

Supporting Statement for

**FERC Form 2 "Annual Report of Major Natural Gas Companies";
FERC Form 2-A "Annual Report of Nonmajor Natural Gas Companies" and
FERC Form 3-Q "Quarterly Financial Report of Electric Utilities Licensees,
and Natural Gas Companies"; FERC Form 11 "Natural Gas Pipeline Company
Quarterly Statement of Monthly Data"**

As Proposed in Docket No. RM07-9-000
(Notice of Proposed Rulemaking, issued September 20, 2007)

The Federal Energy Regulatory Commission (Commission) requests Office of Management and Budget (OMB) review and approval of **FERC Form 2 "Annual Report of Major Natural Gas Companies"; FERC Form 2-A "Annual Report of Nonmajor Natural Gas Companies" FERC Form 3-Q "Quarterly Financial Report of Electric Utilities Licensees and Natural Gas Companies" and FERC Form 11 "Natural Gas Pipeline Company Quarterly Statement of Monthly Data"**. These information collections are current data requirements with modifications as proposed in Docket No. RM07-9-000 "Revisions to Forms, Statements and Reporting Requirements for Natural Gas Pipelines¹, " the Commission's Notice of Proposed Rulemaking issued September 20, 2007.

The subject data collections will be affected by the amended regulations because the Commission proposes to implement the following:

In the Notice of Proposed Rulemaking, the Federal Energy Regulatory Commission (Commission or FERC) proposes to amend its financial forms, statements, and reports for natural gas companies, contained in FERC Form Nos. 2, 2-A and 3-Q. The proposed revisions reflect the fact that in the present regulatory environment, where interstate natural gas pipelines are no longer required to file a triennial restatement of rates, and the number of filed rate cases has declined sharply, FERC Form Nos. 2, 2-A, and 3-Q need to be expanded and otherwise revised in order for the Commission and the public to have sufficient information to assess the justness and reasonableness of pipeline rates. The proposed changes will enhance the forms' usefulness by updating them to reflect current market and cost information relevant to interstate natural gas pipelines and their customers. In addition, the Commission proposes to eliminate FERC Form No. 11.

Background

1 ?/ Form 2 has OMB approval number 1902-0028, expires 6/30/10; Form 2-A has OMB approval number 1902-0030, expires 6/30/10; Form 3-Q has OMB approval number 1902-0205, expires 2/28/09 and Form 11 has approval number 1902-0032 expires 10/31/08.

Under the existing regulations FERC jurisdictional entities subject to its Uniform System of Accounts must annually and quarterly file with the Commission a complete set of financial statements, along with other selected financial and non financial data through the submission of FERC Annual Report Forms 2, 2-A and the Quarterly Report Form 3Q. The FERC Annual and Quarterly Report Forms provide the Commission, as well as others, with an informative picture of the jurisdictional entities financial condition along with other relevant data that is used by the Commission, as well as others, in making economic judgments about the entity or its industry.

The Commission strives to ensure that its reporting requirements keep pace with the evolution of the natural gas industry. Before the advent of Order No. 636 and its progeny, interstate natural gas pipeline companies provided both sales and transportation services.² Gas costs were entered into a purchased gas adjustment (PGA) account and were periodically adjusted and passed through to customers. The quid pro quo for the ability to recover the gas costs through a PGA tracker was the requirement that the pipelines file to restate their rates every three years. The PGA regulations and the triennial filing requirement therein, were eliminated when the Commission issued a Final Rule that changed pipeline filing and reporting requirements in the post-Order No. 636 environment.³

In Order No. 636, the Commission restructured pipeline services and required pipelines to unbundle their sales and transportation services. Accordingly, shippers were able to buy gas at the wellhead or from gas marketers, and purchase pipeline capacity from other shippers in the secondary market, as well as from the pipeline. Order No. 636 authorized pipelines to make unbundled commodity sales at market-based rates at the wellhead because it concluded that, after unbundling, sellers of short-term or long-term gas supplies (whether pipelines or other sellers) would not have market power over the sale of natural gas.

In 1995, in Order No. 581, the Commission issued a Final Rule revising the filing and reporting requirements for interstate natural gas pipeline companies to reflect the changed regulatory environment of unbundled pipeline sales for resale at market-based prices and open-access transportation of natural gas.⁴ The Commission eliminated outdated reporting requirements but revised Forms 2 and 2-A to provide financial, rate, and statistical information

² See Pipeline Service Obligations and Revisions to Regulations Governing Self-Implementing Transportation; and Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol, Order No. 636, FERC Stats. & Regs. ¶ 30,939, order on reh'g, Order No. 636-A, FERC Stats. & Regs. ¶ 30,950, order on reh'g, Order No. 636-B, 61 FERC ¶ 61,272 (1992), order on reh'g, 62 FERC ¶ 61,007 (1993), aff'd in part and remanded in part sub nom. United Distribution Cos. v. FERC, 88 F.3d 1105 (D.C. Cir. 1996), order on remand, Order No. 636-C, 78 FERC ¶ 61,186 (1997).

³ Filing and Reporting Requirements for Interstate Natural Gas Company Rate Schedules and Tariffs, FERC Stats. & Regs. ¶ 31,025 (1995).

on transactions that it deemed more useful in monitoring the restructured industry.⁵

In 2000, in Order No. 637, the Commission again amended its regulations in response to the growing development of more competitive markets for natural gas and the transportation of natural gas.⁶ The rule revised the Commission's regulatory approach to pipeline pricing by permitting pipelines to propose peak/off-peak and term differentiated rate structures. Although the rule did not change the financial forms, it required pipelines to provide additional data on their web sites, including: (1) information regarding the pipeline's capacity and released capacity transactions, including names of parties to the contract, rate charged, and receipt and delivery points; and, (2) information concerning market affiliates, including an organizational chart showing the structure of the parent corporation and the position within that structure of all affiliates. These additional reporting requirements were designed to provide more transparent pricing information and to permit more effective monitoring for the exercise of market power and undue discrimination.⁷

Since the Commission eliminated the triennial restatement of rates filing requirement in Order No. 636, there has been a decline in filings under NGA section 4.⁸ Of course, the Commission may, on its own motion, institute an investigation under NGA section 5 to determine if pipeline rates are just and reasonable.⁹ The Commission relies also on section 5 complaints, which may be filed by state public utility commissions or pipeline customers, to review gas rates outside of a section 4 rate proceeding. In a section 5 proceeding, the complainant has the burden of proof and must have access to the information needed to meet that burden. A section 5 complaint may rely on Forms 2, 2-A, and 3-Q financial data and that data must be sufficient to support a complaint.

⁴ Revisions to Uniform System of Accounts, Forms, Statements, and Reporting Requirements for Natural Gas Companies, Order No. 581, FERC Stats. & Regs. ¶ 31,026 (1995), order on reh'g, Order No. 581-A, FERC Stats. & Regs. ¶ 31,032 (1996).

⁵ Id.

⁶ Regulation of Short-Term Natural Gas Transportation Services, and Regulation of Interstate Natural Gas Transportation Services, Order No. 637, FERC Stats. & Regs. ¶ 31,091, clarified, Order No. 637-A, FERC Stats. & Regs. ¶ 31,099, reh'g denied, Order No. 637-B, 92 FERC ¶ 61,062 (2000), aff'd in part and remanded in part sub nom. Interstate Natural Gas Ass'n of America v. FERC, 285 F.3d 18 (D.C. Cir. 2002), order on remand, 101 FERC ¶ 61,127(2002), order on reh'g, 106 FERC ¶ 61,088(2004), aff'd sub nom. American Gas Ass'n v. FERC, 428 F.3d 255 (D.C. Cir. 2005).

⁷ Id. See also 18 CFR 284.13.

⁸ 15 U.S.C. 717c.

⁹ 15 U.S.C. 717d.

Within the past year, two section 5 complaints were filed with the Commission, both relying on data provided in Forms 2 and 2-A to argue that the pipelines' rates were unjust and unreasonable.¹⁰ In National Fuel, the complainants contended that it had been 11 years since the Commission had reviewed National Fuel's rates and that during that time the rates had become unjust and unreasonable.¹¹ Relying upon Forms 2 and 3-Q data, the complainants prepared an analysis for the most recent three-year period, which allegedly demonstrated significant excess revenue and equity return near 20 percent.¹² National Fuel argued in response to the complaint that the Form 2 data relied upon by the complainants was not sufficient and that only a detailed cost and revenue study could provide justification for an investigation into a pipeline's rates under NGA section 5. Complainants acknowledged that the lack of certain data in Form 2 hindered the performance of a full rate analysis, but argued that the complaint, nonetheless, presented evidence sufficient to initiate an investigation of National Fuel's rates.¹³

In its order setting the case for hearing, the Commission found that the complainants had raised serious questions as to whether the rates established in 1995 settlements allowed National Fuel to recover revenue substantially in excess of its costs.¹⁴ The Commission rejected National Fuel's contention that a detailed cost and revenue study is the sole means of justifying an investigation into a pipeline's rates under section 5, and that Form 2 data could provide the starting point for such an investigation.¹⁵ However, the Commission denied complainants' request for summary disposition, noting that data extrapolated from Form 2 was, in some cases, unclear and not adequate to support a summary disposition.¹⁶

On December 21, 2006, the Commission set for hearing another complaint filed by a group of customers that contended that Southwest Gas' rates had not been reviewed in 17 years

10 Public Service Commission of New York, Pennsylvania Public Utility Commission and Pennsylvania Office of Consumer Advocate v. National Fuel Gas Supply Corp., 115 FERC ¶ 61,299 (2006) (National Fuel), order approving uncontested settlement, 118 FERC ¶ 61,091 (2007); Panhandle Complainants v. Southwest Gas Storage Co., 117 FERC ¶ 61,318 (2006) (Southwest Gas).

11 National Fuel at P 7.

12 Id.

13 Motion for Leave to Answer and Answer of the Joint State Agencies to National Fuel Gas Supply Corporation's Answer to Complaint at 6.

14 National Fuel at P 37.

15 Id.

16 Id. at P 42.

and that during that time, the rates had become unjust and unreasonable.¹⁷ Complainants submitted a cost and revenue study using information from Southwest Gas' Form 2-A, which allegedly demonstrated that the pipeline was earning a return on equity as high as 32 percent.¹⁸ The complainants sought an immediate rate reduction and a hearing. The Commission found that the complainants' rate study did not support an immediate rate reduction, but set the matter for hearing.¹⁹

Against this backdrop, Commission staff initiated a review of Forms 1, 1-F, 2, 2-A, and 3-Q data in the fall of 2006. As part of this review, staff met with both filers and users of annual and quarterly reports for the purpose of reexamining the breadth of data collected by the forms and to determine the need for additional information, deletions, or other clarifications. Thereafter, on February 15, 2007, the Commission issued a Notice of Inquiry (NOI).²⁰ (See item no. 8 of this submission.)

Notice of Proposed Rulemaking (Docket No. RM07-9-000)

On September 20, 2007, the Commission issued a Notice of Proposed Rulemaking (NOPR) in Docket No. RM07-9-000 regarding "**Revisions to Forms, Statement and Reporting Requirements for Natural Gas Pipelines.**" The purpose of this proposed rule is to improve the forms, reports and statements to provide, in greater detail, the information the Commission needs to carry out its responsibilities under the Natural Gas Act (NGA) to ensure that rates are just and reasonable, and to provide pipeline customers, state commissions, and the public the information they need to assess the justness and reasonableness of pipeline rates. The proposed changes would require pipelines to provide additional information regarding their sources of revenue and amounts included in rate base, and identify costs related to affiliate transactions, incremental facilities, and discounted and negotiated rates. They would be effective January 1, 2008. Accordingly, companies subject to the new requirements would file their new Form 3-Q beginning with the first quarter of 2009 and their new Forms 2 and 2-A in 2009 for calendar year 2008. Finally, the Commission proposes to eliminate the requirement to file FERC Form No. 11 (Form 11) and to extend the period of time to May 18 of the year following the submittal of annual and quarterly forms to file the Report of Certification.²¹

17 See Southwest Gas, 117 FERC at P 1.

18 Id.

19 Id. at P 19.

20 Assessment of Information Requirements for FERC Financial Forms, Notice of Inquiry, 72 Fed. Reg. 8316 (February 26, 2007), FERC Stats. & Regs. ¶ 35,554 (2007). While the outreach meetings addressed only Forms 1 and 2, the NOI invited comments from filers and users of Form 6 and 6-Q as well.

21 See 18 CFR 158.11. The Commission is concurrently issuing a Notice of Inquiry

It will aid the Commission in assessing the economic consequences of transactions and events on jurisdictional entities, measuring the effects of regulatory initiatives, evaluating the adequacy of existing traditional cost-based rates and aid in the development of needed changes to existing regulatory initiatives in a parallel fashion.

All of the proposed changes in the subject Notice Proposed Rulemaking are provided for under sections 10(a) and 16 of the Natural Gas Act (NGA). We estimate that the annual report burden related to the subject proposed rule will be 11,230 hours under FERC Form Nos. 2, 2-A, , Form 3Q. If the proposals are adopted and the Commission eliminates FERC Form No. 11, this will result in a reduction of 888 hours.²²

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Form 2 & Form 2-A Pursuant to sections 8, 10 and 14 of the National Gas Act (NGA), (15 U.S.C. 717g-717m, PL. 75-688), the Commission is authorized to make investigations and collect and record data, to prescribe rules and regulations concerning accounts, records and memoranda as necessary or appropriate for purposes of administering the NGA. The Commission may prescribe a system of accounts for jurisdictional companies, and after notice and opportunity for hearing, may determine the accounts in which particular outlays and receipts will be entered, charged or credited. Form 2 is filed by "major" natural gas pipeline companies that have combined gas sold for resale and gas transported or stored for a fee that exceeds 50 million Dekatherms (Dth) in each of the three previous calendar years. Form 2-A is filed by "Nonmajor" natural gas pipeline companies that have combined sales for resale and gas transported or stored that is less than 50 million Dth but exceeds 200,000 Dth in each of three previous calendar years. The Commission collects Form Nos. 2 and 2-information as prescribed in 18 CFR 260.1 and 260.2.

(NOI) in Docket No. RM07-20-000, titled Fuel Retention Practices of Natural Gas Pipelines, seeking comments on several specific proposals for natural gas pipeline rate recovery of fuel and lost and unaccounted-for gas. The NOI addresses Commission policy regarding the method of cost recovery used by pipelines and seeks comments on whether that policy should be changed. While the instant proposed rulemaking in Docket RM07-9-000 addresses changes to the Commission's financial forms, the NOI addresses the method of recovery of fuel and seeks comments on whether it should change the current policy and prescribe a uniform recovery method for all pipelines. Therefore, there is no conflict between the two proposals.

22 Since FERC Form No. 11 last submission to OMB in 2005, there has been an adjustment to the number of hours reported on OMB's inventory. This NOPR reflects the current number of hours or 888 hours as opposed to 756 hours in OMB's inventory.

Form 3Q "Quarterly Financial Report of Electric Utilities, Licensees, and Natural Gas Companies," requires companies to file with the Commission a complete set of quarterly financial statements. Most of the information contained in these forms is the same information currently submitted on an annual basis.

Quarterly reporting of financial information permits the Commission to better understand trends and other factors that may affect an entity's liquidity position, its commitments of capital expenditures, its sources of financing, along with changes in the amount of assets, liabilities, debt and equity used in its business. Transparent accountings and more frequent financial reporting play an important role in achieving vigilant oversight of market participants. More frequent financial reporting provides needed insight into the opportunities and risks facing the energy industry as the Commission considers and assesses the affects of its regulatory initiatives. The Commission shares the view that quarterly reporting enhances its overall decision making process by providing more timely, useful and relevant data to the decision making process. The Commission collects Form Nos. 3Q information as prescribed in 18 CFR 260.300.

Form 11 "Natural Gas Pipeline Company Quarterly Statement of Monthly Data", filed quarterly, FERC Form No. 11, provides monthly data on certain revenue and volume items of major pipelines. Yearly data on the items reported in Form No. 11 are, for the most part, reported annually in FERC Form No. 2. Commission staff use Form No. 11 data for current information on developments and trends in the activities of regulated major natural gas pipelines and to verify data presented in rate proceedings. Additionally, the monthly data collected under FERC-11 allows for analysis of seasonal variation in throughput. The Commission collects Form Nos. 11 information as prescribed in 18 CFR 260.3.

The steady decline of section 4 rate filings, the concerns regarding the adequacy of data in Forms 2 and 2-A expressed in both the National Fuel and Southwest Gas complaints, and the comments received in response to the NOI indicate a need to update and supplement Forms 2, 2-A, and 3-Q. While a hiatus in section 4 rate case filings does not, in every instance, support a conclusion that the pipeline is earning excess revenues, some pipelines have not filed a section 4 rate case in more than a decade, and their costs of service and revenues have gone unreviewed as a consequence.²³ If shippers cannot readily access the data they need to make informed assessments regarding the propriety of the rates charged, they are left without any plausible means of assessing the justness and reasonableness of those rates and are forced to accept the information provided at face value or attempt to initiate expensive and time-consuming section 5 proceedings to obtain the data.

²³ The records indicate that as many as 15 major and 20 nonmajor gas pipelines have not filed a section 4 rate case in more than a decade. Also, although INGAA contends that pipeline rate cases are quite common, a review of the cases cited by INGAA reveals that most were filed because prior settlement agreements required the filing.

The proposed additions or changes to Forms 2, 2-A and 3-Q require a pipeline to provide additional, detailed information regarding the pipeline's costs and revenues, including a reconciliation of gas supplied by shippers for compressor fuel and gas losses; disaggregation of certain cost data; provision of additional information related to affiliate transactions; and the distinction between services provided at discounted or negotiated rates and costs recovered through incremental, as opposed to rolled-in, rates. The Commission believes that all of the proposed changes will better facilitate the forms users' ability to make a meaningful assessment of the pipeline's cost of service and current rates. FERC has endeavored, however, to achieve a balance between the benefits these changes will facilitate and the imposition of any additional burden on the pipelines. Most of the information requested is data that is maintained by the pipeline and can be transferred to existing and new schedules. In addition, as discussed below, the Commission is proposing the elimination of Form 11, which would lessen pipelines' filing requirements.

Several schedules are being added to Form 2-A as well as to Form 2. The Commission regulates 44 pipelines that are classified as "nonmajor" and required to file Form 2-A. It is no less important that customers of pipelines classified as nonmajor be provided with the information the Commission proposes to add to Form 2. Form 2-A filers now provides less data than do Form 2 filers. As with Form 2, the information the Commission is adding to Form 2-A is information FERC deems necessary to enable customers, state commissions, and the Commission to assess existing pipeline rates. Complaints regarding the dearth of data have been made by customers of both major and nonmajor pipelines and FERC believes all are entitled to the same information.²⁴

2. HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION

These forms provide information concerning a company's past performance and its future prospects, information compiled using a standard chart of accounts contained in the Commission's Uniform System of Accounts (USofA).²⁵ The forms contain schedules which include a basic set of financial statements: Comparative Balance Sheet, Statement of Income and Retained Earnings, Statement of Cash Flows, and the Statement of Comprehensive Income and Hedging Activities. Supporting schedules containing supplementary information are filed, including revenues and the related quantities of products sold or transported; account balances for various operating and maintenance expenses; selected plant cost data; and other information.

The information collected in the forms is used by Commission staff, state regulatory agencies and others in the review of the financial condition of regulated companies. The

²⁴ See, e.g., Southwest Gas, 117 FERC at P 4 (complaint filed by Form 2-A users).

²⁵ See 18 CFR Part 201.

information is also used in various rate proceedings, industry analyses and in the Commission's audit programs and as appropriate, for the computation of annual charges based on certain schedules contained on the forms. The Commission provides the information to the public, intervenors and all interested parties to assist in the proceedings before the Commission.

In addition, the FERC Annual and Quarterly Report Forms provide the Commission, as well as others, with an informative picture of the jurisdictional entities' financial condition along with other relevant data that is used by the Commission in making economic judgments about the entity or its industry. For financial information to be useful to the Commission, it must be understandable, relevant, reliable and timely. As financial reporting has evolved over the years, users of financial information have been willing to forgo some precision in reliability for the ability to obtain the information on more timely intervals, such as quarterly reporting.

The use of a uniform chart of accounts permits natural gas companies to account for similar transactions and events in a consistent manner, and communicate those results to the Commission on a periodic basis.

Additionally, the uniformity helps to present accurately the entity's financial condition and produces comprehensive data related to the entity's financial history helping to act as a guide for future action. The uniformity provided by the Commission's chart of accounts and related accounting instructions permits comparability and financial statement analysis of data provided by jurisdictional entities. Comparability of data and financial statement analysis for a particular entity from one period to the next, or between entities, within the same industry, would be difficult to achieve if each company maintained its own accounting records using dissimilar accounting methods and classifications to record similar transactions and events.

The requested data is designed to provide the Commission and pipeline customers with information that will aid their ability to make a reasonable assessment of a pipeline's cost of service. Along the same lines, the requested data is not the functional equivalent of a cost and revenue study. Therefore, the revised Form 2 will not be used to limit an entity's rights under the NGA and the Commission's regulations. Nor will the revised Form 2 change FERC's obligation to rule on complaints, petitions, or other requests for relief based on a full record and substantial evidence.

In summary, without this information the Commission will not be able to respond and make decisions in a timely manner particularly to rapidly changing financial conditions of entities subject to its jurisdiction.

3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN AND TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN

The Commission has made available to all Form 2, 2-A and 3Q respondents, a web-based, Windows submission software necessary to file electronically through a doorway found on the FERC web site at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp>. Presently, all respondents use this software and doorway access. Order No. 581 changed Form 2-A into a subset of Form 2. As the schedule pages in 2-A are identical to those in Form 2, the electronic filing instructions for the two forms have been consolidated into a single document. The Commission has adopted user friendly electronic filing formats and software to facilitate these required formats and software in order to generate the required electronic filings. (See Section 385.2011 of the Commission's regulations.) (The Form 2/2A Software has been tested and will function correctly with Windows XP, Windows 2000, Windows 95 & Windows 98. The application has been updated to be compatible with text cut from Office 2000 documents and pasted into Footnotes and Notes to the Financials.)

To improve access to FERC-held financial information, the Commission is making it easier for users to electronically access financial information filed with the Commission. It is also the Commission's intent to collaborate with the SEC to establish new web links between the two agencies respective web home pages so that all users can access FERC-held financial information in a timely and efficient manner.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN INSTRUCTION NO. 2

The Commission's filings and data requirements are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of the Commission's regulations and data requirements to identify any duplication. The Commission's staff is continuously reviewing its various filings in an effort to alleviate duplication.

While some jurisdictional entities may file similar information with the Securities and Exchange Commission (SEC), the level of detail concerning assets, liabilities, stockholders' equity along with the revenues, expenses, gains and losses is different for the Commission and the SEC. The financial statements filed with the SEC are on a consolidated, or parent company basis. The Commission notes that a majority of the jurisdictional entities that it regulates file financial information with the SEC that consolidates their assets, liabilities and profits with their parent company, or combine the regulated and unregulated operations in the reports to the SEC. While consolidation is appropriate for SEC reporting, the Commission requires more detailed information concerning the results of operations, and the financial position of each jurisdictional entity in order to meet its regulatory needs. Therefore, the Commission has required jurisdictional entities to file financial information on a jurisdictional entity level basis using a uniform system of accounts.

The Commission finds no merit in INGAA's argument filed in response to the NOI that much of the data sought by Form 2 users is available elsewhere, in forms and filings made before state agencies, the Commission, other federal agencies, or in the pipeline's tariff. The Commission does not believe that users should have to piece together and interpret from myriad sources information that is readily available to the pipeline and can, without a substantial increase in burden, be incorporated into Forms 2 and 2-A. Also, much of the information cited by INGAA is not coterminous with Form 2 data and cannot be used for purposes of comparison.

5. METHODS USED TO MINIMIZE BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES

The Commission believes that the reporting requirements contained in the proposed rule will not create significant burdens to industry. The Commission believes that the benefits of greater transparency and understandability of financial statements to both the Commission and the public far outweigh the costs to an individual company. As the Commission noted above, most of the information requested is data that is maintained by the pipeline and can be transferred to existing and new schedules. The Commission finds that the burden should be minimal. It is standard practice for companies to compile and summarize accounting transactions on a monthly basis, or even more frequently depending on the operational need for selected data. Therefore, the information needed to compile quarterly financial statements is readily available. However, if the reporting requirements represent an undue burden on small businesses, the affected entity may seek a waiver of the disclosure requirements from the Commission. The Commission believes that the information specified in the proposed rule is the minimum necessary to provide a meaningful review of financial conditions and would impose the least possible burden on entities.

6. CONSEQUENCE TO FEDERAL PROGRAM IF COLLECTION WERE CONDUCTED LESS FREQUENTLY

The proposed data requirements, as adopted will require changes to existing Form Nos. 2, 2-A and 3Q which are required by the Commission to be submitted annually and for the 3Q quarterly. Annual reporting is consistent with the reporting to the companies' own management, the Internal Revenue Service, state and other Federal agencies' (including Office of Management and Budget) (OMB) requirements. Likewise, the reporting requirements for quarterly reports are consistent with and compatible to the reporting of companies to their own management as discussed in this submission. OMB's guidelines also states at 5 CFR 1320.5(d)(2)(1) call for agencies to require respondents report information no less than quarterly and the proposed requirements meet that guideline.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

The proposed program meets all of OMB's section 1320.5 requirements.

**8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY:
SUMMARIZE PUBLIC COMMENTS AND THE AGENCY'S RESPONSE
TO THESE COMMENTS**

The Commission's procedures require that a rulemaking notice be published in the Federal Register, thereby allowing all jurisdictional entities, state commissions, federal agencies, and other interested parties an opportunity to submit comments, or suggestions concerning the proposal. The rulemaking procedures also allow for public conferences to be held as required.

The Commission will publish this proposed rule in the Federal Register. Comments are due 45 days from the publication date in the Federal Register.

Notice of Inquiry

In the NOI, the Commission sought comment on the need for changes or additions to the financial information reported in the Commission's quarterly and annual financial reports, FERC Form Nos. 1, 1-F, 2, 2-A, 3-Q, 6 and 6-Q applicable to the electric utility, natural gas, and oil pipeline industries. Specifically, the Commission asked commenters to address the question of whether the Commission's financial reports provide sufficient information to the public to permit an evaluation of the filers' jurisdictional rates, and whether these forms should otherwise be modified. The NOI posed 12 general questions and also invited commenters to raise other questions or issues that might aid the Commission's assessment of the forms.²⁶

On March 28, 2007, the Commission received 35 comments from FERC Form Nos. 1, 1-F, 2, 2-A, 3-Q, 6 and 6-Q users and jurisdictional entities that file the reports.²⁷ On April 27, 2007, 15 reply comments were filed. After reviewing the comments, the Commission has determined that each of the forms merits its own separate review. Addressing changes or amendments to all of the forms that serve the electric, gas, and oil pipeline industries in a single proceeding, would be an unwieldy task with the potential to cause confusion among the industries, which could delay the Commission's action. Accordingly, this Notice of Proposed Rulemaking (NOPR) addresses changes, additions, and amendments to the forms applicable to natural gas companies – Forms 2, 2-A, and 3-Q. Potential changes or amendments to the annual and quarterly forms applicable to electric utilities and oil pipelines, Forms 1, 1-F, 6 and 6-Q will be addressed in future orders.

26 NOI at P 16.

27 Parties who filed comments and reply comments are listed on Appendix C of the NOPR.

Comments to Notice of Inquiry

Eleven initial comments and two reply comments specifically addressed Forms 2, 2-A, and 3-Q data.²⁸ Not surprisingly, as a general matter, pipeline customers and state commissions supported revising the forms and pipelines oppose revisions that would require filing additional information. The Industry Coalition urged the Commission to revise Form 2 to require additional detail which, in their view, would permit a proper evaluation of pipelines' cost-based rates and ensure that those rates are just and reasonable.²⁹ The Industry Coalition asked the Commission to require greater detail in several areas: (1) capital structure; (2) deferred taxes; (3) gas purchases and sales; (4) state income tax rates; (5) miscellaneous assets; (6) corporate overhead costs; (7) volumes and revenues associated with discounted and negotiated rate services; (8) revenues and costs associated with at-risk facilities; and (9) calculation of the rate of return.³⁰

In addition, the Industry Coalition stated that it has attempted to quantify the burdens and benefits associated with each proposal and estimates that the burden associated with providing the additional material would be low to moderate. The Industry Coalition also asked the Commission to require types of information contained in Form 2 to be replicated in the quarterly Form 3-Q, to the extent possible. In addition, the Coalition suggested changes specific to Form 3-Q, including (1) a separate report of fuel used for operation and maintenance; and (2) information that is consistent with page 520 of Form 2 related to fuel use.

Several state agencies, including the New York State Public Service Commission (NYPSC), the Kansas Corporation Commission (KCC), the Missouri Public Service Commission (MoPSC), and the Public Utilities Commission of Ohio (PUCO), filed comments recommending changes to the forms. The KCC claimed that current Form 2 data is inadequate and advocates the reinstatement of a periodic rate refiling requirement in the three to five year range.³¹ In the absence of such a requirement, the KCC suggested specific changes to Form 2 which are similar, in part, to the changes recommended by the Industry Coalition. KCC's proposals include the following: (1) calculation of the pipeline's rate of return; (2) identification of which components of deferred tax and regulatory asset and liability balances are included in rate base; (3) detail on miscellaneous current and accrued assets; (4) detail

28 In some instances, comments were filed which addressed more than one financial form.

29 Initial Comments of the Industry Coalition at 4. The Industry Coalition is comprised of the American Public Gas Association, the Independent Petroleum Association of America, the Natural Gas Supply Association, and the Process Gas Consumers Group.

30 See Industry Coalition Comments at 5-6.

31 KCC Comments at 4.

concerning gas purchase and sales accounts; (5) detail concerning corporate administrative costs; (6) identification of revenues associated with negotiated rate contracts and with at-risk facilities; and (7) information concerning the pipeline's capital structure.³² PUCO requested that debt accounts balances for Form 2 be shown separately for each debt issuance and asked the Commission to make the data available in electronic format that can be compared and analyzed electronically.³³

The NYPSC asserted that currently the forms contain no information related to affiliate transactions and recommended that utilities be required to describe and quantify each type of affiliate transaction, similar to the requirements adopted in Form 60 for service companies and recommends that a schedule, modeled on Schedule XVI, be added to Form 2.³⁴ The NYPSC also recommended that each company report its contributions to other post-employment benefits and pension funds.³⁵ As an alternative to a cost and revenue study, the NYPSC recommended that the Commission require pipelines to provide a more detailed breakdown of Accounts 480-484 Sales, according to revenues and quantities of gas that comprise each sale.³⁶ The NYPSC also asked that pipelines provide additional detailed information, such as billing determinants for each rate schedule, the separate identification of revenues and costs associated with trackers or special surcharges, and the amount of deferred taxes included in rate base for cost-of-service purposes.³⁷

MoPSC suggested that several accounts in Form 2, not currently required for Form 2-A filers, be added to Form 2-A, including detail of miscellaneous current accrued liabilities; detail of revenues from gathering, transmission, and storage; miscellaneous general expense; and charges for outside consultative services.³⁸ For all of these accounts, the Form 2 has a threshold reporting requirement of \$250,000. MoPSC requested that the schedules be included in Form 2-A and that the threshold for reporting be lowered to \$50,000 or \$100,000.³⁹

Comments opposing revisions, in part or in whole, to the annual and quarterly financial reports were filed by the Interstate Natural Gas Association of America (INGAA), the American

³² Id. at 7.

³³ PUCO Comments at 3.

³⁴ NYPSC Comments at 6.

³⁵ Id. at 7.

³⁶ Id. at 9.

³⁷ Id. at 10-11.

³⁸ Comments of MoPSC at 5-8.

³⁹ Comments of MoPSC at 7-8.

Gas Association (AGA), Boardwalk Pipeline Partners, L.P. (Boardwalk), Williston Basin Interstate Pipeline Co. (Williston), and Washington Gas Light Company (Washington Gas). INGAA urged the Commission to balance the amount of information it needs in periodic reports for the purpose of administering section 5 against the burden it places on the pipelines. INGAA contends that the information now provided in both Forms 2 and 2-A is sufficient for the Commission's responsibilities under the NGA. INGAA noted that in two recent decisions, the Commission relied on Forms 2 and 2-A data to initiate an investigation of pipeline rates under section 5.⁴⁰ In addition, INGAA asserted that pipelines file other reports or postings that provide information supplemental to Form 2, including posting an index of customers and identifying contracts with negotiated rates. INGAA also contends that pipeline web sites provide information on pipeline capacity and discounts awarded.⁴¹ INGAA stated that the Commission should be careful that an expanded Form 2 does not blur the distinction between sections 4 and 5, thus shifting the burden of proof established under section 5.⁴² Finally, INGAA suggested that the Commission should be wary of converting Form 2 from a financial reporting document to the equivalent of an annual cost and revenue study.⁴³ INGAA stated that any proposal that would require additional information not collected in accord with the Uniform System of Accounts, or reported in a different format, will result in additional regulatory burdens.

Williston Basin, Boardwalk Pipeline, AGA, and Washington Gas concurred with INGAA that Form 2 data, as now filed, provides sufficient information to allow users to evaluate pipeline rates. The commenters echoed INGAA's concern that the current Form 2 not be transformed into a cost and revenue study, and that pipelines not be required to file an annual mini-rate case, thereby reversing the statutory burden of proof for section 5.⁴⁴ Williston Basin suggested several technical revisions and requested that the Commission discontinue the Form 11 and incorporate that information in the Form 3-Q.⁴⁵ Washington Gas stated that Form 2 should remain as it is, and that if the Commission determines that more information is needed to monitor rates, a new form for reporting this ratemaking information should be created.⁴⁶

40 INGAA Initial Comments at 5; National Fuel, 115 FERC ¶ 61,299, on reconsideration, 115 FERC ¶ 61,368 (2006) and Southwest Gas, 117 FERC ¶ 61,318 (2006).

41 Id. at 6.

42 Id. at 6-7, (citing Public Service Comm'n v. FERC, 866 F.2d 487, 490-91 (D.C. Cir. 1989)).

43 Id. at 7.

44 Boardwalk Pipeline Comments at 5.

45 Williston Basin Comments at 6-7.

46 Washington Gas Comments at 3.

Only INGAA and Williston Basin filed reply comments. Both commenters reiterated the assertion that the information contained in Forms 2 and 3-Q is sufficient to allow the Commission and other users to adequately evaluate pipeline rates.⁴⁷ In response to the KCC's complaint that pipeline rate filings have declined since the end of the triennial rate review, INGAA asserted that pipeline rate filings continue to be made.⁴⁸ INGAA further asserts that the elimination of triennial rate review has had beneficial effects: (1) customer settlements now dictate the timing of pipeline rate cases; (2) repeal of the triennial rate review is an incentive for controlling and reducing pipeline costs; (3) pipeline rates have remained stable for the last decade and have actually gone down in real (inflation adjusted) dollars; and (4) the quality of pipeline service has improved due to the increased flexibility provided by Order No. 637.⁴⁹

INGAA's reply comments also addressed specific proposals or requests for information made by the Industry Coalition, the NYPSC, the KCC, and MoPSC.⁵⁰ INGAA argued that:

- some requests, e.g., more detailed information on deferred taxes and identification of the appropriate capital structure, would require filers to make the sort of subjective judgment that is involved in a litigated rate case,⁵¹
- the forms are currently designed to report what has actually occurred, and not to make projections based on the data,⁵²
- requiring a rate of return calculation and the detail requested on gas purchases would turn Form 2 into a mini-rate case,
- other sources of information are available to the public, e.g., pipelines' operational sales and purchase reports and fuel tracker filings,⁵³
- if the Commission needs additional information from time to time, that need can be met through the Commission's audit authority on a case-by-case basis,⁵⁴
- commenters may review pipelines' operational sales and purchase reports, cashout reconciliation reports and fuel tracker filings, all of which are routinely filed by pipelines,⁵⁵

47 Williston Basin Reply Comments at 2; INGAA Reply Comments at 2.

48 Id. at 7.

49 Id. at 8-9.

50 Id. at 9.

51 Id. at 10.

52 Id. at 1.

53 Id. at 4-5.

54 Id. at 3.

55 Id. at 13-14.

- pipelines already provide details of their effective income tax rate, and such details are disclosed in the Notes to Financial Statements and include the total dollar amount for taxes broken down between current and deferred taxes, and
- other items, such as the calculation of the income tax of a particular state changing from a tax based on net income to a tax based on gross receipts are burdensome to calculate and subjective.⁵⁶

INGAA stated that its members have no objection to identifying the entity whose capital structure is now reported on page 218a of Form 2, which provides a computation of the allowance for funds used during construction (AFUDC), but requiring the pipeline to state whether it believes this number is appropriate for a rate case would require the pipeline to speculate on a potentially contentious issue in a fully litigated rate case.⁵⁷ Generally, INGAA contends that the information provided in all of the areas identified by the Industry Coalition and others is already burdensome, and that the information sought is, in many instances, available elsewhere, e.g., in the pipelines' index of customers and other information posted on pipelines' web sites.⁵⁸ INGAA further argues that the proposal to require pipelines to identify costs and revenues associated with at-risk facilities could essentially impose a cost and revenue study obligation for these facilities and should not be required outside of a section 4 or 5 proceeding.⁵⁹ Similarly, INGAA contends that a requirement to include billing determinants for each rate schedule would impose a substantial burden because it would effectively require the preparation of a schedule equivalent to a Schedule G, required for a section 4 filing.⁶⁰

Finally, INGAA suggested that certain items required by Form 2 be deleted as burdensome or of limited usefulness, including: (1) pages 508-509, Compressor Stations; (2) page 357, Charges for Outside Professional and Other Consultative Services; and (3) page 261, Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes.

Commission's response: The Commission has not adopted many of the commenters' proposals. For example, the Commission rejects the KCC's request that it resurrect the triennial rate restatement requirement for all pipelines and AGA's alternative suggestion that it create a new form to supplement Form 2.⁶¹ FERC rejects as burdensome the Industry Coalition's and

⁵⁶ *Id.* at 15-16.

⁵⁷ *Id.* at 11-12.

⁵⁸ *Id.* at 20.

⁵⁹ *Id.* at 22.

⁶⁰ *Id.* at 24-25.

⁶¹ See, e.g., *Public Service Commission of New York v. FERC*, 866 F.2d 487 (D.C. Cir. 1989); see also *United Distribution Companies v. FERC*, 88 F.3d 1105, 1175-6 (D.C. Cir.

the MoPSC's requests that pipelines not using the rate of return on equity approved in the pipeline's last rate case provide the calculation and derivation of the return used at present. FERC also rejects the Industry Coalition's request that pipelines provide additional information on capital structure used for ratemaking purposes since it would require the pipeline to speculate on the pipeline's preferred capital structure.

The Commission acknowledges INGAA's concern that an expanded Form 2 could blur the distinction between sections 4 and 5, and shift the burden of proof established under section 5, and the Commission invites commenters to address this issue. However, the changes proposed herein do not affect existing rates nor change any rates on file. The requested data is designed to provide the Commission and pipeline customers with information that will aid their ability to make a reasonable assessment of a pipeline's cost of service. Along the same lines, the requested data is not the functional equivalent of a cost and revenue study. Therefore, the revised Form 2 will not be used to limit an entity's rights under the NGA and the Commission's regulations. Nor will the revised Form 2 change the Commission's obligation to rule on complaints, petitions, or other requests for relief based on a full record and substantial evidence.

Additionally, as discussed below, INGAA has requested that the Commission eliminate three schedules from Form 2. The Commission rejects INGAA's request to eliminate information now reported in Form 2. INGAA first requests that the Commission delete pages 508-509 of Form 2 which provide details on compressor stations. The schedule shows plant, expenses, amount of gas and usage in total hours intended to assist Form 2 users in calculating a depreciation analysis of remaining life for compressor plant. In addition, some compressor stations are built as part of expansion projects with incremental rates. The separation of costs by compressor station is a key element to assist in determining the appropriate allocations of costs to generate incremental rates. In addition, in order to provide more clarity regarding fuel use for compressor stations, FERC proposes to revise pages 508-509 of Form 2 to require pipelines to provide both the amounts used and expenditures made for gas and electric power.

INGAA asked that the Commission eliminate Page 357, Charges for Outside Professional and Other Consultative Services. As discussed below, the Commission is adding a new Page 358 to Forms 2 and 2-A where information currently provided on Page 357 would be reported. INGAA asserts that the schedule has no value for ratemaking purposes. The information required for Page 357, now proposed to be substituted by a new page 358, allows Form 2 users to identify the annual charges for outside consulting activities and the identification of associated company charges. The Commission believes this information is of value to forms users and the reporting requirement will be retained.

Finally, the Commission rejects INGAA's request to eliminate page 261, Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes. The Commission believes page 261 should be retained because it can provide information as to book and tax

timing differences, thereby indicating if costs are included in the revenue requirement which may not be deductible for tax purposes. The reconciliation reflects revenues reported for book purposes which are not included for income tax purposes. In other words, for example, AFUDC equity is isolated and can be used as a means of checking the reasonableness of the AFUDC included in the tax calculation.

9. EXPLAIN ANY PAYMENTS OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents in the proposed rule.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission considers both its annual and quarterly reporting systems to be public information and, therefore, generally not confidential. The benefits of a standardized and uniform accounting system would not be realized if the financial information once compiled were withheld from public view. To ensure that these benefits are realized, and to provide transparency of economic consequences to all affected interests, the Commission has prescribed a program of periodic financial reporting that makes financial and non-financial information publicly available to all interested parties.

However, the Commission will entertain specific requests for confidential treatment to the extent permitted by law pursuant to 18 C.F.R. § 388.112.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE

There are no questions of a sensitive nature associated with the data requirements proposed in the subject rule.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

The Commission estimates that on average it will take respondents from fifty-nine to one hundred fifty-six hours to comply with the proposed requirements. This will result in the total hours for the following collections of information:

Data Collection Form	Number of Respondents	Change in the Number of Hours per Respondent	Filing Periods	Change in the Total Annual Hours
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(a)	(b)	(c)	(d)	(e)=(b)x(c)x(d)
FERC Form 2	74	50	1	3700
FERC Form 2-A	44	135	1	5940
FERC Form 3-Q	118 (74 _m , 44 _{nm})	7	3	2478 (1554 _m , 924 _{nm})
FERC Form 11	74	-3	4	(-888)
Relevant Totals		59 _m , 156 _{nm}		11,230 (4366 _m , 6864 _{nm})

nm= nonmajor company m=major company

Total Annual Hours for Collection:

(Reporting + record keeping, (if appropriate)) = 11,230 hours.

DATA REQUIREMENT Form 2	CURRENT OMB INVENTORY*	PROPOSED IN NOPR	NEW OMB INVENTORY
Estimated number of respondents :	71	74	74
Estimated number of responses per respondent:	1	1	1
Estimated number of responses per year :	71	74	74
Estimated number of hours per response :	1,570	50	1,556#
Total estimated burden (hours per year) :	111,470	3700	115,170

Program change in industry burden hours : + 3,550
Adjustment change in industry burden hours : + 150

* Based on OMB's Active Information Collections as of August 21, 2007.

#rounded off.

OMB DATA REQUIREMENT Form 2-A	CURRENT OMB INVENTORY*	PROPOSED IN NOPR	NEW INVENTORY
Estimated number of respondents :	43	44	44
Estimated number of responses per respondent:	1	1	1
Estimated number of responses per year :	43	44	44
Estimated number of hours per response :	115	135	247
Total estimated burden (hours per year) :	4,945	5,940	10,885

Program change in industry burden hours : + 5,805
Adjustment change in industry burden hours : + 135

* Based on OMB's Active Information Collections as of August 21, 2007.

#rounded off.

	CURRENT OMB	PROPOSED	NEW
OMB			
DATA REQUIREMENT Form 3-Q	INVENTORY*	IN NOPR	
INVENTORY			
Estimated number of respondents :	353	118	353
Estimated number of responses per respondent:	3	3	3
Estimated number of responses per year :	1,059	354	1,059
Estimated number of hours per response :	161#	7	164
Total estimated burden (hours per year) :	171,011	2,478	173,489
Program change in industry burden hours :		+ 2,478	
Adjustment change in industry burden hours :		-0-	

* Based on OMB's Active Information Collections
as of August 21, 2007.

#rounded off

	CURRENT OMB	PROPOSED	NEW
OMB			
DATA REQUIREMENT Form 11	INVENTORY*	IN NOPR	INVENTORY
Estimated number of respondents :	63	74	0
Estimated number of responses per respondent:	4	4	0
Estimated number of responses per year :	252	296	0
Estimated number of hours per response :	3	- 3	0
Total estimated burden (hours per year) :	756	-888	0
Program change in industry burden hours :		- 756	
Adjustment change in industry burden hours :		- 132	

* Based on OMB's Active Information Collections
as of August 21, 2007.

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The estimated annualized filing cost to respondents related only to the reporting requirements as proposed in the NOPR Rule are as follows:

Data Requirement	Total Hours Respondent	Employee Hours	Estimated Salary⁶²	Total
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62?/ The "salary" per employee with entities regulated by the Commission is assumed to be the same as per Commission program staff based on its appropriated budget for fiscal year 2007. The \$122,137 consists of \$98,876 in salaries and benefits and \$23,261 in overhead.

<u>Number</u>	<u>Burden</u>	□	<u>Per Year</u>	x	<u>Per Year</u>	=	<u>Cost</u>
FERC Forms 2, 2-A & 3Q & 11 \$664,707.	11,320		2,080		\$122,137		

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

<u>Data Requirement Number</u>	<u>Analysis of Data⁶³ (FTEs)</u>	□	<u>Estimated Salary Per Year</u>	x	<u>FERC Forms Clearance Per Year</u>	=	<u>Total Cost One Year's Operation</u>
FERC Forms 2, 2-A , 3Q & 11	3	x	\$122,137	+	\$ 6,153		\$372,564.

15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE

The information maintained and collected under the requirements of Part 141 is essential to the Commission’s oversight duties. The data now reported in the forms does not provide sufficient information to the Commission and the public to permit an evaluation of the filers’ jurisdictional rates. Since the triennial restatement of rates requirement was abolished and pipelines are no longer required to submit this information, the need for current and relevant data is greater than in the past. The information collection proposed in the NOPR will increase the forms’ usefulness to both the public and the Commission. Without this information, it is difficult for the Commission and the public to perform an assessment of pipeline costs, and thereby help to ensure that rates are just and reasonable.

The Commission has determined that dependable, affordable, competitive wholesale energy markets require an adequate infrastructure, balanced market rules, and vigilant oversight. This proposed rule helps in achieving the goal of vigilant oversight by providing the Commission with more timely, relevant, reliable and understandable information from jurisdictional participants in the energy markets.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

63?/ the An "FTE" is a "Full time Equivalent" employee that works equivalent of 2,080 hours per year.

The Commission has not published the information contained on FERC Forms 2, 2-A and 3Q & 11. The publication of energy data became the responsibility of the Energy Information Administration when the Commission succeeded the Federal Power Commission per the Department of Energy Organization Act in October 1977. The primary purpose of the information collected on these forms is to support the Commission's regulatory activities. However, copies of the forms submitted to the Commission are available on its Internet web site or through its Public Reference Room.

17. DISPLAY OF EXPIRATION DATE

All forms display both the OMB control number and the expiration date. In addition, this information is also displayed in the upper right-hand corner of the cover page in the appropriate electronic versions for these forms.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There is an exception to the Paperwork Reduction Act submission certification. Because the data collected on these forms is not used for statistical purposes, the Commission does not as stated in item no. 19(j) use "effective and efficient statistical survey methodology." The information collected is case specific to each respondent.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

These are not as noted above, collections of information employing statistical methods.