

**Enrolled**  
**Senate Bill 321**

Sponsored by Senator MESSERLE, Representatives KRIEGER, VERGER

CHAPTER .....

AN ACT

Relating to natural gas; amending ORS 758.410; and declaring an emergency.

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

**SECTION 1.** ORS 758.410 is amended to read:

758.410. (1) Any person providing a utility service may contract with any other person providing a similar utility service for the purpose of allocating territories and customers between the parties and designating which territories and customers are to be served by which of said contracting parties; and the territories and customers so allocated and designated may include all or any portion of the territories and customers which are being served by either or both of the parties at the time the contract is entered into, or which could be economically served by the then existing facilities of either party, or by reasonable and economic extensions thereto.

(2) Any such contracting parties may also contract in writing for the sale, exchange, transfer, or lease of equipment or facilities located within territory which is the subject of the allocation agreed upon pursuant to subsection (1) of this section. Any sale, exchange, transfer or lease of equipment, plant or facilities made pursuant to this subsection by any person which is a "public utility" as defined in ORS 757.005 is also subject to the approval of the Public Utility Commission to the extent required by ORS chapter 757.

(3) **The commission may approve a contract entered into under this section that authorizes Coos County to construct a natural gas pipeline into allocated territory in Coos County and that contains terms for the allocation of industrial customers in Coos County between the county and the other party to the contract. The contract need not specify the territory in which industrial customers subject to the allocation are located. The commission may approve the provisions of a contract under this subsection that govern allocation of industrial customers only if the commission determines that the provisions promote the purposes specified in ORS 758.405. The commission shall actively supervise the implementation of any contract entered into pursuant to this subsection to ensure that the contract continues to promote the purposes specified in ORS 758.405. A contract entered into under this subsection is not subject to ORS 758.420 (2).**

**SECTION 2.** This 2003 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2003 Act takes effect on its passage.

**Passed by Senate February 10, 2003**

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Secretary of Senate

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President of Senate

**Passed by House March 12, 2003**

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Speaker of House

**Received by Governor:**

.....M.,....., 2003

**Approved:**

.....M.,....., 2003

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Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2003

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Secretary of State