



Oregon

Tina Kotek, Governor

Public Utility Commission

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February 21, 2023



BY EMAIL

PacifiCorp

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RE: Advice No. 23-002

At the public meeting on February 21, 2023, the Commission adopted Staff's recommendation in this matter docketed as ADV 1483. 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: February 21, 2023**

REGULAR **CONSENT** **EFFECTIVE DATE** March 1, 2023

DATE: February 3, 2023

TO: Public Utility Commission

FROM: Bret Stevens

THROUGH: Bryan Conway, Marc Hellman, and Matt Muldoon **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. ADV 1483/Advice No. 23-002)
2023 Multnomah County Business Income Tax Recovery.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Pacific Power's (PacifiCorp, PAC, or Company) Advice No. 23-002 associated with their Schedule 103 - Multnomah County Business Income Tax (MCBIT), effective for service on and after March 1, 2023.

DISCUSSION:

Issue

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

Applicable Law

PacifiCorp submitted this filing on January 23, 2023, 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 states 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 determines the MCBIT rate by forecasting its expected MCBIT tax liability for the next calendar year. The Company maintains a balancing account to accrue any difference between the Company's actual MCBIT expenses and what it collects from customers over the year. The over- or under-collection in the prior year is then added to the forecast amount for the following year. The total amount is divided by the forecasted revenues for Multnomah County to determine the final MCBIT rate. The rate adjustment in this filing reflects the Company's projections of the 2023 MCBIT tax expense and the current state of the MCBIT balancing account.

The current MCBIT rate of 0.25 percent was authorized by the Commission beginning March 24, 2021.¹ The proposed rate of -0.02 percent is a sizeable decrease compared to the current rate and it has been calculated to pay the projected taxes while reducing the balancing account to zero by the end of 2023.

The proposed rate is lower than any rate in recent history. It shows that in general, the rates set last year collected enough revenue to roughly pay for two years of the MCBIT. This updated charge is planned to sufficiently correct this over-collection. A review of recent tariff revisions is summarized below in the following table:

Oregon Schedule 103 - Recent History		
Tariff Revision	PUC Docket	MCBIT Rate
8	ADV 451	0.23%
9	ADV 726	0.33%
10	ADV 895	0.23%
11	ADV 1077	0.05%
12	ADV 1244	0.25%
Proposed rate:		
13	ADV 1483	-0.02%

PacifiCorp estimates that this rate change will affect approximately 86,000 customers in Multnomah County. A residential customer consuming 900 kWh monthly will see a bill decrease of approximately \$0.31 per month.

Staff met with the Company on February 3, 2023, in order to review the work papers and discuss the mechanics of the MCBIT.

¹ See OPUC Docket No. ADV 1244 (Approved at March 23, 2021, Regular Public Meeting).

PAC Docket No. ADV 1483/Advice No. 23-002
February 3, 2023
Page 3

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.

The Company has reviewed this memo and agrees with its content.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's Advice No. 23-002, Multnomah County Business Income Tax Recovery, effective for service on and after March 1, 2023.

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:

-0.02% 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.