

**WRITTEN TESTIMONY OF
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Good morning, Chairman Wyden, Ranking Member Murkowski, and members of the Committee. I am Gregg Kantor, President and CEO of NW Natural, a local gas distribution company serving approximately 690,000 customers in Oregon and Southwest Washington, and I am pleased to appear before you today.

The shale gas revolution has fundamentally reshaped the nation's energy future. A decade ago, we were looking seriously at importing significant quantities of natural gas to meet our growing demand. Today, the United States is the world's leading producer of natural gas, putting our industry in a position to help address key environmental, economic and national security issues. The positive impact of shale gas for customers and our nation's economy has been dramatic over the last few years. Lower natural gas prices have saved NW Natural's customers more than \$400 million over the last four years. Nationwide customers have saved over \$250 billion in the last three years. Abundant supplies and low costs are also helping drive an industrial resurgence in the United States. A recent PricewaterhouseCoopers report estimates that shale gas could help add more than one million workers to the nation's manufacturing sector by 2025.

A critical question facing our industry and the nation's policymakers is whether the transportation sector will take advantage of today's abundant supplies of natural gas. We believe it can and should. Our singular dependence on oil for transportation makes the country vulnerable to economic and national security risks. Natural gas can reduce our

dependency on foreign oil and its lower cost means more money in consumer's pockets.

When used as a transportation fuel, natural gas can reduce greenhouse gas emissions by 20 to 30 percent compared with diesel and gasoline respectively.

However, we have a "chicken and egg" problem. Manufacturers are ready to produce natural gas vehicles and engines, but need to know the refueling infrastructure will be available throughout the country. And yet, the refueling infrastructure is slow to be deployed because there aren't enough vehicles on the road. NW Natural is beginning to work with commercial fleets that have return to base operations where they can refuel at night, but large scale adoption of natural gas vehicles will require public refueling infrastructure.

As an industry, we encourage Congress to continue and, if possible, increase the tax incentives that are available for fueling infrastructure and use of alternative fuels. However, we need to go beyond this and work together to identify creative ways to get the necessary infrastructure built across the country. We need a national fueling infrastructure plan for natural gas. These vehicles need to be able to travel throughout the country on our nation's roads and highways, and natural gas utilities, such as mine, can play a role in helping to jump start the network and support the deployment of this infrastructure.

While natural gas burns more cleanly than oil and diesel, environmental interests have raised a concern that methane leaks within the natural gas supply chain could negate the environmental benefits of using natural gas in the transportation sector. This is a legitimate concern that needs to be addressed. In fact, at Chairman Wyden's request, I am working on putting together a group representing a broad range of interests in this matter to explore ways to address both the opportunities natural gas creates for transportation and the challenges, such as methane emissions.

Finally, abundant, low cost natural gas has changed the energy industry, and it needs to change the nation's thinking about its energy future. Next to energy efficiency, integrating natural gas with renewables and using natural gas directly in homes and businesses are among the most environmentally sound and cost effective ways to meet our future energy needs. As your committee looks at energy legislation, I encourage you to support the efficiency benefits of the direct use of natural gas.

Thank you for the opportunity to make these brief remarks and I look forward to discussing these and others issues with you and the other panelists this morning.