



U.S. Energy Information Administration

Office of Energy Statistics

**Office of Electricity, Renewables, and Uranium
Statistics**

Supporting Statement for Survey Clearance

Electric Power Surveys

FORM EIA-923, POWER PLANT OPERATIONS REPORT, Schedule 2, Cost and Quality of Fuel Purchases - Plant Level;

FORM EIA-861, ANNUAL ELECTRIC POWER INDUSTRY REPORT;

FORM EIA-861S, ANNUAL ELECTRIC POWER INDUSTRY REPORT (SHORT FORM)

OMB No. 1905-0129

Background and Proposal

Part A

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Background and Summary of Proposals

Background and Purpose

The U.S. Energy Information Administration (EIA) is the statistical and analytical agency within the U.S. Department of Energy (DOE). It collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding regarding energy and its interaction with the economy and the environment. The electric power surveys discussed below are part of this comprehensive energy data program.

The information collection proposed in this supporting statement has been reviewed in light of applicable EIA information quality guidelines. It has been determined that the information would be collected, maintained, and used in a manner consistent with Office of Management and Budget (OMB), DOE, and EIA information quality guidelines.

On March 15, 2012, a Federal Register Notice was published for EIA to receive comments regarding proposed changes to the Form EIA-861, "Annual Electric Power Industry Report," and Form EIA-923, "Power Plant Operations Report;" and the creation of a new survey, Form EIA-861S, "Annual Electric Power Industry Report (Short Form)." The effect of the proposals is to reduce the data collection effort required to operate the surveys, with the objectives of allowing EIA to better deploy its resources and reducing respondent burden while avoiding a material reduction in the quality of the data provided by EIA.

Note on Clearance Periods: EIA operates its electric power data collections as an integrated program. For this reason, and also for administrative efficiency and to provide clarity to stakeholders, EIA generally prefers to clear all electric power surveys on the same schedule in a single OMB package. Currently all electric power surveys are cleared to the end of 2013. Under this proposal, the modified versions of the Forms EIA-861 and EIA-923 surveys and the new Form EIA-861S will be cleared *only for data collection in 2013*. During 2013, EIA will seek a regular 3-year clearance for these surveys along with all other electricity surveys.

Summary of Proposals

The proposed changes involve selected changes to two existing surveys, the Form EIA-861, "Annual Electric Power Industry Report" and Schedule 2 of the Form EIA-923, "Power Plant Operations Report." The proposal also includes the creation of one new survey, the Form EIA-861S, a short-form version of the current Form EIA-861.

The existing surveys are currently cleared by OMB through October 2013. Therefore these selected changes constitute a revision (supplement) to the existing clearance, not a replacement of or extension to the existing clearance. The proposed new survey, the Form EIA-861S, as proposed will also expire in

2013 so that all the electric power surveys can be proposed for re-clearance as a group with common dates.

Summary of Proposals Related to the Form EIA-861, "Annual Electric Power Industry Report"

The mandatory Form EIA-861 survey collects electricity retail sales, revenue, and a variety of information related to demand response and energy efficiency from approximately 3,300 respondents (primarily electric utilities). However, many of these responding entities are very small distribution companies with minimal sales and few if any demand response and related programs. A third (1,100) of the 3,300 respondents account for about one percent of total annual electric sales in the United States.

EIA found that the smallest respondents consume a disproportionately large share of the agency's data collection and processing resources. This is because the small companies have limited resources to devote to data gathering and government reporting.

EIA proposes to modify the coverage of the Form EIA-861 survey from a census to a sample of approximately 2,200 entities. EIA is also proposing a new annual survey, the Form EIA-861S. The Form EIA-861S sample would consist of the 1,100 respondents removed from the Form EIA-861 frame. The new Form EIA-861S survey would collect very limited data from these respondents. This information would be used to maintain a current frame for the universe of electric power utilities and power marketers and to collect a small amount of selected data (such as sales, retail revenues, and customer counts). A statistical imputation methodology would be used to allocate sales, revenues, and customer counts to industry sectors (i.e., residential, commercial, industrial, and transportation).

Once every 5 years the Form EIA-861S respondents would be required to fill out the Form EIA-861 in lieu of the Form EIA-861S. This information will be used to verify and update the sample and the imputation methodology.

Summary of Proposal Related to Form EIA-923, "Power Plant Operations Report"

The Form EIA-923 is a mandatory report that collects fuel receipts, consumption, electric generation, fuel stocks, combustion byproducts, operational cooling water data, and operational data for nitrogen oxides (NO_x), sulfur dioxide (SO₂), and particulate matter control equipment from all operating power plants. The data on this survey are collected monthly from a statistically determined sample of relatively large plants. The remaining smaller plants are surveyed annually.

This proposal affects only Schedule 2, "Cost and Quality of Fuel Purchases – Plant-Level," which collects information on the cost, quality, and volume of combustible fuel receipts. Currently, plants must report these data if the plant meets a minimum capacity threshold of 50 megawatts (MW) of nameplate capacity or greater.

EIA proposes to:

- Raise the schedule 2 reporting threshold to 200 MW of nameplate capacity for plants fueled by natural gas, petroleum coke, distillate fuel oil, and residual fuel oil. The reporting threshold will not be raised for coal-fired power plants; for these plants the reporting threshold will remain 50 MW. The rationale for keeping the reporting threshold for coal-fired plants at 50 MW is discussed in section A.2.3. and Appendix A-1.
- Remove the reporting requirement for self-produced and minor fuels (i.e., blast furnace gas, other manufactured gases, kerosene, propane, jet fuel, and waste oil).

The proposed changes will reduce respondent burden, particularly for smaller entities. Additionally, as in the case of the Form EIA-861, part of the rationale for the proposed changes is to avoid the disproportionate amount of time needed to edit the data submitted by small entities. In addition, the minor and self-produced fuels are time-consuming to edit because the fuel quality is inconsistent and the prices are volatile.

A. Justification

A.1. Legal Justification

The authority for this data collection is derived from the following provision:

Section 13(b), 15 U.S.C. §772(b), of the Federal Energy Administration Act (FEA Act), Public Law 93-275, outlines the types of individuals subject to the data collection authority delegated to the Administrator and the general parameters of the type of data which can be required. Section 13(b) states:

“All persons owning or operating facilities or business premises who are engaged in any phase of energy supply or major energy consumption shall make available to the [Secretary] such information and periodic reports, records, documents, and other data relating to the purposes of this Act, including full identification of all data and projections as to source, time, and methodology of development, as the [Secretary] may prescribe by regulation or order as necessary or appropriate for the proper exercise of functions under this Act.”

The objectives of the FEA Act are set forth in Section 5(b), 15 U.S.C. §764(b), of the FEA Act, which states that the Secretary shall, to the extent (s)he is authorized by Section 5(a) of the FEA Act,

“(2) assess the adequacy of energy resources to meet demands in the immediate and longer range future for all sectors of the economy and for the general public;...

(9) Collect, evaluate, assemble, and analyze energy information on reserves, production, demand, and related economic data;

(12) Perform such other functions as may be prescribed by law.”

As the authority for invoking Section 5(b) above, Section 5(a), and 15 U.S.C. §764(a), of the FEA Act in turn states:

“Subject to the provisions and procedures set forth in this Act, the [Secretary] shall be responsible for such actions as are taken to assure that adequate provision is made to meet the energy needs of the Nation. To that end, he shall make such plans and direct and conduct such programs related to the production, conservation, use, control, distribution, rationing, and allocation of all forms of energy as are appropriate in connection with only those authorities or functions:

- (1) Specifically transferred to or vested in him by or pursuant to this Act;
- (3) Otherwise specifically vested in the [Secretary] by the Congress.”

Authority for invoking Section 5(a) of the FEA Act is provided by Section 52, 15 U.S.C. §790(a) and (b), of the FEA Act, which states that the Administrator of the EIA:

“(a) . . . [Shall] establish a National Energy Information System... [which] shall contain such information as is required to provide a description of and facilitate analysis of energy supply and consumption...

(b) . . . the System shall contain such energy information as is necessary to carry out the Administration's statistical and forecasting activities..., and such energy information as is required to define and permit analysis of . . .

- (1) the institutional structure of the energy supply system, including patterns of ownership and control of mineral fuel and non-mineral energy resources and the production, distribution, and marketing of mineral fuels and electricity;
- (2) the consumption of mineral fuels, non-mineral energy resources, and electricity by such classes, sectors, and regions as may be appropriate for the purposes of this Act;
- (3) the sensitivity of energy resource reserves, exploration, development, production, transportation, and consumption to economic factors, environmental constraints, technological improvements, and substitutability of alternate energy sources; . . .
- (5) . . . industrial, labor, and regional impacts of changes and patterns of energy supply and consumption . . .”

A.2. Needs and Uses of Data

A.2.1. Overview of Data Needs and Uses

EIA uses the data collected on the electric power surveys to answer queries from the U.S. Congress, other Federal and State agencies, the electric power industry, and the general public; and as input to the National Energy Modeling System and to EIA's other forecasting and analytical activities. Other users of the data include policy makers, regulators, energy market analysts, and the energy industries.

In some cases, States have reduced their own data collection efforts with the intention of relying on the EIA for many of their information needs. In the absence of the centralized and public data collection by the EIA, each State will have to undertake its own data collection effort, in many cases requesting duplicative information from firms with operations that cross State lines. The EIA data collection ensures consistent data at minimum cost to the public and respondents.

The data collected on the Forms EIA-861 and EIA-923 surveys are reported in Internet-based data files at the individual establishment level, and are reported or used in many EIA reports, including:

- Electricity Monthly Update (<http://www.eia.gov/electricity/monthly/update/>)
- Electric Power Monthly (<http://www.eia.gov/electricity/monthly/>)
- Electric Power Annual (<http://www.eia.gov/electricity/annual/>)
- Electric Sales, Revenue, and Price (http://www.eia.gov/electricity/sales_revenue_price/)
- Annual Energy Review (<http://www.eia.gov/totalenergy/data/annual/>)
- Monthly Energy Review (<http://www.eia.gov/totalenergy/data/monthly/>)
- Renewable Energy Annual (<http://www.eia.gov/renewable/annual/>)
- State Electricity Profiles (<http://www.eia.gov/electricity/state/>)
- Annual Energy Outlook (<http://www.eia.gov/forecasts/aeo/er/>)
- Short-Term Energy Outlook (<http://www.eia.gov/forecasts/steo/>)

Specific applications of the data collected by the Forms EIA-861 and EIA-923 surveys are discussed, below, in Section A.2.3.

A.2.2. Overview of Data Collections

The EIA electric power data forms collect a wide range of information about the industry while seeking to minimize respondent burden and avoid duplicative data collection. Data are collected using annual and monthly forms. Each annual form has a different set (or subset) of respondents in order to focus on each sector of the electric power industry. The monthly forms collect information only from a sample/subset of the overall universe in order to minimize the burden on the industry.

A.2.3. Individual Form Data Uses and Modifications

Note that copies of the proposed forms accompany this supporting statement. This includes copies of the EIA-861 and EIA-923 forms and instructions illustrating the proposed revisions, and the new EIA-861S form and instructions.

Form EIA-861, “Annual Electric Power Industry Report”

The Form EIA-861 is currently a mandatory annual census of approximately 3,300 regulated entities and power marketers in the United States primarily involved in the distribution and sale of electric energy. Data collected on the Form EIA-861 include revenues (associated with the sale of electricity), sales (megawatthours [MWh] delivered), number of customers, energy sources and disposition, Green Pricing, Net Metering, electric operating revenue, demand-side management information, demand response and energy efficiency information, and distributed generator information.

The information collected on the Form EIA-861 is used by EIA and other entities for many purposes, including to:

- Accurately maintain the electric power utility and service provider frame and to be a source from which samples are drawn for other electric power surveys (e.g., Form EIA-826)¹;
- Collect data on retail and wholesale electric power prices and volumes, and to monitor the changes in electricity prices in the States and sectors of the economy;
- Collect information related to energy efficiency, demand response, and renewable energy resources, including Net Metering Programs, Green Pricing Programs, distributed and dispersed generation resources (e.g., rooftop solar), annual and incremental effects of demand side management programs and their costs, and new electric rate structures;
- Provide data that can be used to help assess the effect of price changes on the demand for electricity; and
- Monitor and analyze the economic and operational impacts of industry restructuring.

EIA is proposing to modify the Form EIA-861 survey from a census to a sample of approximately 2,200 entities. Basic data on total sales, retail revenues, and customer counts will be collected from the 1,100 out-of-sample entities using a new short form (see below). Statistical imputation will be used to allocate

¹ The Form EIA-826, “Monthly Electric Utility Sales and Revenue Report with State Distributions,” is a monthly survey of electricity retail sales and certain other data (such as advanced meter installations). An imputation procedure is used to estimate monthly state and national totals for retail sales and revenues from the sample collected on the Form EIA-826. These monthly estimates are superseded by the annual data collection performed using the Form EIA-861 survey. Cut-off sampling is used to select the sample for the EIA-826, which includes most of the investor-owned utilities (160, including all distribution companies with unbundled electricity sales), four Federal utilities, all electric service providers (150), and a sample of 194 municipal, cooperative, State and political subdivision utilities that have sales to end-use customers. The Form EIA-861 serves as the universe from which the sample for the Form EIA-826 is drawn. This will not change under the current proposals.

sales, revenues, and customer counts by industry sectors.² In addition, the proposed short form will collect information on the use of time-based rate programs and advanced metering programs.

Certain other data will be reported only for the sample of 2,220 entities completing the Form EIA-861 survey, and the information will be reported in EIA data files and publications with the sample data collection limitation noted. Those data include:

- Electricity sources and disposition, and Green Pricing and Net Metering Programs;
- A breakdown of operating revenue by activity (e.g., wholesale sales, transmission service);
- Most demand-side management and energy efficiency activities;
- Distributed and dispersed generation; and
- A list of counties in which the entity operates a distribution system.

The 1,100 small entities that will be excluded from the Form EIA-861 survey sample minimally contribute to national and State totals (e.g., the electricity sources and disposition data), and typically do not have the energy efficiency, demand response, and other related activities (e.g., Green Pricing programs) that are captured on the EIA-861 long form. The 1,100 entities which will complete the Form EIA-861S instead of the Form EIA-861 are selected using the criteria described in the next section.

Form EIA-861S, "Annual Electric Power Industry Report (Short Form)"

EIA is proposing a new annual survey, the Form EIA-861S. The survey sample will consist of the respondents removed from the Form EIA-861 census, and the form will collect very limited data from these respondents. This information will be used to maintain a current frame for the universe of electric power utilities and power marketers. Once every 5 years, these respondents will be required to fill out the Form EIA-861 in lieu of the Form EIA-861S, and this information will be used to verify and update the sample and the imputation methodology.³

As noted above, approximately 1,100 firms that currently respond to the Form EIA-861 survey will be moved to the proposed Form EIA-861S. This survey frame will consist of all electric utilities with annual retail sales in the prior year of 100,000 MWh or less, with the following exceptions: (1) the respondent has retail sales of unbundled service⁴; (2) the full set of data is required from the respondent to ensure that statistical estimates for a State or business sector are of acceptable quality; (3) the respondent instead reports in aggregate under the Tennessee Valley Authority (TVA) or WPPI Energy⁵, or 4) the

² The industry sectors are residential, commercial, industrial, and transportation customers.

³ The sampling and imputation methodology is described in Supporting Statement Part B, "Collection of Information Employing Statistical Methods."

⁴ Unbundled service refers to situations in which a utility provides the retail customer only with electricity delivery service, and the customer separately contracts with another entity for the electricity supply. Unbundled service is rare for small utilities.

⁵ TVA and WPPI Energy (the latter a consortium of public power utilities in the Midwest) consolidate responses for their wholesale customers and deliver the information to EIA. Extracting a subset of utilities from the joint filings of TVA and WPPI

company is part of the sample for the Form EIA-826, "Monthly Electric Utility Sales and Revenue Report with State Distributions." Utilities for which any of these exceptions apply will complete the regular (long) version of the Form EIA-861 survey.

The limited set of questions on the Form EIA-861S will include the following:

- Verification of contact information
- Total retail sales of electricity (MWh), revenue, and customer counts by State. As noted above, statistical imputation will be used to allocate this data to industry sectors.
- Several "yes/no" questions related to advanced or special utility business practices, including:
 - o Whether the utility has Green Pricing or Net Metering Programs
 - o Whether the utility was part of a merger or acquisition during the reporting year
 - o Whether the utility operated demand-side management programs during the reporting year
 - o Whether the utility operated time-based electric rate programs or advanced electric meters (e.g., "smart meters"). If the answer is affirmative, the respondent will be asked to provide a limited amount of basic data, such as the number of advanced meters it installed.

For a single reporting year, a respondent will only complete one type of survey, either the Form EIA-861 or the Form EIA-861S. In order to maintain the accuracy of the estimation procedure, once every 5 years the Form EIA-861S respondents will be required to complete the Form EIA-861 in lieu of the Form EIA-861S. Assuming this proposal is implemented, the first time Form EIA-861S respondents will be required to complete the Form EIA-861 will be in 2017 for 2016 data.

It is possible that a respondent could initially respond on the Form EIA-861S and in later years be moved to the Form EIA-861, or vice versa. This change in reporting instruments could be triggered, for example, by sales growing above 100,000 MWh per year or changes in the characteristics of the sample that require a respondent to complete the full survey in order to maintain the validity of imputed estimates at the business sector level.

Form EIA-923, "Power Plant Operations Report"

The Form EIA-923 is a mandatory report that collects power plant operations data, including fuel receipts, consumption, electric generation, fuel stocks, combustion byproducts, operational cooling water data, and operational data for NO_x, SO₂, and particulate matter control equipment. The data are collected from all electric power generators with a generating capacity of 1 MW and greater. Data are collected monthly from a statistically determined cut-off sample of relatively large plants. The remaining smaller plants are surveyed annually.

would be administratively cumbersome and would defeat the purpose of the proposed change to the Form EIA-861 frame, which is to reduce the cost of managing the survey for both EIA and respondents.

This proposal affects Schedule 2, only. Schedule 2, “Cost and Quality of Fuel at Electric Plants,” is completed by all plants with a generating capacity that equals or exceeds a threshold of 50 MW. The selection of respondents for Schedule 2 and its predecessors, the Form EIA-423 and the FERC Form 423 (the latter dating to the early 1970s), have been tied to a minimum size threshold that has varied over time from 25 MW to 50 MW. The data collected on Schedule 2 include the fuel quantity received, quality (heat content of the fuel; sulfur, ash, and mercury content), type of purchasing arrangements, cost, contract expiration date, and the name of the supplier.⁶ In addition, for coal only, data collected include mode of transportation from the mine to the plant, mine name, type of mine (surface or underground), and the State and county where the mine is located.

The primary purpose of the Schedule 2 data and its predecessors has been to provide information for fuel market analysis by government and private industry. This is why the Schedule 2 collects price and quality data for fuel *receipts*, rather than fuel *consumed*. Price and quality can be precisely tied to specific shipments (receipts) of fuel and fuel contracts. Once coal and fuel oil are delivered to a power plant, the fuels are intermingled with existing inventory. When the fuel is burned, the clear linkages between quality, contract, and price are lost. This intermingling issue also applies to natural gas in the case of power plants that have multiple pipeline connections.

Although the quality data collected by Schedule 2 have some relationship to power plant environmental performance (e.g., the sulfur content of fuel), the quality data are collected primarily to illuminate quality/price relationships. For environmental analysis purposes, the key data are collected on other schedules of the Form EIA-923 that collect data on the quality of fuel actually burned in steam electric power plants (i.e., the quality data that most closely tie to actual emissions of pollutants).⁷ However, one important quality element, the mercury content of coal, is not available in the “as-burned” data; this issue is discussed, below. All other quality parameters collected for fuel receipts (e.g., sulfur content, ash content, heat content, and volume of fuel burned) are also collected “as-burned” for environmental analysis purposes.

EIA proposes to modify the frame for Schedule 2 reporting as follows:

- Raise the reporting threshold from 50 MW to 200 MW of nameplate capacity for plants fueled by natural gas, petroleum coke, distillate fuel oil, and residual fuel oil. The reporting threshold will not be raised for coal-fired power plants; it will remain at 50 MW for the reasons discussed later in this section.
- Remove the reporting requirement for self-produced and minor fuels (i.e., blast furnace gas, other manufactured gases, kerosene, propane, jet fuel, and waste oils).

⁶ The data collected varies somewhat by fuel type. For example, ash content is not collected for natural gas as it contains no ash.

⁷ The most detailed data is collected for the consumption of fuel on a boiler-by-boiler basis for steam electric generating plants with a capacity of 100 MW or greater. See Form EIA-923, Schedule 3, Parts A and B, a copy of which accompanies this supporting statement.

As in the case of the Form EIA-861, part of the rationale for the proposed changes to Schedule 2 of the Form EIA-923 is to avoid the disproportionate amount of time needed to edit the data submitted by small entities. In addition, the minor and self-produced fuels are time-consuming to edit, because the fuel quality is inconsistent and the prices are volatile.

If approved, these changes will reduce natural gas data collection on Schedule 2 from approximately 1,339 to 603 plants with a reduction of approximately 9 percent of natural gas purchases, cost, and quality data. Petroleum (including petroleum coke) data collection on Schedule 2 will be reduced from approximately 160 to 57 plants with a reduction of approximately 22 percent of petroleum and petroleum coke purchases, cost, and quality data. Additionally, 35 plants will no longer be required to report purchases of blast furnace gas, other manufactured gases, kerosene, jet fuel, propane, and waste oil.

As noted above, no change is proposed for the 50 MW reporting threshold for coal-fired power plants. Increasing the reporting threshold for coal plants was part of EIA's original plan put forth in the 60-day Federal Register Notice. However, in response to this notice EIA received persuasive arguments to leave the reporting threshold unchanged for coal plants. The key argument, made in several comments, is that because coal plants (and particularly small coal plants) are currently at risk of retirement, it is essential that the government continue to provide the same level of information on the costs and characteristics of these plants. Comments were also made that increasing the reporting threshold will eliminate most reporting for certain parts of the United States (e.g., the northeast and California) and most coverage for certain types of coal (e.g., waste coal). Another consideration, as noted above, is that the Schedule 2 receipts data are the only source of data for the mercury content of coal used at power plants. (The comments received in response to the Federal Register Notice and EIA's answers are summarized in Appendix A-1.)

A.3. Use of Technology

A.3.1. General

All EIA electric power surveys use Internet-based data collection systems as the primary means of data collection. Approximately 95 percent of all electric power surveys are currently filed with EIA using the Internet systems. Most routine contact with respondents (e.g., notification that a survey has opened for a collection cycle) is performed using e-mail.

Internet data collection will continue to be the primary collection mode for the proposed modified Forms EIA-923 and EIA-861 surveys and for the new Form EIA-861S survey. The Internet-based system allows respondents to enter their data directly into the EIA survey database, which reduces the time needed for data collection and processing. The system also identifies data that fail data validation rules prior to submission, which allows respondents to make necessary corrections or explain unusual events impacting the reported data prior to submission. This data editing process reduces respondent burden

by reducing the number of times a respondent must resubmit forms prior to acceptance by EIA. It also improves the timeliness of reporting the information to the public. The only equipment and software the respondent requires is a connection to the Internet and a standard industry Web browser.

EIA will continue to make all survey forms and instructions available for printing or downloading from the EIA Web site for respondents who cannot or will not use the Internet-based systems.

A.3.2. Use of Pick-Lists (Including Dynamic Lists)

Pick-lists are a means of limiting a respondent's answers to a question to a finite set of acceptable choices. The objectives are to reduce respondent burden and to improve data quality, while reducing the time and effort needed by EIA to edit a response.

Pick-lists⁸ are used in software-enabled surveys to:

- Avoid typographical errors, such as mistyping the abbreviation for a State or month;
- Assure consistent responses to questions asking standard information, such as entering a State as text or a number;
- Assure consistent responses to questions asking for technical information when the same concept has multiple monikers (e.g., "short term" and "spot" fuel supply contracts).

When the pick-list requests a choice of technical information, the list typically includes an "Other" choice. In some cases the "Other" choice is accompanied by a request for the respondent to provide additional information in a comment area in the survey. The "Other" choice acts as a mechanism to ensure that the form is capable of collecting all possible categories when a pick-list is variable.

There are three types of pick-lists that may be used in software-enabled EIA surveys:

- Static pick-lists include information which does not change, such as a list of months.
- Variable pick-lists include choices that may be changed by EIA depending on circumstances, e.g. on the Form EIA-923 Schedule 2, there is a pick-list of all known fuel suppliers. However, new ones crop up frequently and the survey manager has the capability to add them to the pick-list.
- Dynamic pick-lists include a list of choices that varies depending on the respondent's answer to another question. For example, on the Form EIA-923, a respondent selects the type of fuel it purchased from a static pick-list. When the respondent proceeds to the question that requests the name of the fuel supplier, only suppliers of that type of fuel are on the pick-list.

⁸ Pick-lists are sometimes referred to as "drop-down" lists because of the typical appearance of the list in a software application.

A.4. Efforts to Reduce Duplication

In addition to EIA, several other government and private entities conduct electric power data collection, estimation, and/or publication programs. These include:

- American Public Power Association (APPA)
- Edison Electric Institute (EEI)
- Rural Utilities Service (RUS), U.S. Department of Agriculture
- Federal Energy Regulatory Commission (FERC)
- Nuclear Regulatory Commission (NRC);
- DOE Office of Electricity Delivery and Energy Reliability (OEDER)

EIA evaluated other sources of data relating to the electric power industry and has found no other source that can replace the Form EIA-861 or Form EIA-923 Schedule 2 collection surveys (see Table 1, below). This is because of differences in classification, inconsistency, incompleteness, unavailability, or lack of universal coverage.

Responsible Group	Form No.	Title	Notes
American Public Power Association	N/A	Performance Indicators Survey	Annual. Survey of electric facilities at educational institutions. Cost to non-members is \$1,000.
Edison Electric Institute	N/A	Transmission and Distribution Line Information (not published)	DISCONTINUED
	N/A	Typical Electric Bills	Semi-Annual; limited to investor- -owned electric utilities.
	N/A	Uniform Statistical Report	DISCONTINUED. EEI decided it was too great a reporting burden for its membership.
	N/A	Weekly Electric Output	Weekly. Reports generation for nine geographic areas and the total United States; cost is \$500/year.
Office of Electricity Delivery and Energy Reliability (Department of Energy)	OE-417	Electric Incident and Disturbance Report	Mandatory filing by electric utilities to report major power system disturbances. http://www.oe.netl.doe.gov/oe417.aspx
Federal Energy Regulatory Commission	FERC-1	Annual Report of Major Electric Utilities* Licensees and Others	Annual. Comprehensive financial report for major utilities subject to FERC jurisdiction; also includes some operational data. Some of the data are confidential. Non-jurisdictional utilities, such as municipal utilities, are excluded. There is also a quarterly form, the Form 3-Q. http://www.ferc.gov/docs-filing/forms.asp

Table 1. Electric Power Data Collection Programs and Forms

Responsible Group	Form No.	Title	Notes
	FERC-1F	Annual Report of Non-major Public Utilities and Licensees	Annual. Similar to FERC 1 but for those companies subject to FERC jurisdiction that fail to meet the threshold for that survey. Non-jurisdictional utilities, such as municipal utilities, are excluded. See definition of "major electric utility" below. http://www.ferc.gov/docs-filing/forms.asp
	FERC-516	Electric Rate Schedule Filings	Quarterly. Summarizes terms and conditions in contracts for jurisdictional services. Filed by public electric utilities. http://www.ferc.gov/docs-filing/forms.asp
	FERC-519	Corporate Applications	This is not a survey form as such. The form number ensures OMB clearance, but it is not a data system. FERC reviews proposed mergers, acquisitions, and dispositions.
	FERC-556	Cogeneration and Small Power Production (Qualifying Facilities Applications)	Used by applicants seeking qualifying facility (QF) status or recertification of QF status for a generating facility with a net power production capacity greater than 1000 kW. http://www.ferc.gov/docs-filing/forms.asp
	FERC-561	Annual Report of Interlocking Positions	Annual. Details public utility and board of director positions. http://www.ferc.gov/docs-filing/forms.asp
	FERC-566	Report of Utility's 20 Largest Purchasers	Annual. List of a public utility's 20 largest customers. http://www.ferc.gov/docs-filing/forms.asp
	FERC-580	Interrogatory on Fuel and Energy Purchase Practices Pursuant to Section 205 (f)(2) of the Federal Power Act	Biennial. Gatherers info on utility fuel supply contracts and other costs recovered through wholesale automatic adjustment clauses. http://www.ferc.gov/docs-filing/forms.asp
Federal Energy Regulatory Commission (Continued)	FERC-585	Reports on Electric Energy Shortages and Contingency Plans under PURPA 206	Used to establish procedures for reporting shortages of Electric Energy and Capacity and Contingency Plans for such Shortages. Due immediately upon any anticipated shortage. There is no hard copy; the Commission only provides format
	FERC-714	Annual Electric Control and Planning Area Report	Annual. Describes principal structures and improvements, acquisitions, capacity, transmission lines. http://www.ferc.gov/docs-filing/forms.asp
	FERC-715	Annual Transmission Planning and Evaluation Rpt.	CEII, Critical Energy Infrastructure Info (Not accessible to the public) http://www.ferc.gov/docs-filing/forms.asp
	FERC-717	Open Access Same-Time Information System	This is not a survey form but a system used by utilities to facilitate the procurement of transmission services.

Table 1. Electric Power Data Collection Programs and Forms

Responsible Group	Form No.	Title	Notes
	FERC-731	Survey on Demand Response and Advanced Metering	Annual voluntary survey required by the Energy Policy Act of 2005. The questions overlap in part with the Form EIA-861 but coverage is limited due to the survey being voluntary (recent response rate of 52%). The frame for this survey is based on the Form EIA-861 frame. FERC's annual demand response and advanced metering reports (also required by EPCA 2005) rely on Form EIA-861 data. http://www.ferc.gov/industries/electric/indus-act/demand-response/2012/survey.asp
North American Electric Reliability Corporation	N/A	Generating Availability Data System (GADS)	Gathers data from all generator owners on the NERC registry concerning the reliability of generating units. http://www.nerc.com/page.php?cid=4 43
	N/A	Transmission Availability Data System (TADS)	Collects data on certain reliability aspects of the transmission system. http://www.nerc.com/page.php?cid=4 62
Nuclear Regulatory Commission	N/A	Current Power Reactor Status Report	Daily report on percentage of available capacity from commercial nuclear generating units. http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/
Office of Civilian Radioactive Waste Management**	NWPA-830G	Appendix G-Standard Remittance Advice for Payment of Fees	Collects data related to the collection of fees for nuclear waste disposal. http://www.eia.gov/survey/#nwpa-830g
Rural Electric Utilities Service (Department of Agriculture)	RUS-7	Financial and Statistical Report	Form number dropped. New form title is "Financial and Operating Report Electric Distribution." Provides financial data on electricity distribution by rural utilities. http://www.rurdev.usda.gov/UEP_Support_DCS.html
	RUS-12	Operating Report for Electric Power Supply Borrowers	Form number dropped. New form title is "Financial and Operating Report Electric Power Supply." See preceding information on RUS-7. http://www.rurdev.usda.gov/UEP_Support_DCS.html
*Major utilities in FERC 1 refers to those having (1) one million megawatthours (MWh) or more; (2) 100 MWh of annual sales for resale; (3) 500 MWh of annual power exchange delivered or 500 MWh annual wheeling for others (deliveries plus losses).			
**OCRWM is no longer in existence, but some functions are still maintained.			

A.5. Provisions for Reducing Burden on Small Businesses

The burden on smaller entities is reduced through the use of cut-off sampling⁹ for monthly surveys and the use of Internet data collection. In addition, EIA pre-populates many data elements reported on prior surveys for items that do not frequently change. This allows respondents (both large and small) to simply verify that the information has not changed, as opposed to reporting the information in each period. The current proposal lessens the burden on smaller entities by modifying the reporting requirements for Schedule 2 of the Form EIA-923 (including increasing the reporting threshold¹⁰), and through the reduction in the sample size for the Form EIA-861 survey and the associated introduction of the shorter Form EIA-861S. The estimated time to complete the proposed Form EIA-861S is 45 minutes, compared to 540 minutes (9 hours) to complete the Form EIA-861, a difference of 8.25 hours per response.

A.6. Consequences of Less-Frequent Reporting

The monthly and annual data collected on the electricity forms are used to provide statistics on net generation, sales and revenues of electric power, consumption of fuels used to generate electricity, fuel receipts and costs, and fuel stocks for the electric power industry. These data are used on a monthly basis to monitor the state of electric power industry. Eliminating the EIA's ability to provide monthly status reports on the electric power industry will deprive the U.S. Congress and public of up to date information on an industry that is central to the economy. In addition, less frequent EIA reporting might place a larger burden on the State governments to collect and process replacement data and on the industry to provide its information to more than one data collection agency.

A.7. Compliance with 5 CFR 1320.5

The data for the collection instruments in this proposal are being collected consistent with the guidelines in 5 C.F.R. 1320.5 (Controlling Paperwork Burdens On the Public – General Requirements), with the exception of monthly information collections as discussed in section A.6 above.

⁹ Cut-off sampling is a statistical technique that limits a survey sample to a larger tier of respondents and excludes smaller entities. This technique has two benefits for reducing respondent burden. First, as with any sampling method, the total group of respondents is limited to the sample rather than the full universe of entities. Second, smaller respondents with fewer resources often have the most difficulty providing correct and complete answers to survey questions. It can therefore be beneficial to both smaller respondents and EIA to remove smaller entities from monthly surveys. The sampling methodology is discussed further in Part B of this Supporting Statement.

¹⁰ As discussed above in Section A.2.3, the reporting threshold is raised from 50 megawatts (MW) of nameplate capacity for all plants to 200 MW for all plants other than coal-fired stations. In addition, reporting is eliminated altogether for minor fuels (e.g., kerosene and propane) and for waste fuels (e.g., blast furnace gas). Note that all of the entities included in the survey are believed to be significant business or public enterprises; therefore the change in reporting requirement is not expected to affect any small business, as none are believed to be in the survey frame.

A.8. Summary of Consultations outside the Agency

Consultations were conducted using a Federal Register Notice (FR Vol. 77, No. 51, pg. 15362) published on March 15, 2012. Copies of the notice were mailed to all respondents to the current EIA-861 and EIA-923-Schedule 2 surveys, industry associations, and non-governmental organizations. Notification of the proposed changes was also released as an EIA press release on April 9, 2012 to an email list of over 10,000 subscribers.

A summary of the comments received and the EIA responses provided are in Appendix A-1, at the end of this document. This supporting statement will be made available on the EIA Web site, along with drafts of the proposed forms and instructions.

In response to the comments received, EIA made the following changes to its initial proposal:

- Added retail revenues and customer counts to the data collected on the Form EIA-861S
- Kept the reporting threshold for coal plants at 50 MW on the Form EIA-923, Schedule 2, while increasing the threshold for plants fueled by natural gas, petroleum coke, distillate fuel oil, and residual fuel oil to 200 MW.

A.9. Payments or Gifts to Respondents

No payments or gifts are made to the respondents of the survey.

A.10. Provisions for Protection of Information

EIA protects the data reported on these surveys based on comments received as part of the survey clearance process and its understanding of U.S. Congressional and public need for data series. EIA takes into account the applicable laws and regulations, including:

- Trade Secrets Act, (18 U.S.C. 1905)
- Freedom of Information Act (FOIA), (5 U.S.C. 552)
- Department of Energy, Freedom of Information Act (FOIA) Regulations, (10 C.F.R. 1004)
- Paperwork Reduction Act, (44 U.S.C. 35)
- Clean Air Act, (CAAA90, Public Law 101-549)

The only survey in this proposal that contains protected data is the Form EIA-923. The specific data elements are listed in Table 2, below. All other data elements, including those collected on the Form EIA-861 and the proposed Form EIA-861S, are considered public information and may be disclosed in identifiable form.

EIA is not proposing any changes to the data protection provisions in this proposal. No comments were received by EIA concerning confidentiality.

None of the data elements on the EIA electric power surveys will be protected under The Confidential Information Protection and Statistical Efficiency Act (CIPSEA). As noted, most elements are considered public information and will be released in identifiable form. For those elements, the survey respondents will be informed of the following:

“The information elements (names of elements) reported on Form EIA-[insert form number] will be treated as public information and may be released in identifiable form.”

The electric power surveys do include some elements that are protected and those elements will not be publicly released in identifiable form to the extent permitted under law.

For the protected data elements, the following notice is provided to survey respondents:

“The information elements (name elements) reported on Form EIA-923 will be protected and not disclosed to the public to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 U.S.C. §552, the DOE regulations, 10 C.F.R. §1004.11, implementing the FOIA, and the Trade Secrets Act, 18 U.S.C. §1905.

The Federal Energy Administration Act requires the EIA to provide company-specific data to other Federal agencies when requested for official use. The information reported on this form may also be made available, upon request, to another DOE component, to any Committee of Congress, the Government Accountability Office, or other Federal agencies authorized by law to receive such information. A court of competent jurisdiction may obtain this information in response to an order. The information may be used for any non-statistical purposes such as administrative, regulatory, law enforcement, or adjudicatory purposes.”

EIA has determined that elements in Schedule 2 (shown in Table 2 below) of the Form EIA-923 will not be publicly released in identifiable form to the extent permitted under law. All other data elements in Schedule 2 of the Form EIA-923, and all data elements in the Forms EIA-861 and EIA-861S, are considered “public information” and may be disclosed in identifiable form.

Table 2. Protected Data Elements in Schedule 2 of the Form EIA-923	
Form	Data Element
EIA-923	Delivered costs of coal, natural gas, and petroleum received at nonutility power plants.
EIA-923	Commodity costs for coal and natural gas received at utility and nonutility power plants.

A.11. Justification for Sensitive Questions

There are no questions of a sensitive nature.

A.12. Estimate of Respondent Burden Hours and Cost

The overall annual burden for this package is estimated to be 35,934 burden hours (see Table 3). As in the past, the burden estimate includes time for follow-up on survey responses to clarify any questions and correct or edit information reported by respondents. The burden has decreased by approximately 10,699 hours from the previous package, due to decreases in the number of respondents in the survey samples and reporting requirement changes. EIA continues to collect data via an Internet-based data collection system, which helps to minimize respondent burden.

The cost to the respondents is estimated to be \$8,309,463 (122,667 burden hours times \$67.74 per hour). An average cost per hour of \$67.74 is used because that is the estimated average loaded (salary plus benefits) cost for an EIA employee in 2012. EIA assumes that the survey respondent workforce completing surveys for the EIA is comparable with the EIA workforce.

Table 3. Electric Power Burden Information

EIA Form Number	Title	Number of Respondents Per Year	Number of Reports Annually	Total Number of Responses	Burden Hours Per Response	Annual Burden Hours
Form EIA-411	Coordinated Bulk Power Supply & Demand Program Report					
	NERC Regions	8	1	8	120.00	960
	Members	800	1	800	16.00	12,800
	Total for EIA-411			808		13,760
Form EIA-826	Monthly Electric Sales and Revenue with State Distribution Report	480	12	5,760	1.60	9,216
Form EIA-860	Annual Electric Generator Report					
	Filers with Environmental Information	908	1	908	12.50	11,350
	Filers without Environmental Information	1,045	1	1,045	6.75	7,054
	Total for EIA-860			1,953		18,404
Form EIA-860M	Monthly Update to the Annual Electric Generator Report	124	5.5	682	0.30	205

Form EIA-861	Annual Electric Power Industry Report	2,200	1	2,200	9.00	19,800
Form EIA-861S	Annual Electric Power Industry Report (Short Form)	1,100	1	1,100	0.75	825
Form EIA-923	Power Plant Operations Report					
	Monthly (see footnote)	1,776	12	21,312	1.99	42,411
	Annual (see footnote)	3,805	1	3,805	3.17	12,062
	Annual reporting requirement (Schedules 6, 7, and 8) for a portion of the monthly respondents	1,360	1	1,360	4.40	5,984
	Total for EIA-923			26,477		60,457
	Total Responses			38,980		
	Total Burden Hours					122,667

Table 3 Footnote: EIA proposes that approximately 998 fewer monthly respondents and 78 fewer annual respondents will be required to fill out Schedule 2 of the Form EIA-923. This proposal will reduce the burden hours per response for these particular respondents by approximately 1.27 hours. The respondents who do not complete Schedule 2 will still be required to complete other Form EIA-923 schedules, so the monthly Burden Hours per Response in the above table represent a weighted average across all monthly responses and a decrease of 0.71 hours, and the weighted average annual Burden Hours Per Response across all annual responses is a decrease of 0.03 Burden Hours.

A.13. Annual Reporting and Record Keeping Cost

Because the proposed changes result in a smaller number of respondents reporting existing Form EIA-861 data on the Form EIA-861S and also result in a smaller number of respondents reporting Form EIA-923, Schedule 2 data, the information required by EIA is already maintained in the normal course of business for the survey respondents. Thus, other than the cost of burden hours as noted in the above Section A.12, there are not any additional costs to respondents for generating, maintaining, and providing the information.

A.14. Annual Cost to the Federal Government

The annual cost of operating these surveys is estimated at approximately \$6.2 million, including contractor costs and federal staff time. This cost estimate includes personnel, maintenance, collection, and processing by EIA. The cost to create the Form EIA-861S is offset by both the Form EIA-861S and

Form EIA-923, Schedule 2 modifications that reduce the number of responses EIA will administer and process.

A.15. Changes in Burden

The currently approved burden for the Electric Power Surveys data collection is 146,789 hours. The new proposed burden is 122,667 hours, representing a decrease of 24,122 hours due to decreases in the number of respondents in the survey samples and reporting requirement changes. The modifications in the individual electric power forms are described in detail in Section A.2.

The changes in burden hours for the individual forms are shown in Table 4 and are described below:

- **Form EIA-861** – The survey frame will be modified from a census of approximately 3,300 entities to a sample of approximately 2,200 entities. This is estimated to reduce burden by 9,702 hours.
- **Form EIA-861S** – The survey sample will consist of the 1,100 respondents dropped from the Form EIA-861 frame and these respondents will be required to submit very limited data. The estimated burden for this annual survey is 825 hours (1,100 respondents multiplied by 0.75 burden hours per form). Between the Forms EIA-861 and EIA-861S, the net reduction is 8,877 burden hours.
- **Form EIA-923, Schedule 2** – The reporting threshold will be raised from 50 to 200 MW of nameplate capacity for plants fueled by natural gas, petroleum coke, distillate fuel oil, and residual fuel oil. Self-produced and minor fuels (blast furnace gas, other manufactured gases, kerosene, jet fuel, propane, and waste oils) will no longer be reported on this schedule. The threshold for plants fueled by coal will remain at 50 megawatts or greater. This proposal would reduce the monthly number of responses to Schedule 2 by 998 and the annual number of responses to Schedule 2 by 78. As Schedule 2, thereby resulting in an estimated annual reduction of 15,245 burden hours.

EIA Form and Title	Old Number of Respondents Per Year	New Number of Respondents Per Year	Old Number of Annual Responses	New Number of Annual Responses	Change (Annual Responses)	Old Burden (Hours)	New Burden (Hours)	Change (Burden Hours)
Form EIA-411, "Coordinated Bulk Power Supply & Demand Program"								
EIA-411 (NERC Regions)	8	0	8	8	0	960	960	0
EIA-411 (Members)	800	0	800	800	0	12,800	12,800	0
Total for EIA-411			808	808	0	13,760	13,760	0
Form EIA-826, "Monthly Electric"	480		5,760	5,760	0	9,216	9,216	0

Sales and Revenue with State Distribution Report"								
Form EIA-860, "Annual Electric Generator Report"								
EIA-860 (Filers with Environmental Information)	908	0	908	908	0	11,350	11,350	0
EIA-860 (Filers without Environmental Information)	1,045	0	1,045	1,045	0	7,054	7,054	0
Total for EIA-860			1,953	1,953	0	18,404	18,404	0
Form EIA-860M, "Monthly Update to the Annual Electric Generator Report"	124		682	682	0	205	205	0
Form EIA-861, "Annual Electric Power Industry Report"	3,300	2,200	3,300	2,200	(1,100)	29,502	19,800	(9,702)
Form EIA-861S, "Annual Electric Power Industry Report (Short Form)"	N/A	1,100	N/A	1,100	1,100	N/A	825	825
Form EIA-923, "Power Plant Operations Report (Annual)"								
Monthly	1,776	0	21,312	21,312	0	57,542	42,411	(15,131)
Annual	3,805	0	3,805	3,805	0	12,176	12,062	(114)
Annual reporting requirement (Schedules 6, 7, and 8) for a portion of the monthly respondents	1,360	0	1,360	1,360	0	5,984	5,984	0
Total for EIA-923			26,477	26,477	0	75,702	60,457	(15,245)
Total Net Change			38,980	38,980	0	146,789	122,667	(24,122)

A.16. Collection, Tabulation, and Publication Plans

The data collected on the Forms EIA-861, EIA-861S, and EIA-923 will be aggregated in EIA reports and made available on the EIA website (Table 5).

Table 5. Collection, Tabulation, and Publication Plans

Survey Form	Data Collection Frequency	Survey Opening Date	Response Due Date	Date Final Data are Ready for Tabulation	Publications	Publication and Data File Release Date
EIA-861 and EIA-861S (Proposed)	Annually	First Week in January	April 30	August 31	<i>Electric Power Annual</i>	October
					<i>Electric Sales, Revenue, and Price Report</i>	November
					<i>Annual Energy Review</i>	October
					<i>State Electricity Profiles Report</i>	December
EIA-923 Schedule 2	Monthly and Annual	First Day of Month Following Reporting Month; First Week in January for Annual Respondents	30 days after end of reporting month; March 30 for Annual Respondents	August 31 (monthly and annual data)	<i>Electric Power Monthly</i>	Approx. the 26 th of each month
					<i>Electric Power Annual</i>	October
					<i>Monthly Energy Review</i>	Approx. the 26 th of each month
					<i>Annual Energy Review</i>	October
					<i>Electricity Monthly Update</i>	Approx. the 26 th of each month

Note: All EIA publications can be accessed at <http://www.eia.gov/reports/>. Electric power data files are available at: <http://www.eia.gov/cneaf/electricity/page/data.html>.

Non-sensitive data are provided to the public at the reporting level of detail in the form of downloadable electronic files. The files are on the EIA Web site at the following location:

<http://www.eia.gov/cneaf/electricity/page/data.html>.

A.17. OMB Number and Expiration Date

The OMB number (1905-0129) and expiration date (10/31/2013) are displayed on each form.

A.18. Certification Statement

This submission meets all certification requirements of the "Certification for Paperwork Reduction Act Submissions," for OMB Form 83-I.

Appendix A-1: Comments Received in Response to the Open Federal Register Notice (Federal Register/Vol. 77, No.51) Published March 15, 2012

A request for comments from interested persons was solicited in the Federal Register Notice that proposed approval for a 1-year collection for:

- Form EIA-923, "Power Plant Operations Report," Schedule 2, Cost and Quality of Fuel Purchases – Plant Level
- Form EIA-861, "Annual Electric Power Industry Report"
- Form EIA-861S, "Annual Electric Power Industry Report (Short Form)"

Comments were received from the entities listed below and are summarized in this appendix. Where relevant, EIA's response is also summarized.

Alliance to Save Energy	Mille Lacs Energy Cooperative (Minnesota)
American Public Power Association (APPA)	Minnesota Municipal Utilities Association
Bureau of Economic Analysis (BEA)	National Rural Electric Cooperative Association
Cascade Municipal Utilities (Iowa)	Office of Economic Analysis, Office of Policy and International Affairs, U.S. DOE
City of La Junta Municipal Utilities (Colorado)	Pacific Gas and Electric
City of Prescott (Arkansas)	Paton, Iowa
City of Sumas (Washington)	Ventyx, an ABB Company
City of Painesville Municipal Utilities (Ohio)	Village of Brocton (New York)
Edison Electric Institute	Wood Mackenzie Ltd.
Emerald People's Utility District (Oregon)	
Northeast Climate and Energy Analysis Center	
Hawk Consulting Services	
Healdsburg Electric Department (California)	
Hellerworx, Inc	
Iowa Municipal Utilities	
La Junta Municipal Utilities (Colorado)	
Lamar Light and Power (Colorado)	
Maryland Energy Administration	
Merrillan, Wisconsin	

In a few cases, EIA received comments requesting extensive changes to the demand response and energy efficiency questions on the Form EIA-861 survey. These comments, while appreciated, are not germane to the current clearance that is limited to the proposal made in the Federal Register notice (i.e., changing the frame size for that survey and creating the new EIA-861S form). Changes to the energy efficiency and demand response questions on the Form EIA-861 survey will be considered when the entire survey is re-cleared in 2013 as part of the normal three-year cycle.

Comments In support of reducing the frame for the Form EIA-923, but with qualifications.

Commenters:

- Environment Northeast Climate and Energy Analysis Center
- Ventyx, an ABB Company
- Office of Economic Analysis, Office of Policy and International Affairs, U.S. DOE
- Joint comments of Hellerworx and Hawk Consulting Services, Inc.
- Wood Mackensie Ltd.
- Edison Electric Institute
- Bureau of Economic Analysis
- La Junta Municipal Utilities (Colorado)

Summary of Comments: These comments were generally in support of the proposed changes to Schedule 2 of the Form EIA-923 (increasing the reporting threshold from 50 megawatts (MW) to 200 MW, and eliminating the collection of certain minor fuels). However, several parties argued that the coal plant threshold should remain at 50 MW of capacity. The factors cited for keeping the 50 MW reporting threshold for coal included:

- The key argument, made in several comments, is that because coal plants (and particularly small coal plants) are currently at risk of retirement, it is essential that the government continue to provide the same level of information on the costs and characteristics of these plants.¹¹
- Comments were also made that increasing the reporting threshold will eliminate most reporting for certain parts of the United States (e.g., the northeast and California) and most coverage for certain types of coal (e.g., waste coal).

Another consideration, as noted above in Section A.2.3., is that the Schedule 2 receipts data are the only source of data for the mercury content of coal used at power plants.

EIA Response: EIA agrees that, due to the factors cited above, the reporting threshold for coal plants should remain at 50 MW. For other fuels EIA will maintain its original proposal to increase the reporting threshold to 200 MW.

¹¹ For background on coal retirements see the EIA discussion at: <http://www.eia.gov/todayinenergy/detail.cfm?id=7330>.

Comments in support of reducing the frame for the Form EIA-861 and creating the new Form EIA-861S.

Commenters:

- Emerald People's Utility District (Oregon)
- Bureau of Economic Analysis (U.S. Department of Commerce)
- La Junta Municipal Utilities (Colorado)
- City Of Sumas (Washington)
- Lamar Light and Power (Colorado)
- Village of Merrilan (Wisconsin)
- City of Painesville Municipal Electric (Ohio)
- Cascade Municipal Utilities (Iowa)
- Healdsburg Electric Department (California).
- Mille Lacs Energy Cooperative (Minnesota)
- City of Prescott (Arkansas)
- Paton City (Iowa)
- Village of Brocton (New York)

Summary of Comments: These comments were in support of decreasing the Form EIA-861 frame size and implementing the proposed Form EIA-861S. The commenters noted the reduction in burden and the ease of completing the simplified form for small entities with limited resources. The Bureau of Economic Analysis concluded that the data collected and estimated with the proposed changes would continue to support its national accounts work.

Opposed to decreasing the Form EIA-861 frame size and implementing the proposed Form EIA-861S.

Commenters:

- American Public Power Association
- Iowa Association of Municipal Utilities
- Minnesota Municipal Utilities Association
- National Rural Electric Cooperative Association
- Ventyx, an ABB Company

Summary of Comments: These comments raised concern about the loss of data for small utilities. A data firm, Ventyx, was generally concerned about the loss of data on a segment of the electric power industry. The other negative comments came from trade groups (American Public Power Association, Iowa Association of Municipal Utilities, Minnesota Municipal Utilities Association, and the National Rural Electric Cooperative Association) representing municipal and cooperative utilities; that is, the type of

small entities that would be moved to limited annual data collection on the new Form EIA-861S survey. The concerns raised by these trade groups included the following:

- The data collected on the Form EIA-861 is a primary source of information on the activities of small utilities. There is no alternative source of information.
- The data are used by small utilities to benchmark their performance against peers. If the data collected on small utilities is reduced the basis for certain benchmarking studies will no longer exist.
- EIA has already reduced the data available on small utilities when it terminated in 2005 (for budgetary reasons) the Form EIA-412 survey (“Annual Electric Industry Financial Report”), which collected financial data on public power utilities.¹² The proposed changes would therefore be a further cut in the data available on this industry segment.

EIA Response: While recognizing the concerns raised, in particular, by the public power and cooperative trade associations, EIA must balance the issues raised by these trade groups against other factors: EIA’s need to reduce its data processing costs and the agency’s mandate to minimize the data reporting burden. As discussed above, small utilities generally have the most difficulty accurately completing the Form EIA-861 survey and consume a disproportionate share of EIA’s data review time and effort. Moreover, for most small utilities the bulk of the Form EIA-861 requests information on activities which these small entities do not have (e.g., Demand Response programs); nonetheless, the small utilities may still review these questions and even submit spurious responses. Even basic reporting requirements, such as allocating electricity sales to standard industry sectors, has been challenging for these small utility respondents.

EIA must also consider that it received comments from small utilities supporting the proposed changes, precisely because of the burden reduction. These entities, mainly small municipal utilities, are listed above in this appendix under the heading “In support of reducing the frame for the Form EIA-861 and creating the new Form EIA-861S.”

After receipt of their comments, EIA met with the national trade groups, the American Public Power Association and the National Rural Electric Cooperative Association. Based on these discussions, it appears that the concerns of these groups can be ameliorated in part by making the following change to EIA’s original proposal:

EIA will add to the Form EIA-861S the collection of data on retail sales revenues and customer counts: The primary (and usually sole) function of small utilities is retail electricity delivery and sales. Power sales can be viewed as having five defining characteristics:

- Volume of Sales (MWh).

¹² Financial data on the investor-owned utility and cooperative utility sectors of the power industry are collected by, respectively, the Federal Energy Regulatory Commission and the Rural Utility Service of USDA. Also see Table 1, above.

- Revenue from Sales (dollars)
- Number of Customers.
- Type of Customers (residential, industrial, commercial, and transportation).
- Average Rate, which can be computed as revenue divided by sales volume, yielding the average rate in dollars per MWh.

Of the elements listed above, EIA's original proposal provided only for the collection of Volume of Sales. Other data elements would have been estimated.

EIA's revised proposal adds to the data collection Revenue from Sales and Number of Customers. By collecting this information EIA will provide a full set of data on the core power sales activities of each individual responding company. It will allow EIA and other data users to compute Average Rates for each company, which is understood to be one of the key benchmarking data points for the trade associations.

Note that as in the original proposal, EIA will use a statistical imputation procedure (see Part B of this supporting statement) to allocate sales, revenues, and customer counts to the Type of Customer categories. This approach is used because of EIA's experience that the small entities have great difficulty distinguishing between these categories.

EIA otherwise plans to maintain its basic proposal to reduce the Form EIA-861 survey to a sample and collect a limited set of data from approximately 1,100 small entities on the new EIA-861S form. EIA believes the reduction in burden on respondents and on EIA justifies this change, considering that the 1,100 entities account for only about one percent of national retail electricity sales, and also noting the support for the proposed changes received from a number of small utilities.

Appendix A-2: Comments Received in Response to the Open Federal Register Notice (Federal Register/Vol. 77, No. 169) Published August 30, 2012

A request for comments from interested persons was solicited in the Federal Register Notice that proposed approval for:

- Form EIA-923, "Power Plant Operations Report," Schedule 2, Cost and Quality of Fuel Purchases – Plant Level
- Form EIA-861, "Annual Electric Power Industry Report"
- Form EIA-861S, "Annual Electric Power Industry Report (Short Form)"

In addition to the publication of the Federal Register Notice, EIA took the following steps to encourage comments from survey respondents and stakeholders:

- EIA sent an email to the approximately 3,573 respondents of the Form EIA-923 and the Form EIA-861 describing the proposed changes to the forms and soliciting comments. The notice also included a link to the Federal Register Notice, information on how to submit comments to the Office of Management and Budget (OMB), the deadline for comments, and a link to the revised versions of the forms and instructions on EIA's website.
- EIA maintains a list of electric power data stakeholders, such as academics, trade association staff, and analysts in government and industry. These 217 stakeholders were sent an email similar to that sent to survey respondents.
- During the 60-day review period the National Rural Electric Cooperative Association (NRECA) and the American Public Power Association (APPA) expressed concerns with EIA's proposal for the new Form EIA-861S. Both associations felt that the range of information to be collected on the Form EIA-861S was too limited.

EIA met with representatives of each organization and in response to their concerns made changes to the proposed Form EIA-861S (discussed in Appendix A-1 and below). As follow-up, for the 30-day comment period EIA sent NRECA and APA e-mails describing the proposed modifications and providing a link to the revised versions of the forms and instructions.

A total of eight comments were received from the entities or individuals listed below and are discussed in this appendix.

- American Public Power Association
- Bureau of Economic Analysis
- Florida Power & Light
- Joint Comments of David Schmalzer and Donald Hanson
- Las Animas (Colorado) Municipal Light & Power

- Medford (Wisconsin) Municipal Electric Utility
- Minnesota Municipal Utilities Association
- National Rural Electric Cooperative Association

Comments related to the Forms EIA-861 and EIA-861S¹³

Five of the eight comments addressed proposed changes to the Forms EIA-861 and EIA-861S.

- The Bureau of Economic Analysis and the Medford (Wisconsin) Municipal Electric Utility supported the proposed changes without qualification.
- The National Rural Electric Cooperative Association (NRECA) was satisfied with the modification that EIA made to the proposed Form EIA-861S following the association's earlier comments. In a September 25, 2012 letter, NRECA wrote:

As the revised proposal stands, data will no longer be collected at the customer class level (residential, commercial & industrial) although it will be collected in total. While losing the customer class breakdown could diminish the value of the data for some users, collecting the total amounts will at least continue to include very small utilities for which there is no other source of data. It also continues the important time series that are hallmarks of this dataset.

Among data providers EIA is the best source of critical electric utility information. While we recognize that EIA has an interest in reducing its data collection burden, we appreciate its willingness to try to accommodate those of us who rely most heavily on the data.

- The American Public Power Association (APPA) continues to request that EIA add the collection of data by end-use sector to the Form EIA-861S. APPA stated in its September 28, 2012 letter that although the modification to the proposed Form EIA-861S to collect total revenues and customer counts will be "incredibly useful to APPA and its member systems," the sector breakdowns are still needed. According to APPA:

¹³ In brief, EIA's proposal is to reduce the frame for the Form EIA-861 survey from a universe of about 3,300 respondents (mainly electric utility companies) to a sample of 2,200 larger entities. A new short form, the Form EIA-861S, would collect a limited set of data from the remaining 1,100 small utilities. EIA is proposing this change because these small utilities, which account for about 1 percent of national electricity sales, generally have the most difficulty accurately completing the Form EIA-861 and consume a disproportionate share of EIA's data review time and effort. Moreover, the bulk of the Form EIA-861 requests information on activities which these small entities do not have (e.g., Demand Response programs); nonetheless, the small utilities may still review these questions and submit spurious responses. Even basic reporting requirements, such as allocating electricity sales to end-use sectors, has been challenging for these small utility respondents.

As originally proposed, the Form EIA-861S would have collected data on total electricity sales; the revenue from these sales and customer counts would have been imputed. Upon review of comments from APPA and NRECA submitted in response to the 60-day Federal Register Notice, EIA modified the proposal to collect total revenues and customer counts in addition to total sales. The breakdown by end use sector would still be statistically imputed. Note that the Form EIA-861S respondents will be required to complete the full Form EIA-861 survey every fifth year, largely to verify and update the imputation methodology.

Under this proposal, sector-specific data regarding sales, revenue and customers will only be available for those utilities completing the EIA-861S at five-year intervals. Though total sales, revenue and customer data are useful, having only total data present an incomplete picture of the electric industry. Residential, customer, and industrial sectors all have very different characteristics and the absence of sector-specific data makes it more difficult to analyze trends, especially rate trends among customer classes.

- The Minnesota Municipal Utilities Association (MMU) continues to request that EIA add the collection of data by end-use sector to the Form EIA-861S. The MMU makes a similar argument to that of the APPA. It added that requiring respondents to the Form EIA-861S to provide data by end-use sector will have a negligible impact on respondent burden.

EIA appreciates the concerns of both the APPA and the MMU. However, EIA believes the Form EIA-861S should be approved as currently proposed; i.e., the Form EIA-861S would collect data for customer totals without a breakdown by business sector. EIA's experience over many years is that small utilities often have great difficulty accurately reporting sales by industry sector. Consequently, EIA has historically devoted an exorbitant share of the resources dedicated to the Form EIA-861 contacting small respondents and helping them to report accurately by sector. Asking respondents to report by sector on the Form EIA-861S would largely defeat the purpose of the survey, which is to create a short form that will provide valuable data while substantially reducing the processing and reporting burden for EIA and about 1,100 small respondents.

Another consideration is that EIA will use statistical imputation to estimate the breakdown of small utility data by sector for each state. The imputation methodology is described in Part B of this supporting statement. The imputed estimates will be made available to the public.

Finally, every fifth year all utilities will be required to complete the full Form EIA-861 survey and report data by industry sector. These data will be used to update the imputation methodology and will provide a full dataset to the public.

EIA therefore recommends adoption of its current proposal for reducing the frame for the Form EIA-861 survey and creating the new short form for small respondents, the Form EIA-861S.

Comments related to the Form EIA-923, Schedule 2¹⁴

Four of the eight comments addressed the proposed changes to Schedule 2 of the Form EIA-923.

- The Bureau of Economic Analysis, Florida Power & Light, and Las Animas (Colorado) Municipal Light & Power supported the proposed changes to Schedule 2 of the Form EIA-923.
- Messrs. David Schmalzer and Donald Hanson, who are associated with Argonne National Laboratory, but apparently not speaking officially for that institution¹⁵, recommended changing EIA's proposal by keeping the reporting threshold for natural gas-fired plants at 50 megawatts (MW). In their September 17, 2012 letter, they argued that:

Dropping reporting by natural gas plants in that capacity range [i.e., 50 MW to 200 MW] seems likely to lose significant information on **costs** and **plant utilization/dispatch**, information of considerable usefulness to the public, researchers, and regulators. The other fuels represent minor capacity and little would be lost in raising their threshold for reporting to the 200 MW level. [Emphasis added]

With respect to "plant utilization/dispatch," the concerns of Messrs. Schmalzer and Hanson seem to be based on a misunderstanding. EIA will continue to collect plant utilization and fuel consumption data from **all** natural gas-fired plants currently in the survey frame (all grid-connected plants with a capacity of 1 MW or greater) on Schedules 3 and 5 of the Form EIA-923. There will be no change in the coverage of these data.

In reference to information on costs (i.e., fuel cost, the only cost information collected on Schedule 2) EIA believes there will be no degradation in the quality of data available on the cost of natural gas delivered to power plants. Using 2011 data (the most recent complete data set) EIA computed the average cost of natural gas for the current frame (50 MW reporting threshold) and a modified frame (200 MW threshold). At a national level the difference in the average cost

¹⁴ In brief, this proposal affects only Schedule 2, "Cost and Quality of Fuel Purchases - Plant-Level," which collects information on the cost, quality, and volume of combustible fuel receipts. Currently, plants must report these data if the plant meets a minimum capacity threshold of 50 megawatts (MW) of nameplate capacity or greater. EIA's original proposal was to (1) raise the Schedule 2 reporting threshold to 200 MW of nameplate capacity for plants fueled by coal, natural gas, petroleum coke, distillate fuel oil, and residual fuel oil; and (2) remove the reporting requirement for minor fuels (e.g., blast furnace gas). The objective is to reduce respondent and EIA workload by reducing the reporting frame generally and in particular for small entities, and to eliminate reporting of minor fuels with irregular cost and quality that are difficult to verify.

In response to comments received during the 60-day notice period, EIA adjusted the proposal to leave the reporting threshold for coal plants at 50 MW. This reflects the current interest in the economic viability of coal-fired plants and the wide regional and plant-level variations in coal quality and pricing. (Also see the discussion in Appendix A-1.)

¹⁵ Although Messrs. Schmalzer and Hanson are associated with Argonne their comments are not the official comments of that institution. The September 17, 2012 letter sent by Schmalzer and Hanson states that "These comments do not necessarily represent the views of Argonne National Laboratory, the University of Chicago, the Department of Energy, or any other element of the federal government."

of gas between the two frames was \$0.006 per million Btu (MMBtu), or about a tenth of a percent. Differences on a state level were generally similar.

These results are not surprising because natural gas is a commodity with homogenous quality characteristics sold in a national market in which transportation costs are usually small. Coal in contrast varies greatly in quality from one producing area to another (or even within a producing area) and usually incurs significant transportation costs. Coal costs can therefore differ greatly from one region to another and from plant to plant.

EIA's recommendation is therefore to keep the changes to the Form EIA-923, Schedule 2, as currently proposed.