



*In the Community to Serve®*

8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-7166  
www.cngc.com

November 30, 2011

Public Utility Commission of Oregon  
Attn: Records Center  
550 Capitol Street N. E. Suite 215  
Salem, Oregon 97302-2148

**Re: Cascade Natural Gas Corporation Oregon Low-Income Bill Assistance Program  
(OLIBA) Annual Report Program Fiscal Year 2010-2011**

Cascade Natural Gas Corporation encloses for filing the Company's Annual Report for the Oregon Low-Income Bill Assistance Program (OLIBA) for the 2010-2011 program year in accordance with the Company's Tariff P.U.C. Or. 9 Original Sheet No. 32.

Cascade has determined that there is a minor discrepancy in the way that returned pledges have been accounted for in the OLIBA program. This minor discrepancy in the way that returned pledges have not been accounted for in the OLIBA Program does not have a material impact on the overall reporting of program results. The Company will be factoring this change into subsequent OLIBA reports to the Commission.

Please feel free to contact Jim Abrahamson at (503) 230-9607 with any questions or concerns you may have.

Sincerely,

Pamela J. Archer  
Supervisor  
Regulatory Analysis

*We make warm neighbors*

**Cascade Natural Gas Corporation's Oregon Low Income Bill Assistance Program  
Annual Report for Program Year October 1, 2010 through September 30, 2011**

**Executive Summary**

Cascade's Oregon Low Income Bill Assistance (OLIBA) program was originally implemented in May 2006 with the approval of the Company's Public Purposes Funding Tariff (Schedule 31). The OLIBA was designed to supplement Federal Low Income Energy Assistance Program (LIHEAP) funds by providing assistance to income eligible households to offset their gas heating costs. The Company's primary goal for the program is to increase the availability of bill payment assistance for low income customers located within Cascade's service territory. Low Income funding is equal to three tenths of one percent (.30) of Oregon residential and commercial gross revenues and 25% of the low income funds are designated as available for the OLIBA Program.

Since the inception of the program in May 2006, a total of 1,519 energy assistance pledges have been provided, totaling \$405,641 in direct payments to customers. During the 2010-2011 program year, the Community Action Agencies (Agencies) in Cascade's Oregon service territory distributed \$64,601 of OLIBA funds, providing energy assistance funding to 271 natural gas customers. The average pledge during the program year was \$238. In order to meet additional needs resulting from the rate increases associated with the 2008 annual purchased gas adjustment filing, the allocation formula was adjusted to temporarily provide 100% of low income funds for OLIBA. This adjustment lasted from September 1, 2008 through March 31, 2009. Funding reverted to the original 75/25 formula effective April 1, 2009.

Approximately \$52,165 of incremental revenue was collected through the public purpose charge during the year. Interest income was recorded as approximately \$5,407 for a total incremental OLIBA funding level of \$57,572. Total available program funds (when combined with the \$54,980 program balance from the 2010-2011 program year) were \$112,553.

As mentioned above, \$64,601 was utilized by the Agencies (CAAs or Agencies) for pledges to qualifying customers. Additionally, \$12,668 of the remaining funds were disbursed to the agencies to cover agency administration and program support which represents approximately 11 percent of the total program funds available for the period.

At the end of the program year-ending September 30, 2009, undistributed funds totaled \$131,741. At the end of the program year ending September 30, 2010, the unspent balance amounted to \$54,980. At the end of the program year ending September 30, 2011, the unspent balance amounted to \$35,283.

Cascade allocates the monthly bill assistance funding to the Agencies based on the same allocation used by Oregon Housing and Community Services (OHCS) to allocate funds under the federal LIHEAP during the previous year. For the 2010-2011 program year, the allocation was as follows:

NeighborImpact (Bend area)	39.40%
Community Action Program East Central Oregon (Pendleton Area)	28.46%
Community Connection of NE Oregon (Baker Area)	21.76%
Community in Action (Ontario Area)	10.38%

**Cascade Natural Gas Corporation's Oregon Low Income Bill Assistance Program**  
**Annual Report for Program Year October 1, 2010 through September 30, 2011**

**Payment Process**

Cascade utilizes a cashless voucher payment system, which has proven to be an effective and efficient process for all participants. The company believes that this process is not only efficient for the Company and Agencies, but also ensures that customers received their payment assistance in a very timely manner.

**Overall Program Performance**

The 2010-2011 program year is the fifth full year of the OLIBA program and the program appears to be working well. During the 2010-2011 program year, 271 customers received assistance at an average pledge amount of approximately \$238. The following table summarizes the results of the program:

**Summary of Annual Program Results**  
**OREGON LOW INCOME BILL ASSISTANCE PROGRAM**

	2005-2011	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
No. Customers Served	1,519	271	385	358	244	261	N/A
Average Rebate per Project (excluding administration)	\$ 266	\$ 238	\$ 330	\$ 248	\$ 227	\$ 260	N/A
<b>Revenues:</b>							
Balance from Prior Year	\$ -	\$ 54,980	\$ 131,741	\$ 21,991	\$ 15,231	\$ 32,371	\$ -
Program Year Revenues	\$ 471,087	\$ 52,165	\$ 54,845	\$ 203,807	\$ 68,727	\$ 57,320	\$ 34,224
Accrued Interest	\$ 23,763	\$ 5,407	\$ 5,741	\$ 8,425	\$ 1,144	\$ 2,656	\$ 390
<b>Total Available Funds</b>	<b>\$ 494,850</b>	<b>\$ 112,553</b>	<b>\$ 192,326</b>	<b>\$ 234,224</b>	<b>\$ 85,102</b>	<b>\$ 92,347</b>	<b>\$ 34,613</b>
<b>Payments to Agencies:</b>							
To Customers	\$ 405,641	\$ 64,601	\$ 126,952	\$ 88,783	\$ 55,450	\$ 67,838	\$ 2,018
To Agencies	\$ 53,927	\$ 12,668	\$ 10,394	\$ 13,700	\$ 7,661	\$ 9,279	\$ 225
<b>Total Payments</b>	<b>\$ 459,567</b>	<b>\$ 77,270</b>	<b>\$ 137,346</b>	<b>\$ 102,483</b>	<b>\$ 63,111</b>	<b>\$ 77,116</b>	<b>\$ 2,243</b>
Ending Balance in OLIBA Account	\$ 35,283	\$ 35,283	\$ 54,980	\$ 131,741	\$ 21,991	\$ 15,231	\$ 32,371
<b>% Available Funds Used:</b>							
Payments to Customers	82.0%	57.4%	66.0%	37.9%	65.2%	73.5%	
Payments to Agencies	10.9%	11.3%	5.4%	5.8%	9.0%	10.0%	
<b>Total</b>	<b>92.9%</b>	<b>68.7%</b>	<b>71.4%</b>	<b>43.8%</b>	<b>74.2%</b>	<b>83.5%</b>	

**Note:** 2005-2006 was a partial year, with the first month of funding occurring May 2006. During the 2005-2006 program all of the low income funds were designated for bill assistance, therefore, the one weatherization project was reimbursed from the OLIBA funds.

As noted earlier, during the 2010-11 OLIBA Program Year 271 customers were served with bill assistance and received an average rebate of \$238. The 271 customers served are lower than the 385 customers served in the previous program year because in the 2009-10 program year agencies were still working through the additional bill payment funds they had available from the temporary shift of weatherization funds to bill assistance. Additionally, average payments per customer have returned to levels more consistent with the OLIBA program's past history.

**Cascade Natural Gas Corporation's Oregon Low Income Bill Assistance Program  
Annual Report for Program Year October 1, 2010 through September 30, 2011**

During the 2010-11 program year, Cascade continues to work closely with all Agencies to deliver the OLIBA program. In particular, Cascade worked closely with the Malhuer Council of Aging, which has recently been replaced by the Community In Action CAP agency in Ontario, Oregon. Additionally, Cascade monitored any changes in the percentage allocation of LIHEAP funds by Oregon Housing and Community Services and chose not to adjust our agency's funding levels.

Cascade Natural Gas Corporation  
Annual Report 2010-2011  
OLIBA (Oregon Low Income Bill Assistance)

Program To Date Summary		Revenues			Expenditures			
		Revenues	Interest	Total Revenues	Customer Payments	Agency Payments	Total Expenditures	
		52,165.36	5,406.93	57,572.29	(64,601.19)	(12,668.43)	(77,269.62)	
2010-2011 REPORTING PERIOD		Revenues			Expenditures			Ending Balance
Month	Beginning Balance	Monthly Program Revenues	Interest	Total Revenues Balance	Payments to Customers	Payments to Agencies	Total Expenditures	
<b>2010</b>								
October	54,980.39	3,349.85	394.94	58,725.18	(2,094.79)	0.00	(2,094.79)	56,630.39
November	56,630.39	6,640.38	388.93	63,659.70	(4,552.00)	0.00	(4,552.00)	59,107.70
December	59,107.70	7,641.11	404.99	67,153.80	0.00	0.00	0.00	67,153.80
<b>2011</b>								
January	67,153.80	8,121.73	458.13	75,733.66	(662.70)	0.00	(662.70)	75,070.96
February	75,070.96	6,728.67	462.42	82,262.05	(4,067.94)	0.00	(4,067.94)	78,194.11
March	78,194.11	5,346.11	545.87	84,086.09	(4,026.00)	0.00	(4,026.00)	80,060.09
April	80,060.09	4,861.68	548.49	85,470.26	(11,535.60)	0.00	(11,535.60)	73,934.66
May	73,934.66	2,842.50	520.81	77,297.97	(3,414.00)	0.00	(3,414.00)	73,883.97
June	73,883.97	2,361.45	509.29	76,754.71	(16,350.41)	0.00	(16,350.41)	60,404.30
July	60,404.30	1,389.22	437.19	62,230.71	(8,809.12)	0.00	(8,809.12)	53,421.59
August	53,421.59	1,465.18	390.19	55,276.96	(6,464.63)	0.00	(6,464.63)	48,812.33
September	48,812.33	1,417.48	345.68	50,575.49	(2,624.00)	(12,668.43)	(15,292.43)	35,283.06
<b>2010-2011 Total</b>		<b>52,165.36</b>	<b>5,406.93</b>		<b>(64,601.19)</b>	<b>(12,668.43)</b>	<b>(77,269.62)</b>	

Program To Date Summary		Revenues			Expenditures			
		Revenues	Interest	Total Revenues	Customer Payments	Agency Payments	Total Expenditures	
		54,844.50	5,740.59	60,585.09	(126,951.50)	(10,394.23)	(137,345.73)	
2009-2010 REPORTING PERIOD		Revenues			Expenditures			Ending Balance
Month	Beginning Balance	Monthly Program Revenues	Interest	Total Revenues Balance	Payments to Customers	Payments to Agencies	Total Expenditures	
<b>2009</b>								
October	131,741.03	4,912.43	942.85	137,596.31	(1,880.00)	(745.81)	(2,625.81)	134,970.50
November	134,970.50	6,102.32	838.41	141,911.23	(13,240.00)	(1,328.25)	(14,568.25)	127,342.98
December	127,342.98	10,382.94	620.24	138,346.16	(39,423.00)	(129.40)	(39,552.40)	98,793.76
<b>2010</b>								
January	98,793.76	6,846.49	501.25	106,141.50	(24,328.00)	0.00	(24,328.00)	81,813.50
February	81,813.50	6,309.25	342.03	88,464.78	(21,114.00)	(4,991.92)	(26,105.92)	62,358.86
March	62,358.86	5,120.47	401.13	67,880.46	(5,461.49)	0.00	(5,461.49)	62,418.97
April	62,418.97	4,499.80	328.81	67,247.58	(13,964.01)	(705.60)	(14,669.61)	52,577.97
May	52,577.97	3,246.38	315.54	56,139.89	(5,453.00)	(1,294.65)	(6,747.65)	49,392.24
June	49,392.24	2,248.28	331.95	51,972.47	(586.00)	0.00	(586.00)	51,386.47
July	51,386.47	1,273.76	367.38	53,027.61	0.00	0.00	0.00	53,027.61
August	53,027.61	1,860.08	384.17	55,271.86	(1,276.00)	0.00	(1,276.00)	53,995.86
September	53,995.86	2,042.30	366.83	56,404.99	(226.00)	(1,198.60)	(1,424.60)	54,980.39
<b>2009-2010 Total</b>		<b>54,844.50</b>	<b>5,740.59</b>		<b>(126,951.50)</b>	<b>(10,394.23)</b>	<b>(137,345.73)</b>	

Cascade Natural Gas Corporation  
Annual Report 2010-2011  
OLIBA (Oregon Low Income Bill Assistance)

Program To Date Summary		Revenues			Expenditures			
		Revenues	Interest	Total Revenues	Customer Payments	Agency Payments	Total Expenditures	
		203,807.06	8,425.41	212,232.47	(88,782.94)	(13,699.64)	(102,482.58)	
2008-2009 REPORTING PERIOD		Revenues			Expenditures			Ending Balance
Month	Beginning Balance	Monthly Program Revenues	Interest	Total Revenues Balance	Payments to Customers	Payments to Agencies	Total Expenditures	
<b>2008</b>								
October	21,991.14	16,596.42	121.43	38,708.99	(318.00)	0.00	(318.00)	38,390.99
November	38,390.99	23,602.82	157.03	62,150.84	(5,389.00)	0.00	(5,389.00)	56,761.84
December	56,761.84	42,309.01	276.65	99,347.50	(4,132.59)	0.00	(4,132.59)	95,214.91
<b>2009</b>								
January	95,214.91	43,053.62	452.85	138,721.38	(6,499.00)	(196.50)	(6,695.50)	132,025.88
February	132,025.88	31,296.49	626.78	163,949.15	(4,656.00)	(2,800.30)	(7,456.30)	156,492.85
March	156,492.85	32,823.10	880.14	190,196.09	(16,298.00)	(1,012.52)	(17,310.52)	172,885.57
April	172,885.57	3,772.76	939.55	177,597.88	(16,792.00)	(2,955.00)	(19,747.00)	157,850.88
May	157,850.88	3,186.51	1,148.38	162,185.77	(160.00)	0.00	(160.00)	162,025.77
June	162,025.77	1,760.24	952.74	164,738.75	(21,741.20)	(5,059.32)	(26,800.52)	137,938.23
July	137,938.23	1,641.97	984.44	140,564.64	(3,298.00)	(413.00)	(3,711.00)	136,853.64
August	136,853.64	1,739.88	965.63	139,559.15	(2,447.00)	(403.00)	(2,850.00)	136,709.15
September	136,709.15	2,024.24	919.79	139,653.18	(7,052.15)	(860.00)	(7,912.15)	131,741.03
<b>2008-2009 Total</b>		<b>203,807.06</b>	<b>8,425.41</b>		<b>(88,782.94)</b>	<b>(13,699.64)</b>	<b>(102,482.58)</b>	

Program To Date Summary		Revenues			Expenditures			
		Revenues	Interest	Total Revenues	Customer Payments	Agency Payments	Total Expenditures	
		68,726.77	1,144.28	69,871.05	(55,449.84)	(7,660.71)	(62,810.55)	
2007-2008 REPORTING PERIOD		Revenues			Expenditures			Ending Balance
Month	Beginning Balance	Monthly Program Revenues	Interest	Total Revenues Balance	Payments to Customers	Payments to Agencies	Total Expenditures	
<b>2007</b>								
October	15,230.64	4,479.23	87.04	19,796.91	(2103.09)	0.00	(2,103.09)	17,693.82
November	17,693.82	7,744.96	100.58	25,539.36	(342.96)	(313.80)	(656.76)	24,882.60
December	24,882.60	8,918.20	137.65	33,938.45	(1,276.04)	0.00	(1,276.04)	32,662.41
<b>2008</b>								
January	32,662.41	10,940.63	143.89	43,746.93	(7,456.00)	0.00	(7,456.00)	36,290.93
February	36,290.93	7,625.39	56.56	43,972.88	(17,712.00)	(2,858.85)	(20,570.85)	23,402.03
March	23,402.03	7,227.17	99.93	30,729.13	(4,085.34)	(886.15)	(4,971.49)	25,757.64
April	25,757.64	5,162.01	88.93	31,008.58	(7,992.38)	(522.27)	(8,514.65)	22,493.93
May	22,493.93	3,071.93	93.35	25,659.21	(6,543.03)	0.00	(6,543.03)	19,116.18
June	19,116.18	2,083.27	90.55	21,290.00	(1,760.00)	(2,658.44)	(4,418.44)	16,871.56
July	16,871.56	1,556.94	72.98	18,501.48	(5,478.00)	(183.20)	(5,661.20)	12,840.28
August	12,840.28	1,770.64	82.82	14,693.74	(401.00)	(238.00)	(639.00)	14,054.74
September	14,054.74	8,146.40	90.00	22,291.14	(300.00)	0.00	(300.00)	21,991.14
<b>2007-2008 Total</b>		<b>68,726.77</b>	<b>1,144.28</b>		<b>(55,449.84)</b>	<b>(7,660.71)</b>	<b>(62,810.55)</b>	

Cascade Natural Gas Corporation  
Annual Report 2010-2011  
OLIBA (Oregon Low Income Bill Assistance)

Program To Date Summary		Revenues			Expenditures			
		Revenues	Interest	Total Revenues	Customer Payments	Agency Payments	Total Expenditures	
		65,003.44	2,829.44	67,832.88	(67,837.63)	(9,278.55)	(77,116.18)	
2006-2007 REPORTING PERIOD		Revenues			Expenditures			Ending Balance
Month	Beginning Balance	Monthly Program Revenues	Interest	Total Revenues Balance	Payments to Customers	Payments to Agencies	Total Expenditures	
<b>2006</b>								
October	32,370.76	3,678.74	225.38	36,274.88	0.00	0.00	0.00	36,274.88
November	36,274.88	7,473.41	268.03	44,016.32	(1,300.00)	0.00	(1,300.00)	42,716.32
December	42,716.32	8,667.83	279.36	51,663.51	(3,915.00)	0.00	(3,915.00)	47,748.51
<b>2007</b>								
January	47,748.51	10,482.64	316.45	58,547.60	(4,475.00)	(880.00)	(5,355.00)	53,192.60
February	53,192.60	7,390.39	307.52	60,890.51	(12,595.90)	(526.00)	(13,121.90)	47,768.61
March	47,768.61	5,472.94	223.59	53,465.14	(18,740.00)	(1,833.00)	(20,573.00)	32,892.14
April	32,892.14	4,348.81	223.97	37,464.92	(3,278.00)	0.00	(3,278.00)	34,186.92
May	34,186.92	2,809.73	231.14	37,227.79	(4,624.96)	0.00	(4,624.96)	32,602.83
June	32,602.83	1,727.76	206.29	34,536.88	(4,629.55)	(579.91)	(5,209.46)	29,327.42
July	29,327.42	1,482.15	175.79	30,985.36	(2,335.00)	(2,111.00)	(4,446.00)	26,539.36
August	26,539.36	1,677.19	113.64	28,330.19	(7,636.52)	(2,582.80)	(10,219.32)	18,110.87
September	18,110.87	2,107.99	85.32	20,304.18	(4,307.70)	(765.84)	(5,073.54)	15,230.64
<b>2006-2007 Total</b>		<b>57,319.58</b>	<b>2,656.48</b>	<b>59,976.06</b>	<b>(67,837.63)</b>	<b>(9,278.55)</b>	<b>(77,116.18)</b>	
2005-2006 REPORTING PERIOD		Revenues			Expenditures			Ending Balance
Month	Beginning Balance	Monthly Program Revenues	Interest	Total Revenues Balance	Payments to Customers	Payments to Agencies	Total Expenditures	
<b>2006</b>								
May	0.00	8,725.53	0.00	8,725.53	0.00	0.00	0.00	8,725.53
June	8,725.53	6,838.61	17.19	15,581.33	(2,017.55)	(225.00)	(2,242.55)	13,338.78
July	13,338.78	5,589.08	73.30	19,001.16	0.00	0.00	0.00	19,001.16
August	19,001.16	5,386.60	126.18	24,513.94	0.00	0.00	0.00	24,513.94
September	24,513.94	7,683.86	172.96	32,370.76	0.00	0.00	0.00	32,370.76
<b>2005-2006 Total</b>		<b>34,223.68</b>	<b>389.63</b>	<b>34,613.31</b>	<b>(2,017.55)</b>	<b>(225.00)</b>	<b>(2,242.55)</b>	