

Supporting Statement for
FERC-566 (Annual Report of a Utility's Twenty Largest Purchasers)
(Three-year approval for extension requested)

The Federal Energy Regulatory Commission (FERC or Commission) requests the Office of Management and Budget (OMB) extend its approval of the information collection requirements in FERC-566 (OMB Control No. 1902-0114) for an additional three years. The requirements for FERC-566 are contained within the Commission's regulations at 18 CFR 46.3.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Commission uses the FERC-566 to identify a public utility's large purchasers of electric energy. The Federal Power Act (FPA) requires public utilities to publish and file this list with the Commission. Through a separate FPA required collection [the FERC Form No. 561 (Annual Report of Interlocking Positions; OMB Control No. 1902-0099)], identification is made of public utility board members who are also board members of the utility's largest customers. The Commission uses the information from these two collections to inquire into and to determine whether public or private interests will be adversely affected by the concurrent holding of officer or director positions of both a public utility and its customers.

The FPA mandates federal oversight and approval of certain electric corporate activities and implements related information filing requirements. Section 305(c) of the FPA requires 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.¹ 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 16 U.S.C. 825d(c) (2012).

The Commission uses the information collected by FERC -566 to identify large purchasers of electric energy. The FPA requires public utilities to publish and to file with the Commission a list of their largest customers and the identification of public utility board members who are also board members of the utility's largest customers.² This data on *interlocking directorates* allows the Commission to inquire into and to determine whether public or private interests will be adversely affected by the concurrent holding of such positions.

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

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

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

The Commission allows eFiling for the FERC-566.

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 periodically reviews filing requirements concurrent with OMB review or as the Commission deems necessary to eliminate duplicative filing and to minimize the filing burden. No similar information exists.

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

This information collection imposes the least possible burden on small entities while collecting the information necessary for the Commission to carry out its responsibilities under 18 CFR Part 46.

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

If the collection of information were conducted less frequently, the Commission would be unable to perform its mandated oversight and review responsibilities with respect to interlocking directorates.

Section 305(c) of the 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.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related to the FERC-566 information collection.

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

In accordance with OMB requirements, each FERC activity that results in the revision of an information collection is published in the Federal Register thereby providing public utilities and licensees, state commissions, Federal agencies, and other interested parties an opportunity to submit data, views, comments, and/or suggestions concerning the approved collections of data. The Commission published a 60-day notice³ and a 30-day notice⁴ to the public regarding this information collection on 4/12/2018 and 7/3/2018 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 no comments from the public in response to the 60-day notice.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no gifts or payments given to the respondents associated with this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC-566 filings to be confidential. However, the Commission will consider specific requests for confidential

³ 83 FR 15825

⁴ 83 FR 31137

treatment to the extent permitted by the law⁵. 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 BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE

There are no questions of a sensitive nature in the reporting requirements.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

Based on the Commission’s recent information with the burden of FERC-566, the estimated burden and cost is:

FERC-566 (Annual Report of a Utility’s 20 Largest Purchasers)						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response⁶ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
FERC-566	300	1	300	4 hrs.; \$306	1,200 hrs.; \$91,800	\$306

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor Paperwork Reduction Act (PRA) related costs. All of the costs in the information collection are associated with burden hours and addressed in Questions 12 and 15.

⁵ 18 CFR 388.112(a)(1)

⁶ The Commission staff thinks that the average respondent for this collection is similarly situated to the Commission, in terms of salary plus benefits. Based upon FERC’s 2018 annual average (for salary plus benefits) of \$164,820, the average hourly cost is \$79/hour. Commission staff is using the FERC average hourly cost because we consider any reporting completed in response to the FERC-566 to be compensated at rates similar to the work of Commission employees.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

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

FERC-566	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of filings ⁷	0.50	\$82,410.00
Paperwork Reduction Act Administrative Cost ⁸		\$4,931.00
TOTAL		\$87,341.00

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.

The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the 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, as well as related publications in the Federal Register.

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

FERC-566 implements FPA requirements that each public utility annually publish a list of the 20 purchasers which purchased the largest annual amounts of electric energy sold by such public utility during any of the three previous calendar years. With a more accurate count of responses and respondents we have an adjustment in estimate for FERC-566. Additionally, the burden per response was revised slightly due to a better estimation of burden per filing by subject matter experts. The revision to the burden per response is not due to any programmatic changes to the FERC-566 information collection.

There is an increase of 104 responses and 129 annual burden hours in this renewal.

FERC-566	Total Request	Previously Approved	Change due to Adjustment in	Change Due to Agency
-----------------	----------------------	----------------------------	------------------------------------	-----------------------------

⁷ This is based upon FERC’s 2018 average annual salary plus benefits of \$164,820.

⁸ Paperwork Reduction Act of 1995 (PRA).

			Estimate	Discretion
Annual Number of Responses	300	196	104	0
Annual Time Burden (Hr.)	1,200	1,071	129	0
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There is no publication of data associated with FERC-566 collection of information.

17. DISPLAY OF EXPIRATION DATE

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

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to this collection.