

3. THE ORDER ISSUED BY THE COMMISSION SHALL INCLUDE A REQUIREMENT THAT THE ELECTRIC COMPANY ESTABLISH REGULATORY ASSETS TO ACCOUNT FOR THE RATE STABILIZATION COSTS DEFERRED UNDER THE RATE STABILIZATION PLAN.

(2) UNDER THE RATE STABILIZATION PLAN, THE RESIDENTIAL STANDARD OFFER SERVICE RATE SHALL RECOVER THE COSTS TO THE ELECTRIC COMPANY UNDER § 7-510(C)(3) OF THIS SUBTITLE DEFERRED DURING THE PERIOD JULY 1, 2006 THROUGH MAY 31, 2007.

(3) ANY CREDIT OR CHARGES TO THE COST OF STANDARD OFFER SERVICE FOR RESIDENTIAL ELECTRIC CUSTOMERS REQUIRED OR AUTHORIZED UNDER THIS PART SHALL BE INCLUDED AS A NONBYPASSABLE CREDIT OR CHARGE ON THE ELECTRIC DISTRIBUTION PORTION OF THE BILL OF EACH RESIDENTIAL ELECTRIC CUSTOMER OF THE ELECTRIC COMPANY.

(4) AN ELECTRIC COMPANY MAY APPLY TO THE COMMISSION FOR A QUALIFIED RATE ORDER UNDER PART III OF THIS SUBTITLE FOR THE FINANCING AND RECOVERY OF ITS RATE STABILIZATION COSTS.

(B) (1) THE INCREASE IN THE TOTAL RATES CHARGED TO EACH RESIDENTIAL ELECTRIC CUSTOMER ON STANDARD OFFER SERVICE, AS COMPARED WITH THE TOTAL RATES FOR RESIDENTIAL ELECTRIC CUSTOMERS IN EFFECT ON JUNE 30, 2006, SHALL BE:

(I) FROM JULY 1, 2006 THROUGH MAY 31, 2007, 15% OF THE TOTAL RATE IN EFFECT ON JUNE 30, 2006; AND

(II) FROM JUNE 1, 2007 ~~IN AN AMOUNT DETERMINED BY THE COMMISSION UNDER § 7-510 OF THIS SUBTITLE~~, AT THE OPTION OF THE CUSTOMER, TO:

1. THE FULL MARKET RATE; OR

2. AN INTERMEDIATE LEVEL UNDER AN OPT-IN SHORT-TERM RATE STABILIZATION PLAN AS ALLOWED UNDER § 7-510(C) OF THIS SUBTITLE WHICH WILL SMOOTH THE TRANSITION TO THE FULL MARKET RATE FOR RESIDENTIAL CUSTOMERS WITHOUT ADVERSELY AFFECTING THE CREDITWORTHINESS OF THE ELECTRIC COMPANY.

(2) STANDARD OFFER SERVICE FOR RESIDENTIAL ELECTRIC CUSTOMERS SHALL BE AT FULL MARKET RATES UNDER THIS PART STARTING ~~JUNE~~ JANUARY 1, 2008.

(3) A RATE STABILIZATION COST MAY NOT BE RECOVERED BEFORE JANUARY 1, 2007.

(4) FOR PURPOSES OF CALCULATING THE RATES TO BE CHARGED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE RATE STABILIZATION CHARGE MAY NOT BE CONSIDERED TO BE PART OF THE TOTAL RATES CHARGED TO RESIDENTIAL ELECTRIC CUSTOMERS.