

Supporting Statement for
FERC-920, Electric Quarterly Report (EQR)
(Proposed Revisions to EQR in Docket No. RM01-8-000,¹ Issued 9/22/2016)

The Federal Energy Regulatory Commission (Commission or FERC) requests Office of Management and Budget (OMB) review and approval of proposed revisions to the FERC-920, Electric Quarterly Report (EQR), as detailed in the document proposing r revisions to Electric Quarterly Report, issued 9/22/2016 in Docket No. RM01-8, et al. Error: Reference source not found.^{2, 3}

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Commission set forth the EQR filing requirements in Order No. 2001 (Docket No. RM01-8-000, issued April 25, 2002, at http://elibrary.ferc.gov/idmws/search/intermediate.asp?link_file=yes&doclist=2270047). Order No. 2001 required public utilities to electronically file EQRs summarizing transaction information for short-term and long-term cost-based sales and market-based rate sales and the contractual terms and conditions in their agreements for all jurisdictional services.⁴ The Commission established the EQR reporting requirements to help ensure the collection of information needed to perform its regulatory functions over transmission and sales, while making data more useful to the public and allowing public utilities to better

1 The proposal is included in Docket Nos. RM01-8-000, RM10-12-000, RM12-3-000, and ER02-2001-000. It is available in FERC's eLibrary at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14360006>; a related News Release is posted at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14360077>. The proposal published in the Federal Register at 81 FR 69731 (10/7/2016).

2 A previously issued Order clarifying the requirements is posted at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14277864>.

3 There are two recent items in this docket which affected FERC-920..

- The eTag ID requirement was deleted in FERC's Clarifying Order issued 6/16/2016. The related ICR 201607-1902-002 was approved by OMB on 9/28/2016.
- In addition, there was a recent Notice of Proposed Rulemaking (NOPR) issued 7/21/2016 in Docket RM16-17. Due to the Clarifying Order which was at the time still pending OMB review, the NOPR in RM16-17 was submitted to OMB under a temporary information collection number, FERC-920(A). Because it is included in FERC-920(A), it is not addressed further here. OMB issued its decision on the related ICR 201607-1902-007 on 10/6/2016.

4 *Revised Public Utility Filing Requirements*, Order No. 2001, 67 FR 31043 (May 8, 2002), FERC Stats. & Regs. ¶ 31,127, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reh'g denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *order directing filing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *order directing filing*, Order No. 2001-D, 102 FERC ¶ 61,334, *order refining filing requirements*, Order No. 2001-E, 105 FERC ¶ 61,352 (2003), *order on clarification*, Order No. 2001-F, 106 FERC ¶ 61,060 (2004), *order revising filing requirements*, Order No. 2001-G, 72 FR 56735 (Oct. 4, 2007), 120 FERC ¶ 61,270, *order on reh'g and clarification*, Order No. 2001-H, 73 FR 1876 (Jan. 10, 2008), 121 FERC ¶ 61,289 (2007), *order revising filing requirements*, Order No. 2001-I, 73 FR 65526 (Nov. 4, 2008), 125 FERC ¶ 61,103 (2008).

fulfill their responsibility under FPA section 205(c) to have rates on file in a convenient form and place. As noted in Order No. 2001, the EQR data is designed to “provide greater price transparency, promote competition, enhance confidence in the fairness of the markets, and provide a better means to detect and discourage discriminatory practices.”

Since issuing Order No. 2001, the Commission has provided guidance and refined the reporting requirements, as necessary, to simplify the filing requirements and to reflect changes in the Commission’s rules and regulations. For instance, in 2007, the Commission adopted an Electric Quarterly Report Data Dictionary, which provides in one document the definitions of certain terms and values used in filing EQR data.⁵ Moreover, in 2007, the Commission required transmission capacity reassignment to be reported in the EQR.⁶

In EPCA 2005, Congress added section 220 to the FPA, directing the Commission to “facilitate price transparency in markets for the sale and transmission of electric energy in interstate commerce” with “due regard for the public interest, the integrity of those markets, fair competition, and the protection of consumers.” FPA section 220 grants the Commission authority to obtain and disseminate “information about the availability and prices of wholesale electric energy and transmission service to the Commission, State commissions, buyers and sellers of wholesale electric energy, users of transmission services, and the public.” The statute specifies that the Commission may obtain this information from “any market participant,” except for entities with a *de minimis* market presence.

The Commission’s EQR reporting requirements must keep pace with market developments and technological advancements. Collecting and formatting data as discussed in this proposal would ensure greater consistency and accuracy of data in the EQR and provide the Commission with the necessary information to identify and address potential exercises of market power and better inform Commission policies and regulations.

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

EQR information allows the Commission and the public to gain a more complete picture of interstate wholesale electric power and transmission markets by providing additional

⁵ See, e.g., *Revised Public Utility Filing Requirements for Electric Quarterly Reports*, 124 FERC ¶ 61,244 (2008) (providing guidance on the filing of information on transmission capacity reassignments in EQRs); *Notice of Electric Quarterly Reports Technical Conference*, 73 FR 2477 (Jan. 15, 2008) (announcing a technical conference to discuss changes associated with the EQR Data Dictionary).

⁶ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 FR 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241, at P 817, *order on reh'g*, Order No. 890-A, 73 FR 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g and clarification*, Order No. 890-B, 73 FR 39092 (July 8, 2008), 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 74 FR 12540 (March 25, 2009), 126 FERC ¶ 61,228 (2009), *order on clarification*, Order No. 890-D, 74 FR 61511 (Nov. 25, 2009), 129 FERC ¶ 61,126.

information concerning price formation and market concentration in these markets. Public access to additional sales and transmission-related information in the EQR improves market participants' ability to assess supply and demand fundamentals and to price interstate wholesale electric market transactions. This in turn results in greater market confidence, lower transaction costs, and ultimately supports competitive markets. In addition, the data filed in the EQR strengthens the Commission's ability to exercise its wholesale electric rate and electric power transmission oversight and enforcement responsibilities in accordance with the Federal Power Act. Without this information, the Commission would lack some of the data it needs to examine and approve or modify electric rates. It also strengthens the Commission's ability to identify potential exercises of market power or manipulation and to better evaluate the competitiveness of interstate wholesale electric markets. FERC is also authorized, as appropriate, to employ enforcement proceedings when violations occur.

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

Order No. 2001 (issued 4/25/2002) required "public utilities to electronically file Electric Quarterly Reports..." Electronically filed EQRs improved the efficiency, convenience, and overall management of the filing process, facilitated public access to wholesale contract information, and reduced the industry's burden and expense associated with reporting and reviewing electric transactions.

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.

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its regulatory responsibilities under the Act in an effort to alleviate duplication and to minimize burden. We have reviewed existing resources, and we believe that the additional information that will be required is not available through existing sources and is necessary to help the Commission identify and address potential exercises of market power and better inform Commission policies and regulations.

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

Based on available data, the percentage of small firms affected by the proposal is estimated to be at least 78 percent.⁷ We recognize that the rule will impact small electric utilities, electric

⁷ For the analysis in this proposal, we are using a conservative number of 1,000 employee threshold to conduct a

power distribution, electric bulk power transmission and control, and power marketers and estimate the economic impact below. The economic impact of this proposed rule is directly related to the size and complexity of the organization, that is, the more entities to which a company is related, the more generation assets it owns or controls, the more traders it employs, and the more market activities in which it participates, the more information must be reported in the EQR. Therefore, it is reasonable to assume that the cost of complying for small entities will be significantly less than the cost for large ones, and the amount of information that a small entity will be required to collect, maintain and transmit is likely to be small.

We estimate the one-time implementation cost (rounded) in year one (including burden hours) for each affected entity to be \$1,687 for public utilities and \$1,484 for non-public utilities. The annual ongoing cost (including burden hours) for each affected entity is estimated to be \$412 for public utilities and \$337 for non-public utilities.

For non-public utilities, the Commission will exempt under the *de minimis* market presence threshold non-public utilities that make 4,000,000 MWh or less of annual wholesale sales (based on an average of the wholesale sales it made in the preceding three years). This *de minimis* threshold will exclude small non-public utilities. In addition, we believe that the burden of complying decreases the smaller the filer is because it will have less information to report. Furthermore, we note that companies may request, on an individual basis, waiver from the EQR reporting requirements.

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

If the collection were conducted less frequently, the Commission would be unable to perform its mandated oversight and review responsibilities with respect to electric rates. Further, less frequent collection would not provide necessary information about wholesale electricity and transmission markets to enable the Commission to identify and address potential exercises of market power and better inform Commission policies and regulations in a timely fashion.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances.

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

The documentError: Reference source not found proposing revisions to FERC-920 gives the public the opportunity to review FERC's proposals and to comment on them. It will be published in the Federal Register at 81FR69731 (on 10/7/2016, at <https://www.gpo.gov/fdsys/pkg/FR-2016-10-07/pdf/2016-23447.pdf>).

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission does not provide compensation or remuneration to entities subject to its jurisdiction.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

Generally, the Commission does not consider this information to be confidential. If an entity chooses to seek confidential treatment of the information, they must submit a request for the Commission to treat this information as confidential and non-public, consistent with 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.

There are no questions of a sensitive nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

Estimates for the changes to the burden and cost⁸ due to the proposals in Docket Nos. RM01-8, et al. follow.

⁸ The estimated hourly cost (salary plus benefits) are based on the figures for May 2015 posted by the Bureau of Labor Statistics for the Utilities sector (available at http://www.bls.gov/oes/current/naics2_22.htm) and updated March 2016 for benefits information (at <http://www.bls.gov/news.release/ecec.nr0.htm>). The hourly estimates for salary plus benefits are: (a) Legal (code 23-0000), \$128.94; (b) Computer and mathematical (code 15-0000), \$60.54; (c) Information systems manager (code 11-3021), \$91.63; (d) IT security analyst (code 15-1122), \$58.00; (e) Auditing and accounting (code 13-2011), \$53.78; and (f) Information and record clerk (code 43-4199), \$37.69.

Burden Changes as Proposed in Notice Seeking Comment on Electric Quarterly Report FERC-920 Reporting Requirements							
	Annual No. of Respondents	Annual No. of Responses	Annual Total Responses	Average No. Hours per Response	Average Hourly Burden Cost	Annual Total Burden Hours	Annual Total Burden Cost
	(1)	(2)	(1) * (2) = (3)	(4)	(5)	(3) * (4) = (6)	(3) * (4) * (5) = (7)
Initial One Time Costs							
Public Utilities							
Reporting Ancillary Service Transactions	266	1	266	24.0	\$71	6,384	\$454,573
Reporting eTariff Data Fields	1791	1	1791	24.0	\$71	42,984	\$3,060,676
Reinstating "Time Zone" Field in Contracts	29	1	29	13.0	\$71	377	\$26,844
Distinguishing Booked Out Transactions	20	1	20	7.0	\$80	140	\$11,190
Non-Public Utilities							
Reporting Ancillary Service Transactions	14	1	14	24.0	\$71	336	\$23,925
Reporting eTariff Data Fields	14	1	14	24.0	\$71	336	\$23,925
Reinstating "Time Zone" Field in Contracts	3	1	3	13.0	\$71	39	\$2,777
Distinguishing Booked Out Transactions	5	1	5	7.0	\$80	35	\$2,798
Ongoing Annual Costs							
Public Utilities							
Reporting Ancillary Service Transactions	266	4	1064	2.0	\$53	2,128	\$111,725
Reporting eTariff Data Fields	1791	4	7164	2.0	\$53	14,328	\$752,256
Reinstating "Time Zone" Field in Contracts	29	4	116	0.5	\$61	58	\$3,511
Distinguishing Booked Out Transactions	20	4	80	0.0	\$0	0	\$0
Non-Public Utilities							
Reporting Ancillary Service Transactions	14	4	56	2.0	\$53	112	\$5,880
Reporting eTariff Data Fields	14	4	56	2.0	\$53	112	\$5,880
Reinstating "Time Zone" Field in Contracts	3	4	12	0.5	\$61	6	\$363
Distinguishing Booked Out Transactions	5	4	20	0.0	\$0	0	\$0
Initial Hours/Costs Public Utilities						49,885	\$3,553,283
Initial Hours/Costs Non-Public Utilities						746	\$53,424
Total Initial Hours/Costs						50,631	\$3,606,707
Ongoing Hours/Costs Public Utilities						16,514	\$867,492
Ongoing Hours/Costs Non-Public Utilities						230	\$12,124
Total Ongoing Hours/Costs						16,744	\$879,616

For public and non-public utilities, the hourly cost (rounded, for salary plus benefits) for one-time implementation are computed as follows:

- For "Reporting Ancillary Service Transactions," "Reporting e-Tariff Data Fields," and "Reinstating 'Time Zone' Field in Contracts," the estimated cost is \$71/hour.⁹
- For "Distinguishing Booked Out Transactions," the estimated cost is \$80/hour.¹⁰

For public and non-public utilities, the ongoing hourly costs (rounded, for salary plus benefits) are computed as follows.

- For the "Reporting Ancillary Service Transactions" and "Submitting Five Unique Data Fields Associated with Tariff in e-Tariff," the estimated cost is \$53/hour.¹¹
- For "Reinstating 'Time Zone' Field in Contracts," the estimated cost is \$61/hour.¹²
- For "Distinguishing Booked Out Transactions," there is no additional ongoing cost.

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

9 This estimate is based on the following percentages (rounded) of time spent: (a) Legal, 12.5%; (b) Computer and mathematical, 37.5%; (c) Information systems manager, 16.7%; (d) IT security analyst, 12.5%; (e) Auditing and accounting, 12.5%; and (f) Information and record clerk, 8.3%.

10 This estimate is based on the following percentages of time spent: (a) Legal, 28.6%; (b) Computer and mathematical, 14.3%; (c) Information systems manager, 14.3%; (d) IT security analyst, 14.3%; (e) Auditing and accounting, 14.3%; and (f) Information and record clerk, 14.3%.

11 This estimate is based on the following percentages (rounded) of time spent: (a) Computer and mathematical, 25%; (b) IT security analyst, 25%; (c) Auditing and accounting, 25%; and (d) Information and record clerk, 25%.

12 This estimate is based on the following percentage of time spent: Computer and mathematical, 100%.

There are no costs which are not related to burden hours; burden hour costs are explained in items 12 and 15.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The estimated additional federal cost related to the proposed revisions to FERC-920 in Docket RM01-8 et. al. follows:

	Number of Employees (FTEs)	Estimated Annual Cost
Analysis and Processing of FERC-920 filings ¹³	no change	no change
Hardware/Software Development in Year 1		\$2,135
Hardware/Software Maintenance, starting Year 2		no change
PRA ¹⁴ Administrative Cost ¹⁵		\$5,481
FERC Total Year 1		\$7,616

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

The Commission’s EQR reporting requirements must keep pace with market developments and technological advancements. Collecting and formatting data as discussed in this proposal will provide the Commission with the necessary information to identify and address potential exercises of market power and better inform Commission policies and regulations.

The proposals will affect public utilities and certain non-public utilities. The proposals would require transmission providers to report ancillary services transaction data; require filers to submit into the FERC Tariff Reference fields in the EQR certain tariff-related information that they currently submit in the e-Tariff system; and require EQR filers to submit time zone

¹³ For 2016, FERC’s average FTE cost for salary plus benefits is \$154,647 or (\$74.50/hour).

¹⁴ Paperwork Reduction Act of 1995 (PRA)

¹⁵ 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 notices, and other changes to the collection.

information in connection with transmission capacity reassignment transactions. The proposals also clarify how booked out transactions should be reported in the EQR.

There are approximately 2,196 public utilities and about 40 non-public utilities that currently file EQRs. About 405 of the 2,196 public utilities only submit data in the ID Data section of the EQR because they have no data to report in the Contract or Transaction Data sections of the EQR. We estimate there are about 266 public utilities and 14 non-public utilities that would be impacted by the proposal to report ancillary service transaction data, based on the number of public utility and non-public utility transmission providers that are currently reporting ancillary services in the Contract Data section of the EQR. Of the total 2,196 public utilities, approximately 1,791 have e-Tariffs on file and submit data in the Contract and/or Transaction Data sections of the EQR and would, therefore, be impacted by the proposal to submit additional tariff-related information in their EQRs. Similarly, about 14 non-public utilities have e-Tariffs on file and submit data in the Contract and/or Transaction Data sections of the EQR and would, therefore, be impacted. We also estimate that approximately 29 public utilities and 3 non-public utilities are currently reporting transmission capacity reassignment transactions and would be affected by the proposal to include the time zone information in connection with these transactions. Finally, we estimate that about 20 public utilities and 5 non-public utilities would need to distinguish between booked out energy and booked out capacity and, therefore, would be impacted by the proposal to separately identify and report these transactions.

The additional one-time initial implementation burden (which will be completed in Year 1) of 50,631 hours is being administratively averaged over the three years for this submittal. In Years 1-3, the total additional burden is 33,621 hours $[(50,631/3) + 16,744]$. The additional one-time initial implementation burden will be removed in Year 4.

Summary. The following table shows current inventory, changes, and total inventory.

FERC-920	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	13,417	11,275		+2,142
Annual Time Burden (Hr.)	263,653	230,032		+33,621
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

The data are being collected for regulatory purposes and not for the purposes of publication.

17. DISPLAY OF EXPIRATION DATE

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

18. EXCEPTION TO THE CERTIFICATION STATEMENT

The data collected are not used for statistical purposes.