

(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.

(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: