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January 29, 2019

The Honorable James Manning, Co-Chair, Jt. Committee on Ways & Means
Subcommittee on Transportation & Economic Development
The Honorable David Gomberg, Co-Chair, Jt. Committee on Ways & Means
Subcommittee on Transportation & Economic Development

Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Dear Senator Manning and Representative Gomberg,

NW Natural is pleased to provide comments on SB 5534, the budget bill for the Public Utility Commission (PUC).

It is vitally important that the PUC has sufficient funding to meet its mission and obligations. We believe the fee increases outlined in the budget request will provide the PUC with sufficient revenue to meet current and future levels of operations. While we are sensitive to any rate increase for our customers, we believe that the proposed fee change is necessary, appropriate, and will benefit our customers. NW Natural appreciates the PUC's engagement throughout its strategic planning process. The PUC has been deliberate, transparent, and has clearly demonstrated a need for additional resources.

Furthermore, as our State develops carbon reduction policies that will likely impact our customers, the PUC will play a critical role in convening broad stakeholder discussions and navigating complex implementation of a climate policy. The PUC will need resources to be nimble and responsive to the state's goals.

Finally, as a major provider of energy in the State, NW Natural wants to ensure that that natural gas is used in ways that benefit Oregon's low carbon future. We support the development and expansion of smart, effective, and low cost strategies to drive down emissions. This includes a robust energy efficiency program, exploration of new technologies like renewable natural gas and power-to-gas, and deploying natural gas to displace fuels that have a higher carbon intensity, like diesel and gasoline. To

meet these goals, we will need to work closely with the PUC and acknowledge this will require additional time and resources from the PUC.

NW Natural appreciates the opportunity to support the PUC’s 2019-2021 Biennial Budget.

Sincerely,

/s/ Zachary D. Kravitz

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Director of Rates & Regulatory Affairs

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