

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 18, 2018

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2019

DATE: December 11, 2018

TO: Public Utility Commission

FROM: Mitchell Moore *mm*

THROUGH: Jason Eisdorfer *EP* and John Crider *JC*

SUBJECT: NORTHWEST NATURAL GAS COMPANY: (ADV/890 Advice No. 18-14)
Updates Schedule A, Multnomah County Business Income Tax Recovery.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Northwest Natural's filing and allow the associated tariff to go into effect for service rendered on and after January 1, 2019.

DISCUSSION:

Issue

Whether the Commission should approve Northwest Natural Gas Company's (NW Natural or Company) application to adjust the rate collected through its Schedule A, Multnomah County Business Income Tax Recovery for the period January 1, 2019 through December 31, 2019. This tax is commonly referred to as the MCBIT.

Applicable Law

NW Natural 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(1), which states 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 2019 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 0.14 percent was authorized by the Commission at its December 22, 2017 public meeting (Advice No. 17-17). The proposed rate of 0.21 percent in this filing has been calculated to recover the projected tax expenses from January 1, 2019 through December 31, 2019.

NW Natural estimates that this rate change will result in a 0.07 percent increase to the approximately 201,810 Multnomah County customers subject to the MCBIT. A residential customer consuming an average of 53 therms monthly will see a bill increase of approximately \$0.04.

Conclusion

After a review of NW Natural's filing and accompanying work papers, Staff finds that the Company'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:

Approve NW Natural's filing to adjust the rate of Schedule A, Multnomah County Business Income Tax Recovery, and the associated tariff be allowed to take effect on January 1, 2019.