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VIA ELECTRONIC FILING

November 29, 2018

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97301-1088

Re: OPUC Docket UM____;
Application for Authorization to Defer Certain Expenses or Revenues Relating to MCBIT

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), files herewith an Application for Authorization to Defer Certain Expenses or Revenues. The Application is filed in order to defer amounts relative to the Multnomah County Business Income Tax (MCBIT) for later recovery in rates.

A Notice of this Application will be sent to all parties participating in the Company’s current general rate case, UG 344, and is attached hereto as Exhibit B.

A Certificate of Service is attached as Exhibit C.

Please address correspondence on this matter to me with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
220 NW Second Avenue
Portland, Oregon 97209
Telecopier: (503) 721-2516
Telephone: (503) 226-4211, ext. 3589
eFiling@nwnatural.com

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Analyst

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba, NW NATURAL

APPLICATION

For Authorization to Defer Certain
Expenses or Revenues Pursuant to
ORS 757.259

1 Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the
2 “Company”) hereby files with the Public Utility Commission of Oregon (the
3 “Commission”) this application (“Application”) seeking authorization to use
4 deferred accounting pursuant to ORS 757.259 and OAR 860-27-300, for the 12-
5 month period beginning January 1, 2019 through December 31, 2019, for
6 amounts associated with NW Natural’s Multnomah County Business Income Tax
7 (MCBIT) as described in general Schedule A.

8 In support of this Application, NW Natural states:

9 **A. NW Natural.**

10 NW Natural is a public utility in the State of Oregon and is subject to the
11 jurisdiction of the Commission regarding rates, service, and accounting practices.
12 NW Natural also provides retail natural gas service in the States of Oregon and
13 Washington.

14 **B. Statutory Authority.**

15 This application is filed pursuant to ORS 757.259, which empowers the

1 Commission to authorize the deferral of expenses or revenues of a public utility
2 for later inclusion in rates.

3 **C. Communications.**

4 Communications regarding this Application should be addressed to:

5 NW Natural
6 e-Filing Rates & Regulatory Affairs
7 220 NW Second Avenue
8 Portland, Oregon 97209-3991
9 Telephone: (503) 226-4211, ext. 3589
10 Facsimile: (503) 721-2516
11 Email: eFiling@nwnatural.com;

12
13 Zachary D. Kravitz (OSB# 152870)
14 Director, Rates & Regulatory Affairs
15 220 NW Second Avenue
16 Portland, Oregon 97209-3991
17 Phone: (503) 220-2379
18 Email: zdk@nwnatural.com;

19
20 and

21
22 Kyle Walker, CPA
23 Rates & Regulatory Affairs
24 220 NW Second Avenue
25 Portland, Oregon 97209-3991
26 Phone: (503) 226-4211 Ext. 5858
27 Email: Kyle.Walker@nwnatural.com

28
29 **D. Description of the Expenses or Revenues for which Deferred**

30 **Accounting is Requested – OAR 860-027-0300(3)(a).**

31 NW Natural hereby requests the authorization to use deferred accounting
32 for any amounts that are over or under collected associated with the MCBIT
33 balancing account. The deferred amounts may result in an increase or decrease
34 in the MCBIT rate for the following year.

1 **E. Reasons for Application for Deferred Accounting – OAR 860-027-**
2 **0300(3)(b).**

3 ORS 757.259 is a “statutorily authorized exception to the general
4 prohibition against retroactive ratemaking” that allows a “means to address utility
5 expenses or revenues outside of the utility’s general rate case proceeding.¹
6 Under ORS 757.259(2)(e), the Commission has discretion to authorize a deferral
7 of “[i]dentifiable utility expenses or revenues, the recovery or refund of which the
8 commission finds should be deferred in order to minimize the frequency of rate
9 changes . . . or to match appropriately the costs borne by and benefits received
10 by rate payers.” NW Natural requests this deferral to match the costs borne and
11 benefits received by customers.

12 **F. Accounting – OAR 860-027-0300(3)(c).**

13 Beginning on January 1, 2019, and ending twelve months from this date,
14 NW Natural proposes to account for the expenses and revenues associated with
15 the MCBIT by recording the deferral in Account 186. NW Natural proposes to
16 amortize the deferral as part of its adjustment to rates with its annual Schedule A
17 filing updating MCBIT expense.

18 **G. Estimated Accounts Subject to Deferral – OAR 860-027-0300(3)(d).**

19 NW Natural cannot estimate what amounts will be recorded in the MCBIT
20 deferral account for the upcoming twelve-month period because the amount is
21 dependent on the actual tax assessed by Multnomah County and customer
22 usage which collects, on a variable basis, the revenues for MCBIT.

¹ *In re Matter Public Utility Commission of Oregon Staff Request to Open Investigation Related to Deferred Accounting*,
Docket UM 1147, Order No. 05-1070 at 2 (October 5, 2005).

1 **H. Notice – OAR 800-027-0300(6).**

2 A notice of this Application has been served on the all parties participating
3 in the Company's current general rate case, UG 344, and is attached to this
4 Application.

5 NW Natural respectfully requests that the Commission issue an order
6 authorizing the Company to defer the over or under collected amounts described
7 in the Application associated with MCBIT.

8 Date this 29th of November, 2018.

9 Respectfully Submitted,

10 NW NATURAL

11 /s/ Kyle Walker, CPA
12 Kyle Walker, CPA
13 Rates/Regulatory Analyst

14
15 /s/ Zachary D. Kravitz
16 Zachary D. Kravitz (OSB# 152870)
17 Director, Rates & Regulatory Affairs
18 220 NW Second Avenue
19 Portland, Oregon 97209-3991
20 Phone: (503) 220-2379
21 Email: zdk@nwnatural.com
22



UM _____

**NOTICE OF APPLICATION FOR AUTHORIZATION TO
DEFER CERTAIN EXPENSES OR REVENUES**

November 29, 2018

To All Parties Who Participated in UG 344:

Please be advised that on November 29, 2018 Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for authorization to defer amounts relative to the Multnomah County Business Income Tax (MCBIT).

This is not a rate case. The purpose of this Notice is to inform parties participating in the Company's current general rate case, UG 344, that a Deferral Application has been filed.

Parties who desire more information or who wish to obtain a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Public Utility Commission of Oregon as follows:

**NW Natural
Attn: Kyle Walker
220 NW Second Ave
Portland, Oregon 97209-3991
Telephone: (503) 226-4211 Ext 5858**

**Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem, Oregon 97301-1088
Telephone: (503) 373-0886**

Any person may submit to the Commission written comments on this matter by December 29, 2018. The granting of this Deferral Application will not authorize a change in rates, but will permit the Company to defer amounts in rates to a subsequent proceeding.

* * * * *



CERTIFICATE OF SERVICE
Docket UM _____

I hereby certify that on November 29, 2018 I served by electronic mail the foregoing NOTICE OF APPLICATION FOR AUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES RELATING TO THE MUTL NOMAH COUNTY BUSINESS INCOME TAX (MCBIT) by electronic mail to all parties on record for the Company's current general rate case, UG 344.

UG 344

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DATED November 29, 2018 Portland, OR.

/s/ Erica Lee-Pella
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