



Oregon

Kate Brown, Governor

Public Utility Commission

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November 30, 2021



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 21-31

At the public meeting on November 30, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1331. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 30, 2021**

REGULAR CONSENT EFFECTIVE DATE January 1, 2022

DATE: November 16, 2021

TO: Public Utility Commission

FROM: John Fox

THROUGH: Bryan Conway and John Crider **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1331/Advice No. 21-31)
Schedule 106, Multnomah County Business Income Tax Update.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's filing and allow the associated tariff to go into effect on January 1, 2022.

DISCUSSION:

Issue

Whether Portland General Electric (PGE or Company) should be allowed to adjust the rate collected through its Schedule 106, Multnomah County Business Income Tax Recovery. This tax is commonly referred to as the MCBIT.

Applicable Rule or Law

PGE 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, which says 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.

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 2022 MCBIT tax expense and the current state of the MCBIT balancing account.

Analysis

Company filings

The Company's initial filing requested a new tariff rate of 0.152 percent effective January 1, 2022. A supplemental filing occurred on November 17, 2021, correcting an inadvertent error and revising the proposed tariff rate to 0.155 percent.

The ongoing deferrals associated with the MCBIT balancing account are filed annually in Docket No. UM 1986, most recently approved for the 12 month period beginning December 7, 2020.¹

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 2022 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 0.146 percent was authorized by the Commission at its December 29, 2020, Public Meeting (Advice No. 20-36). The proposed rate of 0.155 percent in this filing has been calculated to recover the projected tax expenses from January 1 through December 31, 2022.

PGE estimates that this rate change will result in a 0.009 percent increase to the approximately 294,000 Multnomah County customers subject to the MCBIT. A

¹ See *In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Deferral of Costs to Support the Use of Balancing Account*, Docket No. UM 1986(2), Order No. 20-497, Dec 30, 2020.

residential customer consuming 780 kWh monthly will see a bill decrease of approximately \$0.01.

Conclusion

After a review of PGE's filing and accompanying work papers, Staff finds that PGE'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 PGE's filing.

PROPOSED COMMISSION MOTION:

Approve PGE's filing to adjust the rate of Schedule 106, Multnomah County Business Income Tax Recovery, and the associated tariff be allowed to take effect for service on and after January 1, 2022.

**SCHEDULE 106
MULTNOMAH COUNTY BUSINESS INCOME TAX RECOVERY**

PURPOSE

To recover from Customers in Multnomah County the Multnomah County Business Income Tax (MCBIT) paid by the Company in accordance with Multnomah County Code § 12.610 and OAR 860-022-0045 and to establish an associated Automatic Adjustment Clause and balancing account.

APPLICABLE

All Customers receiving Electricity Service within Multnomah County.

BALANCING ACCOUNT

A MCBIT Balancing Account will be maintained to accrue any difference between the Company's actual local income tax liability and the amount collected from Customers under this Schedule. Any over or under-collection reflected in this account will be considered when the MCBIT Rate is established. This Balancing Account will accrue interest at the Commission-authorized rate for deferred accounts.

MCBIT RATE DETERMINATION

The MCBIT Rate is determined by dividing the sum of forecast MCBIT tax liability plus or minus any amount in the Balancing Account divided by forecast Retail Revenue from Customers in Multnomah County for each tax year or other applicable recovery period.

MCBIT RATE

The MCBIT Rate is:

0.155% of the total billed amount to the Customer excluding the Public Purpose Charge (Schedule 108), Energy Efficiency Funding Adjustment (Schedule 109), Low Income Assistance Charge (Schedule 115) and all other separately stated taxes.

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