

Enrolled
Senate Bill 637

Sponsored by Senator GIROD

CHAPTER

AN ACT

Relating to disposition of utility property; amending ORS 757.480.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 757.480 is amended to read:

757.480. (1) A public utility doing business in Oregon shall not, without first obtaining the Public Utility Commission's approval of such transaction:

(a) Except as provided in subsection [(5)] **(6)** of this section, sell, lease, assign or otherwise dispose of the whole of the property of [such] **the public utility** necessary or useful in the performance of [its] **the public utility's** duties to the public or any part thereof of a value [in excess of \$100,000] **of \$1 million or more**, or sell, lease, assign or otherwise dispose of any franchise, permit or right to maintain and operate [such] **the public utility** or public utility property, or perform any service as a public utility;

(b) Mortgage or otherwise encumber the whole or any part of the property of [such] **the public utility** necessary or useful in the performance of [its] **the public utility's** duties to the public, including any franchise, permit or right to maintain and operate [such] **the public utility** or public utility property, or perform any service as a public utility; or

(c) By any means whatsoever, directly or indirectly, merge or consolidate any of [its] **the public utility's** lines, plant, system or other property whatsoever, or franchise or permit to maintain or operate any public utility property, or perform any service as a public utility, or any part thereof, with any other public utility.

(2) [A public utility that sells, leases, assigns or otherwise disposes of the whole of the 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 \$25,000, but less than \$100,000, shall notify the commission of the sale within 60 days following the date of the sale.] **A public utility doing business in Oregon shall annually file with the commission a report that includes a summary of each transaction in excess of \$25,000 but less than \$1 million that the public utility made during the previous calendar year that involved the sale, lease, assignment or other disposition of the whole of the property of the public utility necessary or useful in the performance of the public utility's duties to the public or any part thereof.**

(3) Every sale, lease, assignment, mortgage, disposition, encumbrance, merger or consolidation subject to subsection (1) of this section made other than in accordance with the order of the commission authorizing the same is void.

(4) **For purposes of complying with subsections (1)(a) and (2) of this section, a public utility shall include in the calculation of the value of the property to be sold, leased, assigned or otherwise disposed of only the portion of the value of the property that has been recog-**

nized as the basis of an operating expense or capital expenditure in an Oregon rate valuation or other hearing or proceeding.

[(4)] (5) This section does not prohibit or invalidate the sale, lease or other disposition by any public utility of property [which] that is not necessary or useful in the performance of [its] the public utility's duties to the public.

[(5)] (6) A water utility doing business in Oregon shall not, without first obtaining the Public Utility Commission's approval of [such] a transaction, sell, lease, assign or otherwise dispose of the whole of the property of [such] the water utility necessary or useful in the performance of [its] the water utility's duties to the public or any part thereof of a value in excess of \$10,000, or sell, lease, assign or otherwise dispose of any franchise, permit or right to maintain and operate [such] the water utility or water utility property, or perform any service as a water utility.

Passed by Senate March 4, 2019

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House May 22, 2019

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Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2019

Approved:

.....M.,....., 2019

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2019

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Bev Clarno, Secretary of State