



February 16, 2015

Senate Business and Transportation Committee
RE: Opposition to SB 32 – Natural Gas Expansion

Mr. Chairman and Members of the Committee:

Good afternoon and thank you for giving me this opportunity to voice my opinion on Senate Bill 32.

My name is Randy Camp and I am representing my company (a small Oregon owned & operated propane company with offices in Albany/Corvallis and Redmond Oregon), and I am also here as the Vice President of the Pacific Propane Gas Association.

The propane industry has handled the needs of Oregonians all across this great state for decades in all areas, not just in the boonies, providing Oregonians with heat, hot water, cooking, crop drying, motor fuel and so on. This is true in Portland, Medford, Bend, & Pendleton, just like it is in Sisters, Waldport, & Alsea. We do cover the State of Oregon and have done so without any expansion assistance from our State Government for over one hundred years. The propane industry is also leading all alternative fuel suppliers in Oregon with a refueling network of locations presently available to refuel propane (AutoGas) powered vehicles that covers our entire state. Again, this infrastructure put into place throughout the State of Oregon without any help from our state government. How many other alternative fuel suppliers can say the same thing?

As you may be aware, the majority of the propane delivered to the propane customers all across this state comes from the production of natural gas in the United States and Canada. This means that as natural gas is produced, so is propane. Therefore, the propane industry is tied directly to the natural gas industry for the majority of its supply. We by no means are anti natural gas, but we do not support the State of Oregon's use of the Public Utility Commission to push natural gas expansion at the cost of the propane companies across this state. The natural gas industry in this state is huge in comparison to the propane industry when you look at total numbers of customers, even though the propane industry covers more area of this state. You should ask yourself why is it that the propane industry covers more area of this state than the natural gas industry does. The answer to that is easy, COST. If it is cost effective for natural gas expansion into an area today, the natural gas companies are already doing that. So why is the State of Oregon pushing the expansion of the natural gas infrastructure while taking away customers from small businesses like CoEnergy Propane when it is not a cost effective move for the natural gas companies to do on their own?

If CoEnergy Propane wants to expand its territory, I need to evaluate and figure out how this expansion will be funded, how we can produce the funding required to acquire the equipment needed for the expansion and then make sure that this expansion will give my company a return on that investment. I cannot expect the State of Oregon to handle any part of that for me and my company. SB 32 may allow the natural gas

companies in Oregon to expand into areas when there is no fiscal justification. The natural gas companies in Oregon should have to expand on their own, without any help from the State of Oregon.

I also think that it is imperative that you look at the total costs of this expansion into new areas and what it will cost that new customer. What will it cost to connect, what will it cost to change equipment? This is not simply a comparison of the cost of propane versus the cost of natural gas.

Page | 2

There is also the question of what is in it for the current rate payers or customers of the natural gas companies that are going to be asked to pay higher rates to cover the cost of the expansion into areas that many times will not be cost effective moves to undertake. What will happen to the low income rate payers that will see their rates go up if this bill passes, with no noticeable benefit for their household?

In closing, the cost of future expansion of natural gas lines should not be on the backs of existing natural gas customers who will receive no benefit from that expansion. The natural gas industry, like all energy suppliers need to stand on their own merits, expanding their territories where they see fit as well as being cost effective without special considerations from the State of Oregon and not look to fellow Oregonians to pay the way for that expansion. As the Vice President of the Pacific Propane Gas Association of which all of Oregon is a member and on behalf of my company CoEnergy Propane, I stand opposed to Senate Bill 32. Please vote "no" on this bill.

Thank you for allowing me to voice my opinions and those of my colleague within the PPGA. Please feel free to ask me any questions that you may have.

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