

VIA ELECTRONIC FILING

December 21, 2021

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

**Re: UM 2137 – NW Natural’s Application for Reauthorization to Defer Costs
Associated with Metro Supportive Housing Services Tax**

In accordance with ORS 757.259 and OAR 860-027-0300, Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith an Application for Reauthorization (“Application”) to use deferred accounting for costs associated the Metro Supportive Housing Services Tax.

A notice concerning this Application will be sent to all parties who participated in the Company’s last 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, Oregon 97204
Fax: (503) 220-2579
Phone: (503) 610-7330
eFiling@nwnatural.com

If you have any questions, please contact me.

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Manager

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2137

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba, NW NATURAL

For Reauthorization to Defer Costs
Associated with Metro Supportive
Housing Services Tax

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, 2022 through December 31, 2022, for amounts
6 associated with the Metro Supportive Housing Services (“MSHS”) Tax pursuant to
7 Metro Measure 26-210. On May 19th, 2020, the Metro Council referred to Metro
8 Region voters Measure 26-210, supporting homeless services through a higher
9 earners’ personal income tax and business profits tax. The measure authorized
10 Metro to create a Supportive Housing Services (hereafter “SHS”) program, funded
11 by a marginal personal income tax on households with taxable income in excess of
12 \$200,000 (\$125,000 for single filers), and a business profits tax of 1% with an
13 exemption for small businesses with gross receipts of \$5 million or less per year.

14 In support of this Application, NW Natural states:

1 **A. NW Natural.**

2 NW Natural is a public utility in the State of Oregon and is subject to the
3 jurisdiction of the Commission regarding rates, service, and accounting practices.

4 NW Natural provides retail natural gas service in the States of Oregon and
5 Washington.

6 **B. Statutory Authority.**

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

10 **C. Communications.**

11 Communications regarding this Application should be addressed to:

12 e-Filing
13 NW Natural Rates & Regulatory Affairs
14 250 SW Taylor Street
15 Portland, Oregon 97204
16 Phone: (503) 610-7330
17 Email: eFiling@nwnatural.com;

18
19 Ryan Sigurdson (OSB #201722)
20 Regulatory Attorney
21 250 SW Taylor Street
22 Portland, Oregon 97204
23 Phone: (503) 610-7570
24 Email: ryan.sigurdson@nwnatural.com;

25
26 and

27
28 Kyle Walker, CPA
29 Rates/Regulatory Manager
30 250 SW Taylor Street
31 Portland, Oregon 97204
32 Phone: (503) 610-7051
33 Email: kyle.walker@nwnatural.com

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

3 NW Natural requests reauthorization to defer the costs associated with the
4 MSHS Tax. The MSHS Tax became effective January 1, 2021 and has been
5 imposed on NW Natural from that day forward.

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

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

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

18 Beginning on January 1, 2022 and ending 12 months from this date, NW
19 Natural proposes to account for the costs associated with the MSHS Tax by
20 recording the deferral in Account 186. In the absence of approval of deferred

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 accounting, NW Natural would record the amounts in several accounts affecting the
2 Company's income statement and balance sheet.

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

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

8 **H. Description of Entries in Deferred Account Under UM 2137 - OAR 860-
9 027-0300(4)(a)**

10 Pursuant to OAR 860-027-300(4)(a), NW Natural has deferred \$313,709 for
11 the months January 2021 through the date of this filing, which represents the
12 difference between the estimated tax provision and the collected amount from
13 customers subject to Schedule A.

14 **I. Reason for Continuation of Deferral Account – OAR 860-027-
15 0300(4)(b)**

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

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

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

21 Mechanisms:

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

4 Exhibit A includes a Summary Sheet which shows the estimated amounts
5 deferred for 2021 and estimates for the tax provision in 2022 as well as
6 calculation of the 2022 Metro rate. This deferral was not included for
7 amortization in the 2021-22 PGA filing. If the Company proposes
8 amortization in the upcoming PGA filing, Exhibit A would be attached to
9 our electronic 2022-23 PGA filing as a file entitled, "Proposed Temps
10 Oregon 2022-2023 PGA....xlsx."

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

12 This application is for the 12-month period beginning January 1, 2022 and
13 ending December 31, 2022.

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

15 Approval to use deferred accounting for costs associated with MSHS Tax
16 was last granted on February 12, 2021, in Commission Order No. 21-043.

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

18 \$313,709 was deferred for Oregon during the last deferral year of
19 November 30, 2020 through the most recent month, November 30, 2021.

20 **5. The interest rate that will apply to the accounts.**

21 There is no interest accrued on this account.

NW Natural
Rates & Regulatory Affairs
Tariff Advice 21-XX
Exhibit A - Metro Supportive Housing Service Tax
Calculation of Metro Rate

1		
2	Estimated under collections at 12/31/20	\$0
3	2021 Estimated tax	\$276,490
4	2022 Estimated tax	<u>\$334,615</u>
5		
6	Amount to collect/(refund)	\$611,105
7		
8	Interest during collection/(refund)	<u>\$4,112</u>
9		
10	TOTAL to collect/(refund)	<u><u>\$615,217</u></u>
11		
12	2022 Estimated Metro County Revenues (line 24)	<u>\$439,518,816</u>
13		
14	2022 Proposed Metro rate	<u><u>0.14%</u></u>
15		
16	2021 Modified Blended Treasury Rate (UM 1147)	1.24%
17		
18		
19	<u>Estimate of 2021 Multnomah Revenues:</u>	
20		
21	2021 Metro Revenues Estimate	439,518,816
22	Number of Metro Customers	440,115



UM 2137

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER COSTS
ASSOCIATED WITH THE METRO SUPPORTIVE HOUSING SERVICES TAXES**

December 21, 2021

To All Parties Who Participated in UG 388

Please be advised that on December 21, 2021 Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for REAUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE METRO SUPPORTIVE HOUSING SERVICES TAXES.

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 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 Commission 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 the 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.

* * * * *



CERTIFICATE OF SERVICE
UM 2137

I hereby certify that on December 21, 2021 I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE METRO SUPPORTIVE HOUSING SERVICES upon all parties of record for the Company's last general rate case, UG 388.

UG 388

OREGON CITIZENS' UTILITY
BOARD
dockets@oregoncub.org

WILLIAM GEHRKE
OREGON CITIZENS' UTILITY
BOARD
will@oregoncub.org

MICHAEL GOETZ
OREGON CITIZENS' UTILITY
BOARD
mike@oregoncub.org

LISA RACKNER
MCDOWELL RACKNER &
GIBSON PC
dockets@mrg-law.com

STEPHANIE ANDRUS
PUBLIC UTILITY COMMISSION
stephanie.andrus@state.or.us

EDWARD FINKLEA
ALLIANCE OF WESTERN
ENERGY CONSUMERS
efinklea@awec.solutions

TOMMY A BROOKS
CABLE HUSTON LLP
tbrooks@cablehuston.com

CHAD M. STOKES
CABLE HUSTON LLP
cstokes@cablehuston.com

JANET MERRELL
COMMUNITY ACTION
PARTNERSHIP OF OREGON
janet@caporegon.org

KEITH KUENY
COMMUNITY ACTION
PARTNERSHIP OF OREGON
keith@caporegon.org

NW NATURAL
efiling@nwnatural.com

ERIC NELSEN
NW NATURAL
eric.nelsen@nwnatural.com

DATED December 21, 2021, Troutdale, OR.

/s/ Erica Lee-Pella
Erica Lee-Pella
Rates & Regulatory Affairs, NW Natural
250 SW Taylor Street
Portland, Oregon 97204
(503) 610-7330
erica.lee-pella@nwnatural.com