

Supporting Statement
FERC-730, Report of Transmission Investment Activity

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-730 (Report of Transmission Investment Activity)** for a three year period. FERC-730 (OMB Control No. 1902-0239) is an existing Commission data collection (reporting requirements), as stated by 18 Code of Federal Regulations (CFR) Part 35(h).

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

To promote the development of needed energy infrastructure, Congress enacted Section 1241 of the Energy Policy Act of 2005 which added a new Section 219 to the Federal Power Act (FPA). Section 219 of the FPA required that the Commission issue a rule allowing incentive-based rate treatments to promote capital investment in the enlargement, improvement, maintenance, and operation of transmission facilities.

FERC Order No. 679 adopted an annual reporting requirement (FERC-730) for utilities that receive incentive rate treatment for specific transmission projects. Public utilities granted incentive-based rate treatment for specific transmission projects under the provisions of 18 CFR 35.35 (h) must file the FERC-730. The information collected in the FERC-730 is necessary for the Commission to evaluate its incentive rates policies, and to demonstrate the effectiveness of these policies. Further, the FERC-730 filing requirement allows the Commission to track the progress of electric transmission projects granted incentive-based rates, providing an accurate assessment of the state of the industry with respect to transmission investment, and ensuring that incentive rates are effective in encouraging the development of appropriate transmission infrastructure.

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

The information collected in the FERC-730 is necessary for the Commission to evaluate its incentive rates policies and to demonstrate the effectiveness of these policies. Without it, the Commission would not be able to track the progress of electric transmission projects granted incentive-based rates and would not be able to provide an accurate assessment of the state of the industry with respect to transmission investment. Further, FERC would not be able to ensure that incentive rates are effective in encouraging the development of appropriate transmission infrastructure.

The FERC-730 tracks data such as incremental investment costs for each of the succeeding five (5) calendar years as defined within 18 CFR Part 101 Accounts 350-359. These capital investments could incorporate explicit costs as applicable to land/land rights in connection to transmission operations, any structure/improvements used in connection with transmission operations, or other investments made to change or improve transmission operations. Information regarding expected project status and completion date is also included within FERC-

730 data. The data must be filed by April 18th of the year following issuance of the applicable incentive-based rate. Subsequent filings are due each April 18th thereafter.

Without collection of the FERC-730 information, the Commission would be unable to assess whether the Commission's Order 697 mandates were having the outcome Congress set forth in Section 219 of the FPA.

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

FERC-730 applicants can use the eFiling system to file the required information to the Commission. Applicants should visit the eFiling website (<http://www.ferc.gov/docs-filing/efiling.asp>) to find information on what file formats are acceptable.

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 information required in FERC-730 is not available in any other form or information collection. This annual report includes projections and information that details the level and status of transmission investment. FERC Form 1 may appear duplicative as the Commission collects some financial data from electric utilities within that information collection. However, FERC-730 is not duplicating effort as it is the only information collection with a forward-looking perspective requiring information on planned transmission investment. Additionally, FERC-730 is the only information collection that tracks the progress of transmission projects that have received approval for incentive-based rates.

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

The universe of FERC-730 respondents does not typically include small entities. The Commission anticipates that the high cost of construction of transmission facilities and the requirements to finance complex and costly transmission projects will not be conducive to small entities' entry into this field as defined by the Regulatory Flexibility Act (RFA). Therefore, the Commission concludes that these requirements would not have a significant economic impact on a substantial number of small entities since small entities are not present within this respondent universe.

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

If the Commission collected this information less frequently than its present annual collection, then a current source of information with which to evaluate its incentive-based rate policies would not be available.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

FERC-730 meets OMB's Section 1320.5 requirements. There are no special circumstances regarding this information collection.

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 notice¹ and a 30-day notice² to the public regarding this information collection on 12/31/2012 and 3/19/2013 respectively. 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-730 respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC-730 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.³

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

The Commission considers the questions within the FERC-730 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:

1 77 FR 77069

2 78 FR 16843

3 18 CFR 388.112

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	Number of Respondents (A)	Number of Responses Per Respondent (B)	Total Number of Responses (A)x(B)=(C)	Average Burden Hours per Response (D)	Estimated Total Annual Burden (C)x(D)
Electric Transmission Facilities	63	1	63	30	1,890

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

Annual Burden Hours (1)	Estimated Hourly Cost (\$ (2))	Estimated Total Annual Cost to Respondents (\$) (1) X (2)
1,890	\$70 ⁴	\$132,300

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

Commission staff conducted analyses of past filings and has concluded that there are no PRA-related capital costs associated with the FERC-730. Additionally, there is no PRA-related operation, maintenance, or purchase of services cost associated with this collection.

Total Capital and Start-up Cost	\$0
Total Operation, Maintenance, and Purchase of Services	\$0

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of filings ⁵	0.3	\$43,062
PRA ⁶ Administrative Cost ⁷		\$1,588
FERC Total		\$44,650

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.

⁴ This figure is calculated using FY2013 Estimated Average Annual Cost per FERC FTE (including salary and benefits): \$145,818/year ÷ 2080 hours/year ≈ \$70. As question #12 pertains to industry cost, use of FERC FTE cost provides the best estimate available.

⁵ Based upon 2012 FTE average salary plus benefits (\$143,540)

⁶ Paperwork Reduction Act of 1995 (PRA)

⁷ Based upon 24 hours of Commission staff time/effort to perform PRA-related activities

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

The estimated total burden of the FERC-730 increased due to the Commission's receipt of new applications for incentive-based rate treatment for specific transmission projects under the provisions of 18 CFR 35.35h. Therefore, the quantity of respondents increased from the previously approved information collection. It should be noted that this quantity is constantly in flux relative to market participation and application receipt.

Within the clearance package, the cost to industry is displayed using the unit of burden hours. In accordance with the "ROCIS HOW TO Guide for Agency Users of the Information Collection Request (ICR) Module", users should not report as a dollar cost any burden reported in hours⁸. Therefore, Commission staff corrected the industry's annual cost burden within the ROCIS metadata to show that the Commission associates no cost to capital investment or other non-labor costs. The Commission estimates the monetary cost related to the burden hours in #12 (above). This was done erroneously in previous FERC-730 supporting statements. Commission staff corrected the error within the current proposed clearance package.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical or publication plans for the collection of information. The Commission uses the data for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

The Commission does not collect the information upon a standard, preprinted form that would avail itself to this display. However, the expiration date is publically viewable here: <http://www.ferc.gov/docs-filing/forms.asp#730>. This posting must reflect the current expiration date for the information collection.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The 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."

⁸ https://www.rocis.gov/rocis/jsp/common/ROCIS_HOW_TO_Guide_for_AGENCY_Users_of_ICR_Module-03192012_v2.pdf, p.37