Proposed

CASCADE NATURAL GAS CORPORATION

COMMERCIAL/INDUSTRIAL CONSERVATION PROGRAM

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AVAILABILITY:

This program is available throughout Cascade's Washington service territory to qualifying commercial and industrial customers served on rate schedules 504, 505, and 511 upon meeting the requirements contained in the following specifications section.

PROGRAM DESCRIPTION:

This program is designed to increase energy efficiency in commercial/industrial facilities within Cascade's service territory by providing rebates for the installation of certain energy efficiency measures in qualifying facilities.

MEASURES:

The following measures are deemed cost-effective and may be recommended under this program. Energy efficiency measures not listed may still be eligible for customer incentives providing the incremental costs of the measure does not exceed \$1.00 per therm saved.

High Efficiency Equipment:

- High efficiency natural gas HVAC equipment
- High efficiency natural gas water heating equipment
- High efficiency natural gas cooking equipment

Insulation:

- Ceiling/Attic Insulation
- Wall Insulation

The Company will maintain and make available the list of prescriptive measures and the incentives available. The prescriptive measure list may be updated as market conditions change. Measures may be added or removed from the program in order to maintain the overall cost-effectiveness of the program.

SPECIFICATIONS:

Requirements:

- Must be a new or existing commercial or industrial natural gas customer of Cascade Natural Gas Corporation
- Must be replacing standard efficiency natural gas equipment or installing new equipment. Buildings currently using high efficiency equipment are not eligible for this program.
- Must be installing ceiling/attic insulation in an existing building without ceiling/attic insulation that is heated by natural gas.
- Must be installing wall insulation in an existing building without wall insulation that is heated by natural gas
- Eligible measures must be installed during the effective dates of this program to be eligible for a rebate
- Customers requesting site-specific energy efficiency measures must submit estimated costs and natural gas savings associated with the project. Natural gas savings are to be calculated using standard engineering practices. The Company will review the natural gas savings calculations, and reserves the right to modify energy savings estimates.

FUNDING:

Prescriptive Basis Measure funding will be prepared and updated as markets change and will be available from the Company's website. Funding of site-specific programs will be based on 25% of the avoided cost savings of the measures, not to exceed 50% of the incremental cost of the measure(s).

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