

Supporting Statement

**FERC-516E, Electric Rate Schedules and Tariff Filings and  
FERC-717, Open Access Same-Time Information System and Standards for Business  
Practices and Communication Protocols,**

as modified by the Notice of Proposed Rulemaking (NOPR) in Docket Number RM05-5-027  
(issued on 5/16/2019)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review FERC-516E (Electric Rate Schedule and Tariff Filings)<sup>1</sup> and FERC-717 (Standards for Business Practices and Communication Protocols for Public Utilities), as revised by the NOPR in Docket No. RM05-5-027. This is a consolidated supporting statement that will be submitted to OMB under two separate Information Collection Requests.

In this NOPR, the Commission proposes to amend its regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003.2) of certain Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB). The WEQ Version 003.2 Standards build upon the standards included in the WEQ Version 003.1 Standards and include, in their entirety, the modifications submitted to the Commission in WEQ Version 003.1, which were the subject of an earlier notice of proposed rulemaking, with the addition of certain revisions and corrections. The revisions made by NAESB in this version of the standards are designed to aid public utilities with the consistent and uniform implementation of requirements promulgated by the Commission as part of the *pro forma* Open Access Transmission Tariff.

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

The Federal Power Act Section 205<sup>2</sup> 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.

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<sup>1</sup> This burden should be included in “FERC-516” (OMB Control No. 1902-0096 (Electric Rate Schedules and Tariff Filings)). However, another unrelated item is pending OMB review under FERC-516, and only one item per OMB Control No. may be pending OMB review at a time. Therefore, to ensure timely submission to OMB of this package and the NOPR in RM05-5-025, Commission staff is using FERC-516E (OMB Control No. TBD), a temporary “placeholder” collection number.

<sup>2</sup> 16 U.S.C. 824d(a)

Industry-wide business practice standards help the industry achieve increased levels of efficiency. The WEQ Version 003.1 and Version 003.2 Business Practice Standards build on the Commission's work in preventing undue discrimination and preference in transmission service (in Order Nos. 890, 890-A, 890-B and 890-C, and includes six OASIS-related standards<sup>3</sup> that NAESB modified in response to directives and guidance provided in Order Nos. 676-E, 676-H, and 890).

In addition, in WEQ Version 003.1, NAESB developed two new suites of standards in coordination with the North American Electric Reliability Corporation (NERC). These two NAESB new suites of standards would establish: (1) NAESB Electric Industry Registry (EIR) business practice standards that replace the NERC Transmission System Information Networks (TSIN) as the tool to be used by wholesale electric markets to conduct electronic transactions via electronic tagging (e-Tags); and (2) Modeling Business Practice Standards to support and complement NERC's proposed retirement of its "MOD A" Reliability Standards.<sup>4</sup> NAESB also adopted revisions to NAESB standards that need to match up with NERC's Interchange Scheduling and Coordination Reliability Standards.

The WEQ Version 003.2 Standards include modifications and reservations to existing standards and newly developed standards made to support the short-term preemption process (WEQ-001-25) and the merger of like transmission reservations (WEQ-001-24) prescribed in the OASIS Suite of Standards.<sup>5</sup> The WEQ Version 003.2 Standards also included other changes that were made to support consistency with NERC Reliability Standards. NAESB made these changes as a result of continuing coordination with NERC regarding dynamic tagging and pseudo-ties, and the finalization of the transition of the industry registry tool from NERC to NAESB. NAESB also made additional changes to seven suites of the WEQ Business Practices to ensure the standards accurately reflect revisions to the NERC Reliability Standards. In addition, NAESB made changes to support market operator functionalities to support the full use of the market operator as a separate role within the EIR and on e-Tags.

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

**FERC-516E.** The NOPR proposes to require public utilities that own and/or control facilities used for the transmission of electricity in interstate commerce (public utilities) to modify their

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5 WEQ-001-25 addresses the preemption of previously queued short-term requests or reservations by a valid competing request. WEQ-001-24 addresses the combination of multiple firm PTP Parent Reservations for which they are the owner into a single reservation in accordance with the following requirements.

existing tariffs to reference the standards and state that transactions made under their respective tariffs would be performed in accordance with the Version 003.2 standards. Tariffs provide the Commission and the public with information regarding a utility's rates and service conditions. Without tariffs, FERC and the public would not be able to properly evaluate rates.

**FERC-717.** The NOPR requires public utilities to operate in compliance with the WEQ Version 003.2 business practice standards.

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 will be required to make tariff filings (FERC-516E) referencing the WEQ Version 003.2 standards and stating that they will implement their tariff in accordance with the requirements of the WEQ Version 003.2 standards. Public utilities currently collect and post information on various systems such as OASIS currently in use by the industry. The revisions within these revised NAESB standards may adjust some of the business practices around this information but does not substantially affect the amount or content of the information. Without these standards, the same transactions would occur. However, the details regarding each transaction would vary from utility to utility hindering standardization.

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

FERC has made no significant changes in information technology use for complying with the FERC-516E as these issues were already addressed by FERC in a rule implementing the Commission's eTariff system (fully implemented in 2010) for the electronic filing of tariffs.

Applicable entities also 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. The information to be submitted, generated, kept, or posted, pursuant to this NOPR is not readily available from other sources and, therefore, no duplicate information is available that would serve as a substitute for this information and for performing oversight and review responsibilities under applicable legislation (e.g. FPA, Energy Policy Act of 1992 (EPAAct)).

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

FERC estimates that there are 6<sup>6</sup> small public utilities applicable to this rule. FERC considers the impact of the rule to be very minimal. The Commission does consider waivers for small entities, which serves as an option for small entities to reduce their burden. The Commission grants these waivers on a case-by-case basis.

**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 003.2 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**

FERC-717 and FERC-516E are consistent with the guidelines in 5 CFR 1320.5(d).

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<sup>6</sup> This figure constitutes 3.8% of the 165 affected entities

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

In the proposed rule, the Commission seeks comment on various aspects of the new business practice standards including the burden estimates provided. Further, the NAESB WEQ business practice standards are developed and voted on by industry representatives prior to submission to FERC. For final approval, 67 percent of the WEQ's general membership must ratify the standard. Additionally, the standards have already gained approval among the industry sectors.

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 concerning the proposed collection of data. The proposed rule was published in the Federal Register on 5/24/2019 (84 FR 24050)

**9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

There are no payments or gifts to respondents associated with these collections.

**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 in the reporting requirements.

**12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

The proposed revisions for both the FERC-516E and FERC-717 are one-time in nature. These one-time changes are expected to occur in Year 1 after implementation of the requirements in the RM05-5-027 NOPR.

Revisions in NOPR in RM05-5-027					
	No. of Respondents (1)	Annual No. of Responses Per Respondent (2)	Total No. of Responses (1)*(2)=(3)	Average Burden (Hrs.) & Cost (\$) Per Response <sup>7</sup> (4)	Total Annual Burden Hrs. & Total Annual Cost (\$) (3)*(4)=(5)
FERC-516E <sup>8, 9</sup> (tariff filing)	165	1	165	6 hrs.; \$474	990 hrs.; \$78,210
FERC-717 (compliance with standards) <sup>10</sup>	165	1	165	30 hrs.; <sup>11</sup> \$2,370	4,950 hrs.; \$391,050
<b>TOTAL</b>			330		5,940 hrs.; \$469,260

The one-time burden for the FERC-516E information collection will be averaged over three years: 990 hours ÷ 3 = 330 hours/year over three years

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

There are no non-labor costs currently associated with either the FERC-516E or the FERC-717.

All of the costs in the NOPR are associated with labor and are not shown in ROCIS metadata.

### 14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

<sup>7</sup> 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.

<sup>8</sup> This burden category is intended for FERC-516, the Commission's identifier that corresponds to OMB Control No. 1902-0096 (Electric Rate Schedules and Tariff Filings). However, another unrelated item is pending OMB review using this OMB Control No. and only one item per OMB Control No. may be pending at a time. Therefore, to ensure timely submission, Commission staff is using FERC-516E (OMB Control No. 1902-0290), a temporary collection number.

<sup>9</sup> These information collection requirements are one-time burden estimates. After implementation in Year 1, the revision proposed in this NOPR would be complete.

<sup>10</sup> FERC-717 is the Commission's identifier that corresponds to OMB control No. 1902-0173 that identifies the information collection associated with Standards for Business Practices and Communication Protocols for Public Utilities.

<sup>11</sup> The 30-hour estimate was developed in Docket No. RM05-5-013, when the Commission prepared its estimate of the scope of work involved in transitioning to the NAESB Version 002.1 Business Practice Standards. See Order No. 676-E, 129 FERC ¶ 61,162 at P 134. We have retained the same estimate here, because the scope of the tasks involved in the transition to Version 003.2 of the Business Practice Standards is very similar to that for the transition to the Version 003 Standards.

The estimated annualized cost to the Federal Government for FERC-516E and FERC-717, as related to the requirements in the NOPR in RM05-5-027 follows. Please note that the federal cost for FERC-516E is already accounted for in the FERC-516 information collection (OMB Control No. 1902-0096). The federal effort as a result of this RM05-5-027 NOPR is 2.5 FTEs for analysis and processing of the filings. This figure replaces the added federal effort in FERC-516 due to the RM16-6-000 Final Rule (ICR No. 201710-1902-001). In the chart below, no federal effort is cited for FERC-516E here to avoid duplicating federal effort between this temporary collection (FERC-516E) and FERC-516:

	<b>Number of Full-Time Equivalent Employees (FTEs)</b>	<b>Estimated Annual Federal Cost</b>
FERC-516E, Analysis and Processing of filings <sup>12</sup>	-	-
FERC-717, Analysis and Processing of filings	0.5	\$82,410
PRA, <sup>13</sup> Administrative Cost (for FERC-516E)		\$4,931
PRA, <sup>12</sup> Administrative Cost (for FERC-717)		\$4,931
<b>FERC Total</b>		<b>\$92,272</b>

Based on the above table, the total additional Federal Cost for the FERC-717 is \$87,341 (\$82,410 + \$4,931). The only additional cost to FERC-516E will be the PRA administrative cost (\$4,931)<sup>14</sup>. The FERC total cost for the RM05-5-025 NOPR is \$92,272.

The Commission bases its estimate of the ‘Analysis and Processing of filings’ cost to the Federal Government on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision making, and review of any actual filings made in response to the NOPR.

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

<sup>12</sup> Based upon FERC’s 2018 FTE average salary plus benefits (\$164,820)

<sup>13</sup> The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (PRA) for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. This average annual cost includes requests for extensions, all associated rulemakings (not just this proposed rule), and other changes to the collection.

<sup>14</sup> There is no existing cost for the FERC-516E information collection since it is a new (and temporary) collection.

The burden for both the FERC-516E and FERC-717 information collections is increasing so that the industry can implement the new and revised business practice standards adopted by NAESB and proposed in the NOPR to be incorporated by reference into FERC’s regulations.

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

<b>FERC-516E</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	165	0	0	165
Annual Time Burden (Hr.)	330	0	0	330
Annual Cost Burden (\$)	0	0	0	0

<b>FERC-717</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	335	170	0	165
Annual Time Burden (Hr)	10,050	5,100	0	4,950
Annual Cost Burden (\$)	0	0	0	0

## **16. TIME SCHEDULE FOR PUBLICATION OF DATA**

FERC does not publish any data associated with these collections.

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

It is not appropriate to display the expiration date for OMB approval of the information collected pursuant to this rulemaking affecting FERC-516E and FERC-717. The substance of the requirements is incorporated by reference into FERC’s regulations at 18 CFR (making the

OMB Control Number: 1902-0290 (FERC-516E); 1902-0173 (FERC-717)  
Docket No. RM05-5-027, Notice of Proposed Rulemaking (issued 5/16/2019)  
RIN: 1902-AF65

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 is no stated record retention requirement as part of this collection. Also, the data collected for this reporting requirement are not used for statistical purposes.