



Oregon

Tina Kotek, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

December 12, 2023



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 23-25

At the public meeting on December 12, 2023, the Commission adopted Staff's recommendation in this matter docketed as ADV 1554. The Redacted 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
REDACTED STAFF REPORT
PUBLIC MEETING DATE: December 12, 2023**

REGULAR	CONSENT	X	EFFECTIVE DATE	January 1, 2024
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DATE: November 15, 2023

TO: Public Utility Commission

FROM: Itayi Chipanera

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

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1554/Advice No. 23-25)
Schedule 106, Multnomah County Business Income Tax Update.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) request to update its Schedule 106, which recovers the Multnomah County Business Income Tax (MCBIT).

DISCUSSION:

Issue

Whether the Commission should approve PGE's proposal to update Schedule 106 and increase the rate used to recover the Multnomah County Business Income Tax.

Applicable Rule or Law

Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220.

OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change. OAR 860-022-0030 contains similar requirements for the filing of schedules naming increased rates.

Unless subject to an automatic adjustment clause under ORS 757.210(1), amounts deferred are allowed in rates to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon review of the utility's earnings at the time of application to amortize the deferral. ORS 757.259(4); OAR 860-027-0300(9)

OAR 860-022-0045(1) states in relevant part, “[i]f any county in Oregon, other than a city-county, imposes upon an energy or large telecommunications utility any new taxes or license, franchise, or operating permit fees, or increases any such taxes or fees, the utility required to pay such taxes or fees shall collect from its customers within the county imposing such taxes or fees the amount of the taxes or fees, or the amount of increase in such taxes or fees.”

Analysis

PGE maintains a balancing account which is used to accrue the difference between the company's actual Multnomah County Business Income Tax expenses and the amount collected from customers to cover those tax expenses. The MCBIT is collected through the Company's Schedule 106. The current approved Schedule 106 collection rate is 0.000 percent. The MCBIT rate is applied to the customer's total billed amount.

PGE is proposing to increase the Multnomah County Business Income Tax rate to 0.026 percent. The company determines the Schedule 106 recovery rate by forecasting its tax liability for the next calendar year. The forecasted tax liability is then adjusted by the current year end balance in the balancing account. The adjusted tax liability is finally divided by the Multnomah County revenues expected in the next calendar year. Table 1 below is summary of how the proposed rate was calculated.

[BEGIN CONFIDENTIAL]

[REDACTED]

[REDACTED]

[END CONFIDENTIAL]

The proposed rate will affect approximately 334,000 customers in Multnomah County. An average Schedule 7 residential customer consuming 795 Kilo Watt Hours (kWh) will see in their bill an increase of about \$0.03 or 0.023 percent.

Conclusion

After reviewing PGE's filing and supporting workpapers, Staff concludes that PGE's proposed rate increase for Schedule 106, Multnomah County Business Income Tax Recovery, is reasonable. This filing meets the requirements of OAR 860-022-0045(1) and OAR 860-022-0025(2); therefore, Staff recommends the Commission to approve PGE's filing.

The Company has reviewed a draft of this memo and voiced no concerns.

PROPOSED COMMISSION MOTION:

Approve PGE's application to adjust the rate for Schedule 106, Multnomah County Business Income Tax Recovery, and allow the associated tariff to take effect with service rendered on and after January 1, 2024.

**SCHEDULE 106
MULTNOMAH COUNTY BUSINESS INCOME TAX RECOVERY**

PURPOSE

To recover from Customers in Multnomah County the Multnomah County Business Income Tax (MCBIT) paid by the Company in accordance with Multnomah County Code § 12.610 and OAR 860-022-0045 and to establish an associated Automatic Adjustment Clause and balancing account.

APPLICABLE

All Customers receiving Electricity Service within Multnomah County.

BALANCING ACCOUNT

A MCBIT Balancing Account will be maintained to accrue any difference between the Company's actual local income tax liability and the amount collected from Customers under this Schedule. Any over or under-collection reflected in this account will be considered when the MCBIT Rate is established. This Balancing Account will accrue interest at the Commission-authorized rate for deferred accounts.

MCBIT RATE DETERMINATION

The MCBIT Rate is determined by dividing the sum of forecast MCBIT tax liability plus or minus any amount in the Balancing Account divided by forecast Retail Revenue from Customers in Multnomah County for each tax year or other applicable recovery period.

MCBIT RATE

The MCBIT Rate is:

0.026% of the total billed amount to the Customer excluding the Public Purpose Charge (Schedule 108), Energy Efficiency Funding Adjustment (Schedule 109), Low Income Assistance Charge (Schedule 115) and all other separately stated taxes.

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