

Supporting Statement

**FERC-714, Annual Electric Balancing Authority Area and Planning Area Report**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-714, Annual Electric Balancing Authority Area and Planning Area Report, for a three year period. FERC-714 (OMB Control No. 1902-0140) is an existing Commission data collection (reporting requirements), as stated by 18 Code of Federal Regulations (CFR) 141.51.

**Background**

FERC seeks OMB approval for a 3-year extension of FERC-714, with no changes to the reporting requirements. FERC published Notices requesting comments on 9/4/2012 (77 FR 53878) and 11/20/2012 (77 FR 69614) and received no public comments. At that time, the OMB expiration date for FERC-714 was 1/31/2013. In ICR 201211-1902-012, FERC staff accidentally labeled the ROCIS metadata field for ‘Type of Information Collection’ as “Revision of a currently approved collection” rather than “Extension without change of a currently approved collection”. The remaining ROCIS metadata and the supporting statement indicated there was no change to the FERC-714 reporting requirements. FERC requested a withdrawal of ICR 201211-1902-012 and has resubmitted this replacement ICR for the FERC-714 (with no change to the reporting requirements) for OMB review and approval for a 3-year period.

**A. Justification**

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

The Federal Power Act authorizes the Commission to collect information from electric utility balancing authorities and planning areas in the United States. The Commission implements the data collection requirements in 18 CFR 141.51.

The Commission uses the collected data to analyze power system operations along with its regulatory functions. These analyses estimate the effect of changes in power system operations resulting from the installation of a new generating unit or plant, transmission facilities, energy transfers between systems, and/or new points of interconnections. Also, these analyses serve to correlate rates and charges, assess reliability and other operating attributes in regulatory proceedings, monitor market trends and behaviors, and determine the competitive impacts of proposed mergers, acquisitions, and dispositions.

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

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

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

Respondents must annually file the FERC-714 on or before June 1st of the year following the calendar reporting year.

The consequence of not collecting the information contained within the FERC-714 would be impeded support for the Commission's regulatory functions associated with the processing of rate applications and cases, and proposed mergers and dispositions of jurisdictional facilities. The Commission, other federal and state regulatory agencies, transmission users, and the public may lose a capability of monitoring the operations of the wholesale electric market for possible abuses of market power and the environment. Additionally, the Commission would fail to meet its statutory mandates.

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

Submission of the FERC-714 occurs annually and electronically through the FERC-714 Submission Software. The Commission has tested the submission software and ensures it will function correctly with Windows XP, Windows 2000, and Windows 98. For any necessary resubmissions, the FERC-714 Submission Software should be used to resubmit the filing.

For information regarding the FERC-714 Submission Software, go to <http://www.ferc.gov/docs-filing/forms/form-714/elec-subm-soft.asp>. For additional guidance on the FERC-714, go to <http://www.ferc.gov/docs-filing/forms.asp#714>.

**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**

No similar information can be used or modified. There are no other Federal agencies responsible for obtaining planning area data that consists of forecasted demands and hourly demand characteristics from electric utility entities with fundamental demand responsibilities.

In addition, the Commission published a Federal Register notice to help identify any duplication of the information in FERC-714. The Commission did not receive any comments regarding any duplication of data collected by FERC-714.

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

The Commission requires each balancing authority area and each electric utility with its planning area annual peak demand greater than 200 megawatts (MW) to provide the FERC-714 filing as a means of reducing burden for small entities. This 200 MW threshold can result in a slight variation year to year in the number of balancing authority and planning authorities that respond to the FERC-714. Small entities may have personnel constraints, and a significant increase in burden may be caused by requiring these entities to submit the FERC-714 filing, so setting a 200 MW threshold will exempt many of small entities from having to respond to this collection.

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

The information collected is used on a continual basis by:

- the Commission staff to review rates and charges, reliability issues and market structure relationships;
- the U.S. Environmental Protection Agency to monitor the environmental impacts of electric generation as the power industry has become more competitive;
- the Energy Information Administration (EIA) to model various electricity markets; and
- other federal and state regulatory authorities, market participants and the public to access and monitor the wholesale electric market and to determine the competitive impacts of proposed mergers and acquisitions.

Some of the information changes markedly from one year to the next. If the information were collected less frequently, the Commission would be unable to perform its mandated review in a timely and accurate manner.

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

There are no special circumstances required for FERC-714 as defined under the Paperwork Reduction Act (PRA) Section 1320.5.

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

In accordance with OMB requirements, the Commission published a 60-day notice<sup>1</sup> and a 30-day notice<sup>2</sup> to the public regarding this information collection on 9/4/2012 and 11/20/2012 respectively. Within the public notice, the Commission noted that it would be requesting a three-year extension of the public reporting burden with no change to the existing requirements concerning the collection of data. The Commission received no comments.

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

There are no payments or gifts to FERC-714 respondents.

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

The Commission does not consider the information collected in FERC-714 filings to be confidential because it does not meet the Critical Energy Infrastructure Information (CEII) definition. CEII is defined as specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (1) relates details about the production, generation, transmission, or distribution of energy; (2) could be useful to a person planning an attack on critical infrastructure; (3) is exempt from mandatory disclosure under the Freedom of Information Act; and (4) gives strategic information beyond the location of the critical infrastructure.

The instructions to the form state at I.

“E. Sanctions and Confidentiality Statements

This report is mandatory under the Federal Power Act. Late filing or failure to file, keep records, or comply with these instructions may result in criminal fines, civil penalties, and other sanctions as provided by law. Data reported on the Form 714 are not confidential.”

However, the filer may request privileged treatment of a filing that may contain information harmful to the competitive posture of the applicant if released to the general public.<sup>3</sup>

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

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1 77 FR 53878

2 77 FR 69614

3 18 CFR 388.112

The Commission considers the questions within the FERC-714 neither sensitive in nature nor private.

## 12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission estimates the Public Reporting Burden for this information collection as:

<b>FERC-714: Annual Electric Balancing Authority Area and Planning Area Report</b>				
<b>Number of Respondents (A)</b>	<b>Number of Responses Per Respondent (B)</b>	<b>Total Number of Responses (A)x(B)=(C)</b>	<b>Average Burden Hours per Response (D)</b>	<b>Estimated Total Annual Burden (C)x(D)</b>
219	1	219	87	19,053

The following table shows the labor cost associated with the burden hours.

<b>FERC-714</b>	<b>Annual Burden Hours (1)</b>	<b>Estimated Hourly Cost (\$) (2)</b>	<b>Estimated Total Annual Cost to Respondents (\$) (1) X (2)</b>
	19,053	\$69.01 <sup>4</sup>	\$1,314,847.53

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

Total Capital and Start-up cost: \$0

Total Operation, Maintenance, and Purchase of Services: \$0

## 14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	<b>Number of Hours</b>	<b>Estimated Annual Federal Cost</b>
Analysis and Processing of filings <sup>5</sup>	100 hours	\$6,901
PRA <sup>6</sup> Administrative Cost <sup>7</sup>		\$1,588
<b>FERC Total</b>		<b>\$8,489</b>

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

<sup>4</sup> This figure is rounded to the nearest cent

<sup>5</sup> Based upon 2012 FTE average salary (\$143,540)

<sup>6</sup> Paperwork Reduction Act of 1995 (PRA)

<sup>7</sup> Based upon 24 hours of Commission staff time/effort

estimated cost represents staff analysis, decision-making, and review of any actual filings submitted in response to the information collection.

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

The requirements within FERC-714 did not change. The Commission determined the annual number of responses by referencing the NERC Compliance Registry list. The registered entities that possessed either a balancing authority or planning authority function were added to determine the total number of requests. The Commission calculated the total number of responses at 219 (an increase of four respondents over 215, the previously approved number of responses). The reason for this increase may be due to changes and/or additions in the reliability functions of certain registered entities.

The table below illustrates the aggregate burden (and any corresponding changes).

<b>FERC-714</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	219	215	4	0
Annual Time Burden (Hr)	19,053	18,705	348	0
Annual Cost Burden (\$)	\$0	\$885,155	-\$885,155	\$0

Within the clearance package, the cost to industry is displayed using the unit of burden hours. In accordance with the “ROCIS HOW TO Guide for Agency Users of the Information Collection Request (ICR) Module”, users should not report as a dollar cost any burden reported in hours<sup>8</sup>. Therefore, Commission staff corrected the industry’s annual cost burden within the ROCIS metadata to show that the Commission associates no cost to capital investment or other non-labor costs. The Commission estimates the monetary cost related to the burden hours in #12 (above). This was done erroneously in previous FERC-714 supporting statements. Commission staff corrected the error within the currently proposed clearance package.

The format, label, and definitions of the table above follow the ROCIS system’s “ICR Summary of Burden” for the meta-data.

## 16. TIME SCHEDULE FOR PUBLICATION OF DATA

<sup>8</sup> [https://www.rocis.gov/rocis/jsp/common/ROCIS\\_HOW\\_TO\\_Guide\\_for\\_AGENCY\\_Users\\_of\\_ICR\\_Module-03192012\\_v2.pdf](https://www.rocis.gov/rocis/jsp/common/ROCIS_HOW_TO_Guide_for_AGENCY_Users_of_ICR_Module-03192012_v2.pdf), p.37

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information. The Commission uses the data for regulatory purposes only.

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

The Commission collects the FERC-714 data within the Form 714 Submission software (<http://www.ferc.gov/docs-filing/forms/form-714/elec-subm-soft.asp>) which includes the expiration date for OMB approval.

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

The Commission does not use the data collected for this reporting requirement for statistical purposes. Therefore, the Commission does not use as stated in item (i) of the certification to OMB "effective and efficient statistical survey methodology." The information collected is case specific to each information collection.