recommendation to approve the sale with conditions. Staff's recommendation is attached as Appendix A and is incorporated by reference.

OPINION

Jurisdiction

ORS 757.005 defines a public utility as anyone providing heat, light, water, or power service to the public in Oregon. The Company is a public utility subject to the Commission's jurisdiction.

Applicable Law

ORS 757.480 provides that a public utility doing business in Oregon shall first obtain Commission approval for any transaction to sell, lease, assign or otherwise dispose of property of such public utility necessary or useful in the performance of its duties to the public or any part thereof of a value in excess of \$10,000.

OAR 860-027-0025 specifies the information a public utility must submit when it makes application to sell or lease its property. This application contains the necessary information.

The proposed sale involves property which has a value in excess of \$10,000 and is no longer useful for providing utility services to the public. 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 the Company's ability to provide public utility service in Oregon.

CONCLUSIONS

1. The Company is a public utility subject to the jurisdiction of the Public Utility Commission of Oregon.
2. The Company's proposed transaction meets the requirements of ORS 757.480.
3. The application should be granted.

ORDER

IT IS ORDERED that the application of Portland General Electric Company for authority to sell certain utility property alleged to be no longer necessary or useful for providing utility services to the public in Oregon is granted, subject to conditions stated in Appendix A.

Made, entered, and effective _____ .

BY THE COMMISSION:

Vikie Bailey-Goggins
Commission Secretary

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

APPENDIX A

ITEM NO. CA 4

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: SEPTEMBER 21, 1999**

REGULAR AGENDA__ CONSENT AGENDA X EFFECTIVE DATE_____

DATE: August 25, 1999

TO: Bill Warren through Marc Hellman and Mike Myers

FROM: Marion Anderson

SUBJECT: UP 169 – Application for Approval to Sell Land Adjacent to the Willamette Falls Dam to Smurfit Newsprint Corporation

SUMMARY RECOMMENDATION:

I recommend approval of the requested sale with the conditions noted in the detailed recommendation.

DISCUSSION:

Portland General Electric Company (PGE) made this filing on August 18, 1999 pursuant to ORS 757.480 and OAR 860-027-0025. The ratebase property at issue consists of 8.4 acres of land in Oregon City that are no longer used and useful, or necessary for providing utility service to ratepayers. The Smurfit Newsprint Corporation, current lessee, is purchasing the land at a sales price of \$614,500. This price is the average of appraisals obtained by both parties. \$50,000 in earnest money has been remitted to PGE with the balance due in cash at closing. PGE retains all necessary easements for the conduct of regulated activities.

PGE proposes to record the \$529,441.07 gain in FERC account 411.6, Gains from Disposition of Utility Plant, an “above-the-line” account.

DETAILED RECOMMENDATION:

The following standard Commission conditions are imposed in this matter:

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

The order should note that approval of the accounting treatment for this sale does not constitute approval for ratemaking purposes.

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