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VIA ELECTRONIC FILING

November 22, 2019

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 1984; Application for Reauthorization 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 reauthorization 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 who participated in the Company’s most recent general rate case, UG 344, and is attached 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
P.O. Box 6017
Portland, Oregon 97228
Telephone: (503) 226-4211, ext. 3589
Fax: (503) 220-2579
eFiling@nwnatural.com

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Manager

Attachments

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1984

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba, NW NATURAL

For Reauthorization for Defer Certain
Expenses or Revenues Pursuant to
ORS 757.259

APPLICATION

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 reauthorization to use deferred
4 accounting pursuant to ORS 757.259 and OAR 860-027-300 for the 12-month period
5 beginning January 1, 2020 through December 31, 2020 for amounts associated with
6 NW Natural’s Multnomah County Business Income Tax (MCBIT), as described in
7 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. NW
12 Natural also provides retail natural gas service in the States of Oregon and Washington.

13 **B. Statutory Authority.**

14 ///

15 ///

1 This application is filed pursuant to ORS 757.259, which empowers the
2 Commission to authorize the deferral of expenses or revenues of a public utility for later
3 inclusion in rates.

4 **C. Communications.**

5 Communications regarding this Application should be addressed to:

6 NW Natural
7 eFiling for Regulatory Affairs
8 P.O. Box 6017
9 Portland, Oregon 97228
10 Telephone: (503) 226-4211, ext. 3589
11 Fax: (503) 220-2579
12 Email: eFiling@nwnatural.com;

13
14 Eric W. Nelsen (OSB# 192566)
15 Senior Regulatory Attorney
16 P.O. Box 6017
17 Portland, Oregon 97228
18 Phone: (503) 721-2476
19 Email: eric.nelsen@nwnatural.com;

20
21 and

22
23 Kyle Walker, CPA
24 Rates/Regulatory Manager
25 P.O. Box 6017
26 Portland, Oregon 97228
27 Phone: (503) 226-4211 Ext. 5858
28 Email: kyle.walker@nwnatural.com

29 **D. Description of the Expenses or Revenues for which Deferred Accounting is**
30 **Requested – OAR 860-027-0300(3)(a).**

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

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

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

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

12 Beginning on January 1, 2020 and ending twelve months from this date, NW
13 Natural proposes to account for the expenses and revenues associated with the MCBIT
14 by recording the deferral in Account 186. NW Natural proposes to amortize the deferral
15 as part of its adjustment to rates with its annual Schedule A filing updating MCBIT
16 expense.¹

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

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

¹ Filings only occur when the MCBIT rate in Schedule A changes. No annual filing was made in 2019 due to the rate remaining unchanged from the previous year.

1 **H. Entries into Deferred Account During Past 12 months –**
2 **OAR 860-027-0300(4)(a)**

3 Pursuant to OAR 860-027-300(4)(a), NW Natural has deferred \$272,997 for the
4 months January 2019 through the date of this filing, which represents the difference
5 between the estimated tax provision and the collected amount from customers subject
6 to Schedule A.

7 **I. Reason for Continuation of Deferred Accounting – OAR 860-027-0300(4)(b)**

8 The continuation of deferred accounting for the matters addressed above is
9 justified because they are continuing in nature.

10 **J. Notice – OAR 800-027-0300(3)(e)(6).**

11 A notice of this Application will be served to the all parties who participated in the
12 Company's most recent general rate case, UG 344, and is attached to this Application.

13 NW Natural respectfully requests that the Commission issue an order
14 reauthorizing the Company to defer the over and under collected amounts described in
15 the Application associated with MCBIT

16 Dated this 22nd day of November, 2019.

17 Respectfully Submitted,

18 NW NATURAL

19 /s/ Kyle Walker, CPA
20 Kyle Walker, CPA
21 Rates/Regulatory Manager
22

23 /s/ Eric W. Nelsen
24 Eric W. Nelsen (OSB# 192566)
25 Senior Regulatory Attorney



UM 1984

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

November 22, 2019

To All Parties Who Participated in UG 344:

Please be advised that on November 22, 2019 Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for reauthorization 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 who participated in the Company's most recent general rate case, UG 344, that a deferral reauthorization 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
P.O. Box 6017
Portland, Oregon 97228
Phone: (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
Phone: (503) 373-0886**

Any person may submit to the Commission written comments on this matter by December 22, 2019. The granting of this deferral reauthorization application will not authorize a change in rates, but will permit the Company to defer amounts in rates to a subsequent proceeding.

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**CERTIFICATE OF SERVICE
UM 1984**

I hereby certify that on November 22, 2019 I served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES RELATING TO THE MUTL NOMAH COUNTY BUSINESS INCOME TAX (MCBIT) to all parties who participated in the Company's most recent general rate case, UG 344.

UG 344

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DATED November 22, 2019 Portland, OR.

/s/ Erica Lee-Pella
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