

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1
PCB EXPENSE ACCOUNT (PCBEA)

The PCBEA is a memorandum account recorded on the Utility's financial statements. The purpose of this account is to record all past and future costs associated with the Transwestern PCB arbitration proceeding, including capital costs. These PCB clean-up costs will be considered for rate recovery after arbitration is concluded, following a reasonableness review in an annual hazardous waste review proceeding.

Utility shall maintain the PCBEA by making entries into the account as follows:

- a. Transfer all prior costs and authorized revenues into the account,
- b. Make monthly debit entries equal to recorded PCB clean-up costs paid during the month.

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