

Supporting Statement

**FERC-732, Electric Rate Schedule and Tariffs: Long-Term Firm Transmission Rights in Organized Electricity Markets**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-732, Electric Rate Schedule and Tariffs: Long-Term Firm Transmission Rights in Organized Electricity Markets, for a three year period. FERC-732 (OMB Control No. 1902-0245) is an existing Commission data collection (reporting requirements), as stated by 18 Code of Federal Regulations (CFR) 42.

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

To encourage investment in transmission infrastructure, the Commission requires all Regional Transmission Organizations (RTOs), Independent Service Operators (ISOs), independent transmission providers, or other independent transmission organizations to make available long-term firm transmission rights to load-serving entities (LSEs). The Commission implemented this policy with Order No. 681, Order No. 681-A and Order No. 681-B, following direction provided by Congress in EPAct 2005, Title VII Section 1233 (b). A summary and needed clarification to the Commission's policy for long-term firm transmission rights is posted in the OMB clearance package.

To ensure that long-term firm transmission rights are made available in organized markets, the Commission requires that RTOs, ISOs, independent transmission providers, or other independent transmission organizations submit tariff sheets and rate schedules that make available long-term firm transmission rights, or alternatively, an explanation of how their current tariff and rate schedule provide for long-term firm transmission rights.<sup>1</sup> These long-term firm transmission rights made available to transmission customers must satisfy each of the guidelines for long-term firm transmission rights set forth in 18 CFR 42.1(d) in order to comply with Commission requirements.

All existing RTOs and ISOs were required to submit the applicable tariff sheets and rate schedules and have done so. However, FERC-732 requirements in 18 CFR 42.1(d) continue to apply to any transmission organization approved by the Commission after January 29, 2007. Therefore, a small burden for this reporting requirement remains to ensure FERC is compliant with related Congressional requirements in EPAct 2005.

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

The Commission will use the tariff sheets and rate schedules submitted by transmission organizations in accordance with this requirement to ensure that the transmission organizations make available long-term firm transmission rights in a way that is compliant with FERC

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<sup>1</sup> 18 CFR 42.1

procedures to implement Congressional EAct 2005 policy. Failure to collect this information would prevent the Commission from complying with Congressional mandates related to long-term firm transmission rights in transmission organizations.

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

The Commission has an ongoing effort to reduce the burden related to this information collection by applying improved information technology. To this end, the Commission has developed the capability of entities to file electronically documents with the Commission via the Internet.

In 2008, the Commission issued Order No. 714,<sup>2</sup> which revised its regulations to require that all tariffs, tariff revisions, and rate change applications for public utilities, natural gas pipelines, oil pipelines and power administrations, be filed electronically starting in April 2010. The eTariff filing process and system reflect standards FERC developed in conjunction with the North American Energy Standards Board. Therefore, entities that file tariff-related FERC-732 data possess the ability to embed the information within the XML schema of the new eTariff system. Providing FERC-732 filers with the eTariff system for submitting tariff-related information has reduced the Commission's physical storage needs and has reduced document processing time. The eTariff system has also made tracking documents easier and reduced the costs regulated entities who file FERC-732 data incur in mailing and courier fees. Furthermore, the eTariff system allows FERC-732 tariffs to be accessed, downloaded, and printed by multiple parties at the same time. Moreover, eTariff automatically sends filers an email indicating their filing has arrived at FERC and whether or not the Commission accepted the filing. All FERC-732 filings are also available in electronic format within FERC's eLibrary.

### **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**

The Commission published a notice in the Federal Register<sup>3</sup> to help identify any duplication of the information in FERC-732. The Commission received no comments regarding this collection. No similar information can be used or modified. There are no other Federal agencies responsible for providing information on the availability of firm long-term transmission rights. FERC-732 is a necessary information collection in order for the Commission to remain in compliance with EAct 2005 mandates.

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

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<sup>2</sup> Electronic Tariff Filings, Order No. 714, 73 FR 57,515–57,538, (October 3, 2008).

<sup>3</sup> 77 FR 58,116 (September 19, 2012)

The Commission attempts to impose the least burden possible upon respondents in any requirements for data and any requisite filings made. With specific regard to the FERC-732, it is unlikely that any small entities will respond to this information collection. Transmission organizations are typically not small entities.

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

The requirement for transmission organizations to submit tariff sheets and rate schedules that comply with EPCRA 2005 requirements for making available long-term firm transmission rights is a one-time filing requirement. Collecting the information less frequently would mean not collecting the information at all. If the information were not collected, the Commission would be unable to monitor the availability of long-term firm transmission rights in wholesale electric markets.

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

The information collection meets all of OMB's section 1320.5 requirements.

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

In accordance with OMB requirements, the Commission published a 60-day notice.<sup>4</sup> Within the public notice, the Commission noted that it would be requesting a three-year extension of the public reporting burden with no change to the existing requirements concerning the collection of data. The Commission received no comments.

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

There are no payments or gifts to FERC-732 respondents.

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

The Commission does not consider the information collected in FERC-732 filings to be confidential. However, the filer may request privileged treatment of a filing that may contain information harmful to the competitive posture of the applicant if released to the general public.<sup>5</sup>

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<sup>4</sup> 77 FR 58116  
<sup>5</sup> 18 CFR 388.112

**11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE**

The Commission considers the questions within the FERC-732 neither sensitive in nature nor private.

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

The Commission estimates the Public Reporting Burden for this information collection as:

<b>FERC-732: Electric Rate Schedule and Tariffs: Long-Term Firm Transmission Rights in Organized Electricity Markets</b>					
	<b>Number of Respondents (A)</b>	<b>Number of Responses Per Respondent (B)</b>	<b>Total Number of Responses (A)x(B)=(C)</b>	<b>Average Burden Hours per Response (D)</b>	<b>Estimated Total Annual Burden (C)x(D)</b>
Transmission Organizations <sup>6</sup>	1	1	1	1,180	1,180

The following table shows the labor cost associated with the burden hours.

<b>FERC-732</b>	<b>Annual Burden Hours (1)</b>	<b>Estimated Hourly Cost (\$) (2)</b>	<b>Estimated Total Annual Cost to Respondents (\$) (1) X (2)</b>
	1,180	\$69.01 <sup>7</sup>	\$81,431.68

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

Total Capital and Start-up cost: \$0

Total Operation, Maintenance, and Purchase of Services: \$0

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

	<b>Number of Employees (FTEs)</b>	<b>Estimated Annual Federal Cost</b>
Analysis and Processing of filings <sup>8</sup>	0.2 <sup>9</sup>	\$2,870
PRA <sup>10</sup> Administrative Cost <sup>11</sup>		\$1,588

<sup>6</sup> Those required to file schedules and tariffs related to long-term firm transmission rights in its organized markets

<sup>7</sup> This figure is rounded to the nearest cent

<sup>8</sup> Based upon 2012 FTE average salary (\$143,540)

<sup>9</sup> Commission estimates this figure at 40 hours of total effort; approximately 0.019 FTE

<b>FERC Total</b>		\$4,458
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The Commission bases its estimate of the “Analysis and Processing of filings” cost to the Federal Government on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision-making, and review of any actual filings submitted in response to the information collection.

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

The estimated burden for this information collection has decreased, as all 6 existing transmission organizations with day-ahead markets met the one-time filing requirement of the FERC-732 and are in compliance with related FERC regulations. Because this remains a one-time filing requirement for transmission organizations, the burden associated with this data collections will result only if a new transmission organization enters FERC jurisdiction. One response for one new transmission organization is being used as a placeholder for a possible application from such a new transmission organization with an organized electricity market.

The table below illustrates the aggregate burden and corresponding changes.

<b>FERC-732</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	1	6	-5	0
Annual Time Burden (Hr)	1,180	1,192	-12	0
Annual Cost Burden (\$)	\$0	\$73,524	-\$73,524	\$0

OMB’s guidance is that any burden reported in hours should not be reported as a dollar cost.<sup>12</sup> In this 2012 clearance package for the FERC-732, the cost to industry is calculated using the unit of burden hours. Commission staff has corrected the industry’s annual cost burden within the ROCIS metadata to show that there are no costs associated to capital investment or other non-labor costs. The Commission estimates the monetary cost related to the burden hours in #13 (above). The format, label, and definitions of the preceding table follow the ROCIS system’s “ICR Summary of Burden” for the meta-data.

10 Paperwork Reduction Act of 1995 (PRA)

11 Based upon 24 hours of Commission staff time/effort

12 [https://www.rocis.gov/rocis/jsp/common/ROCIS\\_HOW\\_TO\\_Guide\\_for\\_AGENCY\\_Users\\_of\\_ICR\\_Module-03192012\\_v2.pdf](https://www.rocis.gov/rocis/jsp/common/ROCIS_HOW_TO_Guide_for_AGENCY_Users_of_ICR_Module-03192012_v2.pdf), p.37

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

Copies of the filings are made available to the public through the eTariff Public Viewer and eLibrary. There are no tabulating, statistical, tabulating analysis or publication plans for FERC-732 data. The Commission uses the data for regulatory purposes only.

## **17. DISPLAY OF EXPIRATION DATE**

It is not appropriate to display the expiration date for OMB approval of this information collection. The Commission does not collect the information on a standard form which would facilitate the display of the expiration date for OMB approval.

## **18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

Commission does not use the data collected for this reporting requirement for statistical purposes. Therefore, the Commission does not use as stated in item (i) of the certification to OMB "effective and efficient statistical survey methodology." The information collected is case specific to each FERC-732 filing.