

From: Cherry, Brian K
Sent: 8/31/2011 11:39:18 AM
To: Brown Carol (cab@cpuc.ca.gov) (cab@cpuc.ca.gov)
Cc:
Bcc:
Subject: CARB Proposed Regulations on Auction Proceeds

Carol - I wanted to surface an issue to you on the upcoming CARB proposals due out next Thursday. Section 9582 (d) (3) (A-C.). Sections A-C deal with the use of auction proceeds and auction value allocation. In our comments, we argue that CARB is preempting the PUC's regulatory authority. While a valid argument, I'll leave it to you to protect your own jurisdictional authority over another state agency. Our request is that we want to see sections B and C deleted and put over into the OIR and get decided there. Our fear is that the language is kept, it can be interpreted to mean that we collect costs on a volumetric basis and return the revenues on a fixed basis, which greatly complicates getting the numbers right for customers and disadvantages certain tier customers. Meredith and Scott have been working on this matter and I discussed it with Mike in Sweden. We think we've resolved it with CARB leadership but we are worried about staff (sound familiar ?). Could you let us know if there is still a problem here ? Thx.