February 27, 2019

Federal Energy Regulatory Commission
Secretary of the Commission
888 First Street NE
Washington, DC, 20426

Dear Secretary of the Commission:

RE: Revisions to the Filing Process for Commission Forms, Docket No. RM19-12-000

We appreciate the opportunity to provide input to the proposal by the Federal Energy Regulatory Commission (FERC) to transition reporting entities from the current Visual FoxPro software to the XBRL standard.

XBRL US is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL (a free and open data standard widely used around the world for reporting by public and private companies, as well as government agencies). Our members include accounting firms, public companies, software, data and service providers, as well as other nonprofits and standards organizations.

We agree with the Commission’s assessment that this action will decrease costs, over time, of preparing the necessary data for submission and complying with future changes to filing requirements. Moreover, adopting the XBRL standard will result in the creation of financial data that is machine-readable, more consistent, and more timely, for use by investors, policy-makers, and the utilities themselves.

The Commission proposal seeks input first, on whether the XBRL standard should be chosen versus a custom XML implementation, and second, on the accuracy of the burden estimates provided in the proposal, and any recommendations on how to reduce the burden on reporting entities. This letter will address these two issues.

**XBRL versus XML**

XBRL, which is an open, nonproprietary, widely used data standard, was created to handle the complexities of financial data but it can also handle non-financial data that may be reported as
integers, text, or in other formats. XBRL is a better choice for the proposed FERC transition than XM, for the following reasons:

**XBRL is a financial data standard. XML is not.**

The data that the FERC collects from filers is primarily financial in nature, which calls for the use of a financial data standard to efficiently, unambiguously capture data reported. XML is a flexible data format, which is not strictly defined for financial data. XML can render data into machine-readable format by allowing a value to be “tagged” with identifying information such as label and definition. This value, for example, has no inherent meaning.

555243

But if an XML tag was created such as the one below, a computer could interpret that value as representing Operating Income.

<Operating Income>555243<Operating Income>

This single value, however, has many other properties that must be conveyed electronically, in order for this value to be unambiguously understood by a machine. For instance, the machine on the receiving end will need to know, what filer reported this information? what is the time period associated with the value? Is it in dollars or euros or some other currency? Is it reported in thousands or millions? What definition of “Operating Income” was used?

To accurately capture these properties requires a data standard that contains additional structure to convey these properties consistently, for every datapoint reported. That standard is XBRL. The diagram below shows a portion of a FERC Form 1 with this value reported.
We can visually read the rows and columns of the image above and understand what this value represents. These properties are shown in the bubbles surrounding the value that indicate that it is reported by ABC Utility, it represents Operating Income in millions of US dollars, and it is for the period ending December 31, 2016. The XBRL standard contains the structure to transport all the metadata identified on the diagram in the bubbles, along with the value 555243. That metadata explains to the end receiver - the computer - exactly what the value represents. No other standard or format (such as XML), can do the same.

**XBRL is a free, open, nonproprietary standard with no associated licensing fees.**

Use of the technical specification, by filers, data consumers, and by the Commission, is free.

**XBRL is widely used around the world.**

XBRL today is widely used around the world for different types of implementations and in different regions, as noted in the two tables below (data courtesy of XBRL International).

<table>
<thead>
<tr>
<th>Number of XBRL Programs by Type of Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Regulators</td>
</tr>
<tr>
<td>----------------------</td>
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<tr>
<td>59</td>
</tr>
</tbody>
</table>

In addition to the implementations noted above, the European Securities Markets Authority (ESMA) recently mandated the use of Inline XBRL for public companies in the U.K. and in every EU country. These companies are required to begin reporting their financials in Inline XBRL format, using the IFRS Taxonomy, starting in 2020. At that time, an additional 28 EU markets will come online so that the figure of 25 for Capital Markets programs will increase to 53.

<table>
<thead>
<tr>
<th>Number of XBRL Programs by Regional Breakdown</th>
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<tbody>
<tr>
<td>Asia/Oceania</td>
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<tr>
<td>-------------</td>
</tr>
<tr>
<td>37</td>
</tr>
</tbody>
</table>
Countries where XBRL programs reside include:

- Public company reporting: South Korea, Mexico, Peru, Colombia, Chile, Israel, China, Japan, Taiwan, Canada, United Arab Emirates, Singapore
- Private company reporting: the UK, India, Denmark, South Korea, Italy, Belgium, Germany
- Banks: Peru, Panama, Chile, Belgium, France, Spain
- Government reporting: the Netherlands, Australia.

**XBRL standards can be easily modified to accommodate changes in reporting requirements.**

Every year, 6,000 U.S. public companies and dozens of software providers (for tools that create, extract and analyze data) easily transition to a new release of the US GAAP Financial Reporting Taxonomy, which could be due to changes in accounting standards, SEC requirements, or industry need. Banks, reporting to the FDIC, easily adapt to revised taxonomies on an even more frequent basis. The ability of the XBRL standard to adjust to modifications means that the Commission can revise reporting requirements and generate a new version of an XBRL taxonomy with relative ease, and without the need for system changes or internal IT involvement.

Software providers, data aggregators and data consumers can transition to changes in reporting requirements easily as well, with minimal to no disruption in process.

**XBRL adapts to changing technologies.**

The XBRL specification¹ is managed by a global standards organization (XBRL International²) which has active technical working groups that revise and adapt the standard to meet changing technology needs in the marketplace. Through their work, XBRL has been expanded over the years so that it can be used to create XBRL documents formatted in XML, XHTML (Inline XBRL), JSON, or even CSV. As technologies change, the XBRL standard is well positioned to continuously adapt.

**Validation rules can be employed to identify and resolve errors.**

Checks can be built into the standards developed to catch potential issues during the data creation process. These validation rules can ensure that data reported has the appropriate sign (negative or positive), does not conflict with other concepts used, calculates properly when combined with other values, etc.

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¹ XBRL International specifications: https://specifications.xbrl.org/specifications.html
² XBRL International: https://xbrl.org
Impact of standards on filers

There will be a learning curve as filers begin XBRL tagging of FERC forms for the first time, but most preparers will be able to leverage existing internal expertise and XBRL applications. Most utilities are public companies and therefore, already submit filings to the SEC in XBRL format. While the department involved in preparing the FERC forms may differ from the SEC reporting department, there will be internal expertise, XBRL tools, and XBRL skills, that can be leveraged as FERC reporting companies make the transition to XBRL.

Over time, the cost (of money and staff resources) of XBRL preparation will decline. We consulted with XBRL US members who work with their public company clients to prepare XBRL-formatted financials. They found that the hours spent on year two preparation declined 70% versus year one preparation hours. One provider also estimated that the number of hours for year one was approximately 130 hours for a 10-Q (which was the first filing companies were required to submit in XBRL format).

The FERC estimates included in the proposal show a decline of 85% in burden hours for XBRL preparation. Preparing FERC forms will likely be simpler than preparing filings for US GAAP because 1) extensions will probably not be needed or allowed, 2) the FERC forms are more prescribed and therefore will require less searching for the appropriate element, and 3) the FERC Taxonomy will likely be smaller in terms of elements than the US GAAP Taxonomy, which today contains approximately 15,000 elements.

To further reduce the burden on filing entities, we recommend that the Commission plan for the following activities:

- Work closely with software providers of reporting tools that will need to adapt to the XBRL Taxonomy. Making draft versions of the taxonomy available to providers throughout the development process will help them prepare for the final release. Ensuring that they have successfully implemented the taxonomy into their tools and have clear, intuitive instructions for filers well in advance of the compliance date, is important to a smooth transition.

- Require filers to use automated validation rules to ensure that they are tagging reported values accurately. Validation rules can be designed for filers so that they can check that data has been reported appropriately related to accounting rules and calculations.

- Provide guidance and training to filers.

- Alert filers when they have submitted data in structured format with errors, so that they have an opportunity to make corrections and to improve their own preparation process, before the next submission.
- Conduct public reviews of every new taxonomy release to make sure filers, and the vendors with which they work, have an opportunity to review structural and content revisions to the taxonomy. A well-structured taxonomy can make it easy to tag; a poorly structured taxonomy can lead to ambiguities in the tagging process with resulting inconsistencies in the reported data.

**Conclusion**

We applaud the Commission for their work in transitioning filers to use of the XBRL standard. Employing the appropriate financial data standard will result in better data reported, better quality analysis, and reduced costs over the long-term for preparers and data users alike.

We welcome any questions you may have regarding this letter.

Sincerely,

Campbell Pryde,
President and CEO, XBRL US, Inc.