

JUN 11 2007

P.U.C.

UTILITY DIVISION

CASCADE NATURAL GAS CORPORATION

**HIGH EFFICIENCY WATER HEATER REBATE PROGRAM
SCHEDULE NO. 220**

AVAILABILITY

This schedule is available throughout the territory served by the Company, to all existing, qualified residential and commercial customers currently using natural gas for purposes other than heating water. This program will commence June 1, 1993 and will be ongoing until canceled by the Company.

PURPOSE:

The purpose of the program is to provide a rebate incentive toward purchase and installation of efficient (minimum .60 energy factor) gas water heating equipment.

QUALIFICATION:

Program participants must meet the following criteria to be eligible for rebates:

- 1) Be an existing residential or commercial natural gas customer, served by the Company, that is not currently using natural gas for heating water.
- 2) Have an existing water heater(s) that uses an energy source other than natural gas. Gas to gas water heater replacements do not qualify for rebate incentives.
- 3) Install a new portable natural gas water heater with an energy factor rating of at least .60 and that conforms to all applicable state and local installation standards.
- 4) Install a new potable natural gas water heater that uses only natural gas as its energy source. Customers installing used equipment are not eligible for rebate incentives.

PROGRAM BENEFITS

Qualifying customers who purchase and install an approved, new potable natural gas water heater will receive a \$200 rebate.

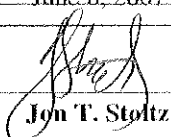
ADMINISTRATION:

- 1) Each high-efficiency water heater rebate request form must be accompanied by a proof of purchase receipt for the qualifying customer from the appliance dealer/installer who made the sale.
- 2) Only one rebate offer is valid per account. The rebate offer is non-transferable and not valid for renters. The rebate can only be redeemed by the home or business owner.
- 3) If the prospect desires financing under Cascade's Residential Financing Program, the rebate offer is available, but only as a down payment. The rebate cannot be redeemed for cash under the financing option.

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

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DEMAND SIDE MANAGEMENT (DSM) CONSIDERATIONS:

The energy savings value represents the portion of the program rebate that qualifies as a DSM measure. The DSM energy savings value portion of each program rebate will be determined as follows, assuming a water heater expected life of ten (10) years:

$$(\text{Therm Savings}) \times (\text{Ten Year Avoided Cost}) = \text{Energy Savings Value (DSM Component)}$$

WHERE:

- Therm Savings = Therm savings based upon the difference between annual therm sales under a standard (.53 energy factor) water heater and the qualifying (minimum .60 energy factor) water heater.
- Avoided Cost = The Company's established ten year avoided cost on the date of installation
- DSM Component = The portion of the program's rebate incentive eligible for rate recovery, through inclusion in the Company's approved rate base at the Company's next general rate adjustment application.

GENERAL RULES AND REGULATIONS:

This schedule is subject to the general rules and regulations contained in this tariff and to those prescribed by regulatory authorities.

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