

RESIDENTIAL CUSTOMERS FROM THE IMPACT OF SUDDEN AND SIGNIFICANT INCREASES IN ELECTRICITY RATES, THE COMMISSION IN THE CASE OF AN INCREASE OF 20% OR MORE OVER THE PREVIOUS YEAR'S TOTAL ELECTRICITY RATES, SHALL CONDUCT EVIDENTIARY PROCEEDINGS, INCLUDING PUBLIC HEARINGS.

(II) 1. A DEFERRAL OF COSTS AS PART OF A PHASED IMPLEMENTATION OF ELECTRICITY RATES BY AN INVESTOR-OWNED ELECTRIC COMPANY SHALL BE TREATED AS A REGULATORY ASSET TO BE RECOVERED IN ACCORDANCE WITH A RATE STABILIZATION PLAN UNDER PART III OF THIS SUBTITLE OR ANY OTHER PLAN FOR PHASED IMPLEMENTATION APPROVED BY THE COMMISSION.

2. A DEFERRAL OF COSTS UNDER THIS PARAGRAPH MUST BE JUST, REASONABLE, AND IN THE PUBLIC INTEREST.

(III) THE COMMISSION SHALL APPROVE THE RECOVERY OF DEFERRED COSTS UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH AS:

1. LONG-TERM RECOVERY IN ACCORDANCE WITH A RATE STABILIZATION PLAN UNDER PART III OF THIS SUBTITLE; OR

2. ~~SHORT-TERM RECOVERY THROUGH A RATE PROCEEDING UNDER TITLE 4 OF THIS ARTICLE~~ MECHANISM APPROVED BY THE COMMISSION.

(IV) THE COMMISSION MAY APPROVE A PHASING IN OF INCREASED COSTS BY:

1. PLACING A CAP ON RATES AND ALLOWING RECOVERY OVER TIME; OR

2. ALLOWING RATES TO INCREASE AND PROVIDING FOR A REBATE TO CUSTOMERS OF ANY EXCESS COSTS PAID.

(8) (I) THE COMMISSION, ON REQUEST BY AN ELECTRIC COOPERATIVE OR ON ITS OWN INITIATIVE, SHALL INITIATE A PROCEEDING TO INVESTIGATE OPTIONS FOR A RATE STABILIZATION PLAN TO ASSIST RESIDENTIAL ELECTRIC CUSTOMERS TO GRADUALLY ADJUST TO MARKET RATES OVER AN EXTENDED PERIOD OF TIME.

(II) IF AN ELECTRIC COOPERATIVE DETERMINES THAT TOTAL ELECTRIC RATES FOR RESIDENTIAL CUSTOMERS ARE ANTICIPATED TO INCREASE BY MORE THAN 20% IN A 12-MONTH PERIOD RESULTING FROM AN INCREASE IN THE COST OF GENERATION, THE ELECTRIC COOPERATIVE SHALL SURVEY ITS MEMBERSHIP TO DETERMINE WHETHER TO MAKE A REQUEST TO THE COMMISSION TO INITIATE A PROCEEDING UNDER SUBSECTION (A) OF THIS SECTION.

(III) NOTWITHSTANDING SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH, AS APPROVED BY THE COMMISSION, AN ELECTRIC COOPERATIVE MAY RECEIVE A MODIFICATION IN DISTRIBUTION AND TRANSMISSION RATES.