

March 3, 2025

Senate Energy and Environment Committee
Oregon State Legislature
900 Court St NE, Hearing Room C
Salem, OR 97301

RE: Senate Bill 88

Thank you for the opportunity to testify on behalf of the Northwest Gas Association (NWGA). The NWGA represents the three natural gas utilities and two transmission pipelines that provide warmth and comfort to 2 million Oregon residents, as well as heat and productive energy to more than 85,000 Oregon businesses, institutions, and industries.

We understand energy affordability and transparency is top of mind for all Oregonians, especially our low-income residents. However, SB 88 does not meaningfully address these concerns, and we respectfully testify in opposition to this bill.

SB 88 is unconstitutional on multiple grounds, including violations of the First Amendment's free speech protections, the Fifth Amendment's takings clause, and the Fourteenth Amendment's due process clause.

Moreover, this bill seeks to bypass the Public Utility Commission's (PUC) well-established, quasi-judicial process for determining what costs are reasonable for utilities to recover. The PUC already has full authority to regulate utilities through a transparent and thorough process that ensures ratepayers' interests are balanced with a utility's right to earn a just and reasonable return on investment. The regulatory framework, grounded in the principle of the regulatory compact, provides essential checks and balances between utilities and regulators representing the public interest.

A typical rate case takes nearly a year to resolve and has multiple opportunities for intervenors and the public to weigh in. Statute establishes a clear standard for a rate of return and the burden of proof is on the utilities, ensuring a fair and transparent process. The concern raised by proponents regarding rate proceedings in committee – specifically, the challenge of determining what should or should not be included in rates – is not an issue of utility transparency with the PUC or the public. Rather, it is a matter of staff capacity for intervenors, which we believe can be addressed through alternative solutions.

Additionally, the bill's reporting requirements are onerous, creating unnecessary administrative work for both the PUC and utilities. This could lead to increased costs for customers and further strain the PUC's already limited budget.

For these reasons, we strongly urge the committee to set this bill aside and continue relying on the PUC's well-established regulatory process to ensure fair and reasonable rates through its existing quasi-judicial proceedings.

Thank you,

Natasha Jackson
Director of State Affairs