

ORDER NO. 99-711

ENTERED NOV 17 1999

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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UP 171

In the Matter of the Application of Portland )  
General Electric Company for Approval to Sell a ) ORDER  
Portion of the Salem Service Center Property to )  
Pacific Santa Fe Corporation. )

**DISPOSITION: APPLICATION GRANTED**

On October 4, 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 sale essentially involves the same property as the transaction approved in docket UP 154, except that the purchaser is now Pacific Santa Fe Corporation, and that the sale price and acreage are reduced.

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 16, 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 the conditions stated in Appendix A.

Made, entered, and effective \_\_\_\_\_ .

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BY THE COMMISSION:

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**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.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: NOVEMBER 16, 1999**

REGULAR AGENDA\_\_ CONSENT AGENDA\_X EFFECTIVE DATE\_\_\_\_\_

**DATE:** October 8, 1999

**TO:** Bill Warren through Marc Hellman and Mike Myers

**FROM:** Marion Anderson

**SUBJECT:** UP 171 – Application for Approval to Sell a Portion of the Salem Service Center Property to Pacific Santa Fe 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 October 4, 1999 pursuant to ORS 757.480 and OAR 860-027-0025. The property at issue is claimed to be no longer useful or necessary for the provision of utility service in Oregon. It is a revised, resubmission of the transaction that was approved by Order No. 99-52. The differences are:

- ⇒the purchaser is now Pacific Santa Fe Corporation
- ⇒the sale price is reduced to \$675,000 from \$900,000
- ⇒the final acreage survey reduced the approximate designation of 10 acres to 7.78 acres

The decreased sale price results from removal of the original contingency for closure only upon securing the necessary zoning change. The reduction in acreage would have occurred in any case.

PGE proposes to record the \$575,926.24 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.

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

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