



ELECTRIC PRELIMINARY STATEMENT PART EZ Sheet 1
LAND CONSERVATION PLAN ENVIRONMENTAL REMEDIATION MEMORANDUM ACCOUNT

1. **PURPOSE:** The purpose of the LCPERMA is to record and recover hazardous substance investigation, remediation, or mitigation costs incurred by PG&E related to properties which will be or are encumbered or transferred pursuant to the Land Conservation Commitment (consistent with D.03-12-035). These costs may include, for example: investigation costs, remediation costs, monitoring costs, closure costs, agency oversight fees, permit fees, hazardous waste taxes, and costs to pursue, defend or pay claims relating to hazardous substance remediation or mitigation (provided that recoveries from third parties due to any such PG&E claims shall be recorded as a credit to the LCPERMA).

However, PG&E may not record into the LCPERMA the following costs related to the investigation, remediation, or mitigation of hazardous substances on properties subject to the Land Conservation Commitment: fines or penalties, personal injury damages, or costs of defending personal injury lawsuits related to environmental liabilities or hazardous substances that may be found on these properties. In addition, PG&E may not record into the LCPERMA costs that are otherwise being recovered in rates.

2. **APPLICABILITY:** The LCPERMA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. **REVISION DATE:** Disposition of the balance in the account shall be through the Annual Electric True-Up (AET) advice letter process via the Portfolio Allocation Balancing Account (PABA), its successor, or another proceeding as authorized by the Commission.

4. **LCPERMA RATES:** The LCPERMA does not have a rate component.

5. **ACCOUNTING PROCEDURE:** PG&E shall make the following entries to the LCPERMA:

- a. A monthly debit entry equal to environmental remediation or mitigation costs associated with the encumbrance or disposition of properties under the Land Conservation Plan.
- b. A monthly debit entry equal to interest on the average balance in the LCPERMA at the beginning of the month and the balance at the end of the month, at a rate equal to one-twelfth the interest rate on a three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. Effective January 1, 2026, the monthly interest rate equals the sum of one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15 or its successor, plus one-twelfth of the yield spread adjustment to the Commercial Paper Rate as authorized by the Commission, as defined in Electric Preliminary Statement Part H for electric accounts or Gas Preliminary Statement Part S for gas accounts.
- c. A credit entry, if applicable, for recoveries from third parties due to any such PG&E claims relating to hazardous substance remediation or mitigation.
- d. An annual credit entry to transfer the balance to the PABA, or another mechanism as authorized by the Commission, for recovery in rates.

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