

December 19, 2023

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem, Oregon 97308-1088

**Re: UM 1984; Application for Reauthorization to Defer Certain Expenses or Revenues
Associated with MCBIT**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), files herewith an application for reauthorization to defer amounts associated with the Multnomah County Business Income Tax (“MCBIT”) for later recovery in rates.

A notice concerning this application will be sent to all parties who participated in the Company’s last general rate case, UG 435. A copy of the notice and the certificate of service are attached to the application.

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

eFiling
Rates & Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, OR 97204
Phone: (503) 610-7330
Fax: (503) 220-2579
eFiling@nwnatural.com

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Senior 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 to Defer Certain
Expenses or Revenues Associated with
MCBIT 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
4 deferred accounting pursuant to ORS 757.259 and OAR 860-027-0300 for the 12-
5 month period beginning January 1, 2024 through December 31, 2024, for amounts
6 associated with NW Natural’s Multnomah County Business Income Tax (“MCBIT”),
7 as described in 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.

1 **B. Statutory Authority**

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

5 **C. Communications**

6 Communications regarding this Application should be addressed to:

7 NW Natural
8 eFiling for Regulatory Affairs
9 250 SW Taylor Street
10 Portland, Oregon 97204
11 Phone: (503) 610-7330
12 Fax: (503) 220-2579
13 Email: eFiling@nwnatural.com;

14
15 Eric W. Nelsen (OSB# 192566)
16 Senior Regulatory Attorney
17 250 SW Taylor Street
18 Portland, Oregon 97204
19 Phone: (503) 610-7618
20 Email: eric.nelsen@nwnatural.com;

21
22 and

23
24 Kyle Walker, CPA
25 Senior Rates/Regulatory Manager
26 250 SW Taylor Street
27 Portland, Oregon 97204
28 Phone: (503) 610-7051
29 Email: kyle.walker@nwnatural.com

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

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

32 NW Natural hereby requests the reauthorization to use deferred accounting
33 for any amounts that are over or under collected associated with the MCBIT

1 balancing account. The deferred amounts may result in an increase or decrease in
2 the MCBIT rate for the following year.

3 **E. Reasons Reauthorization of Deferred Accounting is Being Requested –**
4 **OAR 860-027-0300(3)(b)**

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

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

14 Beginning on January 1, 2024, and ending 12 months from this date, NW
15 Natural proposes to account for the expenses and revenues associated with the
16 MCBIT by recording the deferral in Account 186. NW Natural proposes to amortize
17 the deferral as part of its adjustment to rates with its annual Schedule A filing
18 updating MCBIT expense.¹

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

20 NW Natural cannot estimate what amounts will be recorded in the MCBIT
21 deferral account for the upcoming 12-month period because the amount is

¹ Filings only occur when the MCBIT rate in Schedule A changes.

1 dependent on the actual tax assessed by Multnomah County and customer usage
2 which collects, on a variable basis, the revenues for the MCBIT.

3 **H. Entries into deferred account during past 12 months –**
4 **OAR 860-027-0300(4)(a)**

5 Pursuant to OAR 860-027-300(4)(a), NW Natural expects to defer \$259,424
6 for the months January 2023 through the end of December 2023, which represents
7 the difference between the estimated tax provision and the collected amount from
8 customers subject to Schedule A.

9 **I. Reason for Continuation of Deferred Accounting – OAR 860-027-**
10 **0300(4)(b)**

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

13 **J. Requirement per Commission Order No. 09-263**

14 Below is the information required per Commission Order No. 09-263, issued
15 in Docket UM-1286, Staff's Investigation into Purchase Gas Adjustment ("PGA")
16 Mechanisms:

- 17 **1. A completed Summary Sheet, the location in the PGA filing, and an**
18 **account map that highlights the transfer of dollars from one account**
19 **to another.**

20 Exhibit A includes a Summary Sheet which shows the over collections at
21 year end 2022, the collections and provision for 2023, and the estimated
22 tax provision for 2024. It also describes the calculation of the 2024 MCBIT

1 rate. This deferral was not included for amortization in the 2023-24 PGA
2 filing. If the Company proposes amortization in the upcoming PGA filing,
3 Exhibit A would be attached to our electronic 2024-25 PGA filing as a file
4 entitled, "Proposed Temps Oregon 2024-2025 PGA....xlsx."

5 **2. The effective date of the deferral**

6 This application is for the 12-month period beginning January 1, 2024 and
7 ending December 31, 2024.

8 **3. Prior year Order Number approving the deferral**

9 Approval to use deferred accounting for amounts associated MCBIT
10 was last granted on September 11, 2023, in Commission Order No. 23-
11 331.

12 **4. The amount deferred last year.**

13 \$329,222 was deferred for Oregon during the last deferral year of January
14 1, 2022 through December 31, 2022.

15 **5. The amount amortized last year.**

16 This account is a balancing account that takes last year's balance and
17 includes it in the next year's forecast. Therefore, we do not track
18 amortization.

19 **6. The interest rate that will apply to the accounts.**

20 There is no interest accrued on this account.

1 **7. An estimate of the upcoming PGA-period deferral and/or**
2 **amortization.**

3 NW Natural is unable to estimate the amount to be deferred during the
4 next PGA cycle. The Company's intent is to amortize for collection all that
5 is deferred.

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

7 A notice of this Application has been served to all parties who participated in
8 the Company's last general rate case, UG 435, and is attached to this Application.

9 NW Natural respectfully requests that the Commission issue an order
10 reauthorizing the Company to defer the over and under collected amounts described
11 in the Application associated with MCBIT.

12 Dated this 19th day of December 2023.

13 Respectfully Submitted,

14 NW NATURAL

15 /s/ Kyle Walker, CPA
16 Kyle Walker, CPA
17 Senior Rates/Regulatory Manager

18
19 /s/ Eric W. Nelsen
20 Eric W. Nelsen (OSB# 192566)
21 Senior Regulatory Attorney
22 250 SW Taylor Street
23 Portland, Oregon 97204
24 Phone: (503) 610-7618
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UM 1984

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

December 19, 2023

To All Parties Who Participated in UG 435:

Please be advised that on December 19, 2023, Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), applied for REAUTHORIZATION TO DEFER AMOUNTS RELATING 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 last general rate case, UG 435, that a deferral reauthorization 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
250 SW Taylor Street
Portland, Oregon 97204
Phone: (503) 610-7051**

**Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem, Oregon 97308-1088
Phone: (503) 378-6678**

Any person may submit to the Commission written comments on this matter within 25 days of service of this notice. The granting of this deferral reauthorization 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 December 19, 2023, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES ASSOCIATED WITH THE MULTNOMAH COUNTY BUSINESS INCOME TAX (“MCBIT”) upon all parties of record for NW Natural’s last general rate case, UG 435.

UG 435

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DATED December 19, 2023, Troutdale, Oregon.

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