

ITEM NO. CA8

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 23, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE March 1, 2016

DATE: February 16, 2016

TO: Public Utility Commission

FROM: Mitchell Moore <sup>nm</sup>

THROUGH: Jason Eisdorfer and Marc Hellman 

SUBJECT: PACIFIC POWER: (Docket No. ADV 210/Advice No. 16-02) Updates Schedule 103, Multnomah County Business Income Tax Recovery.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Pacific Power's filing and allow the associated tariff to go into effect on March 1, 2016.

**ISSUE:**

Pacific Power (PacifiCorp or Company) proposes to adjust the rate collected through its Schedule 103, Multnomah County Business Income Tax Recovery (MCBIT).

**APPLICABLE LAW:**

PacifiCorp makes this filing pursuant to ORS 757.205, ORS 757.210, OAR 860-022-0025, and OAR 860-022-0030. The adjustment schedule applies to all customers receiving service within the boundaries of Multnomah County in accordance with OAR 860-022-0045, which says in part:

"When a county in Oregon imposes new or increased taxes or license, franchise, or operating permit fees upon an energy utility, the utility shall collect the amount from its customers within the county imposing such taxes or fees."

## **DISCUSSION AND ANALYSIS:**

The Company maintains a balancing account to accrue any difference between the Company's actual MCBIT expenses and what it collects from customers. The rate adjustment in this filing reflects the Company's projections of the 2016 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. The total amount is divided by the forecasted revenues for Multnomah County to determine the final MCBIT rate.

The current MCBIT rate of -0.03 percent was authorized by the Commission at its January 28, 2015, Public Meeting (Advice No. 14-015). The proposed rate of 0.31 percent in this filing has been calculated to recover the projected tax expenses from March 1, 2016 through December 31, 2016.

PacifiCorp estimates that this rate change will affect approximately 77,000 customers in Multnomah County. A residential customer consuming 900 kWh monthly will see a bill increase of approximately \$0.33.

## **CONCLUSION:**

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

## **PROPOSED COMMISSION MOTION:**

PacifiCorp's filing to adjust the rate of Schedule 103, Multnomah County Business Income Tax Recovery be approved, and the associated tariff be allowed to take effect on March 1, 2016.