

A. IS INSTALLED AFTER JANUARY 1, 2004;

B. DERIVES ELECTRICITY FROM FUEL CELLS, PHOTOVOLTAICS, WIND MACHINES, OR MICROTURBINES; AND

C. HAS AN ENERGY CONVERSION EFFICIENCY GREATER THAN 50%.

(B) THE COMMISSION SHALL DETERMINE THE TRANSITION COSTS AND THE AMOUNTS OF THE TRANSITION COSTS THAT AN ELECTRIC COMPANY SHALL BE PROVIDED AN OPPORTUNITY TO RECOVER UNDER ITS RESTRUCTURING PLAN THROUGH THE COMPETITIVE TRANSITION CHARGE OR OTHER APPROPRIATE MECHANISM.

(C) (1) AFTER JULY 1, 1999, AN ELECTRIC COMPANY MAY APPLY TO THE COMMISSION FOR A QUALIFIED RATE ORDER FOR SOME OR ALL OF ITS TRANSITION COSTS.

(2) IF THE COMMISSION ISSUES A QUALIFIED RATE ORDER AND THE TRANSITION BONDS APPROVED BY THAT ORDER ARE SUCCESSFULLY ISSUED:

(I) THE ELECTRIC COMPANY SHALL IMPOSE AND COLLECT, THROUGH ITS CUSTOMER BILLS, THE INTANGIBLE TRANSITION CHARGES APPROVED BY THE QUALIFIED RATE ORDER; AND

(II) AT THE SAME TIME, THE ELECTRIC COMPANY'S COMPETITIVE TRANSITION CHARGE SHALL BE REDUCED BY AN AMOUNT EQUAL TO THAT PORTION OF THE COMPETITIVE TRANSITION CHARGE RELATED TO THE TRANSITION COSTS FOR WHICH TRANSITION BONDS HAVE BEEN SUCCESSFULLY ISSUED, TOGETHER WITH ANY COSTS OF CAPITAL RELATED TO THE TRANSITION COSTS FOR WHICH RECOVERY WAS PROVIDED IN THE COMPETITIVE TRANSITION CHARGE, AS PROVIDED IN THE QUALIFIED RATE ORDER

(D) (1) THE COMMISSION SHALL ESTABLISH PROCEDURES FOR THE ANNUAL REVIEW OF THE COMPETITIVE TRANSITION CHARGE FOR EACH ELECTRIC COMPANY TO RECONCILE THE ANNUAL REVENUES RECEIVED FROM THE CHARGE WITH THE ANNUAL AMORTIZATION OF TRANSITION COSTS APPROVED BY THE COMMISSION UNDER THIS SECTION TO TAKE ACCOUNT OF ACTUAL KILOWATT-HOUR SALES IN THE PRIOR YEAR COMPARED WITH PREVIOUSLY ESTIMATED KILOWATT-HOUR SALES. THE COMMISSION SHALL ADJUST THE COMPETITIVE TRANSITION CHARGE BASED ON ANY UNDER RECOVERY OR OVER RECOVERY WITH RESPECT TO THE AUTHORIZED AMORTIZATION AMOUNT.

(2) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED AS PREVENTING THE COMMISSION FROM APPROVING FOR AN INVESTOR-OWNED ELECTRIC COMPANY:

(I) AN ADJUSTMENT MECHANISM PROPOSED BY THE INVESTOR-OWNED ELECTRIC COMPANY IN ITS INITIAL RESTRUCTURING PROPOSAL FILED PRIOR TO JANUARY 1, 1999, THAT TAKES INTO ACCOUNT DIFFERENCES OTHER THAN DIFFERENCES IN KILOWATT-HOUR SALES, TAKING INTO CONSIDERATION ANY REQUIREMENTS RELATED TO ANY TRANSITION BONDS;