

SB 637 STAFF MEASURE SUMMARY

House Committee On Energy and Environment

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Meeting Dates: 4/18

WHAT THE MEASURE DOES:

Increases the value of property for which a public utility requires prior authorization from the Oregon Public Utility Commission (PUC) before selling, leasing, assigning, or otherwise disposing of the property from \$100,000 to \$1 million. Requires a public utility to report annually to the PUC with a summary of each transaction involving the disposition of property valued over \$25,000 and under \$1 million. Eliminates requirement for a public utility to notify the PUC of the disposition of property valued over \$25,000 and under \$100,000 within 60 days following the disposition. Establishes that a public utility uses the recognized basis of an operating expense or capital expenditure in an Oregon rate valuation or other hearing or proceeding to value property for the purposes of these provisions.

REVENUE: No revenue impact

FISCAL: Has minimal fiscal impact

Senate Vote (3/4/19): Carried by Girod. Passed. Ayes, 25; Excused, 5--Baertschiger Jr, Hass, Heard, President Courtney, Wagner.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Current statute requires a public utility doing business in Oregon to obtain approval from the Oregon Public Utility Commission (PUC) prior to disposing of property which is necessary or useful in the operation of its duties and which is valued at more than \$100,000 and to notify the PUC within 60 days of disposing of property valued between \$25,000 and \$100,000.

Senate Bill 637 would modify the value at which a public utility must get prior approval from the PUC before selling, leasing, assigning, or otherwise disposing of the property, increasing the threshold from \$100,000 to \$1 million. The Act would replace the current requirement for a public utility to report dispositions of property to the PUC within 60 days with a provision requiring an annual report to the PUC of all dispositions of property valued over \$25,000 and under \$1 million. SB 637 would establish that property be valued based on recognized basis for an operating expense or capital expenditure in an Oregon rate valuation or other hearing or proceeding.