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February 13, 2026

Jeff Killip
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: CNGC Advice No. W26-02-02
Schedule 301, Low-Income Weatherization Incentive Program

Director Killip

Cascade Natural Gas Corporation (Cascade or Company) submits to the Washington Utilities and Transportation Commission (Commission) the following revisions to its Tariff WN U-3, stated to become effective with service on and after March 17, 2026:

Ninth Revision of Sheet No. 301
Seventh Revision of Sheet No. 301-A
Fourth Revision of Sheet No. 301-B
Original Sheet No. 301-C

Overview

The purpose of this filing is to revise Schedule 301, Low-Income Weatherization Incentive Program (WIP) to add boundaries to qualifying program expenditures and to incorporate as a permanent part of the program design the Company's WIP Pilot, which manages excess program referrals by allowing third-party weatherization contractors to administer the program,.

Background

The WIP program experienced low program participation for a number of years. Wanting to reverse this trend, Cascade worked with its Community Action Agencies (Agencies) and other interested parties in its Conservation Advisory Group to identify and then remove boundaries that were limiting Agencies' from delivering the program more broadly. In November 2023, Cascade filed Advice No. W23-11-01, docketed as UG-230938, to give Agencies' additional mechanisms for demonstrating that measures were cost-effective and to increase Agencies' administrative fees. These changes became effective January 1, 2024; however, the program modifications did not result in notable increases to WIP participation in 2024. In

January 2025, Cascade responded by filing Advice No. W25-01-02, docketed at UG-250058, to start piloting the use of third-party contractors for program delivery.

WIP Pilot

The WIP Pilot, which allows third-party contractors to administer WIP, was established with a term of March 1, 2025, through February 28, 2026. The WIP Pilot Plan, filed as an attachment in Docket UG-250058, states, “The pilot program will be considered successful if third-party contractors serve any number of customers from the Company’s WIP & CARES referral lists with whole-home weatherization.” Cascade spent much of 2025 finding and contracting with third-parties to administer WIP. The third-party program administrators started treating homes on September 24, 2025. As of February 12, 2026, the contractors have installed WIP measures in six homes. Since the pilot is just gaining momentum and yet can already be deemed successful, Cascade seeks to make co-administration—Agency and third-party contractor administration—the norm. All program parameters established in the tariff will continue to apply to third-party contractors so that program maintains its high-quality standard.

Requested Changes

Docket UG-230938 liberalized the program standards to increase program penetration. Since those changes became effective, the Company has learned that additional clarity on qualifying measures as well as specific cost boundaries are needed to provide program administrators with clear guidance and to manage the program budget. To this end, Cascade proposes the following changes to Schedule 301:

- First, Cascade adopts the Washington State’s Department of Energy’s guidance on cost effective energy efficiency measures as provided in its Priority List (DOE PL). Cascade revises its tariff to state that the pre-treated and post-treated conditions which are necessary for an energy efficiency installation apply to qualifying WIP measures.
- Further, where the DOE PL adopts incentive caps on measures, Cascade adopts the same caps.
- Cascade also adds a requirement that a natural gas furnace only qualifies as a WIP measure when the program administrator can demonstrate that a replacement furnace has a savings-to-investment ratio of 1.0 or more. This parameter is added to avoid high-cost replacements that do not produce measurable energy savings.
- Finally, Cascade adds a definition of health and safety repairs and clarifies that the Company’s reimbursement of health and safety repairs will not exceed 25 percent of the total job cost.

Conclusion

This filing was shared with Cascade’s Conservation Advisory Group and the Department of Commerce. The feedback received from the review process is incorporated in this filing.

Cascade believes the changes requested in this program will encourage an ongoing improvement in program penetration while ensuring the responsible use of program funding without adding barriers to WIP program administrators’ ability to treat qualifying customers’ homes.

If you have any questions, please feel free to contact me at (509) 528-9223 or Jennifer Gross at (509) 975-9473.

Sincerely,

/s/ Michael Parvinen

Michael Parvinen
Director, Regulatory Affairs
Cascade Natural Gas Corporation
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SCHEDULE 301
LOW-INCOME WEATHERIZATION INCENTIVE PROGRAM

AVAILABILITY

This program is available to qualifying low-income customers receiving residential gas service.

PROGRAM ADMINISTRATION

The program will be administered by Department of Commerce-approved, Low -Income Weatherization providers and other Low Income Agencies providing weatherization services (Agencies) and third-party weatherization service contractors. Hereafter, Agencies and third-party weatherization contractors administering WIP are referred to either collectively or individually as Program Administrator.

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PROGRAM DESCRIPTION

This program is designed to increase energy efficiency in low-income households within Cascade's service territory by providing rebates for the installation of approved energy efficiency measures in qualifying residential customers' dwellings following the completion of a home energy evaluation performed by a Program Administrator.

ELIGIBILITY

In order to qualify for WIP rebates, a Program Administrator must certify that the customer is income qualified, defined as residing in a household with a 200% federal poverty level (FPL) or less, and that the customer's household uses natural gas as its primary heat source.

WIP REBATES

Cascade shall pay the Program Administrator a WIP rebate when all weatherization measures deemed appropriate for a customer's dwelling per the home energy evaluation have been installed and the Program Administrator has provided Cascade with all the required project documentation including contractor invoices, when available, or an otherwise itemized list of the work performed and costs incurred.

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The WIP rebate is equal to the costs for labor, equipment, and materials incurred to install all qualifying energy efficiency measures but not exceeding any per measure cost cap as established in the most current Washington State Department of Energy Priority List (DOE PL) found on the Department of Commerce website, www.energy.gov.

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(N)

A Program Administrator may leverage other funding sources in combination with Cascade-provided funds to pay for WIP projects. WIP Rebates are separate from health, safety, and repair reimbursements discussed below.

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(C)
(K)

(continued)

(K) refers to language that has been moved to Sheet No. 301-A

(N)

SCHEDULE 301
LOW-INCOME WEATHERIZATION INCENTIVE PROGRAM

ENERGY EFFICIENCY MEASURES

The following high efficiency measures qualify for rebate under WIP if the pre-treated or existing conditions and the post-treated or weatherized installments meet the conditions as established: in the most current Department of Commerce DOE PL:

- | | |
|---------------------------|--|
| • Attic insulation | • Air Sealing |
| • Wall insulation | • Low-flow faucet aerators |
| • Floor insulation | • Low-flow showerheads |
| • Water heater insulation | • Natural gas water heaters (including tankless) |
| • Duct sealing | |
| • Duct insulation | |

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(C)
(D)
(M)(D)

Natural Gas Furnaces

A natural gas furnace is also qualifying energy efficiency measure for customer's where the existing furnace is failing, has failed, is at end of life, or is inefficient and the Program Administrator is able to show using an energy modeling software such as TREAT/NEAT 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.

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(N)
(C)

REBATES

These measures will qualify for a rebate payment when one of the following is true:

- (a) The measures are identified as cost-effective under the DOE PL; or
- (b) Each measure is identified as having a savings-to-investment ratio of 1.0 or higher according to the Program Administrator's energy audit in the dwelling in which the measure is being installed.

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(T)(D)
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Participating Program Administrators shall use the energy modeling software, TREAT/NEAT, or the DOE PL when conducting audits. Program Administrators shall provide a copy of the TREAT/NEAT or the DOE PL report along with its completed rebate application, and other documentation, as specified on the Company's current rebate application form, in order to qualify for incentives. The Company may consider exemptions to the 1.0 SIR requirement for individual measures, if such exemptions are consistent with provisions in the Department of Commerce Weatherization Manual, and the total weatherization project remains cost-effective. Such exemptions must be approved on an individual basis by the Company and its Conservation Advisory Group. Only Program Administrators with a demonstrated 12-month history of projects whose final costs have not exceeded 120% of anticipated costs shall be eligible for this exemption.

(D)(K)

(continued)

(M) refers to language previously found on Sheet No. 300.

(K) refers to language moved to Sheet No. 300-B.

(N)
(N)

CNG/W26-02-02

Issued February 13, 2026

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March 17, 2026

Issued by CASCADE NATURAL GAS CORPORATION

By:  Michael Parvinen

Director, Regulatory Affairs

SCHEDULE 301
LOW INCOME WEATHERIZATION INCENTIVE PROGRAM

HEALTH AND SAFETY REPAIRS

In addition to the WIP Rebate, each WIP 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 WIP Rebate provided for the same dwelling.

(N)

(N)

ADMINISTRATIVE FEES

Agencies will be reimbursed for project coordination. Project coordination will be funded up to a maximum program average of 30 percent of the total project cost, as billed to the Company. An additional agency indirect rate associated with the delivery of low-income conservation measures will be provided in the amount of 10 percent of the total project cost, as billed to the Company. The Company will pay Agencies the total combined project coordination and indirect rate of up to 40% of the total project cost as billed to the Company.

(M)

Third-party weatherization contractors will be reimbursed for 100 percent of their material costs and labor costs as invoiced to Cascade.

(M)

GENERAL PROVISIONS

1. The low-income weatherization program costs will be accounted for and recovered through an annual deferral amortization or other accounting mechanism as required under the most recent conditions of the Company's Biennial Conservation Plan. Cascade shall retain existing cost recovery mechanisms, subject to the Commission's Order in Docket UG-152286, unless otherwise ordered by the Commission.
2. All installations of weatherization must comply with all codes and permit requirements applicable in the state of Washington and must be properly inspected, if required, by a designated quality assurance inspector.
3. The Company reserves the right to verify installation prior to payment of any rebates. Rebates are qualified for payment under the terms of the most recent rebate application form, which are subject to update.
4. Cascade, in conjunction with its Conservation Advisory Group (CAG), and the Program Administrators that deliver the low-income weatherization program, will develop and report annual savings goals based on projected annual completions.

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(K)(D)

(continued)

(N)

(M) refers to language previously found on Sheet No. 301-A.

(N)

(K) refers to language moved to Sheet No. 301-C

(N)

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Director, Regulatory Affairs

WN U-3

SCHEDULE 301
LOW INCOME WEATHERIZATION INCENTIVE PROGRAM

GENERAL PROVISIONS (continued)

5. Program spending will be monitored by the Company in conjunction with the CAG to ensure that proper fiscal management is taking place by those delivering the program. To the extent possible, these activities will be integrated with Cascade's existing biennial and annual conservation planning and reporting processes.
6. A Program Administrator must have a current, signed Administrative Agreement with Cascade with individualized targets for the number of homes anticipated to be served by that Agency for the calendar year. This target shall be developed in coordination with the Program Administrator and shall be adjusted on an annual basis.

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(M)(D)

(M) refers to language that was previously found on Sheet No. 301-B.

(N)

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Director, Regulatory Affairs

SCHEDULE 301
LOW-INCOME WEATHERIZATION INCENTIVE PROGRAM

AVAILABILITY

This program is available to qualifying low-income customers receiving residential gas service.

PROGRAM ADMINISTRATION

The program will be administered by Department of Commerce-approved, Low -Income Weatherization providers and other Low Income Agencies providing weatherization services (Agencies). ~~Also, for 12-months beginning March 1, 2025, Cascade will pilot the use of and~~ third-party weatherization service contractors ~~as program administrators to provide Low-Income Weatherization Incentive Program (WIP) services as defined in this schedule.~~ Hereafter, any Agencies and third-party contractors administering WIP are WIP administrator is collectively referred to as a Program Administrator.

PROGRAM DESCRIPTION

This program is designed to increase energy efficiency in low-income households within Cascade's service territory by providing rebates for the installation of approved energy efficiency measures in qualifying residential customers' dwellings following the completion of a home energy evaluation performed by a Program Administrator.

ELIGIBILITY

In order to qualify for WIP rebates, a Program Administrator must certify that the customer is income qualified, defined as residing in a household with a 200% federal poverty level (FPL) or less, and that the customer's household uses natural gas as its primary heat source.

WIP REBATES

~~Cascade shall pay the Program Administrator a WIP rebates shall fully fund the cost of when all~~ qualified weatherization measures have been installed in a qualified WIP customer's dwelling and the Program Administrator has provided Cascade with all required project documentation including contractor invoices, when available, or an otherwise itemized list of the work performed and costs incurred.

~~The for customers. WIP rebate is equal to the costs for labor, equipment, and materials incurred to install all qualifying energy efficiency measures but not exceeding any per measure cost cap as established in the most current Washington State Department of Energy Priority List (DOE PL) found on the Department of Commerce website, www.energy.gov. "Fully funded"~~

~~A does not prohibit the~~ Program Administrator may from leveraging leverage other funding sources in combination with Cascade-provided funds to pay for ~~low-income conservation~~ WIP projects.

ENERGY EFFICIENCY MEASURES

The following high efficiency measures qualify for rebate under WIP if the pre-treated or existing conditions and the post-treated or weatherized installments meet the conditions as established: in the most current DOE PL:

CNG/W256-0102-0202

Issued ~~January 24, 2025~~ February 17, 2026

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By: ~~Alan Blattner~~ Michael Parvinen ~~Lori Blattner~~ Michael Parvinen Director, Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

~~Eighth-Ninth~~ Revision of Sheet 301

Canceling

WN U-3

~~Seventh-Eighth~~ Revision Sheet No. 301

- ~~Ceiling-Attic~~ insulation
- Wall insulation
- Floor insulation
- Water heater insulation
- Duct sealing
- Duct insulation
- ~~Infiltration reduction~~ Air Sealing
- Low-flow faucet aerators
- Low-flow showerheads
- ~~Natural gas furnaces~~
- Furnace ~~tune-up and~~ filter replacement
- ~~Direct vent space heater~~
- Natural gas water heaters (including tankless)

(continued)

CNG/W256-0102-0202

Issued ~~January 24, 2025~~ February 17, 2026

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March 13 2026 ~~March 1, 2025~~

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By: ~~Lori Blattner~~ Michael Parvinen ~~Lori Blattner~~ Michael Parvinen Director, Regulatory Affairs

SCHEDULE 301
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SCHEDULE 301
LOW-INCOME WEATHERIZATION INCENTIVE PROGRAM

Natural Gas Furnaces

A natural gas furnace is also qualifying energy efficiency measure for customer's where the existing furnace is failing, has failed, is at end of life, or is inefficient and the Program Administrator is able to show using an energy modeling software such as TREAT/NEAT 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.

ENERGY EFFICIENCY MEASURES (continued) REBATES

These measures will qualify for a rebate payment when one of the following is true:

- (a) ~~The measures are identified as cost-effective under the appropriate climate zone and housing type under the Washington State Department of Commerce Deemed Measure Priority List (DMPL);~~
- (b)(a) _____ The measures are identified as cost-effective under the ~~Department of Energy (DOE) Priority List~~ DOE PL; or
- (b) Each measure is identified as having a savings-to-investment ratio of 1.0 or higher according to the Program Administrator's energy audit in the dwelling in which the measure is being installed.

Participating Program Administrators shall use the energy modeling software, TREAT/NEAT, or the ~~DMPL DOE PL; or the DOE Priority List~~ when conducting audits. Program Administrators shall provide a copy of the ~~TREAT/NEAT~~ TREAT/NEAT or the ~~Priority List~~ DOE PL report along with its completed rebate application, and other documentation, as specified on the Company's current rebate application form, in order to qualify for incentives. The Company may consider exemptions to the 1.0 SIR requirement for individual measures, if such exemptions are consistent with provisions in the Department of Commerce Weatherization Manual, and the total weatherization project remains cost-effective. Such exemptions must be approved on an individual basis by the Company and its Conservation Advisory Group. Only Program Administrators with a demonstrated 12-month history of projects whose final costs have not exceeded 120% of anticipated costs shall be eligible for this exemption.

HEALTH AND SAFETY REPAIRS

In addition to the WIP Rebate, each WIP 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 WIP Rebate provided for the same dwelling.

REBATE CALCULATION

~~Cascade will provide a WIP rebate to the Program Administrator for the total installed cost of approved weatherization measures. Installed cost shall include associated repair work, and health and safety improvements necessary for the installation of a qualified measure, provided advanced review and approval is provided to the Company prior to payment. The Program Administrator shall demonstrate~~

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By: ~~Chris A. Blattner~~  ~~Lori Blattner~~ Michael Parvinen

Director, Regulatory Affairs

~~total install costs by providing the Company with all requisite documentation including contractor invoices, where available, or an otherwise itemized list of the work performed and costs incurred.~~

ADMINISTRATIVE FEES

Agencies will be reimbursed for project coordination. Project coordination will be funded up to a maximum program average of 30 percent of the total project cost, as billed to the Company. An additional agency indirect rate associated with the delivery of low-income conservation measures will be provided in the amount of 10 percent of the total project cost, as billed to the Company. The Company will pay Agencies the total combined project coordination and indirect rate of up to 40% of the total project cost as billed to the Company.

Third-party weatherization contractors will be reimbursed for 100 percent of their material costs and labor costs as invoiced to Cascade.

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Director, Regulatory Affairs

SCHEDULE 301
LOW INCOME WEATHERIZATION INCENTIVE PROGRAM

GENERAL PROVISIONS:

1. The low-income weatherization program costs will be accounted for and recovered through an annual deferral amortization or other accounting mechanism as required under the most recent conditions of the Company's Biennial Conservation Plan. Cascade shall retain existing cost recovery mechanisms, subject to the Commission's Order in Docket UG-152286, unless otherwise ordered by the Commission.
2. All installations of weatherization must comply with all codes and permit requirements applicable in the state of Washington and must be properly inspected, if required, by a designated quality assurance inspector.
3. The Company reserves the right to verify installation prior to payment of any rebates. Rebates are qualified for payment under the terms of the most recent rebate application form, which are subject to update.
4. Cascade, in conjunction with its Conservation Advisory group, and the Program Administrators that deliver the low-income weatherization program, will develop and report annual savings goals based on projected annual completions.
5. Program spending will be monitored by the Company in conjunction with the CAG to ensure that proper fiscal management is taking place by those delivering the program. To the extent possible, these activities will be integrated with Cascade's existing biennial and annual conservation planning and reporting processes.
6. A Program Administrator must have a current, signed Memorandum of Understanding with Cascade with individualized targets for the number of homes anticipated to be served by that Agency for the calendar year. This target shall be developed in coordination with the Agency and shall be adjusted on an annual basis.

Program Administration Pilot Terms and Conditions

- ~~1. The Program Administration Pilot will conform to the parameters put forth in the WIP Pilot Plan filed as an attachment to Advice No. 25-01-02.~~
- ~~2.1. Cascade will pilot the use of third-party contractors to administer WIP referrals that exceed the Agencies' workload capacity. Agencies will have the first right of refusal of any customer lead received.~~

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March 17, 2026~~March 1, 2025~~

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Director, Regulatory Affairs