

Supporting Statement for
**FERC-566 (Annual Report of Twenty Largest Purchasers),
as modified in the Final Rule in Docket No. RM15-3**

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review the information collection requirements in the FERC-566 (OMB Control No. 1902-0114) and extend its approval of this information collection for three years. FERC-566 is an existing data collection whose filing requirements are contained in 18 Code of Federal Regulations (CFR) Part 46.3.

The Commission is revising its regulations (in the Final Rule, Order 812¹ in Docket RM15-3):

- to eliminate the requirement to submit FERC-566 for
 - regional transmission organizations (RTOs), independent system operators (ISOs), and exempt wholesale generators (EWGs)
 - public utilities that have not made any reportable sales under FERC-566 in any of the three preceding years
- to eliminate the requirement for public utilities submitting FERC-566
 - to identify individual residential customers by name and address and
 - to notify their 20 largest purchasers

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Federal Power Act (FPA) mandates federal oversight and approval of certain electric corporate activities and implements related information filing requirements. Section 305(c) of the Federal Power Act (FPA) requires, among other things, that, on or before January 31 of each calendar year, each public utility shall publish a list, pursuant to rules prescribed by the Commission, of those purchasers of electric energy which purchased (for purposes other than resale) one of the 20 largest annual amounts of electric energy sold by such public utility (or by any public utility which is part of the same holding company system) during any one of the three calendar years immediately preceding the filing date.² The regulatory requirements for the collection are contained in 18 CFR Part 46.3.

The FERC-566 ensures that FPA-mandated obligations are met.

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

¹ The Order is available in FERC's eLibrary at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13933246>.

² 16 U.S.C. 825d(c) (2012).

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The statutory requirements of the FPA identify who must file the FERC-566 and establishes a filing deadline. FERC provides further details in its regulations about the information required by the FERC-566 . For example, FERC allows required filers to file based on estimates of volumes, if actual volumes are not available . However, FERC also requires revisions based on actual numbers by March 1st each year.

This data collection provides insight into complex electric corporate activities. It serves to safeguard public and private interests, as the FPA requires, by disclosing to both the public and the Commission for analysis business relationships between utilities and their customers which are subject, in turn, to interlocking officer and director reporting requirements,.

This Final Rule, Order No. 812, is eliminating some filings and reducing the burden on other filers.

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

Under FERC regulations, respondents can file their FERC-566 in various formats including electronically via the Commission's eFiling webpage. Approximately 70% of FERC-566 filings are submitted electronically.

FERC has made a preferred format in Excel available for use by filers of the FERC-566 filings. However, some respondents still file this form in hard copy or word processing formats.

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

This Congressionally-mandated information collection is unique in that, as required by the FPA, it describes specific corporate activities of individuals and businesses. There are no other sources for this data.

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

FERC is eliminating the requirement to file for some entities and reducing the requirement for others. The data collection as revised by the Final Rule, Order No. 812, imposes the least possible burden on small entities while still collecting information necessary for the Commission to fulfill statutory requirements.

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

Section 305(c) of the Federal Power Act (FPA) requires submission of the data collected in the FERC-566 (i.e., pursuant to section 305(c)(2), public utilities must publish a list, pursuant to rules prescribed by the Commission) on or before January 31 of each calendar year. The Commission cannot change these Congressionally-mandated filing requirements or date. If the FERC-566 were collected less frequently, the Commission would not be acting in accordance with the statutory mandate.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related to the information collection.

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

Docket IC14-9. In Docket No. IC14-9-000 (for the most recent renewal cycle), in accordance with OMB requirements, the Commission published a 60-day notice³ and a 30-day notice⁴ to the public regarding this information collection on 3/4/2014 and 7/9/2014 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 four comments from the public regarding this information collection.

Commenters requested certain exemptions from FERC-566 reporting requirements, which has prompted the Commission to develop and issue the Final Rule, Order No. 812.

The Commission shares commenters' interest in identifying and implementing burden reductions to the benefit of filers as well as the Commission. FERC studied the issues and requirements further and is adopting changes to the FERC-566 in this Final Rule, Order No. 812.

Docket RM15-3. The Commission issued a Notice of Proposed Rulemaking (NOPR),⁵ received comments, and is addressing them in this Final Rule, Order No. 812. The ISO/RTO Council, South Central MCN, LLC and Midcontinent MCN, LLC, Edison Electric Institute, International Transmission Company, LLC, ITC Midwest LLC, and ITC Great Plains, LLC (collectively ITC), Financial Marketers Coalition, The NRG Companies, and Power Corp. filed comments to the NOPR. The commenters variously supported the Commission's proposal to revise its regulations to: eliminate the requirement that RTO's, ISO's, and EWG's submit FERC-566; eliminate the requirement that public utilities that have not made any reportable sales under FERC 566 in any of the three preceding years submit FERC-566; and eliminate the requirement that public utilities submitting FERC 566 identify individual residential customers by name and

3 79 FR 12191.

4 79 FR 38870.

5 The NOPR was issued on December, 18, 2014 and is posted at:
<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13714676> .

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address, along with providing notification to the 20 largest purchasers. Commenters stated that eliminating or further modifying the filing requirements would reduce the information collection burden and promote administrative efficiency for both the filers and the Commission.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no gifts or payments given to the respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The FERC-566 information submitted to the Commission is made publically available. Specific requests for confidential treatment, to the extent permitted by law, are considered pursuant to 18 CFR 388.112.

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

This collection does not include any questions of a sensitive nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The total estimated annual burden and cost after implementation of the Final Rule in RM15-3 is 1,071 hrs. (reduced from the current burden inventory of 6,492 hrs. before RM15-3) and \$77,094 (reduced from \$457,686 before RM15-3). . The final rule decreased the burden by eliminating some filings and by reducing the reporting requirements in some of the remaining filings. (The change in burden is detailed in Section #15 below.)

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up or other non-labor costs associated with this information collection.

Total Capital and Start-up cost: \$0

Total Operation, Maintenance, and Purchase of Services: \$0

Private sector costs associated with burden hours are discussed in Questions 12 and 15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The following table contains the annualized effort and cost for FERC-566.

| FERC-566 | Number of Employees (FTEs) | Estimated Annual Federal Cost |
|--|----------------------------|-------------------------------|
| Analysis and Processing of filings ⁶ | .50 | \$74,744.50 |
| Paperwork Reduction Act Administrative Cost ⁷ | | \$5,193.00 |
| TOTAL | | \$79,937.50 |

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

Final Rule in RM15-3. The estimated reductions in burden and cost are based on:

- the elimination of the filing requirement for 886 entities (six RTOs/ISOs, and an additional 880 filers that report no purchasers, including exempt wholesale generators (EWGs)), and
- a reduction in requirements for the remaining 196 filers (i.e., elimination of name and address for residential customers, and elimination of requirement to notify 20 largest purchasers).

Current Inventory, Changes, and Resulting Totals. The following table shows the current OMB Inventory (prior to implementation of the Final Rule in RM15-3), changes made by the final rule in RM15-3 and the resulting net total after implementation of the Order.

⁶Based upon FERC’s 2015 FTE (full time equivalent) average salary plus benefits (\$149,489)

⁷ The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (PRA).

| FERC-566, Estimated Burden (Rounded) | | | | | |
|---|----------------------------------|--|--|---|--|
| Respondent Category | Number of Respondents (1) | Annual Number of Responses per Respondent (2) | Total Number of Responses (1)*(2)=(3) | Average Burden Hours & Cost per Response⁸ (4) | Annual Burden Hours & Total Annual Cost⁹ (3)*(4)=(5) |
| Current Inventory, before Implementation of Final Rule in RM15-3 | | | | | |
| All Filers | 1,082 | 1 | 1,082 | 6 hrs. | 6,492 hrs.; \$457,686 |
| Elimination of Selected Filings, due to Final Rule in RM15-3 | | | | | |
| Elimination of filings by RTOs/ISOs | 6 | 1 | elimination of 6 | (elimination) -6 hrs.; -\$432 | (elimination) -36 hrs.; -\$2,592 |
| Elimination of Filings by Filers with No Purchasers (including EWGs) | 880 | 1 | elimination of 880 | (elimination) -6 hrs.; -\$432 | (elimination) -5,280 hrs.; -\$380,160 |
| Burden Reduction of Remaining Filings, due to Final Rule in RM15-3 | | | | | |
| Elimination of Name & Address for Residential Customers ¹⁰ | 29 | 1 | 29 | (reduction) -0.25 hrs.; -\$18 | (reduction) -7.25 hrs. ; -\$522 |
| Elimination of Requirement to Notify 20 Largest Purchasers ¹¹ | 196 | 1 | 196 | (reduction) -0.5 hrs.; -\$36 | (reduction) -98 hrs.; -\$7,056 |

8 The estimates for cost per response are derived using the following formula: Burden Hours per Response * \$72.00/hour = Cost per Response. The \$72.00/hour is based on the average salary plus benefits for a Commission employee for Fiscal Year 2015. We assume that industry respondents earn at a rate similar to Commission employees.

9 Total Annual Burden Hours * \$72.00/hour

10 The Commission estimates that approximately 29 (or 15%) of the 196 filers have residential customers. Each of those 29 filers is estimated to save 0.25 hours annually due to elimination of the requirement for name and address of residential purchasers.

11 The Commission estimates that each of the 196 filers will save 0.5 hours annually, due to elimination of this requirement.

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|--|-----|---|-----------------------|------------------------|--|
| Total Reduction (rounded), due to implementation of RM15-3) | 886 | 1 | (elimination) -886 | | (elimination of filings and reduction of hours) -5,421 hrs.; - \$390,312 |
| Net Total, after implementation of RM15-3 ¹² | 196 | 1 | 196 | 5.46 hrs.; \$393.34 | 1,071 hrs.; \$77,094 |

The table below illustrates how the estimated burden differs from the burden currently approved by OMB.

| FERC-566 | Total Request | Previously Approved | Change due to Adjustment in Estimate | Change Due to Agency Discretion |
|----------------------------|----------------------|----------------------------|---|--|
| Annual Number of Responses | 196 | 1,082 | 0 | -886 |
| Annual Time Burden (Hr) | 1,071 | 6,492 | 0 | -5,421 |
| Annual Cost Burden (\$) | \$0 | \$0 | \$0 | \$0 |

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical or publication plans for this collection of information.

17. DISPLAY OF EXPIRATION DATE

The expiration dates are displayed in a table posted on ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>. It is also displayed on the preferred format at <http://www.ferc.gov/docs-filing/forms/form-566/preferred-format.xls>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to this collection.

¹² After implementation of this Final Rule, Order No. 812, the Commission estimates the remaining 196 filers will each have an average annual burden of 5.46 hours per filing (a reduction from the previous estimate of 6 hours). Twenty-nine of the 196 filers will annually each have 5.25 hours of burden, and 167 of the 196 filers will each have 5.5 hours of burden. The estimated total annual burden for all of the 196 filers will be 1,071 hours (rounded).