

Supporting Statement  
**FERC-516, Electric Rate Schedules and Tariff Filings**  
**FERC-717, Open Access Same-Time Information System and Standards for Business Practices and Communication Protocols**  
for the Final Rule in Docket Number RM05-5-022 (issued on 9/18/2014)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review FERC-516 (Electric Rate Schedule and Tariff Filings) and FERC-717 (Standards for Business Practices and Communication Protocols for Public Utilities). This is a consolidated supporting statement that will be submitted to OMB under two different Information Collection Requests.

In this Final Rule, the Commission approves the amendment of its regulations under the Federal Power Act (FPA) to incorporate by reference, with certain exceptions enumerated in the Final Rule, the latest version of the Standards for Business Practices and Communication Protocols for Public Utilities (Version 003) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) and filed with the Commission as a package on September 18, 2012 (September 18 Filing), as modified in a report filed with the Commission on January 30, 2013.

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

The Federal Power Act Section 205<sup>1</sup> requires the Federal Energy Regulatory Commission to ensure that the rates and charges for the wholesale sale of electric energy are just and reasonable. Section 205 also requires that the rules and regulations affecting or pertaining to the rates and charges for the wholesale sale of electric energy be just and reasonable.

Industry-wide business practice standards help the industry achieve increased levels of efficiency. Version 003 builds on the Commission's work in preventing undue discrimination and preference in transmission service (in Order Nos. 890, 890-A, 890-B and 890-C) and its previous work related to incorporating by reference standards for business practices and communication protocols for public utilities (Order Nos. 676, 676-A, 676-E and 717).

In addition, NAESB made modifications to the Coordinate Interchange standards to complement the updates to the e-Tag specifications, modifications to the Gas/Electric Coordination standards to provide consistency between the two markets, and re-organized and revised definitions to

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<sup>1</sup> 16 U.S.C. 824d(a)

create a standard set of terms, definitions and acronyms applicable to all NAESB WEQ standards.

The Version 003 Standards also include standards related to Demand Side Management and Energy Efficiency, which the Commission separately acted on in Docket No. RM05-5-020 after NAESB filed its Version 003 report, and Smart Grid-related standards that NAESB previously filed with the Commission in Docket No. RM05-5-021.

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

**FERC-516.** The final rule requires public utilities that own and/or control facilities used for the transmission of electricity in interstate commerce (public utilities) to modify their existing tariffs to reference the standards and state that transactions made under their respective tariffs would be performed in accordance with the Version 003 standards. Tariffs provide the Commission and the public with information regarding a utility's rates and service conditions. Without tariffs, FERC and the public would not be able to properly evaluate rates.

**FERC-717.** The final rule requires public utilities to operate in conformance with the WEQ Version 003 business practice standards.

In a previous Final Rule (Order No. 889), the Commission required public utilities to establish Open Access Same-Time Information System (OASIS) sites to provide transmission customers with equal and timely access to information about transmission and ancillary services provided in the tariffs. This requirement was established because the Commission believes that transmission customers must have simultaneous access to the same information available to the Transmission Provider in order to achieve nondiscriminatory transmission services.

The Commission determined that standardization of business practices and communication processes benefits the electric industry by providing uniform methods for public utilities to conduct business with different transmission providers. Many participants in electric markets conduct business transactions involving a number of different transmission providers. Establishing a uniform set of procedures and communication protocols increases the efficiency of such transactions.

The public utilities subject to this final rule will be required to make tariff filings (FERC-516) referencing the Version 003 standards and stating that they will implement their tariff in accordance with the requirements of the WEQ Version 003 standards. Public utilities currently collect and post information on various systems such as OASIS currently in use by the industry.

The revisions within these revised NAESB standards may adjust some of the business practices around this information but does not substantially affect the amount or content of the information. Without these standards, the same transactions would occur. However, the details regarding each transaction would vary from utility to utility hindering standardization.

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

FERC has made no significant changes in information technology use for complying with the FERC-516 as these issues were already addressed by FERC in a rule implementing the Commission's eTariff system (fully implemented in 2010) for the electronic filing of tariffs. Applicable entities also continue to use OASIS (under the FERC-717 collection), providing the public online access to transmission service 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**

FERC rules and data requirements are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of FERC's regulations and data requirements to identify duplication. The information to be submitted, generated, kept, or posted, pursuant to this Final Rule is not readily available from other sources and, therefore, no duplicate information is available that would serve as a substitute for this information and for performing oversight and review responsibilities under applicable legislation (e.g. FPA, Energy Policy Act of 1992 (EPAAct)).

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

FERC estimates that there are 26<sup>2</sup> small public utilities applicable to this rule. FERC considers the impact of the rule to be very minimal. The Commission does consider waivers for small entities, which serves as an option for small entities to reduce their burden. The Commission grants these waivers on a case-by-case basis.

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

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<sup>2</sup> This figure constitutes 19.5% of the 132 affected entities

The Commission promotes an open transmission system through its policies and regulations. The NAESB WEQ Version 003 standards were developed and vetted through an industry consensus process. If the information collection components of the standards were conducted less frequently, then the standards would not fully achieve their purpose of promoting efficiency in the wholesale electric industry. Further, anything different from the standards under consideration here would not be in accordance with what the industry has already vetted and approved in an open consensus building process through NAESB.

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

FERC-717A and FERC-516 are consistent with the guidelines in 5 CFR 1320.5(d).

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

In the proposed rule, the Commission sought comment on various aspects of the new business practice standards including the burden estimates provided. Further, the NAESB WEQ business practice standards are developed and voted on by industry representatives prior to submission to FERC. For final approval, 67 percent of the WEQ's general membership must ratify the standard. Additionally, the standards have already gained approval among the industry sectors.

Most of the comments in response to the proposed rule were generally supportive. The comments centered on topics such as suggesting changes to the implementation period, if the revised business practice standards were interpreted to be (or not to be) in accordance with existing Commission policy, or if there are ambiguity issues when compared to proclamations made by the Commission in the *Entergy* decision<sup>3</sup>. None of the public comments regarded paperwork burden.

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

There are no payments or gifts to respondents associated with these collections.

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

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<sup>3</sup> *Entergy Servs., Inc.*, 143 FERC ¶ 61,143 (2013)

Any data filed are public information and, therefore, not confidential. However, a company may request confidential treatment of some or all parts of the information requirement under the FERC regulations at 18 CFR 388.112. The Commission will review each request for confidential treatment 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 in the reporting requirements.

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

The current estimated burden for the FERC-516 is 497,458 hours. The majority of these hours (approximately 400,000) are due to general tariff filings related to the electric utility industry. Respondents make tariff filings anytime they wish to modify existing rates or services, or when the Commission directs. The burden hours include a one-time tariff filing requirement and a recent rulemaking (Variable Energy Resources in Docket RM10-11).

The current estimated burden for the FERC-717 is 198,822 hours. At the NOPR stage, a temporary collection (FERC-717A) was created to account for the burden necessary to comply with paperwork aspects of the Version 003 standards. The FERC-717A is no longer necessary. Thus, FERC will be submitting the burden changes to FERC-717 instead.

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

There are no non-labor costs currently associated with either the FERC-516 or the FERC-717.

All of the costs in the final rule are associated with labor and are not shown in ROCIS metadata.

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

The estimated annualized cost to the Federal Government for FERC-516 and FERC-717, as related to the requirements in the Final Rule in RM05-5-022 follows:

	<b>Number of Employees (FTE)</b>	<b>Estimated Annual Federal Cost</b>
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FERC-516 Analysis and Processing of filings <sup>4</sup>	2.5	\$366,478
FERC-717 Analysis and Processing of filings	0.5	\$73,296
PRA <sup>5</sup> Administrative Cost (for FERC-516)		\$5,092
PRA <sup>5</sup> Administrative Cost (for FERC-717)		\$5,092
<b>FERC Total</b>		<b>\$449,958</b>

Based on the above table, the total additional Federal Cost for the FERC-516 is \$371,570 and for the FERC-717 is \$78,388. These additional costs will be added to the existing Federal costs for a total of \$2,437,394 for the FERC-516 and \$783,959 for the FERC-717. The FERC total cost for the RM05-5-022 Final Rule is \$449,958.

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 made in response to the information collection.

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

The burden for both the FERC-516 and FERC-717 information collections is increasing so that the industry can implement the new and revised business practice standards adopted by NAESB and approved in the Final Rule to be incorporated by reference into FERC’s regulations. For both collections, the burden increase is small and only one-time. FERC assumes that burden associated with implementing the new standards is reduced to zero over time because of the increased efficiencies related to standardization.

The following burden estimate is based on the projected burden for the industry to implement the new and revised business practice standards adopted by NAESB and to be incorporated by reference in this NOPR.

<sup>4</sup>Based upon FERC’s 2014 FTE average salary plus benefits (\$146,591)

<sup>5</sup>The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (PRA) for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. This average annual cost includes requests for extensions, all associated rulemakings (not just this proposed rule), and other changes to the collection.

<b>RM05-5-022 (Standards for Business Practices and Communication Protocols for Public Utilities)</b>						
	<b>Number of Respondents (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden &amp; Cost Per Response (4)</b>	<b>Total Annual Burden Hours &amp; Total Annual Cost (3)*(4)=(5)</b>	<b>Average Cost per Respondent (\$) (5)÷(1)</b>
FERC-516 (one-time)	132	1	132	6 \$436	792 \$57,552	\$436
FERC-717 (one-time)	132	1	132	10 \$727	1,320 \$95,964	\$727
<b>TOTAL</b>			<b>264</b>		<b>2,112 \$153,516<sup>6</sup></b>	<b>\$1,163</b>

The following two tables show the total burden hours and costs for each collection and the impact of the changes discussed in this supporting statement.

<b>FERC-516</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	5,547	5,415	0	132
Annual Time Burden (Hr)	498,250	497,458	0	792
Annual Cost Burden (\$)	0	0	0	0

<b>FERC-717</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	454	322	132	0

6 The estimates the total annualized costs for the information collection to be \$153,516. This number is reached by multiplying the total hours to prepare responses (2,112) by an average hourly wage estimate of \$72.67 (a composite estimate that includes legal, technical and support staff rates, \$128.39+\$60.70+\$28.93=\$218.02 ÷ 3 = \$72.67), 2,112 hours x \$72.67/hour= \$153,516.

Annual Time Burden (Hr)	200,142	198,822	1,320	0
Annual Cost Burden (\$)	0	0	0	0

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

FERC does not publish any data associated with these collections.

**17. DISPLAY OF EXPIRATION DATE**

It is not appropriate to display the expiration date for OMB approval of the information collected pursuant to this rulemaking affecting FERC-516 and FERC-717. The substance of the requirements is incorporated by reference into FERC’s regulations at 18 CFR (making the standards mandatory). However the standards themselves are copyrighted by NAESB, so the OMB Control Numbers and expiration dates are not displayed in the standards.

The clearance information and expiration date are available at <http://www.ferc.gov/docs-filing/info-collections.asp>.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There is no stated record retention requirement as part of this collection. Also, the data collected for this reporting requirement are not used for statistical purposes.