

1 (1) injury and damage awards relating to asbestos
2 exposure;

3 (2) litigation expenses, including legal,
4 consulting, dispute resolution, and settlement costs; and

5 (3) costs related to insurance coverage and
6 insurance claims.

7 Recoverable costs under an asbestos rider, however, shall
8 not include any internal labor costs of the electric or gas
9 utility.

10 (c) The cost of site remediation (including removal,
11 encapsulation, or other appropriate remediation methods)
12 shall also be recoverable under an asbestos rider if the
13 costs are associated with remediation of electric property or
14 gas property and the site remediation is performed by a
15 workforce of skilled and trained employees equipped with
16 appropriate technical training and experience. Adequate
17 skill, training, and expertise shall be demonstrated by
18 factors such as completion by the employee of an accredited
19 or otherwise recognized apprenticeship program for the
20 particular craft, trade, or skill. "Electric property" or
21 "gas property" shall mean all plant and property in the rate
22 base of the electric utility or gas utility as of or
23 subsequent to October 1, 1996, regardless of whether the
24 electric or gas utility has subsequently retired, sold,
25 leased, or otherwise transferred such plant or property.

26 (d) Under an asbestos rider, all related insurance
27 recoveries shall be offset against costs charged through the
28 rider, and allowable costs and revenues under the rider shall
29 be reconciled annually pursuant to subsection (f) of this
30 Section. Recoverable costs, net of insurance recoveries,
31 incurred between the effective date of this amendatory Act of
32 the 93rd General Assembly and December 31, 2006 may be
33 deferred by an electric utility for recovery through an
34 asbestos rider provided that those costs and recoveries are

1 booked to deferred accounts that are not the subject of the
2 Commission's determination of the return on common equity
3 pursuant to subsection (d) or (e) of Section 16-111.
4 Recoverable costs, net of insurance recoveries, incurred
5 between the effective date of this amendatory Act of the 93rd
6 General Assembly and December 31, 2006 may be deferred by a
7 gas utility for recovery through an asbestos rider provided
8 that those costs and recoveries are booked to deferred
9 accounts that are not the subject of the Commission's
10 determination of the gas utility's return on common equity.
11 Additionally, electric and gas utilities may defer amounts in
12 excess of the 5% annual cap. The electric or gas utility may
13 accrue a carrying charge on the deferred amounts each month
14 at a rate equal to the Monthly Treasury Long-Term Average
15 Rate for that month, as published by the Board of Governors
16 of the Federal Reserve System in its weekly H.15 Statistical
17 Release or successor publication. The Commission may
18 determine that any such deferred amount and associated
19 carrying costs may be amortized over a period not to exceed
20 60 months; provided that the deferred amounts shall continue
21 to accrue carrying charges at the stated rate during the
22 amortization period.

23 (e) An electric or gas utility seeking to implement an
24 asbestos rider shall file with the Commission a verified
25 petition pursuant to Article IX of this Act seeking approval
26 of a proposed rider complying with this Section. After
27 hearing, the Commission shall issue an order on the petition
28 that addresses the following considerations:

29 (1) rate design for recovering asbestos related
30 costs;

31 (2) frequency of rate changes and timing of
32 filings;

33 (3) true-up mechanisms for over-or-under collection
34 of costs;

1 (4) information requirements;

2 (5) methodology for determining amount of asbestos
3 costs in existing base rates and for deferring asbestos
4 costs in excess of base rate level;

5 (6) guidelines for the prudence of incurred
6 recoverable costs to be used in annual reviews; and

7 (7) tariff terms and conditions.

8 The Commission shall issue its order no later than 330
9 days after the filing of the petition. Nothing herein shall
10 preclude the Commission from consolidating petitions of
11 different utilities into a single proceeding or from
12 approving uniform tariff provisions applicable to all
13 utilities proposing an asbestos rider. Further, utilities may
14 defer recoverable costs beginning on the effective date of
15 this amendatory Act of the 93rd General Assembly irrespective
16 of the date on which the Commission issues an order approving
17 an asbestos rider.

18 (f) Annually, the Commission shall initiate a proceeding
19 to reconcile any amounts collected under the tariff with the
20 actual amount of prudent recoverable costs. In each
21 proceeding, the burden of proof shall be on the utility to
22 establish the prudence of its incurred recoverable costs. The
23 Commission shall issue its final order in each such annual
24 proceeding by December 31 of the year following the year to
25 which it pertains.

26 Section 99. Effective date. This Act takes effect upon
27 becoming law."