

**Supporting Statement for
FERC-65 "Notification of Holding Company Status"
(Three Year Extension Requested through February 29, 2012)**

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and extend its approval of FERC-65 "Notification of Holding Company Status" (OMB No. 1902-0218) through February 29, 2012. Current OMB approval expires on February 28, 2009.

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Section 1264 of PUHCA 2005³, (Attachment A), generally provides that holding companies and associated entities are required to give the Commission access to books and records relevant to costs incurred by a public utility which are necessary or appropriate for the protection of utility customers with respect to jurisdictional rates. Section 1275 of PUHCA⁴ 2005 addresses the Commission's review and authorization for the allocation of costs for non-power goods or administrative or management services when requested by a holding company system or state commission. In addition, the Commission's rate authorities under the Federal Power Act⁵ enable the Commission to detect and disallow from jurisdictional rates any imprudently incurred, unjust or unreasonable, or unduly discriminatory or preferential costs resulting from affiliate transactions between companies in the same holding company system. This includes both power transactions and non-power goods or services transactions between Commission-regulated companies that have captive customers and their "unregulated" affiliates. The Commission routinely places code of conduct restrictions on power sales at market-based rates between regulated and non-regulated affiliates and has also placed conditions on non-power goods and services transactions involving public utilities to help ensure these businesses engage in appropriate market behavior.

The Commission issued Order No. 667 in 2005 to implement the repeal of the Public Utility Holding Company Act of 1935 and the enactment of the Public Utility Holding Company Act of 2005. The FERC regulations in this Order put in place adopted, modified, and streamlined reporting requirements for holding

³ Pub. L. No. 109-58, 119 Stat. 594 (2005), 42 U.S.C. § 16452.

⁴ *Ibid.*

⁵ [16 U.S.C. §§824](#) d-e (2000).

companies which the Securities and Exchange Commission specified in 17 CFR §§250.1, 250.26, 250.80, 250.93, 250.94, and 259.313.

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

The FERC-65 collection tells the Commission which entities within holding company systems are Commission jurisdictional. It is submitted by those entities meeting the definition of a holding company found in 18 CFR § 366.1. The information collected is: the identity of the holding company and of the public utilities and natural gas companies in the holding company system; the identity of service companies, including special-purpose subsidiaries providing non-power goods and services; the identity of all affiliates and subsidiaries and their corporate relationship to each other. Without this information, the Commission would have no assurance that the actions of all jurisdictional entities within holding company systems would receive the required regulatory oversight.

The Commission uses the information in the FERC-65 to track the corporate identities of public utility and natural gas companies as well as the organizational structure of business unit constituents in holding company systems. The Commission needs this information to discern whether the reported businesses fall within its jurisdiction.

These requirements went into FERC regulations at 18 CFR Part 366 (See Attachment B). The regulations do not specify a format in which respondents must submit the required information.

If companies seek to claim an exemption from PUHCA 2005 or a waiver of the related FERC regulations they must file FERC-65A (Exemption Notification) or FERC-65B (Waiver Notification).⁶

⁶ The Commission is concurrently requesting collection approval extensions from OMB for related collections: FERC-65A Exemption Notification (1902-0216) and FERC-65B Waiver Notification (1902-0217).

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

To minimize filer burden, the Commission accepts FERC-65 electronically through its website-based eFiling system (see <http://www.ferc.gov/docs-filing/efiling.asp>). Filers preferring not to eFile may submit hardcopy filings to the Commission by mail or via courier delivery services

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**

Commission staff who use the information and who are knowledgeable of the requirements have not been able to find any other source of the information. In addition, the public, in response to a Commission Federal Register Notice, and filers of the information have not identified any other source of this information.

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

Most companies to which this filing requirement pertains are not small entities. The exemption and waiver allowances provided in 18 CFR § 366.4 further minimize the effect on small entities that this requirement would have. It should be noted that many of the entities that should be able to take advantage of these allowances are small entities.

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

There is no requirement to file the FERC-65 on a recurring basis. The FERC-65 filing deadline was June 15, 2006 for all holding companies in existence on February 8, 2006. Holding companies formed after February 8, 2006 must file within thirty days of becoming a holding company. A subsequent filing is not required unless there is a material change in facts as filed.

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

INFORMATION COLLECTION

There are no special circumstances relating to the FERC-65 information collection.

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

In accordance with 5 CFR § 1320.8(d), the Commission’s notice to renew its OMB approval of the FERC-65 information collection was published in the Federal Register on October 16, 2008⁷ (Attachment C). The Commission did not receive any comments in response to this Notice.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

No payments or gifts have been made to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The information submitted to the Commission is public information and therefore is not considered confidential. However, specific requests for confidential treatment to the extent permitted by law are considered pursuant to 18 CFR § 388.112.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE

There are no questions of a sensitive nature.

12. ESTIMATED BURDEN OF THE COLLECTION OF INFORMATION

The estimated burden is based on Commission staff experience with the collection and is as follows:

Number of Respondents Annually		Number of Responses per Respondent		Average Burden Hours per Response		Total Annual Burden Hours
30	x	1	$\frac{4}{x}$	3	=	90

13. ESTIMATE OF TOTAL ANNUAL COST OF BURDEN TO RESPONDENTS

The cost of the information collection to respondents is as follows:

Total Respondent Burden Hours		Number of Hours per Staff Year		Cost per Staff Employee		Total Annualized Cost
90	÷	2,080	x	\$126,384	=	\$5,468.54

The estimated annual cost to respondents is \$5,468.54. The cost per respondent is \$182.28. There are no start-up costs because FERC-65 is an existing information collection.

The respondent burden includes the total time, effort, and financial resources expended by the respondent to assemble and disseminate the information. The cost estimate is based on salaries for professional and support staff, as well as direct and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimate of the cost to the Federal government is based on salaries for professional and clerical support and is as follows:

	Total Staff Burden Hours		Number of Hours per Staff Year		Cost per Staff Employee		Total Annualized Cost
Clearance:	100	÷	2080	x	\$126,384	=	\$6076.15
Analysis:	1980	÷	2080	x	\$126,384	=	\$120,307.85
Total:						=	\$126,384.00

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

There was an adjustment to the reporting burden. When issuing the final

rule, the Commission estimated that 110 entities would be making a filing. In practice there have only been 30 entities that have made a filing under FERC-65. There is also an adjustment in costs to reflect the impact of inflation.

16. **TIME SCHEDULE FOR INFORMATION COLLECTION AND PUBLICATION**

This is not an information collection for which results are published.

17. **DISPLAY OF EXPIRATION DATE**

Utilities prepare and submit filings that reflect unique or specific circumstances related to their filing. The information is not collected on a standard, preprinted form which would allow the display of the expiration date for OMB approval of the information collected.

18. **EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The information collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not use Item No. 19(i) “effective and efficient statistical survey methodology” as stated in OMB guidelines. The information collected is case specific to each respondent.

B. **Collection of Information Employing Statistical Methods**

This is not a collection of information employing statistical methods.

ATTACHMENT A**Public Utility Holding Company Act of 2005****SEC. 1264. FEDERAL ACCESS TO BOOKS AND RECORDS.**

(a) **IN GENERAL.**—Each holding company and each associate company thereof shall maintain, and shall make available to the Commission, such books, accounts, memoranda, and other records as the Commission determines are relevant to costs incurred by a public utility or natural gas company that is an associate company of such holding company and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

(b) **AFFILIATE COMPANIES.**—Each affiliate of a holding company or of any subsidiary company of a holding company shall maintain, and shall make available to the Commission, such books, accounts, memoranda, and other records with respect to any transaction with another affiliate, as the Commission determines are relevant to costs incurred by a public utility or natural gas company that is an associate company of such holding company and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

(c) **HOLDING COMPANY SYSTEMS.**—The Commission may examine the books, accounts, memoranda, and other records of any company in a holding company system, or any affiliate thereof, as the Commission determines are relevant to costs incurred by a public utility or natural gas company within such holding company system and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

(d) **CONFIDENTIALITY.**—No member, officer, or employee of the Commission shall divulge any fact or information that may come to his or her knowledge during the course of examination of books, accounts, memoranda, or other records as provided in this section, except as may be directed by the Commission or by a court of competent jurisdiction.

ATTACHMENT B

TITLE 18--CONSERVATION OF POWER AND WATER RESOURCES

CHAPTER I--FEDERAL ENERGY REGULATORY COMMISSION, DEPARTMENT OF ENERGY

PART 366_PUBLIC UTILITY HOLDING COMPANY ACT OF 2005--Table of Contents

Subpart A_PUHCA 2005 Definitions and Provisions

Sec. 366.4 FERC-65, notification of holding company status, FERC-65A, exemption notification, and FERC-65B, waiver notification.

(a) Notification of holding company status--(1) Persons that meet the definition of a holding company as provided by Sec. 366.1 as of February 8, 2006 shall notify the Commission of their status as a holding company no later than June 15, 2006. Holding companies formed after February 8, 2006 shall notify the Commission of their status as a holding company, no later than the later of June 15, 2006 or 30 days after they become holding companies.

(2) The notification required pursuant to Sec. 366.4(a)(1) shall be made by submitting FERC-65 (notification of holding company status), which shall contain the following: The identity of the holding company and of the public utilities and natural gas companies in the holding company system; the identity of service companies, including special-purpose subsidiaries providing non-power goods and services; the identity

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of all affiliates and subsidiaries; and their corporate relationship to each other. This filing will be for informational purposes and will not be noticed in the Federal Register, but will be available on the Commission's Web site. FERC-65 must be subscribed, consistent with Sec. 385.2005(a) of this chapter, but need not be verified.

(3) Notwithstanding Sec. 366.4(a)(1) and (2), holding companies that are exempt holding companies pursuant to Sec. 366.3

(a) are not required to notify the Commission of their status or to submit FERC-65 (notification of holding company status).

(b) FERC-65A (exemption notification) and petitions for exemption.

(1) Persons who, pursuant to Sec. 366.3(b)(2), seek exemption from the requirements of Sec. 366.2 and the accounting, record-retention, and reporting requirements of Sec.

Sec. 366.21, 366.22, and 366.23, may seek such exemption by filing FERC-65A (exemption notification); FERC-65A must be subscribed, consistent with Sec. 385.2005(a) of this chapter, but need not be verified. These filings will be noticed in the Federal Register; persons who file FERC-65A must include a form of notice suitable for publication in the Federal Register in accordance with the specifications in Sec. 385.203(d) of this chapter. Persons who file FERC-65A in good faith shall be deemed to have a temporary exemption upon filing. If the Commission has taken no action within 60 days after the date of filing FERC-65A, the exemption shall be deemed to have been granted. The Commission may toll the 60-day period to request additional information or for further consideration of the request; in such case, the temporary exemption will remain in effect until such time as the Commission has determined whether to grant or deny the exemption. Authority to toll the 60-day period is delegated to the Secretary or the Secretary's designee.

(2) Notwithstanding Sec. 366.4(b)(1), persons that are exempt holding companies pursuant to Sec. 366.3(a) are not required to file FERC-65A (exemption notification).

(3) Persons that do not qualify for exemption pursuant to Sec. 366.3(b)(2) may seek an individual exemption from this subchapter. They may not do so by means of filing FERC-65A and instead must file a petition for declaratory order as required under Sec. 366.3(d). Such petitions will be noticed in the Federal Register; persons that file a petition must include a form of notice suitable for publication in the Federal Register in accordance with the specifications in Sec. 385.203(d) of this chapter. No temporary exemption will attach upon filing and the requested exemption will be effective only if approved by the Commission. Persons may also seek exemptions for classes of transactions by filing a petition for declaratory order pursuant to Sec. 385.207(a) of this chapter justifying the request for exemption. Any person seeking such an exemption shall bear the burden of demonstrating that such exemption is warranted.

(c) FERC-65B (waiver notification) and petitions for waiver.

(1) Persons who, pursuant to Sec. 366.3(c), seek waiver of the accounting, record-retention, and reporting requirements of Sec. Sec. 366.21, 366.22, and 366.23, may seek such waiver by filing FERC-65B (waiver notification); FERC-65B must be subscribed, consistent with Sec. 385.2005(a) of this chapter, but need not be verified. FERC-65B will be noticed in the Federal Register; persons who file FERC-65B must include a form of notice suitable for publication in the Federal Register in accordance with the specifications in Sec. 385.203(d) of this chapter. Persons who file FERC-65B in good faith shall be deemed to have a temporary exemption upon filing. If the Commission has taken no action within 60 days after the date of filing of FERC-65B, the waiver shall be deemed to have been granted. The Commission may toll the 60-day period to request additional information or for further consideration of the request; in such case, the temporary waiver will remain in effect until such time as the Commission has determined whether to grant or deny the

waiver. Authority to toll the 60-day period is delegated to the Secretary or the Secretary's designee.

(2) Persons that do not qualify for waiver pursuant to Sec. 366.3(c) may seek an individual waiver from this subchapter. They may not do so by means of filing FERC-65B and instead must

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file a petition for declaratory order as required under Sec. 366.3(d). Such petitions will be noticed in the Federal Register; persons that file a petition must include a form of notice suitable for publication in the Federal Register in accordance with the specifications in Sec. 385.203(d) of this chapter. No temporary waiver will attach upon filing and the requested exemption will be effective only if approved by the Commission. Persons may also seek waivers for classes of transactions by filing a petition for declaratory order pursuant to Sec. 385.207(a) of this chapter justifying the request for waiver. Any person seeking such waiver shall bear the burden of demonstrating that such waiver is warranted.

(d) Procedure for notification of material change in facts. (1) If there is any material change in facts that may affect an exemption or waiver granted pursuant to paragraphs (b) or (c) of this section, the person receiving the exemption or waiver shall within 30 days of the material change in facts:

(i) Submit a new FERC-65A (exemption notification) or FERC-65B (waiver notification) or a petition for declaratory order, pursuant to paragraphs (b) or (c) of this section, as appropriate;

(ii) File a written explanation why the material change in facts does not affect the exemption or waiver; or

(iii) Notify the Commission that it no longer seeks to maintain its exemption or waiver.

(2) If there is a material change in facts that may affect the automatic exemption allowed under Sec. 366.3(a) of this subpart, the person receiving the exemption or waiver shall within 30 days of the material change in facts:

(i) Submit a FERC-65A (exemption notification) or FERC-65B (waiver notification) or a petition for declaratory order, pursuant to paragraphs (b) or (c) of this section, as appropriate;

(ii) File a written explanation why the material change in facts does not affect the exemption; or

(iii) Notify the Commission that it no longer seeks to maintain its exemption.

(e) Revocation of exemption or waiver.

(1) If a person that is exempt pursuant to Sec. 366.3(a) fails to conform to the criteria for such exemption, or if a person that has been granted an exemption or waiver pursuant to paragraphs (b) or (c) of this section either fails to conform to the criteria for such

exemption or waiver or fails to conform with any material facts or representations presented in its submittals to the Commission, such person may no longer rely upon the exemption or waiver.

(2) The Commission may, on its own motion or on the complaint of any person, revoke the exemption or waiver granted under Sec. 366.3(a) or paragraphs (b) or (c) of this section, if the person fails to conform to any of the criteria under this part for exemption or waiver.

[Order No. 667-A, 71 FR 28457, May 16, 2006, as amended by Order 699, 72 FR 45326, Aug. 14, 2007]

ATTACHMENT C

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

[Docket No. IC09-65-001; FERC-65]

COMMISSION INFORMATION COLLECTION ACTIVITIES, PROPOSED
COLLECTION; COMMENT REQUEST; EXTENSION

(October 8, 2008)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice.

SUMMARY: In compliance with the requirements of section 3506(c)(2)(a) of the Paperwork Reduction Act of 1995 (Pub. L. No. 104-13), the Federal Energy Regulatory Commission (Commission) is soliciting public comment on the specific aspects of the information collection described below.

DATES: Comments on the collection of information are due November 14, 2008.

ADDRESSES: Copies of sample filings of the proposed information collection can be obtained from the Commission's website (<http://www.ferc.gov/docs-filings/elibrary.asp>) or from the Federal Energy Regulatory Commission, Attn: Michael Miller, Office of the Executive Director, 888 First Street NE, Washington, DC 20426. Comments may be filed either in paper format or electronically. Those parties filing electronically do not need to make a paper filing. For paper filing, the original and 14 copies of such comments should be submitted to the Secretary of the Commission, Federal Energy

Regulatory Commission, 888 First Street NE, Washington, DC 20426 and refer to Docket No. IC09-65-000.

Documents filed electronically via the Internet must be prepared in an acceptable filing format and in compliance with the Commission's submission guidelines. Complete filing instructions and acceptable filing formats are available at <http://www.ferc.gov/help>. To file the document, access the Commission's website at <http://www.ferc.gov>, choose the Documents & Filings tab, click on eFiling, then follow the instructions given. First time users will have to establish a user name and password. The Commission will send an automatic acknowledgement to the sender's e-mail address upon receipt of comments.

All comments may be viewed, printed or downloaded remotely via the Internet through the Commission's homepage using the eLibrary link. For user assistance, contact FERConlinesupport@ferc.gov or toll-free at (866) 208-3676 or for TTY, contact (202) 502-8659.

FOR FURTHER INFORMATION CONTACT: Michael Miller, 888 First St. NE, Washington, DC 20426. He may be reached by telephone at (202) 502-8415, by fax at (202) 273-0873, and by e-mail at michael.miller@ferc.gov.

SUPPLEMENTARY INFORMATION: The information collected under the requirements of FERC-65 "Notification of Holding Company Status" (OMB No. 1902-0218) is used by the Commission to implement the statutory provisions of the Public Utility Holding Company Act of 2005 (PUHCA 2005). Among other things, PUHCA 2005 was intended to give the Commission access to books and records relevant to costs

incurred by a public utility or natural gas company which are necessary or appropriate for the protection of utility customers with respect to jurisdictional rates. This intention was made clear in Section 1264 of the Energy Policy Act of 2005, 42 U.S.C. § 16452. For the Commission to carry out its rate regulation responsibilities, it must know who the entities are that are holding companies of jurisdictional public utilities and natural gas companies. The Commission obtains this information through the FERC-65 filings.

The FERC-65 is a one-time informational filing set out in the Commission’s regulations 18 CFR 366.4, that must be submitted within 30 days of becoming a holding company. The information is required in no specific format and consists of the identity of the holding company and of the public utilities and natural gas companies in the holding company system, the identity of service companies, including special-purpose subsidiaries providing non-power goods and services and the identity of all affiliates and subsidiaries and their corporate relationship to each other. Filings may be submitted in hardcopy or electronically through the Commission’s eFiling system.

Action: The Commission is requesting a three-year extension of the current expiration date.

Burden Statement: Public reporting burden for this collection is estimated as:

Number of Respondents Annually (1)	Number of Responses per Respondent (2)	Average Burden Hours per Response (3)	Total Annual Burden Hours (1)x(2)x(3)
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30	1	3	90
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The estimated total cost to respondents is \$5,468. [150 hours divided by 2080 hours⁸ per year, times \$126,384⁹ equals \$5,468.54]. The average cost per respondent is \$182.28.

The reporting burden includes the total time, effort, or financial resources expended to generate, maintain, retain, disclose, or provide the information including: (1) reviewing instructions; (2) developing, acquiring, installing, using technology and systems for the purposes of collecting, validating, verifying, processing, maintaining, disclosing and providing information; (3) adjusting the existing ways to comply with any previously applicable filing instructions and requirements; (4) training personnel to respond to a collection of information; (5) searching data sources; (6) completing and reviewing the collection of information; and (7) transmitting, or otherwise disclosing the information.

The cost estimate for respondents is based upon salaries for professional and clerical support, as well as direct and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an

⁸ Number of hours an employee works each year.

⁹ Average annual salary per employee.

organization in support of its mission. These costs apply to activities which benefit the whole organization rather than any one particular function or activity.

Comments are invited on: (1) whether the information collection is necessary for the proper performance of the functions of the Commission; (2) the accuracy of the Commission's burden estimate of the proposed information collection, including the validity of the methodology and assumptions used to calculate the reporting burden; and (3) ways to enhance the quality, utility and clarity of the information to be collected.

Kimberly Bose
Secretary