

**SUPPLEMENTAL SUPPORTING STATEMENT FOR**  
**FERC 715, Annual Transmission Planning and Evaluation Report**

Request is made for a three-year extension (through 3/31/2010) of OMB approval for FERC 715, "Annual Transmission Planning and Evaluation Report," (1902-0171) which expires 3/31/2007.

**A. Justification**

**1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY**

The U.S. electric transmission system represents a unified electrical network with most of Canada and part of Mexico. The major networks consist of extra-high-voltage connections that serve as the backbone of electrical operations. These integrated power lines have been designed for system support and to permit the transfer of electrical energy from one part of the network to other segments. Power transfers are, however, not completely free-flowing. Various factors set limits on the extent of the operations. These include restrictions based on lack of contractual arrangements, absence of approved tariffs, reliability considerations (protection of the adequacy of supply and security of operations), and inadequate transmission capability that limits electrical operations.

The Energy Policy Act of 1992 gave the Commission authority to order bulk power transmission owners to provide access to their transmission grids to third parties when requested. This helped to make the transmission system more accessible to outside customers, but in many instances transmission customers did not receive the flexibility of service that transmission owners retained for themselves. Also timely permission to use the grid sometimes did not occur, because the FERC had to review requests on a case-by case basis. To correct these problems, the Commission issued Order No. 888. It required utilities owning bulk power transmission facilities to treat any of their own new wholesale sales and purchases of energy over their own transmission facilities under the same transmission tariffs they apply to others.

The Energy Policy Act of 2005 (EPAct) granted the Commission significant new responsibilities and new authority to discharge these responsibilities by modifying the Federal Power Act, the Natural Gas Act and the Public Utility Regulatory Policies Act of 1978 (PURPA).

***New Responsibilities***

Significant new responsibilities include:

- overseeing the reliability of the nation's electricity transmission grid;
- implementing new tools, including penalty authority, to prevent market

manipulation;

- providing rate incentives to promote electric transmission investment;
- supplementing state transmission siting efforts in national interest electric transmission corridors; and
- reviewing certain holding company mergers and acquisitions involving electric utility facilities, as well as certain public utility acquisitions of generating facilities.

### ***Electricity Reliability and Infrastructure***

EPAct significantly augmented the Commission's electricity authorities. Perhaps the most important of these are the provisions governing reliability of the bulk power system. For the first time, the Commission was granted authority to oversee mandatory reliability standards governing the nation's electricity grid. The Commission finalized rules on the certification of an Electric Reliability Organization (ERO) and on procedures for the establishment, approval and enforcement of mandatory electric reliability standards.

EPAct also contained a number of provisions directed at expanding and modernizing the nation's electricity grid. The Commission issued a rule on electric transmission pricing reforms designed to promote needed investment in energy infrastructure and benefit energy customers. This will bolster power grid reliability and lower costs for delivered power by reducing transmission congestion. In addition, the Commission issued a rule to require transmission organizations with organized electricity markets to make available to load-serving entities long-term firm transmission rights that satisfy certain guidelines. This will help customers who want to make long term supply arrangements.

EPAct addressed the difficulties of siting major new transmission facilities. It authorized the Secretary of Energy to designate "national interest electric transmission corridors" where there is major transmission congestion. EPAct allows applicants seeking to build transmission within these corridors to seek construction permits from the Commission under certain conditions. While most transmission projects will continue to be sited by states under state law, EPAct granted the Commission this important supplemental siting authority. FERC has issued rules on transmission siting that will govern the issuance of construction permits by the Commission for projects that meet the statutory criteria.

Also with respect to transmission, the Commission signed a Memorandum of Understanding with the Department of Energy and other federal agencies with authority to issue federal authorizations for electric transmission facilities to establish a coordinated federal review and permitting process that continues strong federal environmental protections.

## ***FERC-715***

This information collection is mandated by Section 213 (b) of the Federal Power Act (FPA), as amended by the Energy Policy Act of 1992. Section 213 (b) requires the Federal Energy Regulatory Commission (FERC/the Commission) to collect annually from transmitting utilities sufficient information about their transmission systems to inform potential transmission customers, state regulatory authorities, and the public, of available transmission capacity and constraints. This information collection also supports the Commission's expanded responsibilities under Sections 211, 212, 213(a), 304, 307(a), 309, and 311 of the FPA, as amended, for reviewing reliability issues, market structure relationships, and in rate and other regulatory proceedings. The Commission's FERC 715 filing requirements are found at 18 CFR 141.300.

### **2. HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION**

The FPA Section 213 (b) implements an information collection from transmitting utilities that operate integrated (that is, non-radial) transmission facilities at or above 100 kilovolts. The requisite information to be provided pursuant to 18 CFR 141.300 is:

- (1) power flow base cases for each utility's transmission system;
- (2) a description of each utility's transmission planning assessment practices, including how reliability criteria are applied;
- (3) a description of the transmission planning reliability criteria used to evaluate system performance; and
- (4) system maps and diagrams.

Currently, FERC 715 is submitted to the Commission on electronic media and in hard copy form.

The FERC 715 allows potential transmission customers, state and Federal regulatory authorities and the public to determine the potentially available transmission capacity and transmission system constraints. Potential transmission customers (e.g., utility and nonutility generators and transmission dependent utilities) will use the information to determine transmission availability to or from potential wholesale electric power purchasers and sellers. State and Federal regulatory agencies use the information as part of their regulatory oversight functions including, among other things, the review of rates and charges, disposition of jurisdictional facilities, consolidation and mergers,

adequacy of supply and reliability of the nation's transmission grid. Additional uses of the FERC 715 information include the following:

- " the review of rates and charges;
- " the disposition of jurisdictional facilities;
- " consolidation and mergers;
- " adequacy of supply and
- " reliability of nation's transmission grid.

The Office of Energy Markets and Reliability (OEMR) integrates the Commission's economic regulation of the electric, natural gas, and oil industries. OEMR deals with matters involving energy markets; tariffs and rates relating to electric, natural gas, and oil pipeline facilities and services; and the reliability of the electric grid. OEMR, serves the public interest by monitoring and addressing issues related to the Nation's interstate transmission network and bulk power supply needs and reliability of the electric grid and provides the Commission with policy options, recommendations and strategies relating to the Commission's regulation of the natural gas pipeline, electric power and oil pipeline industries. As appropriate, Commission staff prepares economic analyses of these industries assessing the significance of developments and trends for current and future regulatory policies.

The FERC 715 information is also used to facilitate and resolve transmission disputes brought before the Commission. Without this information, potential transmission customers would not have the information necessary to plan projects, such as new generation sites, and the Commission would be unable to evaluate requests and other issues related to transmission. Failure by the Commission to require information to be collected would result in the Commission not meeting its statutory mandates.

### **3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN AND TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN**

Currently, Form 715 information is filed annually with the Commission using a system of paper filings and electronic media (diskettes and/or CD). The Commission is currently exploring the possibility of replacing the existing combined paper/electronic media system with an electronic system using a web-based application. Beginning in 2005, the Commission started on a trial basis an alternate filing method which eliminated

the need to file paper submissions. Some respondents are sending their maps in on CDs in addition to the paper filing. FERC is proposing to eliminate the paper submission and rely solely on the CD submission. The electronic version provides greater clarity and accuracy than its paper counterpart.

**4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN INSTRUCTION 2**

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its regulatory responsibilities under the FPA in an effort to alleviate duplication. All Commission information collections are subject to analysis by Commission staff and are examined for redundancy.

**5. METHODS USED TO MINIMIZE BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES**

This filing collects data from principally large public utilities.

**6. CONSEQUENCE TO FEDERAL PROGRAM IF COLLECTION WERE CONDUCTED LESS FREQUENTLY**

Section 213 (b) of the FPA requires transmitting public utilities to file the FERC 715 annually. The information collected is used on a continual basis by the Commission staff in reviewing reliability issues, and market structure relationships, the U.S. Department of Justice (DOJ) for merger analysis and transmission line relief (TLR) calculation, the Energy Information Administration (EIA) for modeling various electricity markets, and the state regulatory authorities and potential transmission customers to assess whether transmission capacity is available. Some of the information collected changes markedly from one year to the next.

If the collection were conducted less frequently, the Commission would be unable to perform its mandated review in a timely and accurate manner.

The frequency of collecting this information is in compliance with the guidelines specified by the Office of Management and Budget in 5 CFR 1320.5(d)(2)(i).

**7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

There are no special circumstances requiring the collection to be conducted in a manner inconsistent with the Commission regulations in 18 CFR 141.300.

This collection of information collection meets all of OMB's section 1320.5 requirements with the exception of part "d" thereof. Section 1320.5(d) limits the collection of data to an original and two copies of any document. The filing requirements for FERC Form 715 an original and two copies in hard copy of Parts 1, 3, 4, 5, and 6 of the form and in electronic form items 1, 2, 4, 5 and 6. Additionally, one copy is also to be provided electronically of all parts with the exception of Part 3: Transmitting Utility Maps and diagrams.

**8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY;  
SUMMARIZE PUBLIC COMMENTS AND THE AGENCY'S RESPONSE  
TO THESE COMMENTS**

The notice of proposed information collection and request for comments published in the Federal Register on August 30, 2006 (71 FR 51589). No comments were received in response to the notice.

**9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

No gifts or payments have been made to the respondents.

**10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO  
RESPONDENTS**

In response to the events of September 11, 2001, the Commission issued a Policy Statement on October 11, 2001 in PL02-1-000, addressing the treatment of previously public documents. FERC announced that it would no longer make available to the public through its Internet site, e-Library (formerly FERRIS or Federal Energy Regulatory Records Information System) or its Public Reference Room, documents such as oversize maps that detail the specifications of energy facilities already licensed or certificated under Part I of the Federal Power Act and Section 7(c) of the Natural Gas Act. To implement this policy, FERC staff identified and disabled or denied access to other categories of information dealing with licensed or exempt hydropower projects, certificated natural gas pipelines, and electric transmission lines that appeared likely to critical energy infrastructure information, including the information collected on FERC Form 715.

In its final rule in Order No. 630 "Critical Energy Infrastructure Information", the FERC established new procedures for how regulated entities submit certain information to the Commission and created a new process in addition to the Freedom of Information Act (FOIA) process for requesters to use to request information that is not already publicly available. The new steps were necessary to keep sensitive infrastructure

information out of the public domain, decreasing the likelihood that such information could be used to plan or execute terrorist attacks.

**11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE**

There are no questions of a sensitive nature that are considered private.

**12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

18 CFR Part 141.300 of the Commission's regulations require each transmitting utility, as defined in Section 3(23) of the Federal Power Act, that operates integrated transmission facilities at or above 100 kilovolts to submit the FERC 715. There are 273 regulated transmitting utilities. Many of the utilities submit some or all of the information through their NERC regions. With three exceptions, power flow base cases are filed by each utility's NERC region, a total of nine regions. The descriptions of each utility's transmission planning assessment practices, including how reliability criteria are applied, the descriptions of the transmission planning reliability criteria used to evaluate system performance, and system maps and diagrams are submitted separately by 101 respondents, (some of these are collected and submitted by NERC region).

Over the last three years, the Commission received an average of 183 filings per year (see <http://www.ferc.fed.us/electric/F715/Form715.htm> for format). The estimated average burden per response is 160 hours. This estimate is based on comments received from the Commission's prior notices of information collection published in the Federal Register and staff experience with the filing.

<b>DATA COLLECTION (FERC-715)</b>	<b>CURRENT OMB INVENTORY</b>	<b>PROPOSED OMB INVENTORY</b>
Estimated number of respondents:	183	183
Estimated number of responses per respondent:	1.00	1.00
Estimated number of responses per year :	183	183
Estimated number of hours per response :	160	160
Total estimated burden (hours per year) :	29,280	29,280

Program change in industry burden hours : -0-  
 Adjustment change in industry burden hours : - 0-

**13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

The estimated annualized cost to respondents is \$618,126 which is equivalent to:

Total			Number of
			Cost per
			Total
Respondent	□	Hours per	□
		Staff	□
		Annualized	
<u>Burden Hours</u>	<u>Staff Year</u>	<u>Employee<sup>1</sup></u>	<u>Cost</u>
29,280		□	2,080
		□	\$117,363
		□	\$1,652,110#

#rounded off.

The cost per respondent is \$8,453.00

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The estimated annualized cost to the Federal Government is \$62,445 which is equivalent to:

(a)	Forms Clearance Review
	\$ 7,500
(b)	Review of Data (6 months staff time)
	\$58,682
Year of Operation Total	\$66,182

The estimate of the cost to the Federal Government is based on salaries for professional and clerical support, as well as direct and indirect overhead costs.

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1 The "Cost per Staff Employee" estimate is based on the annual allocated cost per Commission employee for Fiscal year 2006. The actual "cost" per FTE consists of approximately \$94,390 in salaries and benefits and \$22,973 in overhead.



**15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE**

The total estimated burden hours are unchanged from the Commission's last submission.

**16. TIME SCHEDULE FOR THE PUBLICATION OF DATA**

The results of this information collection are not published. See item number 10 above.

**17. DISPLAY OF EXPIRATION DATE**

The information is not collected on a standard, printed form which does not avail itself to this display. However, the Commission does display the OMB Control Number and the expiration date on screen concerning instructions for completing the FERC-715. These instructions may be downloaded from the Commission's web site. The Commission is therefore in compliance with the provisions of 5 CFR 1320.5

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The Commission does not employ and it is not applicable to use an "effective and efficient statistical survey methodology" (Item 19 (g)(i)) for the information collected for the FERC-715.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

This is not a collection of information employing statistical methods. See item number 18 above.

FERC 715 OMB No. 1902-0171

Request for 3 year extension