

**FEDERAL ENERGY REGULATORY COMMISSION**

**FERC Form No. 580**

**Interrogatory on Fuel and Energy Purchase Practices**



**2012**

**DESK REFERENCE**

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## General Filing Requirements

### Introduction

In 2010, staff at the Federal Energy Regulatory Commission (Commission) undertook measures to improve this information collection. New questions were added; others were either removed or revised. In addition, respondents now prepare their filing using a FERC-designed electronic information collection form. The automated form provides respondents with drop-down menus and links and allows storage of data for easy retrieval and for updating in future filings.

Please direct any questions or comments about completing the 2012 FERC Form No. 580 (Form 580) to [FERC-580@ferc.gov](mailto:FERC-580@ferc.gov).

### Who Must File

All jurisdictional utilities owning and/or operating at least one steam-electric generating station of 50 MW or greater capacity, or having a majority ownership interest in a jointly-owned steam-electric generating station of at least 50 MW or greater capacity and that had a cost-based rate tariff on file with the Commission during the reporting period are required to file a FERC Form No. 580 (Form 580). Utilities that did not have a cost-based rate tariff on file during the reporting period with the Commission are not required to file the Form 580.

### What to File

Respondents are required to file the electronic Form 580 with pertinent attachments e.g. rate and service agreements older than twenty years, and may on occasion need to make revised filings.

### De Minimis Circumstances

If a utility has a specific circumstance under which they think there is a compelling reason not to answer a particular question or part of a question in the interrogatory, it can apply for a waiver of that particular question or part thereof.

### How to File

All documents must be filed via the Commission's eFiling system. E Filing instructions are located on the Commission's eFiling webpage: <http://www.ferc.gov/docs-filing/efiling.asp>.

### Detailed eFiling Instructions:

Start at the Commission's home page: [www.ferc.gov](http://www.ferc.gov). Click on the Documents & Filing tab and choose eFiling from the drop-down. If you haven't previously eRegistered, click the eRegister link and provide the requested information in order to create an account, otherwise, enter your registered email address and password.

Click on Log In.

Click on eFiling.

**Filing Type** - Click on electric in the first column. Click on Report / Form for existing docket number (Report / Form should show in the third column). Click next.

**Select Docket** - Enter the docket number: IN79-6; click Search. The docket number will show in a new table. Click the plus sign in the Select column and a selected docket's row will drop down.

NOTE: if at any time you want to go back to a previous screen, press the back button provided on the eFiling screen, not the back button in the browser.

Click Next.

**File Upload** - Click the public tab, then click browse and select a public file to upload. Enter a description in the space below the file name. Click Upload. Continue doing this until all your public files appear in the file upload table. Click the privileged tab, then click browse to select your privileged file for upload, enter a file description and click upload. The eFiling system allows you to attach up to 200 files.

There must be at least one Public file for each privileged submission. This can be your cover letter describing the filing and asking for privileged treatment. It could also be your Form 580 public file.

Tip: Use PRIV as the first four characters of the file name for a privileged file to avoid uploading a file with the wrong security level.

There is a feature at the bottom of the File Upload table to change the security designation if the file wasn't uploaded as privileged and should have been.

When FERC accepts a filing with multiple security classes, the system puts the files under different accession numbers and links them as document components in eLibrary so, eFile the privileged and public files during the same session and they will be linked in eLibrary.

Click Next at the bottom of the screen.

**Specify Filing Parties** – Click either “On behalf of another Party(ies) and enter the company name below or “As an Individual”, whichever applies. Click Next.

**Specify the person to whom communication should be addressed** - Enter your email address in the contact email block and click on Add as Signer or Add as Other Contact. Note: a signer email address must be included as every filing must have a designated signer.

**Submission Description** – Enter: “Form 580 of [your utility name]”

**Summary** – Review the information shown. Ensure the file labeled privileged has the correct security level chosen. If any of the information is incorrect, click the Back button and correct your information as necessary. Click Submit.

A new screen will appear that states: “You have successfully submitted the filing and will receive an email confirmation shortly”. Click the “Printable submission confirmation receipt” button and a receipt will appear that states the date, time and submission ID for your filing. You should also receive a confirmation of receipt by email with the same information, a link to additional information for your filing and the status of your filing. When the Commission accepts your filing, that status will change to accepted.

Go to: <http://www.ferc.gov/help/filing-guide/file-ceii.asp> for further information regarding the filing of documents where privileged treatment is sought.

### **Requesting Privileged Treatment**

The Commission is allowing privileged treatment to question 5 if requested pursuant to 18 CFR §388.112 and filed separately using the Form 580 Question 5 Privileged Addendum.

Go to <http://www.ferc.gov/docs-filing/forms.asp#580> for Commission regulations regarding the filing of documents where privileged treatment is sought.

### **Electronic File Naming Convention**

Respondents are encouraged to name their electronic Form 580 filings as follows:

Name your public form as: UtilityName2012Form580.pdf

Name your privileged form as: PRIVUtilityName2012Form580.pdf

Any other documents that are required to accompany the filing, such as the question 2b service agreements, must be eFiled as attachments when filing the Form 580. The file naming convention would be more specific to those documents. For example, a Microsoft Word file required by Question 2b might be named as follows:

UtilityName2012Form580Q2bServAgreement1.doc

All attached documents must be in electronic file formats accepted by the Commission. See <http://www.ferc.gov/help/submission-guide.asp> for a list of acceptable formats. In addition, all parts of any submission that are created or available in text searchable native application format must be submitted in that format or in Print-to-PDF format. Failure to provide text-searchable formats in eFiled documents may result in a request for re-submission or rejection of the filing.

**File Size Limit**

The Commission’s eFiling system can only accept documents that are less than 50 MB in size, therefore please break files up in order to stay below this threshold.

**Number of Attachments Limit**

The eFiling system can handle up to 200 attachments per filing.

**When to File**

Responses are due November 30, 2012.

**Filing Revisions**

Include a cover letter with any revised documents explaining the circumstances that required the revision. EFile revisions using the same procedure as used with the original filing. Name revised filings as follows:

UtilityName2012Form580Q2revised.pdf

**Comments and Reporting Burden**

Public reporting burden for this information collection is estimated as:

	No. of Respondents (1)	Annual No. of Responses per Respondent (2)	Average Burden Hours Per Response (3)	Total Annual Burden Hours (1)x(2)x(3)
Respondents with FACs	45	0.5	103	2310
Respondents with AACs but no FACs	125	0.5	20	1250
Respondents with no AACs (no FACs)	40	0.5	2	40
<b>Sub Total</b>				3600
Additional burden for new filing format – 2010 filing only	45	0.5	20	450
<b>2010 TOTAL</b>				4050

This estimate includes the time reviewing instructions, searching existing information sources, gathering the information needed, and completing and reviewing the interrogatory.

Comments regarding the burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, should be sent to DataClearance@ferc.gov. The Desk Officer can be reached by telephone at (202) 502-8663 and by fax at (202) 273-0873. Comments may also be sent to the Office of

Information and Regulatory Affairs, Attention: Desk Officer-FERC, Office of Management and Budget, Washington, DC 20503.

You shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

## Step-by-Step Instructions for Completing the Form 580

If at anytime, you have a question about any aspect of the Form 580, email it to [ferc-580@ferc.gov](mailto:ferc-580@ferc.gov) and it will be promptly answered.

Ensure that you have Adobe Reader version 9.0 or higher on the computer in which you will open the Form 580. If necessary, go to [www.adobe.com](http://www.adobe.com) and download the latest free version of Adobe Reader. Only open the Form in Adobe Reader.

Open the Form 580 and save it using the naming convention mentioned earlier: UtilityName2012Form580.pdf. This is the document that when complete, you will upload and officially file using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>,

Within the Form 580 is an appendix on Coal Contract Types and a Glossary of terms used in the form. The appendix is helpful in answering question 6 and the Glossary includes terms that are shown in blue highlight throughout the form. The terms themselves are not linked to their definitions in the Glossary.

Throughout the form, required data formats, data restrictions and detail in addition to that provided in the question, will appear while hovering your mouse over data entry cells.

### **Question 1: Utility Contact Information**

Enter the exact legal name of the utility for which you are reporting, as eRegistered with the Commission. Enter contact information for an individual that would handle questions concerning fuel procurement and contact information for an individual that would handle questions concerning energy purchases.

### **Question 2a: Automatic Adjustment Clause Identification**

Identify the docket numbers of each rate schedule on file with the Commission and any related service schedules that contain any type of wholesale automatic adjustment clause (with the exception of those that are transmission-related), through which any costs were passed during the reporting period. Use the docket number of the very first filing of the rate schedule. Include the date the rate schedules were first accepted by the Commission as well as the date they first became effective. When clicking the drop-down arrow for dates, a calendar will appear. To zoom out while still in the calendar, hold the left mouse button down for a couple of seconds, then release. This will more quickly allow you to choose the date needed.

Provide the type of automatic adjustment clause (AAC) and types of costs passed through each, using the drop-downs. If the types are not listed in the drop-downs, type them into the space provided. Only enter one type per row. If more than one type of AAC or more than one type of cost is passed through an individual service schedule, click the Add Row button and enter the additional type into the new row along with the



other identifying information requested e.g. docket number, rate schedule, etc. Click the Add Row button as many times necessary to provide blank rows in which to enter all AACs. Extra rows can be deleted by clicking on Delete Row. However, the Delete Row button will only delete the last row added. If you need to delete a row that isn't the last row added, highlight the text in each cell of the row and press the delete key. The row will still appear but the data won't.

Note: Question 2 asks for the identification of "service agreement" within rate schedule containing an AAC, but most service agreements don't contain AACs. It is the service schedules that typically do. In some cases, there are no service schedules because the rate schedule is dealing with only one product. Report here the service schedule where the AAC was reported in the rate schedule or leave a blank if there were none. In the rare instance of a service agreement reference to an AAC, report it here.

**Question 2b: One-time filing of documents older than twenty years**

If any of the rate schedules and service agreements named in response to Question 2a were first filed with the Commission before January 1, 1990, upload an electronic copy of each with your Form 580 when you eFile. If the rate schedule or service agreement was first filed before 1990 but since then has been refiled in its entirety, do not attach a copy with your Form 580 filing. If the rate schedule or service agreement has been refiled in its entirety since 1990, but certain sheets have been amended since then, do not file the rate schedule or amended sheets with your Form 580 filing.

It is necessary for filers to provide this information electronically, in a text-searchable format, in order that Commission staff may expediently analyze the Utility's filing in its entirety. Once this information is submitted electronically, it will not be necessary to submit it in future Form 580 filings. Enter the file name and a brief description of each in the spaces provided. Click Add Row as many times necessary to provide enough blank rows in which to enter all of the required information.

**Question 3: Purchased Power**

Report all purchased power contracts and agreements **from a PURPA qualifying facility (QF)**<sup>1</sup>, **or an Independent Power Producer (IPP)**<sup>2</sup>, in place during the reporting period where costs were passed through an AAC. Provide the requested information by reporting year. For each purchase, answer EITHER the questions in the two columns titled: only energy charges were passed through the AAC OR the questions in the five

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<sup>1</sup> A QF is a generating facility which meets the requirements for QF status under the Public Utility Regulatory Policies Act of 1978 and 18 CFR Part 292 of the Commission's regulations, and which has either self-certified with the Commission or has obtained FERC certification of QF status. There are two types of QFs: cogeneration facilities and small power production facilities.

<sup>2</sup> A generator who provides either capacity or wholesale power to utilities. IPPs operate in the franchised territories of host utilities and do not possess transmission facilities or sell electricity on the retail market.

columns titled: where all purchased power costs were passed through the AAC, whichever applies to the purchase. If the Utility did not purchase power and recover costs through an AAC, check the box provided and continue with Question 4.

**Question 4a: Emission Allowances**

If the Utility incurred emission allowance costs during the reporting year, and recovered any part of such costs through an AAC, enter the total amount recovered by year and by source. Enter the docket numbers and dates of Commission acceptance of these recoveries.

Question 4 asks for 2008 and 2009 costs that are recovered through an AAC. Your utility's clause may not directly recover costs as they are incurred, i.e. the charges assessed at various times in 2008 and 2009 were based on costs incurred during some other time frame (preceding 2008). For this question, provide costs incurred in 2008 and 2009 whether or not they were reflected in 2008 and 2009 clause revenues.

**Question 4b: Emission Allowance Recovery Through Other Than AACs**

If emission allowance costs were recovered other than through an AAC, choose yes from the drop-down provided and explain how they were recovered; include rate schedule and service agreement notations. Be specific.

**Question 5: Fuel Procurement**

**The answers to this questions will be allowed privileged treatment if requested in compliance with 18 CFR §388.112 and filed using the Question 5 Addendum.**

To file your response to question 5 as privileged, use the separate form posted as Q5 addendum containing only questions 1 and 5. EFile it as privileged, along with your public version and your letter requesting privileged treatment in compliance with 18 CFR 388.112. In your public version of the Form 580, click the yes in the drop-down provided in response to: Are you filing the Q5 Privileged addendum? Proceed to question 6. If you choose to file the responses to question 5 as public information, choose no from the drop-down and answer the questions that follow.

Answer the questions for coal. If the utility does not have coal-fired generation, answer the questions for natural gas.

**Question 5a: Frequency of Fuel Procurement Policy and Practice Reviews**

Using the drop-down provided, report how often procurement processes are reviewed. Enter the completion date of the most recent review. Enter the name and title of the person who oversaw or conducted the most recent review during the reporting period. If multiple individuals carried out the review, report the individual at the highest management level. Provide a brief description of the review.

**Question 5b: Fuel Inventory Levels**

If the Utility has no fuel inventory policy, i.e. there is no set standard for minimum quantity on hand for plant fuels, choose no in the drop-down provided. Otherwise, choose yes and indicate whether the policy states under what circumstance/s fuel

inventory is increased or decreased. Check the box provided if the Utility has no policy on fuel inventory levels. Respond to when the fuel inventory was last reviewed and who last approved it. Enter the name and title of the individual who made the working decisions to change inventory levels.

**Question 5c: Fuel Cost Market Investigations**

Does the Utility investigate fuel market prices in advance of fuel contract negotiations? Are investigations carried out on a regular basis; if so, at what interval or upon what circumstance is this accomplished?

**Question 5d: Environmental Constraints on Fuel Purchases**

What plant-related environmental situations impact the type and quality of fuel purchased? Which factors need to be taken into consideration when purchasing fuel.

**Question 5e: Fuel Contract – Fuel Quality Characteristics**

What fuel characteristics had required limits named within the fuel contracts active during the reporting period? Choose from the items shown and add those not listed, under the column labeled “Other”.

**Question 5f: Affiliate Fuel Purchases**

What percentage of the fuel purchased during the reporting period was purchased from an entity that was in any way affiliated (see glossary in the form for a definition of affiliated) with the Utility? Check the appropriate boxes. Enter a fuel not listed, in the space for Other and provide the percentage purchased from affiliated entities for each.

**Question 5g: Fuel Contract Bidding Process**

How are the potential fuel suppliers (bidders) qualified and ranked? Were fuel supplier credit ratings checked and if so, how?

If any aspect of the Utility’s fuel purchase policy practices differs for associated companies, state the differences.

Is the lowest bidder automatically selected? If not, provide criteria used for fuel contract selection and renegotiation.

**Question 5h: Fuel Procurement from Affiliates**

Specify fuel procurement procedures used for both affiliated and non-affiliated fuel sources and suppliers.

**Question 6a & 6b: Fuel Supply Contract Specifications and Delivery Characteristics**

**Note: Only enter fuel delivery information under contracts where costs were subject to an automatic adjustment clause under 18 CFR 35.14. For example, if a utility has an 18 CFR 35.14 clause for coal but not for oil, it should not report oil contracts and deliveries in question 6.**

Many filers did not provide contract information for all of the contracts reported in the delivery characteristic spreadsheet in their 2008 filing. Therefore, this year, questions 6a and 6b are connected electronically. This will ensure that all delivery information is properly associated with the correct contract identification. Each delivery row should be specific to a particular contract ID, reporting year and delivery plant.

**Step 1**

Enter the information requested for the first reporting year of your first contract.

**Step 2**

Enter the delivery information for that contract in 6b. Choose one primary fuel origin and one purchase point type per delivery. If the fuel is delivered by pipeline, choose pipeline as the primary origin; it is the last choice in the drop-down. Choose a delivery plant for each delivery and enter the remaining information requested. If the fuel is delivered by pipeline and the quality specifications are "pipeline quality", leave the quality and impurity cells blank. Enter FOB plant cost. If FOB plant cost is not available, enter FOB origin cost. You are not required to enter both costs.

**Step 3**

Click on the Add Row button to add a blank row for entry of another plant's delivery under the contract just entered in 6a. Alternatively, click the Copy Delivery button to add a row with delivery information identical to the one just completed. Then select, delete and type information in any cell in that row to quickly add a delivery that closely reflects the previous one entered. Continue adding rows and entering information until all deliveries are recorded.

**Step 4**

Click the Add Row button in 6a to add a blank row in which to enter information for a subsequent reporting year of the same contract or for a new contract.

**Step 5**

Repeat steps 2 through 4 until all deliveries under all contracts are recorded.

**Question 6c: Affiliate Fuel and Fuel Transportation Contracts**

Provide the requested information concerning any affiliated entity that provides fuel and/or fuel transportation services, whether or not the Utility used that entity during the reporting period.

**Question 7: Contracted Fuel Quantity Shortfalls**

Provide the requested information separately for each contract that experienced a shortfall that is not under dispute, i.e. parties agree there was indeed a shortfall. If the cause of the shortfall is not found in the 7a drop-down provided, choose other and type the cause in the drop-down space.

**Question 8: Contract Buy-downs and Buy-outs**

Provide the requested information separately for each contract that was bought-out or bought-down during the reporting years and that it is not under dispute. If the type of change is not found in the 8a drop-down provided, choose other and type the cause in the drop-down space provided.