

(II) AN ADJUSTMENT THAT TAKES INTO ACCOUNT GENERATION ASSET SALES BY AN ELECTRIC COMPANY OR AN AFFILIATE TO A NONAFFILIATE THAT ARE CONSUMMATED ON OR BEFORE JUNE 30, 2005; OR

(III) ANY OTHER MECHANISM AS PART OF A SETTLEMENT.

(E) (1) IN DETERMINING THE APPROPRIATE TRANSITION COSTS OR BENEFITS FOR EACH ELECTRIC COMPANY'S GENERATION-RELATED ASSETS, THE COMMISSION SHALL:

(I) CONDUCT PUBLIC HEARINGS; AND

(II) CONSIDER, IN ADDITION TO OTHER APPROPRIATE EVIDENCE OF VALUE:

1. BOOK VALUE AND FAIR MARKET VALUE;

2. AUCTIONS AND SALES OF COMPARABLE ASSETS;

3. APPRAISALS;

4. THE REVENUE THE COMPANY WOULD RECEIVE UNDER RATE-OF-RETURN REGULATION;

5. THE REVENUE THE COMPANY WOULD RECEIVE IN A RESTRUCTURED ELECTRICITY SUPPLY MARKET; AND

6. COMPUTER SIMULATIONS PROVIDED TO THE COMMISSION.

(2) THE COMMISSION SHALL DETERMINE ANY EQUITABLE ALLOCATION OF COSTS OR BENEFITS BETWEEN SHAREHOLDERS AND RATEPAYERS. IN DETERMINING THE ALLOCATION OF TRANSITION COSTS OR BENEFITS, THE COMMISSION SHALL CONSIDER THE FOLLOWING FACTORS:

(I) THE PRUDENCE AND VERIFIABILITY OF THE ORIGINAL INVESTMENT;

(II) WHETHER THE INVESTMENT CONTINUES TO BE USED AND USEFUL;

(III) WHETHER THE LOSS IS ONE OF WHICH INVESTORS CAN BE SAID TO HAVE REASONABLY BORNE THE RISK; AND

(IV) WHETHER INVESTORS HAVE ALREADY BEEN COMPENSATED FOR THE RISK.

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(A) (1) ON COMPLAINT OR ON ITS OWN MOTION, FOR GOOD CAUSE SHOWN, THE COMMISSION MAY CONDUCT AN INVESTIGATION OF THE RETAIL ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS AND DETERMINE WHETHER THE FUNCTION OF ONE OF THESE MARKETS IS BEING ADVERSELY AFFECTED BY MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT.