

M E M O R A N D U M

April 12, 2002

COMMISSION
CLERK

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TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (BRUBAKER) JSB

RE: UNDOCKETED - GENERATOR INTERCONNECTION PROCEDURES AND AGREEMENTS.

Attached is a Memorandum to be filed in the above-referenced, undocketed matter. Please fax this notice to all electric utilities and interested persons.

JSB/dm

Attachment

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DOCUMENT NO.
04152-02
4-15-02



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: April 12, 2002
TO: All Electric Utilities and All Interested Persons
FROM: Office of the General Counsel (Brubaker, Elias)
RE: Undocketed - Generator Interconnection Procedures and Agreements

Subsequent to the Notice of Commission Workshop, issued with respect to the above-referenced matter on April 5, 2002, Commission staff identified additional issues for discussion at the workshop. These issues are as follows:

1. What is the tax effect of a transaction where an independent generator contributes or pays for transmission system upgrades to the IOU?
2. Should the tax effect of the contribution, if any, be collected from the independent generator through gross up?
3. If gross up is collected, how does this affect project feasibility and the level of competition in the wholesale generation market?
4. How does IRS Notice 2001-82, issued December 6, 2001, regarding intertie lines, relate to this issue?

Please contact Jennifer Brubaker at (850) 413-6228 if you have any questions regarding the matters referenced above..

JSB/jb

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