

From: Lee, Diana

Sent: Friday, November 02, 2012 2:30 PM

To: Kamins, Sara M.

Cc: Cox, Cheryl; Huang, Xiao Selena

Subject: PD Finding of fact and Conclusion of Law re transmission upgrade cost cap and buy-down provision

Hi Sara, thanks for meeting with us this afternoon. Finding of Fact 12 at page 78 and Conclusion of Law 10 at page 83 in the PD relate to the transmission upgrade cost cap and buy down provision. This issue is discussed at pages 28-31 of the PD and reflected in Ordering Paragraph 8 at page 89.

Thanks,
Diana
3-4342

Finding of Fact

12. The contract term regarding a transmission upgrade cost cap and the related buy-down provision serves to limit the total RPS procurement costs to ratepayers by linking contract termination rights to limits on transmission network upgrade costs.

Conclusion of Law

10. It is reasonable to authorize utilities to incorporate a provision into their pro forma agreements for use of a transmission upgrade cost cap and a related buy-down provision to limit the total RPS procurement costs to ratepayers.