

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 RM05-5-025  
(issued on 7/21/2016)

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. RM05-5-025. 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 under the Federal Power Act to incorporate by reference the latest version of certain Standards for Business Practices and Communication Protocols for Public Utilities (Version 003.1) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) and filed with the Commission on October 26, 2015 (October 26 Filing). The Commission also proposes to list informationally, as guidance, NAESB's updated Smart Grid Business Practice Standards in Standard WEQ-019.

**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.

Industry-wide business practice standards help the industry achieve increased levels of efficiency. The WEQ Version 003.1 Business Practice Standards builds on the Commission's work in preventing undue discrimination and preference in transmission service (in Order Nos.

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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)

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, 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.

## **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 existing tariffs to reference the standards and state that transactions made under their respective tariffs would be performed in accordance with the Version 003.1 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 003.1 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.

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<sup>3</sup> The OASIS (Open Access Same-Time Information System) suite of standards is used collectively by NAESB to reference four business practice standards: WEQ-001 Open Access Same-Time Information System (OASIS); WEQ-002 OASIS Standards and Communication Protocols (S&CP); WEQ-003 OASIS S&CP Data Dictionaries; and WEQ-013 OASIS Implementation Guide.

<sup>4</sup> In a February 19, 2014 petition, NERC proposed to retire Reliability Standards MOD-001-1a, MOD-004-1, MOD-008-1, MOD-028-2, MOD-029-1a, and MOD-030-2 and requested approval of new Reliability Standard MOD-001-2. Generally, the "MOD" series of NERC Reliability Standards pertain to transmission system modeling. The Commission issued a NOPR in Docket No. RM14-7-000 that addressed NERC's proposal, and the matter is currently pending before the Commission. *Modeling, Data, and Analysis Reliability Standards, Notice of Proposed Rulemaking*, 79 FR 36269 (June 26, 2014), 147 FERC ¶ 61,208 (2014) (MOD NOPR).

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 003.1 standards and stating that they will implement their tariff in accordance with the requirements of the WEQ Version 003.1 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 5<sup>5</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 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).

## **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

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<sup>5</sup> This figure constitutes 3.8% of the 132 affected entities

7/28/2016 (81 FR 49580)

**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 RM05-5-025 NOPR.

<b>One-time Revisions Proposed in NOPR in RM05-5-025</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 &amp; Cost Per Response<sup>6</sup> (4)</b>	<b>Total Annual Burden Hours &amp; Total Annual Cost (3)*(4)=(5)</b>	<b>Average Cost per Respondent (\$) (5)÷(1)</b>

<sup>6</sup>The cost is based on FERC’s 2016 average cost (salary plus benefits) of \$74.50/hour. The Commission staff believes that the industry’s level and skill set in response to the RM05-5-025 NOPR’s requirements are comparable to FERC.

FERC-516E <sup>7,8</sup> (tariff filings)	132	1	132	6 hrs.; \$447	792 hrs.; \$59,004	\$447
FERC-717 <sup>8,9</sup> (compliance with standards)	132	1	132	30 hrs.; <sup>10</sup> \$2,235	3,960 hrs.; \$295,020	\$2,235
<b>TOTAL</b>			<b>264</b>		<b>4,752 hrs.; \$354,024</b>	<b>\$2,682</b>

For administrative purposes for this submittal to OMB, the additional 4,752 burden hours (in Year 1) will be averaged over Year 1-3, giving an average additional burden per years of 1,584 hours. After Year 3, the additional 1,584 hours will be removed.

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

There are no non-labor costs currently associated with the 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

The estimated annualized cost to the Federal Government for FERC-516E and FERC-717, as related to the requirements in the NOPR in RM05-5-025 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 RM05-5-025 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 RM05-5-022 Final Rule (ICR No. 201409-1902-005). In the chart below, no federal

<sup>7</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 under FERC-516, and only one item per OMB Control No. may be pending at a time. Therefore, to ensure timely submission of this package, Commission staff is using FERC-516E (OMB Control No. TBD), a temporary “placeholder” collection number.

<sup>8</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>9</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>10</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, FERC Stats. & Regs. ¶ 31,299 at P 134. We have retained the same estimate here, because the scope of the tasks involved in the transition to Version 003.1 of the Business Practice Standards is very similar to that for the transition to the Version 002 Standards.

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>11</sup>	-	-
FERC-717, Analysis and Processing of filings	0.5	\$77,324
PRA, <sup>12</sup> Administrative Cost (for FERC-516E)		\$5,481
PRA, <sup>12</sup> Administrative Cost (for FERC-717)		\$5,481
<b>FERC Total</b>		<b>\$88,286</b>

Based on the above table, the total additional Federal Cost for the FERC-717 is \$82,805. The additional cost concerning FERC-717 will be added to the existing Federal cost for a total of \$788,376 for the FERC-717. The only additional cost to FERC-516E will be the PRA administrative cost (\$5,481)<sup>13</sup>. The FERC total cost for the RM05-5-025 NOPR is \$88,286.

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**

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.

<sup>11</sup> Based upon FERC’s 2016 FTE average salary plus benefits (\$154,647)

<sup>12</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>13</sup> There is no existing cost for the FERC-516E information collection since it is a new (and temporary) collection. The costs associated with FERC-516E as a result of this NOPR will be added to FERC-516 (OMB Control No. 1902-0096) eventually.

The following two tables show the total burden hours and costs for each collection and the impact of the changes discussed in this supporting statement. For administrative purposes for this submittal to OMB, the additional one-time 4,752 burden hours (in Year 1) will be averaged over Years 1-3, giving an average additional burden per year of 1,584. After Year 3, the additional 1,584 hours will be removed.

<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	132	0	0	132
Annual Time Burden (Hr.)	264	0	0	264
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	586	454	0	132
Annual Time Burden (Hr)	201,462	200,142	0	1,320
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 standards mandatory). However the standards themselves are copyrighted by NAESB, so the OMB Control Numbers and expiration dates are not displayed in the standards.

OMB Control Number: TBD (FERC-516E); 1902-0173 (FERC-717)  
Docket No. RM05-5-025, Notice of Proposed Rulemaking (issued 7/21/2016)  
RIN: 1902-AF23

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.