

Submitter: Thomas Karwaki
On Behalf Of:
Committee: House Committee On Commerce and Consumer Protection
Measure, Appointment or Topic: HB3179

I travelled from Portland to attend the Committee's meeting on Thursday, February 20 and signed up to testify. The meeting ended before I was allowed to testify. Unfortunately, I can't make it in person or video on Feb. 25th to testify due to a scheduled medical appointment. I support the bill and suggest an amendment to require disclosure on bills of the impacts on tariffs (events/policies that utilities cannot control in the short term).

As a senior on a fixed income, I have had to reduce my home's thermostat to a high of 58F during the day and a low of 54F. Still my NW Natural gas bill went up over last year far beyond the 7% increase in therms used even though I now have a 96% efficient furnace. My electric bill also went up, even though this year I didn't use portable heaters and got rid of my second refrigerator.

I come to HB 3179 as a retired expert witness in utility cases on behalf of utilities, commissions, generators and customers -- but never in Oregon.

HB 3179 is not perfect. But it is a good starting point. I was impressed with Cascade's list of items in the bill that they accepted. Extending the time for the PUC to decide a General Rate Case (GRC) is reasonable. If so, then 15-18 months between GRCs is appropriate. Under HB 3179 the utilities can request rate adjustments on specific investments or to address specific problems without a full GRC. This is an important tool to keep the investors whole and to minimize risk.

There are two provisions in the bill and Dash-1 that merits further review and consideration by the Committee. First, the provision that requires the PUC to adopt the lowest possible rate. This could reduce the PUC's ability to balance the various factors or interests of the parties (consumers, investors etc). in setting rates that are in the public interest.

Second, the issue of securitization. Securitization is a tool best reserved for extraordinary events or investments. The January 2019 NRRI report on Securitization highlights the pros and cons of securitization and it might be wise for the Committee to work with the utilities and PUC on this issue since there is more work for each party if the process is transparent and equitable. It can also impact the risk premium and rate making. Alternatively, the Committee could separate this issue from the rest of the bill for further study between legislative sessions.

Finally, the Committee may want to consider an amendment to require disclosure to

consumers of the increased costs due to tariffs (both as part of fuel costs and materials used in rate base investments) as a line item in the residential (and perhaps industrial and commercial) bills. This would provide transparency to consumers and utilities of policies over which utilities do not have control over.