

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D. C. 20426

OFFICE OF THE CHAIRMAN

July 1, 2003

Mark Forman
Administrator, E-Government and Information Technology
Office of Management and Budget
725 17th Street, NW
Washington, D.C. 20503

Dear Mr. Forman:

I am pleased to transmit to the Office of Management and Budget the Federal Energy Regulatory Commission's (FERC) progress report for implementing the Government Paperwork Elimination Act (GPEA) by October 2003.

FERC Online is the system we are implementing to comply with GPEA. It consists of 12 electronic initiatives either in production or under development that are designed to automate transactions with our customers, simplify routing and processing of documents, and make information needed by staff and external customers available quickly in formats that are useful to them.

As a result of our online initiatives, citizens and businesses can now electronically submit comments, motions, briefs, and other documents related to proceedings before the Commission. Since November 2000, we have received more than 22,000 documents electronically. More than half of the documents we receive annually are eligible to be filed electronically. About 50% of these eligible documents are actually being received electronically.

Businesses that are under the FERC jurisdiction can now electronically prepare and file selected monthly, quarterly, and annual forms and reports using Commission-provided software. Since March 2000, we have received 15,000 electronic form submissions from regulated entities. Nearly 100% of the respondents for the forms in this program file the forms electronically.

All orders and notices issued by the Commission are accessible from our website, www.ferc.gov, in electronic formats in our eLibrary system as soon as they are issued. Interested persons can also access any public document submitted to the Commission in eLibrary.

These accomplishments and our plans for the coming year are described in greater detail in the attached report. We expect to provide an electronic filing alternative for most documents submitted to us by the end of October 2003.

Since we are an adjudicatory and regulatory agency, one of our most important initiatives will be to meet legal “service” of documents by the Commission and between parties to proceedings using electronic service in place of paper. We will not have all of these systems in place by October 2003 because they involve business process streamlining, rulemaking, and transition issues. But when this process is completed in early 2004, FERC and those who do business with us will see a huge reduction in paper flow.

We are always working to make our website a clear and easy portal to information and documents for all citizens and stakeholders.

The energy industries that we regulate and persons impacted by our decisions rely heavily on electronic transactions. We are striving to provide near real-time access to information and to keep pace with industry developments by using the most current technologies to receive, maintain, and disseminate electronic records.

Best regards,

Pat Wood, III
Chairman

Enclosure

cc: Thomas Herlihy, Executive Director and Chief Information Officer
Magalie Salas, Secretary of the Commission
Kevin Cadden, Director of External Affairs
Alison Silverstein, Senior Energy Policy Advisor to the Chairman
Susan Court, Associate General Counsel for General & Admin. Law

**FEDERAL ENERGY REGULATORY COMMISSION
PROGRESS REPORT UNDER THE
GOVERNMENT PAPERWORK ELIMINATION ACT**

July 1, 2003

Federal Energy Regulatory Commission's Progress in Complying with GPEA and Achieving Electronic Government

FERC Online

FERC Online consists of several initiatives designed to make it easier for citizens and businesses to transact with FERC electronically, and to obtain the information they need with respect to FERC proceedings. These initiatives include:

1. **Electronic Library (eLibrary)** [formerly the Federal Energy Regulatory Records Information System (FERRIS)]: **eLibrary** is FERC's repository for documents submitted to and issued by the Commission. The system resides on a robust document management and database platform and is supported by a powerful search engine for easy search and retrieval of public documents. **eLibrary** contains nearly one million documents in viewable formats (scanned image or electronically submitted format) for the period 1995 to the present, and index information for 1.5 million documents on microfilm for the period 1981 – 1994.
2. **Electronic Filing (eFiling)**: FERC's **eFiling** system went in production on November 1, 2000. Filers provide information about their submission and attach one or more files that are prepared in the same manner as if they were filing on paper. Citizens and businesses can now submit comments, motions, and most other documents pertaining to a proceeding pending before the Commission. Since November 2000, we have received 22,000 paperless electronic submissions. This represents one-third of the documents that could have been filed electronically during that period.

"Qualified documents" eligible for eFiling account for more than 50% of the documents submitted to FERC annually. We are currently receiving about half of these "qualified documents" electronically.

We will expand **eFiling** to accept additional document types and also rely on CD ROM submissions for larger filings and documents with non-public content, oversize content (e.g., maps), and/or tariff sheets that depend on development of a supporting system. We are preparing filing guidelines for submission of documents with these characteristics on CD ROM. We are also modernizing the **eFiling** system to take advantage of the Microsoft .NET service platform and simplifying the user interface for an August 2003 release.

3. **Electronic Forms (eForms):** The **eForms** subsystems allow regulated entities to download software for forms they are required to submit to FERC. The software facilitates data entry and provides edit checks within and across schedules. The annual forms contain more than 80 schedules of financial and operational data. The software allows people in appropriate areas of an organization to complete the schedules applicable to their area. Managers can validate schedules and compile them for electronic submission to FERC. We have received 15,000 electronic form submissions since March 2000.
4. **Electronic Tariffs (eTariffs):** Interstate natural gas pipelines, oil pipelines and electric utilities under FERC jurisdiction must maintain tariffs with FERC. **eTariffs** will enable electronic submission of tariffs as well as the supporting information in applications to revise tariffs. Only natural gas pipeline tariffs are now accessible online. Oil and electric tariffs are not consolidated and our customers cannot easily locate currently effective tariff information. Tariffs have traditionally been page-based with complex pagination; we are moving to a section-based approach to simplify reference to specific parts of a tariff. We have a prototype under review by staff and representatives of the regulated industries. We must revise our regulations to make the new system mandatory and expect to be in production by June 2004.
5. **Electronic Registration (eRegistration):** FERC's **eRegistration** system will be the gateway to electronic transactions with FERC. The system has been in production since January 2003, but is not yet fully integrated with FERC Online initiatives. Users create a password-protected account with their contact information. They maintain their "account" as their address or other information changes. **eRegistration** replaces a system where contacts must request that FERC Registry staff revise their contact information. **eRegistration** will eliminate duplicate entries and will provide more accurate information for FERC staff and the public. We will link **eRegistration** to **eFiling** in August 2003.
6. **Electronic Subscription (eSubscription):** Persons interested in docketed proceedings at FERC can **eSubscribe** by docket. They must first **eRegister**. The subscriber receives an email notification whenever a document is received or issued in the docket(s) they subscribe to. The email contains a hyperlink to the document in **eLibrary**. Previously, the only way to receive such notice was to intervene in the proceeding and be served paper copies of all documents. We will add additional filtering options to **eSubscription**, such as the ability to subscribe to Commission issuances only.
7. **Electronic Service (eService and eList):** FERC must serve a copy of any issuance in a docketed proceeding on all intervenors. Similarly, each intervenor must serve a copy of any document they submit to FERC on all other intervenors on the service list. Service both by the Commission and between parties is primarily by paper and regular mail. The **eService** and **eList** initiatives, keyed to

eRegistration, will facilitate electronic service by the Commission (**eService**) and between parties (**eList**). **eService** will be the default form of service and will basically eliminate paper service by the Commission. **eList** will provide each party with secure access to the e-mail addresses of other parties in the same proceeding. We plan to have **eService** and **eList** in production by February 2004.

8. **Electronic Notification (eNotification):** FERC notifies state and federal elected officials, state commissions, and other state/federal resource agencies of actions before the Commission that impact their jurisdictions. **eNotification** will expedite these transactions by using electronic notification instead of regular mail. We plan to have **eNotification** in production by February 2004.
9. **Electronic Agenda:** FERC is developing a secure computer application that will provide electronic draft orders to Commissioners and staff working on these decisional documents, electronic voting for Commissioners, and broad management reporting capabilities that will enhance the Commission's ability to monitor different aspects of the Commission's agenda process.

FERC currently issues all documents in WordPerfect and also posts Portable Document Format (PDF) and text versions of issuances in **eLibrary**. They are available on the Internet as soon as they are issued by the Office of the Secretary.

During the past year, FERC stopped posting scanned image files of issuances. This reduced our scanning workload in **eLibrary** by about 25%.

In August 2003, FERC will begin issuing documents in Microsoft Word instead of WordPerfect.

10. **E-Government eRulemaking Initiative:** FERC complied with the requirements of the e-rulemaking initiative and established an email address for receipt of comments on rulemakings submitted at www.regulations.gov. We will continue working with EPA to automate receipt of comments so that we can load them into **eLibrary** automatically.
11. **Activity Tracking Management System (ATMS):** **ATMS** is an integrated, activity tracking management system that will cut across all business lines of the Commission. Activities tracked within **ATMS** will include docketed workload, non-docketed workload related to docketed workload or projects, other non-docketed workload, and activities that relate primarily to administrative workload. **ATMS** will provide reporting mechanisms related to the Commission's Business Plan. We will also convert to a simpler docketing scheme in order to automate docket assignment, consistent with E-Government's eDocket initiative.

Government to Citizen Transactions

FERC Online initiatives that benefit citizens include: **eLibrary**, **eFiling**, and **eSubscription**.

Citizens transact with the Commission primarily by filing comments on proceedings before the Commission and by accessing the public records of the Commission in **eLibrary**. Citizen input occurs most often in natural gas pipeline construction and hydropower licensing proceedings where there is a direct impact on the citizen from proposed construction or modification of an existing facility.

eFiling makes it easy for citizens to electronically submit comments on Commission proceedings, including comments on environmental documents.

eSubscription reduces the burden on citizens by enabling them to keep track of a proceeding without intervening. Formal intervention is also an option for citizens, but intervenors incur an obligation to serve documents they file on all other intervenors.

Finally, we have posted information on our web site to make it easier for citizens to understand how to interact with FERC.

Government to Business Transactions

Businesses interact with the Commission in the same manner as citizens. But businesses are more likely to intervene in proceedings before the Commission. Businesses are also more likely to file formal procedural and substantive motions, and protests, in addition to comments. Businesses can now electronically file most documents in docketed proceedings.

eLibrary, **eFiling**, and **eSubscription** have a beneficial impact on businesses as described above for citizens. **eFiling** in particular has reduced the cost of submitting filings to FERC since local law firms typically must pay couriers \$75 or more to deliver paper filings to FERC. **eLibrary** has reduced the need for people to come to FERC's Public Reference Room. **eSubscription** enables businesses to keep track of actions before the Commission without constantly checking **eLibrary** for new issuances.

Our electronic service initiative will have a significant impact on business transactions by automating service of Commission issuances and facilitating electronic service between parties. It will provide an order of magnitude increase in net benefit over the current paper/regular mail process.

The key to these processes is the **eRegistration** system that will provide the appropriate level of user authentication for each transaction. We will use eAuthentication services as they are made available government-wide.

Businesses under FERC jurisdiction are also the primary filers of applications, forms, and reports to the Commission. We have begun implementing the electronic filing of these applications, forms, and reports in the **eFiling** and **eForms** systems. We intend to allow filings on CD ROM, until such time as eFiling and eForms can accommodate larger filings, non-public content, oversize documents (e.g., maps), and/or tariff sheets that depend on development of a supporting system.

Finally, for the last 12 years, FERC has televised its formal Commission Meetings over a cable subscription channel that is available to local and out-of-town firms interested in Commission actions.

Transactions With Other Governments

FERC notifies state elected officials, state commissions, and other state resource agencies of actions before the Commission that may impact their jurisdictions or interest. **eNotification** will expedite these transactions by using electronic notification instead of regular mail.

State agencies and elected officials may also intervene in FERC proceedings. So they benefit from some of the same electronic transactions as citizens and businesses.

Transactions Within Our Agency and Transactions Within the Federal Government

1. Within Our Agency

The **Electronic Agenda** system will streamline the agenda process and eliminate distribution of approximately 80 paper copies of each draft order on a Commission agenda. There are 24 meetings (agendas) per year, and each agenda has 50 – 100 draft orders that must be circulated to Commissioners and staff as part of the agenda process.

The **ATMS** project will consolidate several internal tracking systems, eliminate duplicate keying of the same or similar information, and enable us to determine the resources required to meet the objectives in our Business Plan. The simplified docket system will enable us to automate the docket assignment process.

As we expand **eFiling** and **eForms**, and receive submissions on CD ROM, we will load more documents into eLibrary in electronic format as opposed to scanning paper submissions. This not only reduces scanning costs but also makes information available to staff and external customers in a more useful format.

eTariffs will make it easier for staff and external customers to access tariff information in a central location.

2. Within the Federal Government

FERC sends notice of proceedings to Senators, Representatives, and federal agencies as described above for state agencies, in the event that they may want to intervene in the proceeding. **eNotification** will automate this process.

Our plan for receiving environmental information on natural gas pipeline construction projects and hydropower licensing/relicensing applications on CD ROM will facilitate the environmental review process. We will be able to transfer Environmental Impact Statements (EIS's) to the Environmental Protection Agency for issuance in electronic format. We will also be able to send copies of EIS's to interested persons on CD instead of mailing paper copies of a document that typically consists of 300 to 1000 or more pages.

eFiling has already benefited Federal agencies that comment on proceedings pending before FERC by enabling them to submit comments and other documents electronically.

Customer Relationship Management

We have an email address and toll-free phone number for users to seek assistance, ask questions, or report problems with all FERC Online applications. We publish this information on our website and promote electronic transactions and help resources in each notice issued by the Commission. User Guides and FAQ's are easily accessible on our website.

We acknowledge receipt of all eFilings with on-screen confirmation and by email notification. We send a subsequent email when the Secretary's Office accepts the filing.

The emails include all information submitted by the filer and a hyperlink to the filing in **eLibrary**. The emails also include contact information for reporting problems.

Enterprise Information Management

Our web site www.ferc.gov and **eLibrary** provide centralized management and quality control of the operational data produced and collected by FERC. **eLibrary** promotes effective management and access to information using standard categorization, metadata, and common data definitions and standards. In addition, we enable users to do complex searches of document descriptions and text searches of electronic document content. We have mechanisms to ensure that non-public information, including Critical Energy Infrastructure Information, is accessible only to authorized persons.

Our **eForms** and **eTariff** systems are designed to ensure common data definitions, data standards and principles. These systems will ensure consistent data exchange with industry and result in accurate and consistent information for FERC staff and the public.

ATMS will standardize collection of case management and resource information across all organizations in FERC.

Synopsis of GPEA Compliance Based on Report Manager Results

There are 32 transaction classes for FERC in the GPEA Data Collection Tool accompanying this report. Twenty-two of these transaction classes pertain to 59 information collections covered by the Paperwork Reduction Act (four of the ICR’s are extension requests that are under review by OMB). Nine additional transactions are not covered by the PRA, but provide vastly improved electronic services for staff and our customers. The following table summarizes the status of the 32 transaction classes:

Transaction Type	Completed By 10/01	Completed By 10/02	To Be Compl by 10/03	To Be Compl After 10/03	Not Practicable To Complete	TOTAL
PRA	5	4	9	3	2	22
Non-PRA	1	1	3	4	0	9
TOTAL	6	5	12	7	2	32

Our eFiling initiative is related to the following initiatives in the administration’s E-Government strategy, including:

1. One Stop Business Compliance Information: 18 transaction classes
2. XCut – eAuthentication: 8 transaction classes
3. Geospatial Information One Stop: 2 transaction classes
4. Online Rulemaking Management: 2 transaction classes
5. Electronic Records Management: 1 transaction class
6. Not related to an E-Government initiative: 8 transaction classes

New Agency Initiatives With an Order of Magnitude Increase in Net Benefit

1. eService
2. eList
3. eNotification
4. eTariffs
5. eIssuance
6. eSubscription

The above initiatives eliminate a substantial number of paper mailings by the Commission and between parties. They also enable faster access to information on proceedings before the Commission, including actions taken by the Commission. eTariffs will provide for electronic submission of tariff sheets and related information by FERC-regulated entities. Tariffs will be available online.

The new initiatives with an order of magnitude increase in net benefit do not relate directly to E-Government initiatives. However, FERC is participating in the E-Regulation initiative, and we will monitor the E-Authentication, Geospatial Information One Stop, One Stop Business Compliance, and Electronic Records Management initiatives for application to FERC business processes.

Initiatives Previously Considered Not Practicable that are Now Practicable

The **Electronic Agenda** and **ATMS** initiatives are new initiatives that were not included in our 2002 GPEA Report.

Initiatives Now Considered Not Practicable

1. Natural gas well category determinations (FERC-121 and FERC-568). This program expires on June 30, 2003, and was included on the 2002 GPEA Report. Both the Senate and House versions of the comprehensive energy bill include provisions extending the IRS Section 29 credit for qualified Natural Gas Policy Act Section 107 well determinations for as long as four more years. Even if extended, it is not practicable to receive well determinations in electronic format. Applications are filed initially with state or federal jurisdictional agencies and forwarded to FERC for review. The state and federal agencies do not want to set up an electronic filing program, particularly since supporting materials are not always available in electronic format.
2. Protected Materials: Access to documents covered by a Protective Order issued by an Administrative Law Judge or the Commission is restricted to persons who sign the Protective Order. Protected materials are submitted under seal and must be maintained under seal. For security reasons, we do not put protected materials in **eLibrary**, or on any local area network drives. We accept protected materials on CD ROM, but there is no backup in the event of damage to the electronic media. So we will require that protected material filings include a paper copy.

Priority Projects that are Behind Schedule

1. **eTariffs**
2. **eService / eList / eNotification**

These initiatives have significant transition issues, require changes to our regulations, and involve significant outreach and development effort. **eTariffs** will not be completed until June 2004.

We expect to complete the **eService**, **eList**, and **eNotification** initiatives by February 28, 2004.