

- (II) REVENUE REGULATION;
- (III) RANGES OF AUTHORIZED RETURN;
- (IV) RATE OF RETURN;
- (V) CATEGORIES OF SERVICES; OR
- (VI) PRICE-INDEXING.

(D) (1) THE COMMISSION SHALL CAP, FOR 4 YEARS AFTER INITIAL IMPLEMENTATION OF CUSTOMER CHOICE IN THE ELECTRIC COMPANY'S DISTRIBUTION TERRITORY, THE TOTAL OF THE RATES OF AN ELECTRIC COMPANY CHARGED TO A RETAIL ELECTRIC CUSTOMER AT THE ACTUAL LEVEL OF THE RATES IN EFFECT OR AUTHORIZED BY THE COMMISSION ON THE DATE IMMEDIATELY PRECEDING THE INITIAL IMPLEMENTATION OF CUSTOMER CHOICE IN THE ELECTRIC COMPANY'S DISTRIBUTION TERRITORY.

(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO THE RECOVERY OF COSTS ADDED AFTER JANUARY 1, 2000, IN ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE.

(II) THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION APPLIES TO THE RECOVERY OF:

- 1. ANY TRANSITION COSTS UNDER § 7-513 OF THIS SUBTITLE;
- 2. ANY COSTS INCLUDED IN RATES ON JANUARY 1, 2000, IN ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE; AND
- 3. COSTS FOR THE UNIVERSAL SERVICE PROGRAM ESTABLISHED UNDER § 7-512.1 OF THIS SUBTITLE.

(3) AS PART OF A SETTLEMENT, THE COMMISSION MAY APPROVE A CAP FOR A DIFFERENT TIME PERIOD OR AN ALTERNATIVE PRICE PROTECTION PLAN THAT THE COMMISSION DETERMINES IS EQUALLY PROTECTIVE OF RATEPAYERS.

(4) (I) 1. SUBJECT TO THE PROVISIONS OF PARAGRAPH (5) OF THIS SUBSECTION, THE COMMISSION SHALL REDUCE RESIDENTIAL RATES FOR EACH INVESTOR-OWNED ELECTRIC COMPANY BY AN AMOUNT BETWEEN 3% AND 7.5% OF BASE RATES, AS MEASURED ON JUNE 30, 1999.

2. THE REDUCTION REQUIRED UNDER SUB-SUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL BEGIN ON THE INITIAL IMPLEMENTATION DATE AND REMAIN IN EFFECT FOR 4 YEARS.

3. THE COMMISSION SHALL DETERMINE THE ALLOCATION OF THE RATE REDUCTION AMONG THE GENERATION, TRANSMISSION, AND DISTRIBUTION RESIDENTIAL RATE COMPONENTS: