

ORDER NO. 00-231

ENTERED MAY 02 2000

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UP 169 (1)

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

DISPOSITION: AMENDED APPLICATION GRANTED WITH CONDITIONS

On August 18, 1999, the Commission received an application from Portland General Electric Company (PGE or the 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. At its September 21, 1999, Public Meeting the Commission approved the sale with conditions. This approval was memorialized in Commission Order No. 99-600. On April 14, 2000, PGE filed an amended application.

Based on a review of the amended application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on April 25, 2000, the Commission adopted the Staff's recommendation to approve the revised terms for the sale of the subject property 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. PGE is a public utility subject to the jurisdiction of the Public Utility Commission of Oregon.
2. PGE's proposed transaction meets the requirements of ORS 757.480.
3. The application should be granted.

ORDER

IT IS ORDERED that the amended 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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: APRIL 25, 2000**

REGULAR AGENDA X CONSENT AGENDA EFFECTIVE DATE

DATE: April 17, 2000

TO: Bill Warren through Marc Hellman and Mike Myers

FROM: Marion Anderson

SUBJECT: UP 169 (1) – Supplemental Amended Application for Approval to Sell Land
Adjacent to the Willamette Falls Dam to Smurfit Newsprint Corporation

SUMMARY RECOMMENDATION:

I recommend approval of the revised terms for the sale with the conditions noted in the detailed recommendation.

DISCUSSION:

Portland General Electric Company (PGE) made this filing on April 13, 2000 pursuant to ORS 757.480 and OAR 860-027-0025. The original transaction was approved by Order No. 99-600 entered October 4, 1999. However, the original purchaser reneged.

Numerous improvements have been made to the land by Smurfit, and its predecessors, since 1904. PGE believes that the demolition liabilities resulting from razing the property would be substantial. Therefore, PGE has decided to sell the land "as is" at no charge. The cost will be absorbed by PGE shareholders, holding ratepayers harmless as to the original gain from the disposition of utility plant transaction shown in Order No. 99-600.

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.