

Supporting Statement  
**FERC-512 (Application for Preliminary Permits)**  
**Three-year approval for extension requested**

The Federal Energy Regulatory Commission (FERC of Commission) requests that the Office of Management and Budget (OMB) review and approve the FERC-512 (Application for Preliminary Permits) information collection for a three-year period under OMB Control No. 1902-0073. These requirements are part of the Commission's regulations in 18 Code of Federal Regulations (CFR) 4.31-4.33 and 4.81-4.83.

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

The Commission is responsible for licensing nonfederal hydropower projects if they are on land or waters subject to Congressional authority. Part I of the Federal Power Act<sup>1</sup> (FPA) gives the Commission the authority to issue licenses for hydroelectric projects on these waters. The Commission issues licenses for terms up to 50 years for projects "best adapted to a comprehensive plan" for improving a waterway for beneficial public purposes. Benefits are in areas of power generation, irrigation, flood control, navigation, fish and wildlife, municipal water supply, and recreation. Preliminary permits, issued for three years, preserve the right of permit holders to have first priority in applying for a license for a project being studied, but do not authorize construction of any facilities. The application for preliminary permit process is pursuant to the Commission's defined role, as mandated under Sections 4(f), 5 and 7 of the Federal Power Act.

The purpose of obtaining a preliminary permit is to maintain priority status for an application for a license while the applicant conducts site examinations and surveys to prepare maps, plans, specifications, and estimates. This period of time also provides the applicant with the opportunity to conduct engineering, economic and environmental feasibility studies in addition to making the financial arrangements for funding the construction of the project. No other application for a preliminary permit or application for license submitted by another party can be accepted during the term of the permit.

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

The Commission collections information in the format of a written application for a preliminary permit that is used by Commission staff to assess the scope of the proposed project, the technology to be used, and jurisdictional aspects of the project. The staff assessment includes a

---

<sup>1</sup> 16 USC Sections 797, 798 and 800.

review of the proposed hydro development for conflicts with other permits or existing projects and public notice of the application to solicit public and agency comments.

An application for a preliminary permit includes an initial statement and three numbered exhibits. The initial statement includes information on the applicant, the project, the requested term of the permit, affected political jurisdictions, and a verification of the facts presented.

Exhibit One is a description of the proposed project and includes a characterization of the project structures, transmission facilities and reservoir; estimates of energy and capacity; identification of affected United States lands; and any other information that demonstrates how the proposed development of the water resource would be in the public interest.

Exhibit Two is a description of project studies, either completed or planned, for the purpose of assessing project feasibility, determining environmental impacts, and preparing an application for license including a proposed schedule for completing each study. The exhibit includes a statement of costs and financing that includes an estimate of the costs of doing the project studies described above and the source of funding for these studies.

Exhibit Three includes a map or series of maps that clearly show the location of the project, the location and relationship of the principal project features, a proposed boundary for the project, any lands or reservations of the United States needed for project purposes, and areas which are specially protected.

A permit holder is not required to file a license application. Likewise, a developer may study a project without holding a preliminary permit. However, the holding of a permit does give a developer first priority to file a license application over any competitors who wish to file applications for projects at the same site during the permit term. As noted above, a permit does not authorize ground-disturbing activities or other project construction nor does it allow the use of eminent domain to acquire lands for the project.

In contrast, a license issued by the Commission gives the licensee the authority to construct and operate a project. Standard license Article 5 requires licensees to acquire title in fee or the right to use in perpetuity all lands, other than lands of the United States, necessary or appropriate for the construction, maintenance, and operation of a project. Where licensees cannot obtain such rights through contract, they may use eminent domain to do so. In consequence, before issuing any license, the Commission conducts a full, searching public interest inquiry, and the licensing process is completely distinct from the permit process.

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

FERC continually considers the use of improved information technology to reduce burden in the filing requirements for submission of information.

The FERC-512 application can be submitted via FERC's eFiling system. See <http://www.ferc.gov/docs-filing/efiling.asp> for more details and information.

**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 periodically reviews the requirements contained in the FERC-512 information collection. There is an ongoing effort to determine the potential and value of improved information technology to reduce burden. The primary improvement in this area involves FERC's electronic filing option which eliminates the cost of filing permit applications on paper. No other forms collect data similar to that collected/filed under FERC-512.

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

The reporting requirements associated with FERC-512 are basic filing requirements pertaining to all applications for a preliminary permit. The data required impose the least possible burden on applicants, while collecting information required to process the information.

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

If the information contained in the FERC-512 were not collected, the potential license applicant(s) would have no means to establish priority for future development of the site (i.e. hold the site while studies are conducted to determine the feasibility of hydropower development). The lack of priority would place potential license applicants at greater financial risk in pursuing hydropower, and could cause developers not to pursue hydropower. The collection could not be made less frequently since it is made only once upon the filing of the permit application. The Commission cannot limit the applicants who apply for projects and cannot limit the number of such applications which fall under the FERC's authority.

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

There are no special circumstances related to 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 notice<sup>2</sup> and a 30-day notice<sup>3</sup> to the public regarding this information collection on 4/10/2014 and 7/21/2014 respectively. Within the public notices, the Commission noted that it would be requesting a three-year extension of the public reporting burden. The Commission received no comments from the public regarding this information collection.

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

There are no payments or gifts to respondents in the FERC-512 requirements.

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

All data are public information and, therefore, not confidential. A filer may request (as allowed under the Commission's regulations at 18 CFR 388.112) confidential treatment of some or all of the FERC-512 filing. Each request for confidential treatment will be reviewed on a case-by-case basis.

**11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE.**

There are no questions of a sensitive nature associated with the FERC-512 reporting requirements.

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

The Commission estimates the Public Reporting burden for the FERC-588 information collection as follows:

**FERC-512: Application for Preliminary Permit**

---

2 79 FR 19888  
3 79 FR 48304

Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hours & Cost Per Response <sup>4</sup> (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
125	1	125	37 \$2,608.50	4,625 \$326,062.50	\$2,608.50

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

There are no capital or start-up costs associated with this collection. All of the costs are associated with the burden hours and accounted for in Question #12.

### 14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of filings <sup>5</sup>	5	\$732,955
PRA <sup>6</sup> Administrative Cost <sup>7</sup>		\$5,092
<b>FERC Total</b>		<b>\$738,047</b>

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

There are no changes to reporting requirements. Moreover, there is no change to the burden hours per response.

However, there is a decrease in the number of respondents that results in an overall decrease in total annual burden for the information collection. Over the past 1 to 2 years, there has been a downward trend in the number of respondents, and this trend is expected to continue. The precise reasons for the downward trend are unclear but it appears to coincide with expiring federal and state tax credits for hydropower development and a decrease in potential hydropower sites that haven't already been identified and studied.

<sup>4</sup> The estimates for cost per response are derived using the following formula: Average Burden Hours per Response \* \$70.50 per hour.

<sup>5</sup> Based upon 2014 FTE average salary plus benefits (\$146,591)

<sup>6</sup> Paperwork Reduction Act of 1995

<sup>7</sup> The Commission bases the cost of Paperwork Reduction Act administration on staff time, and other costs related to compliance with the Paperwork Reduction Act of 1995.

<b>FERC-512</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	125	200	-75	0
Annual Time Burden (Hr)	4,625	7,400	-2,775	0
Annual Cost Burden (\$)	\$ 0	\$ 0	\$ 0	\$ 0

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

There are no tabulations, statistical analysis, or publications of information planned for the FERC-512 information collection. The Commission intends to use the data for regulatory purposes only.

**17. DISPLAY OF EXPIRATION DATE**

The expiration date is displayed in a table posted on ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>.

**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." The information collected is case specific to each information collection.