

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

[Docket No. IC19-45-000]

COMMISSION INFORMATION COLLECTION ACTIVITIES
(FERC Form 580);
COMMENT REQUEST; EXTENSION

(December 10, 2019)

AGENCY: Federal Energy Regulatory Commission

ACTION: Notice of information collection and request for comments.

SUMMARY: In compliance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the Federal Energy Regulatory Commission (Commission or FERC) is soliciting public comment on the currently approved information collection, FERC Form 580 (Interrogatory on Fuel and Energy Purchase Practices) and submitting the information collection to the Office of Management and Budget (OMB) for review. Any interested person may file comments directly with OMB and should address a copy of those comments to the Commission as explained below.

DATES: Comments on the collection of information are due [**Insert Date 30 days after date of publication in the Federal Register**].

ADDRESSES: Comments filed with OMB, identified by the OMB Control No. 1902-0137, should be sent via email to the Office of Information and Regulatory Affairs: oir_submission@omb.gov Attention: Federal Energy Regulatory Commission Desk Officer:

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A copy of the comments should also be sent to the Commission, in Docket No. IC19-45-000, by either of the following methods:

- eFiling at Commission's Web Site: <http://www.ferc.gov/docs-filing/efiling.asp>
- Mail/Hand Delivery/Courier: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC 20426.

Instructions: All submissions must be formatted and filed in accordance with submission guidelines at: <http://www.ferc.gov/help/submission-guide.asp>. For user assistance, contact FERC Online Support by e-mail at ferconlinesupport@ferc.gov, or by phone at: (866) 208-3676 (toll-free), or (202) 502-8659 for TTY.

Docket: Users interested in receiving automatic notification of activity in this docket or in viewing/downloading comments and issuances in this docket may do so at <http://www.ferc.gov/docs-filing/docs-filing.asp>.

FOR FURTHER INFORMATION: Ellen Brown may be reached by e-mail at DataClearance@FERC.gov, telephone at (202) 502-8663, and fax at (202) 273-0873.

SUPPLEMENTARY INFORMATION:

Title: FERC Form 580, (Interrogatory on Fuel and Energy Purchase Practices Pursuant to Section 205 of the Federal Power Act)

OMB Control No.: 1902-0137

Type of Request: Three-year extension of the FERC Form 580 with no changes to the current reporting requirements. The administrative changes to the time period covered in FERC Form 580 are listed in the abstract.

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Abstract: On October 1, 2019 (84 FR 52080), the Commission published a Notice in the Federal Register in Docket No. IC19-45-000 requesting public comments. The Commission received one public comments and is indicating that in the related submittal to OMB.

The Commission collects FERC Form 580 information every other year as required under Section 205(f)(2) of the FPA as amended by Section 208 of the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission uses the information collected on the FERC Form 580 interrogatory to review utility purchase and cost recovery practices through automatic adjustment clauses (AACs) in order to ensure efficient use of resources.¹ The Commission uses the information to evaluate costs in individual rate filings and to supplement periodic utility audits. The public also uses the information in this manner. Without the FERC Form 580 interrogatory, the Commission would not have the requisite information to conduct the necessary review the FPA mandates.

Summary Of Public Comments:

On December 2, 2019, American Electric Power Service Corporation (AEPSC) filed comments. AEPSC states that the Commission should further clarify in the Desk

Reference the scope of necessary respondents including:

(1) that only jurisdictional utilities with cost-based tariffs on file that contain AACs should be required to submit Form 580; and

¹ By using the data in FERC Form 580, the Commission is able to review utility purchase and cost recovery practices and ensure the resources are in compliance with Commission regulations in 18 Code of Federal Regulations (CFR) 35.14.

(2) that contracts entered into pursuant to a utilities' market-based rate authority (regardless of whether such contract happens to be cost-based and contain an AAC) are outside the scope of the necessary reporting.

However, AEPSC explains that Form 580 itself indicates that such scope limitations are intended. AEPSC also states that while it has not estimated the time it spends on each form, the time spent collecting the information and completing the form appear to be understated. AEPSC provides suggestions for minimizing the burden on respondents, which AEPSC explains would be addressed through implementing new software. Additionally, AEPSC asserts that the Commission should consider providing greater consistency in terms and directions across different forms.

FERC Response to Public Comments:

First, the Commission finds that while AEPSC states that the Desk Reference is not clear enough, AEPSC acknowledges that FERC Form 580 provides the necessary level of clarity. The Desk Reference is provided to answer common questions and assist filers in completing the FERC Form 580. Therefore, the Commission finds that revisions to the Desk Reference are not necessary for respondents to understand what is required to report as long as the directions on the FERC Form 580 are clear.

Second, the Commission finds that while AEPSC states that the burden estimates appear understated, AEPSC has not provided sufficient evidence to support its claim. Without additional factual information, the Commission does not have a basis to revise the burden estimate.

Third, we find that implementing major software updates is beyond the scope and timing of this docket. We will take the comment under consideration for future activities on the FERC Form 580.

Lastly, while AEPSC asserts that the Commission should consider consistency in terms and directions across different forms, we find that this is not necessary for respondents to be able to understand how to complete FERC Form 580. Moreover, changes to forms other than FERC Form 580 are beyond the scope of this information collection and might require rulemaking(s)..

FERC is making the following administrative changes² (e.g., to update the period covered) to the form:

Question 2a

-Revise Question 2a columns as follows:

| From | To |
|--|--|
| Docket number under which rate schedule containing AAC through which costs were passed during 2016 and/or 2017 was accepted for filing by FERC | Docket number under which rate schedule containing AAC through which costs were passed during 2018 and/or 2019 was accepted for filing by FERC |
| Was rate schedule superseded or abandoned during 2016-2017? If so, provide Dates | Was rate schedule superseded or abandoned during 2018-2019? If so, provide dates |

² These changes were inadvertently omitted in the 60-day notice published on October 1, 2019 (84 FR 52080),

Question 2b

-Revise the paragraph under Question 2b to read:

| From | To |
|--|--|
| <p>If any of the Utility’s wholesale rate and/or service agreements containing an AAC listed in Question 2a, that was used during 2016 and/or 2017, was filed with the Commission before January 1, 1990, attach an electronic copy of it with this filing. List the documents you are submitting below. Note: once this information is submitted electronically in a text-searchable format it will not be necessary to submit it in future Form 580 filings. See: http://www.ferc.gov/docs-filing/elibrary/accept-file-formats.asp for listing of Commission accepted document types.</p> | <p>If any of the Utility’s wholesale rate and/or service agreements containing an AAC listed in Question 2a, that was used during 2018 and/or 2019, was filed with the Commission before January 1, 1990, attach an electronic copy of it with this filing. List the documents you are submitting below. Note: once this information is submitted electronically in a text-searchable format it will not be necessary to submit it in future Form 580 filings. See: http://www.ferc.gov/docs-filing/elibrary/accept-file-formats.asp for listing of Commission accepted document types.</p> |

Question 3

-Revise the paragraph under Question 3 to read:

| From | To |
|---|---|
| <p>If during the 2016-2017 period, the Utility had any contracts or agreements for the purchase of either energy or capacity under which all or any portion of the purchase costs were passed through a fuel adjustment clause (FAC), for each purchase from a PURPA Qualifying Facility (QF) or Independent Power Producer (IPP) provide the information requested in the non-shaded columns of the table below. Provide the information separately for each reporting year 2016 and 2017. Do not report purchased power</p> | <p>If during the 2018-2019 period, the Utility had any contracts or agreements for the purchase of either energy or capacity under which all or any portion of the purchase costs were passed through a fuel adjustment clause (FAC), for each purchase from a PURPA Qualifying Facility (QF) or Independent Power Producer (IPP) provide the information requested in the non-shaded columns of the table below. Provide the information separately for each reporting year 2018 and 2019. Do not report purchased power</p> |

| | |
|--|--|
| where none of the costs were recovered through an FAC. For each purchase where costs were flowed through an FAC, fill-in the non-shaded columns and either “Only energy charges” or “The total cost of the purchase of economic power” columns, whichever apply. | where none of the costs were recovered through an FAC. For each purchase where costs were flowed through an FAC, fill-in the non-shaded columns and either “Only energy charges” or “The total cost of the purchase of economic power” columns, whichever apply. |
|--|--|

Question 4a

-Revise Question 4a columns as follows:

| From | To |
|---|---|
| If emission allowance costs were incurred by the Utility in 2016 and/or 2017 and were recovered through a FAC, provide the following information. | If emission allowance costs were incurred by the Utility in 2018 and/or 2019 and were recovered through a FAC, provide the following information. |
| Dollar value of emission allowance cost passed through a FAC: 2016 2017 | Dollar value of emission allowance cost passed through a FAC: 2018 2019 |

Question 5

-Revise the paragraph under Question 5 as follows:

| From | To |
|--|--|
| Provide the information requested below regarding the Utility's fuel procurement policies and practices in place during 2016 and/or 2017 for fuels whose costs were subject to 18 CFR 35.14. Note: Responses to this question may be filed as Privileged. To do so, skip this question now and answer it via the Fuel Procurement Policies and Practices Privileged Addendum provided. Otherwise, answer it here and your responses will be made public. | Provide the information requested below regarding the Utility's fuel procurement policies and practices in place during 2018 and/or 2019 for fuels whose costs were subject to 18 CFR 35.14. Note: Responses to this question may be filed as Privileged. To do so, skip this question now and answer it via the Fuel Procurement Policies and Practices Privileged Addendum provided. Otherwise, answer it here and your responses will be made public. |

Question 6

-Revise the paragraph under Question 6 as follows:

| From | To |
|--|--|
| <p>For each fuel supply contract, of longer than one year in duration, in force at any time during 2016 and/or 2017, where costs were subject to 18 CFR 35.14, (including informal agreements with associated companies), provide the requested information. Report the information individually for each contract, for each calendar year. [No response to any part of Question 6 for fuel oil no. 2 is necessary.] Report all fuels consumed for electric power generation and thermal energy associated with the production of electricity. Information for only coal, natural gas, and oil should be reported.</p> | <p>For each fuel supply contract, of longer than one year in duration, in force at any time during 2018 and/or 2019, where costs were subject to 18 CFR 35.14, (including informal agreements with associated companies), provide the requested information. Report the information individually for each contract, for each calendar year. [No response to any part of Question 6 for fuel oil no. 2 is necessary.] Report all fuels consumed for electric power generation and thermal energy associated with the production of electricity. Information for only coal, natural gas, and oil should be reported.</p> |

Question 7

-Revise the paragraph under Question 7 as follows:

| From | To |
|--|--|
| <p>For each fuel supply contract, including informal agreements with associated or</p> | <p>For each fuel supply contract, including informal agreements with associated or</p> |

| | |
|---|---|
| <p>affiliated companies in force at any time during 2016 or 2017 WHERE CONTRACT SHORTFALL COSTS WERE PASSED THROUGH an FAC subject to 18 CFR 35.14, provide for each contract separately the information requested below. Only report the information requested for shortfalls that occurred under your contracts during reporting years 2016 or 2017 and that are not under dispute i.e. parties agree there was indeed a shortfall.</p> | <p>affiliated companies in force at any time during 2018 or 2019 WHERE CONTRACT SHORTFALL COSTS WERE PASSED THROUGH an FAC subject to 18 CFR 35.14, provide for each contract separately the information requested below. Only report the information requested for shortfalls that occurred under your contracts during reporting years 2018 or 2019 and that are not under dispute i.e. parties agree there was indeed a shortfall.</p> |
|---|---|

Question 8

-Revise the paragraph under Question 8 as follows:

| From | To |
|--|--|
| <p>For each fuel supply contract that was bought-out or bought-down, including informal agreements with associated or affiliated companies in force at any time during 2016 or 2017 WHERE CONTRACT BUY-OUT AND/OR BUY-DOWN COSTS WERE PASSED THROUGH an FAC subject to 18 CFR 35.14, provide for each contract separately the information requested below. Only report the information requested for contract buy-downs and buy-outs that occurred under your contracts during</p> | <p>For each fuel supply contract that was bought-out or bought-down, including informal agreements with associated or affiliated companies in force at any time during 2018 or 2019 WHERE CONTRACT BUY-OUT AND/OR BUY-DOWN COSTS WERE PASSED THROUGH an FAC subject to 18 CFR 35.14, provide for each contract separately the information requested below. Only report the information requested for contract buy-downs and buy-outs that occurred under your contracts during</p> |

| | |
|--|--|
| reporting years 2016 or 2017 and that are not under dispute i.e. parties agree there was indeed a shortfall. | reporting years 2018 or 2019 and that are not under dispute i.e. parties agree there was indeed a shortfall. |
|--|--|

Type of Respondents: The filing must be submitted by all FERC-jurisdictional utilities owning and/or operating at least one steam-electric generating station of 50 MW or greater capacity or having a majority ownership interest in a jointly-owned steam-electric generating station of at least 50 MW. A jurisdictional utility without a cost-based tariff on file with the Commission is not required to file the form.

*Estimate of Annual Burden.*³ The The Commission estimates the annual⁴ public reporting burden and cost⁵ for the information collection as:

| FERC Form 580 (Interrogatory on Fuel and Energy Purchase Practices | | | | | | |
|---|------------------------------|--|----------------------------------|---|---|--|
| | Number of Respondents | Annual Number of Responses per Respondent | Total Number of Responses | Average Burden & Cost (\$ Per Response | Total Annual Burden Hours & Total Annual Cost (\$) | Annual Cost per Respondent (\$) |
| | (1) | (2) | (1)*(2)=(3) | (4) | (3)*(4)=(5) | (5)÷(1) |

³ Burden is defined as the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a federal agency. See 5 CFR 1320 for additional information on the definition of information collection burden.

⁴ The FERC Form 580 interrogatory is conducted every two years, we are using 0.5 for annual number of responses.

⁵ Commission staff finds that the work done on this information collection is typically done by wage categories like those at FERC. The estimates for cost (for wages plus benefits) are derived using the 2019 FERC average salary plus benefits of \$167,091/year (or \$80.00/hour).

| | | | | | | |
|--------------------------------------|----|-----|-----------|----------------------|------------------------------------|---------|
| Respondents with FACs ⁶ | 29 | 0.5 | 14.5 | 103 hrs.; \$8,240 | 1,493.5 hrs.; \$119,480 | \$4,120 |
| Respondents with AACs, but no FACs | 9 | 0.5 | 4.5 | 20 hrs.; \$1,600 | 90 hrs.; \$7,200 | \$800 |
| Respondents with no AACs and no FACs | 28 | 0.5 | 14 | 2 hrs.; \$160 | 28 hrs.; \$2,240 | \$80. |
| TOTAL | | | 33 | | 1,611.5 hrs.; \$128,920 | |

Comments: Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (2) the accuracy of the agency’s estimates of the burden and cost of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Kimberly D. Bose,
Secretary.

⁶ Fuel Adjustment Clause (FAC)

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