

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Interlocking Officers and Directors; Requirements
for Applicants and Holders

Docket No. RM18-15-000

**COMMENTS OF THE
NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**

The National Rural Electric Cooperative Association (NRECA) submits these comments on the Commission's proposals to revise parts 45 and 46 of its regulations, 18 C.F.R. parts 45 & 46 (2018), related to interlocking officers and directors, to clarify and update the requirements for both applicants and holders. 83 Fed. Reg. 37,450 (Aug. 1, 2018) (Notice of Proposed Rulemaking). NRECA supports all but one of Commission's proposals, respectfully requests clarification of that remaining proposal, and respectfully requests that the Commission consider electronic application and reporting procedures and maintaining a publicly accessible electronic database of information on interlocking positions.

1. NRECA supports the Commission's proposal to revise section 45.2 of its regulations to reflect amendments to section 305(b)(2) of the Federal Power Act, 16 U.S.C. § 825d(b)(2), which provide that certain interlocking positions no longer require Commission authorization. *See* Notice, P 6.

2. NRECA strongly supports the Commission's proposal to revise sections 45.3 and 45.9 of its regulations to remove the provision in section 45.3(a) that "late-filed applications will be denied" and in section 45.9(b) that "[f]ailure to timely file the informational report will constitute a failure to satisfy this condition and will constitute

automatic denial.” *See* Notice, P 7. NRECA agrees that “good faith errors and oversights may occasionally result in the inadvertent violation” of the timing of the statute’s filing requirements and that “it is not in the public interest to deny otherwise-qualified applicants’ late-filed applications and informational filings made under these regulations when the late filing is due solely to such good faith errors and oversights alone.” *See id.*, P 8. Therefore, NRECA supports the Commission’s proposal to replace the above-quoted language with language providing for case-by-case consideration of late-filed applications for interlocking positions.

3. NRECA also supports the Commission’s proposal to revise sections 45.4 and 45.5 of its regulations to clarify that supplemental applications and notices of change do not need to be filed when a person already authorized to hold interlocks identified in section 45.9(a) assumes new or different positions that are still among those interlocks identified by section 45.9(a). *See* Notice, P 10. Eliminating these filing requirements will reduce unnecessary regulatory burdens, since such changes in positions are reported in the annual Form No. 561.

4. The Commission proposes to revise section 45.8(c)(1) of its regulations to state that part 45 applications do not need to list public utilities that do not have officers or directors. *See* Notice, P 11. NRECA does not take a position on this proposal. NRECA appreciates “the growing complexity of corporate structures,” *see id.*, but does not appreciate why that trend warrants reducing the information in these applications. NRECA respectfully requests that the Commission explain in more detail the regulatory burden that will be relieved and the information that will be lost by the proposed change.

5. NRECA supports the Commission’s proposal to revise section 45.9 of its regulations to add the word “person” when defining the corporate relationships within the scope of the automatic authorizations addressed in section 45.9. *See* Notice, P 12. NRECA agrees that the regulation should recognize that a public utility can be owned by a natural person.

6. NRECA supports the Commission’s proposal to delete section 46.2(b) of its regulations to reflect intervening statutory changes and to update subsections 46.2(a), (c), and (e) by changing “Rural Electrification Administration” to “Rural Utilities Service” to reflect the name change of that agency.

7. Finally, NRECA respectfully requests the Commission to consider whether electronic filing and reporting could be employed for the applications and reports required by parts 45 and 46, and whether a publicly accessible electronic database of applications, reports, and interlocking positions could be maintained. This would further reduce regulatory burdens and improve the availability of this information to the public, consistent with the objectives of the statute.

Respectfully submitted,

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