

(4) **RESULTING FROM** any adjustment, in favor of those customers, to allowances for stranded costs for assets that were transferred from Baltimore Gas and Electric Company to an affiliate; and

~~(ii) any funds identified by the Commission as properly allocated to Baltimore Gas and Electric Company and its residential customers as conditions of approval of the merger between PPL Group, Inc., and Constellation Energy Group, Inc., and~~

~~(5)~~ (3) require that any funds for mitigating rates for residential electric customers under item ~~(4)~~ (2) of this subsection must be in the form of a nonbypassable credit on the customer's bill, and may not be recovered subsequently from those customers in rates or otherwise.

SECTION 7. AND BE IT FURTHER ENACTED, That:

(a) (1) The Public Service Commission [appointed in accordance with Section 12 of this Act] shall ~~initiate an evidentiary proceeding~~ **CONDUCT HEARINGS, INCLUDING THE USE OF ANY NECESSARY OUTSIDE EXPERTS AND CONSULTANTS,** to study and evaluate the status of electric restructuring in the State as it pertains to the **CURRENT AND FUTURE** availability of competitive generation to residential and small commercial customers and the structure, procurement, and terms and conditions of standard offer service for residential and small commercial customers.

(2) In its evaluation, the Commission shall consider changes that are necessary to provide ~~residents~~ **RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS** the benefit of a reliable electric system at the best possible price ~~and,~~ **INCLUDING** options for reregulation, if advisable, and to allow electric companies to develop a portfolio of electricity supply that provides electricity at the lowest cost with the least volatility.

(3) IN ITS EVALUATION, THE COMMISSION SHALL ALSO CONSIDER THE AVAILABILITY OF ADEQUATE TRANSMISSION AND GENERATION FACILITIES TO SERVE THE ELECTRICAL LOAD DEMANDS OF ALL CUSTOMERS IN THE STATE, PRICING AND PHYSICAL CONSTRAINTS ON THE ELECTRICAL TRANSMISSION AND DISTRIBUTION GRIDS IN THE STATE, AND OPTIONS AND POLICY RECOMMENDATIONS TO PROVIDE AN ADEQUATE, SAFE, AND RELIABLE SUPPLY OF ELECTRICITY AT REASONABLE COST TO ALL CUSTOMERS IN THE STATE.

(b) Among other considerations, the Commission shall consider the implications of the following: