

SB 637 STAFF MEASURE SUMMARY
House Committee On Energy and Environment

Carrier: Rep. Salinas

Action Date: 05/02/19

Action: Do Pass.

Vote: 9-0-0-0

Yeas: 9 - Findley, Helm, Reschke, Salinas, Schouten, Sollman, Wilde, Williams, Zika

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 4/18, 5/2

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 current 60-day disposition reporting requirement for property valued over \$25,000 and under \$100,000. Establishes that a public utility use 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.

ISSUES DISCUSSED:

- Requirement for PUC to approve disposition of assets owned by public utilities
- Regulated assets are subject to disposition requirements whether located in Oregon or outside the state
- Examples of regulated assets include real estate and equipment

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. Senate Bill 637 would establish that property be valued on recognized basis for an operating expense or capital expenditure in an Oregon rate valuation or other hearing or proceeding.