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*Submitted Online As Written Testimony*

Senate Committee on Rule  
**Oregon State Legislature**  
900 Court St. NE  
Salem, Oregon, 97301

Dear Chair Jama, Vice-Chair Bonham, Senator Golden, Senator Thatcher, and Senator Manning:

I am an attorney with Earthjustice, and have represented non-profit organizations in utility rate cases before the Oregon Public Utilities Commission. I submit these comments on behalf of Earthjustice. Earthjustice is a nonprofit public interest environmental law organization that wields the power of law and the strength of partnership to protect people's health, to preserve magnificent places and wildlife, to advance clean energy, and to combat climate change.

Earthjustice strongly supports SB 88, and recommends the Senate pass this common sense bill. Oregonians should not be forced to pay for a private company's political activities every time they pay their energy bill. It forces them to either keep their heating on, or support political positions they find abhorrent.

Yet, time and time again, we see utilities include these costs in rates. In 2022, the Utilities Commission found that NW Natural charged ratepayers over \$350,000 for its lobbying activities to oppose climate policies in Eugene, Milwaukie, and Portland.<sup>1</sup> These were the findings of the Commission:

“We find that the Coalition has presented sufficient evidence that a portion of NW Natural's Community and Government Affairs expenses are not reasonably included in rates. As the Coalition asserts, many of the communications underlying the company's budget include efforts to influence city or county officials, such as the communications with Multnomah County officials and the communications

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<sup>1</sup> *In the Matter of NW Natural Request for a General Rate Revision*, Or. Pub. Util. Comm'n, Dkt. No. UG 435, Order No 22-388, at 22, <https://apps.puc.state.or.us/orders/2022ords/22-388.pdf>.

with Milwaukie city councilors. Under this Commission’s precedent, utilities are not permitted to recover expenses associated with political lobbying.”<sup>2</sup>

Although the Commission excluded these costs, it could not take any further action to prevent NW Natural from including costs like this in future proceedings.

In 2024, Earthjustice found that NW Natural charged ratepayers \$720,000 in legal fees and costs, associated with legal action to challenge climate policies in the Pacific Northwest.<sup>3</sup> This included costs for a lawsuit challenging Washington’s building codes. Only after our advocacy did the company remove these costs, but they should never have been included in the first place.

Utilities also regularly charge ratepayers for their membership in industry associations. For example, in 2023, NW Natural paid over \$500,000 in annual membership dues to the American Gas Association and the NW Gas Association—a cost that it sought to recover in large part from Oregonians.<sup>4</sup> The AGA and NWGA aggressively engage in political activities here in Oregon, and across the nation opposing climate policies and promoting a pro-gas legislative agenda. In fact, the NWGA has submitted public testimony in opposition to SB 88. Oregonians should not be forced to finance these political entities as part of their energy bills.

While Earthjustice and our clients have fought to exclude political costs from utility rates, doing so is onerous and time consuming. It involves reviewing thousands of pages of documents, preparing extensive written testimony, and engaging in contested case proceedings before the Oregon Public Utilities Commission. We have litigated this issue because it is critically important to exclude these costs from rates. However, even when we succeed in excluding these costs, the utilities just include them again in the next case.

We know ratepayers should not be charged for a utility’s political activity. And, the utility, not advocates, should make sure these costs stay out of rates. That is what SB 88 does. It more effectively deters utilities from including political costs and other junk in rates.

SB 88 gives the Oregon Public Utilities Commission the power to deter utilities from including unreasonable costs in rates. It gives the Commission the authority to penalize a utility that seeks recovery of unreasonable costs such as political activities, or

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<sup>2</sup> *Id.*

<sup>3</sup> Rebuttal and Cross-Answering Testimony of Nora Apter and Meredith Connolly, Or. Pub. Util. Comm’n, Dkt. No. UG 490, at PDF page 52-64, <https://edocs.puc.state.or.us/efdocs/HTB/ug490htb329760032.pdf>.

<sup>4</sup> Opening Testimony of Nora Apter and Meredith Connolly, Or. Pub. Util. Comm’n, Dkt. No. UG 490, at PDF page 594-608, <https://edocs.puc.state.or.us/efdocs/HTB/ug490htb328046033.pdf>.

social junkets. It also prohibits a utility from seeking recovery for costs the Commission has previously found is not recoverable.

Of course the utilities like NW Natural will say that SB 88 is not necessary. This is because they benefit from the status quo. They benefit when things slip through the cracks, because they get to charge the public for costs that should be paid for by their shareholders.

The bottom line is that home energy costs are high enough. The Senate should vote now to protect Oregonians and get junk out of rates.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jaimini Parekh". The signature is fluid and cursive, with the first name "Jaimini" being more prominent and the last name "Parekh" following in a similar style.

Jaimini Parekh, Senior Attorney

Earthjustice