

**SB 637 STAFF MEASURE SUMMARY**

**Carrier:** Sen. Girod

**Senate Committee On Business and General Government**

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**Action Date:** 02/21/19

**Action:** Do pass.

**Vote:** 5-0-0-0

**Yeas:** 5 - Dembrow, Girod, Hass, Olsen, Riley

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Tyler Larson, LPRO Analyst

**Meeting Dates:** 2/7, 2/21

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**WHAT THE MEASURE DOES:**

Raises transaction threshold for which public utility doing business in Oregon must obtain approval from Oregon Public Utility Commission (PUC) for disposition of property valued from \$100,000 to \$1 million. Eliminates reporting requirement for disposition of property valued between \$25,000 and \$100,000. Requires public utility to make annual report to PUC summarizing disposition of property valued between \$25,000 and \$1 million. Requires valuation to be based on portion of the value of the property recognized as basis for an operating expense or capital expenditure in an Oregon rate valuation or other hearing or proceeding.

**ISSUES DISCUSSED:**

- Value to utilities of streamlined reporting process
- Potential reduction in administrative costs while preserving oversight

**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 increases the transaction threshold for which a public utility must obtain PUC approval to property valued at more than \$1 million and replaces the 60-day reporting requirement with an annual report summarizing each transaction of property valued between \$25,000 and \$1 million. The measure requires valuation be based on only the portion of the value of the property that has been recognized as the basis for an operating expense or capital expenditure in an Oregon rate valuation or other hearing or proceeding.