

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. AD23–4–000]

Billing Procedures for Annual Charges for the Costs of Other Federal Agencies for Administering Part I of the Federal Power Act; Notice Reporting Costs for Other Federal Agencies' Administrative Annual Charges for Fiscal Year 2022

1. The Federal Energy Regulatory Commission (Commission) is required to determine the reasonableness of costs incurred by other Federal agencies (OFAs)¹ in connection with their participation in the Commission's proceedings under the Federal Power Act (FPA) Part I² when those agencies seek to include such costs in the administrative charges licensees must pay to reimburse the United States for the cost of administering Part I.³ The Commission's *Order on Remand and Acting on Appeals of Annual Charge Bills*⁴ determined which costs are eligible to be included in the administrative annual charges. This order also established a process whereby the Commission would annually request each OFA to submit cost data, using a form⁵ specifically designed for this purpose. In addition, the order established requirements for detailed cost accounting reports and other documented analyses to explain the cost assumptions contained in the OFAs' submissions.

2. The Commission has completed its review of the forms and supporting documentation submitted by the U.S. Department of the Interior (Interior), the U.S. Department of Agriculture (Agriculture), and the U.S. Department of Commerce (Commerce) for fiscal year (FY) 2022. This notice reports the costs

the Commission included in its administrative annual charges for FY 2023.

Scope of Eligible Costs

3. The basis for eligible costs that should be included in the OFAs' administrative annual charges is prescribed by the Office of Management and Budget's (OMB) Circular A–25—*User Charges* and the Federal Accounting Standards Advisory Board's Statement of Federal Financial Accounting Standards (SFFAS) Number 4—*Managerial Cost Accounting Concepts and Standards for the Federal Government*. Circular A–25 establishes Federal policy regarding fees assessed for government services and provides specific information on the scope and type of activities subject to user charges. SFFAS Number 4 provides a conceptual framework for federal agencies to determine the full costs of government goods and services.

4. Circular A–25 provides for user charges to be assessed against recipients of special benefits derived from federal activities beyond those received by the general public.⁶ With regard to licensees, the special benefit derived from federal activities is the license to operate a hydropower project. The guidance provides for the assessment of sufficient user charges to recover the full costs of services associated with these special benefits.⁷ SFFAS Number 4 defines full costs as the costs of resources consumed by a specific governmental unit that contribute directly or indirectly to a provided service.⁸ Thus, pursuant to OMB requirements and authoritative accounting guidance, the Commission must base its OFA administrative annual charge on all direct and indirect costs incurred by agencies in administering Part I of the FPA. The special form the Commission designed for this purpose, the "Other Federal Agency Cost Submission Form," captures the full range of costs recoverable under the FPA and the referenced accounting guidance.⁹

5. Our guidance directs the OFAs to ensure that the costs are for FPA Part I

activities and that the documented costs are segregated between activities covering municipal projects from those for non-municipal projects. This year, we also asked the OFAs to provide additional narrative descriptions of the type of work performed in administering FPA Part I (including a list of the projects for which work was performed during the covered period) and a detailed description of what managerial/administrative or other activities are included in the non-specific category.

Commission Review of OFA Cost Submittals

5. The Commission received cost forms and other supporting documentation from the Departments of the Interior, Agriculture, and Commerce. The Commission completed a review of each OFA's cost submission forms and supporting reports. In its examination of the OFAs' cost data, the Commission considered each agency's ability to demonstrate a system or process which effectively captured, isolated, and reported FPA Part I costs as required by the "Other Federal Agency Cost Submission Form."

6. The Commission held a Technical Conference on March 23, 2023 to report its initial findings to licensees and OFAs. Representatives for several licensees and most of the OFAs attended the conference. Following the technical conference, a transcript was posted, and licensees had the opportunity to submit comments to the Commission regarding its initial review.

7. Idaho Falls Group (Idaho Falls) filed written comments¹⁰ raising concerns that several of the agencies failed to provide a list of projects for which activities were taken during the fiscal year. The issues are addressed in the Appendix to this notice.

8. After additional review, full consideration of the comments presented, and in accordance with the previously cited guidance, the Commission accepted as reasonable any costs reported via the cost submission forms that were clearly documented in the OFAs' accompanying reports and/or analyses. These documented costs will be included in the administrative annual charges for FY 2023.

¹⁰ See Letter from Michael A. Swiger, Van Ness Feldman, to the Honorable Kimberly D. Bose, FERC, Docket No. AD23–4–000 (filed April 17, 2023).

¹ The OFAs include: the U.S. Department of the Interior (Bureau of Land Management, Bureau of Reclamation, National Park Service, U.S. Fish and Wildlife Service, Office of the Solicitor, Office of Environmental Policy & Compliance); the U.S. Department of Agriculture (U.S. Forest Service); the U.S. Department of Commerce (National Marine Fisheries Service); and the U.S. Army Corps of Engineers.

² 16 U.S.C. 791a–823d (2018).

³ See *id.* 803(e)(1) and 42 U.S.C. 7178 (2018).

⁴ 107 FERC ¶ 61,277, *order on reh'g*, 109 FERC ¶ 61,040 (2004).

⁵ Other Federal Agency Cost Submission Form, available at <https://www.ferc.gov/docs-filing/forms.asp#ofa>.

⁶ OMB Circular A–25 6.

⁷ OMB Circular A–25 6.a.2.

⁸ SFFAS Number 4 ¶ 7.

⁹ For the past few years, the form has excluded "Other Direct Costs" to avoid the possibility of confusion that occurred in earlier years as to whether costs were being entered twice as "Other Direct Costs" and "Overhead."

Summary of Reported & Accepted Costs for Fiscal Year 2022

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Department of Interior						
Bureau of Indian Affairs	-	-	-	-	-	-
Bureau of Land Management	-	-	34,629	-	34,629	-
Bureau of Reclamation	103	-	31,137	-	31,239	-
National Park Service	67,871	67,871	659,727	659,727	727,598	727,598
U.S. Fish and Wildlife Service	58,685	58,685	1,243,437	1,243,417	1,302,122	1,302,102
Office of the Solicitor	54,482	54,482	263,556	263,556	318,038	318,038
Office of Environmental Policy & Compliance	63,805	41,734	107,726	129,796	171,531	171,531
Office of Hearings and Appeals	-	-	-	-	-	-
Department of Agriculture						
U.S. Forest Service	444,879	59,693	805,185	480,172	1,250,064	539,865
Department of Commerce						
National Marine Fisheries Service	1,040,398	1,037,056	1,059,698	1,056,297	2,100,096	2,093,353
TOTAL	1,730,223	1,319,521	4,205,094	3,832,966	5,935,317	5,152,487

Figure 1

9. Figure 1 summarizes the total reported costs incurred by Interior, Agriculture, and Commerce with respect to their participation in administering Part I of the FPA. Additionally, Figure 1 summarizes the reported costs that the Commission determined were clearly documented and accepted for inclusion in its FY 2023 administrative annual charges.

Summary Findings of Commission's Costs Review

10. As presented in Figure 1, the Commission has determined that \$5,152,487 of the \$5,935,317 in total reported costs were reasonable and clearly documented in the OFAs' accompanying reports and/or analyses. Based on this finding, 13% of the total reported cost was determined to be unreasonable. The Commission notes the most significant issue with the documentation provided by the OFAs was the lack of detailed description of type of work performed and a list of projects for work performed during the fiscal year.

11. The cost reports that the Commission determined were clearly

documented and supported could be traced to detailed cost-accounting reports, which reconciled to data provided from agency financial systems or other pertinent source documentation. A further breakdown of these costs is included in the Appendix to this notice, along with an explanation of how the Commission determined their reasonableness.

Points of Contact

12. If you have any questions regarding this notice, please contact Raven Rodriguez at (202) 502-6276.

Dated: July 24, 2023.

Debbie-Anne A. Reese,
Deputy Secretary.

Appendix

The supporting documentation provided by Interior's Bureau of Land Management (BLM), Bureau of Reclamation (Reclamation), National Park Service (NPS), U.S. Fish and Wildlife Service (FWS), Office of Environmental Policy & Compliance (OEPC), and Office of the Solicitor (SOL) can be found in the Commission's eLibrary electronic filing system using the following information:

Docket No. AD23-4-000

As part of their supporting documentation for FY 2022, the participating Interior organizations provided detailed cost-accounting reports from their financial accounting systems that clearly tracked FPA Part I-related costs through specific job and activity-based codes. The reporting entities also further clarified how FPA Part I-related costs were being recorded and classified, including job cost-code tables to support their municipal and non-municipal distinctions, narrative descriptions of the type of work performed and listing of the projects for which work was performed. In addition, the various Interior organizations' indirect cost rates were substantiated and deemed reasonable based on the detailed explanation provided in their submission. Figures 2 through 8 below detail the specific reported and accepted cost categories for these organizations.

Idaho Falls group raises concerns regarding BLM's cost submission not containing information of work performed or a list of projects. BLM subsequently provided a list of five projects for which BLM performed work. The projects listed are licensed projects that are partially located on BLM land. However, BLM provided no statement even generally describing what work was done on these projects. Therefore, we are disallowing the costs.

Bureau of Land Management

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Direct Costs						
Salaries	-	-	19,620	-	19,620	-
Benefits	-	-	5,484	-	5,484	-
Travel	-	-	-	-	-	-
Other	-	-	-	-	-	-
Indirect Costs						
Bureau Level	-	-	5,297	-	5,297	-
Departmental Level	-	-	4,228	-	4,228	-
TOTAL	-	-	34,629	-	34,629	-

Figure 2

Idaho Falls Group proposes exclusion of all of Reclamation costs because the projects listed by Reclamation were all federal

projects rather than projects licensed under Part I of the FPA. We reviewed the submittal and confirmed that no projects subject to the

Commission's jurisdiction were listed; therefore, we are disallowing the costs submitted by Reclamation costs.

Bureau of Reclamation

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Direct Costs						
Salaries	56	-	13,913	-	13,969	-
Benefits	15	-	4,570	-	4,585	-
Travel	-	-	-	-	-	-
Other	-	-	-	-	-	-
Indirect Costs						
Bureau Level	20	-	9,541	-	9,561	-
Departmental Level	12	-	3,113	-	3,125	-
TOTAL	103	-	31,137	-	31,240	-

Figure 3

Idaho Falls Group raises concerns regarding the Commission's acceptance of NPS' costs arguing that NPS' cost of non-project specific work, \$342,626.76, comprises 55% of its total direct costs and lacks sufficient explanation. NPS, in response to

Idaho Falls' comment, notes that it does not have a system in place to track allowable costs incurred by NPS staff in other programs and parks across the Service. It states that if these costs were included in the submittal, the percentage of non-specific costs would

not be as high. Subsequent response contain an adequate explanation of non-specific costs as well as a list of projects. We are accepting the submitted costs.

National Park Service

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Direct Costs						
Salaries	41,638	41,638	388,894	388,894	430,532	430,532
Benefits	16,451	16,451	161,293	161,293	177,744	177,744
Travel			2,399	2,399	2,399	2,399
Other			14,490	14,490	14,490	14,490
Indirect Costs						
Bureau Level					-	-
Departmental Level	9,782	9,782	92,651	92,651	102,433	102,433
TOTAL	67,871	67,871	659,727	659,727	727,598	727,598

Figure 4

Idaho Falls Group raises no concerns regarding the Commission's acceptance of

FWS' costs. FWS provided a list of projects for all but one of its branches, with a brief

description of activities undertaken for each. We accept most of the submitted costs.

U.S. Fish and Wildlife Service

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Direct Costs						
Salaries	29,938	29,938	648,187	648,187	678,125	678,125
Benefits	12,028	12,028	239,651	239,651	251,679	251,679
Travel			1,864	1,864	1,864	1,864
Other			20		20	-
Indirect Costs						
Bureau Level	9,652	9,652	204,203	204,203	213,855	213,855
Departmental Level	7,067	7,067	149,512	149,512	156,579	156,579
TOTAL	58,685	58,685	1,243,437	1,243,417	1,302,122	1,302,102

Figure 5

Idaho Falls Group raises concerns regarding the Commission's acceptance of costs submitted by SOL, arguing that while SOL did submit a general description of the types of activities in each cost code, it did not provide a list of projects that the its staff worked on during the fiscal year. At the

technical conference, the SOL representative acknowledged that SOL did not provide a project list, noting that SOL's system was not set up for project by project reporting. Because the new requirement to provide a list of projects was not provided to the OFAs until after the fiscal year had passed, we will

not use the missing project list as a disqualifying factor for this billing cycle. The submittal otherwise provided sufficient information for a determination. Therefore, we are accepting the submitted costs.

Office of the Solicitor

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Direct Costs						
Salaries	34,716	34,716	166,285	166,285	201,001	201,001
Benefits	11,914	11,914	59,285	59,285	71,199	71,199
Travel					-	-
Other					-	-
Indirect Costs						
Bureau Level	-		-		-	-
Departmental Level	7,852	7,852	37,986	37,986	45,838	45,838
TOTAL	54,482	54,482	263,556	263,556	318,038	318,038

Figure 6

Based on OEPC's initial submission, we originally disallowed costs in the non-specific cost category due to the absence of an explanation. Idaho Falls, in its comments, noted its agreement with the proposed

disallowance, noting the high percentage of non-specific costs. After the technical conference, OEPC provided clarification containing the reclassification of some erroneously coded costs as well as an

explanation of non-specific costs. We find the explanations reasonable and accept the costs.

Office of Environmental Policy & Compliance

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Direct Costs						
Salaries	33,062	21,648	55,785	67,198	88,847	88,847
Benefits	12,967	8,459	21,928	26,436	34,895	34,895
Travel					-	-
Other					-	-
Indirect Costs						
Bureau Level	10,025	6,557	16,926	20,394	26,951	26,951
Departmental Level	7,751	5,070	13,087	15,768	20,838	20,838
TOTAL	63,805	41,734	107,726	129,796	171,531	171,531

Figure 7

The supporting documentation provided by Agriculture's U.S. Forest Service can be found in the Commission's eLibrary electronic filing system using the following information: Docket No. AD23-4-000

As part of its supporting documentation for FY 2022, Forest Service provided detailed cost-accounting reports from its financial

accounting system that clearly tracked FPA Part I-related costs through specific job and activity-based codes. Forest Service also further clarified how FPA Part I-related costs were being recorded and classified, including job cost-code tables to support its municipal and non-municipal distinctions, narrative descriptions of the type of work performed

and listing of the projects for which work was performed. In addition, its indirect cost rates were substantiated and deemed reasonable based on the detailed explanation provided in its submission.

Idaho Falls states in its comments that it concurs with our findings with regard to the costs submitted by Forest Service.

U.S. Forest Service

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Direct Costs						
Salaries	269,331	38,528	511,327	306,249	780,658	344,777
Benefits	98,438	14,228	186,394	118,092	284,832	132,320
Travel	298	78	447	667	745	745
Contracts	29,002	-	16,313	-	45,315	-
Indirect Costs						
Bureau Level	47,810	6,858	90,704	55,164	138,514	62,023
Departmental Level	-	-	-	-	-	-
TOTAL	444,879	59,693	805,185	480,172	1,250,064	539,865

Figure 8

The supporting documentation provided by the U.S. Department of Commerce's National Marine Fisheries Service (NMFS) can be found in the Commission's eLibrary electronic filing system using the following information: Docket No. AD23-4-000

As part of its supporting documentation for FY 2022, NMFS provided detailed cost-accounting reports from its financial accounting system that clearly tracked FPA Part I-related costs through specific job and

activity-based codes. NMFS also further clarified how FPA Part I-related costs were being recorded and classified, including job cost-code tables to support its municipal and non-municipal distinctions, narrative descriptions of the type of work performed and listing of the projects for which work was performed. In addition, its indirect cost rates were substantiated and deemed reasonable based on the detailed explanation provided in its submission.

Idaho Falls argues in its comments that all costs associated with NMFS' PHY General/ Non-Specific category should be disallowed because NMFS fails to explain why the majority of time is spent on non-project specific activities that are only generally related to FPA Part I. Following the technical conference, NMFS provided a fuller description of the non-project specific work performed. We find the explanations reasonable and accept the costs.

National Marine Fisheries Service

	Municipal		Non-Municipal		TOTAL	
	Reported	Accepted	Reported	Accepted	Reported	Accepted
Direct Costs						
Salaries	694,070	690,729	713,042	709,640	1,407,112	1,400,369
Benefits	271,513	271,512	273,313	273,314	544,826	544,826
Travel	4,746	4,746	1,975	1,975	6,721	6,721
Contracts	68,695	68,695	69,969	69,969	138,664	138,664
Indirect Costs						
Bureau Level	1,374	1,374	1,399	1,399	2,773	2,773
Departmental Level	-	-	-	-	-	-
TOTAL	1,040,398	1,037,056	1,059,698	1,056,297	2,100,096	2,093,353

Figure 9

[FR Doc. 2023-16030 Filed 7-27-23; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Project No. 2438-200]

C-S Canal Hydro, LLC; Notice of Application Accepted for Filing and Soliciting Comments, Motions To Intervene, and Protests

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection:

a. *Application Type:* Request for temporary variance of Article 405.

b. *Project No:* 2438-200.

c. *Date Filed:* May 12, 2023, and supplemented July 13, 2023.

d. *Applicant:* C-S Canal Hydro, LLC (licensee).

e. *Name of Project:* Waterloo and Seneca Falls Hydroelectric Project.

f. *Location:* The project is located on the Seneca River in Seneca, Yates, Schuyler, and Ontario counties, New York, and does not occupy any Federal lands.

g. *Filed Pursuant to:* Federal Power Act, 16 U.S.C. 791a-825r.

h. *Applicant Contact:* Jonathan Dollard, Gravity Renewables, Inc., 5 Dartmouth Drive, Suite 104, Auburn, NH 03032, (303) 440-3378, jdollard@gravityrenewables.com.

i. *FERC Contact:* Jeremy Jessup, (202) 502-6779, Jeremy.Jessup@ferc.gov.

j. *Deadline for filing comments, motions to intervene, and protests:* August 23, 2023.

The Commission strongly encourages electronic filing. Please file comments, motions to intervene, and protests using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at <http://www.ferc.gov/docs-filing/ecomment.asp>. You must include your name and contact information at the end of your comments. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, you