United States Department of the Interior

FISH AND WILDLIFE SERVICE
Washington, D.C. 20240

IN REPLY REFER TO

FWS/DFPA/BFA

Memorandum

To: Service Directorate

From: Acting Deputy Director K Adams NOV - 7 2001

Subject: Accounting for and Reporting the Costs of Hydroelectric Licensing Activities to the Federal Energy Regulatory Commission

Section 10(e)(1) of the Federal Power Act requires non-Federal hydropower licensees of hydroelectric power projects to reimburse the United States for the costs of administering Part 1 of the Act. Accordingly, the Service and other Federal agencies report their related costs to the Federal Energy Regulatory Commission annually. FERC, in turn, issues billings to the licensees to recover the Government's costs.

In its June 2000 report (GAO/RCED-00-107), the General Accounting Office determined that FERC provided insufficient guidance to agencies to properly track and document costs associated with hydroelectric licensing activities. GAO also found that agencies, including the Department of the Interior, did not properly account for their related costs when reporting to FERC.

To meet the objectives of the GAO Report to better track and report costs for administering the FPA, all applicable offices within the Service that work on hydroprojects should implement the Service's new cost reporting system for hydropower activities (Attachment 1). This stepped-down guidance is in response to the Department of the Interior's recent instructions to the bureaus (Attachment 2) that is intended to better meet Federal agencies' cost reporting and accounting requirements. It is requested that the hydropower cost procedures and guidelines be implemented as of the date of signature of this memorandum.

If you have any questions, please contact Mr. David Holland, Chief, Division of Finance, at (703) 358-1742, or Dr. Benjamin N. Tuggle, Chief, Division of Federal Program Activities, at (703) 358-2161.

Attachments