



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

VIA ELECTRONIC FILING

December 17, 2020

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

**Re: 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 amounts relating to 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 most recent general rate case, UG 388. 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
Telephone: (503) 610-7330
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 to 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
4 deferred accounting pursuant to ORS 757.259 and OAR 860-027-0300 for the
5 12-month period beginning January 1, 2021 through December 31, 2021 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.

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
4 for 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 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 authorization 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
2 in the MCBIT rate for the following year.

3 **E. Reasons for Application for Reauthorization of Deferred Accounting**
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
7 or 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
9 “[i]dentifiable utility expenses or revenues, the recovery or refund of which the
10 commission finds should be deferred in order to minimize the frequency of rate
11 changes... or to match appropriately the costs borne by and benefits received by
12 ratepayers.” NW Natural requests this deferral to match the costs borne and
13 benefits received by customers.

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

15 Beginning on January 1, 2021 and ending 12 months from this date, NW
16 Natural proposes to account for the expenses and revenues associated with the
17 MCBIT by recording the deferral in Account 186. NW Natural proposes to
18 amortize the deferral as part of its adjustment to rates with its annual Schedule A
19 filing updating MCBIT expense.¹

¹ Filings only occur when the MCBIT rate in Schedule A changes. No annual filing was made in 2020 due to the rate remaining unchanged from the previous year.

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

2 NW Natural cannot estimate what amounts will be recorded in the MCBIT
3 deferral account for the upcoming 12-month period because the amount is
4 dependent on the actual tax assessed by Multnomah County and customer
5 usage which collects, on a variable basis, the revenues for the MCBIT.

6 **H. Entries into deferred account during past 12 months –**

7 **OAR 860-027-0300(4)(a)**

8 Pursuant to OAR 860-027-300(4)(a), NW Natural has deferred \$203,672
9 for the months January 2020 through the date of this filing, which represents the
10 difference between the estimated tax provision and the collected amount from
11 customers subject to Schedule A.

12 **I. Reason for Continuation of Deferred Accounting – OAR 860-027-**

13 **0300(4)(b)**

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

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

17 A notice of this Application will be served to the all parties who participated
18 in the Company's most recent general rate case, UG 388, and is attached to this
19 Application.

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

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Dated this 17th day of December, 2020.

Respectfully Submitted,

NW NATURAL

/s/ Kyle Walker, CPA
Kyle Walker, CPA
Rates/Regulatory Manager

/s/ Eric W. Nelsen
Eric W. Nelsen (OSB# 192566)
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250 SW Taylor Street
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UM 1984

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

December 17, 2020

To All Parties Who Participated in UG 388:

Please be advised that on December 17, 2020 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 most recent general rate case, UG 388, 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
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) 373-0886**

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 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 December 17, 2020, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES RELATING TO THE MULTNOMAH COUNTY BUSINESS INCOME TAX (MCBIT) upon all parties of record for the Company's most recent general rate case, UG 388.

UG 388

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DATED December 17, 2020, Portland, OR.

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