



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204

December 29, 2020

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, S.E.
P.O. Box 1088
Salem, OR 97308-1088

RE: Advice No. 20-48, Schedule 103, Metro Supportive Housing Services Business Income Tax

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes (ORS) 757.205 and 757.210, and Oregon Administrative Rules (OARs) 860-022-0025(2) and 860-022-0030 for filing proposed tariff sheet associated with Tariff P.U.C. No. 18, with a requested effective date of **April 1, 2021**:

Original Sheet No. 103-1

PGE hereby submits new Schedule 103, Metro Supportive Housing Services Business Income Tax. The purpose of the schedule is to recover from Customers, the Metro Supportive Housing Service Business Income Tax (MSHS) paid by the Company for “commercial activity” in Metro’s jurisdiction.

PGE filed an application for deferred accounting on November 13, 2020 to track actual MSHS expenses and revenues collected under Schedule 103. PGE requests that the Commission consider this advice filing and its application for deferred accounting simultaneously.

The MSHS Business Income Tax was passed by voters who live within Metro’s jurisdiction in May 2020. It imposes a tax based on “taxable commercial activity” in Clackamas, Multnomah and Washington counties that are within Metro’s jurisdiction. This will apply to tax years starting January 1, 2021. PGE must pay estimated taxes in 2021 associated with this new tax that were not forecasted in UE 335, PGE’s most recent general rate case.

PGE used the same methodology for estimating the MSHS Business Income Tax that is used to calculate Schedule 106, the Multnomah County Business Income Tax. PGE’s estimate of the MSHS for 2021 is \$1.5 million. However, given that this is a new tax and the ultimate tax amount remains uncertain the actual tax amount may differ. PGE’s proposed balancing account and automatic adjustment clause, will allow PGE to true up the differences between PGE’s estimated MSHS collected under Schedule 103 and its actual MSHS expense. These differences will be credited or charged to customers through an annual update of Schedule 103 prices.

The proposed Schedule 103 price is applied on a percentage basis of customers' bills with the exceptions outlined in the proposed tariff, similar to PGE's Schedule 106 Multnomah County Business Income Tax for customers in Multnomah County. PGE is proposing an effective date of April 1, 2021 to allow PGE to update its billing system, so only customers who live within Metro's jurisdiction in Clackamas, Multnomah and Washington Counties will receive the Schedule 103 charge.

The proposed Schedule 103 price included in this filing was calculated based on revenues received from all customers who live within Clackamas, Multnomah and Washington counties. However, not all customers in those counties are within Metro and PGE is working to identify Customers within Metro. Prior to the April 1, 2021 effective date, PGE will supplement this filing with an updated Schedule 103 price which will only include revenues from customers residing in those counties within Metro's jurisdiction.

To satisfy the requirements of OARs 860-022-0025(2) and 860-022-0030, PGE provides the following responses:

The proposed Schedule 103 rate change will result in a 0.095% overall rate increase for approximately 740,000 Clackamas, Multnomah and Washington County Customers within Metro's jurisdiction. A typical Schedule 7 Residential Customer consuming 800 kWh monthly will see a bill increase of approximately \$0.09.

Work papers detailing the Schedule 103 rate development are enclosed.

Please direct any questions regarding this filing to Chris Pleasant at (503) 464-2555.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pqn.com

Sincerely,

\s\ Robert Macfarlane

Robert Macfarlane
Manager, Pricing & Tariffs

Enclosure(s)

SCHEDULE 103
METRO SUPPORTIVE HOUSING SERVICES BUSINESS INCOME TAX RECOVERY

PURPOSE

To recover from Customers inside Metro's jurisdiction in Clackamas, Multnomah and Washington Counties the Metro Supportive Housing Services (MSHS) Business Income Tax paid by the Company in accordance with Measure 26-210 OAR 860-022-0045 and to establish an associated Automatic Adjustment Clause and balancing account.

APPLICABLE

All Customers receiving Electricity Service within Metro's jurisdiction in Clackamas, Multnomah and Washington Counties.

BALANCING ACCOUNT

The MSHS 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 Metro Supportive Housing Services Rate is established. This Balancing Account will accrue interest at the Commission-authorized rate for deferred accounts.

METRO SUPPORTIVE HOUSING SERVICES RATE DETERMINATION

The MSHS Rate is determined by dividing the sum of forecast MSHS tax liability plus or minus any amount in the Balancing Account divided by forecast Retail Revenue from Customers in Metro's jurisdiction in Clackamas, Multnomah or Washington Counties for each tax year or other applicable recovery period.

MSHS RATE

The MSHS Rate is:

0.162% 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.