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May 31, 2017

Records Center
 Washington Utilities and Transportation Commission
 1300 S. Evergreen Park Drive SW
 Olympia, WA 98504

Re: UG _____, Advice No. W17-05-01, Schedules 300 and 302, Conservation Program Changes

Cascade Natural Gas Corporation (Cascade or the Company) files the following revisions to its Tariff, WN U-3, stated to become effective with service on and after June 30, 2017:

- Eighth Revision Sheet No. 300**
- Fifth Revision Sheet No. 300-A**
- Seventh Revision Sheet No. 302**
- Fourth Revision Sheet No. 302-A**

The purpose of this filing is to increase incentives for program measures offered in accordance with Schedule 300, Residential Conservation Program and Schedule 302, Commercial Industrial Conservation Program Weatherization Incentive Program. The tables below summarize the proposed measure changes:

| Schedule 300,300A, Residential Conservation Program | | |
|---|-------------------|--------------------|
| Existing Measures | Current Incentive | Proposed Incentive |
| 80% Hearth | \$250 | \$300 |
| 70% Hearth | \$150 | \$250 |
| 95% Furnace | \$250 | \$400 |
| Combination space/water heat | \$825 | \$2,500 |
| Door | \$50 | \$100 |
| Tankless Water Heater | \$150 | \$250 |
| Floor | \$0.30 | \$0.75 |
| Wall (>R11) | \$0.35 | \$0.75 |
| Ceiling/Attic (>R38) | \$0.30 | \$0.75 |
| Air Sealing | \$100 | No Change |

| | | |
|---|---------------------------|----------------------------------|
| Built Green home | \$600 | \$2,000 |
| ENERGY STAR Home® | \$600 | \$2,000 |
| New Measures | Proposed Incentive | |
| Ceiling/Attic Tier 2 (>R49) | \$1.00 | |
| Programmable Thermostat | \$10 w/ gas heat | |
| Condensing boiler 96% thermal efficiency | \$500 | |
| Any two Weatherization Measures Bundle - any two, min 1000 sq. ft. (Bundle A) | \$250 | |
| (Bundle B) Msg TA - mechanical ventilation, Air Sealing & 2 Insulation Types, min 1000 sq. ft. | \$500 | |
| Schedule 302, 302A, Commercial Industrial Conservation Program | | |
| Measure Description | Current Incentive | Proposed Incentive |
| Radiant Heat | \$6.95/kBtu | \$10/kBtu |
| Boiler Steam Trap | N/A | Retrofit only (clarification) |
| Attic Insulation | | |
| Tier 1: Min R-30 | \$0.50/sq ft | \$1.10/sq ft |
| Tier 2: Min R-45 | \$0.65 /sq ft | \$1.25 /sq ft |
| Roof Insulation | | |
| Tier 1: Min-21 | \$0.60/sq ft | \$1.35/sq ft |
| Tier 2: Min R-30 | \$0.80/sq ft | \$1.60/sq ft |
| Wall Insulation | | |
| Tier 1: Min R-11 | \$0.50/sq ft | \$1.10/sq ft |
| Tier 2: Min R-19 | \$0.56 /sq ft | \$1.25/sq ft |
| Gas Convection Oven | \$450 | \$500 |
| Gas Griddle | \$350 | \$500 |
| Door Type Dishwasher Low Temp Gas | \$650 | \$800 |
| Multi-Tank Conveyor Low Temp Dishwasher | \$1,000 | \$2,000 |
| Recirculation Controls | N/A | Retrofit only (clarification) |
| Demand Control Ventilation | \$12/ nominal ton | \$20/ nominal ton |
| Piping Insulation (retrofit only) | | |
| Tier 1- 1.5" pipe – per linear foot (> 140F & <200F) | No current offering | Tier 1 -\$4.50 |
| Tier 2 - 2.5" pipe – per linear foot (≥200F) | | Tier 2 - \$9.00 |
| Insulation and Food Service Bundles | No current offering | |
| Bundle A: | | \$500 |
| Bundle B: | | \$150 |
| Bundle C: | | \$300 |

The changes proposed herein will not impact the Company's 2017 budget as presented in the Company's 2017 Conservation Plan, which is filed in docket UG-161253. The Company considered increases to incentives when it established its annual budget. The Company believes these changes are crucial in order to achieve the annual per therm savings targets established in the Company's Conservation Plan and included the following reference in the plan that it would research potential increases to the incentive levels commensurate with discussions with, and direction from, its Conservation Advisory Group:

The Company expects in the next year to engage the CAG in discussions around viable rebate levels and potential portfolios for the 2018 program year. As mentioned in the previous iteration of the Plan, the Advisory Group showed interest in the Company moving away from its traditional method of maintaining the most robust cost-effective portfolio as feasible with rebates set near 30% of the incremental cost of the measure. The Company will explore varying levels of incentive per viable measure near the end of Q1 2017, leaving additional opportunities to review throughout 2017 and into 2018, with the idea being to increase the incentive levels to make them more enticing to consumers, without adversely affecting the programs or inadvertently promoting free-ridership. (p 32-33)

The following files are provided in support of this filing:

- NEW, CNGC Advice No. W17-05-01, Trf, 5.31.17, pdf provides the proposed revised tariff sheets 300, 300-A, 302, and 302-A
- NEW, CNGC Advice No. W17-05-01, Legislative Trf, 5.31.17, pdf provides the legislative version of the proposed revised tariffs. All proposed changes are in redline, strikeout text.
- The following files demonstrate that each revised incentive is cost effective using the utility cost test:
 - NEW, CNGC Advice No. W17-05-01, WP 1, 5.31.17
 - NEW, CNGC Advice No. W17-05-01, WP 2, 5.31.17
- The following files provide the business case for adding pipe insulation to the prescriptive commercial portfolio:
 - NEW, CNGC Advice No. W17-05-01, WP-3, 5.31.17.xls
 - NEW, CNGC Advice No. W17-05-01, WP-4, 5.31.17.xls
 - NEW, CNGC Advice No. W17-05-01, WP-5, 5.31.17.xls
 - NEW, CNGC Advice No. W17-05-01, WP-6, 5.31.17.xls
 - NEW, CNGC Advice No. W17-05-01, Narrative Pipe Insulation, 5.31.17.pdf

In accordance with paragraph 24 of the Settlement Agreement adopted by Commission Order No. 04 issued in UG-152286, the Company provided this filing in draft form to its conservation advisory group with no less than thirty days for review.

Any questions regarding this document should be directed to Monica Cowlshaw, Manager of Energy Efficiency and Community Outreach, at (360)-788-2357 or monica.cowlshaw@cngc.com.

Sincerely,

/s/ Michael Parvinen

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Attachments