



Department of Energy
Washington, DC 20585

June 4, 2009

Ms. Christine Kymn
Department of Energy Desk Officer
Office of Information and Regulatory Affairs
Office of Management and Budget
Washington, DC 20503

SUBJECT: Use of Generic Clearance for Energy Information Administration (EIA-882T(48), (approved under OMB number 1905-0186) for pre-survey design visits for Form EIA-857, " Monthly Report of Natural Gas Purchases and Deliveries to Consumers."

Dear Ms. Kymn:

The Energy Information Administration will field test its Form EIA-857, "Monthly Report of Natural Gas Purchases and Deliveries to Consumers." Form EIA-857 collects volume and cost data on natural gas delivered to residential, commercial, and industrial consumers and are reported by a sample of natural gas companies that deliver natural gas to consumers in the United States.

The EIA has some concerns about the data collected on Form EIA-857. From these data, EIA computes a monthly balancing item to check the data's accuracy. The balancing item is the difference between natural gas produced and natural gas consumed or stored. If the data are completely accurate, the balancing item should be zero (0).

For the past few years, the balancing item has varied from zero (0) based on the season. Coming out of the heating season¹, it is positive; consumption has been greater than supply. The opposite has happened coming out of the "shoulder" or cooling season²--it is negative; consumption is less than supply.

¹ **Heating degree-days:** A measure of how cold a location is over a period of time relative to a base temperature, most commonly specified as 65 degrees Fahrenheit. The measure is computed for each day by subtracting the average of the day's high and low temperatures from the base temperature (65 degrees), with negative values set equal to zero. Each day's heating degree-days are summed to create a heating degree-day measure for a specified reference period. Heating degree-days are used in energy analysis as an indicator of space heating energy requirements or use.

² **Cooling degree-days:** A measure of how warm a location is over a period of time relative to a base temperature, most commonly specified as 65 degrees Fahrenheit. The measure is computed for each day by subtracting the base temperature (65 degrees) from the average of the day's high and low temperatures, with negative values set equal to zero. Each day's cooling degree-days are summed to create a cooling degree-day measure for a specified reference period. Cooling degree-days are used in energy analysis as an indicator of air conditioning energy requirements or use.

EIA's Natural Gas Division thinks that some companies are only reporting natural gas consumed during October and November or in March and April. EIA wants to visit these companies to discuss how they internally collect and report their volume and cost data on Form EIA-857. EIA also wants to visit companies that do not report this lag to find out how they too internally collect and report Form EIA-857 data to EIA.

The outcome of the visits is to devise a reporting methodology (or methodologies) by which all Form EIA-857 respondents provide natural gas for a month, which is actually the amount consumed during that month. The purpose of the new reporting methodology will be to eliminate the balancing item to zero (0) or close to it. This may involve a change in the survey's instructions and possibly a change in the survey.

EIA plans to visit fifteen Form EIA-857 respondents who will have agreed in advance to be part of the pre-survey design visits. The only advanced preparation needed by the respondents is to have the information they use to report data on Form EIA-857. Each visit is estimated to take 90 minutes. The burden per respondent is 1.5 hours. Total overall burden is 22.5 hours.

EIA will provide OMB with the results of these tests in the annual summary of generic clearances. Included with this request are Form EIA-857 and its instructions, and a draft of the protocol that EIA will use during the visits.

For questions on the site visits, contact Stanley Freedman (202) 586-5856.

Sincerely,

Stephanie Brown
Director
Statistics and Methods Group
Energy Information Administration