

FERC-585

SUPPORTING STATEMENT FOR FERC-585, Reporting of Electric Shortages and Contingency Plans Under PURPA 206 (Three-year Approval requested through 6/30/2012)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and extend its approval of FERC-585, (Reporting of Electric Shortages and Contingency Plans Under PURPA 206; OMB Control No. 1902-0138) through 6/30/2012.

A. JUSTIFICATION

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The information collected under the requirements of FERC-585 is used by the Commission to implement the statutory provisions of section 206 of the Public Utility Regulatory Policies Act of 1979 (PURPA) Pub. L. 95-617, 92 Stat. 3117. Section 206 of PURPA amended the Federal Power Act (FPA) by adding a new subsection (g) to section 202, under which the Commission by rule, was to require each public utility to (1) report to the Commission and appropriate state regulatory authorities of any anticipated shortages of electric energy or capacity which would affect the utility's capability to serve its wholesale customers; and (2) report to the Commission and any appropriate state regulatory authority with contingency plan that would outline what circumstances might give rise to such occurrences.

In Order No. 575, the Commission modified the reporting requirements in 18 CFR 294.101(b) to provide that, if a public utility includes in its rates schedule, provisions that: (a) during electric energy and capacity shortages it will treat firm power wholesale customers without undue discrimination or preference; and (b) it will report any modifications to its contingency plan for accommodating shortages within 15 days to the appropriate state regulatory agency and to the affected wholesale customers, then the utility need not file with the Commission an additional statement of contingency plan for accommodating such shortages. This revision merely changed the reporting mechanism; the public utility's contingency plan would be located in its filed rate rather than in a separate document.

In Order No. 659, the Commission modified the reporting requirements in 18 CFR 294.101(e) to provide that the means by which public utilities must comply with the requirements to report shortages and anticipated shortages is to submit this information electronically using the Office of Electric Reliability's pager system at emergency@ferc.gov in lieu of submitting an original and two copies with the Secretary of the Commission.

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The Commission implements these filing requirements in the Code of Federal Regulations (CFR) under 18 CFR Part 294, which define *anticipated shortages of electric or energy as*:

“(1) Any situation anticipated to occur in which the generating and bulk purchased power capability of a public utility will not be sufficient to meet its anticipated demand plus appropriate reserve margins and this shortage would affect the utility's capability adequately to supply electric services to its firm power wholesale customers; or

(2) Any situation anticipated to occur in which the energy supply capability of a public utility is not sufficient to meet its customers' energy requirements and this shortage would affect the utility's capability adequately to supply electric services to its firm power wholesale customers.”

18CFR 294 establishes the reporting requirements for public utilities. A report filed in compliance with Part 294 must include the nature and projected duration of the anticipated shortage, a list of firm wholesale customers likely to be affected by the shortage, procedures for accommodating the shortage, and a contact person at the public utility.

Attached are copies of the related statute (Attachment A) and regulations (Attachment B).

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

The information collected by FERC-585 is used by the Commission to evaluate and formulate an appropriate option for action in the event an unanticipated shortage is reported and/or materializes. Without this information, the Commission and State agencies would be unable to: (1)examine and approve or modify utility actions, (2)prepare a response to anticipated disruptions in electric energy, and (3)ensure equitable treatment of all public utility customers under the shortage situations.

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

In general, the Commission continues to expand the list of filing types that may be submitted electronically (as described at <http://www.ferc.gov/docs-filing/efiling.asp>). The FERC-585 Plan for Accommodation of Shortages (under 294.101(b)) may be submitted electronically

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through the FERC's eFiling system. The Report of Anticipated Capacity or Energy Supply Shortage (under 294.101(d)) is sent via e-mail directly to: emergency@ferc.gov .

Sample filings of FERC-585 are available in eLibrary at: <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=11114024> [filed via e-mail to emergency@ferc.gov] and <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=11408795> .

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**

Filings are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of the Commission's reporting requirements to identify duplication of data requirements. To date, no duplication of FERC-585 data has been found. The information is case specific to the applicant and the event.

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

The reporting requirements associated with FERC-585 are the basic filing requirements. There are no similar sources of information available that can be used or modified for use because the information collected is unique to the applicant and event. The minimization of impact on small businesses would not be applicable.

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

The data required impose the least possible burden on applicants, while collecting the information required.

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

The guidelines of 5 C.F.R. 1320.5(d) are being followed with the submission of the information required under FERC-585.

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), a Notice requesting comments on the reporting requirements of FERC-585 was issued in

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FERC Docket No. IC09-585 on 1/23/2009 (at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=11912109>). The Notice was published in the Federal Register at 74FR5150 on 1/29/2009. There were no comments filed in response to this Notice.

9. EXPLAIN ANY PAYMENTS OR GIFTS TO RESPONDENTS

No payments or gifts have been made to respondents.

10 and 11. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS & PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE

The information related to the Contingency Plan and the e-mail related to an emergency capacity shortage submitted to the Commission are public information and therefore are not considered confidential. Specific requests for confidential treatment may be submitted to FERC pursuant to 18 C.F.R. 388.112. No data of a sensitive nature is requested.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

The annual burden estimate for information collection under FERC-585 is based on the Commission's experience with the licensing process. The estimates for the average annual burden for completing FERC-585 follow.

FERC Data Collection (FERC-585)	Number of Respondents Annually(1)	Number of Responses Per Respondent (2)	Average Burden Hours Per Response (3)	Total Annual Burden Hours (1)x(2)x(3)
Contingency Plan	1	1	73	73
Capacity Shortage	1	1	0.25	0.25

FERC-585 burden hours currently in OMB's inventory: 511

Program change in industry
burden hours : 0

Adjustment change in
industry burden hours:
-437.75¹

See Attachment C for a comparison of the current estimated burden and this request.

¹ This reduction is due to a reduction in the number of estimated annual responses (from the former estimate of 7).

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13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The estimated, annual cost² to the respondents for FERC-585, averaged over the next three years, is as follows:

Total Annual Burden Hours For Respondents (1)	Person Hours Per Year (2)	Estimated Annual Cost Per Person³ (3)	Total Annual Cost To Respondents Error: Reference source not found [(1)/(2)]x(3)
73.25	2080	\$128,297	\$4,518

See Attachment C for a comparison of the current estimated cost and this request.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimated annualized cost to the Federal Government for FERC-585 is shown below:

Processing of Request for Renewal of OMB Clearance	\$1,480
Analysis of data, .5 FTE Error: Reference source not found	\$64,149
Total estimated annual federal cost	\$65,629

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

The Commission is submitting FERC-585 for renewal. See Attachment C for a comparison of the current estimated burden and cost and this request. There are **no** changes to the reporting burden or requirements.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulations, statistical analysis or publication plans for the information collection. The data are used for regulatory purposes.

17. DISPLAY OF EXPIRATION DATE

It is not appropriate to display the expiration date and OMB control number of the information collection. The information is not collected on a standard form which would avail itself to this display. Rather, public utilities prepare and submit filings that reflect the unique or specific circumstances related to the anticipated or actual shortage of electric energy or capacity. In addition, the information contains a mixture of narrative descriptions and empirical support that varies depending on the nature of the situation.

²The figures may not be exact, due to rounding.

³The estimated annual cost per employee is \$128,297.

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18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The data collected for this reporting requirement are 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 in FERC-585 is case specific.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable. Statistical methods are not employed for this data collection.

[US CODE: TITLE 16,824A. INTERCONNECTION AND COORDINATION OF FACILITIES;
EMERGENCIES; TRANSMISSION TO FOREIGN COUNTRIES](#)

[TITLE 16](#) > [CHAPTER 12](#) > [SUBCHAPTER II](#) > § 824a

§ 824a. Interconnection and coordination of facilities; emergencies; transmission to foreign countries

(a) Regional districts; establishment; notice to State commissions

For the purpose of assuring an abundant supply of electric energy throughout the United States with the greatest possible economy and with regard to the proper utilization and conservation of natural resources, the Commission is empowered and directed to divide the country into regional districts for the voluntary interconnection and coordination of facilities for the generation, transmission, and sale of electric energy, and it may at any time thereafter, upon its own motion or upon application, make such modifications thereof as in its judgment will promote the public interest. Each such district shall embrace an area which, in the judgment of the Commission, can economically be served by such interconnection and coordinated electric facilities. It shall be the duty of the Commission to promote and encourage such interconnection and coordination within each such district and between such districts. Before establishing any such district and fixing or modifying the boundaries thereof the Commission shall give notice to the State commission of each State situated wholly or in part within such district, and shall afford each such State commission reasonable opportunity to present its views and recommendations, and shall receive and consider such views and recommendations.

(b) Sale or exchange of energy; establishing physical connections

Whenever the Commission, upon application of any State commission or of any person engaged in the transmission or sale of electric energy, and after notice to each State commission and public utility affected and after opportunity for hearing, finds such action necessary or appropriate in the public interest it may by order direct a public utility (if the Commission finds that no undue burden will be placed upon such public utility thereby) to establish physical connection of its transmission facilities with the facilities of one or more other persons engaged in the transmission or sale of electric energy, to sell energy to or exchange energy with such persons: Provided, That the Commission shall have no authority to compel the enlargement of generating facilities for such purposes, nor to compel such public utility to sell or exchange energy when to do so would impair its ability to render adequate service to its customers. The Commission may prescribe the terms and conditions of the arrangement to be made between the persons affected by any such order, including the apportionment of cost between them and the compensation or reimbursement reasonably due to any of them.

(c) Temporary connection and exchange of facilities during emergency

During the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the Commission shall have authority, either upon its own motion or upon complaint, with or without notice, hearing, or report, to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest. If the parties affected by such order fail to agree upon the terms of any arrangement between them in carrying out such order, the Commission, after hearing held either before or after such order takes effect, may prescribe by supplemental order such

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terms as it finds to be just and reasonable, including the compensation or reimbursement which should be paid to or by any such party.

(d) Temporary connection during emergency by persons without jurisdiction of Commission

During the continuance of any emergency requiring immediate action, any person engaged in the transmission or sale of electric energy and not otherwise subject to the jurisdiction of the Commission may make such temporary connections with any public utility subject to the jurisdiction of the Commission or may construct such temporary facilities for the transmission of electric energy in interstate commerce as may be necessary or appropriate to meet such emergency, and shall not become subject to the jurisdiction of the Commission by reason of such temporary connection or temporary construction: Provided, That such temporary connection shall be discontinued or such temporary construction removed or otherwise disposed of upon the termination of such emergency: Provided further, That upon approval of the Commission permanent connections for emergency use only may be made hereunder.

(e) Transmission of electric energy to foreign country

After six months from August 26, 1935, no person shall transmit any electric energy from the United States to a foreign country without first having secured an order of the Commission authorizing it to do so. The Commission shall issue such order upon application unless, after opportunity for hearing, it finds that the proposed transmission would impair the sufficiency of electric supply within the United States or would impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of the Commission. The Commission may by its order grant such application in whole or in part, with such modifications and upon such terms and conditions as the Commission may find necessary or appropriate, and may from time to time, after opportunity for hearing and for good cause shown, make such supplemental orders in the premises as it may find necessary or appropriate.

(f) Transmission or sale at wholesale of electric energy; regulation

The ownership or operation of facilities for the transmission or sale at wholesale of electric energy which is

(a) generated within a State and transmitted from the State across an international boundary and not thereafter transmitted into any other State, or

(b) generated in a foreign country and transmitted across an international boundary into a State and not thereafter transmitted into any other State, shall not make a person a public utility subject to regulation as such under other provisions of this subchapter. The State within which any such facilities are located may regulate any such transaction insofar as such State regulation does not conflict with the exercise of the Commission's powers under or relating to subsection (e) of this section.

(g) Continuance of service

In order to insure continuity of service to customers of public utilities, the Commission shall require, by rule, each public utility to—

(1) report promptly to the Commission and any appropriate State regulatory authorities any anticipated shortage of electric energy or capacity which would affect such utility's capability of serving its wholesale customers,

(2) submit to the Commission, and to any appropriate State regulatory authority, and periodically revise, contingency plans respecting—

(A) shortages of electric energy or capacity, and

(B) circumstances which may result in such shortages, and

(3) accommodate any such shortages or circumstances in a manner which shall—

(A) give due consideration to the public health, safety, and welfare, and

(B) provide that all persons served directly or indirectly by such public utility will be treated, without undue prejudice or disadvantage.

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The following excerpt, related to FERC-585, is from the Code of Federal Regulations (CFR), Title 18 (Conservation of Power and Water Resources).

PART 294—PROCEDURES FOR SHORTAGES OF ELECTRIC ENERGY AND CAPACITY UNDER SECTION 206 OF THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978

§ 294.101 Shortages of electric energy and capacity.

(a) *Definition of shortages of electric energy and capacity.* For purposes of this section, the term *anticipated shortages of electric or energy* means:

(1) Any situation anticipated to occur in which the generating and bulk purchased power capability of a public utility will not be sufficient to meet its anticipated demand plus appropriate reserve margins and this shortage would affect the utility's capability adequately to supply electric services to its firm power wholesale customers; or

(2) Any situation anticipated to occur in which the energy supply capability of a public utility is not sufficient to meet its customers' energy requirements and this shortage would affect the utility's capability adequately to supply electric services to its firm power wholesale customers.

(b) *Accommodation of shortages.* (1) Each public utility now serving firm power wholesale customers, shall submit a brief statement indicating how it would accommodate any shortages of electric energy or capacity affecting its firm power wholesale customers.

(2) This statement shall:

(i) Describe how the utility would assure that direct and indirect customers are treated without undue prejudice or disadvantage; and

(ii) It shall also identify any agreement, law, or regulation which might impair the utility's ability to accommodate such a shortage.

(3) Each utility shall file a copy of its statement with any appropriate State regulatory agency and all firm power wholesale customers.

(4) If a plan for accommodating any shortages of electric energy or capacity affecting its firm power wholesale customers as described in the brief statement submitted pursuant to paragraph (b)(1) of this section is modified, the utility must submit to the Commission and the persons described in paragraph (b)(3) of this section within 15 days of any such

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modification, a supplemental statement informing the Commission of those modifications.

(5) Notwithstanding any other provision of this section, a public utility need not file the statement with the Commission if the public utility provides in its rate schedules to firm power wholesale customers that:

(i) During electric energy and capacity shortages it will treat without undue discrimination or preference, prejudice, or disadvantage firm power wholesale customers; and

(ii) It will report any modifications to its contingency plans for accommodating shortages within 15 days to:

(A) The appropriate State regulatory agency and

(B) To the affected wholesale customers.

(c) *Reporting requirements.* Each public utility shall immediately report to the Commission, to any State regulatory authority and to firm power wholesale customers, any anticipated shortage of electric energy or capacity. The report shall include the following information:

(1) The nature and projected duration of the anticipated capacity or energy supply shortage;

(2) A list showing all firm power wholesale customers affected or likely to be affected by the anticipated shortage;

(3) Procedures for accommodating the shortage, if different from those described in paragraph (b) of this section;

(4) An estimate of the effects (reduced power and energy usage) of use of these procedures upon the utility's wholesale and retail customers; and

(5) The name, title, address and telephone number of an officer or employee of the utility who may be contacted for further information regarding the shortage and planned actions of the utility.

(d) *Reports to other government entities.* Any report filed with another governmental entity that contains the information that must be reported under this part may be filed to comply with this part.

(e) *Reporting Procedure.* Any public utility that reports under this part must provide an electronic filing to this Commission at emergency@ferc.gov and one copy to any state

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regulatory authority and firm power wholesale customers, unless otherwise required by the Commission.

(f) *Report of anticipated shortage.* Notwithstanding any other provision of this part, if a public utility provides in its rate schedule that it will make such reports to the appropriate state regulatory agency and to its firm power wholesale requirements customers, then it need only report to the Commission the nature and projected duration of the anticipated capacity or energy supply shortage and supply a list of the firm power wholesale customers affected or likely to be affected by the shortage. Upon receiving the public utility's report of anticipated shortage of electric energy or capacity, the Commission will decide what further reports, if any, to require.

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Attachment C

For ease of comparison, we are providing the following background, and information on the burden and cost:

- currently approved in the OMB inventory and system
- in this request (for clearance extension through 6/2012).

Background: Early industry cost figures were listed as \$0 in the OMB ROCIS system meta-data if the burden was provided in terms of an hourly burden. Basically, only start-up costs were listed in the ROCIS industry cost field at that time. The details of the industry cost (start-up vs. regular maintenance and operations) were included in the supporting statement. Recently, we have been including all industry costs in the ROCIS cost field, as well as in the supporting statement.

FERC-585. The corresponding annual cost estimates for industry are \$27,704 (submitted in the supporting statement in 2006, although OMB's ROCIS system displays \$0) and \$4,518 (submitted in 2009, the materials submitted in this request).

Here are the details, excerpted from the supporting statements submitted in 2006 and 2009 (this submittal). (We use an average of 2,080 hours per year.)

FERC-585	Number of Respondents Annually(1)	Number of Responses Per Respondent (2)	Average Burden Hours Per Response (3)	Total Annual Burden Hours (1)x(2)x(3)	Total Annual Cost To Respondents
Estimates in supporting statement in 2006					
	7	1	73	511	\$27,704 ⁴
Estimates in this supporting statement in 2009					
Contingency Plan	1	1	73	73	
Capacity Shortage	1	1	0.25	0.25	
Totals in this supporting statement in 2009				73.25	\$4,518 ⁵

Since submittal of the supporting statement in 2006, there have been a few changes.

- The average annual cost per employee was \$112,767 in 2006, and is \$128,297 in 2009.
- The pending supporting statement (2009) includes
 - o ¼ hour for capacity shortage filings. The information is split out to provide additional detail and is based on improved estimates and the Commission's experience with the process; it does **not** represent any changes to the reporting requirements.
 - o a reduction in the annual number of respondents from 7 to 1.

The difference in the cost per respondent (from \$3,958 in 2006, to \$4,518 in 2009, an increase of \$545.04) is attributable to the extra ¼ hour of burden and the increase in the annual cost per employee.

⁴ The Commission estimates the cost burden to respondents as \$27,704 (511 hours ÷ 2,080 hours per year × \$112,767 per year average per employee). The cost per respondent is \$3,958.

⁵ The cost to respondents is estimated to be \$4,518 (73.25 hours ÷ 2,080 hrs. per year × \$128,297 per year). The cost per respondent is \$4,518.

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(The ¼ hour at 2,080 hrs. per year and \$128,297 per year represents an extra ~\$15.41 per year. The cost per employee increased by \$15,530 per year. $\$15,530 \times 73 \text{ hours} \div 2,080 \text{ hours per year}$ represents an additional \$545.04.)