

(5) THE COMMISSION NEED NOT CONDUCT EVIDENTIARY PROCEEDINGS UNDER § 7-510(C)(7)(I) OF THIS SUBTITLE TO DETERMINE THE SECOND OR SUBSEQUENT PHASE OF THE TRANSITION TO FULL MARKET RATES UNDER THIS PART.

(C) (1) THE ELECTRIC COMPANY SHALL PROVIDE EACH RESIDENTIAL ELECTRIC CUSTOMER A DEFERRAL CREDIT EQUAL TO THE DIFFERENCE BETWEEN THE COST INCURRED BY THE ELECTRIC COMPANY UNDER § 7-510(C)(3) OF THIS SUBTITLE AND THE RATES AUTHORIZED IN SUBSECTION (B)(1) OF THIS SECTION.

(2) (I) THE TOTAL AMOUNT OF COST RECOVERY DEFERRED THROUGH DEFERRAL CREDITS PROVIDED TO RESIDENTIAL ELECTRIC CUSTOMERS SHALL BE A RATE STABILIZATION COST TO BE RECOVERED AS A REGULATORY ASSET.

(II) THE TOTAL COST DEFERRED MAY BE SECURED UNDER PART III OF THIS SUBTITLE.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE ELECTRIC COMPANY SHALL PERFORM A RECONCILIATION OF ANY OVERCOLLECTION OR UNDERCOLLECTION OF THE DEFERRED COSTS AND EXPENSES RESULTING FROM THIS RATE STABILIZATION PLAN:

1. EACH YEAR DURING THE RATE STABILIZATION PLAN; AND
2. WITHIN 90 DAYS AFTER THE END OF THE RATE STABILIZATION PLAN.

(II) TO THE EXTENT THAT SECURITIZATION IS IMPLEMENTED UNDER PART III OF THIS SUBTITLE, ANY RECONCILIATIONS MADE IN ACCORDANCE WITH ~~PART III SUBPARAGRAPH (I)~~ OF THIS ~~SUBTITLE~~ PARAGRAPH SHALL BE IN ADDITION TO ANY RECONCILIATIONS MADE UNDER ~~SUBPARAGRAPH (I)~~ PART III OF THIS ~~PARAGRAPH~~ SUBTITLE.

(D) RATE STABILIZATION COSTS SHALL BE RECOVERED BY THE ELECTRIC COMPANY FROM THE RESIDENTIAL ELECTRIC CUSTOMERS THROUGH A USAGE-BASED RATE STABILIZATION CHARGE OVER A PERIOD NOT TO EXCEED 10 YEARS.

(E) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, AS APPROVED BY THE COMMISSION, AN ELECTRIC COMPANY MAY RECEIVE A MODIFICATION IN DISTRIBUTION AND TRANSMISSION RATES WHILE THE RATE STABILIZATION PLAN IS IN EFFECT. HOWEVER, THE MODIFICATION MAY NOT ALTER THE RATE STABILIZATION CHARGES APPROVED IN ACCORDANCE WITH PART III OF THIS SUBTITLE.

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(A) IN THIS SECTION, "ACTUAL COST" MEANS THE COSTS AND EXPENSES DEFERRED AS REGULATORY ASSETS MULTIPLIED BY:

- (1) THE ELECTRIC COMPANY'S COST OF DEBT; OR