

GUIDANCE TO OTHER FEDERAL AGENCIES ON THE REPORTING OF COSTS OF ADMINISTERING PART I OF THE FEDERAL POWER ACT

General Information

- Please complete the enclosed **Other Federal Agency Cost Submission Form**. Segregate costs based on the costs categories listed on the form. Designated agency officials are required to certify the propriety and accuracy of these amounts.
- Agencies are required to submit cost accounting reports, supplemental analyses which support all reported costs and a detailed explanation of the time reporting and management review process. Include cost codes (explanation of code structure) and a detailed description of work performed.
- Costs reported must be related to the licensing of hydropower projects having applications pending before or granted by the Federal Energy Regulatory Commission (FERC). Include costs related to applications for licenses, preliminary permits and all exemptions. For specific details of licensing activities, please refer to Part I of the Federal Power Act (FPA) and Title 18 of the Code of Federal Regulations.
- Report only those costs that are not reimbursed to your agency.
- All cost data must be provided in accordance with Office of Management and Budget (OMB) Circulars A-25 and A-11.

Cost information

- Costs of administering Part I of the FPA, segregated by license category (municipal vs. non-municipal) and reflecting the number of FTE's. Costs of administering Part I of the FPA that are not segregated by category must include a detailed explanation and method of allocation. All costs must be reported as follows:

Salaries - The amount of compensation paid to employees directly attributable to their work on hydropower licensing activity. This includes time spent on specific licensing projects; time spent on administrative matters (e.g., annual cost reporting, review of FERC notices, response to discovery requests, training, departmental hydropower meetings, and responses to General Accounting Office inquiries); and time spent on policy-related matter (e.g., participation in various administrative reform and intra- or inter-agency policy development).

Benefits - The pro rata cost of employee benefits that is directly attributable to time spent on hydropower licensing activity, including those same matters as described under "Salaries." These costs include health and pension plans, annual and sick leave costs, Social Security contributions, and unfunded retirement costs.

Travel - The costs of transportation, lodging, and per diem expenses directly attributable to employees' work on hydropower licensing activity, including those same matters as described under "Salaries."

Other Direct Costs - Any other discrete costs directly attributable to hydropower licensing activity, including those same matters as described under "Salaries." These costs typically involve project-specific contractual services (e.g., for technical experts and exhibits).

Nota Bene: If using this category, please footnote and provide a detailed description of costs and how they differ from indirect or overhead costs.

Overhead - The pro rata amount of all indirect costs attributable to time spent on hydropower licensing activity, including those same matters as described under "Salaries." These costs include workers compensation payments; space rental; telecommunications; postage; courier service; general contractual services; printing and copying; equipment purchase, rental, repair, and maintenance; books and periodicals; and office supplies.

Cost Accounting Reports and Supplemental Analyses

In accordance with the requirements of OMB Circular A-25, agencies are responsible for maintaining readily accessible records of the services or activities related to reported FPA costs. With regard to this requirement, FERC is requesting each agency to submit supplemental data which supports the cost totals reported via Attachment 3. For example, agencies should submit:

1. Cost accounting reports from automated information systems which detail reported costs;
2. Other accounting reports from agency financial management systems which detail reported costs; or
3. Other written analyses which explain how costs were allocated to the individual cost categories listed on the form. (*Analyses must comply with the cost allocation requirements prescribed by "Statement of Federal Accounting Standards # 4 – Managerial Cost Accounting Concepts and Standards for the Federal Government."*)
In addition:
 - a. Explain how the data is captured (i.e., via a labor cost distribution system or costs allocated via cost studies);
 - b. Provide documentation such as timesheets, invoices, vouchers etc. that support each individual cost category;
 - c. Provide detailed descriptions of any job costing/cost accounting codes that are contained in the cost report;
 - d. Explain how the process distinguishes between both FPA-related costs versus other generic agency costs and municipal versus non-municipal costs; and
 - e. Explain how agency overhead rates are determined and how overhead is allocated to the reported costs.