

JUN 08 2007

P.U.C.

Utility Program

## CASCADE NATURAL GAS CORPORATION

PUBLIC PURPOSES FUNDING  
SCHEDULE NO. 31**PURPOSE:**

The purpose of this provision is to define the funding method for public purposes activities to be administered through one or more independent entities. Public purposes activities include, but may not necessarily be limited to, energy efficiency programs, market transformation and low-income conservation and bill assistance programs designed to benefit firm sales customers within Cascade Natural Gas's service territory in Oregon.

**TERM:**

This schedule shall terminate on September 30, 2012.

**ADJUSTMENT TO RATES:**

Effective May 1, 2006, a public purpose charge equal to .75% of current revenues, including customer service charges, in each month will be assessed as a line item on the bill of rate schedules 101 and 104 customers. The level of the public purpose charge will be reviewed and revised as necessary based on periodic evaluation of public purposes funding needs.

Effective May 1, 2006, Cascade will provide each month an additional 0.75% of current Oregon revenues generated by rate schedules 101 and 104, including customer service charges, but no less than \$500,000 per year, as Public Purposes Funds.

The Public Purposes Funds shall be allocated to specific separate accounts to fund the respective public purposes programs as follows:

- 1.20% will support public purpose funding of energy efficiency programs that replace programs previously administered by Cascade with energy efficiency programs administered by an independent entity.
- 0.30% will support public purpose funding for low-income conservation and bill assistance activities.

**SPECIAL TERMS AND CONDITIONS:**

1. 80% of the monies designated as public purpose funding will be transferred to the Energy Trust of Oregon. The Energy Trust of Oregon will use the funds to design, promote and administer Natural Gas energy efficiency programs in accordance with agreements executed between Cascade and the Energy Trust.
2. 20% of the monies designated as public purpose funding will be transferred to two internal program accounts and dispersed to Community Action Agencies (Agencies) for the purpose of adding or expanding low-income weatherization programs and bill assistance programs. Until September 30, 2006, or until such time that the Agencies indicate it is feasible to expand the low-income weatherization programs identified in Schedule 33, the entire funding will be used for bill payment assistance programs. Commencing October 1, 2006, 75% of the funding will be designated for low-income conservation programs, and the remaining 25% will be designated for bill payment assistance. The internal accounts shall accrue interest at the Company's currently effective authorized rate of return.

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CNG/O07-06-01

ISSUED June 8, 2007EFFECTIVE June 15, 2007

BY

  
 Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE Senior Vice President  
Regulatory & Gas Supply

## CASCADE NATURAL GAS CORPORATION

**PUBLIC PURPOSES FUNDING  
 SCHEDULE NO. 31**
**SPECIAL TERMS AND CONDITIONS: (Continued from Previous Page)**

3. On the 20<sup>th</sup> of each month, Cascade will contribute 0.75% of current Oregon revenues towards Public Purposes Funding. This contribution will be based on the amount of the prior month's residential (Schedule 101) and commercial (schedule 104) booked revenues, including customer service charges. Cascade will forward the contributed funds, less a reserve for uncollectibles in an amount equal to Cascade's average percentage of net write-offs, to each fund administrator on the 20<sup>th</sup> of each month. Funds retained after the 20<sup>th</sup> of the month will earn interest at the Company's authorized rate of return until distributed to the fund administrators unless otherwise specified in an approved program or other agreement.
4. Each month, the Company will bill the public purposes surcharge on all rate schedule 101 and 104 customers bills. By the 20<sup>th</sup> of the month following the billing month, the Company will forward the amount of funds expected to be collected from billings issued for the prior calendar month, less a reserve for uncollectibles in an amount equal to Cascade's average percentage of net write-offs, to each fund administrator. Funds retained after the 20<sup>th</sup> of the month will earn interest at the Company's authorized rate of return until distributed to the fund administrators unless otherwise specified in an approved program or other agreement.
5. The Company, and any independent entity selected to administer public purposes programs under this Tariff, will report program results as directed by the Commission. Copies of all reports provided by the fund administrators to the Commission shall also be submitted to the Company for review.
6. All Public Purposes Funds will be allocated only to programs that are available within the Company's Oregon service territory.

CNG/007-06-01

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