Proposed

CASCADE NATURAL GAS CORPORATION

LOW INCOME WEATHERIZATION INCENTIVE PROGRAM

AVAILABILITY:

This program is available to income-eligible residential dwellings served by Cascade Natural Gas where the primary heating equipment in the residential dwelling is fueled by natural gas. Any residential dwelling that received assistance for the installation of the same or similar measures under any other energy efficiency program will not be eligible for assistance under this program.

PROGRAM DESCRIPTION:

This program is designed to increase energy efficiency in low-income households within Cascade's service territory by providing rebates for the installation of certain energy efficiency measures in qualifying residential dwellings following the completion of a home energy evaluation performed by qualifying Community Action Agencies (CAA).

ELIGIBILITY:

To qualify for the program, the following guidelines must be met. The customer must be a residential customer of Cascade Natural Gas and must be certified as low-income by a Community Action Agency (CAA) or Low Income Agency (LIA). In addition, the customer must reside in a dwelling built prior to 1991, where the primary heating source is natural gas.

ENERGY EFFICIENCY MEASURES:

The following measures qualify for rebate under this program:

- Ceiling insulation
- Wall insulation
- Floor insulation
- Duct sealing and insulation
- Infiltration reduction

REBATE CALCULATION & PAYMENT:

Cascade will provide a rebate to participating Agencies for the installation of the measures listed above. The following formula will be used to calculate the rebate:

Projected Annual Therm Savings of Measure(s) x 100% of the Avoided Cost per Therm

The rebate will not exceed the lesser of 100% of the Avoided cost of the annual therm savings or the installed cost of the measure.

The avoided cost per therm for 30 year measures is \$9.05 which is based on the Company's most recently acknowledged Integrated Resource Plan, which is the 2004 IRP.

GENERAL PROVISIONS:

The low-income weatherization investment costs associated with this program will be accounted for and recovered through a temporary technical adjustment mechanism in the deferral tracking portion of the Company's annual PGA filing. All installations of weatherization must comply with all codes and permit requirements applicable in the state of Washington and must be properly inspected, if required, by appropriate agencies. The Company reserves the right to verify installation prior to payment of any rebates.

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CNG/W07-05-01

ISSUED _

EFFECTIVE _

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

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