Senate Bill 637
Sponsored by Senator GIROD

SUMMARY
The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Raises statutory threshold for requiring public utility to receive Public Utility Commission approval for disposition of certain property from $100,000 to $1 million.
Requires public utility to submit annual report to commission summarizing transactions for disposition of property valued in excess of $25,000 but less than $1 million.
Repeals requirement that public utility notify commission of disposition of certain property valued in excess of $25,000 but less than $100,000.
Requires public utility to determine value of property for purposes of compliance with statutory thresholds based on portion of value of property recognized as basis of operating expense or capital expenditure in Oregon rate valuation or other hearing or proceeding.

A BILL FOR 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

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted.
New sections are in boldfaced type.

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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 com-
mission 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.

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

(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 a water 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, or sell, lease, assign or otherwise dispose of any franchise, permit or right to maintain and operate such a water utility or water utility property, or perform any service as a water utility.