



Energy Industry Tariff Filings – Priority Order

Abstract

The Federal Energy Regulatory Commission recommends that an energy company filing tariffs provide unique priority order for each tariff section filing. The priority order set by the company can be critical when it comes to the approval process as well as the electronic tariff book formation. Several factors affect the filings and must be addressed so the company can avoid revenue-sapping delays and incurred costs, one of which is properly setting priority orders for the tariff sections. The cloud-based Venus eTariff tool, developed by experts with experience with FERC tariff filing system, provides companies with the means to do this in an efficient, secure and cost-effective software solution.

The Problem

Manual input and use of in-house software for section level priority, although common among energy companies, carries the risk of improper data input or inconsistencies in prioritization. Complicating matters is the fact that tariff sections cannot be seen and evaluated as they currently stand, inhibiting timely decision-making in regard to priority status. This is critical, and here is the reason why.

The FERC sets priority filing guidelines with the expectations that they will be followed. However, when an energy company submits multiple tariff filings with the same proposed effective date without following the priority order guidelines, FERC approval can be stalled. This creates costly delays for the energy company.

For example, the company in the following example submitted several filings for the same proposed effective date for the each section.

Filing Number	Filing Date	Section proposed effective date	Section level Priority Order for all the sections	Accepted by FERC
1	2/1/2011	3/1/2011	50000	No
2	2/15/2011	3/1/2011	60000	Yes
3	2/20/2011	3/1/2011	55000	No





Although the company proposed a new version with filing No. 3 on 2/20/2011, the filing with a higher priority, No. 2, will override filings No. 1 and No. 3. Complicating matters further, different priority orders can exist for each section within a specific filing.

Understanding FERC guidelines for priority order and approval procedure

The FERC **does not recommend large numbers** for the priority order. With the new FERC system installed April 1, 2010, the recommended and best way to start priority orders is from 500. Why 500?

The reason is simple – the new system maintains the electronic tariff book from April 2010. In the case of importing tariff data from before 2010, a lower priority order can be used, i.e. less than 500. This can accommodate 500 different versions of sections prior to April 2010.

The Approval Process: In case of multiple filings submitted with the **same proposed effective** date for a section, FERC will accept the filing section version with a higher priority order.

Case 1: Same priority order proposed for all the sections in a filing.

Sections with the higher priority order in the filing will be accepted for all sections.

Case 2: Different priority orders proposed for the sections in a filing.

Sections with higher priority order **across the filings** will be accepted.

For the above example, the best way to propose the priority orders for different versions is likely to be as described in the table below:

Filing Number	Filing Date	Section proposed effective date	Section level Priority Order for all the sections	Accepted by FERC
1	2/1/2011	3/1/2011	500	Yes
2	2/15/2011	3/1/2011	510	Yes
3	2/20/2011	3/1/2011	520	Yes

Why propose the new order with increments of 10? The answer: When companies need to submit the compliance filing in the future for the past, based on court proceedings for the specific time period of a section, a place holder of 10 will accommodate at least 10 different versions of the same section. Increments of 10 are not mandatory and companies that are expected to maintain more than 10 different versions of a filing use 20 as an increment, if not 30, and so on.





Electronic tariff book formation or public tariff viewer: Section histories are displayed based on the effective date and priority in the public tariff viewer.

The solution: Venus eTariff

Ideally, energy companies dealing with sections and priorities within sections would be able to input data in real time and see resulting changes in FERC filings immediately. Software exists that can provide such service, but capital expenditure for software updates and IT support is ongoing and cannot be ignored. An energy company's ability to input, process and track tariff filings and priority orders with the FERC is critical and so, too, is the means to do it.

The Venus eTariff solution developed by McLean, Va.-based Venus Tech Inc. does this and more by allowing priority orders to be incrementally ranked with a simple click of the mouse for the selected sections. The sections can be selected based on the section set, sections from the previous filings or sections between the section numbers.

Venus eTariff provides the user the ability to display a real-time view of tariff sections in a tree structure and view the history of versions for a selected section by sorting proposed effective dates and priority orders. Before even submitting the filings to the FERC, the Venus eTariff system displays the version history in the same way the FERC organizes the tariff section history.

Conclusion

As with priority order, the Venus eTariff solution identifies all the common section fields such as proposed effective date, section version and the section change type, and can modify them with a single click. This not only saves the user time but also provides reassurance that data is up to date and accurate. Venus eTariff ensures this by maintaining the same data across the sections and avoiding the typographical errors that occasionally occur with manual input.

The peace of mind gained with same-time filing and prioritization with across-the-board accuracy is enhanced because Venus eTariff is powered by the Microsoft Dynamic Cloud Software-as-a-Service. Venus eTariff's cloud support is safe, secure and available 24/7/365, providing energy companies to be





real-time anytime from anywhere with their filings with the FERC. Companies also avoid outlays for software and hardware installation and maintenance.

About Venus Tech

Founded in 2010 in McLean, Va., Venus Tech offers the premier solution for energy companies' tariff filing requirements with the FERC. Venus Tech offers the fastest and easiest way to submit filings electronically in compliance with FERC Order 714 for public utilities, natural gas pipelines, oil pipelines and power administrations. The company's Venus eTariff software takes the worry out of FERC filings. Venus Tech analyzes your filing needs and provides quick solutions and complete services to submit tariff filings at FERC.

