

**FEDERAL ENERGY REGULATORY COMMISSION**

**FERC Form No. 580**

**Interrogatory on Fuel and Energy Purchase Practices**

**2014**

**DESK REFERENCE**

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## General Filing Requirements

### Introduction

In 2013, Federal Energy Regulatory Commission (Commission) staff undertook measures to improve this information collection. Portions of some questions were removed and/or reworded based on responses received in the 2010 and 2012 filings. A few questions were added.

An automated form is required to be used for this collection of information. The form provides respondents with drop-down menus and links, and allows storage of data for easy retrieval and for updating in future filings.

Please direct any questions or comments about completing the 2014 FERC Form No. 580 (Form 580) to [FERC-580@ferc.gov](mailto:FERC-580@ferc.gov).

### Who Must File

All jurisdictional utilities owning and/or operating at least one steam-electric generating station of 50 MW or greater capacity, or having a majority ownership interest in a jointly-owned steam-electric generating station of at least 50 MW or greater capacity and that had a cost-based rate tariff on file with the Commission during the reporting period, are required to file a FERC Form No. 580. Utilities that did not have a cost-based rate tariff on file during the reporting period with the Commission are not required to file the Form 580.

In the case where a FERC adjustment clause is in use in some capacity for an electric generating station, either the operator, or the majority or minority owner must file the Form 580 for 100% of the plant.

### What to File

Respondents are required to file the electronic Form 580 with pertinent attachments (e.g., rate and service agreements older than twenty years) and may on occasion need to make revised filings.

### De Minimis Circumstances

If a utility has a specific circumstance under which it thinks there is a compelling reason not to answer a particular question or part of a question in the interrogatory, it can apply for a waiver of that particular question or part thereof.

### How to File

All documents must be filed via the Commission's eFiling system. The eFiling instructions are located on the Commission's eFiling webpage: <http://www.ferc.gov/docs-filing/efiling.asp>.

### Detailed eFiling Instructions:

Start at the Commission's home page: [www.ferc.gov](http://www.ferc.gov). Select on the Documents & Filing tab and choose eFiling from the drop-down. If you have not previously eRegistered, select the eRegister link and provide the requested information to create an account. Otherwise, enter your registered email address and password.

Select on "Log In."

Select on "eFiling."

**Filing Type** - Select on "Electric" in the first column. Select "Report / Form for existing docket number" (Report / Form should show in the third column). Select "Next."

**Select Docket** - Enter the docket number (e.g., IN79-6-000) and select Search. The docket number will show in a new table. Select the plus sign in the Select column and a selected docket's row will drop down.

Select "Next."

**File Upload** - Select the "Public" tab, then select "Browse" and select a public file to upload. Enter a description in the space below the file name. Select "Upload." Continue doing this until all of your public files appear in the file upload table. Select the "Privileged" tab, then select "Browse" to select your privileged file for upload, enter a file description and select "Upload." The eFiling system allows you to attach up to 200 files.

There must be at least one Public file for each privileged submission. This can be your cover letter describing the filing and asking for privileged treatment of your question 5 submittal. It could also be your Form 580 public file.

Tip: Use PRIV as the first four characters of the file name for a privileged file to avoid uploading a file with the wrong security level.

There is a feature at the bottom of the File Upload table to change the security designation if the file was not uploaded as privileged and should have been.

When FERC accepts a filing with multiple security classes, the system puts the files under different accession numbers and links them as document components in eLibrary. Accordingly, eFile the privileged and public files during the same session and they will be linked in eLibrary.

NOTE: If at any time you want to go back to a previous screen, press the "Back" button provided on the eFiling screen, not the "Back" button in the browser.

Select "Next" at the bottom of the screen.

**Specify Filing Parties** – Select either “On behalf of another Party(ies)” and enter the company name below or “As an Individual”, whichever applies. Select “Next.”

**Specify the person to whom communication should be addressed** - Enter your email address in the contact email block and select on “Add as Signer” or “Add as Other Contact”. Note: a signer email address must be included, as every filing must have a designated signer.

**Submission Description** – Enter: “Form 580 of [your utility name]”

**Summary** – Review the information shown. Ensure the file labeled as privileged has the correct security level. If any of the information is incorrect, select the “Back” button and correct your information as necessary. Select “Submit”.

A new screen will appear that states: “You have successfully submitted the filing and will receive an email confirmation shortly”. Select the “Printable submission confirmation receipt” button and a receipt will appear that states the date, time and submission ID for your filing. You should also receive a confirmation of receipt by email with the same information, a link to additional information for your filing and the status of your filing. When the Commission accepts your filing, that status will change to “Accepted”.

Go to: <http://www.ferc.gov/help/filing-guide/file-ceii.asp> for further information regarding the filing of documents where privileged treatment is sought.

### **Requesting Privileged Treatment**

The Commission is allowing privileged treatment of the answer to Question 5 if requested pursuant to 18 CFR §388.112 and filed separately using the Form 580 Question 5 Privileged Addendum. You will need to file the privileged electronic Question 5 Addendum with a cover letter requesting privileged treatment.

Go to <http://www.ferc.gov/docs-filing/forms.asp#580> for Commission regulations regarding the filing of documents where privileged treatment is sought.

### **Electronic File Naming Convention**

Respondents are encouraged to name their electronic Form 580 filings as follows:

Name your public form as: UtilityName2014Form580.pdf

Name your privileged form as: PRIVUtilityName2014Form580.pdf

Any other documents that are required to accompany the filing, such as the question 2b attachments, must be eFiled as attachments when filing the Form 580. The file naming convention would be more specific to those documents. For example, a Microsoft Word file required by Question 2b might be named as follows:

UtilityName2014Form580Q2bServAgreement1.doc

All attached documents must be in electronic file formats accepted by the Commission. See <http://www.ferc.gov/help/submission-guide.asp> for a list of acceptable formats. In addition, all parts of any submission that are created or available in text searchable native application format must be submitted in that format or in Print-to-PDF format. Failure to provide text-searchable formats in eFiled documents may result in a request for re-submission or rejection of the filing.

**File Size Limit**

The Commission’s eFiling system can only accept documents that are less than 50 MB in size, therefore please break files up to stay below this threshold.

**Number of Attachments Limit**

The eFiling system can handle up to 200 attachments per filing.

**When to File**

Responses are due November 30, 2014.

**Filing Revisions**

Include a cover letter with any revised documents explaining the circumstances that required the revision. Submit revisions using the same eFile procedure as used with the original filing. Name revised filings as follows:

UtilityName2014Form580Q2revised.pdf

**Comments and Reporting Burden**

Public reporting burden for this information collection is estimated as:

	No. of Respondents (1)	Annual No. of Responses per Respondent (2)	Average Burden Hours Per Response (3)	Total Annual Burden Hours (1)x(2)x(3)
Respondents with FACs	37	0.5	103	190.5
Respondents with AACs but no FACs	10	0.5	20	100
Respondents with no AACs and no FACs	35	0.5	2	34
<b>2014 TOTAL</b>				2039.5

This estimate includes the time reviewing instructions, searching existing information sources, gathering the information needed, and completing and reviewing the interrogatory.

Comments regarding the burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, should be sent to [DataClearance@ferc.gov](mailto:DataClearance@ferc.gov). The Desk Officer can be reached by telephone at (202) 502-8663 and by fax at (202) 273-0873. Comments may also be sent to the Office of Information and Regulatory Affairs, Attention: Desk Officer-FERC, Office of Management and Budget, Washington, DC 20503.

You will not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number and current authorization date.

## Step-by-Step Instructions for Completing the Form 580

If you have a question about the Form 580, email it to [ferc-580@ferc.gov](mailto:ferc-580@ferc.gov) and it will be promptly answered.

Ensure that you have Adobe Reader version 9.0 or higher on the computer in which you will open the Form 580. If necessary, go to [www.adobe.com](http://www.adobe.com) and download the latest free version of Adobe Reader. Only open the Form in Adobe Reader.

Open the Form 580 and save it using the naming convention stated previously: UtilityName2014Form580.pdf. This is the document, that when complete, you will upload and officially file using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>,

Within the Form 580 is an appendix on Coal Contract Types and a Glossary of Terms used in the Form. The appendix is helpful in answering Question 6 and the Glossary includes terms that are shown in blue highlight throughout the Form.

Throughout the Form, required data formats, data restrictions and detail in addition to that provided in the question, will appear while hovering your mouse over data entry cells and column headings.

### **Question 1: Utility Contact Information**

Enter the exact legal name of the utility for which you are reporting, as eRegistered with the Commission. Do not enter "dba" names. Enter contact information for an individual who would handle questions concerning fuel procurement and also contact information for an individual who would handle questions concerning energy purchases.

### **Question 2a: Automatic Adjustment Clause Identification**

Identify the docket numbers of each FERC filing, and all related tariff volume numbers, and rate schedule designations that contain any type of wholesale automatic adjustment clause (with the exception of those that are transmission-related) through which any costs were passed during the reporting period.

Enter the docket number of the most current filing of the tariff/rate schedule/service schedule containing the AAC. Identify whether it is a fuel adjustment clause or not. Enter the tariff volume number containing the AAC and rate schedule number that was most currently accepted by the Commission. Enter the first effective date of the tariff volume/rate schedule containing the AAC. When selecting the drop-down arrow for dates, a calendar will appear for use in entering dates. To zoom out while still in the calendar, hold the left mouse button down for a couple of seconds, then release. This will more quickly allow you to choose the date needed.

Select the "Add Row" button as many times as necessary to provide blank rows in which to enter all AACs. Rows can be deleted by selecting on the "Delete Row" button.



The “Copy Row” button may facilitate adding rate schedules that are similar to a schedule already entered. Copy the similar row and then change the few items/s that are different.

Enter dates of superseded or abandoned rate schedules and identify service schedules, as requested, where AACs are located.

**Question 2b: One-time Filing of Documents Older Than Twenty Years**

If any of the rate schedules and service agreements named in response to Question 2a were first filed with the Commission before January 1, 1990, upload an electronic copy of each with your Form 580 when you eFile. If the rate schedule or service agreement was first filed before 1990 but since then has been refiled in its entirety, do not attach a copy with your Form 580 filing. If the rate schedule or service agreement has been refiled in its entirety since 1990, but certain sheets have been amended since then, do not file the rate schedule or amended sheets with your Form 580 filing.

It is necessary for filers to provide this information electronically, in a text-searchable format, in order that Commission staff may expediently analyze the filing in its entirety. Once this information is submitted electronically, it will not be necessary to submit it in future Form 580 filings. Enter the file name and a brief description of each in the spaces provided. Select “Add Row” as many times as necessary to provide enough blank rows in which to enter all of the required information.

If your utility has no fuel adjustment clauses (FACs), do not complete the remainder of the Form. Questions 1 and 2 are the only questions you are required to complete. If your utility has a FAC, you must complete the remainder of the Form.

**Question 3: Purchased Power**

Report all purchased power contracts and agreements **from a PURPA qualifying facility (QF)<sup>1</sup>, or an Independent Power Producer (IPP)<sup>2</sup>** in place during the reporting period where costs were passed through an FAC. Provide the requested information by reporting year. For each purchase, answer EITHER the questions in the column titled: “only energy charges” OR the questions in the four columns titled: “the total cost of the purchase of the economic power, whichever applies to the purchase”. If the Utility did not purchase power and recover costs through an FAC, check the box provided and continue with Question 4.

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<sup>1</sup> A QF is a generating facility which meets the requirements for QF status under the Public Utility Regulatory Policies Act of 1978 and 18 CFR Part 292 of the Commission's regulations, and which has either self-certified with the Commission or has obtained FERC certification of QF status. There are two types of QFs: cogeneration facilities and small power production facilities.

<sup>2</sup> A generator who provides either capacity or wholesale power to utilities. IPPs operate in the franchised territories of host utilities and do not possess transmission facilities or sell electricity on the retail market.

**Question 4a: Emission Allowances**

If the Utility incurred emission allowance costs during the reporting year and recovered any part of such costs through an FAC, enter the total amount recovered by year and by origin (the “Origin of Emission Allowance Cost” is a dropdown field with the following options: “self generation”, “purchased economic power”, or “purchased – other than economic power”). Enter the docket numbers and dates of Commission acceptance of these recoveries.

Question 4 asks for 2012 and 2013 costs that are recovered through an FAC. Your Utility’s clause may not directly recover costs as they are incurred, i.e., the charges assessed at various times in 2012 and 2013 were based on costs incurred during some other time frame (preceding 2012). For this question, provide costs incurred in 2012 and 2013 whether or not they were reflected in 2012 and 2013 clause revenues.

Whether it is a charge or a credit, it is required to be reported.

If the Utility did not purchase power and recover costs through an FAC, check the box provided and continue with Question 4b.

**Question 4b: Emission Allowance Recovery Through Other Than FACs**

If emission allowance costs were recovered other costs than through an FAC, choose “Yes” from the drop-down provided and explain how they were recovered: include rate schedule and service agreement notations. Be specific.

If the Utility did not purchase power and recover costs through an FAC, check the box provided and continue with Question 4b.

**Question 5: Fuel Procurement**

**The answers to this questions will be allowed privileged treatment if requested in compliance with 18 CFR §388.112 and filed using the Question 5 Addendum.**

To file your response to Question 5 as privileged, use the separate form posted as a Q5 Addendum containing only Questions 1 and 5. Use eFile to submit it as privileged, along with your public version and your letter requesting privileged treatment in compliance with 18 CFR 388.112. In your public version of the Form 580, select “Yes” in the drop-down provided in response to: Are you filing the Q5 Privileged Addendum? Proceed to Question 6. If you choose to file the responses to Question 5 as public information, choose “No” from the drop-down and answer the Questions that follow.

Answer the questions for coal. If the Utility does not have coal-fired generation, answer the questions for natural gas.

**Question 5a: Frequency of Fuel Procurement Policy and Practice Reviews**

Using the drop-down provided, report how often procurement processes are reviewed. Enter the completion date of the most recent review. Enter the name and title of the person who oversaw or conducted the most recent review during the reporting period. If

multiple individuals carried out the review, report the individual at the highest management level. Provide a brief description of the review.

**Question 5b: Fuel Inventory Levels**

If the Utility has no fuel inventory policy, i.e., there is no set standard for minimum quantity on hand for plant fuels, choose “No” in the drop-down provided. Otherwise, choose “Yes” and indicate whether the policy states under what circumstance(s) fuel inventory is increased or decreased. Check the box provided if the Utility has no policy on fuel inventory levels. Respond to when the fuel inventory was last reviewed and who last approved it. Enter the name and title of the individual who made the working decisions to change inventory levels.

**Question 5c: Fuel Cost Market Investigations**

Does the Utility investigate fuel market prices in advance of fuel contract negotiations? Are investigations carried out on a regular basis; if so, at what interval or upon what circumstance is this accomplished?

**Question 5d: Environmental Constraints on Fuel Purchases**

What plant-related environmental situations impact the type and quality of fuel purchased? Which factors need to be taken into consideration when purchasing fuel.

**Question 5e: Fuel Contract – Fuel Quality Characteristics**

What fuel characteristics had required characteristic limits named within the fuel contracts active during the reporting period? Choose from the items shown. If the characteristic is not shown, enter it in the column labeled “Other”.

**Question 5f: Affiliate Fuel Purchases**

What percentage of the fuel purchased during the reporting period was purchased from an entity that was in any way affiliated (see the glossary in the form for a definition of “affiliated”) with the Utility? Check the appropriate boxes. Enter a fuel not listed in the space for “Other” and provide the percentage purchased from affiliated entities for each.

**Question 5g: Fuel Contract Bidding Process**

How are the potential fuel suppliers (bidders) qualified and ranked? Were fuel supplier credit ratings checked, and if so, how?

If any aspect of the Utility’s fuel purchase policy practices differs for associated companies, state the differences.

Is the lowest bidder automatically selected? If not, state the criteria used for fuel contract selection and renegotiation.

**Question 5h: Fuel Procurement from Affiliates**

Specify fuel procurement procedures used for affiliated and non-affiliated fuel sources and suppliers.

## Question 6a & 6b: Fuel Supply Contract Specifications and Delivery Characteristics

**Note: Only enter fuel delivery information under contracts where costs were subject to an automatic adjustment clause under 18 CFR 35.14. For example, if a utility has an 18 CFR 35.14 clause for coal but not for oil, it should not report oil contracts and deliveries in response to Question 6.**

Questions 6a and 6b are connected electronically. This will ensure that all delivery information is properly associated with the correct contract identification. Each delivery row should be specific to a particular contract ID, reporting year and delivery plant. Report contracts in any order, e.g., report all 2012 contracts followed by all 2013 contracts.

### Step 1

Enter the information requested for the first reporting year of your first contract. If a contract continues in effect month to month, i.e., there is no Contract Expiration Date leave that field blank and enter “Y” in the “Is contract evergreen” field. If impurity information does not exist, leave the space/s blank. Fuel quantities should be entered in whole numbers, i.e., do not enter decimals.

### Step 2

Enter the delivery information for that contract in response to Question 6b. Choose one primary fuel origin and one purchase point type per delivery. If the fuel is delivered by pipeline, choose “pipeline” as the primary origin (note: “Pool” has been added to the dropdown). Choose a delivery plant for each delivery and enter the remaining information requested. Enter fuel quantities in whole numbers, i.e., do not enter decimals. If the fuel is delivered by pipeline and the quality specifications are “pipeline quality”, leave the quality and impurity cells blank. If impurity information does not exist, leave the space(s) blank. Enter Free On Board (FOB) plant cost. If FOB plant cost is not available, enter FOB origin cost. You are not required to enter both costs. We prefer that you do not include miscellaneous costs in your FOB plant costs. However, if miscellaneous costs are not easily discernable from the fuel and freight costs include them where applicable and state in a cover letter which miscellaneous costs are included.

### Step 3

Select the “Add Delivery” button to add a blank row for entry of another plant’s delivery under the contract just entered in response to Question 6a. Alternatively, select the “Copy Delivery” button to add a row with delivery information identical to the one just completed. Then select, Delete, and type information in any cell in that row to quickly add a delivery that is similar to the one previously entered. Continue adding rows and entering information until all deliveries are recorded.

### Step 4

Select the “Add Contract” button in response to Question 6a to add a blank row for entry of a new contract. Select the “Copy Contract” button to copy the contract just entered and to quickly change information similar to the contract just entered, e.g., for quick entry of information for a subsequent reporting year of the same contract just entered.

**Step 5**

Repeat steps 2 through 4 until all deliveries under all contracts are recorded.

**Question 6c: Affiliate Fuel and Fuel Transportation Contracts**

Provide the requested information concerning any affiliated entity that provides fuel and/or fuel transportation services, whether or not the Utility used that entity during the reporting period.

If the Utility has, for example, an agreement with an IPP that is not affiliated with the Utility and the IPP is required to procure all of the fuel used to satisfy the daily calls for power, do not report the IPP data in response to this question.

**Question 7: Contracted Fuel Quantity Shortfalls**

Provide the requested information separately for each contract that experienced a shortfall that is not under dispute, i.e., parties agree there was indeed a shortfall. If the cause of the shortfall is not found in the Question 7a drop-down provided, choose “Other” and type the cause in the drop-down space.

**Question 8: Contract Buy-downs and Buy-outs**

Provide the requested information separately for each contract that was bought-out or bought-down during the reporting years and that it is not under dispute. If the type of change is not found in the Question 8a drop-down provided, choose “Other” and type the cause in the drop-down space provided.