

Supporting Statement for  
**FERC-717 (Standards for Business Practices and Communication Protocols for Public Utilities)**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) approve the renewal of FERC-717 (Standards for Business Practices and Communication Protocols for Public Utilities).

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

This collection of information pertains to a requirement that Transmission Providers<sup>1</sup> provide certain information regarding their transmission operations on an Open Access Same-Time Information System (OASIS). This requirement was established because the Commission has determined that Transmission Customers<sup>2</sup> must have simultaneous access to the same information available to the Transmission Provider in order to receive nondiscriminatory transmission services in accordance with section 205 of the Federal Power Act.<sup>3</sup>

Regulations at 18 CFR Part 37 authorize Transmission Providers to operate an OASIS either individually or jointly with other Transmission Providers. These regulations also provide that a Transmission Provider may delegate this responsibility to a Responsible Party<sup>4</sup> such as another Transmission Provider, an Independent System Operator, a Regional Transmission Group, or a Regional Reliability Council.

The information that must be posted at OASIS sites is listed at 18 CFR 37.6. The required postings include business practices, communication protocols, transfer capacity, transmission service products, and prices.

The regulations at 18 CFR Part 37 are supplemented by industry-wide Business Practice Standards and Communication Protocols that are incorporated by reference at 18 CFR 38.1. These standards help the industry achieve increased levels of efficiency, and 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). The standards include six OASIS-related standards that the North American Energy Standards Board (NAESB) modified in response to directives and guidance provided in Order Nos. 676-E, 676-H, and 890.<sup>5</sup>

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1 Under 18 CFR 37.3(a), a "Transmission Provider" is any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce.

2 Under 18 CFR 37.3(b), a "Transmission Customer" is any eligible customer (or its designated agent) that can or does execute a transmission service agreement or can or does receive transmission service.

3 16 U.S.C. 824d.

4 Under 18 CFR 37.3(c), a "Responsible Party" is a Transmission Provider or an agent to whom the Transmission Provider has delegated the responsibility of meeting any of the requirements of 18 CFR Part 37.

5 *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 79 FR 56,939 (Oct. 24, 2014), 148 FERC ¶ 61,205, at P 77 (2014); *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-E, 74 FR 63,288 (Dec. 3, 2009), 129 FERC

In addition, in Wholesale Electric Quadrant (WEQ) Version 003.2, NAESB developed two suites of standards in coordination with the North American Electric Reliability Corporation (NERC). These two NAESB suites of standards 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. 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 also include 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-717** requires Transmission Providers to operate in compliance with the WEQ Version 003.2 business practice standards and with relevant Commission regulations.

The regulation at 18 CFR 37.5(a) requires Transmission Providers to establish 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 has determined 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.

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¶ 61,162 (2009). *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-E, 74 FR 63,288 (Dec. 3, 2009), 129 FERC ¶ 61,162 (2009). This order also incorporated revisions made in response to Order Nos. 890, 890-A, and 890-B. *See Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 118 FERC ¶ 61,119, *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

Establishing a uniform set of procedures and communication protocols increases the efficiency of such transactions.

The information required to be posted at OASIS sites is listed at 18 CFR 37.6 and in the provisions incorporated by reference at 18 CFR 38.1. Under 18 CFR 37.6(a), the information posted on the OASIS must be in such detail and the OASIS must have such capabilities as to allow Transmission Customers to:

- (1) Make requests for transmission services offered by Transmission Providers, Resellers and other providers of ancillary services, request the designation of a network resource, and request the termination of the designation of a network resource;
- (2) View and download in standard formats, using standard protocols, information regarding the transmission system necessary to enable prudent business decision making;
- (3) Post, view, upload and download information regarding available products and desired services;
- (4) Clearly identify the degree to which transmission service requests or schedules were denied or interrupted;
- (5) Obtain access, in electronic format, to information to support available transmission capability calculations and historical transmission service requests and schedules for various audit purposes; and
- (6) Make file transfers and automated computer-to-computer file transfers and queries as defined by the Standards and Communications Protocols Document.

Subsection (b) of 18 CFR 37.6 requires that the Transmission Provider's available transfer capability (ATC) and the total transfer capability (TTC) be calculated and posted for each Posted Path (i.e., any control area to control area interconnection; any path for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months; and any path for which a customer requests to have ATC or TTC posted).

Subsection (c) of 18 CFR 37.6 requires that the Transmission Providers post prices and a summary of the terms and conditions associated with all transmission products offered to Transmission Customers.

Subsection (d) of 18 CFR 37.6 requires posting of any ancillary service and its price.

With some exceptions, subsection (e) of 18 CFR 37.6 requires posting of all requests for transmission and ancillary service offered by Transmission Providers under the pro forma tariff.<sup>6</sup> The Transmission Provider must post all requests for transmission service, for ancillary service, and for the designation or termination of a network resource comparably.

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<sup>6</sup> The Commission established the pro forma open access transmission tariff in 1996 as a remedy to prevent undue discrimination. See Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 Fed. Reg. 21,540 (May 10, 1996)

Subsection (f) of 18 CFR 37.6 provides that information on transmission service schedules must be recorded by the entity scheduling the transmission service and must be available on the OASIS for download. Transmission service schedules must be posted no later than seven calendar days from the start of the transmission service.

Subsection (g) of 18 CFR 37.6 includes various types of requirements. For example, the Responsible Party must post transmission-related communications such as want ads, and must post other transmission-related communications in conformance with instructions provided by the third party on whose behalf the communication is posted.

Subsection (h) of 18 CFR 37.6 requires the Responsible Party to post, on a quarterly basis, information summarizing the time to complete transmission service request studies, including the Responsible Party's processing of transmission service request system impact studies and facilities studies.

Subsection (i) of 18 CFR 37.6 requires the Responsible Party to post data each month listing, by path or flowgate, the number of transmission service requests that have been accepted and the number of transmission service requests that have been denied during the prior month. This posting must distinguish between the length of the service request (e.g., short-term or long-term requests) and between the type of service requested (e.g., firm point-to-point, non-firm point-to-point or network service).

Subsection (j) of 18 CFR 37.6 requires the Transmission Provider to allow the posting on OASIS of any third party offer to relieve a specified congested transmission facility; and requires the Transmission Provider to post on OASIS (i) its monthly average cost of planning and reliability redispatch, for which it invoices customers, at each internal transmission facility or interface over which it provides redispatch service and (ii) a high and low redispatch cost for the month for each of these same transmission facilities. The Transmission Provider must post this data on OASIS as soon as practical after the end of each month, but no later than when it sends invoices to transmission customers for redispatch-related services.

Subsection (k) of 18 CFR 37.6 requires the Transmission Provider to post on OASIS historical one-minute and ten-minute area control error data for the most recent calendar year, and update this posting once per year.

Transmission Providers must make tariff filings 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. Transmission Providers currently collect and post information on various systems such as OASIS currently in use by the industry. Without these standards, the same transactions would occur. However, the details regarding each transaction would vary from utility to utility hindering standardization.

**General.** The substance of the reporting requirements (described above) is incorporated by reference into FERC's regulations at 18 CFR 38 (making the standards mandatory). However,

the standards themselves are copyrighted by NAESB. Links to the NAESB submittals in the dockets are included under Supplementary Documents.

**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-717 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 periodically reviews rules and data requirements in conjunction with OMB clearance expiration dates. This process 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 Final Rule 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 these requirements apply to 26<sup>7</sup> small public utilities. 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.

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<sup>7</sup> This figure constitutes 3.8% of the 162 affected entities

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

There are no special circumstances.

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

As required by the Paperwork Reduction Act, the Commission published a notice of this information collection request in the Federal Register on September 14, 2020 (85 FR 56595) and the 30-day notice published on November 20, 2020 (85 FR 74335). No comments were received during the comment period.

FERC rulemaking procedures also provided opportunities for public participation in the development of the standards that are relevant to this collection of information. The proposed rule to adopt Version 003.2 of NAESB's Business Practice Standards was published in the Federal Register on May 24, 2019 (84 FR 24050). The proposed rule to adopt Version 003.1 of NASEB's standards was published on July 28, 2016 (81 FR 49580) and the proposed rule to adopt Version 003.1 of WEQ-006, Manual Time Error Correction, was published on October 12, 2018 (83 FR 51654).

In the proposed rules in RM05-5-025, -026, and -027, the Commission requested comment on various aspects of the new business practice standards including the PRA-related burden estimates, who has to comply, and compliance costs, as provided in the NOPR. No comments were filed addressing the reporting burden, who has to comply or compliance costs.

Public utilities were also asked to comment on the time frame in which they must make a compliance filing to comply with the requirements of this final rule through eTariff (i.e., no later than 90 days from the date the final rule is published in the Federal Register). The Commission proposed to establish an effective date for the proposed tariff changes in the order(s) on compliance filings. To give parties sufficient time to make computer and other modifications required by this final rule, the Commission proposed to set an effective date no earlier than five months from the date the final rule is published in the Federal Register. A few commenters requested additional time to make compliance filings. For example, EEI points to the need to develop software to implement the revisions to ATC; but as discussed earlier, the ATC standards will be addressed in a separate proceeding. Other comments request additional time to implement both Versions 003.1 and 003.2. However, the Commission determined that this final rule adopts only Version 003.2, except for WEQ-006 Manual Time Error Correction, and therefore does not require combined implementation. Thus, the Commission found no reason to extend the normal implementation schedule.

The Final Rule in Docket No. RM05-5-025, -026, and -027 (Order 676-I)<sup>8</sup> was issued on February 4, 2020 and published in the Federal Register on February 25, 2020 (85 FR 10571).

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<sup>8</sup> <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=15458891>

In addition, NAESB develops its standards under a consensus process so that the standards draw support from a wide range of industry members. NAESB is a non-profit standards development organization established in January 2002 that serves as an industry forum for the development and promotion of business practice standards that promote a seamless marketplace for wholesale and retail natural gas and electricity. Since 1995, NAESB and its predecessor, the Gas Industry Standards Board, have been accredited members of the American National Standards Institute (ANSI), complying with ANSI's requirements that its standards reflect a consensus of the affected industries.

NAESB's standards include business practices intended to standardize and streamline the transactional processes of the natural gas and electric industries, as well as communication protocols and related standards designed to improve the efficiency of communication within each industry. NAESB supports the WEQ, the Wholesale Gas Quadrant, and the Retail Market Quadrant.<sup>9</sup> All participants in the gas and electric industries are eligible to join NAESB and participate in standards development.

NAESB's procedures are designed to ensure that all industry members can have input into the development of a standard, whether or not they are members of NAESB, and each standard NAESB adopts is supported by a consensus of the relevant industry segments. Standards that fail to gain consensus support are not adopted. NAESB's consistent practice has been to submit a report to the Commission after it has revised existing business practice standards or has developed and adopted new business practice standards. NAESB's standards are voluntary standards, which become mandatory for public utilities upon incorporation by reference by the Commission.

NAESB approved the standards under its consensus procedures. Adoption of consensus standards is appropriate because the consensus process helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of all segments of the industry. Moreover, since the industry itself must conduct business under these standards, the Commission's regulations should reflect those standards that have the widest possible support. In section 12(d) of the National Technology Transfer and Advancement Act of 1995, Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, to carry out policy objectives or activities.

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

There are no payments or gifts to respondents for these collections.

## **10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS**

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<sup>9</sup> The retail gas quadrant and the retail electric quadrant were combined into the retail markets quadrant. NAESB continues to refer to these working groups as "quadrants" even though there are now only three.

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 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 Final Rule in Docket No. RM05-5-025, -026, and -027. The estimated burden and cost<sup>10</sup> follow.

<b>FERC-717, Standards for Business Practices and Communication Protocols for Public Utilities<sup>11</sup></b>					
<b>Information Collection Requirements</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 Hours &amp; Cost Per Response<sup>12</sup> (4)</b>	<b>Total Annual Burden Hours &amp; Total Annual Cost (3)*(4)=(5)</b>
FERC-717	162	1	162	30 hrs.; \$2,490	4,860 hrs.; \$403,380

<sup>10</sup> The Commission staff estimates that industry is similarly situated in terms of hourly cost (for wages plus benefits). Based on the Commission’s Fiscal Year (FY) 2019 average cost of \$167,091/year (for wages plus benefits, for one full-time employee), \$80.00/hour is used.

<sup>11</sup> This collection includes the one-time burden (over a 3 year period of time) for the Final Rule RM05-25,05-26,05-27 [ICR Reference No: 202002-1902-006] and will not affect the NOPR RM05-5-29, 05-30 issued in the Federal register on 9/04/2020 and has not been submitted to OMB to date.

<sup>12</sup> The Commission staff thinks that the average respondent for this collection is similarly situated to the Commission, in terms of salary plus benefits. Based upon FERC’s FY 2020 annual average of \$172,329, (for salary plus benefits), the average hourly cost is \$83/hour.



FERC-717 (compliance with standards, one-time) <sup>13</sup>	165	1	165	10 hrs <sup>14</sup> ; \$830	1,650 hrs.; \$136,950
<b>TOTAL</b>			327		6,510 hrs.; \$540,330

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

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

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

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 Final Rule.

The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the PRA for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. This average annual cost includes requests for extensions, all associated rulemakings and orders, other changes to the collection, and associated publications in the Federal Register. This estimate is updated annually.

	<b>Number of Full-Time Equivalent Employees (FTEs)</b>	<b>Estimated Annual Federal Cost<sup>15</sup></b>
FERC-717, Analysis and Processing of filings	0.5	\$86,164.5
PRA Administrative Cost (for FERC-717)		\$4,832
<b>FERC Total</b>		\$90,996.5

13 FERC-717 corresponds to OMB Control No. 1902-0173 that identifies the information collection associated with Standards for Business Practices and Communication Protocols for Public Utilities.

14 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. (FERC-717, 165 \* 30 = 4,950 hrs./3 = 1,650 hrs./year)

15 The figure for analysis and processing is based on FERC’s 2020 FTE average annual salary plus benefits of \$172,329.

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

The adjustment in estimate is a decrease due to normal fluctuations in industry. The following table shows the estimated total burden and requested changes for the collections 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. (Note that the new burden is a one-time burden. However we are averaging over Years 1-3 for administrative purposes as mentioned in #12. Therefore the change due to agency discretion is 1/3 of the one-time burden.)

<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	327	335	-8	0
Annual Time Burden (Hr.)	6,510	6,750	-240	0
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**

The substance of the requirements is incorporated by reference into FERC's regulations at 18 CFR 38 (making the standards mandatory). However the standards themselves are copyrighted by NAESB, so the OMB Control Numbers and expiration dates are not displayed in the standards. The clearance information and expiration dates are posted at

<http://www.ferc.gov/docs-filing/efiling.asp>

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

The data collected for the reporting requirements are not used for statistical purposes.