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Portland, OR 97204

503-226-4211  
nwnatural.com

November 13, 2024

NWN OPUC Advice No. 24-21

**VIA ELECTRONIC FILING**

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

**Re: Revisions to Schedule A – Billing for City and County Exactions**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith the following revision to its Tariff P.U.C. Or. 25, stated to become effective January 1, 2025.

Tenth Revision of Sheet A-1	Schedule A	Billing for City, County and Local Exactions
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**Purpose**

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 2025 calendar year.

**Background**

Schedule A includes business or occupation taxes, license, franchise or operating permit fees, or similar exactions imposed upon the Company by any city, county or local entity.

Multnomah County assesses a business income tax to everyone doing business in the county. Revenue generated from MCBIT goes toward the county general fund and is used to finance libraries, law enforcement, community corrections, jails, juvenile justice, bridges, social services and health services.

**Proposed Adjustment**

The Company estimates it will end the calendar year 2024 with an under collection of \$267,109, including a 2023 tax true-up surcharge of \$18,779. The MCBIT tax liability estimate for 2025 will be about \$225,058 resulting in a total amount to be collected in 2025 of \$506,681 including interest. This equates to a proposed MCBIT rate of 0.18%, which is an increase of 0.04% from the current rate of 0.14%. The last time the Company updated the MCBIT rate was January 1, 2024. A worksheet showing the derivation of the proposed rate is included with this filing.

In compliance with OAR 860-022-0025 NW Natural states the proposed change in the MCBIT rate will increase the average bill of a Multnomah County residential customer using an average of 55 therms per month by about \$0.03<sup>1</sup> and the average Schedule 3 non-residential customer using an average of 248 therms per month by about \$0.12. There are about 214,782 NW Natural customers in Multnomah County, which is 30.47% of NW Natural's total Oregon customer base. There is no change in the Company's operating revenue as a result of the change in the proposed MCBIT rate.

**Conclusion**

NW Natural respectfully requests that the Commission approve this tariff change to become effective January 1, 2025.

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 its 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 & Regulatory Affairs  
250 SW Taylor Street  
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Respectfully submitted,

*/s/ Kyle T. Walker*

Kyle T. Walker, CPA  
Senior Manager, Rates and Regulatory Affairs

Enclosures

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<sup>1</sup> Weighted average bill impact of single-family and multi-family residential schedule 2 by customer counts.

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Tenth Revision of Sheet A-1  
Cancels Ninth Revision of Sheet A-1

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## SCHEDULE A BILLING FOR CITY, COUNTY, AND LOCAL 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, county or local/regional entity 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.

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:** **0.18%** 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)

(continue to Sheet A-2)

Issued November 13, 2024  
NWN OPUC Advice No. 24-21

Effective with service on  
and after January 1, 2025

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

NW NATURAL SUPPORTING MATERIALS

NWN OPUC Advice No. 24-21 / ADV\_\_\_\_

November 13, 2024

# NW NATURAL

## EXHIBIT A

### Supporting Materials

NWN'S OPUC ADVICE NO. 24-21 / ADV \_\_\_\_\_

Description	Page
Calculation of MCBIT Rate	1

**NW Natural**  
**Rates & Regulatory Affairs**  
**Tariff Advice 24-21**  
**Exhibit A - Multnomah County Business Income Tax**  
**Calculation of MCBIT Rate**

1	Over collections at 12/31/23	\$292,932
2	Estimated 2024 Collections	(\$373,003)
3	2023 Tax Return True-Up	\$18,779
4	2024 Estimated Provision	\$328,401
5	2025 Estimated Provision	<u>\$225,058</u>
6		
7	Amount to collect/(refund)	\$492,167
8		
9	Interest during collection/(refund)	<u>\$14,514</u>
10		
11	<b>TOTAL to collect/(refund)</b>	<b><u><u>\$506,681</u></u></b>
12		
13	2025 Estimated Multnomah County Revenues (line 22)	<u>\$279,299,628</u>
14		
15	<b>2025 Proposed MCBIT rate</b>	<b><u><u>0.18%</u></u></b>
16		
17	2024 Modified Blended Treasury Rate (UM 1147)	5.40%
18		
19		
20	<u>Estimate of 2025 Multnomah Revenues:</u>	
21		
22	2025 Multnomah Revenues Estimate	279,299,628
23	Number of Multnomah Customers	214,782