



June 30, 2016

Ms. Lisa Gorsuch
Oregon Public Utility Commission
201 High Street SE #100
PO Box 1088
Salem, OR 97308-1088

1914 Willamette Falls Drive, Suite 260
West Linn, Oregon 97068
t: 503.344.6637 f: 503.344.6693
www.nwga.org
Twitter: @nwgas

Re: NWGA Comments on SB 32 Report to the Legislature

Dear Ms. Gorsuch,

Thank you for facilitating the meetings of the SB 32 Work Group chartered by the Legislature. As you develop the final draft of the Oregon Public Utilities Commission (PUC) report to the Legislature, the Northwest Gas Association (NWGA) offers the following comments for consideration.

In passing and signing SB 32, the Legislature and the Governor found and declared, "[T]hat having access to natural gas is in the public interest and... is necessary for the communities of this state to preserve local economies, enlarge tax bases and generate additional economic opportunities."

In order to fulfill the Legislature's expectations of the SB 32 Work Group, the final report must chart a clear path by which natural gas service will be extended to certain currently unserved areas of the state. Toward the objective of providing the Legislature with a report that responds to its intent and holds the promise of meaningful progress, the NWGA makes the following suggestions:

- 1) The SB 32 report should detail the specific actions the PUC intends to actively pursue in order to promote the extension of natural gas service to unserved areas of the state.
- 2) Recommendations for legislative action necessary to ensure that natural gas service is extended to unserved areas of the state ought to be included in the SB 32 report.
- 3) The Legislature would benefit from a summary in the SB 32 report of the successful efforts of other states in implementing policies to extend natural gas service to unserved areas. The report should break down the mechanisms each state is employing to good effect. We suggest the report include summaries of the Georgia STRIDE program, Mississippi's Supplemental Growth Rider and Pennsylvania's GETGAS program.
- 4) Most importantly, per Section 2(1)(c) of SB 32, the report to the Legislature should incorporate recommendations made by the NWGA (representing the natural gas utilities) during the work group process. The NWGA's recommendations include:

- a. Modifying Line Extension Policies.
- b. Allowing Natural Gas Expansion Tariff Riders.
- c. Enabling Portfolio Treatment of Allowable Investments.
- d. Approving Geographical Surcharges.
- e. Providing for Customer Assistance.
 - i. Permitting the use of surplus line extension allowances;
 - ii. Authorizing fuel conversions & consideration of electric avoided costs.

The NWGA believes that a report incorporating the elements listed above will be responsive to the task set forth by the Legislature: to create a practical road map that will deliver natural gas to a number of Oregon communities currently just out of reach.

Thank you for your consideration,

A handwritten signature in blue ink, appearing to read "Dan Kirschner". The signature is fluid and cursive, with a long horizontal stroke at the end.

DAN S. KIRSCHNER
EXECUTIVE DIRECTOR