

Supporting Statement for  
**FERC-732, Electric Rate Schedule and Tariffs: Long-Term Firm Transmission Rights in Organized Electricity Markets**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-732, Electric Rate Schedule and Tariffs: Long-Term Firm Transmission Rights in Organized Electricity Markets**, for a three year period. FERC-732 (OMB Control No. 1902-0245) is an existing Commission data collection, as stated by 18 Code of Federal Regulations (CFR), 42.

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

To encourage investment in transmission infrastructure, the Commission requires all Regional Transmission Organizations (RTOs), Independent Service Operators (ISOs), independent transmission providers, or other independent transmission organizations to make available long-term firm transmission rights to load-serving entities (LSEs). The Commission implemented this policy with Order No. 681, Order No. 681-A and Order No. 681-B, following direction provided by Congress in EAct 2005, Title VII Section 1233 (b). A summary and needed clarification to the Commission's policy for long-term firm transmission rights is posted in the OMB clearance package.

To ensure that long-term firm transmission rights are made available in organized markets, the Commission requires that RTOs, ISOs, independent transmission providers, or other independent transmission organizations submit tariff sheets and rate schedules that make available long-term firm transmission rights, or alternatively, an explanation of how their current tariff and rate schedule provide for long-term firm transmission rights.<sup>1</sup> These long-term firm transmission rights made available to transmission customers must satisfy each of the guidelines for long-term firm transmission rights set forth in 18 CFR 42.1(d) in order to comply with Commission requirements.

All existing RTOs and ISOs were required to submit the applicable tariff sheets and rate schedules and have done so. However, FERC-732 requirements in 18 CFR 42.1(d) continue to apply to any transmission organization approved by the Commission after January 29, 2007. Therefore, a small burden for this reporting requirement remains to ensure FERC is compliant with related Congressional requirements in EAct 2005.

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

The Commission will use the tariff sheets and rate schedules submitted by transmission organizations in accordance with this requirement to ensure that the transmission organizations make available long-term firm transmission rights in a way that is

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<sup>1</sup> 18 CFR 42.1

compliant with FERC procedures to implement Congressional EAct 2005 policy. Failure to collect this information would prevent the Commission from complying with Congressional mandates related to long-term firm transmission rights in transmission organizations.

**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 has an ongoing effort to reduce the burden related to this information collection by applying improved information technology. To this end, the Commission has developed the capability of entities to file electronically documents with the Commission via the Internet.

In 2008, the Commission issued Order No. 714,<sup>2</sup> which revised its regulations to require that all tariffs, tariff revisions, and rate change applications for public utilities, natural gas pipelines, oil pipelines and power administrations, be filed electronically starting in April 2010. The eTariff filing process and system reflect standards FERC developed in conjunction with the North American Energy Standards Board. Therefore, entities that file tariff-related FERC-732 data possess the ability to embed the information within the XML schema of the eTariff system. Providing FERC-732 filers with the eTariff system for submitting tariff-related information has reduced the Commission's physical storage needs and has reduced document processing time. The eTariff system has also made tracking documents easier and reduced the costs regulated entities who file FERC-732 data incur in mailing and courier fees. Furthermore, the eTariff system allows FERC-732 tariffs to be accessed, downloaded, and printed by multiple parties at the same time. Moreover, eTariff automatically sends filers an email indicating their filing has arrived at FERC and whether or not the Commission accepted the filing. All FERC-732 filings are also available in electronic format within FERC's eLibrary.

**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 in the Federal Register<sup>3</sup> to help identify any duplication of the information in FERC-732. The Commission received no comments regarding this collection. No similar information can be used or modified. There are no other Federal agencies responsible for providing information on the availability of firm long-term transmission rights. FERC-732 is a necessary information collection in order for the Commission to remain in compliance with EAct 2005 mandates.

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<sup>2</sup> Electronic Tariff Filings, Order No. 714, 73 FR 57,515–57,538, (October 3, 2008).

<sup>3</sup> 80 FR 45214 (7/29/2015)

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

The Commission attempts to impose the least burden possible upon respondents in any requirements for data and any requisite filings made. With specific regard to the FERC-732, it is unlikely that any small entities will respond to this information collection. Transmission organizations are typically not small entities.

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

The requirement for transmission organizations to submit tariff sheets and rate schedules that comply with EPCRA 2005 requirements for making available long-term firm transmission rights is a one-time filing requirement. Collecting the information less frequently would mean not collecting the information at all. If the information were not collected, the Commission would be unable to monitor the availability of long-term firm transmission rights in wholesale electric markets.

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

There are no special circumstances related to this collection.

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

In accordance with OMB requirements<sup>4</sup>, the Commission published a 60-day notice<sup>5</sup> and a 30-day notice<sup>6</sup> to the public regarding this information collection on 7/29/2015 and 10/21/2015 respectively. Within the public notice, the Commission 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**

There are no payments or gifts to FERC-732 respondents.

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

The Commission does not consider the information collected in FERC-732 filings to be confidential. However, the filer may request privileged treatment of a filing that may contain information harmful to the competitive posture of the applicant if released to the

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<sup>4</sup> 5 CFR 1320.8(d)

<sup>5</sup> 80 FR 45214

<sup>6</sup> 80 FR 63755

general public.<sup>7</sup>

**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**

The Commission does not consider any of the questions within the FERC-732 of a sensitive nature that would be considered private.

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

The Commission estimates the Public Reporting Burden for this information collection as:

<b>FERC-732, Electric Rate Schedules and Tariffs: Long-Term Firm Transmission Rights in Organized Electricity Markets</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<sup>8</sup> (4)</b>	<b>Total Annual Burden Hours &amp; Total Annual Cost (3)*(4)=(5)</b>	<b>Cost per Respondent (\$) (5)÷(1)</b>
Public Utility with One or More Organized Electricity Markets	1	1	1	1,180 \$84,960	1,180 \$84,960	\$84,960

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

There are no non-labor start-up costs. All costs are related to burden hours and are addressed in Questions #12 and #15.

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

	<b>Number of Employees</b>	<b>Estimated Annual Federal</b>
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<sup>7</sup> 18 CFR 388.112

<sup>8</sup> The cost figure is the 2015 FERC average salary plus benefits (\$149,489/year or \$72/hour). FERC staff estimates that industry costs for salary plus benefits are similar to Commission costs.

	<b>(FTEs)</b>	<b>Cost</b>
PRA <sup>9</sup> Administration Cost <sup>10</sup>	-	\$5,193
Data Processing and Analysis	0.2	\$29,898
<b>FERC Total</b>		<b>\$35,091</b>

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 estimated burden for this information collection has decreased, as all 6 existing transmission organizations with day-ahead markets met the one-time filing requirement of the FERC-732 and are in compliance with related FERC regulations. Because this remains a one-time filing requirement for transmission organizations, the burden associated with this data collections will result only if a new transmission organization enters FERC jurisdiction. One response for one new transmission organization is being used as a placeholder for a possible application from such a new transmission organization with an organized electricity market.

The following table shows the total burden of the new collection of information. The format, labels, and definitions of the table follow the ROCIS submission system’s “Information Collection Request Summary of Burden” for the metadata.

<b>FERC-732</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	1	1	0	0
Annual Time Burden (Hr)	1,180	1,180	0	0
Annual Cost Burden (\$)	0	0	0	0

The requirements within FERC-732 did not change. Thus, there is no substantive change in burden from the last date of submittal.

<sup>9</sup> Paperwork Reduction Act of 1995 (PRA).

<sup>10</sup> The PRA Administration Cost is \$5,193, and includes preparing supporting statements, notices, and other activities associated with Paperwork Reduction Act compliance.

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

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information. The data are used for regulatory purposes only.

**17. DISPLAY OF EXPIRATION DATE**

The OMB expiration dates are posted on <http://www.ferc.gov/docs-filing/info-collections.asp> .

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions.