

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

1
2 Relating to disposition of utility property; amending ORS 757.480.

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

4 **SECTION 1.** ORS 757.480 is amended to read:

5 757.480. (1) A public utility doing business in Oregon shall not, without first obtaining the Public
6 Utility Commission's approval of such transaction:

7 (a) Except as provided in subsection [(5)] **(6)** of this section, sell, lease, assign or otherwise dis-
8 pose of the whole of the property of [*such*] **the** public utility necessary or useful in the performance
9 of [*its*] **the public utility's** duties to the public or any part thereof of a value [*in excess of*
10 **\$100,000**] **of \$1 million or more**, or sell, lease, assign or otherwise dispose of any franchise, permit
11 or right to maintain and operate [*such*] **the** public utility or public utility property, or perform any
12 service as a public utility;

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

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

21 (2) [*A public utility that sells, leases, assigns or otherwise disposes of the whole of the property*
22 *of such public utility necessary or useful in the performance of its duties to the public or any part*
23 *thereof of a value in excess of \$25,000, but less than \$100,000, shall notify the commission of the sale*
24 *within 60 days following the date of the sale.*] **A public utility doing business in Oregon shall an-**
25 **nually file with the commission a report that includes a summary of each transaction in**
26 **excess of \$25,000 but less than \$1 million that the public utility made during the previous**
27 **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.

1 **the property of the public utility necessary or useful in the performance of the public**
 2 **utility's duties to the public or any part thereof.**

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

6 **(4) For purposes of complying with subsections (1)(a) and (2) of this section, a public**
 7 **utility shall include in the calculation of the value of the property to be sold, leased, assigned**
 8 **or otherwise disposed of only the portion of the value of the property that has been recog-**
 9 **nized as the basis of an operating expense or capital expenditure in an Oregon rate valuation**
 10 **or other hearing or proceeding.**

11 [(4)] (5) This section does not prohibit or invalidate the sale, lease or other disposition by any
 12 public utility of property [*which*] **that** is not necessary or useful in the performance of [*its*] **the**
 13 **public utility's** duties to the public.

14 [(5)] (6) A water utility doing business in Oregon shall not, without first obtaining the Public
 15 Utility Commission's approval of [*such*] **a** transaction, sell, lease, assign or otherwise dispose of the
 16 whole of the property of [*such*] **the** water utility necessary or useful in the performance of [*its*] **the**
 17 **water utility's** duties to the public or any part thereof of a value in excess of \$10,000, or sell, lease,
 18 assign or otherwise dispose of any franchise, permit or right to maintain and operate [*such*] **the**
 19 water utility or water utility property, or perform any service as a water utility.

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