

1 AN ACT concerning public utilities.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Public Utilities Act is amended by adding
5 Section 9-220.3 as follows:

6 (220 ILCS5/9-220.3 new)

7 Sec. 9-220.3. Asbestos surcharges authorized.

8 (a) The Commission shall authorize an electric or gas
9 utility to implement a surcharge ("asbestos rider"), to be
10 effective no earlier than January 1, 2007, to recover costs
11 associated with asbestos.

12 (b) Recoverable costs under an asbestos rider for a
13 given year shall include, but not be limited to, the prudent
14 costs incurred by the electric or gas utility for:

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

17 (2) litigation expenses, including legal,
18 consulting, dispute resolution, and settlement costs; and

19 (3) costs related to insurance coverage and
20 insurance claims.

21 Recoverable costs under an asbestos rider, however, shall
22 not include any internal labor costs of the electric or gas
23 utility.

24 (c) The cost of site remediation (including removal,
25 encapsulation, or other appropriate remediation methods)
26 shall also be recoverable under an asbestos rider if the
27 costs are associated with remediation of electric property or
28 gas property and the site remediation is performed by a
29 workforce of skilled and trained employees equipped with
30 appropriate technical training and experience. Adequate
31 skill, training, and expertise shall be demonstrated by

1 factors such as completion by the employee of an accredited
2 or otherwise recognized apprenticeship program for the
3 particular craft, trade, or skill. "Electric property" or
4 "gas property" shall mean all plant and property in the rate
5 base of the electric utility or gas utility as of or
6 subsequent to October 1, 1996, regardless of whether the
7 electric or gas utility has subsequently retired, sold,
8 leased, or otherwise transferred such plant or property.

9 (d) Under an asbestos rider, all related insurance
10 recoveries shall be offset against costs charged through the
11 rider, and allowable costs and revenues under the rider shall
12 be reconciled on a periodic basis to be determined by the
13 Commission, but not to exceed 3 years. Recoverable costs,
14 net of insurance recoveries, incurred between the effective
15 date of this amendatory Act of the 93rd General Assembly and
16 December 31, 2006 may be deferred by an electric utility for
17 recovery through an asbestos rider provided that those costs
18 and recoveries are booked to deferred accounts that are not
19 the subject of the Commission's determination of the return
20 on common equity pursuant to subsection (d) or (e) of Section
21 16-111. Recoverable costs, net of insurance recoveries,
22 incurred between the effective date of this amendatory Act of
23 the 93rd General Assembly and December 31, 2006 may be
24 deferred by a gas utility for recovery through an asbestos
25 rider provided that those costs and recoveries are booked to
26 deferred accounts that are not the subject of the
27 Commission's determination of the gas utility's return on
28 common equity. The electric or gas utility may accrue a
29 carrying charge on the deferred amounts each month at a rate
30 equal to the Monthly Treasury Long-Term Average Rate for that
31 month, as published by the Board of Governors of the Federal
32 Reserve System in its weekly H.15 Statistical Release or
33 successor publication. The Commission may determine that any
34 such deferred amount and associated carrying costs may be

1 amortized over a period not to exceed 24 months; provided
2 that the deferred amounts shall continue to accrue carrying
3 charges at the stated rate during the amortization period.

4 (e) An electric or gas utility seeking to implement an
5 asbestos rider shall file with the Commission a proposed
6 rider complying with this Section and, to the extent
7 necessary, revised electric or gas base rates removing the
8 effect of any recoverable costs (as defined therein)
9 reflected in electric or gas base rates at the time of the
10 filing. The surcharge under an asbestos rider shall be
11 applicable to all customers, on a delivered per kWh or
12 delivered per therm basis. The Commission shall issue a
13 final order approving or rejecting a proposed asbestos rider
14 no later than 120 days after its filing with the Commission.
15 The Commission may reject a proposed asbestos rider only if
16 the proposed rider fails to conform to the requirements of
17 this Section.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.