

Supporting Statement for
FERC-523, Applications for Authorization of Issuance of Securities
Request for Three-Year Approval
(Through August 31, 2011)

The Federal Energy Regulatory Commission (Commission) requests that the Office of Management and Budget (OMB) approve **FERC-523, Applications for Authorization of Issuances of Securities**, through August 31, 2011. FERC-523 was approved by OMB and given (Control No. 1902-0043) is an existing Commission data collection, (application and filing requirements), as contained in 18 Code of Federal Regulations, Parts 20, 34, 131.43 and 131.50. There have been no changes in the data collected under FERC-523.

The estimated reporting burden under FERC-523 is expected to average 4,224 hours per year over the next three years – a reduction from the 5,280 hours currently on OMB's inventory.

A. Justification

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

FERC-523 is necessary to collect information needed to implement the statutory provisions of the Federal Power Act (FPA), sections 19, 20 and 204 (16 U.S.C. 792-828c). Under the FPA, a public utility or licensee must obtain Commission authorization for the issuance of securities or for the assumption of liabilities as a guarantor, indorser, or surety or otherwise in respect to any other security of another person, unless and until they have submitted an application to the Commission. After review and approval, the Commission will in turn issue an order authorizing the assumption of the liability or the issuance of securities. The information filed in applications to the Commission is used to make a determination of the Commission's acceptance and/or rejection for granting authorizations for either the issuance of securities or the assumption of obligations or liabilities to licensees and public utilities.

The Commission implements these filing requirements in the Code of Federal Regulations (CFR) under 18 CFR Parts 20, 34, 131.43 and 131.50. Parts 20 and 34 of Title 18 of the Code of Federal Regulations (CFR) contain the Commission's regulations implementing the above sections of the Federal Power Act. Sections 131.43, Report of Securities issues, and 131.50, Reports of Proposals Received of Title 18 C.F.R. prescribe the required format for Section 34.10.

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

Applications are filed “on occasion” and as needed by the public utilities and licensees pursuant to Part 34. The Commission's Office of Energy Markets and Regulation (OEMR) analyzes the given facts to determine its acceptance and/or rejection for granting authorization to issue securities or assume an obligation or liability to licensees and public utilities. The Director of OEMR or his designee has been delegated by the Commission the authority to review and authorize/reject under 18 CFR 375.307 under subparagraph (b):

(b) Pass upon any uncontested application for authorization to issue securities or to assume obligations and liabilities, filed by public utilities and licensees pursuant to Part 34 of this chapter.

Sections 19, 20 and 204 of the FPA mandate the filing of these applications and the Commission needs the reported data to perform its regulatory responsibilities to either accept or reject the public utilities requested authorizations.

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

In Order No. 657 issued May 27, 2005 the Commission amended its regulations, effective April 4, 2006, to provide for the electronic filing of Applications for Authorization for the Issuance of Securities or the Assumption of Liabilities (FERC-523). These changes were made as part of the Commission’s effort to modernize its reporting and filing requirements and to eliminate unnecessary filing burdens for those entities that file applications or reports with the Commission pursuant to 18 CFR Part 34. Previous to Order No. 657, the Commission required the filings in hardcopy. The type of financial information public utilities submit under FERC-523 is routinely stored by utilities in electronic format, making the transition to electronic filing a welcomed one by utilities.

These revisions reduced the Commission’s and the respondent’s costs by allowing the submission of financial information in electronic format in lieu of the hard copy format; the type of financial data that jurisdictional entities submit in this application is already routinely stored in electronic format, making hard copy filing of such information burdensome. Electronic filing, combined with electronic posting and service over the web site, permits staff and the public to obtain filings in a faster and more efficient manner.

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 NO. 2

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its responsibilities under the FPA in order to eliminate duplication and ensure that filing burden is minimized. There are no similar sources of information available that can be used or modified for these reporting purposes. The filing requirements were revised in Order No. 575, which eliminated all possible duplication in the filing requirements.

Order No. 657 as mentioned above, was the result of a review conducted by the Commission's Information Assessment Team (FIAT) initiative of identifying the Commission's current information collections, evaluating their original purposes and current uses, and proposing ways to reduce the reporting burden on industry through the elimination, reduction, streamlining or reformatting of current collections.

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

FERC-523 is a filing requirement pertaining to the authorization for issuance of securities or the assumption of debt. This filing collects data from both large and small respondent companies subject to the rate jurisdiction of the Commission and/or a state agency, or both. Specific efforts have been made to minimize the burden imposed on those small companies that file under this obligation. The data required imposes the least possible burden for companies, while collecting the information required for rate filings. The information required to be submitted is readily available from the internal records of each public utility or licensee.

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

The information collection is filed only as needed by the utilities seeking to obtain the Commission's approval of security issuances. The companies are allowed to include authorizations for multiple types of securities within a single filing thereby eliminating the need for multiple individual filings. The companies must, by law obtain the Commission's approval prior to the issuance of securities. Absent that approval, the public utilities' and licensee's ability to raise needed capital could be impaired. If the information were conducted less frequently or discontinued, the Commission would be placed at a disadvantage in not having the data necessary for monitoring its mandated obligations.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

FERC-523 is a filing requirement necessary to comply with the applicable provisions of the Commission's regulations pertaining to securities authorizations and submitted as needed by the companies.

As noted above in item no. 3, the Commission issued in Order No. 657 the electronic filing of information. This eliminated the Commission's original requirement for an original and four copies of the application to be filed. Therefore, the Commission is now in compliance with OMB's guidelines in 5 CFR 1320.5(d) (2) (iii).

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

In accordance with OMB requirements in 5 C.F.R. 1320.8(d), the data collection under FERC-523 was noticed in the Federal Register on February 26, 2008 (73 FR 10236-37). No comments were filed during the 60-day notice period.

The regulations were developed by the Commission in accordance with the FPA Sections 19, 20 and 204 prior to 1947. Over the years all the various amendments and revisions have been accorded the Commission's rulemaking procedures. Each Notice of Proposed Rulemaking and Final Rule is published in the Federal Register, thereby affording all public utilities and licensees, state commissions, Federal agencies, and other interested parties an opportunity to submit data, views, comments or suggestions concerning the proposed collection of data. The notice procedures also allow for public conferences to be held as required. In accordance with OMB requirements in 5 CFR § 1320.8(d), the Commission's intent to renew the FERC-523 information collection was noticed in the Federal Register on February 26, 2008 (73 FR 10236-37). No comments were filed in response to this notice.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

No payments or gifts are made to respondents.

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

The Commission generally does not consider the data filed to be confidential. However the Commission will treat the information supplied under FERC-523 as confidential because of its market sensitivity. In addition, additional information provided with the filing may be submitted with a specific request for confidential treatment to the extent permitted by law and considered pursuant to 18 C.F.R. 388.112 of FERC's regulations.

**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

Based on FERC’s experience with the burden of information collection in connection with Securities Authorization, the overall burden to respondent on an annualized basis has decreased from when the Commission last submitted its request for approval of FERC-523. This decrease can be attributed to the issuance of Order No. 657 (noted above) and to the Commission’s issuance of Order No. 703. On November 15, 2007, the Commission issued a Final Rule, RM07-16-000, Order No. 703, “Filing via the Internet” 73 Fed. Reg. 65659 (November 23, 2007) revising its regulations for implementing the next version of its system for filing documents via the Internet, eFiling 7.0. This Final Rule allows the option of filing all documents in Commission proceedings through the eFiling interface except for specified exceptions, and of utilizing online forms to allow “documentless” interventions in all filings and quick comments in P (Hydropower Project), PF (Pre-Filing NEPA activities for proposed gas pipelines), and CP (Certificates for Interstate Natural Gas Pipelines) proceedings.

FERC-523 Information Collection Burden			
	No. of Respondents	Burden Hours per/Respondent	Total Burden Hours
Current Inventory	60	88	5,280
Proposed Estimate	60	70.4	4,224
Difference	0	17.6	
Program Change			1,056*
Adjustment	0	0	0

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The estimated annual cost to respondents of FERC-523 is \$256,657 (total estimated reporting burden (4,224 hours) ÷ 2080 (employee-hours per year) x \$126,384^{/per year average} employee. The cost per respondent is \$4,278. The use of electronic filing will save the costs of making and serving paper filings on an ongoing basis due to savings in mail and messenger delivery and copying, and the Commission estimates an annual savings of \$64,164.

The reporting burden includes the total time, effort, or financial resources expended by the respondent to assemble and disseminate the information including: (1) reviewing the instructions; (2) developing or acquiring appropriate technological support systems needed for

^{/ per year average} /The cost per year average employee estimate is based on the annual allocated cost per Commission employee for fiscal year 2007. The estimated cost consists of approximately \$126,384 in salary and benefits with \$102,029 allocated to salary and benefits and \$24,355 in overhead .

purposes of collecting, validating, processing, and disseminating the information; (3) administration; and (4) transmitting, or otherwise disclosing the information.

The cost estimate for respondents is based upon salaries for professional and clerical support, as well as direct and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an organization in support of its mission. These costs apply to activities which benefit the whole organization rather than anyone particular function or activity.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	(a) Information Analysis (1.5 FTE) [/]
	\$126,384
Year of Operation	\$189,576

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. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an organization in support of its mission. These costs apply to activities which benefit the whole organization rather than anyone particular function or activity. The estimated annualized cost to the Federal Government has been reduced because of electronic filing being fully implemented in 2008.

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

There are changes from what is currently reported in OMB’s inventory. The initial reduction is a result of the Commission’s initiatives in Order Nos. 657 and 716 as noted above which provides for the electronic filing of this information. However, there is the potential for further reductions as a result of reorganizations along functional business lines that may in turn, include further consolidations especially if public utilities opt to join regional organizations in the future and thus streamline their operations.

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

[/] /The estimated annual cost per staff/employee (\$126,384) is based on the number of employees in the Office of Energy Markets and Regulation and the FY 2008 appropriation for that office as reported in the Commission's FY 2007 Budget. The \$126,384 cost consists of salary and benefits.

Copies of the filings are made available to the public within two days of submission to FERC via the Commission's web-based eLibrary system. There are no other publications or tabulations of the information.

17. DISPLAY OF THE EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collected. The information is not collected on a standard, preprinted form which would avail itself to that display. Rather public utilities prepare and submit filings that reflect unique or specific circumstances related to the filing. In addition, the information contains a mixture of narrative descriptions and empirical support that varies depending on the nature of the transaction.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

Item No. 19(g) (vi) see Instruction No. 17 above for further elaboration. In addition, the data collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not use as stated in item no. 19(i) "effective and efficient statistical survey methodology." The information collected is case specific to each respondent.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.

This is not a collection of information employing statistical methods.