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November 17, 2017

NWN OPUC Advice No. 17-17/ ADV \_\_\_\_\_

**VIA ELECTRONIC FILING**

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

**Re: Revisions to Schedule A:  
Multnomah County Business Income Tax (MCBIT)**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith, the following revisions to its Tariff P.U.C. Or. 25<sup>1</sup> (“the Tariff”), stated to become effective on and after **January 1, 2018**:

Fifth Revision of Sheet A-1,  
Schedule A,  
“Billing for City and County Exactions”

This filing is made in accordance with OAR 860-022-0025 and OAR 860-022-0045.

The purpose of this filing is to revise Schedule A to adjust the Multnomah County Business Income Tax (MCBIT) percentage rate applicable to customers that live in Multnomah County for the 2018 calendar year.

The Company estimates that it will end calendar year 2017 with an under collection of \$246,814 and that the MCBIT tax liability in 2018 will be about \$28,930, resulting in a total amount to be collected in 2018 of \$279,312. This equates to a proposed MCBIT rate of 0.14%, which is an increase of 0.36% from the current rate of -0.22%. The last time that the Company updated the MCBIT rate was January 1, 2017. A worksheet showing the derivation of the 0.14% is included with this filing.

The proposed change in the MCBIT rate will increase the average bill of a Multnomah County residential customer using an average of 50 therms per month by about \$0.07, and the average Schedule 3 non-residential customer using an average of 231 therms per month by about \$0.28. There are about 201,387 NW Natural customers in Multnomah County, which is 31.0% of NW Natural’s total Oregon customer base.

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<sup>1</sup> Tariff P.U.C. Or. 25 originated November 1, 2012 with Docket UG 221; OPUC Order No. 12-408 as supplemented by Order No. 12-437, and was filed pursuant to ORS 767.205 and OAR 860-022-0005.

There is no change in the Company's operating revenue as a result of this filing.

The Company respectfully requests that the tariff sheet filed herewith be permitted to become effective with service on and after January 1, 2018.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Portland, Oregon, and on the Company's website at [www.nwnatural.com](http://www.nwnatural.com).

Please address correspondence on this matter to me with copies to the following:

eFiling  
NW Natural  
Rates and Regulatory Affairs  
220 NW Second Avenue  
Portland, Oregon 97209  
Telecopier: (503) 721-2516  
Telephone: (503) 226-4211, ext. 3589  
eFiling@nwnatural.com

Sincerely,

NW NATURAL

*/s/ Gail A. Hammer*

Gail A. Hammer  
Rates & Regulatory Consultant 2

enclosures

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Fifth Revision of Sheet A-1  
Cancels Fourth Revision of Sheet A-1

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## SCHEDULE A BILLING FOR CITY AND COUNTY EXACTIONS

### **APPLICABLE:**

To all Customers served by the Company under the Tariff of which this Schedule is a part.

### **PURPOSE:**

To specify the method for billing of business or occupation taxes, license, franchise or operating permit fees, or similar exactions, hereinafter referred to in the entirety as "Exactions", imposed upon the Company by any city or county for engaging in business therein or for use and occupancy of streets and public ways.

### **CITY EXACTIONS:**

The aggregate of the Exactions imposed on the Company, up to 3% of the Company's gross revenues, will be applied to rates in accordance with OAR 860-022-040 (1), except that the actual amount of Exactions applicable to Customers taking service under Special Contracts set forth in **Schedule 60** will be added to the total of all charges due.

When the aggregate of the Exactions imposed on the Company by any city exceeds 3%, the excess shall be billed pro rata to Customers served within that city, and the excess amount will be separately stated on the Customer's regular billings. This shall not apply to franchises existing as of November 6, 1967.

Any other Exactions unilaterally imposed or increased by any city during the unexpired term of an existing franchise that contains a provision for compensation, shall be billed pro rata to Customers served within that city in the manner stated above.

### **COUNTY EXACTIONS:**

The full amount of all new or increased taxes, license, franchise or operating permit fees imposed on the Company by any county, other than a city/county, shall be billed pro rata to Customers served within that county. If the taxes or fees cover the Company's operations in only a portion of the county, the amount shall be billed pro rata to Customers served within that portion of the county. The amount associated with these taxes or fees shall be separately stated on Customer's regular billings.

### **Multnomah County Business Income Tax (MCBIT):**

**Applicable:** All customers that receive Natural Gas service within Multnomah County

A MCBIT Balancing Account will be maintained to accrue any difference between the Company's actual MCBIT expense and the amount collected from Customers. Any over- or under-collection reflected in this account will be considered when the MCBIT Rate is established. The Balancing Account will accrue interest at the rate approved by the Commission.

The MCBIT Rate is based on the following calculation:

Forecast MCBIT expense +/- Balancing Account amounts / Forecast Multnomah County Gas Revenues

**Rate:** **0.14%** of the total billed amount for Rate Schedule charges excluding public purposes charges billed pursuant to Schedule 301 or Schedule 310, and all other separately stated taxes. (l)

### **GENERAL TERMS:**

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff, and any other Schedules that by their terms or by the terms of this Rate Schedule apply to service under this Rate Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued November 17, 2017  
NWN OPUC Advice No. 17-17

Effective with service on  
and after January 1, 2018

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**Issued by: NORTHWEST NATURAL GAS COMPANY**  
d.b.a. NW Natural  
220 N.W. Second Avenue  
Portland, Oregon 97209-3991

**NW Natural**  
**Rates & Regulatory Affairs**  
**Tariff Advice 17-17**  
**Schedule A - Multnomah County Business Income Tax**  
**Calculation of MCBIT Rate**

1		
2	Estimated under collections at 12/31/17	\$246,814
3		
4	2018 Estimated tax	<u>\$28,930</u>
5		
6	Amount to collect/(refund)	\$275,744
7		
8	Interest during collection/(refund)	<u>\$3,568</u>
9		
10	<b>TOTAL to collect/(refund)</b>	<b><u><u>\$279,312</u></u></b>
11		
12	2018 Estimated Multnomah County Revenues (line 24)	<u>\$195,906,848</u>
13		
14	<b>2018 Proposed MCBIT rate</b>	<b><u><u>0.14%</u></u></b>
15		
16		
17		
18	2017 Modified Blended Treasury Rate (UM 1147)	2.38%
19		
20		
21	<u>Estimate of 2016 Multnomah Revenues:</u>	
22		
23	2017 Oregon Revenues Estimate	\$604,003,305
24	2017 Multnomah Revenues Estimate	\$195,906,848
25	Allocation of Multnomah County (line 24 ÷ line 23)	32.43%
26		