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November 18, 2015

NWN OPUC Advice No. 15-17 / 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, stated to become effective on and after January 1, 2016:

Third Revision of Sheet A-1,
Schedule A,
"Billing for City and County Exactions."

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 2016 calendar year.

The Company estimates that it will end calendar year 2015 with an under collection of \$225,818 and that the MCBIT tax liability in 2016 will be about \$360,340, resulting in a total amount to be collected in 2016 of \$592,305. This equates to a proposed MCBIT rate of 0.32%, which is an increase from the currently effective rate of 0.06%. The last time that the Company updated the MCBIT rate was January 1, 2014.

A worksheet showing the derivation of the 0.32% is included with this filing. There is no change in the Company's 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, 2016.

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.

Public Utility Commission of Oregon
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Please address correspondence on this matter to me with copies to the following:

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

NW NATURAL

/s/ Onita R. King

Onita R. King
Rates & Regulatory Affairs

enclosures

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet A-1
Cancels Second Revision of Sheet A-1

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: **0.32%** 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 18, 2015
NWN OPUC Advice No. 15-17

Effective with service on
and after January 1, 2016

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
Oregon Tariff Advice 15-17
Schedule A - Multnomah County Business Income Tax
Calculation of MCBIT Rate**

1		
2	Estimated undercollections at 12/31/15	\$225,818
3		
4	2016 Estimated tax	<u>\$360,340</u>
5		
6	Amount to collect/(refund)	\$586,159
7		
8	Interest during collection/(refund)	<u>\$6,146</u>
9		
10	TOTAL to collect/(refund)	<u><u>\$592,305</u></u>
11		
12	2016 Estimated Multnomah County Revenues (line 24)	<u>\$181,002,417</u>
13		
14	2016 Proposed MCBIT rate	<u><u>0.32%</u></u>
15		
16		
17		
18	2016 Modified Blended Treasury Rate (UM 1147)	1.93%
19		
20		
21	<u>Estimate of 2015 Multnomah Revenues:</u>	
22		
23	2015 Oregon Revenues Estimate	\$720,526,374
24	2015 Multnomah Revenues Estimate	\$181,002,417
25	Allocation of Multnomah County (line 24 ÷ line 23)	27.70%
26		