

Supporting Statement

FERC-717 (Open Access Same-Time Information System and Standards for Business Practices and Communication Protocols),

as modified by the NOPR in Docket Number RM05-5-026

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review FERC-717 (Open Access Same-Time Information System and Standards for Business Practices and Communication Protocols), as proposed for revision in the Notice of Proposed Rulemaking (NOPR) in Docket No. RM05-5-026.

In this NOPR, the Commission amends its regulations under the Federal Power Act (FPA) to remove the incorporation by reference of the Wholesale Electric Quadrant (WEQ) WEQ-006 Time Error Correction Business Practice Standards as adopted by the North American Energy Standards Board (NAESB) in its WEQ Version 003.0 Businesses Practice Standards.¹ NAESB approved this removal on December 8, 2017, and filed an informational report with the Commission on March 27, 2017. We also propose to incorporate corresponding modifications to WEQ-000, Abbreviations, Acronyms, and Definition of Terms Business Practice Standards, which were adopted by NAESB on that same date.

We propose that the requirement to make compliance tariff filings (included in FERC-516, Electric Rate Schedules and Tariff Filings, OMB Control No. 1902-0096) for the WEQ-006 Business Practice Standards be deferred until final action is taken by the Commission on the entirety of the WEQ Version 003.2 Business Practice Standards for those who continue to opt to specify a specific version of the standards in their tariffs. Therefore, changes to the burden and cost of the FERC-516 are not being proposed at this time or addressed in this supporting statement.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Federal Power Act Section 205² requires the Federal Energy Regulatory Commission to ensure that the rates and charges for the wholesale sale of electric energy are just and reasonable. Section 205 also requires that the rules and regulations affecting or pertaining to the rates and charges for the wholesale sale of electric energy be just and reasonable.

¹ The latest version of incorporated standards that include Standard WEQ-006 are the WEQ Version 003.0 Business Practice Standards. The WEQ Version 003.1 Business Practice Standards are pending before the Commission and the Commission (as suggested by NAESB) plans to act on the WEQ Version 003.2 standards, which retired Standard WEQ-006 and not take separate action on the WEQ Version 003.1 standards.

² 16 U.S.C. 824d(a)

Industry-wide business practice standards help the industry achieve increased levels of efficiency. The WEQ-006 Manual Time Error Correction Business Practice Standards previously defined the commercial based procedures to be used for reducing time error to keep the system's time within acceptable limits of true time. NAESB's latest version of its Business Practice Standards retires and eliminates its Manual Time Error Correction Business Practice Standards to correspond with the removal of the Time Error Correction requirements of the North American Electric Reliability Corporation (NERC), which was approved by the Commission in 2017. Given the retirement of the reliability standard, there is no longer a need for an accompanying business practice standard. This rule maintains parallel treatment with NERC's reliability standards to coordinate industry participants' commercial and reliability requirements and reduce transaction costs.

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

In a previous Final Rule (Order No. 889), the Commission required public utilities to establish Open Access Same-Time Information System (OASIS) sites to provide transmission customers with equal and timely access to information about transmission and ancillary services provided in the tariffs. This requirement was established because the Commission believes that transmission customers must have simultaneous access to the same information available to the Transmission Provider in order to achieve nondiscriminatory transmission services.

The Commission determined that standardization of business practices and communication processes benefits the electric industry by providing uniform methods for public utilities to conduct business with different transmission providers. Many participants in electric markets conduct business transactions involving a number of different transmission providers. Establishing a uniform set of procedures and communication protocols increases the efficiency of such transactions.

The public utilities subject to this NOPR in Docket No. RM05-5-026 will be required to make tariff filings (FERC-516) referencing the Version 003.2 standards and stating that they will implement their tariff in accordance with the requirements of the WEQ Version 003.2 standards. However, we propose that the requirement to make compliance tariff filings (included in FERC-516, Electric Rate Schedules and Tariff Filings, OMB Control No. 1902-0096) for the WEQ-006 Business Practice Standards be deferred until final action is taken by the Commission on the entirety of the WEQ Version 003.2 Business Practice Standards for those who continue to opt to specify a specific version of the standards in their tariffs.

Public utilities currently collect and post information on various systems such as OASIS currently in use by the industry. The retirement of Standard WEQ-006 on Time Error Corrections does not substantially affect the overall amount or content of information in the entire package of WEQ business practice standards.

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

Applicable entities continue to use OASIS (under the FERC-717 collection), providing the public online access to transmission service information.

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

FERC rules and data requirements are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of FERC's regulations and data requirements to identify duplication.

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

The Commission estimates that 5 of the 170 respondents (or 3%) are small. The Commission estimates that the impact on each entity (large and small) is a proposed reduction or savings of \$79.00 (or one hour).

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

The Commission promotes an open transmission system through its policies and regulations. The NAESB WEQ Version 003.0, 003.1, and 003.2 standards were developed and vetted through an industry consensus process. If the information collection components of the standards were conducted less frequently, then the standards would not fully achieve their purpose of promoting efficiency in the wholesale electric industry. Further, anything different from the standards under consideration here would not be in accordance with what the industry has already vetted and approved in an open consensus building process through NAESB.

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 THE AGENCY'S RESPONSE

NAESB³ is a non-profit standards development organization that serves as an industry forum for the development of business practice standards and communication protocols for the wholesale and retail natural gas and electricity industry sectors. Since 1995, NAESB and its predecessor, the Gas Industry Standards Board (GISB), have been accredited members of the American National Standards Institute (ANSI), complying with ANSI's requirements that its standards reflect a consensus of the affected industries.

NAESB supports three quadrants of the gas and electric industries – wholesale gas, wholesale electric, and retail markets quadrant. NAESB's standards include business practices intended to standardize and streamline the transactional processes of the natural gas and electric industries, as well as communication protocols and related standards designed to improve the efficiency of communication within each industry. All participants in the gas and electric industries are eligible to join NAESB and participate in standards development.

NAESB develops its standards under a consensus process so that the standards draw support from a wide range of industry members. NAESB's procedures are designed to ensure that all persons choosing to participate can have input into the development of a standard, regardless of whether they are members of NAESB, and each standard NAESB adopts is supported by a consensus of the relevant industry segments. Standards that fail to gain consensus support are not adopted. NAESB's consistent practice has been to submit a report to the Commission after it has made revisions to existing business practice standards or has developed and adopted new business practice standards.

NAESB has submitted a report to the Commission to reserve specific standards in conjunction with the retirement of corresponding NERC standards. NAESB's standards are voluntary standards, which become mandatory for public utilities upon incorporation by reference by the Commission.

³More information on NAESB and its standards development process is available at <https://naesb.org/>.

In the NOPR in RM05-5-026,⁴ the Commission is proposing to approve the changes. The Commission's NOPR provides the public a further opportunity to comment.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

Any data filed are public information and, therefore, not confidential. However, a company may request confidential treatment of some or all parts of the information requirement under the FERC regulations at 18 CFR 388.112. 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.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

In the NOPR in RM05-5-026, the Commission proposes that the requirement to make compliance tariff filings (FERC-516) for the WEQ-006 Business Practice Standards be deferred until final action is taken by the Commission on the entirety of the WEQ Version 003.2 Business Practice Standards for those who continue to opt to specify a specific version of the standards in their tariffs. Therefore, changes to the burden and cost of the associated collection FERC-516 (Electric Rate Schedules and Tariff Filings, OMB Control No. 1902-0096) are not being made at this time.

The following estimated burden and cost⁵ reflect the changes to FERC-717 proposed in this NOPR.

⁴ The NOPR was issued on 10/4/2018 and is posted in FERC's eLibrary at <https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=15058939>.

⁵ The Commission staff estimates that industry is similarly situated in terms of hourly cost (for wages plus benefits). Based on the Commission's FY (Fiscal Year) 2018 average cost (for wages plus benefits), \$79.00/hour is used.

Proposed Burden Reduction in NOPR in Docket No. RM05-5-026⁶					
	No. of Respondents (1)	Annual No. of Responses Per Respondent (2)	Total No. of Responses (1)*(2)=(3)	Average Burden (Hrs.) & Cost (\$) Per Response (4)	Total Annual Burden Hrs. & Total Annual Cost (\$) (3)*(4)=(5)
FERC-717 ^{7,8} (retirement of WEQ-006 Time Error Correction Standard)	170	1	170	1 hr.; \$79 (reduction)	170 hours; \$13,430 (reduction)

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor costs currently associated with the FERC-717. All of the costs in the NOPR are associated with labor and addressed in Questions 12 and 15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimate of the cost for analysis and processing of filings is based 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.

The Paperwork Reduction Act (PRA) Administrative Cost is the average annual FERC 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. It also includes the cost of publishing the necessary notices in the Federal Register.

⁶ As noted above, changes to the FERC-516 are not proposed at this time.

⁷ FERC-717 identifies the information collection associated with Standards for Business Practices and Communication Protocols for Public Utilities. We estimate that the proposed retirement in this docket of WEQ-006 will reduce burden for each respondent by 1 hour.

⁸ This burden for FERC-717 was originally included in Order 676-H. At that time, we had an estimate of 132 respondents. Due to normal industry fluctuation (e.g., companies merging or splitting, going into or leaving the industry), the number of respondents is now 170.

In Order 676-H (issued 9/18/2014), the estimated average hourly wage (plus benefits) was \$72.67. For the calculations here, we are using today's estimated hourly cost of \$79.00/hour.

The estimated annualized cost to the Federal Government for FERC-717 follows:

	Number of Employees (FTE)	Estimated Annual Federal Cost
FERC-717, Analysis and Processing of filings ⁹	0.5	\$82,410
PRA Administrative Cost		\$4,931
FERC Total		\$87,341

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

The Commission proposes to remove the incorporation by reference of the WEQ WEQ-006 Time Error Correction Business Practice Standards as adopted by the NAESB in its WEQ Version 003.1 Businesses Practice Standards. The WEQ-006 Manual Time Error Correction Business Practice Standards previously defined the commercial based procedures to be used for reducing time error to keep the system’s time within acceptable limits of true time. NAESB’s latest version of its Business Practice Standards retires and eliminates its Manual Time Error Correction Business Practice Standards to correspond with the removal of the Time Error Correction requirements of the NERC, which was approved by the Commission in 2017. We expect the proposed retirement to reduce burden by one hour per response.

The following table shows the total burden hours and the impact of the changes discussed in this supporting statement.

⁹ This is based upon FERC’s FY (Fiscal Year) 2018 average annual salary plus benefits per FTE (full-time equivalent) of \$164,820.
 (We do not expect this estimate for FERC-717 to change due to the NOPR in RM05-5-026.)

FERC-717	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	170	170	0	0
Annual Time Burden (Hrs.)	4,930	5,100	0	-170
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

FERC does not publish data associated with FERC-717.

17. DISPLAY OF EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collected pursuant to FERC-717. The substance of the requirements is incorporated by reference into FERC’s regulations at 18 CFR (making the standards mandatory). However the standards themselves are copyrighted by NAESB, so the OMB Control Numbers and expiration dates are not displayed in the standards.

The clearance information and expiration date are available at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.