

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Notice of Information Collections and)	
And Request for Comments)	Docket No. IC25-7-000
)	

COMMENTS OF THE EDISON ELECTRIC INSTITUTE

The Edison Electric Institute (EEI) is submitting these comments in response to the above-referenced Notice of Information Collection (NOIC), which the Federal Energy Regulatory Commission (FERC or the Commission) issued on February 3, 2025, and published in the Federal Register on February 7, 2025. In the NOIC, the Commission solicits public comments on the requirements and information collection burden associated with Form Nos. 1, 1-F, and 3-Q. In summary, EEI recommends that the filing requirements of Form No. 3-Q be eliminated. We have no objection to the renewal of Form Nos. 1 and 1-F.

EEI and its Members Have a Direct Interest in this Proceeding

EEI is the association that represents investor-owned electric companies in the United States. Our members provide electricity for nearly 250 million Americans and operate in all 50 states and the District of Columbia. The electric power industry supports more than 7 million jobs in communities across the United States. In addition to our U.S. members, EEI has more than 70 international electric companies as International Members, and hundreds of industry suppliers and related organizations as Associate Members. Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums.

EEI members constitute the primary class of companies subject to the Commission's Federal Power Act jurisdiction and the Form Nos. 1 and 3-Q filing requirements. As primary filers of these forms, EEI members will be directly affected by any changes to the forms, and thus our members have a direct interest in this proceeding.

The Commission Should Reconsider its Quarterly Requirements for Filing Form No. 3-Q

EEI members currently file large volumes of financial, operational, facility, and other information with the Commission and other federal and state agencies, including the Energy Information Administration (EIA), Environmental Protection Agency (EPA), Internal Revenue Service (IRS), Securities and Exchange Commission (SEC), and state utility commissions and regulatory agencies. These filings give a detailed picture of company finances and operations. There are few, if any, segments of the United States or global economy whose finances and activities are reported in as much detail or are subject to as much public scrutiny as those of investor-owned electric utilities.

The compilation, verification, and reporting of the information that EEI members file on Form Nos. 1 and 3-Q, other FERC forms and filings, and filings with other agencies involve substantial work and costs. Companies must invest substantial staff labor, computer software and hardware, and other resources to provide this information, resulting in costs that are borne by utility jurisdictional customers, including FERC regulated customers. Often these filings are due in short and overlapping time frames and while the companies are closing their accounting books and preparing other financial reports, further compounding the burden on company staff and accounting and reporting systems.

Recognizing that reporting involves substantial costs, the Paperwork Reduction Act (PRA) requires federal agencies to minimize the reporting burden and avoid duplicative

reporting requirements. 44 U.S.C. §§ 3501 et seq. The PRA requires each agency to undertake a review, in consultation with the Office of Management and Budget (OMB), to demonstrate that information collections are as reasonable and streamlined as possible, and to provide justification for collecting of the information.

Additionally, President Trump’s Executive Order *Unleashing Prosperity Through Deregulation*, states it is the “policy of the executive branch to be prudent and financially responsible in the expenditure of funds, from both public and private sources, and to alleviate unnecessary regulatory burdens placed on the American people.”¹ The clear spirit of this Executive Order is for Federal Agencies to seek opportunities to reduce or eliminate regulations wherever feasible.

As a result, EEI is requesting that the Commission strongly consider the limited value that Form No. 3-Q has in accomplishing FERC’s oversight mission and its elimination as explained below.

Commission Request for Comment and EEI’s Response

In the NOIC, the Commission invites comments on whether the information collections are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility. The Commission also asks about ways to minimize the burden on respondents, including the use of automated collection techniques or other forms of information technology. EEI offers the following comments on these matters.

¹ Exec. Order No. 14,154, 90 Fed. Reg. 8353 (Jan. 20, 2025).

EEI and our members fully support the Commission's overall objective of vigilant oversight of reporting entities. We believe that the Commission meets this objective for EEI members through the extensive data presently collected in the annual Form No. 1. The Form No. 1 has proven to be an important reference tool for a vast amount of information about company financial results and operations. The Form No. 3-Q, on the other hand, is rarely, if at all, referenced. The Form No. 3-Q does not appear to improve the usefulness and transparency of the respondents' financial information, and the actual benefit of the information collected through Form No. 3-Q appears to be inconsequential. Yet, the burden on respondents, and ultimately utility customers, preparing the Form No. 3-Q filings is material and outweighs any perceived benefit.

Further to this point, EEI recently surveyed our members to understand how frequently over the last three years EEI members have been contacted by FERC Staff or jurisdictional customers about information submitted in Form No. 3-Q. A total of 51 electric utility companies responded to this recent survey. The survey responses covered 186 Form No. 3-Q reports filed each quarter, or a total of over 1,600 reports over the last three years. The survey results are clear—not a single respondent reported receiving any inquiries during the last three years regarding its Form No. 3-Q data from either FERC Staff or jurisdictional customers.

Also, in 2016, EEI surveyed our members, with 50 electric utilities responding. The results were very similar with no instances of EEI members receiving inquiries regarding the data collected in Form No. 3-Q from either FERC Staff or jurisdictional customers for three years.

These results demonstrate that the Form No. 3-Q does not provide a substantive benefit. The continued requirement to file the Form No. 3-Q is not supported as there has not been clear use for the information for many years.

With respect to evaluating cost-based rates, the Form No. 1 is the principal document used, almost universally, to establish formula rates, not the Form No. 3-Q. For example, the FERC Staff's Guidance on Formula Rate Updates specifically references that formula rates require adjustments from the Form No. 1 account balances consistent with both Commission policies for certain costs and the individual requirements of the respective formula rates. By contrast, quarterly Form No. 3-Q data typically have no bearing on formula rate determination which is made annually. Further, as highlighted by the responses to the survey of EEI members, FERC jurisdictional customers appear to have little, if any, interest in the data presented in the Form No. 3-Q.

Previously, the Commission indicated that it uses the Form No. 3-Q report to validate the debt and equity information of filings under Part 34 of the Commission's regulations when the most recent 12-month filing occurred more than 4 months prior to the application under Part 34. EEI and our members believe it is extremely inefficient to require all jurisdictional utilities to file the Form No. 3-Q each quarter for this purpose. Instead, the Commission should consider amending the Part 34 filing requirements to include the required information when those applications occur. Specifically, for the financial statements to be filed as Exhibits C, D, and E under Part 34, the Commission should remove the condition that the statements be provided if the 12-month period ended no more than 4 months prior to the date of the filing of the application. This change would ensure the Commission has the necessary information to fulfill

its regulatory obligations under Part 34 without requiring all utilities to bear the burden of filing the Form No. 3-Q each quarter.

Regarding providing ongoing oversight of EEI members, the Commission staff can utilize reports filed by EEI member companies with the SEC. These reports are filed with the SEC for all EEI members with publicly traded debt and equity securities. The quarterly report on Form No. 10-Q includes a full set of consolidated financial statements along with Management's Discussion and Analysis, and other information. Additionally, Form No. 8-K is required to disclose material events typically within four days of the event. Since these reports are required to be filed with the SEC, they would provide a very efficient means for monitoring current financial information for EEI member companies.

In recent years, the Commission adopted the use of XBRL to file the Form No. 3-Q. However, this did not eliminate the amount of effort required by EEI member companies to gather, prepare, and review the information required by the form. Also, many EEI member companies incur fees to utilize a third-party vendor's software to prepare their Form No. 3-Q filings in XBRL. While EEI applauds the Commission's actions to automate the filing process, elimination of the Form No. 3-Q filing requirement is the appropriate answer because no level of automation will otherwise avoid the time and costs incurred to prepare the form for filing, which are borne by utility customers.

Conclusion

EEI appreciates the opportunity to provide these comments. The Form No. 1 collects substantial information for the FERC Staff to use in discharging their responsibilities and for jurisdictional customers to use in evaluating rates, as well as for other parties' use in evaluating electric utilities for investment. By contrast, the Form No. 3-Q provides little or no incremental

information that the Commission or jurisdictional customers find useful. Accordingly, we strongly encourage the Commission to eliminate the requirement for filing the Form No. 3-Q, given that it is very costly to prepare and appears to be of very limited value.

If the Commission needs additional information or has any questions, please contact Sandra Safro Osborn at 202-508-5129 or David Dougher at 202-508-5570.

Respectfully Submitted,

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