

(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;

(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;