



July 8, 2013

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
Dockets Room, Room 1A, East
888 First Street N.E.
Washington, D.C. 20426

Re: Commission Information Collection Activities (FERC Form 580); Comment
Request; Revision (Docket No. IC13-13-000)

Comments of Southern Company Services, Inc.

Dear Secretary Bose:

On behalf of Southern Company Services, Inc., we are attaching for Internet filing the Comments of Southern Company Services, Inc. to the Commission's request for comments issued on Wednesday, May 8, 2013 in Volume 78, No. 89 of the Federal Register in the above-referenced proceeding. Should you require any additional information or have any questions or concerns regarding this filing, please contact the undersigned attorney at the number above so that such information may be supplied expeditiously.

Sincerely,

/s/ Brandon N. Robinson
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Attorney for Southern Company Services, Inc.

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

Commission Information Collection)	Docket No. IC13-13-000
Activities (FERC Form 580))	

COMMENTS OF SOUTHERN COMPANY SERVICES, INC.

Southern Company Services, Inc. (“SCS”), acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Southern Power Company (collectively, “Southern Companies”), hereby submits its comments in response to the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) notice of information collection and request for comments. SCS generally appreciates the Commission’s endeavors to streamline the FERC Form 580 (Interrogatory on Fuel and Energy Purchase Practices) (“Form 580”) and to increase the efficiency in completing these forms. SCS also appreciates the opportunity to provide input and comment on the proposed revisions to Form 580, as set forth in more detail below.

In general, SCS supports the Commission’s efforts to redesign the form in ways that increase efficiencies and reduce the administrative burdens on utilities to complete the form. In addition to the deletion of a few reporting items, SCS particularly applauds the inclusion of “buttons” in the form that will allow the preparer to copy lines of information repeated multiple times. These revisions should allow the preparer to avoid having to reenter the same information for each repeated line, thus providing for greater efficiency and reduction of time required to complete the form and provide the same information multiple times.

However, SCS does express some concern about the Commission’s proposed addition to Question 6b, which calls for a new column to the fuel quantity section labeled “Coal (x10³tons)

not delivered by end of contract year.” SCS seeks clarification as to the intent behind the proposed additional column, as none is provided in the request for comments. Additionally, SCS questions whether the efficiencies gained by the other proposed revisions to Form 580 could be, in effect, nullified by the inefficiencies caused by requiring form preparers to address this proposed interrogatory.

As detailed in the Commission’s request for comments, FERC Form No. 580 generally provides a vehicle for the Commission to examine automatic adjustment clauses (“AACs”) in wholesale rate schedules used by jurisdictional utilities to “examine whether the clauses effectively provide the incentive for efficient use of resources and whether the clauses reflect only those costs that are either ‘subject to periodic fluctuations’ or ‘not susceptible to precise determinations’ in rate cases prior to the time the costs are incurred.”¹ With respect to the proposed additional column in Question 6b, however, the Commission’s request for information does not provide any explanation, context, or rationale behind its proposal, but instead simply proposes that the new column be added. It is therefore unclear to SCS as to the purpose for which the Commission seeks this information or the value that the Commission intends to obtain by adding this column. As detailed below, annual variances between actual deliveries and contract quantities can differ greatly for a variety of reasons, and proper contextualization of these variances may involve information that could impact confidential negotiations, commercially sensitive business information, and the efficiencies gained by the other revisions proposed by the Commission.

¹ Commission Information Collection Activities (FERC Form 580), 78 Fed. Reg. 26766 (May 8, 2013).

I. Variations in Actual Fuel Deliveries Versus Annual Contracted Quantities Can Occur for Multiple, Sometimes Confidential, Reasons Not Reflected in the Proposed Column

There are several unrelated reasons why actual fuel delivery quantities might vary from the annual contract quantities. Variances may occur frequently due to nuances associated with confidential contract negotiations, fuel management practices, force majeure events, and other reasons. In general, the negotiations with vendors regarding fuel deliveries will be considered confidential and/or commercially sensitive. Shortfalls in fuel deliveries are often handled on a case-by-case basis according to (usually confidentially negotiated) contractual obligations and the business needs at the time, which may also reflect proprietary information of the fuel vendor and/or purchasing utility. In addition, shortfalls could be caused by circumstances that are commercially sensitive and confidential. Additionally, tons that are missed in one year often may be made up in the next year or in following years, which may constitute a shortfall when viewed in isolation, but in reality constitute full delivery during the term of the contract.

Therefore, the provision of such shortfall information may be misleading or give an inaccurate overall picture, as each situation can be unique with varying specific and detailed reasons behind a shortfall for a given year on a given contract. Avoiding the mischaracterization of the efficiency of the utility's use of that fuel would involve confidential and commercially sensitive information.

II. The Proper Contextualization of the Information Sought by the Proposed Column Would Sacrifice the Efficiencies Gained by the Commission's Other Proposed Revisions

As discussed above, the reasons for annual variances between coal delivered and the contracted quantities can be numerous, case-specific, and involve confidential information. Moreover, the required burden of gathering and entering the information for each contract could

create inefficiencies that far outweigh the efficiencies gained by the rest of the Commission's proposed revisions to Form 580.

Many of the Commission's proposed revisions delete reporting items, which could save some time for utilities. The most significant improvement in efficiency is the proposed inclusion of "buttons" in the form that will allow the preparer to copy lines of information often repeated multiple times, because it saves the preparer from re-entering the same information for each repeated line. Unfortunately, however, the addition of the proposed column in Question 6b could dramatically increase the reporting burden under the FERC Form 580, undermining the efficiencies gained by the other changes.

III. Conclusion

SCS generally supports the Commission's proposed revisions to Form 580. However, the Commission's proposed addition of a column in Question 6b asking for quantities of coal not delivered raises several questions which are not answered in the Commission's request for information. By itself without context, the response could suggest some sort of deficiency associated with actual coal delivery versus contracted delivery quantities. However, there are several reasons why these numbers may differ, and providing the shortfall in the proposed column could be taken out of context and give an inaccurate depiction of the significance of the information. For example, the number would not fully capture that shortfalls are made up in the next year or following years. Any explanation or context behind the provided number would also necessarily involve confidentially negotiated and commercially sensitive matters and information.

In light of the considerations above, SCS requests that the Commission reconsider its proposed addition of the column at issue in Question 6b. If the Commission deems that such

inquiry is appropriate for Form 580, SCS requests that the Commission provide more context around its intent in proposing such an addition to allow SCS and other interested parties the opportunity to meaningfully comment on the proposed addition. Given the benefit of more specific discussion and explanation, it may be possible to provide input on a solution that could address the same intent in a way that would add value without sacrificing confidentiality protections or the efficiencies gained by the Commission's other proposed revisions.

Respectfully submitted,

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