

Supporting Statement for
FERC-65 (Notification of Holding Company Status), FERC-65A (Exemption Notification), and FERC-65B (Waiver Notification)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review the information collection requirements in the **FERC-65 (Notification of Holding Company Status), FERC-65A (Exemption Notification), and FERC-65B (Waiver Notification)** for a three year period. FERC-65, FERC-65A, and FERC-65B (all under OMB Control No. 1902-0218) are existing Commission data collections (filing requirements), as stated by 18 Code of Federal Regulations (CFR), Part 366.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Section 1264 of PUHCA 2005¹ generally provides that holding companies and associated entities are required to give the Commission access to books and records relevant to costs incurred by a public utility which are necessary or appropriate for the protection of utility customers with respect to jurisdictional rates. Section 1275 of PUHCA² 2005 addresses the Commission's review and authorization for the allocation of costs for non-power goods or administrative or management services when requested by a holding company system or state commission. In addition, the Commission's rate authorities under the Federal Power Act³ enable the Commission to detect and disallow from jurisdictional rates any imprudently incurred, unjust or unreasonable, or unduly discriminatory or preferential costs resulting from affiliate transactions between companies in the same holding company system. This includes both power transactions and non-power goods or services transactions between Commission-regulated companies that have captive customers and their unregulated affiliates. The Commission routinely places code of conduct restrictions on power sales at market-based rates between regulated and unregulated affiliates and has also placed conditions on non-power goods and services transactions involving public utilities to help ensure these businesses engage in appropriate market behavior.

The Commission issued Order No. 667 in 2005 to implement the repeal of the Public Utility Holding Company Act of 1935 and the enactment of the Public Utility Holding Company Act of 2005. The Securities and Exchange Commission (SEC) specifies a number of reporting requirements for holding companies in 17 CFR 250.1, 250.26, 250.80, 250.93, 250.94, and 259.313. With Order No. 667,

¹ Pub. L. No. 109-58, 119 Stat. 594 (2005), 42 United States Code (USC) 16452.

² Ibid.

³ 16 USC §824(D-E)

the Commission adopted, modified, and streamlined some of the SEC reporting requirements for holding companies in its own regulations. The Commission adapted the SEC reporting regulations—instead of incorporating them in their entirety—because it determined that the information in some of the SEC reporting requirements is not relevant to the costs incurred by jurisdictional entities or is not necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

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

The FERC-65, FERC-65A and FERC-65B collections tell the Commission which entities (within holding company systems) are within Commission jurisdiction. Those entities meeting the definition of a holding company found in 18 CFR 366.1 submit the FERC-65. The Commission collects the following information in the FERC-65: the identity of the holding company and of the public utilities/natural gas companies in the holding company system, the identity of service companies, including special-purpose subsidiaries providing non-power goods and services, and the identity of all affiliates and subsidiaries as well as their corporate relationship to each other.

The Commission needs the information in the FERC-65 to have assurance that the actions of all jurisdictional entities within holding company systems would receive the required regulatory oversight.

The Commission uses the information from the FERC-65 to track changes in the corporate identities of public utility and natural gas companies as well as the organizational structure of business unit constituents in current and new holding company systems. The Commission needs this information to discern whether the reported businesses fall within its jurisdiction. Moreover, the information can provide context and background information to the Commission in its electric market based rates work and as it analyzes and addresses other corporate activity issues.

Information from the FERC-65A and FERC-65B sets forth the reasons companies may be exempt from PUHCA 2005 or eligible for a waiver of the related FERC regulations.

The information filed in the FERC-65A would be needed to support the company's position that they qualify for an exemption from PUHCA 2005. The exemption applies to those who belong to one or more of the types of entities, persons or classes of transactions which 18 CFR 366.3 specifies as exempt.

The exemptions benefit many small entities. The burden on small entities would be significant without the exemption option.

The FERC-65B is submitted by those entities requesting a waiver from the PUHCA 2005 Section 1264 requirements. The Commission has allowed waivers of these requirements for any holding company if they fit into one or more of the following groups: (1) single-state holding company systems; (2) holding companies that own generating facilities that total 100 MW or less in size and are used fundamentally for their own load or for sales to affiliated end-users; and (3) investors in independent, transmission-only companies.

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

The Commission allows the option of filing all documents in proceedings through the eFiling interface except for specified exceptions, and of utilizing online forms to allow “documentless” interventions in all filings.

With the advent of eFiling 7.0, the Commission has expanded its ability to receive electronic filings through its eFiling and eLibrary systems and now includes these self-certification filings. Submission guidelines can be found here: <http://www.ferc.gov/docs-filing/efiling/filing.pdf>.

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 within the Federal Register⁴ to help identify any duplication of the information in FERC-65, FERC-65A and FERC-65B. No comments were received. There are no other Federal agencies responsible for the existence and status of holding companies as part of rate and regulatory activities for electric and gas companies within FERC’s jurisdiction. The information in each FERC-65, FERC-65A and FERC-65B is unique to the filer and its activities as they relate to Commission rate regulation. Because the Commission requires new holding companies to make these filings within 30 days of having been formed, the information is timely, comprehensive, and responsive to current Commission policies regarding the applicability, exemption and waiver of

⁴ 80 FR 2405

Commission regulatory activities. No similar information can be used or modified.

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

Most companies to which the FERC 65 filing requirements pertain are not small entities. The FERC 65-A and FERC 65-B filing requirements exist to benefit small entities. They allow for an exemption or waiver, respectively, from the books and records provisions of 18 CFR 366. All three of these FERC filings are one-time filings and are effective until there is a material change of facts. This further minimizes the effect on small entities.

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

If FERC-65 subsequent filings were not collected or were collected less frequently, the Commission would have no assurance that the actions of all jurisdictional entities within holding company systems would receive the required regulatory oversight.

The initial FERC-65 filing deadline was 6/15/2006 for all holding companies in existence on 2/8/2006. Holding companies formed after 2/8/2006 file within thirty days of becoming a holding company. A subsequent filing is not required unless there is a material change in facts.

The FERC 65-A and FERC 65-B are one-time filings that cannot occur less frequently because a new holding company either seeks a waiver or exemption from FERC regulation (in contrast to FERC-65). The waivers and exemptions remain in effect unless there is a material change in facts.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

There are no special circumstances relating to the FERC-65, FERC-65A or FERC-65B information collections. The requirements meet 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 requirements⁵, the Commission published a 60-day notice⁴ and a 30-day notice⁶ to the public regarding this information collection on 1/16/2015 and 4/10/2015 respectively. Within the 60-day public notice, the Commission solicited comments and 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. No comments were received.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

No payments or gifts have been made to FERC-65, FERC-65A, or FERC-65B respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC-65, FERC-65A, and FERC-65B filings to be confidential. However, the Commission will consider specific requests for confidential treatment to the extent permitted by law.⁷ 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 BEHAVIOIR AND ATTITUDES, RELIGIOUS BELIEEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE

There are no questions of a sensitive nature that are considered private in the FERC-65, FERC-65A, or FERC-65B.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The currently approved Public Reporting Burden for the FERC-65/65A/65B information collection is:

FERC-65 (Notification of Holding Company Status), FERC-65A (Exemption Notification), and FERC-65B (Waiver Notification)					
	Number of Respondents (A)	Number of Responses Per Respondent	Total Number of Responses (A)x(B)=(C)	Average Burden Hours per Response	Estimated Total Annual Burden

⁵ 5 CFR 1320.8(d)

⁶ 80 FR 19305

⁷ 18 CFR 388.112(a)(1)

		(B)		(D)	(C)x(D)
Notification of Holding Company Status	8	1	8	3	24
Exemption Notification	1	1	1	1	1
Waiver Notification	0	1	0	1	0
TOTAL					25

13. ESTIMATE OF TOTAL ANNUAL COST OF BURDEN TO RESPONDENTS

There are no non-labor costs currently associated with the FERC-65, FERC-65A, and FERC-65B information collection.

All of the costs in this collection are associated with burden hours (labor) and described in either Question #12 or Question #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimated annualized cost to the Federal Government for FERC-65/65A/65B as related to information collection requirements follows:

	Number of Employees (FTEs)	Estimated Annual Federal Cost
FERC-65/65A/65B Analysis and Processing of filings ⁸	0.5	\$74,745
PRA ⁹ Administrative Cost ¹⁰		\$5,193
FERC Total	N/A	\$79,938

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

⁸ Based upon FERC’s 2015 FTE average salary plus benefits (\$149,489)

⁹ Paperwork Reduction Act of 1995 (PRA)

¹⁰ 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, and other changes to the collection.

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

There requirements within FERC-65, FERC-65A and FERC-65B did not change from the previously approved information collection request (ICR 201204-1902-003). There was a change related to the estimated burden cost due to an increase in the hourly wage cost per response (using the FERC employee average salary plus benefits because industry is similarly situated in terms of hourly cost) from \$69.00 per hour to \$72.00 per hour.

FERC-65 (Notification of Holding Company Status), FERC-65A (Exemption Notification of Holding Company Status), and FERC-65B (Waiver Notification of Holding Company Status)						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response¹¹ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
FERC-65	8	1	8	3 \$216	24 \$1728	\$216
FERC-65A	1	1	1	1 \$72	1 \$72	\$72
FERC-65B	0	1	0	1 \$72	0 \$0	\$0
TOTAL			9		25 \$1,800	

The following table illustrates how adjustment to information collection affects the currently approved inventory for FERC-65. The figures reflect the consolidated OMB Control No. that will include the FERC-65, FERC-65A, and FERC-65B. The format, labels, and definitions of the table follow the ROCIS system “ICR Summary of Burden” for the metadata.

Consolidated OMB Control No. for FERC-65,	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
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¹¹ The estimates for cost per response are derived using the following formula: Average Burden Hours per Response * \$72.00 per Hour = Average Cost per Response. The Cost per hour figure is the 2015 FERC average salary plus benefits.

FERC-65A, and FERC-65B				
Annual Number of Responses	9	9	0	0
Annual Time Burden (Hr)	25	25	0	0
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

These are not information collections for which results are published.

17. DISPLAY OF EXPIRATION DATE

Utilities prepare and submit filings that reflect unique or specific circumstances related to their filing. The information is not collected on a standard, preprinted form which would allow the display of the expiration date for OMB approval of the information collected.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The data collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not use effective and efficient statistical survey methodology as stated in Item (i) of the certification to OMB.