

Ten (10) FERC Information Collections (“VFP Forms”), as detailed on pages 1-4 Final Rule (issued 6/20/2019) in Docket No. RM19-12; RIN 1902-AF58

Supporting Statement for  
**Modifications to 10 Information Collections,  
Due to Final Rule in Docket No. RM19-12**

The Federal Energy Regulatory Commission (Commission or FERC) requests the Office of Management and Budget (OMB) approve the modifications due to the final rule issued 6/20/2019 in Docket No. RM19-12.<sup>1</sup>

The Revisions to the Filing Process for Commission Forms (Forms Refresh) as discussed in the final rule affect the following 10 information collections (covered by nine OMB Control Nos.):

- 1) FERC Form No. 1 (also called FERC-1) (Annual Report of Major Electric Utilities, Licensees and Others; OMB Control No. 1902-0021)
- 2) FERC Form No. 1-F (also called FERC-1-F) (Annual Report for Nonmajor Public Utilities and Licensees; OMB Control No. 1902-0029)
- 3) FERC Form No. 2 (also called FERC-2) (Annual Report for Major Natural Gas Companies; OMB Control No. 1902-0028)
- 4) FERC Form No. 2-A (also called FERC-2-A) (Annual Report for Non- Major Natural Gas Companies; OMB Control No. 1902-0030)
- 5) FERC Form No. 3-Q (also called FERC-3Q, Quarterly Financial Report of Electric Utilities, Licensees, and Natural Gas Companies; OMB Control No. 1902-0205)
  - a. FERC Form No. 3-Q for natural gas entities
  - b. FERC Form No. 3-Q for electric entities
- 6) FERC Form No. 6 (also called FERC-6) (Annual Report of Oil Pipeline Companies; OMB Control No. 1902-0022)
- 7) FERC Form No. 6-Q (also called FERC-6-Q) (Quarterly Report of Oil Pipeline Companies; OMB Control No. 1902-0206)
- 8) FERC Form No. 60 (also called FERC-60) (Annual Reports of Centralized Service Cos.), OMB Control No. 1902-0215)<sup>2</sup>

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<sup>1</sup> The Forms Refresh effort was announced on 4/16/2015 in Docket No. AD15-11 (“Order Instituting Proceeding To Develop Electronic Filing Protocols For Commission Forms,” - posted in FERC’s eLibrary at <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13841811>). The Notice of Proposed Rulemaking (NOPR) is posted at <https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=15142191>. The final rule is posted at <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=15278794>; the News Release is posted at <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=15278905>.

<sup>2</sup> Note that OMB Control No.1902-0215 also includes FERC-61 (Narrative Description Of Service Co. Functions) and FERC-555A (Preservation of Records for Holding Cos. and

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- 9) FERC Form No. 714 (also called FERC-714) (Annual Electric Balancing Authority Area and Planning Area Report; OMB Control No. 1902-0140).

When the 10 information collections are being discussed as a group, we will refer to the collections as the “VFP Forms.”

**Information Collection Nos. Used for Paperwork Reduction Act (PRA) Submittals at NOPR and final rule Stages.** There is pending work to renew most of the 10 information collections (due to OMB expiration dates in 2019) and to ensure the collections remain active during completion of the rulemaking in Docket No. RM19-12.

Only one package per OMB Control No. can be pending OMB review at a time. As a result, several temporary “placeholder” information collection numbers have been used in the PRA submittals for the NOPR and/or final rule for Docket No. RM19-12. The following table shows the form affected and the information collection number used (for ROCIS and reginfo.gov) at the NOPR and final rule stages. This consolidated supporting statement addresses the collections listed in the final rule columns and includes information on the actual information collections for background. For example, unless otherwise specified, discussion about the FERC-1 also applies to the temporary placeholder information collection FERC-1T (covering the changes to the FERC-1 due to Docket RM19-12).

| <b>Docket No. RM19-12 -- Collections Used for Submittal to OMB, due to Multiple, Simultaneous, Pending Renewal Activities (in parallel with Forms Refresh Rulemaking)--as of 6/25/2019</b> |                             |                              |   |                             |   |                             |
|--|-----------------------------|------------------------------|---|-----------------------------|---|-----------------------------|
| <b>FERC Form No. Affected</b>  |                             |                              | <b>NOPR--Form No. Used in ROCIS &amp; reginfo.gov</b> |                             | <b>Final Rule--Form No. Used in ROCIS &amp; reginfo.gov</b> |                             |
| <b>FERC Form No.</b>   | <b>OMB No. (1902- nnnn)</b> | <b>OMB Expiration Date *</b> | <b>Form No.</b>                                       | <b>OMB No. (1902- nnnn)</b> | <b>Form No. **</b>  | <b>OMB No. (1902- nnnn)</b> |
| <b>1*</b>  | 0021                        | 12/31/2019                   | 1   | 0021                        | 1T*   | to be determined            |
| <b>1-F*</b>  | 0029                        | 12/31/2019                   | 1-F   | 0029                        | 1-FT*   | to be                       |

Service Cos. Subject to Public Utility Holding Company Act of 2005), which are not affected by the Forms Refresh rulemaking and not addressed here. In addition, the regular renewal of the FERC Form No. 60, FERC-61, and FERC-555A (all included in OMB Control No. 1902-0215 and pending OMB review) is a separate activity from the Forms Refresh effort and not addressed here.

|                      |      |                            |              |      |       |                  |
|----------------------|------|----------------------------|--------------|------|-------|------------------|
|                      |      |                            |              |      |       | determined       |
| <b>3-Q electric*</b> | 0205 | 12/31/2019                 | 3-Q electric | 0205 | 3-QT* | to be determined |
| <b>3-Q nat. gas*</b> | 0205 | 12/31/2019                 | 3-Q nat. gas | 0205 | 3-QT* | to be determined |
| <b>2</b>             | 0028 | 12/31/2020                 | 2            | 0028 | 2     | 28               |
| <b>2-A</b>           | 0030 | 11/30/2020                 | 2-A          | 0030 | 2-A   | 30               |
| <b>6*</b>            | 0022 | 12/31/2019                 | 6            | 0022 | 6T*   | to be determined |
| <b>6-Q*</b>          | 0206 | 9/30/2019                  | 6-Q          | 0206 | 6-QT* | to be determined |
| <b>60*</b>           | 0215 | 5/31/2019                  | 60A*         | 0308 | 60A*  | 308              |
|                      |      | Renewal pending OMB review |              |      | 714** |                  |
| <b>714*</b>          | 0140 |                            | 714A*        | 0307 | *     | 140              |

\*Note: Due to expiration dates in 2019 for many of the VFP Forms, the renewal work for several of the forms is in process or pending at OMB during the Forms Refresh rulemaking effort in Docket No. RM19-12. The simultaneous OMB processes have required the assignment of alternate temporary information collection numbers at the NOPR and/or final rule stages.

\*\*Note: The information collection numbers ending in “T” (and the 60A) are the temporary information collection numbers used in the Paperwork Reduction Act packages for submittal of the final rule to OMB.

\*\*\*Note: The renewal request for FERC Form No. 714 was submitted to OMB on 3/20/2019. As of 6/25/2019, that request is still pending OMB review. If OMB issues a decision on that request soon, the final rule in Docket No. RM19-12 will be submitted under FERC Form No. 714 (rather than FERC Form No. 714A).

**Forms Refresh Process and Goal.** Currently, these information collections use a Commission-distributed software application called Visual FoxPro (VFP). Each entity is required to gather its relevant financial and other data and enter the data into VFP, which the entity maintains on its own computer system. The entity then uses the VFP software to transmit the information to the Commission. However, Microsoft Corporation, the developer of Visual FoxPro, no longer supports this product.

In moving to a long-term solution for the VFP Forms, the Commission has held conferences and discussions with industry members, other federal agencies, and other stakeholders. Based on these discussions, the Commission believes a standard built on

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Extensible Markup Language (XML) called eXtensible Business Reporting Language (XBRL) is a superior method for both the Commission and filing entities to use. XBRL was developed specifically for reporting financial data and is used widely for reporting business and financial information. Under the final rule, the Commission is not proposing to change the information currently collected in the VFP Forms, but rather to change the format for reporting the information from VFP to XBRL.

**Next Steps - after final rule.** After publication of the final rule, the Commission will make available a draft of the XBRL taxonomy and other related documents. (The taxonomy and implementation guide, etc., are not yet available and not included in this PRA submittal for OMB review.) After public release of these items, Commission staff will convene technical conference(s) to discuss the taxonomy and other related documents, any technical concerns, and any issues related to the transition, including the implementation schedule. At the conclusion of the technical conference(s), the Commission will continue to collect public comments.

Following review of those comments, the Commission will issue an order adopting the final taxonomy, protocols, and implementation guide, and establishing an implementation schedule. Industry participants will be afforded reasonable time to develop their software and test their submissions.

The taxonomy and implementation guide, etc., will be included in the PRA submittals to OMB that are associated with the Commission order.

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

**FERC Form Nos. 1T, 1-FT, and 3-QT (1, 1-F, and 3-Q).**<sup>3</sup> In accordance with sections 304 and 309 of the Federal Power Act and section 10(a) of the Natural Gas Act, the Commission is authorized to collect and record data to the extent it considers necessary, and to prescribe rules and regulations concerning accounts, records and memoranda.

Under the existing regulations, FERC jurisdictional entities subject to its Uniform System of Accounts (USofA) must annually file with the Commission a complete set of financial statements, along with other selected financial and non-financial data through the submission of FERC Forms Nos. 1 and 1-F. FERC Form No. 1 is a comprehensive financial and operating report submitted for electric rate regulation, market oversight analysis, and financial audits. Major pertains to utilities and licensees that have, in each of the three previous calendar years, sales or transmission services that exceed one of the following: (1) one million megawatt hours of total annual sales; (2) 100 megawatt hours

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<sup>3</sup> Unless otherwise specified, the FERC Form No. 3-QT and FERC Form No. 3-Q refer to both the electric and gas versions, which are separate ICs in ROCIS and reginfo.gov.

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of annual sales for resale; (3) 500 megawatt hours of annual power exchanges delivered; or (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).<sup>4</sup> FERC Form No. 1-F is designed to collect financial and operational information from Nonmajor public utilities and licensees. Nonmajor pertains to utilities and licensees that have total annual sales of 10,000 megawatt-hours or more in each of the last three consecutive years and that are not classified as Major.<sup>5</sup>

The FERC Form No. 3-Q is a quarterly financial and operating report used for rate regulation, market oversight analysis, and financial audits which supplements the (a) Forms Nos. 1 and 1-F for the electric industry, or the (b) Form Nos. 2 and 2-A for the natural gas industry. The FERC Form No. 3-Q is submitted for electric utilities and licensees reporting Forms No. 1 or 1-F and natural gas companies reporting Forms No. 2 or 2-A.<sup>6</sup>

The Commission collects Forms Nos. 1, 1-F, and 3-Q as prescribed in Title 18 CFR (Code of Federal Regulations) Parts 141.1, 141.2, and 141.400 and 260.300. The FERC Forms Nos. 1, 1-F, and 3-Q provide an informative picture of the jurisdictional entities’ financial conditions and other relevant data that are used by FERC and others in making economic judgments about the entity or its industry.

**FERC Form Nos. 2 and 2-A.** Pursuant to sections 8, 10 and 14 of the National Gas Act (NGA), (15 U.S.C. 717g-717m), the Commission is authorized to conduct investigations and collect and record data, and to prescribe rules and regulations concerning accounts, records and memoranda as necessary or appropriate for purposes of administering the NGA. The Commission may prescribe a system of accounts for jurisdictional companies and, after notice and opportunity for hearing, may determine the accounts in which particular outlays and receipts will be entered, charged or credited. The Commission collects Form Nos. 2 and 2-A information as prescribed in 18 CFR 260.1 and 18 CFR 260.2.

**FERC Form Nos. 6T and 6-QT (6 and 6-Q).** Sections 13 and 15 of the Interstate

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<sup>4</sup> 18 CFR § 141.1. Nonoperating entities formerly designated as Major and new entities that expect to be in the Major category should file as detailed in 18 CFR § 101, General Instructions (1)(A)(3).

<sup>5</sup> 18 CFR § 141.2. Nonoperating entities formerly designated as Nonmajor and new entities that expect to be in the Nonmajor category should file as detailed in 18 CFR § 101, General Instructions (1)(A)(2).

<sup>6</sup> 18 CFR 260.1(b). For natural gas, “Major” pertains to a company whose combined gas transported or stored for a fee exceed 50 million Dth in each of the three previous calendar years. 18 CFR 260.2(b). “Nonmajor” pertains to a company not meeting the filing threshold for Major, but having total gas sales or volume transactions exceeding 200,000 Dth in each of the three previous calendar years.

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Commerce Act (ICA) authorize the Commission to conduct investigations, collect, and record data in order to carry out certain necessary and useful provisions. The information collected from oil pipeline companies under the requirements of the FERC Form Nos. 6 and 6-Q provide the Commission the ability to implement the statutory provisions of the ICA including the authority to prescribe rules, regulations concerning accounts, records, and memoranda as necessary. The ICA also allows the Commission to prescribe a system of accounts for jurisdictional companies and (after notice) an opportunity for hearing can determine the accounts in which particular outlays and receipts can be entered, charged, or credited.

In 1994, the Commission addressed additional revisions to the FERC Form No. 6 in Order Nos. 571 and 571-A, including a new Page 700 (Annual Cost of Service).<sup>7</sup> Data collected on page 700 is the basis for determining a pipeline’s cost of service and rate base, which are used in tariff filings and the 5-year index.<sup>8</sup>

**FERC Form No. 60A (and 60).** In accordance with the Energy Policy Act of 2005 (EPA 2005), the Commission implemented the repeal of the Public Utility Holding Company Act of 1935 (PUHCA 1935) and implemented the provisions of a newly enacted Public Utility Holding Company Act 2005 (PUHCA 2005). Pursuant to PUHCA 2005, the Commission requires centralized service companies to file the FERC Form No. 60. The information collected in FERC Form No. 60 enables better monitoring for cross-subsidization, and aids the Commission in carrying out its statutory responsibilities.

**FERC Form No. 714.** The Federal Power Act authorizes the Commission to collect information from electric utility balancing authorities and planning areas in the United States for the purpose of analyzing power system operations. These analyses estimate the effect of changes in power system operations resulting from the installation of a new generating unit, plant, or transmission facilities, as well as the effects of energy transfers between systems and/or new points of interconnection. Also, these analyses assist with evaluating rates and charges, assessing reliability and other operating attributes in regulatory proceedings, monitoring market trends and behaviors, and determining the competitive impacts of proposed mergers, acquisitions, and dispositions.

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<sup>7</sup> *Cost of Service Requirements and Filing Requirements for Oil Pipelines*, Order No. 571, FERC Stats. & Regs., Regulation Preambles Jan. 1991- June 1996 ¶ 31,006, at p. 31,169 (1995).

<sup>8</sup> The Commission established an indexing methodology that allows oil pipelines to change their rates subject to certain ceiling levels instead of making cost-of-service filings. The Commission reviews the index level every five years to ensure it adequately reflects changes to industry costs.

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

Under the final rule, the Commission is not changing the information currently collected in the VFP Forms, but rather changing the reporting format from VFP to XBRL.

A description of how, by whom, and for what purpose the information collected in the VFP Forms is used and the consequences of not collecting the information is provided below.

**FERC Form Nos. 1T, 1-FT, and 3-QT (1, 1-F, and 3-Q).** These forms provide information concerning a company’s current performance, compiled using the Commission’s USofA.<sup>9</sup> The forms include a basic set of financial statements: Comparative Balance Sheet, Statement of Income and Statement of Retained Earnings, Statement of Cash Flows, and the Statement of Comprehensive Income and Hedging Activities and supporting schedules containing supplementary information. Electric respondents report revenues and the related quantities of electric sales and electricity transmitted; account balances for all electric operation and maintenance expenses; selected plant cost data; and other statistical information.

Information in the forms is used by the Commission, state regulatory agencies, and others in the review of the financial condition of regulated companies. The information is also used in various rate proceedings, market oversight, the Commission’s audit programs, and the computation of annual charges based on certain schedules contained on the forms.

**FERC Form Nos. 2, 2-A, and 3-QT (natural gas) (and 3-Q, natural gas).** These forms provide information concerning a company’s current performance, compiled using the Commission’s USofA.<sup>10</sup> FERC Form No. 2 is filed by “Major” natural gas companies that have combined natural gas transported or stored for a fee that exceeds 50 million Dekatherms in each of the three previous calendar years. FERC Form No. 2-A is filed by “Non-Major” natural gas companies that have total gas sales or volume transactions that exceeds 200,000 Dekatherms in each of the three previous calendar years, but does not qualify as Major. FERC Form No. 3-Q natural gas quarterly respondents include monthly and quarterly quantities of natural gas transported and associated revenues; storage, terminaling, and processing services; natural gas customer

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<sup>9</sup> See 18 CFR Part 101 (Uniform System Of Accounts Prescribed For Public Utilities And Licensees Subject To The Provisions Of The Federal Power Act).

<sup>10</sup> See 18 CFR Part 201 (Uniform System Of Accounts Prescribed For Natural Gas Companies Subject To The Provisions Of The Natural Gas Act).

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accounts and details of service; and operational expenses, depreciation, depletion and amortization of the natural gas plant.

The forms provide information concerning a company’s past performance and its future prospects and is based on the companies’ financial and other information. The forms contain schedules which include a basic set of financial statements: Comparative Balance Sheet, Statement of Income and Retained Earnings, Statement of Cash Flows, and the Statement of Comprehensive Income and Hedging Activities. Supporting schedules containing supplementary information are filed, including revenues and the related quantities of products sold or transported; account balances for various operating and maintenance expenses; selected plant cost data; and other information.

The information collected assists the Commission in the administration of its jurisdictional responsibilities and is used by Commission staff, state regulatory agencies, customers, financial analysts and others in the review of the financial condition of regulated companies. The information is also used in various rate proceedings, industry analyses and in the Commission’s audit programs and as appropriate, for the computation of annual charges based on Page No. 520 of the FERC Form No. 2. The Commission provides the information to the public, interveners and all interested parties to assist in the proceedings before the Commission.

In addition, the forms provide the Commission, as well as others, with an informative picture of the jurisdictional entities’ financial condition along with other relevant data that is used by the Commission in making economic judgments about the entity or its industry. For financial information to be useful to the Commission, it must be understandable, relevant, reliable and timely. The Form Nos. 2 and 2-A financial statements are prepared in accordance with the Commission’s USofA and related regulations, and provide data that enables the Commission to develop and monitor cost-based rates, analyze costs of different services and classes of assets, and compare costs across lines of business. The use of the USofA permits natural gas companies to account for similar transactions and events in a consistent manner, and communicate those results to the Commission on a periodic basis. Comparability of data and financial statement analysis for a particular entity from one period to the next, or between entities, within the same industry, would be difficult to achieve if each company maintained its own accounting records using dissimilar accounting methods and classifications to record similar transactions and events.

In summary, without the information collected in the forms, it would be difficult for the Commission to ensure, as required by the NGA, that a pipeline’s rates remain just and reasonable, respond to Congressional and outside inquires, and make decisions in a timely manner, particularly to rapidly changing financial conditions of entities subject to its jurisdiction.



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**FERC Form Nos. 6T and 6-QT (6 and 6-Q).** In order to reduce burden while obtaining the data the Commission needs, there are three thresholds related to the material respondents must file.

1. Each oil pipeline carrier whose annual jurisdictional operating revenues has been \$500,000 or more for each of the three previous calendar years must file the FERC Form No. 6 (18 C.F.R. § 357.2 (a)). Newly established entities must use projected data to determine whether FERC Form No. 6 must be filed.
2. Oil pipeline carriers exempt from filing the FERC Form No. 6 whose annual jurisdictional operating revenues have been more than \$350,000 but less than \$500,000 for each of the three previous calendar years must prepare and file page 301, “Operating Revenue Accounts” (Account 600), and page 700, “Annual Cost of Service Based Analysis Schedule,” of FERC Form No. 6. When submitting pages 301 and 700, each exempt oil pipeline carrier must include page 1 of FERC Form No. 6, the Identification and Attestation schedules (18 C.F.R. § 357.2 (a) (2)).
3. Oil pipeline carriers exempt from filing the FERC Form No. 6 and page 301 and whose annual jurisdictional operating revenues were \$350,000 or less for each of the three previous calendar years must prepare and file page 700, “Annual Cost of Service Based Analysis Schedule,” of the FERC Form No. 6. When submitting page 700, each exempt oil pipeline carrier must include page 1 of the FERC Form No. 6, the Identification and Attestation schedule (18 C.F.R. § 357.2 (a)(3)).

Oil pipeline companies subject to the provisions of section 20 of the ICA must submit the FERC Form No. 6-Q. 18 C.F.R. § 357.4(b).

The Commission uses the Form Nos. 6 and 6-Q data to assist in: (1) the implementation of its financial audits and programs; (2) the continuous review of the financial condition of regulated companies and in the assessment of energy markets; (3) various rate proceedings and economic analyses; (4) background research for use in litigation; (5) programs relating to the administration of the ICA.

The Commission also uses data on Page 301 of FERC Form No. 6 to compute annual charges which are then assessed against oil pipeline companies to recover the Commission’s annual costs as mandated by Commission Order No. 472. The annual charges are required by Section 3401 of the Omnibus Budget Reconciliation Act of 1986.

Financial information reported on the quarterly FERC Form No. 6-Q provides the Commission, as well as customers, investors and others, an important tool to help identify emerging trends and issues affecting jurisdictional entities within the energy industry. It also provides timely disclosures of the impacts that new accounting standards, or changes

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in existing standards, have on jurisdictional entities, as well as the economic effects of significant transactions, events, and circumstances. The reporting of this information by jurisdictional entities assists the Commission in its analysis of profitability, efficiency, risk, and in its overall monitoring.

The majority of state regulatory commissions use FERC Form Nos. 6 and 6-Q and the FERC USofA<sup>11</sup> to satisfy their reporting requirements for those companies under their jurisdiction. In addition, the public uses the data to assist in monitoring rates, the financial condition of the oil pipeline industry, and in the assessing energy markets.

Data from FERC Form No. 6 facilitates the calculation of the actual rate of return on equity. The actual rate of return on equity is particularly useful information when evaluating a pipeline’s rates.

If data from FERC Form Nos. 6 and 6-Q were not available, it would be difficult for the Commission to meet its mandatory review responsibilities because it would have fewer regulatory mechanisms to ensure transparency and to protect ratepayers.

**FERC Form No. 60A (and 60).**<sup>12</sup> FERC Form No. 60 is an annual reporting requirement for centralized service companies. The report’s function is to collect financial information (including balance sheet, assets, liabilities, billing and charges for associated and non-associated companies) from centralized service companies subject to the jurisdiction of the Commission. Unless Commission rule exempts or grants a waiver pursuant to 18 CFR 366.3 and 366.4 to the holding company system, every centralized service company in a holding company system must prepare and file electronically a FERC Form No. 60, pursuant to the General Instructions in the form.

If data from FERC Form No. 60 were not available, it would be difficult for the Commission to meet its mandatory review responsibilities because it would have fewer of the regulatory mechanisms needed to ensure transparency and to protect ratepayers.

**FERC Form No. 714.** The Commission uses FERC Form No. 714 data to analyze power system operations. The result of these analyses estimate the effect of changes in power system operations resulting from the installation of a new generating unit or plant, transmission facilities, energy transfers between systems, and/or new points of interconnections. FERC Form No. 714 data assists in providing a broad picture of interconnected balancing authority area operations including comprehensive information

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<sup>11</sup> See 18 CFR Part 352, Uniform Systems Of Accounts Prescribed For Oil Pipeline Companies Subject To The Provisions Of The Interstate Commerce Act.

<sup>12</sup> The proposed temporary information collection number “FERC Form No. 60A” covers the proposed industry burden to convert to filing the FERC Form No. 60 using XBRL, as discussed in the final rule in RM19-12.

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of balancing authority area generation, actual and scheduled inter-balancing authority area power transfers, and net energy for load, summer and winter generation peaks and system lambda. The Commission also uses the data to prepare status reports on the electric utility industry including a review of inter-balancing authority area bulk power trade information.

The Commission uses the collected data from planning areas to monitor forecasted demands by electric utilities with fundamental demand responsibilities and to develop hourly demand characteristics.

The consequence of not collecting the information contained within the FERC Form No. 714 would be impeded support for the Commission’s regulatory functions associated with the processing of rate applications and cases, proposed mergers and dispositions of jurisdictional facilities, and understanding of the planning and operational needs of the grid. The Commission, other federal and state regulatory agencies, transmission users, and the public may lose the capability of monitoring the operations of the wholesale electric market for possible abuses of market power and the environment, and the efforts of electric utility entities in ensuring that resource capabilities could sufficiently and reliably meet system peak and forecast loads.

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

The purpose of the Forms Refresh effort and this final rule is to transition from a software platform which is no longer supported by the vendor to a more modern and efficient approach. The use of XBRL should make the information in these forms easier for filers to submit and data users to analyze, and assist in automating regulatory filings. In addition, the Commission believes that transitioning from the current Visual FoxPro system to XBRL will decrease the costs (over time) of preparing the necessary data for submission and complying with future changes to filing requirements set forth by the Commission.

### **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**

Under the final rule, the Commission is not proposing to change the information currently collected in the VFP Forms, but rather to change the reporting format from VFP to XBRL.

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A description of the Commission’s efforts to periodically review filing requirements concurrent with OMB review or as the Commission deems necessary to eliminate duplicative filing and to minimize the filing burden is provided below.

**FERC Form Nos. 1T, 1-FT, 3-QT, 2, 2A, 6T, 6-QT, and 60A (and 1, 1-F, 3-Q, 6, 6-Q, and 60).** While some jurisdictional entities may file similar information with the Securities and Exchange Commission (SEC), the level of detail concerning assets, liabilities, stockholders’ equity along with the revenues, expenses, gains, and losses is different for the Commission and the SEC. The financial statements filed with the SEC are on a consolidated, or parent company basis. The Commission notes that a majority of the jurisdictional entities that it regulates files financial information with the SEC that consolidates their assets, liabilities and profits with their parent company, or combine the regulated and unregulated operations in the reports to the SEC. While consolidation is appropriate for SEC reporting, the Commission requires more detailed information concerning the results of operations, and the financial position of each jurisdictional entity in order to meet its regulatory needs. Therefore, the Commission has required jurisdictional entities to file financial information on a jurisdictional entity level basis using a uniform system of accounts.

**FERC Form No. 714.** As relates to the FERC Form No. 714, the U.S. Energy Information Administration (EIA) implemented a data collection of hourly electric power data from all entities in the contiguous United States that are listed in the NERC Compliance Registry as a balancing authority. The EIA-930: Hourly and Daily Balancing Authority Operations Report, requires the filing of hourly balancing authority operating data including day-ahead demand forecast, actual demand, net generation, and net metered tie line flow to EIA. The data is posted onto a publicly available website<sup>13</sup> and can be used to monitor the near-real time status and trends of the electric power industry and to support the enhancement of electric system operations.

However, the EIA-930 does not include more granular data on generating plant capabilities, identification of adjacent interconnections, or system lambda. Also, there are no other Federal agencies responsible for obtaining planning area-level data consisting of forecasted demands and hourly demand characteristics from electric utility entities with fundamental demand responsibilities.

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

**FERC Form Nos. 1T, 1-FT, 3-QT, 2, and 2-A (and 1, 1-F, and 3-Q).** As noted previously, FERC Form No. 1 is filed by major utilities or licensees and as such does not apply to small entities. FERC Form No. 1-F is filed by public utilities that are not major

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<sup>13</sup> [https://www.eia.gov/realtime\\_grid/#/status?end=20190628T11](https://www.eia.gov/realtime_grid/#/status?end=20190628T11)

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utilities and that have total sales of 10,000 megawatt-hours or more in each of the three prior calendar years. In addition, FERC Form No. 2 is filed by “Major” natural gas companies that have combined gas transported or stored for a fee that exceeds 50 million Dekatherms in each of the three previous calendar years. FERC Form No. 2-A is filed by “Non-Major” natural gas companies that have total gas sales or volume transactions that exceeds 200,000 Dekatherms in each of the three previous calendar years, but does not qualify as Major. The FERC Form No. 3-Q is filed only by electric or gas companies that file Forms Nos. 1, 1-F, 2, or 2-A, and therefore excludes companies that do not qualify as Major or Nonmajor. If the reporting requirements represent an undue burden on small businesses, the affected entity may seek a waiver of the filing requirements from the Commission. However, the Commission believes that the information collected on these forms is the minimum necessary to provide a meaningful review of financial conditions and that imposes the least possible burden on entities.

**FERC Form Nos. 6T and 6-QT (and 6 and 6-Q).** The filing threshold for FERC Form No. 6 is divided into three categories, based on the annual jurisdictional operating revenues of the respondent company. (See the answer to Question #2 above.) Smaller companies are required to file only certain components of FERC Form No. 6. The Commission concluded that exempting a certain percentage of oil companies from filing the full FERC Form No. 6 in its entirety will not compromise its ability to gather meaningful data upon which to base its regulation of the oil pipeline industry.

**FERC Form No. 60A (and 60).** The information requirements under FERC Form No. 60 apply to jurisdictional entities. Companies that do not qualify to file FERC Form No. 60 use the FERC-61 to reduce burden on those small entities. In general, holding companies to which the rules apply are not small entities. If the reporting requirements represent an undue burden on small businesses, the affected entity may seek a waiver of the reporting requirements from the Commission. However, the Commission believes that the information collected on these forms is the minimum necessary to provide a meaningful review of financial conditions and would impose the least possible burden on entities.

**FERC Form No. 714.** The Commission requires each balancing authority area and each electric utility with its planning area annual peak demand greater than 200 megawatts (MW) for the reporting year, to file a FERC Form No. 714 as a means of reducing burden for small entities. This 200 MW threshold can result in a slight variation year to year in the number of balancing authorities and planning areas that are required to file the FERC Form No. 714. Small entities may have personnel constraints, and a significant increase in burden may be caused by requiring these entities to submit the FERC Form No. 714 filing. Thus, setting a 200 MW threshold exempts many of these small entities from having to respond to this collection.

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

**FERC Form Nos. 1T, 1-FT, 3-QT (and 1, 1-F, and 3-Q).** The existing Form Nos. 1 and 1-F are required by the Commission to be submitted annually. Annual reporting is consistent with the reporting to the companies’ own management, the Internal Revenue Service, state and other Federal agencies’ (including Office of Management and Budget) requirements. The FERC Form No. 3-Q filings provide quarterly updates to supplement the Form Nos 1, 1-F, 2, and 2-A. This quarterly information provides the Commission and the public with updated and timely information regarding a company’s financial and operational status. If the collections were conducted less frequently, the Commission would have difficulty performing its mandated review responsibilities with respect to the assessment of the financial condition of public utilities and licensees and the Commission and third parties would have difficulty responding to and making fully informed decisions in a timely manner particularly to rapidly changing financial conditions of entities subject to the Commission’s jurisdiction.

**FERC Form Nos. 2 and 2-A.** Annual reporting is consistent with companies’ reporting to their own management, the Internal Revenue Service, state and other Federal agencies. If the collections were conducted less frequently, the Commission would have difficulty performing its mandated review responsibilities with respect to the assessment of the financial condition of public utilities and licensees and the Commission and third parties would have difficulty responding to and making fully informed decisions in a timely manner particularly to rapidly changing financial conditions of entities subject to the Commission’s jurisdiction.

**FERC Form Nos. 6T and 6-QT (and 6 and 6-Q).** The Commission is authorized by statute to collect this information on an annual and quarterly basis. If the collections were conducted less frequently, the Commission would have difficulty performing its mandated review responsibilities with respect to the assessment of the financial conditions of oil pipeline companies. The continued use of the information collections ensures that the Commission has the financial, operational, and ratemaking information needed to carry out its regulatory responsibilities to monitor the oil pipeline industry.

**FERC Form No. 60A (and 60).** Data from the FERC Form No. 60 provides a level of transparency that: (1) helps protect ratepayers from pass-through of improper service company costs, (2) enables the Commission to review and determine cost allocations (among holding company members) for certain non-power goods and services, (3) aids the Commission in meeting its oversight and market monitoring obligations, and (4) benefits the public, both as ratepayers and investors. In addition, the Commission uses these records during compliance reviews and special analyses. If data from the FERC Form No. 60 and FERC-61 were collected less frequently, the Commission would have difficulty performing its mandated review responsibilities and would have fewer of the

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regulatory mechanisms necessary to ensure transparency, protect ratepayers, and confirm that rates are just and reasonable.

**FERC Form No. 714.** The FERC-714 information collected is used on a continual basis by: (1) the Commission to review rates and charges, reliability issues and market structure relationships; (2) the U.S. Environmental Protection Agency to monitor the environmental impacts of electric generation as the power industry has become more competitive; (3) the U.S. Energy Information Administration to model various electricity markets; and (4) other federal and state regulatory authorities, market participants and the public to access and monitor the wholesale electric market and to determine the competitive impacts of proposed mergers and acquisitions.

Some of the information in particular filings may change markedly from one year to the next. If the information were collected less frequently, the Commission would have difficulty performing its mandated review and oversight in a timely and accurate manner.

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

There are no special circumstances related to these information collections, other than those mentioned below.

**FERC Form No. 60A (and 60).** The Commission assumed responsibility for the FERC Form No. 60 reporting requirements, formerly required by the U.S. Securities and Exchange Commission (SEC), and streamlined those requirements. These documents are necessary for the Commission to ensure that it is able to perform its oversight and review responsibilities. Jurisdictional companies may file for a request for a rate change at any time, but are not required to do so. In addition, the Commission can require prospective changes to a company’s rates based on its own motion or upon complaint from an interested party. Thus, retention of data beyond three years is necessary for Commission staff to adequately assess data submitted by entities, including the holding and service companies. In addition, the Commission conducts audits of selected entities, and these periods under audit can require data beyond three years to demonstrate compliance with the audited areas.

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

The Commission noted that the North American Energy Standards Board (NAESB) had helped facilitate meetings to develop the Commission’s eTariff system, and, in Docket No. AD15-11, the Commission directed Commission staff to seek NAESB’s assistance in the process of developing standards for the submission of the VFP Forms to the

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Commission in the new XML format. NAESB facilitated 18 meetings during which the transition of the forms was discussed.

Commission staff also discussed the filing of financial forms with other federal agencies.

Each FERC rulemaking (both proposed and final rules) 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 or suggestions on the collections of data. The NOPR in Docket RM19-12 is posted in the Commission’s eLibrary system and was published by the Federal Register at 84 FR 1412 (2/4/2019). There were no public comments on the cost or burden estimates included in the NOPR. In providing support for FERC’s proposed use of XBRL, the commenters raised issues for Commission consideration to ensure a smooth transition from VFP to XBRL, including recommendations for the timing of implementing XBRL as the standard and how much historical data the Commission should initially make available upon conversion to XBRL. In response to these comments, the final rule notes that following the release of the draft taxonomy, the Commission will convene staff-led technical conference(s) to enable interested industry members, vendors, and the public to discuss and propose revisions to the draft taxonomy, along with other important components of the XBRL system. These technical conference(s) will serve as the forum to discuss any issues related to the transition, including the implementation schedule, and all other technical concerns that may arise from a public review of the draft taxonomy and other documents planned to be released following the final rule. The Commission intends to provide a reasonable amount of time for issues to be vetted and addressed in the technical conference(s). At the conclusion of the technical conference process, the Commission will continue to solicit comments and, after reviewing those comments, the Commission will issue an order adopting the final taxonomy, protocols, implementation guide and other documents, and establishing an implementation schedule.

The Commission plans to provide an opportunity for interested industry members to test a version of the XBRL system before implementing the new XBRL system. The technical conference(s) will be open to the public and the Commission encourages all interested entities, including vendors, to participate in the upcoming technical conference(s) and to test the system.

## **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**



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The Commission does not consider the information collected in filings to be confidential. However, the Commission will consider specific requests for confidential treatment (e.g. Critical Energy/Electric Infrastructure Information [CEII] or non-public) to the extent permitted by law.<sup>14</sup> 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**

The estimated changes to the burden and cost of the information collections due to the final rule follow.

*Note that the text and tables in Questions 12-15 display the temporary placeholder information collection number (where needed) with the actual information collection number shown parenthetically for submittal of the final rule to OMB (through ROCIS). The background and crosswalk on pages 1-4, above, provide more information about why the placeholders are needed and when they are being used.*

The compliance burden estimates for the revisions to the filing process for the VFP Forms are based on several assumptions and unique assessments for each form. However, all regulated entities required to submit the VFP Forms would have to map the reporting information to the Commission’s standard XBRL taxonomy and create a final submission file(s). The following burden estimates associated with the final rule are based on the one-time implementation of an XBRL-based reporting system (Year 1), and an ongoing estimate for maintenance of the XBRL-based reporting system (Years 2 and 3). The existing estimated information collection burden for preparing each individual form referenced in the final rule remains unchanged. The final rule covers only the format for making the electronic filings and does not contain any revisions to reporting requirements (i.e. the substance of the required filings).

Based on discussions with other federal agencies, subject matter experts in XBRL data collection and the VFP Forms, and entities that have prepared their financial information in XBRL, we estimate that filers would incur the following average burden hours. We conservatively estimate that this average burden will be approximately 80 percent of the

14 18 C.F.R. §§ 388.112 and 388.113. More information on the CEII definition, program and requirements is posted at <http://www.ferc.gov/legal/ceii-foia/ceii.asp>.

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burden that the U.S. Securities and Exchange Commission (SEC) estimated that filers would incur when the SEC mandated reporting of financial information in XBRL in its final rule on Interactive Data to Improve Financial Reporting (issued on January 30, 2009):

- XBRL Form Nos. 1T, 1-FT, and 3-QT electric (1, 1-F, 3-Q electric), 2, 2-A, 3-QT natural gas, 6T, and 6-QT (3-Q natural gas, 6, and 6-Q)<sup>15</sup>
  - Burden hours to tag in XBRL:
    - 100 hours to prepare and submit the first filing using XBRL; and
    - 14 hours for each subsequent filing in XBRL.
- Form No. 60A (60)
  - Burden hours to tag in XBRL:
    - 20 hours to prepare and submit the first filing made in XBRL; and
    - 3 hours for each subsequent filing.
- Form No. 714
  - Burden hours to tag in XBRL:
    - 15 hours to prepare and submit the first filing made in XBRL; and
    - 2 hours for each subsequent filing.

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<sup>15</sup> The internal burden hours for tagging Form Nos. 1T and 3-QT electric (1 and 3-Q electric) are combined because the annual information reported in FERC Form No. 1T (1) is a compilation of the information reported in the prior three quarters in Form Nos. 3-QT electric (3-Q electric) in addition to the fourth quarter. Similarly, we have combined the number of internal burden hours for tagging the Form Nos. 2 and 3-QT natural gas (3-Q natural gas) and the Form Nos. 6T and 6-QT (6 and 6-Q), respectively, because the annual Form Nos. 2 and 6T (6) are based on a compilation of the information reported in the prior three quarters in Form Nos. 3-QT natural gas (3-Q natural gas) and 6-QT (6-Q) in addition to the fourth quarter.

| <b>RM19-12-000 Final Rule</b>                    |                                  |  |  |  |  |  |
|--|----------------------------------|--|--|--|--|--|
| <b>One-Time Implementation Burden, in Year 1</b> |                                  |  |  |  |  |  |
| <b>Information Collection (FERC Form No.)</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>16</sup> (4)</b> | <b>Total Annual Burden Hours &amp; Cost<sup>17</sup> (3)*(4)=(5)</b> | <b>Annual Cost per Respondent (\$) (5)÷(1)</b> |
| 1T (1)   | 207                              | 1  | 207  | 100 hrs.;<br>\$6,931   | 20,700 hrs.;<br>\$1,434,717  | \$6,931  |
| 1-FT (1-F)                                       | 5                                | 1  | 5  | 100 hrs.;<br>\$6,931   | 500 hrs.;<br>\$34,655  | \$6,931  |
| 3-QT electric (3-Q electric)                     | 212                              | 3  | 636  | No Change <sup>18</sup>  | No Change  | No Change                                      |
| 2  | 92                               | 1  | 92   | 100 hrs.;<br>\$6,931   | 9,200 hrs.;<br>\$637,652   | \$6,931  |
| 2-A  | 73                               | 1  | 73   | 100 hrs.;<br>\$6,931   | 7,300 hrs.;<br>\$505,963   | \$6,931  |
| 3-QT natural gas (3-Q natural gas)               | 165                              | 3  | 495  | No Change  | No Change  | No Change                                      |
| 6T (6)   | 244                              | 1  | 244  | 100 hrs.;<br>\$6,931   | 24,400 hrs.;<br>\$1,691,164  | \$6,931  |
| 6-QT (6-Q)                                       | 244                              | 3  | 732  | No Change  | No Change  | No Change                                      |
| 60A (60)   | 39                               | 1  | 39   | 20 hrs.;<br>\$1,386.20   | 780 hrs.;<br>\$54,062  | \$1,386.20                                     |
| 714  | 176                              | 1  | 176  | 15 hrs.;<br>\$1,039.65   | 2,640 hrs.;<br>\$182,977   | \$1,039.65                                     |

<sup>16</sup> The average burden and cost per response is calculated using the hourly wage figures described in detail below.

<sup>17</sup> Every figure in this column is rounded to the nearest dollar.

<sup>18</sup> There is no change to the internal burden hours for filing Form Nos. 3-QT electric (3-Q electric), 3-QT natural gas (3-Q natural gas), and 6-QT (6-Q) because the burden hours associated with these quarterly forms are included in the burden hours calculated for filing Form Nos. 1T (1), 2, and 6T (6).

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|  |  |                   |  |                                |  |
|--|--|-------------------|--|--------------------------------|--|
| <b>Total for<br/>One-Time<br/>Implementa<br/>tion Burden</b> |  | 836 <sup>19</sup> |  | 65,520<br>hrs.;<br>\$4,541,190 |  |
|--|--|-------------------|--|--------------------------------|--|

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<sup>19</sup> This total number of responses does not include the responses for Form Nos. 3-QT electric (3-Q electric), 3-QT natural gas (3-Q natural gas), or 6-QT (6-Q) because the burden hours for tagging Form Nos. 1T (1), 2, and 6T (6) include the number of hours required to tag the quarterly responses. The quarterly filings are generally a subset of the annual filings.

| <b>RM19-12-000 Final Rule</b>                                       |                                  |  |  |  |  |  |
|---|----------------------------------|--|--|--|--|--|
| <b>Annual Ongoing System Maintenance Burden, Starting in Year 2</b> |                                  |  |  |  |  |  |
| <b>Information Collection (FERC Form No.)</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>20</sup> (4)</b> | <b>Total Annual Burden Hours &amp; Cost<sup>21</sup> (3)*(4)=(5)</b> | <b>Annual Cost per Respondent (\$) (5)÷(1)</b> |
| 1T (1)  | 207                              | 1  | 207  | 14 hrs.;<br>\$970.34   | 2,898 hrs.;<br>\$200,860   | \$970.34                                       |
| 1-FT (1-F)  | 5                                | 1  | 5  | 14 hrs.;<br>\$970.34   | 70 hrs.;<br>\$4,852  | \$970.34                                       |
| 3-QT electric (3-Q electric)  | 212                              | 3  | 636  | No Change  | No Change  | No Change                                      |
| 2   | 92                               | 1  | 92   | 14 hrs.;<br>\$970.34   | 1,288 hrs.;<br>\$89,271  | \$970.34                                       |
| 2-A   | 73                               | 1  | 73   | 14 hrs.;<br>\$970.34   | 1,022 hrs.;<br>\$70,835  | \$970.34                                       |
| 3-QT natural gas (3-Q natural gas)                                  | 165                              | 3  | 495  | No Change  | No Change  | No Change                                      |
| 6T (6)  | 244                              | 1  | 244  | 14 hrs.;<br>\$970.34   | 3,416 hrs.;<br>\$236,763   | \$970.34                                       |
| 6-QT (6-Q)  | 244                              | 3  | 732  | No Change  | No Change  | No Change                                      |
| 60A (60)  | 39                               | 1  | 39   | 3 hrs.;<br>\$207.93  | 117 hrs.;<br>\$8,109   | \$207.93                                       |
| 714   | 176                              | 1  | 176  | 2 hrs.;<br>\$138.62  | 352 hrs.;<br>\$24,397  | \$138.62                                       |

<sup>20</sup> The average burden and cost per response is calculated using the hourly wage figures described in detail below.

<sup>21</sup> Every figure in this column is rounded to the nearest dollar.

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|  |  |                   |  |                          |  |
|--|--|-------------------|--|--------------------------|--|
| <b>Total for Annual Ongoing Burden, starting in Year 2</b> |  | 836 <sup>22</sup> |  | 9,163 hrs.;<br>\$635,087 |  |
|--|--|-------------------|--|--------------------------|--|

The Commission’s estimates for the hourly wage figure (as related to the implementation and ongoing burden estimate) are based on the Bureau of Labor Statistics data (for the Utilities sector, at [http://www.bls.gov/oes/current/naics2\\_22.htm](http://www.bls.gov/oes/current/naics2_22.htm), plus benefits information at <http://www.bls.gov/news.release/ecec.nr0.htm>). The salaries (plus benefits) for the eight occupational categories are:

- Management (Occupation Code: 11-0000): \$94.28/hour
- Information Security Analysts (Occupation Code: 15-1122): \$60.90/hour
- Legal (Occupation Code: 23-0000): \$143.68/hour
- Office and Administrative Support: \$41.34/hour
- Computer and Information Systems Manager (Occupation Code: 11-3021): \$96.51
- Management Analyst (Occupation Code: 13-1111): \$63.32/hour
- Computer and Information Systems Analyst (Occupation Code: 15-1120): \$66.47/hour
- Accountants and Auditors (Occupation Code: 13-2011): \$56.59/hour

The average hourly cost for all eight of these categories is calculated assuming the following weights in correspondence to effort applied by each respective occupation:

- Management (Occupation Code: 11-0000): 5%
- Information Security Analysts (Occupation Code: 15-1122): 5%
- Legal (Occupation Code: 23-0000): 5%
- Office and Administrative Support: 10%
- Computer and Information Systems Manager (Occupation Code: 11-3021): 10%
- Management Analyst (Occupation Code: 13-1111): 5%
- Computer and Information Systems Analyst (Occupation Code: 15-1120): 35%
- Accountants and Auditors (Occupation Code: 13-2011): 25%

Overall, the average hourly cost uses the following calculation with all eight occupations and their respective weights included:

$$[(\$94.28/\text{hour} * 0.05) + (\$60.90/\text{hour} * 0.05) + (\$143.68/\text{hour} * 0.05) + (\$41.34/\text{hour} * 0.1) + (\$96.51/\text{hour} * 0.1) + (\$63.32/\text{hour} * 0.05) + (\$66.47/\text{hour} * 0.35) + (\$56.59/\text{hour} * 0.25)] = \$69.31.$$

Totals:

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<sup>22</sup> This total number of responses does not include the responses for Form Nos. 3-QT

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- The number of annual responses related to both the implementation and ongoing burden is 836 responses.<sup>23</sup>
- The implementation burden will be 65,520 hours for Year 1.
- The ongoing burden in Years 2 and 3 will be 9,163 hours per year.

For purposes of this submittal, we are averaging the figures for Years 1-3. The responses and burden for Years 1-3 for both the implementation and ongoing burden are as follows:

- 836 responses/year;
- $[(65,520 \text{ hours for Year 1}) + (9,163 \text{ hours for Year 2}) + (9,163 \text{ hours for Year 3})] \div 3 \text{ years} = 27,949 \text{ hours/year (annual average for Years 1-3)}$ .

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

Based on the number of filers we expect to be subject to the requirements, the number of filings that we expect those filers to make and the burden hours and out-of-pocket cost estimates described, we estimate that the average yearly burden of the requirements over the first three years would be \$2,145,575 in out-of-pocket expenses per year. This would be incurred by an average of 836 filers for an average yearly burden per filer of \$2,566 in out-of-pocket expenses over Years 1-3. These numbers are derived as discussed below.

#### *Out-of-pocket expenses:*

Year 1: Due to the relatively recent development of the XBRL technology, its fairly limited implementation at other agencies, and the substantial differences in the data collected among agencies and corresponding final code to implement XBRL-based reporting systems, the Commission does not have sufficient data to specifically quantify the out of pocket expenses in Year 1. Further, the complexity of each filer’s current reporting system and the individual methods chosen for tagging data may vary considerably by filer, making estimates for out of pocket costs difficult to calculate for implementing XBRL in Year 1. Thus, the estimates for the cost of implementation are reflected in the Year 1 burden hours estimate for each form.

In Years 2 and 3 (following the first year of implementation), we estimate that filers would incur the following out-of-pocket expenses for software, consulting, or filing agent services used:

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<sup>23</sup> This total number of responses does not include the responses for Form Nos. 3-QT electric (3-Q electric), 3-QT natural gas (3-Q natural gas), or 6-QT (6-Q) because the burden hours for tagging Form Nos. 1T (1), 2, and 6T (6) include the number of hours required to tag the quarterly responses. The quarterly filings are generally a subset of the annual filings.

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- XBRL Form Nos. 1T, 1-FT, 3-QT electric (1, 1-F, 3-Q electric), 2, 2-A, 3-QT natural gas (3-Q natural gas), 6T (6), and 6-QT (6-Q):
  - Out-of-pocket cost for software and filing agent services: \$4,912 for each filing.<sup>24</sup>
  - Total out-of-pocket cost for software and filing agent services per year: (621 respondents) \* (\$4,912 for each filing) = \$3,050,352.
- Form No. 60A (60):
  - Out-of-pocket cost for software and filing agent services: \$982 for each filing.<sup>25</sup>
  - Total out-of-pocket cost for software and filing agent services per year: (39 respondents) \* (\$982 for each filing) = \$38,298.
- Form No. 714
  - Out-of-pocket cost for software and filing agent services: \$737 for each filing.<sup>26</sup>
  - Total out-of-pocket cost for software and filing agent services per year: (176 respondents) \* (\$737 for each filing) = \$129,712.

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<sup>24</sup> This cost is estimated based on 16% of the out-of-pocket cost for software and filing agent services that the SEC estimated that filers would incur when the SEC mandated reporting of financial information in XBRL in its final rule on Interactive Data to Improve Financial Reporting (issued on January 30, 2009). (See page 117 of the SEC final rule).

The annual cost per filing of \$4,912 for Years 2 and 3 is being averaged over 3 years for Question 15, giving \$3,274.66 per year per filing.

<sup>25</sup> This cost is estimated based on 16% of the out-of-pocket cost for software and filing agent services that the SEC estimated that filers would incur when the SEC mandated reporting of financial information in XBRL in its final rule on Interactive Data to Improve Financial Reporting (issued on January 30, 2009). (See page 117 of the SEC final rule). This is a considerably smaller collection than the others that are grouped together, yet this is still a conservatively high estimate based on the number of fields in the collection, its length, and its complexity.

The annual cost per filing of \$982 for Years 2 and 3 is being averaged over 3 years for Question 15, giving \$654.66 per year per filing.

<sup>26</sup> This cost is estimated based on 12% of the of the out-of-pocket cost for software and filing agent services that the SEC estimated that filers would incur when the SEC mandated reporting of financial information in XBRL in its final rule on Interactive Data to Improve Financial Reporting (issued on January 30, 2009). (See page 117 of the final rule). This is an even smaller collection than the other forms, yet this is still a conservatively high estimate based on the number of fields in the collection, its length, and its complexity.

The annual cost per filing of \$737 for Years 2 and 3 is being averaged over 3 years for Question 15, giving \$491.33 per year per filing.



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In Question 15, below, the “annual cost burden” imposed annually in Years 2 and 3 is averaged over Years 1-3 and is provided for each collection.

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

The estimate of the cost for “analysis and processing of filings”<sup>27</sup> 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 collections. The number of federal FTEs required to analyze and process filings is not expected to change due to the final rule in RM19-12. However, there are additional costs related to the adoption of XBRL for the PRA work and for the IT contract. (The corresponding annual and hourly FERC costs use the figures for 2018, as noted.) To the extent there is also a projected increase in FTEs necessary to adopt and implement XBRL, those estimates will be provided when the Commission submits to OMB the order adopting the final taxonomy, protocols, and implementation guide, and establishing an implementation schedule.

The Paperwork Reduction Act (PRA) Administrative Cost<sup>28</sup> 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.

The estimated additional annualized cost to the Federal Government due to the final rule in RM19-12 follows.<sup>29</sup>

#### **Additional Federal Cost Due to the Final Rule in Docket No. RM19-12**

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<sup>27</sup> The estimate uses the FERC’s FY 2018 average annual salary plus benefits of one FERC FTE (full-time equivalent [\$164,820 per year or \$79.00 per hour]). (These estimates were updated in May 2018.)

<sup>28</sup> This estimate was updated May 2018.

<sup>29</sup> The federal costs for the FERC Form Nos. 1T (1), 1-FT (1-F), and 3-QT electric and natural gas (3-Q (electric and natural gas)) will be included under the ICR for FERC Form No. 1T (1) in ROCIS and reginfo.gov.

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| <b>Information Collection</b>  | <b>Full-Time Equivalents (FTEs) for “Analysis &amp; Processing of Filings” --The Staff expects no change due to the Final Rule in RM19-12.</b> | <b>FERC Staff Cost of Analysis &amp; Processing of Filings (FTEs * \$164,820/year)</b> | <b>PRA Administrative Cost (\$4,931 per collection)</b> | <b>Estimated Annual Federal Cost (rounded)</b> |
|--|--|--|---|--|
| <b>FERC-1T (1), FERC-1-FT (1-F), &amp; FERC-3-QT (3-Q (electric and gas)</b>                         | unchanged for existing forms   | unchanged for existing forms   | \$19,724.00   | \$19,724.00                                    |
| <b>FERC-2</b>  | unchanged  | unchanged  | \$4,931.00  | \$4,931.00                                     |
| <b>FERC-2-A</b>  | unchanged  | unchanged  | \$4,931.00  | \$4,931.00                                     |
| <b>FERC-6T (6)</b>   | unchanged for existing form  | unchanged for existing form  | \$4,931.00  | \$4,931.00                                     |
| <b>FERC-6-QT (6-Q)</b>   | unchanged for existing form  | unchanged for existing form  | \$4,931.00  | \$4,931.00                                     |
| <b>FERC-60A (60)</b>   | unchanged for existing form  | unchanged for existing form  | \$4,931.00  | \$4,931.00                                     |
| <b>FERC-714</b>  | unchanged  | unchanged  | \$4,931.00  | \$4,931.00                                     |
| <b>Total Additional FERC Costs for “Analysis and Processing of Filings” and “PRA Administration”</b> |  |  |   | \$49,310                                       |
| <b>FERC IT development, implementation, &amp; maintenance costs</b>                                  |  |  |   | \$5,399,889.45                                 |
| <b>TOTAL COST</b>  |  |  |   | \$5,449,199.45                                 |

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For administrative convenience, the IT cost of \$5,399,889.45 is being equally split over Years 1-3 for each of the 10 forms, giving \$179,996.32 [ $(\$5,399,889.45 \div 10) \div 3 = \$179,996.32$ ] annually per form.

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

**Adjustment in Estimate.** For the FERC Form No. 2-A, there is an adjustment of the agency estimate of +7 respondents (and responses) and +1,773.76 burden hours. This is due to normal fluctuations in industry (e.g., companies merging or splitting, or entering or leaving the field).

**Program Change.** FERC is transitioning from the current use of the VFP software, which is no longer supported by its developer, to a type of Extensible Markup Language called eXtensible Business Reporting Language (XBRL). The XBRL standard would be used to file the Commission’s VFP Forms. The use of XBRL should make the information in these forms easier for filers and data users to analyze and assist in automating regulatory filings and business information processing. In addition, the Commission believes that transitioning from the current VFP system to XBRL will decrease the costs, over time, of preparing the necessary data for submission and complying with future changes to filing requirements set forth by the Commission. The Commission is also proposing to revise its regulations to require filers of FERC Form No. 1-FT (1-F) to file their report in electronic media pursuant to 18 CFR 385.2011.

The following table<sup>30</sup> shows the changes due to the final rule in Docket No. RM19-12, plus an adjustment (unrelated to the rulemaking) in the number of filers of the FERC Form No. 2-A. The figures are based on ROCIS (and reginfo.gov) metadata. “Annual cost burden” is the annual “out-of-pocket” expenses estimated for Years 2 and 3 (as described in Question 13); the figure is averaged over 3 years.

Note that a placeholder of "1" is used for some entries for the FERC Form Nos. 3-QT (electric and natural gas) and 6-QT in order to submit these to OMB for review. The burden and cost related to the rulemaking are covered under FERC Form Nos. 1T, 1-FT, 2, 2-A and 6T.

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<sup>30</sup> The burden and total number of responses do not include the responses for Form Nos. 3-QT electric, 3-QT natural gas (3-Q electric, 3-Q natural gas), or 6-QT (6-Q) because the burden hours for tagging Form Nos. 1T (1), 2, and 6T (6) include the number of responses and burden hours required to tag the quarterly responses. The quarterly filings are generally a subset of the annual filings. However, to enable submittal to OMB, we are including 1 response and 1 burden hour as placeholders (rather than 0).

| FERC Form No.             |                            | Total Request | Previously Approved | Change due to Adjustment in Estimate | Average Annual Change Due to Agency Discretion (Burden changes [implementation and ongoing maintenance] are being averaged over Years 1-3) |
|---------------------------|----------------------------|---------------|---------------------|--------------------------------------|--|
| <b>1T (1)</b>             | Annual Number of Responses | 207           | 0                   |                                      | 207  |
|                           | Annual Time Burden (Hr.)   | 8,832         | 0                   |                                      | 8,832  |
|                           | Annual Cost Burden (\$)    | \$677,854.62  | \$0                 |                                      | \$677,854.62   |
| <b>1-FT (1-F)</b>         | Annual Number of Responses | 5             | 0                   |                                      | 5  |
|                           | Annual Time Burden (Hr.)   | 213           | 0                   |                                      | 213.333  |
|                           | Annual Cost Burden (\$)    | \$16,373.30   | \$0                 |                                      | \$16,373.30  |
| <b>3-QT (3Q) electric</b> | Annual Number of Responses | 1             | 0                   |                                      | 1  |
|                           | Annual Time Burden (Hr.)   | 1             | 0                   |                                      | 1  |
|                           | Annual Cost Burden (\$)    | \$0           | \$0                 |                                      | \$0  |
| <b>3-QT</b>               | Annual                     | 1             | 0                   |                                      | 1  |

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|                   |                            |              |         |              |
|-------------------|----------------------------|--------------|---------|--------------|
|                   | Number of Responses        |              |         |              |
|                   | Annual Time Burden (Hr.)   | 1            | 0       | 1            |
| <b>(3Q) gas</b>   | Annual Cost Burden (\$)    | \$0          | \$0     | \$0          |
|                   | Annual Number of Responses | 92           | 92      |              |
|                   | Annual Time Burden (Hr.)   | 153,793      | 149,868 | 3,925.330    |
| <b>2</b>          | Annual Cost Burden (\$)    | \$301,268.72 | \$0     | \$301,268.72 |
|                   | Annual Number of Responses | 73           | 66      | 7            |
|                   | Annual Time Burden (Hr.)   | 21,612       | 16,724  | 1,773        |
| <b>2-A</b>        | Annual Cost Burden (\$)    | \$239,050.18 | \$0     | \$239,050.18 |
|                   | Annual Number of Responses | 244          | 0       | 244          |
|                   | Annual Time Burden (Hr.)   | 10,411       | 0       | 10,410.7     |
| <b>6T (6)</b>     | Annual Cost Burden (\$)    | \$799,017.04 | \$0     | \$799,017.04 |
|                   | Annual Number of Responses | 1            | 0       | 1            |
| <b>6-QT (6-Q)</b> | Annual                     | 1            | 0       | 1            |

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|  |                            |             |        |   |             |
|--|----------------------------|-------------|--------|---|-------------|
|  | Time Burden (Hr.)          |             |        |   |             |
|  | Annual Cost Burden (\$)    | \$0         | \$0    |   | \$0         |
| <b>60A (60)</b>  | Annual Number of Responses | 39          | 0      | 0 | 39          |
| [does not include figures for FERC-61 or FERC-555A, not affected by Final Rule in RM19-12]   | Annual Time Burden (Hr.)   | 338         | 0      |   | 338         |
|  | Annual Cost Burden (\$)    | \$25,609.74 | \$0    |   | \$25,609.74 |
|  | Annual Number of Responses | 176         | 176    |   | 0           |
|  | Annual Time Burden (Hr.)   | 16,427      | 15,312 |   | 1,114.667   |
| <b>714</b>   | Annual Cost Burden (\$)    | \$129,712   | \$0    |   | \$129,712   |
| <p><i>Note: “Annual Cost burden” is the out-of-pocket non-burden hour expenses which filers are estimated to incur in Years 2 and 3 (and beyond). Those costs are being averaged over Years 1-3.</i></p> |                            |             |        |   |             |

The total number of responses does not include the responses for Form Nos. 3-QT electric (3-Q electric), 3-QT natural gas (3-Q natural gas), or 6-QT (6-Q) because the burden hours for tagging Form Nos. 1T (1), 1-FT (1-F), 2, 2-A, and 6T (6) include the number of hours required to tag the associated quarterly responses. The quarterly filings are generally a subset of the annual filings.

## 16. TIME SCHEDULE FOR PUBLICATION OF DATA

There is no publication of data.

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## **17. DISPLAY OF EXPIRATION DATE**

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

## **18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions.