

May 7, 2025

House Committee on Rules  
Oregon State Legislature  
900 Court St NE, Hearing Room C  
Salem, OR 97301

**RE: House Bill 3179**

Chair Bowman, Vice-Chairs Drazan and Pham, and members of the committee:

Thank you for the opportunity to testify on behalf of the Northwest Gas Association (NWGA). Our organization 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 for more than 85,000 Oregon businesses, institutions and industries.

Natural gas utilities are well-positioned to understand the sensitivities their customers face. Affordability has been a major topic of conversation as of late, largely driven by the frequent and sizeable electric rate increases over the last few years. Our utilities deeply care about their customers and their ability to balance paying for the energy they need and putting food on the table. This is why our members have robust programs to support both low-income and non-low-income customers with bill assistance. NWGA members also have other tools to help smooth out rate increases, including natural gas storage. This allows us to purchase gas when it is cheapest and deliver it when it is needed most – especially during peak winter months. Just last January, our members delivered 70% of all end-use energy in the Pacific Northwest over MLK weekend, underscoring the importance of a healthy natural gas system and continued investments in that system.

Although we appreciate all the work that has gone into making this legislation better for both customers and natural gas utilities, we remain opposed to HB 3179. We believe the current version of the bill still won't deliver for those customers who are looking to it as relief from increasing rates. In particular, the 18-month stay-out provision – although well-intentioned – will actually lead to less frequent but much higher rate increases. Just because a utility can't recover costs for 18 months doesn't mean those costs go away. Instead, under HB 3179, they continue to compound, leading to more severe rate increases when recovery is allowed.

It's important to remember that most of the main cost drivers in utility rate increases – safety, maintenance, and inflation – are largely outside of the utilities' control.

If the Legislature passes HB 3179, Oregon will be the first state in the nation with legislation like this on the books. Given this, it's important to get it right and continue the discussions on how to make the bill work for customers and the energy providers who deliver life-saving energy to Oregonians.

Natasha Jackson  
Director of State Affairs