

**VIA ELECTRONIC FILING**

December 16, 2020

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

**Re: Application 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 to use deferred accounting for costs associated with the Metro Supportive Housing Services Tax.

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, Oregon 97204  
Phone: (503) 610.7330  
Fax: (503) 220.2579  
eFiling@nwnatural.com

If you have any questions, please contact me.

Sincerely,

*/s/ Kyle Walker, CPA*

Kyle Walker, CPA  
Rates/Regulatory Manager

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_\_**

In the Matter of

NORTHWEST NATURAL GAS  
COMPANY, dba, NW NATURAL

For Authorization to Defer Certain  
Expenses or Revenues Pursuant to  
ORS 757.259

APPLICATION TO DEFER COSTS  
ASSOCIATED WITH METRO  
SUPPORTIVE HOUSING  
SERVICES TAX

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 authorization to use  
4 deferred accounting pursuant to ORS 757.259 and OAR 860-27-0300, for the 12-  
5 month period beginning January 1, 2021 through December 31, 2021, for  
6 amounts associated with the Metro Supportive Housing Services (“MSHS”) Tax  
7 pursuant to Metro Measure 26-210. On May 19<sup>th</sup>, 2020, the Metro Council  
8 referred to Metro Region voters Measure 26-210, supporting homeless services  
9 through a higher earners’ personal income tax and business profits tax. The  
10 measure authorized Metro to create a Supportive Housing Services (hereafter  
11 “SHS”) program, funded by a marginal personal income tax on households with  
12 taxable income in excess of \$200,000 (\$125,000 for single filers), and a business  
13 profits tax of 1% with an exemption for small businesses with gross receipts of \$5  
14 million of less per year.

1 In support of this Application, NW Natural states:

2 **A. NW Natural.**

3 NW Natural is a public utility in the State of Oregon and is subject to the  
4 jurisdiction of the Commission regarding rates, service, and accounting practices.  
5 NW Natural also provides retail natural gas service in the States of Oregon and  
6 Washington.

7 **B. Statutory Authority.**

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

11 **C. Communications.**

12 Communications regarding this Application should be addressed to:

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

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

26  
27 and

28  
29 Kyle Walker, CPA  
30 Rates/Regulatory Manager  
31 250 SW Taylor Street  
32 Portland, Oregon 97204  
33 Phone: (503) 610-7051  
34 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 hereby requests an accounting order authorizing it to defer  
4 the costs associated with the MSHS Tax. The MSHS Tax will become effective  
5 January 1, 2021 and will be imposed on NW Natural from that day forward.

6 **E. Reasons for Application for Deferred Accounting – OAR 860-027-  
7 0300(3)(b).**

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

16 NW Natural’s rates do not currently capture the impact of the MSHS Tax.  
17 Ordinarily, taxes are recovered in rates, but because the passage and financial  
18 impact of the MSHS Tax was unforeseen, the Company was unable to include it  
19 in a prior forecast or within its prior rate proceeding. As a result, NW Natural  
20 would be required to bear the costs of the MSHS Tax, unless it filed an  
21 application to defer the costs of the tax. Granting this Application will minimize

---

<sup>1</sup> *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 the frequency of rate changes and match appropriately the costs borne by and  
2 benefits received by customers.

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

4 Beginning on January 1, 2021, and ending 12 months from this date, NW  
5 Natural proposes to account for the costs associated with the MSHS Tax by  
6 recording the deferral in Account 186. In the absence of approval of deferred  
7 accounting, NW Natural would record the amounts in several accounts affecting  
8 the Company's income statement and balance sheet.

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

10 As the Metro Council is still in the process of developing the administrative rules,  
11 which are subject to public hearing and comment, there are still some  
12 uncertainties as to the specifics of the MSHS Business Income Tax  
13 implementation. As currently designed, NW Natural is estimating a deferral of  
14 \$375,000 for 2021.

15 **H. Requirement per Commission Order No. 09-263**

16 Pursuant to Commission Order No. 09-263, issued in Docket UM-1286,  
17 NW Natural is required to provide a completed Summary Sheet, the location in  
18 the PGA filing of the backup work papers, and an account map that highlights the  
19 transfer of dollars from one account to another. The Summary Sheet will be  
20 included in the 2021 PGA filing work papers and in the electronic file titled  
21 "Proposed Temps Oregon 2021-22 PGA filing.xls.

1 **I. Notice – OAR 800-027-0300(6).**

2 A notice of this Application has been served on the all parties who  
3 participated in the Company’s most recent general rate case, UG 388, and is  
4 attached to this Application.

5 NW Natural respectfully requests that the Commission issue an order  
6 authorizing the Company to defer the expenses described in the Application to  
7 ensure that the Company will be authorized to seek to recover costs associated  
8 with the MSHS Tax beginning on January 1, 2021.

9 Dated this 16<sup>th</sup> of December 2020.

10 Respectfully Submitted,

11 NW NATURAL

12 /s/ Kyle Walker, CPA  
13 Kyle Walker, CPA  
14 Rates/Regulatory Manager

15  
16 /s/ Ryan Sigurdson  
17 Ryan Sigurdson (OSB #201722)  
18 Regulatory Attorney  
19 250 SW Taylor Street  
20 Portland, Oregon 97204  
21 Phone: (503) 610-7570  
22 Email: ryan.sigurdson@nwnatural.com



UM\_\_\_\_\_

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

December 16, 2020

**To All Parties Who Participated in UG 388**

Please be advised that on December 16, 2020 Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for AUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE METRO SUPPORTIVE HOUSING SERVICES TAX.

**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 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  
Telephone: (503) 610-7051**

**Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
PO Box 1088  
Salem, Oregon 97308-1088  
Telephone: (503) 378-6636**

Any person may submit to the Commission written comments on this matter within 25 days of this filing. The granting of this Deferral Application 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 \_\_\_\_\_**

I hereby certify that on December 16, 2020, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR AUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE METRO SUPPORTIVE HOUSING SERVICES TAX upon all parties of record for the Company's most recent general rate case, UG 388.

**UG 388**

*OREGON CITIZENS' UTILITY BOARD*  
*[dockets@oregoncub.org](mailto:dockets@oregoncub.org)*

*WILLIAM GEHRKE*  
*OREGON CITIZENS' UTILITY BOARD*  
*[will@oregoncub.org](mailto:will@oregoncub.org)*

*MICHAEL GOETZ*  
*OREGON CITIZENS' UTILITY BOARD*  
*[mike@oregoncub.org](mailto:mike@oregoncub.org)*

*LISA RACKNER*  
*MCDOWELL RACKNER & GIBSON PC*  
*[dockets@mrg-law.com](mailto:dockets@mrg-law.com)*

*MARIANNE GARDNER*  
*PUBLIC UTILITIES COMMISSION*  
*[marianne.gardner@state.or.us](mailto:marianne.gardner@state.or.us)*

*STEPHANIE ANDRUS*  
*PUBLIC UTILITY COMMISSION*  
*[stephanie.andrus@state.or.us](mailto:stephanie.andrus@state.or.us)*

*EDWARD FINKLEA*  
*ALLIANCE OF WESTERN ENERGY*  
*CONSUMERS*  
*[efinklea@awec.solutions](mailto:efinklea@awec.solutions)*

*CHAD M. STOKES*  
*CABLE HUSTON LLP*  
*[cstokes@cablehuston.com](mailto:cstokes@cablehuston.com)*

*TOMMY A BROOKS*  
*CABLE HUSTON LLP*  
*[tbrooks@cablehuston.com](mailto:tbrooks@cablehuston.com)*

*KEITH KUENY*  
*COMMUNITY ACTION PARTNERSHIP*  
*OF OREGON*  
*[keith@caporegon.org](mailto:keith@caporegon.org)*

*JANET MERRELL*  
*COMMUNITY ACTION PARTNERSHIP OF*  
*OREGON*  
*[janet@caporegon.org](mailto:janet@caporegon.org)*

*ERIC NELSEN*  
*NW NATURAL*  
*[eric.nelsen@nwnatural.com](mailto:eric.nelsen@nwnatural.com)*

*NW NATURAL*  
*[efiling@nwnatural.com](mailto:efiling@nwnatural.com)*

DATED December 16, 2020, 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](mailto:erica.lee-pella@nwnatural.com)*