**Section 415.411 General Instruction 21**

a) In Paragraph A, the following sentences are added:

"Allowances allocated from the Environmental Protection Agency shall be recorded in Account 158.1, Allowance Inventory, and shall not be recorded in Account 124, Other Investments. An emission allowance acquired for speculative purposes initially recorded in Account 124, Other Investments, may not be later transferred to Account 158.1, Allowance Inventory. Conversely, an emission allowance not acquired for speculative purposes initially recorded in Account 158.1, Allowance Inventory, may not be later transferred to Account 124, Other Investments."

b) In Paragraph C, the following sentence is added:

"The cost of allowances shall include any direct cost of acquisition, such as broker fees or sales commissions, but shall not include indirect expenses such as legal fees to draw up the allowance purchase contract."

c) Paragraph H is deleted and replaced by the following:

"H. Gains on dispositions of allowances, other than allowances held for speculative purposes, shall be accounted for as follows. First, if there is uncertainty as to the regulatory treatment, the gain shall be deferred in Account 254, Other Regulatory Liabilities, pending resolution of the uncertainty. Second, if there is certainty as to the existence of a regulatory liability, the gain will be credited to Account 254, with subsequent recognition in Account 411.8, Gains from Disposition of Allowances, which, at the utility's option, can be recognized in equal amounts over a period not to exceed twelve months. Third, all other gains will be credited to Account 411.8, Gains from Disposition of Allowances. Losses on disposition of allowances, other than allowances held for speculative purposes, shall be accounted for as follows. Losses that qualify as regulatory assets shall be charged directly to Account 182.3, Other Regulatory Assets. All other losses shall be charged to Account 411.9, Losses from Disposition of Allowances which, at the utility's option, can be recognized in equal amounts over a period not to exceed twelve months. (See Definition No. 30.) Gains or losses on disposition of allowances held for speculative purposes shall be recognized in Account 421, Miscellaneous Nonoperating Income, or Account 426.5, Other Deductions, as appropriate.

(Source: Added at 18 Ill. Reg. 17996, effective December 15, 1994)