

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 15, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2016

DATE: December 4, 2015

TO: Public Utility Commission

FROM: Mitchell Moore *mm*

THROUGH: *E* Jason Eisdorfer and *A* Marc Hellman

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 118/Advice No. 15-23) Updates Schedule 106, Multnomah County Business Income Tax Recovery.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE or Company) filing and allow the associated tariff to go into effect on January 1, 2016.

ISSUE:

PGE proposes to adjust the rate collected through its Schedule 106, Multnomah County Business Income Tax Recovery. This tax is commonly referred to as the MCBIT.

APPLICABLE RULE AND LAW:

PGE makes this filing pursuant to ORS 757.205, ORS 757.210, OAR 860-022-0025, and OAR 860-022-0030.

Further, the adjustment schedule represented in this filing applies to all customers receiving service within the boundaries of Multnomah County in accordance with OAR 860-022-0045, which says in part:

"If any county in Oregon imposes or increases taxes or licensing, franchise, or operating permit fees, the utility required to pay such taxes or fees 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 is collected from customers. The rate adjustment in this filing reflects the Company's projections of the 2016 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. This total amount is then divided by the forecasted revenues for Multnomah County to determine the final MCBIT rate.

The current rate of 0.073 percent was authorized by the Commission at its December 16, 2014, public meeting (Advice No. 14-22). The proposed rate of 0.165 percent in this filing has been calculated to recover the projected tax expenses from January 1 through December 31, 2016.

PGE estimates that this rate change will result in a 0.092 percent increase to the approximately 285,000 Multnomah County customers subject to the MCBIT. A residential customer consuming 840 kWh monthly will see a bill increase of approximately \$0.09.

CONCLUSION:

After a review of PGE's filing and accompanying work papers, Staff finds that PGE's proposed rate is reasonable. As this filing meets the requirements of ORS 757.205, ORS 757.210, OAR 860-022-0025, and OAR 860-022-0030, Staff recommends the Commission approve it.

PROPOSED COMMISSION MOTION:

PGE's filing to adjust the rate of Schedule 106, Multnomah County Business Income Tax Recovery be approved, and the associated tariff be allowed to take effect on January 1, 2016.