PUGET SOUND ENERGY, INC.
NATURAL GAS SCHEDULE NO. 250 (C)
NATURAL GAS ENERGY EFFICIENCY PROGRAM
Commercial/Industrial Retrofit Program

Section 1: Availability

Any Customer, owner, or tenant with appropriate owner consent, of a commercial or industrial facility receiving bundled natural gas service under the Company's natural gas tariff.

Section 2: Measures

Cost-effective Measures, applicable to, but not limited to the category headings below, may be recommended under this schedule. Additional Measures proposed by the Customer may be reviewed at the Company's discretion.

HVAC
Controls
Process Efficiency Improvements
Building Thermal Improvements, including insulation and duct sealing
Water Heating Improvements
Building Commissioning
Optimization

Section 3: Services

The Company may make recommendations of cost-effective savings potential for the facility or facilities or end-use, including estimates of costs and the Simple Payback of energy efficiency Measures. This may include a review of energy consumption history and the planned use of the facility. The Company will review engineering analyses of savings potential performed at the Customer's, owner's or tenant's direction and expense. The Company, as appropriate, may offer sample specifications to assist in obtaining bids for Measures. The Company may contract with service providers for implementation of energy efficiency Measures or services. The Company will review installation of Measure(s) for consistency with contracted energy efficiency specifications.

The Company will provide secure website access to energy-use data for participating Customers who commit to monitoring and using information to improve energy efficiency at their facilities. Customers will demonstrate annual energy savings potential through energy management operations or maintenance as well as identification of further efficiency Measures and equipment upgrades.

The Company's cost of providing these services may reasonably be expected to result in cost-effective energy savings using a Total Resource Cost Test and a Utility Cost Test.

(Continued on Sheet No. 1250-A) (C)

PUGET SOUND ENERGY, INC.
NATURAL GAS SCHEDULE NO. 250 (Continued) (C)
NATURAL GAS ENERGY EFFICIENCY PROGRAM
Commercial/Industrial Retrofit Program

Section 4: Customer Obligations

Customer, owner or tenant shall purchase qualifying Measure(s), install (or have installed) the Measures in accordance to all applicable codes, regulations, safety and health standards, specifications, manufacturers instructions and standard practices. Customer, owner or tenant is solely responsible for and assumes all liability associated with permitting, contracting, hiring and paying independent contractors to install Measures. When applicable, required documentation of purchase and/or installation shall be submitted to the Company under the terms and instructions on the current incentive form.

Section 5: Engineering Fees

The Customer, owner or tenant is responsible for project design and engineering costs.

Section 6: Funding

Funding is subject to Company-approved savings estimates and analyses. Measures funded must meet or exceed applicable energy codes or, where no such code exists, standard industry practice as determined by the Company.

a. Engineering design fees may be included as part of the cost of the installed Measure(s) for the purpose of calculating funding.
b. Site-Specific Basis incentives: For Measures with Simple Payback of one year or greater, the Company will provide tailored incentives toward the incremental cost of Company-approved energy efficiency Measures. Project incentive funding will be based on the Company's Energy Efficiency Cost-Effectiveness Standard.
c. Building Commissioning and Optimization Incentives: Building Commissioning and Optimization of building systems and operations will be funded based on the Company's Energy Efficiency Cost-Effectiveness Standard.
d. Process Efficiency Improvement Incentives: Incentive funding will be based on the Company's Energy Efficiency Cost-Effectiveness Standard.
e. Online energy-use monitoring: Online monitoring may be provided at no charge for up to two years for participating facilities, and up to three years for facilities receiving Building Commissioning and Optimization incentives, provided compatible metering and remote data retrieval capability is in place at the Customer's facility. PSE is not obligated to repair, replace or upgrade noncompatible meters.

(Continued on Sheet No. 1250-B) (C)

PUGET SOUND ENERGY, INC.
NATURAL GAS SCHEDULE NO. 250 (Continued) (C)
NATURAL GAS ENERGY EFFICIENCY PROGRAM
Commercial/Industrial Retrofit Program

Section 7: Schedule 183

Service under this schedule is subject to the provisions of Schedule 183, Natural Gas Conservation Service, contained in this tariff.

Section 8: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in the Company's tariff.