

Supporting Statement for
FERC-730, Report of Transmission Investment Activity

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-730, Report of Transmission Investment Activity** (OMB Control No. 1902-0239), for a three-year period. FERC-730 is an existing data collection with reporting requirement in 18 Code of Federal Regulations (CFR) Section 35.35(h).

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

To promote the development of needed energy infrastructure, Congress enacted Section 1241 of the Energy Policy Act of 2005 which added a new Section 219 to the Federal Power Act (FPA). Section 219 of the FPA required that the Commission issue a rule allowing incentive-based rate treatments to promote capital investment in the enlargement, improvement, maintenance, and operation of transmission facilities.

FERC Order No. 679 adopted an annual reporting requirement (FERC-730) for utilities that receive incentive rate treatment for specific transmission projects. Public utilities granted incentive-based rate treatment for specific transmission projects under the provisions of 18 CFR 35.35 (h) must file the FERC-730. The information collected in the FERC-730 is necessary for the Commission to evaluate its incentive rates policies, and to demonstrate the effectiveness of these policies. Further, the FERC-730 filing requirement allows the Commission to track the progress of electric transmission projects granted incentive-based rates, providing an accurate assessment of the state of the industry with respect to transmission investment, and ensuring that incentive rates are effective in encouraging the development of appropriate transmission infrastructure.

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

The information collected in the FERC-730 is necessary for the Commission to evaluate its incentive rates policies and to demonstrate the effectiveness of these policies. Without it, the Commission would not be able to track the progress of electric transmission projects granted incentive-based rates and would not be able to provide an accurate assessment of the state of the industry with respect to transmission investment. Further, FERC would not be able to ensure that incentive rates are effective in encouraging the development of appropriate transmission infrastructure.

The FERC-730 tracks data such as incremental investment costs for each of the succeeding five (5) calendar years as defined within 18 CFR Part 101 Accounts 350-359. These capital investments could incorporate explicit costs as applicable to land/land rights in connection to transmission operations, any structure/improvements used in connection with transmission operations, or other investments made to change or improve transmission operations. Information regarding expected project status and completion date is also included within FERC-

730 data. The data must be filed by April 18th of the year following issuance of the applicable incentive-based rate. Subsequent filings are due each April 18th thereafter.

Without collection of the FERC-730 information, the Commission would be unable to assess whether the Commission's Order 697 mandates were having the outcome Congress set forth in Section 219 of the FPA.

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

FERC-730 applicants can use the eFiling system to file the required information to the Commission. Applicants should visit the eFiling website (<http://www.ferc.gov/docs-filing/efiling.asp>) to find information on what file formats are acceptable.

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 information required in FERC-730 is not available in any other form or information collection. This annual report includes projections and information that details the level and status of transmission investment. FERC Form 1 may appear duplicative as the Commission collects some financial data from electric utilities within that information collection. However, FERC-730 is not duplicating effort as it is the only information collection with a forward-looking perspective requiring information on planned transmission investment. Additionally, FERC-730 is the only information collection that tracks the progress of transmission projects that have received approval for incentive-based rates.

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

The universe of FERC-730 respondents does not typically include small entities. The Commission anticipates that the high cost of construction of transmission facilities and the requirements to finance complex and costly transmission projects are not currently and will not be conducive to small entities' entry into this field as defined by the Regulatory Flexibility Act (RFA). Therefore, the Commission concludes that these requirements would not have a significant economic impact on a substantial number of small entities since small entities are not present within this respondent universe.

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

If the Commission collected this information less frequently than its present annual collection, then a current source of information with which to evaluate its incentive-based rate policies would not be available.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

The information collection meets all of OMB's section 1320.5 requirements.

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

In accordance with OMB requirements, the Commission published a 60-day notice¹ and a 30-day notice² to the public regarding this information collection on 12/24/2015 and 3/25/2016, 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. The Commission received no comments.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents in the requirements contained in this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC-730 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 general public.³

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 associated with the reporting requirements.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

FERC-730 (Report of Transmission Investment Activity)

1 80 FR 80355
2 81 FR 16168
3 18 CFR 388.112

Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hrs. & Cost Per Response ⁴ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
63	1	63	30 hrs.; \$2,160	1,890 hrs.; \$136,080	\$2,160

13. ESTIMATE OF THE TOTAL ANNUAL COST 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

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings ⁵	0.3	\$44,847
PRA ⁶ Administrative Cost ⁷		\$5,193
FERC Total		\$50,040

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 submitted in response to the information collection.

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

There are no changes to requirements. Therefore, there are no changes to the information collection burden associated with FERC-730.

The following table shows the total burden of the collection of information. The format, labels, and definitions of the table follow the ROCIS submission system’s “Information Collection

⁴ The estimates for cost per response are derived using the FERC 2015 average salary plus benefits of \$149,489/year (or \$72.00/hour). Commission staff finds that the work done for this information collection is typically done by wage categories similar to those at FERC.

⁵ Based upon 2015 FTE average annual salary plus benefits (\$149,489.00).

⁶ Paperwork Reduction Act of 1995 (PRA).

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) 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.

Request Summary of Burden” for the metadata.

FERC-730	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	63	63	0	0
Annual Time Burden (Hours)	1,890	1,890	0	0
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

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

FERC-730 is available from the Commission’s website (<http://www.ferc.gov/docs-filing/forms.asp#730>) as a standard form that can be downloaded and the expiration date for OMB approval is on the form/instructions.

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

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.