

**SCHEDULE 31
PUBLIC PURPOSE CHARGE**

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 sales customers within Cascade Natural Gas’s service territory in Oregon.

ADJUSTMENT TO RATES

A public purpose charge equal to 6.456% of current revenues, including customer service charges, in each month will be assessed as a line item on the bills of rate schedules 101, 104, 105, 111 and 170. The level of the public purpose charge will be reviewed and revised as necessary based on periodic evaluation of public purposes funding needs.

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

- 5.191% 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.
- 1.265% will support public purpose funding for low-income conservation and bill assistance activities.

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SPECIAL TERMS AND CONDITIONS

1. 80.41% 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. 19.59% 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. The funding will be designated for low-income conservation programs (7.04%) with the remaining funds (92.96%) to be designated for bill payment assistance.

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SPECIAL TERMS AND CONDITIONS (continued)

3. Each month, the Company will bill the public purpose charge on all rate schedule 101, 104, 105, 111, and 170 customers' bills. By the 20th 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 20th 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. The Company, and any independent entity selected to administer public purpose 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.
5. All public purpose funds will be allocated only to programs that are available within the Company's Oregon service territory.