(N)

(N)

SYSTEM BENEFITS CHARGE ADJUSTMENT PROCEDURES:

Each year, the Company;

1. Estimates current year expenditures.
2. Performs a true-up of prior period differences for:
   1. Budget versus actual expenditures, and
   2. Revenues set in rates versus actual revenue recovered.
3. Upon completion of the true-up, a. and b. are summed and allocated to the applicable rate schedules based on the relationship of their base revenue to total Washington base revenue. The resulting rate-schedule-allocated amounts are divided by each rate schedule’s total kilowatt-hours (kWh) to calculate the rates listed above. The total system benefits charge revenue requirement amount and all substantiating calculations are then submitted to the Commission for approval at least 60 days prior to the requested effective date.

All conservation expenditures and collections are tracked in FERC account 182.3.

GENERAL RULES AND PROVISIONS:

Service under this schedule is subject to the General Rules and Provisions contained in this tariff.