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August 14, 2026

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: NEW, Cascade Advice No. O26-08-01, Schedule 33, Oregon Low-Income Energy Conservation (OLIEC)

Director Killip

Cascade Natural Gas Corporation ("Cascade" or "Company") submits to the Public Utility Commission of Oregon ("Commission") the following revision to its Tariff WN U-3, stated to become effective with service on and after October 1, 2026:

Second Revision of Sheet No. 33.1
Second Revision of Sheet No. 33.2
Third Revision of Sheet No. 33.3

Cascade also seeks to withdraw the following sheets in their entirety:

Second Revision of Sheet No. 33.4
Second Revision of Sheet No. 33.5

OVERVIEW

The purpose of this filing is to revise Schedule 33, Oregon Low-Income Energy Conservation (OLIEC) Program, to make housekeeping changes to clarify and simplify the schedule, reducing the length of the schedule by two pages. This filing also introduces process and program improvements. The primary change is allowing qualified third-party weatherization contractors to administer the program in order to expand the reach of the program to income-qualified customers. Community Action Agencies will retain the first right of refusal for available projects.

<u>DESCRIPTION OF TARIFF CHANGES</u>
Below is a summary of the changes made to each revised tariff sheet.

<u>Sheet No. 33.1</u>
The <u>Program Description</u> section is revised to allow qualified weatherization contractors to administer OLIEC. Third-party contractors will be required to provide the same high-quality, whole-home weatherization services to income-qualified customers as other program administrators. Expanding administration to qualified weatherization contractors is intended to increase program reach and improve access for eligible customers. Historically, the OLIEC program has underserved qualified customers. Cascade has attempted to remove the barriers to entry in the program design, including making program administration more workable and less burdensome. However, despite these improvements, Community Action Agencies—the primary program delivery partners—continue to have limited resources. Cascade piloted the use of third-party weatherization contractors in its Washington income-qualified weatherization program, where the pilot successfully increased program participation. Cascade now seeks to apply those learnings to its Oregon program. This change will help ensure OLIEC benefits reach customers who need these services. Increasing OLIEC's reach is important, because weatherization provides vulnerable households with durable energy bill savings while also improving home comfort.

The <u>Energy Efficiency Measures</u> section is revised to state that natural gas furnaces are only a qualifying measure when the existing furnace is failing, has failed, or is at end of its useful life. The measure is rebated at full cost if the Program Administrator provides proof that the replacement has a savings-to-investment ratio of 1.0 or greater; otherwise, the rebate is capped at the rate established in the Deemed Measure Priority List (DMPL). Cascade uses the DMPL, tailored for Oregon, as the program guideline and uses the Washington State Weatherization Manual as a reference document.

<u>Sheet No. 33.2</u>
The new low-income residential construction measure information is moved from Sheet No. 33.1 to 33.2.

The <u>Customer Qualifications</u> section is removed because it contains legacy program information that has changed. The sentence that states two requests for a rebate for the same customer will result in only one rebate payment is moved to Sheet 33.3 under the <u>Payment Rebates</u> section.

The Program Administrator Qualifications and Responsibilities section is moved from Sheet No. 33.3 to 33.2. The term *Agency* is changed to *Program Administrator* throughout this section.

A new section titled <u>Health and Safety</u> is added to clarify that the Company will reimburse program administrators for health and safety measures, like the installation of smoke detectors or the repair of holes in doors or walls, when such repairs are necessary to secure the effectiveness of the installed energy efficiency measures. A health and safety reimbursement should not exceed 25 percent of the total project cost.

<u>Sheet No. 33.3</u>
The term *Agency* is changed to *Program Administrator* throughout this sheet.

The Program Administrator and Delivery Costs section is revised to clarify that weatherization contractors will be reimbursed for project costs and Agencies will continue to be paid both for project costs and program administration.

Text is moved from Sheet Nos. 33.4 and 33.5 to consolidate and condense the schedule. The Annual Report section is summarized, as the current version is lengthy. Cascade does not expect this change to materially alter its annual reporting obligations.

ADVISORY GROUP

This filing was shared with Cascade's Energy Assistance Advisory Group via email on July 15, 2026, and was discussed at the advisory group meeting on July 22, 2026. Cascade also had a separate meeting with a couple of Community Action Agency representative and Community Action Partnership of Oregon (CAPO) on August 5, 2026. Changes were made to the filing based on the conversations at these meetings, but no party dissented to the filing's substance.

If you have any questions, please contact Jennifer Gross at (509) 975-9473.

Sincerely,

/s/ Michael Parvinen

Michael Parvinen
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Attachments

SCHEDULE 33
OREGON LOW-INCOME ENERGY CONSERVATION PROGRAM

PURPOSE

The purpose of this provision is to define the terms and conditions under which that portion of the funds designated for use for low-income weatherization programs under Schedule 31, Public Purpose Charge will be administered and delivered to eligible customers.

AVAILABLE

This program is available to residential customers who meet the definition of low-income as defined by the Federal Low Income Home Energy Assistance Program (LIHEAP) and who reside in dwellings where the primary heating equipment is fueled by natural gas.

PROGRAM DESCRIPTION

The Oregon Low-Income Energy Conservation (OLIEC) Program is designed to make qualifying low-income households within Cascade's service territory more energy efficient by providing rebates for the installation of certain weatherization and conservation measures following the completion of a home energy evaluation performed by qualifying low-income Community Action Agencies, 501(c)3 non-profit agencies, Community Based Organizations (CBOs), or qualified weatherization contractors (referred to collectively as Program Administrators). Community Action Agencies have the first right of refusal for any project. (T) (N) (N) (N)

ENERGY EFFICIENCY MEASURES

The following energy efficiency measures qualify for rebates under this program:

Existing Low-Income Residential Dwellings

Qualifying measures include but are not limited to the following weatherization measures and high efficiency, natural gas-fired appliances:

- Ceiling insulation
- Wall insulation
- Floor insulation
- Water heater insulation
- Duct sealing
- Duct insulation
- Infiltration reduction
- Low-flow faucet aerators (D)
- Low-flow showerheads (T)
- Natural gas furnace tune-up and filter replacement
- Direct vent space heater
- Natural gas water heaters (including tankless)

Natural Gas Furnaces

A natural gas furnace is also a qualifying energy efficiency measure for customers where the existing furnace is failing, has failed, is at end of life, or is inefficient. There are two paths for a natural gas furnace rebate: 1) Full reimbursement is provided if the Program Administrator is able to show using an energy modeling software such as REM-Rate/REM-Rate Lite that the replacement of the existing natural gas furnace with a minimum of Annual Fuel Utilization Efficiency (AFUE) of 90% has a savings to investment ratio (SIR) of 1.0 or greater; or 2) The rebate is limited to the cap established in the Deemed Measure Priority List (DMPL). (N) (N)(K)

(K) references text that has moved from Sheet No. 33.1 to Sheet No. 33.2 (N)

(continued)

SCHEDULE 33
OREGON LOW-INCOME ENERGY CONSERVATION PROGRAM

<u>New Low-Income Residential Construction</u> (M)
The following energy efficiency measures qualify for rebate when installed in new construction designated primarily for the habitation of low-income individuals for at least a thirty-year period. Qualified measures include but are not limited to the following:

- Energy Star® Qualified Homes
- High-efficiency furnace installations where cost effective
- High-efficiency water heater (M)

<u>PROGRAM YEAR</u>
The OLIEC Program year will extend from October 1 through September 30.
(D)(K)
(D)

<u>PROGRAM ADMINISTATOR QUALIFICATIONS AND RESPONSIBILITIES</u> (M)(C)
1. In order to participate in the program, a Program Administrator must have an up to date, signed Administrative Agreement with Cascade Natural Gas. (C)
2. Each Program Administrator will have sole responsibility to screen and approve applicants for eligibility. (T) Each Program Administrator shall follow the established protocols for the qualification of and disbursement to eligible participants in accordance with the DMPL or the Washington State (T) weatherization manual, as modified from time to time. (T) The Company reserves the right to verify installation and compliance with all state codes and standards prior to payment of any rebates.
3. Each Program Administrator shall be responsible to complete and return to the Company all required (T) paperwork and other documentation as may be necessary for the Company to process the rebate request. (T) The Company will provide the documentation forms to each Program Administrator in electronic or hardcopy form, whichever is requested. At a minimum, the documentation must include the Program Administrator name; (T) customer name; customer account number; the landlord name and address; if applicable; the address of the qualifying households; the square footage of the home; a list of the measures installed; (T) documentation that the measure qualifies (per REM-Rate/REM-Rate Lite documentation, DOE Priority List, or Deemed Measures Priority List) as established in the Rebate Payments section of this schedule; the rebate amount per measure; total rebate per household; and a statement on whether or not all eligible measures were installed at the dwelling. (M)

<u>HEALTH AND SAFETY REPAIRS</u> (N)
Each OLIEC project is eligible to receive funds to pay for health and safety repairs that are necessary to ensure the efficacy of the newly installed energy efficiency measures are not compromised. Examples of health and safety repairs include but are not limited to the installation of smoke detectors and/or carbon monoxide detectors, furnace tune-ups, pest or moisture control in insulated spaces, and ground cover. A health and safety repair reimbursement shall not exceed 25 percent of the total OLIEC rebates provided for the same dwelling. The Company may grant exceptions to the health and safety repairs reimbursement (N) cap at its discretion.

(continued)

(M) refers to text previously on Sheet No. 33.1 (C)
(K) refers to text moved to Sheet No. 33.3 (N)

SCHEDULE 33
OREGON LOW-INCOME ENERGY CONSERVATION PROGRAM

(K)

REBATE PAYMENTS

1. The Company will reimburse participating Program Administrators for the installation of qualifying measures installed in each eligible household upon receipt of the required documentation. (T) (T)
2. In no event will any rebate amount be greater than the actual installed cost of the measure.
3. Qualified measures are eligible for rebates in the amount 100% of the installed cost of the measure. (M)
4. Measures (other than the natural gas furnace) will qualify for a rebate payment to the Program Administrators when at least one of the following criterion is met: (a) the measures are identified as cost effective under the Department of Energy (DOE) Priority List; (b) the measures are identified as cost effective under the DMPL; or (c) each measure is identified as having a savings-to-investment ratio (SIR) of 1.0 or higher according to the energy audit of the dwelling in which the measure is being installed. Program Administrators may use REM-Rate/REM-Rate Lite energy modeling software when conducting audits to demonstrate an SIR of 1.0 or higher for each individual measure. Program Administrators must provide a copy of the DOE Priority List, DMPL or REM-Rate/ REM-Rate Lite report along with its complete rebate application and other supporting documents as specified on the Company's current rebate application form in order to qualify for incentives. (T) (T) (T) (T) (T) (T) (T)
5. In the event the Company receives a rebate request for a single customer from two or more Program Administrators, the Company will process only one rebate request. (T) (T)

PROGRAM ADMINISTRATION AND DELIVERY COSTS

Program Administrators will be provided reimbursement for actual project costs for homes served under the OLIEC Program. Community Action Agencies will be reimbursed a maximum program average of 20 percent of the total project cost as billed to the Company for project coordination plus an additional 10 percent of total project cost as billed to the Company. The delivery of low-income conservation measures, the total reimbursement for project coordination, and indirect rate is not to exceed 30 percent of the total project cost as billed to the Company. The Company will process rebates and Agency payments within thirty days from the date the Company receives all completed documentation in support of such rebate requests. (C) (C) (M) (D)

ADVISORY GROUP

An Advisory Group will assist the Company in low-income weatherization development, implementation, and evaluation. The Advisory Group will consist of at least one member each from the Company, Commission staff, Community Action Partnership of Oregon (CAPO) and two or more participating Community Action Agencies. Other Program Administrators may also attend. (M)

ANNUAL REPORT

By December 1 of each year, the Company will submit an annual report to the Commission containing program successes and barriers (if any) to implementation; a summary of outreach activities; an overview of program expenditures for the program year, the number of homes served per Program Administrator, and program year results including, the total deemed savings achieved and the measures installed. (T) (T) (M) (D)

(K) refers to text that is now found on Sheet No. 33.2. (N)
(M) refers to language previously found on Sheet No. 33.2, 33.4, and 33.5. (N)