



Oregon

Kate Brown, Governor

Public Utility Commission

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January 28, 2020



BY EMAIL

PacifiCorp

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RE: Advice No. 19-023

At the public meeting on January 28, 2020, the Commission adopted Staff's recommendation in this matter docketed as ADV 1077. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 28, 2020**

REGULAR CONSENT EFFECTIVE DATE February 1, 2020

DATE: January 21, 2020

TO: Public Utility Commission

FROM: Mitchell Moore

THROUGH: Michael Dougherty, John Crider, and Matt Muldoon **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. ADV 1077/Advice No. 19-023)
Requests update to Schedule 103, Multnomah County Business Income
Tax Recovery.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) approve Pacific Power's (PacifiCorp or Company) request to amend its Schedule 103, which recovers the Multnomah County Business Income Tax (MCBIT) payments, and allow the change to take effect on February 1, 2020.

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's proposed update to its Schedule 103 to adjust the rate related to recovery of its MCBIT payments.

Applicable Law

PacifiCorp submitted this filing on December 27, 2019, pursuant to ORS 757.205, OAR 860-022-0025, and OAR 860-022-0030. The rate adjustment schedule applies to all customers receiving service within the boundaries of Multnomah County. The Commission reviews this filing in accordance with OAR 860-022-0045, which says in part:

When a county in Oregon imposes new or increased taxes or license, franchise, or operating permit fees upon an energy utility, the utility shall

collect the amount from its customers within the county imposing such taxes or fees.

Analysis

The Company maintains a balancing account to accrue any difference between the Company's actual MCBIT expenses and what it collects from customers. The rate adjustment in this filing reflects the Company's projections of the 2020 MCBIT tax expense and the current state of the MCBIT balancing account.

The Company determines the MCBIT rate by forecasting its expected MCBIT tax liability for the next calendar year and adding this forecasted amount to the expected over- or under-collection of the prior year MCBIT taxes. The total amount is divided by the forecasted revenues for Multnomah County to determine the final MCBIT rate.

The current MCBIT rate of 0.33 percent was authorized by the Commission at its January 15, 2019, Public Meeting (Advice No. 18-009). The proposed rate of 0.05 percent is a decrease from the current rate, and it has been calculated to recover the projected tax expenses in 2020 with the goal of reducing the balancing account to zero by the end of 2020.

PacifiCorp estimates that this rate change will affect approximately 82,000 customers in Multnomah County. A residential customer consuming 850 kWh monthly will see a bill decrease of approximately \$0.16.

Staff reviewed the Company's filing, which included retail revenues and MCBIT tax activity for 2019, the projected activity for 2020, forecasted collections from customers, and the resulting projected balance. Staff is satisfied the proposed rate is reasonable and will result in revenues sufficient to cover its liability.

Conclusion

After a review of PacifiCorp's filing and accompanying work papers, Staff finds that PacifiCorp's proposed rate is reasonable. Because this filing meets the requirements of ORS 757.205, OAR 860-022-0025, OAR 860-022-0030, and OAR 860-022-0045, Staff recommends the Commission approve it.

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PROPOSED COMMISSION MOTION:

Approve PacifiCorp's application to adjust the rate of Schedule 103, Multnomah County Business Income Tax Recovery, and allow the associated tariff to take effect with service rendered on and after February 1, 2020.

PAC Advice No 19-023 MCBIT



A DIVISION OF PACIFICORP

**MULTNOMAH COUNTY BUSINESS
INCOME TAX RECOVERY**

Purpose

To recover from Consumers in Multnomah County the Multnomah County Business Income Tax (MCBIT) paid by the Company in accordance with Chapter 12 of the Multnomah County Code and OAR 860-022-0045.

Applicable

To all Consumers whose electric service requirements are supplied by the Company within Multnomah County.

Balancing Account

A balancing account will be maintained to accrue any difference between the Company's actual MCBIT expense and the amount collected from Consumers through the MCBIT Rate. Any over- or under-collection of the MCBIT expense will be considered when the MCBIT Rate is periodically reviewed.

MCBIT Rate

The MCBIT Rate is:

0.05% of the total billed amount to the Consumer excluding the Low Income Bill Payment Assistance Fund (Schedule 91), Public Purpose Charge (Schedule 290), and all other separately stated taxes.

(R)

The MCBIT Rate will be reviewed periodically and updated as necessary to collect the expected MCBIT expense and to correct any over- or under-collection in the MCBIT balancing account.