

ORDER NO. 00-557

ENTERED SEP 15 2000

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP 179

In the Matter of the Application of)	
PORTLAND GENERAL ELECTRIC for)	ORDER
Approval to Sell Streetlights and Streetlight)	
Poles to the City of Wilsonville.)	

DISPOSITION: APPLICATION GRANTED WITH CONDITIONS

On July 18, 2000, the Commission received an application from Portland General Electric Company (PGE), filed pursuant to ORS 757.480 and OAR 860-27-025, 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 1,410 streetlights and 1,317 streetlight poles situated in Clackamas County, Oregon, throughout the city of Wilsonville.

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 12, 2000, the Commission adopted the Staff's recommendation to approve the sale as proposed. 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. Portland General Electric Company is a public utility subject to the Commission's jurisdiction.

Applicable Law

ORS 757.480 provides that, except for water utilities, 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 \$100,000.

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 \$100,000 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 in Oregon is granted, subject to the 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 to a court pursuant to ORS 756.580.

ITEM NO. CA8

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 12, 2000**

REGULAR AGENDA___ CONSENT AGENDA_ X EFFECTIVE DATE September 13, 2000

DATE: September 5, 2000

TO: Bill Warren through Marc Hellman and Bryan Conway

FROM: Stefan Brown

SUBJECT: UP 179 - Portland General Electric's Application for Approval of the Sale of Streetlights and Streetlight Poles to the City of Wilsonville

SUMMARY RECOMMENDATION:

I recommend the Commission approve the application subject to the conditions listed in the Staff Recommendation.

DISCUSSION:

Portland General Electric (PGE) submitted this application under ORS 757.480 and OAR 860-27-025 asking for approval by the Public Utility Commission (Commission) of the sale of certain PGE utility property alleged to be no longer necessary or useful for providing utility services to the public.

The property consists of 1,410 streetlights and 1,317 streetlight poles situated in Clackamas County, Oregon throughout the city of Wilsonville which were purchased by PGE to serve the City of Wilsonville (City). The City currently receives street lighting service under PGE Schedule 91, Option A, which includes charges for the poles, lights, maintenance and energy necessary for street lighting. PGE Schedule 91 allows the City to own the streetlights and streetlight poles rather than rent them from PGE. Once the sale is completed PGE will continue to provide energy and maintenance services per PGE Schedule 91, Option B. All of the property proposed for sale has been treated as utility property since it was purchased.

The property is being sold to the City of Wilsonville for \$780,289.20. For valuation purposes, the replacement cost of the lights and poles, less the accumulated depreciation, was used to calculate the sales price.

There is no indication that the proposed sale will impair PGE's ability to provide public utility service in Oregon. Based on PGE's comparison of actual replacement costs for similar equipment, the sales price appears fair and reasonable, and PGE's actions in negotiating the terms of this sale are consistent with the public interest.

PGE proposes to record the gain of \$216,695 in FERC Account 108, Accumulated Provision for Depreciation of Electric Utility Plant. Use of the depreciation reserve account to record the gain is in accordance with the FERC Uniform System of Accounts, and has been approved in prior Commission orders.

STAFF RECOMMENDATION:

I recommend the Commission approve PGE's application to sell streetlights and street poles to the City of Wilsonville subject to the following conditions:

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 does not constitute approval for ratemaking purposes.