

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

## **Revisions to Electric Quarterly Report Filing Process**

**Docket No. RM12-3-000**

## COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY

On June 21, 2012, the Federal Energy Regulatory Commission (“FERC”) issued a Notice of Proposed Rulemaking<sup>1</sup> (“June NOPR”) inviting public comment on the proposed revisions to the Electric Quarterly Report (“EQR”) filing process.<sup>2</sup> The June NOPR proposes changing current procedures used by regulated entities to submit EQR data for the Commission’s review pursuant to its market oversight responsibilities. On July 11, 2012, the Commission convened a technical conference to discuss the proposed changes, and to demonstrate features of the new system.

Pacific Gas and Electric Company (“PG&E” or “Company”) appreciates the opportunity to provide its comments regarding the June NOPR, and other issues related to the current and prospective EQR process. PG&E understands the importance of the Commission’s market monitoring function, and commends the Commission for its on-going efforts to enhance the efficiency of the EQR data gathering and reporting process. PG&E supports the Commission’s decision to discontinue maintaining the current EQR software made available to the filing entities and requests the Commission consider PG&E’s comments in its deliberations of the final rule in this matter.

<sup>1</sup> Revisions to Electric Quarterly Report Filing Process, 139 FERC ¶ 61,234 (2012).

<sup>2</sup> 18 CFR 35.10b (2012).

## **DESCRIPTION OF PG&E**

PG&E is an investor-owned public utility providing natural gas and electric service to approximately 10 million customers throughout northern and central California. As a Participating Transmission Owner in the CAISO market structure, PG&E's electric transmission facilities are subject to FERC regulation under the Federal Power Act

As a regulated entity submitting EQR reports to the Commission, PG&E reports in excess of one million lines of combined contract and transaction data on a quarterly basis; therefore, PG&E has a direct interest in the design and implementation of FERC's EQR procedures. PG&E has participated in on-going discussions convened by the Edison Electric Institute (EEI) and contributed to the questions document EEI conveyed to FERC EQR Staff ahead of the July 11, 2012 EQR technical conference.<sup>3</sup>

## **PRIOR EQR NOPRS**

Since Order No. 2001 and its addenda,<sup>4</sup> the Commission has issued several additional NOPRs, listed below, affecting the EQR requirements of the regulated entities (“Prior NOPRs”).

On April 21, 2011, in FERC Docket No. RM10-12-000, the Commission issued a NOPR<sup>5</sup> (“April 2011 NOPR”) that proposed: to extend the EQR filing requirements to

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<sup>3</sup> “EEI Questions for FERC Staff To Discuss at the EQR Technical Conference on July 11, 2012”

<sup>4</sup> Revised Public Utility Filing Requirements, Order No. 2001, 67 FR 31043 (May 8, 2002), FERC Stats. & Regs. ¶ 31,127, reh'g denied, Order No. 2001-A, 100 FERC ¶ 61,074, reh'g denied, Order No. 2001-B, 100 FERC ¶ 61,342, order directing filing, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), order directing filing, Order No. 2001-D, 102 FERC ¶ 61,334, order refining filing requirements, Order No. 2001-E, 105 FERC ¶ 61,352 (2003), order on clarification, Order No. 2001-F, 106 FERC ¶ 61,060 (2004), order revising filing requirements, Order No. 2001-G, 72 FR 56735 (Oct. 4, 2007), 120 FERC ¶ 61,270, order on reh'g and clarification, Order No. 2001-H, 73 FR 1876 (Jan. 10, 2008), 121 FERC ¶ 61,289 (2007), order revising filing requirements, Order No. 2001-I, 73 FR 65526 (Nov. 4, 2008), 125 FERC ¶ 61,103 (2008).

<sup>5</sup> Electricity Market Transparency Provisions of Section 220 of the Federal Power Act, 135 FERC ¶ 61,053 (2011)..

non-public utilities; report the transaction date and time, as well as the type of rate by which the price in the transaction or contract was set; indicate whether the transaction was reported to an index publisher; identify the broker or exchange used for a transaction, if applicable; report electronic tag (e-Tag) ID data in EQRs; standardize the unit for reporting energy and capacity transactions; omit the time zone from the contract section; and eliminate the DUNS Numbering System.

On April 21, 2011, in FERC Docket No. RM11-12-000, the Commission issued a NOPR<sup>6</sup> proposing to require Commission-certified Electric Reliability Organizations to make available to Commission staff, on an ongoing basis, access to complete electronic tagging data used to schedule the transmission of electric power in wholesale markets,. As PG&E understands it, this proposed access is linked to the e-tag ID requirement in the April 2011 NOPR.

On March 15, 2012, in FERC Docket No. RM01-8-000, the Commission proposed adding “simultaneous exchange” as a Product Name (Field 31) to the EQR Data Dictionary<sup>7</sup> due to “concerns regarding the potential for simultaneous exchanges to provide what amounts to transmission service without the reservation of service on the transmission system.”<sup>8</sup>

While PG&E’s Comments will be confined mainly to the instant NOPR, implementation of the related Prior NOPRs affects both the underlying design of the new EQR system, and the reporting entities’ measures to re-tool internal business processes to gather and analyze additional data.

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<sup>6</sup> Availability of E-Tag Information to Commission Staff, 135 FERC ¶ 61,052 (2011).

<sup>7</sup> The compendium of EQR data requirements. See Order No. 2001-G.

<sup>8</sup> Revised Public Utility Filing Requirements for Electric Quarterly Reports, 138 FERC ¶ 61,191 (2012)

## **COMMENTS ON THE JUNE NOPR**

The Commission proposes eliminating the distributed [client] software (“current EQR software”) it provided to the reporting entities and replacing the existing MS FoxPro-based server/client system with a more open-source and cross-platform XML based system. The June NOPR proposed interim methods to both accommodate current reporting procedures and tools, as well as to facilitate the transition to the new XML-based system. FERC also proposed a web-based interface that accepts EQR data through direct .csv or .xml uploads and/or through manual data entry.

### **The Proposed Changes**

The Commission proposes two options for regulated entities submitting their quarterly reports. The first option (“EQR Option One”) is a FERC web interface capable of accepting and validating the data files used to load EQR data into the current FERC-authored software. The EQR Filers could also choose to manually enter the data through a series of data entry screens. The second option (“EQR Option Two”) allows EQR Filers to submit their quarterly data via XML-formatted files. Because FERC will no longer be providing EQR software, these XML files would need to be created by software tools authored or acquired by the EQR Filers. PG&E, with its large data set, considers uploading .csv or XML data files preferable to manually entering its EQR data.

#### **EQR Option One**

As mentioned above, PG&E submits more than one million lines of EQR data per reporting quarter. Due to the design and structure of the current MS FoxPro system, uploading this amount of data into the current EQR software takes a significant amount of time. PG&E’s main concerns in assessing the utility of Option One are whether or not:

(1) the new web-based system would be faster in its upload/validation of the data; (2) the system would have a better method of reporting validation errors; and (3) the new system would provide better solutions for correcting the validations errors.

PG&E contributed to an EEI document containing participant EQR issues and concerns submitted to Staff ahead of the July 11, 2012 technical conference. PG&E included the request for a demonstration of the system using sample data sets of varying sizes (e.g., 10 lines of transactions, 1,000 lines, 100,000 lines, and 500,000 lines) in order to observe how the Option One process would perform.

The new system was never given a live demonstration at the technical conference and therefore PG&E has no way of assessing whether Option One would be an improvement over the current EQR software. Given that FERC proposes a web-based program (versus the current local hard disk/local network based program), PG&E still has reservations about the speed of this same data processing and validation over the internet. PG&E requests that the Commission convene another technical conference to provide additional information on the performance of this system, as well a live demonstration of Option One.

### **EQR Option Two**

Option Two involves converting EQR data (e.g., current .csv files) into XML format. This option provides the greatest flexibility in terms of amount of data processed as well as greater opportunity to accurately validate the data so that it comports with the Commission's requirements. Creating [text-based] .csv EQR data files can be done with any number of widely used business applications, however converting data to XML format requires a software program, authored in-house or by a vendor, to create, submit, and—ideally—store and manage the EQR report.

PG&E's experience with the implementation of the XML-based eTariff system<sup>9</sup> confirms that an XML-based system of data conveyance and submittal can work well. Therefore, PG&E believes Option Two is a promising solution. However, despite a lengthy NAESB process and early establishment of a final XML schema document ("XSD"),<sup>10</sup> eTariff implementation took quite some time to complete.

Because the new EQR system proposal involves requirements that have not yet been resolved and only a draft XSD has been provided, PG&E is uncertain whether the proposed EQR Implementation Date of Quarter 3, 2013 can be met. PG&E observes a lack of synchronicity in the order in which these events are being developed by the Commission. The Commission has yet to resolve the proposals for the new requirements (contemplated in the Prior NOPRs) which, logically, would have to be included in the structure of the final XML schema document. It is with this final XSD, however, that the software vendors will be able to design their products to be made available to their EQR filing customers. Only then can customers evaluate and purchase products, and begin re-tooling their internal business processes to accommodate the new EQR requirements.

PG&E requires a significant amount of time to perform all of the above requisite steps in order to meet the proposed EQR Implementation Date of Quarter 3, 2013 and FERC's burden estimates to implement these proposed requirements fall short of what actually will be involved. Therefore, PG&E respectfully requests that the Commission allow the regulated entities one year from the date of publication in the Federal Register of this matter's Final Rule to make the necessary internal data collection changes and to acquire, install and test the software to file new-system EQR submittals.

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<sup>9</sup> "eTariff" is the Commission's electronic tariff filing system.

<sup>10</sup> The XML Schema document ("XSD") is the means of data conveyance.

## **Data Validation**

Currently, the FERC authored software program provides validation error reports at two junctures in the process, once during data upload, and a second time before (elective) or during (mandatory) submittal. Should critical data errors occur during the upload process, filers are presented with an error report that can be output to screen or to a printer, which affords the filer opportunity to address errors at the time of failure. The EQR Filer then remedies the data errors, one by one, and repeats the upload process until the data clears the validation tests. It is PG&E's understanding that both of the proposed EQR Options will involve e-mail notification for any validation errors that may be encountered during upload. This may represent a significant delay in correcting errors and providing a timely submittal. PG&E requests that: (1) the web based system envisioned include on-screen error reports, in a form that is either interactive (with links to the error records), or that is output to more user-friendly form (like a spreadsheet) that allows the EQR Filer to immediately and accurately address validation errors, and (2) the new system provide for a way to perform batch corrections to the error records. At the July 11, 2012 technical conference, FERC Staff reiterated its intent to have the new system function on a par with or better than the current system. The validation error email message step dials back EQR Filers' ability to be quickly alerted to validation errors. It is important to note that, due to generally accepted data validation rules, when critical errors are detected, validation routines stop. This leaves open the prospect (as PG&E has observed it in the eTariff validation notification process) that the EQR Filer, after receiving error notification and remedying the first set of errors, could receive further error messages for data pre-empted from analysis by the halted validation routine. Email

notification of these errors, as opposed to on-screen notification, could lengthen the time it takes to prepare and submit a timely EQR filing.

## **OTHER ISSUES**

### **Company Identifier Log Ons**

PG&E generally supports the Commission’s proposal to alter the EQR user authentication methodology, bringing it more in line with that now used to access filing functions for eTariff. However, one issue regarding this proposed change needs to be addressed: access to the EQR test facility (the “sandbox”) where filers can upload their prospective EQR data, in whole or in part, and have it evaluated (“validated”) before making a real submittal. At the June 11, 2012 technical conference, PG&E was to understand that only those people authorized to file on behalf of a client (i.e., the EQR Filer) could submit test data into the sandbox for validation.<sup>11</sup> This restriction actually *reduces* the filing entities’ current ability to test, pre-filing, some or all of its EQR filing data, for while only a designated person with the proper EQR credentials can submit a final EQR report, anyone within a given company can download a copy of the current EQR distributed software, load data, and run validation checks. Indeed, this is what is done across the industry: people closer to the source data run validation routines, verify the data, and then transmit that checked data to the authorized EQR filer for upload, aggregation, and eventual submittal. The new system diminishes present efficiencies by restricting access to the EQR sandbox to only one or a small number of people. A greater efficiency is captured when data validation errors are corrected by those close to the data, i.e., the data sources. PG&E requests that the Commission allow for authentication protocols in the new system that preserve the current capabilities in this regard.

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<sup>11</sup> July 11, 2012 Technical Conference Transcript at 61

## **Technical Conference**

PG&E participated in the July 11, 2012 technical conference and commends the Commission for allowing the reporting entities the chance to examine, with FERC Staff, the features of the proposed EQR Software Refresh system. While the presentation and Staff's technical narration went a long way in answering some of PG&E's questions, a live demonstration of the system's efficacy and functionality would have addressed uncertainties that affect PG&E's decisions in preparing for the EQR reporting changes. Had the live demonstration shown the web-based, .csv upload option (EQR Option One) to be functionally equivalent or better than the current system, PG&E would have the information it needs to make a prudent decision about building or purchasing XML data software (EQR Option Two). And while the EEI document, and its series of questions, was mentioned during the conference, PG&E felt that Staff should have responded directly to the questions at the conference.

Given that (1) the technical conference did not include a live demonstration of the proposed system, and that (2) a Final Rule in this matter may establish a level of certainty about the technical functions and behavior of the new system on both the server and client side of the equation, PG&E requests that the Commission schedule, for the benefit of the reporting entities, another technical conference in the near future to further present system functionalities and capabilities.

## **SUMMARY**

In summary, and for the reasons discussed above, PG&E respectfully requests that the Commission:

1. Resolve the various EQR data requirements issues before issuing a final XML document;

2. Allow broader, less restricted access to the proposed EQR test site (“sandbox”);
3. Install on-screen data error validation functionality that enhances EQR Filers data validation error corrections capabilities, including records batch editing;
4. Schedule the proposed start of the new EQR system one year from the date the Final Rule is published in the Federal Register;
5. Schedule another technical conference soon after the Final Rule and at such time as is convenient to the Commission and the reporting entities
6. Provide all such further guidance and relief to facilitate a smooth transition to the new system
7. Include and consider PG&E’s Comments in its deliberation of any Final Rule in this matter.

Respectfully submitted,

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