

**Supporting Statement (Updated) for  
FERC-567<sup>1</sup>, Gas Pipeline Certificates: Annual Reports of  
System Flow Diagrams  
(Three-Year Extension Requested Through 6/30/2012)**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) extend its approval of FERC-567Error: Reference source not found (Gas Pipeline Certificates: Annual Reports of System Flow Diagrams; OMB Control No. 1902-0005) through 6/30/2012. FERC-567 is an existing data collection, consisting of filing requirements contained in 18 C.F.R. 260.8 (Attachment A). (The current OMB approval of FERC-567 expires 6/30/2009.) The reporting requirementsError: Reference source not found are not being changed at this time.

**A. JUSTIFICATION**

**1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY**

Under the Natural Gas Act (NGA) (Public Law 75-688), the Commission is authorized to make investigations and to collect and record data, to the extent the Commission may deem necessary or useful for the purpose of carrying out the provisions of the Act. Included at Attachment B are Sections of the Natural Gas Act.

- In Section 7, the Commission is required to process certificate applications and to analyze impacts of market expansions of new facilities.
- Under Section 10(a), the Commission is authorized to collect special reports from natural gas companies.
- Under Section 16 of the NGA, the Commission is given the administrative power to establish rules, regulations and orders.-

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

The information collected under the requirements of the FERC-567 is used by the Commission staff to obtain accurate data on pipeline facilities. More specifically, the FERC-567 is used in validating the need for new facilities proposed by pipelines in certificate applications. In modeling a pipeline applicant's system, Commission staff utilizes the FERC-567 data to determine configuration and location of installed pipeline facilities; verify and determine the receipt and delivery points between shippers,

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<sup>1</sup> FERC-567 was formerly known as "Gas Pipeline Certificates: Annual Reports of System Flow Diagrams and System Capacity". The capacity reporting requirements under 18CFR 284.13 had been inadvertently included under both the FERC-567 and the FERC-549B (Gas Pipeline Rates: Capacity Information; OMB Control No. 1902-0169). To correct the inadvertent 'double-counting', the capacity reporting requirements under 18CFR 284.13 are removed from FERC-567, and remain a part of FERC-549B for the purpose of OMB clearance. FERC-549B is not a subject of this OMB Clearance request.

producers and pipeline companies; determine the location of receipt and delivery points and emergency interconnections on a pipeline system; determine the location of pipeline segments, laterals and compressor stations on a pipeline system; verify pipeline segment lengths and pipeline diameters; justify the maximum allowable operating pressures and suction and discharge pressures at compressor stations; verify the installed horsepower and volumes compressed at each compressor station; determine the existing shippers and producers currently using each pipeline company; and develop and evaluate alternatives to the proposed facilities as a means to mitigate environmental impact of new pipeline construction.

Section 260.8 of 18 CFR requires each major natural gas pipeline with a system delivery capacity exceeding 100,000 Mcf per day to file with the Commission, by June 1 of each year, diagrams reflecting operating conditions on the pipeline's main transmission system during the previous 12 months (ending December 31). These data are physical/engineering data which are not included as part of any other data collection requirement.

To meet statutory and regulatory requirements (A.1. above), FERC has to collect data on pipeline facilities.

Periodically, if approved by FERC for access to the Critical Energy Infrastructure Information, other federal agencies have used the FERC-567 filings.

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

In general, the Commission continues to expand the list of filing types that may be submitted electronically (as described at <http://www.ferc.gov/docs-filing/efiling.asp> ). The FERC-567 (usually with a security level of Critical Energy Infrastructure Information [CEII]) may be submitted electronically through the FERC's eFiling system.

**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.**

Filing requirements are periodically reviewed in conjunction with OMB clearance expiration dates or as the Commission may see fit in carrying out its responsibilities in order to eliminate duplication and to ensure that the filing burden is minimized. To date, no duplication of FERC-567 data has been found. Similar information is not available from other sources.

**5. METHODS USED TO MINIMIZE BURDEN IN COLLECTION OF**

**INFORMATION INVOLVING SMALL ENTITIES**

FERC-567 is a regulatory filing requirement and the data required are the minimum requirement for regulatory purposes. While the information is primarily collected from large natural gas pipeline companies, the operational requirements imposed on these companies do affect some small businesses which benefit from the administrative programs established for the large natural gas pipeline companies. In particular, FERC-567 provides data on direction of flow, receipt and delivery points, storage operations, and the relationships with upstream and downstream pipeline systems.

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

The information collection can not be discontinued or collected less frequently because of statutory requirements. System flow diagrams are used by the FERC staff for regulatory purposes in connection with processing applications filed by interstate pipelines under Sections 7(a), 7(b), and 7(c) of the NGA. This information is also used in various investigations of operations of the pipelines, since they show interconnections with other pipelines, locations of gas supply sources, and the flow of gas and interconnections with customers' facilities. The consequences of not collecting this information are that the Commission will be unable to fulfill its statutory mandates under the NGA, and its Rules of Practice and Procedure.

**7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

The guidelines of 5 C.F.R. 1320.5(d) are being followed with the submission of the information required under FERC-567.

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

In accordance with OMB requirements in 5 CFR 1320.8(d), a 60-day Notice seeking comments on the data collection under FERC-567 was issued by FERC on 11/28/08 (in Docket No. IC09-567 and available in FERC's eLibrary, at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=11864290> ). The Notice was published in the Federal Register (at 73FR74163, 12/5/08; at <http://edocket.access.gpo.gov/2008/pdf/E8-28773.pdf> ). Public comments were due 1/30/09, but the Commission received no comments in response to this notice.

**9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

No payments or gifts are provided to respondents of the FERC-567 data collection.

10. **DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS AND THE BASIS FOR THE ASSURANCE IN STATUTE, REGULATION, OR AGENCY POLICY**

Shortly after the terrorist attacks on September 11, 2001, the Commission began its efforts with respect to Critical Energy Infrastructure Information. As a preliminary step, the Commission removed from its public files and Internet pages documents (such as oversized maps) that were likely to contain detailed specifications of facilities, and directed the public to use the Freedom of Information Act (FOIA) request process to obtain such information. The Commission has an ongoing commitment to protect information regarding critical energy infrastructure, to evaluate the effectiveness of the CEII regulations, and to make changes as necessary. In the intervening years since 2001, FERC has made several refinements to its CEII regulations, addressing both entities submitting CEII materials and requesters seeking access to CEII materials. (Additional information on FERC's CEII program and related landmark orders is available at <http://www.ferc.gov/legal/maj-ord-reg/land-docs/ceii-rule.asp>.) The FERC-567 data filed under 18CFR260.8 has been determined to fall within the definition of CEII, and public access to this data is limited.

11. **PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE**

There are no questions of a sensitive nature or other matters that are commonly considered personal associated with the collection of information under FERC-567. However, because the information provided under FERC-567 contains location and operational data on the nation's natural gas pipelines, that information is viewed as sensitive to the nation's energy infrastructure and therefore is treated as CEII material, as described above in no. 10.

12. **ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

The estimates for the average annual burden for the reporting requirements under FERC-567, Reports of System Flow Diagrams, follow. Based on the number of submittals in 2008, the number of respondents has been revised to 94<sup>2</sup> in this submittal. There has been no change to the reporting requirements or regulations; the number of annual respondents has increased (by +3) to 94.

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<sup>2</sup> In OMB's ROCIS system, for the current, approved clearance, 91 is incorrectly listed as the number of responses. Rather, it should show 91 respondents, with 1.714 responses per respondent, for a total of 155.974 annual responses (that would be rounded off to 156 annual responses).

FERC Data Collection-- FERC-567	Number of Respondents Annually (1)	Number of Responses Per Respondent Per Year (2)	No. of Responses Per Year [(1)X(2)] (3)	Average Burden Hours Per Response (4)	Total Annual Burden Hours <sup>3</sup> [(1)x(2)x(4)]
figures for this request	94	1.714	161.116, but 161 will be used to match ROCIS & subsequent calculations, due to ROCIS system constraints	81.28	13,086.08, but 13,086 will be used to match ROCIS

FERC-567 burden hours currently in OMB's inventory: 12,724  
 Program change in industry burden hours: 0  
 Adjustment change in industry burden hours: +362

See Question 15 for additional information on the corrections and substantive changes being requested.

**13. ESTIMATE OF TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

The estimated, annual costError: Reference source not found to the respondents, averaged over the next three years follows.

Total Annual Burden Hours For Respondents (1)	Person Hours Per Year <sup>4</sup> (2)	Estimated Annual Cost Per PersonError: Reference source not found (3)	Total Annual Cost To RespondentsError: Reference source not found [(1)/(2)]x(3)
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<sup>3</sup> The figures may not be exact, due to rounding. Also, see Question 15.

<sup>4</sup>The average employee works 2,080 hours per year. The estimated annual cost per employee is \$128,297.

13,086.08, but 13,086 will be used to match ROCIS	2,080	\$128,297	\$807,165.77, but due to differences in the calculations and rounding, the ROCIS estimate of \$807,165 will be used
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It should be noted that the current approved inventory in OMB’s ROCIS system shows \$0 for the annual private sector cost, however the corresponding FERC supporting statement listed the total annual cost of \$689,830.

**14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT**

The estimated annualized cost Error: Reference source not found<sup>5</sup>, Error: Reference source not found to the Federal Government for processing, reviewing, and evaluating the information reported under FERC-567 is:

Processing of Request for Renewal of OMB Clearance	\$1,480
Analysis of data, .11 FTE Error: Reference source not found	\$14,113
<b>Total estimated annual federal cost<sup>5</sup></b>	<b>\$15,593</b>

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

In this 2009 supporting statement, in real terms, the substantive change is the no. of respondents going to 94 (from 91, based on the number of submittals in 2008). Correspondingly, the total burden hours increased (due to those 3 additional respondents, representing 5.048 additional responses per year). The reporting requirements, regulations, estimated no. of annual responses per respondent, and burden per response did not change.

In addition, as part of our discussions with OMB and our review of the current inventory, we found that some figures need to be corrected or adjusted for two reasons.

- Some of the current inventory figures in OMB’s ROCIS system (i.e., the estimated number of responses per respondent per year, estimated number of responses per

<sup>5</sup> Although the current OMB inventory may reflect \$0, the estimates (submitted in the corresponding supporting statement) for the annual federal cost during the last OMB 3-year clearance renewal cycle were:

- a) Form Clearance of \$6,285
- b) Analysis of Data (0.11 FTE X \$112,767) of \$12,404.

Those figures gave a total estimated cost in one year of operation of \$18,689.

For this 3-year clearance cycle (requesting an extension through 6/30/2012), the following annual federal cost figures **update and replace** the former estimates:

- estimated annual cost for one FTE has been revised to \$128,297
- the FTE required for analysis of FERC-567 has been retained at 0.11 FTE
- the cost for a 3-year clearance renewal is currently estimated to be \$4,440 for the 3-year period (or \$1,480 annually).

year, and hours per response) do not match the figures in FERC’s corresponding supporting statement. Details are provided here in columns 2-4.

- OMB’s ROCIS system truncates or rounds at various steps in the calculations (e.g., the no. of responses), thus affecting the subsequent calculations and figures if FERC does not truncate or round at the same steps and in the same way.

The substantive increase in the number of respondents (+3) and the corrections and adjustments will both be incorporated into this submittal.

FERC-567 <i>Col. 1</i>	<i>Related to approval in 2006 (ICR # 200604-1902-005) [figures in current OMB inventory]</i>			<b>2009 Submittal (ICR #200904-1902-004)</b>		
	<i>Col. 2</i> ROCIS details	<i>Col. 3</i> FERC’s 2006 supporting statement	<i>Col. 4</i> Difference in figures: supporting statement (Col. 3) minus ROCIS (Col. 2)	<i>Col. 5</i> FERC’s 2009 Supporting Statement (this request) <sup>6</sup>	<i>Col. 6</i> Difference in figures in FERC’s supporting statements: this 2009 request (Col. 5) minus 2006 request (Col. 3) <small>Error: Reference source not found</small>	<i>Col. 7</i> 2009 ROCIS entry to reflect increase in no. of respondents (shown in Col. 6) and to correct errors between ROCIS & supp. statement (as noted in Col. 4) <small>Error: Reference source not found</small>
Estimated number of respondents	91	91	0	94	+3	94
Estimated number of responses per respondent per year	1	1.714	+0.714	1.714	0	1.714
Estimated number of responses per year	91	156	+65	161.116, but 161 will be used to match OMB’s ROCIS & subsequent calculations,	+5	161

6 The estimate in the 30-day public Notice issued on 4/22/09 (74FR19548, 4/29/09) provided the following figures: 94 respondents and 1.714 responses per respondent. That gives an annual estimate of 161.116 responses per year. The Notice estimated 81.28 hours per response, giving a total of 13,095.5 burden hours (161.116 responses X 81.28 hours per response).

OMB’s ROCIS system either rounds off or truncates the estimated no. of responses per year. Therefore, due to the ROCIS constraints, 161 will be considered the number of annual responses for this supporting statement. Correspondingly, the annual burden will be 13,086 hours (161 responses X 81.28 hours per response).

				due to ROCIS system constraintsError: Reference source not found		
<b>Estimated hours per response</b>	139.8241758 [but we'll use 139.82 here, as does ROCIS for the total burden per response]	81.28	-58.54	81.28	0	81.28
<b>Total Annual burden hours</b>	12,724	12,724	0	13,086.08, but 13,086 will be used for calculations, to match ROCIS Error: Reference source not found	+362	13,086

**16. TIME SCHEDULE FOR PUBLICATION OF DATA**

The Commission has no plans to tabulate or publish the information collected under FERC-567. The data are used only for regulatory purposes.

**17. DISPLAY OF EXPIRATION DATE**

The reporting requirements under FERC-567 are based in regulations, and not filed on formatted/printed forms. Thus, the subject data requirements do not have a 'form' on which to display an OMB expiration date. The OMB expiration date is posted on the FERC website at <http://www.ferc.gov/docs-filing/hard-fil.asp#567>.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The data collected for this reporting requirement are case specific and are not used for statistical purposes. Therefore, the Commission does not use, as stated in item no. 19(i), "effective and efficient statistical survey methodology."

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable. Statistical methods are not employed for this data collection.



**Title 18 CFR: Conservation of Power and Water Resources****PART 260—STATEMENTS AND REPORTS (SCHEDULES)**

**Authority:** 15 U.S.C. 717–717w, 3301–3432; 42 U.S.C. 7101–7352.

**§ 260.8 System flow diagrams: Format No. FERC 567.**

(a) Each Major natural gas pipeline company, having a system delivery capacity in excess of 100,000 Mcf per day (measured at 14.73 p.s.i.a. and 60° F.), shall file with the Commission by June 1 of each year five (5) copies of a diagram or diagrams reflecting operating conditions on its main transmission system during the previous twelve months ended December 31. For purposes of system peak deliveries, the heating season overlapping the year's end shall be used. Facilities shall be those installed and in operation on December 31 of the reporting year. All volumes shall be reported on a uniform stated pressure and temperature base.

(b) The diagram or diagrams shall include the following items of information:

- (1) Nominal diameter (inches) of each pipeline.
- (2) Miles of pipeline (to nearest 0.1 mile) between points of intake, delivery, river crossings, storage fields, crossovers, compressor stations and connections with other pipeline companies.
- (3) Direction of flow in the pipelines. If direction of flow can be reversed at compressor stations, so indicate.
- (4) Maximum permissible operating pressure for each pipeline at discharge side of each compressor station or other critical point, determined by the Department of Transportation's safety standards.
- (5) Total horsepower of compressor engines installed at each compressor station.
- (6) Designed suction pressure for each compressor station, p.s.i.g.
- (7) Designed discharge pressure for each station, p.s.i.g.
- (8) Maximum volume, Mcf per day that can be compressed at each compressor station under conditions of suction and discharge set forth in paragraphs (b) (6) and (7) of this section. If direction of flow affects these factors provide the information for each direction of flow.
- (9) The fuel requirement at each compressor station under conditions described in paragraph (b)(8) of this section.
- (10) Pressure in the pipeline at points of emergency interconnection with other pipeline companies which can normally be expected to exist, and the volume which could be delivered or received at such emergency interconnection points at such pressures. Give the name of the interconnecting company.
- (11) For each storage field, connected to the system and operated by the respondent pipeline company, the maximum dependable daily and seasonal withdrawal volumes available under normal conditions of operation.
- (12) Volumes delivered: (i) The average daily volumes delivered at each takeoff point, (ii) the volumes delivered at each takeoff point on the day of maximum coincidental delivery, and (iii) the maximum daily volumes (noncoincidental) delivered to each customer under rates subject to FERC jurisdiction.
- (13) The average daily volume received at each intake point to the transmission pipeline system.
- (14) The volume received into the transmission pipeline system at each intake point on the day of maximum coincidental delivery.
- (15) The information required by paragraphs (b)(12), (13) and (14), of this section may be furnished in tabular form, or by reference to FERC Form No. 2, providing, that the information is suitably keyed to the diagram by appropriate identifying symbol or number.

[Order 303–A, 31 FR 7226, May 18, 1966, as amended by Order 345, 32 FR 7332, May 17, 1967; Order 430, 36 FR 7052, Apr. 14, 1971; Order 215, 47 FR 10203, Mar. 10, 1982; Order 390, 49 FR 32527, Aug. 14, 1984]

The following excerpts of the Natural Gas Act ((NGA) June 21, 1938, ch. 556, 52 Stat. 821 (15 U.S.C. 717 et seq.) are provided as they relate to, and give background for, FERC-567.

**15 U.S. Code (U.S.C.) 717 et seq.**  
[TITLE 15](#) > [CHAPTER 15B](#) > § 717

## **§ 717. Regulation of natural gas companies**

### **(a) Necessity of regulation in public interest**

As disclosed in reports of the Federal Trade Commission made pursuant to S. Res. 83 (Seventieth Congress, first session) and other reports made pursuant to the authority of Congress, it is declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

### **(b) Transactions to which provisions of chapter applicable**

The provisions of this chapter shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, and to the importation or exportation of natural gas in foreign commerce and to persons engaged in such importation or exportation, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

### **(c) Intrastate transactions exempt from provisions of chapter; certification from State commission as conclusive evidence**

The provisions of this chapter shall not apply to any person engaged in or legally authorized to engage in the transportation in interstate commerce or the sale in interstate commerce for resale, of natural gas received by such person from another person within or at the boundary of a State if all the natural gas so received is ultimately consumed within such State, or to any facilities used by such person for such transportation or sale, provided that the rates and service of such person and facilities be subject to regulation by a State commission. The matters exempted from the provisions of this chapter by this subsection are declared to be matters primarily of local concern and subject to regulation by the several States. A certification from such State commission to the Federal Power Commission that such State commission has regulatory jurisdiction over rates and service of such person and facilities and is exercising such jurisdiction shall constitute conclusive evidence of such regulatory power or jurisdiction.

### **(d) Vehicular natural gas jurisdiction**

The provisions of this chapter shall not apply to any person solely by reason of, or with respect to, any sale or transportation of vehicular natural gas if such person is—

**(1)** not otherwise a natural-gas company; or

**(2)** subject primarily to regulation by a State commission, whether or not such State commission has, or is exercising, jurisdiction over the sale, sale for resale, or transportation of vehicular natural gas.

## **§ 717a. Definitions**

When used in this chapter, unless the context otherwise requires—

**(1)** “Person” includes an individual or a corporation.

**(2)** “Corporation” includes any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, receiver or receivers, trustee or trustees of any of the foregoing, but shall not include municipalities as hereinafter

defined.

(3) "Municipality" means a city, county, or other political subdivision or agency of a State.

(4) "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States.

(5) "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.

(6) "Natural-gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.

(7) "Interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, but only insofar as such commerce takes place within the United States.

(8) "State commission" means the regulatory body of the State or municipality having jurisdiction to regulate rates and charges for the sale of natural gas to consumers within the State or municipality.

(9) "Commission" and "Commissioner" means the Federal Power Commission, and a member thereof, respectively.

(10) "Vehicular natural gas" means natural gas that is ultimately used as a fuel in a self-propelled vehicle.

(11) "LNG terminal" includes all natural gas facilities located onshore or in State waters that are used to receive, unload, load, store, transport, gasify, liquefy, or process natural gas that is imported to the United States from a foreign country, exported to a foreign country from the United States, or transported in interstate commerce by waterborne vessel, but does not include—

(A) waterborne vessels used to deliver natural gas to or from any such facility; or

(B) any pipeline or storage facility subject to the jurisdiction of the Commission under section [717f](#) of this title.

### **[NGA Section 7]**

#### **§ 717f. Construction, extension, or abandonment of facilities**

##### **(a) Extension or improvement of facilities on order of court; notice and hearing**

Whenever the Commission, after notice and opportunity for hearing, finds such action necessary or desirable in the public interest, it may by order direct a natural-gas company to extend or improve its transportation facilities, to establish physical connection of its transportation facilities with the facilities of, and sell natural gas to, any person or municipality engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public, and for such purpose to extend its transportation facilities to communities immediately adjacent to such facilities or to territory served by such natural-gas company, if the Commission finds that no undue burden will be placed upon such natural-gas company thereby: Provided, That the Commission shall have no authority to compel the enlargement of transportation facilities for such purposes, or to compel such natural-gas company to establish physical connection or sell natural gas when to do so would impair its ability to render adequate service to its customers.

##### **(b) Abandonment of facilities or services; approval of Commission**

No natural-gas company shall abandon all or any portion of its facilities subject to the jurisdiction of the Commission, or any service rendered by means of such facilities, without the permission and approval of the Commission first had and obtained, after due hearing, and a finding by the Commission that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the present or future public convenience or necessity permit such abandonment.

##### **(c) Certificate of public convenience and necessity**

###### **(1)**

(A) No natural-gas company or person which will be a natural-gas company upon completion of any proposed construction or extension shall engage in the transportation or sale of natural gas, subject to the jurisdiction of the Commission, or undertake the construction or extension of any facilities therefor, or acquire or operate any such facilities or extensions thereof, unless there is in force with respect to such natural-gas company a certificate of public convenience and necessity issued by the Commission authorizing such acts or operations: Provided, however, That if any such

natural-gas company or predecessor in interest was bona fide engaged in transportation or sale of natural gas, subject to the jurisdiction of the Commission, on February 7, 1942, over the route or routes or within the area for which application is made and has so operated since that time, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission within ninety days after February 7, 1942. Pending the determination of any such application, the continuance of such operation shall be lawful.

**(B)** In all other cases the Commission shall set the matter for hearing and shall give such reasonable notice of the hearing thereon to all interested persons as in its judgment may be necessary under rules and regulations to be prescribed by the Commission; and the application shall be decided in accordance with the procedure provided in subsection (e) of this section and such certificate shall be issued or denied accordingly: Provided, however, That the Commission may issue a temporary certificate in cases of emergency, to assure maintenance of adequate service or to serve particular customers, without notice or hearing, pending the determination of an application for a certificate, and may by regulation exempt from the requirements of this section temporary acts or operations for which the issuance of a certificate will not be required in the public interest.

**(2)** The Commission may issue a certificate of public convenience and necessity to a natural-gas company for the transportation in interstate commerce of natural gas used by any person for one or more high-priority uses, as defined, by rule, by the Commission, in the case of—

**(A)** natural gas sold by the producer to such person; and

**(B)** natural gas produced by such person.

**(d) Application for certificate of public convenience and necessity**

Application for certificates shall be made in writing to the Commission, be verified under oath, and shall be in such form, contain such information, and notice thereof shall be served upon such interested parties and in such manner as the Commission shall, by regulation, require.

**(e) Granting of certificate of public convenience and necessity**

Except in the cases governed by the provisos contained in subsection (c)(1) of this section, a certificate shall be issued to any qualified applicant therefor, authorizing the whole or any part of the operation, sale, service, construction, extension, or acquisition covered by the application, if it is found that the applicant is able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of this chapter and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, sale, operation, construction, extension, or acquisition, to the extent authorized by the certificate, is or will be required by the present or future public convenience and necessity; otherwise such application shall be denied. The Commission shall have the power to attach to the issuance of the certificate and to the exercise of the rights granted thereunder such reasonable terms and conditions as the public convenience and necessity may require.

**(f) Determination of service area; jurisdiction of transportation to ultimate consumers**

**(1)** The Commission, after a hearing had upon its own motion or upon application, may determine the service area to which each authorization under this section is to be limited. Within such service area as determined by the Commission a natural-gas company may enlarge or extend its facilities for the purpose of supplying increased market demands in such service area without further authorization; and

**(2)** If the Commission has determined a service area pursuant to this subsection, transportation to ultimate consumers in such service area by the holder of such service area determination, even if across State lines, shall be subject to the exclusive jurisdiction of the State commission in the State in which the gas is consumed. This section shall not apply to the transportation of natural gas to another natural gas company.

**(g) Certificate of public convenience and necessity for service of area already being served**

Nothing contained in this section shall be construed as a limitation upon the power of the Commission to grant certificates of public convenience and necessity for service of an area already being served by another natural-gas company.

**(h) Right of eminent domain for construction of pipelines, etc.**

When any holder of a certificate of public convenience and necessity cannot acquire by contract,

or is unable to agree with the owner of property to the compensation to be paid for, the necessary right-of-way to construct, operate, and maintain a pipe line or pipe lines for the transportation of natural gas, and the necessary land or other property, in addition to right-of-way, for the location of compressor stations, pressure apparatus, or other stations or equipment necessary to the proper operation of such pipe line or pipe lines, it may acquire the same by the exercise of the right of eminent domain in the district court of the United States for the district in which such property may be located, or in the State courts. The practice and procedure in any action or proceeding for that purpose in the district court of the United States shall conform as nearly as may be with the practice and procedure in similar action or proceeding in the courts of the State where the property is situated: Provided, That the United States district courts shall only have jurisdiction of cases when the amount claimed by the owner of the property to be condemned exceeds \$3,000.

### **[NGA Section 10(a)]**

#### **§ 717i. Periodic and special reports**

##### **(a) Form and contents of reports**

Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this chapter. The Commission may prescribe the manner and form in which such reports shall be made, and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, cost of facilities, cost of maintenance and operation of facilities for the production, transportation, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas. The Commission may require any such natural-gas company to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.

##### **(b) Unlawful conduct**

It shall be unlawful for any natural-gas company willfully to hinder, delay, or obstruct the making, filing, or keeping of any information, document, report, memorandum, record, or account required to be made, filed, or kept under this chapter or any rule, regulation, or order thereunder.

### **[NGA Section 16]**

#### **§ 717o. Administrative powers of Commission; rules, regulations, and orders**

The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this chapter. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this chapter; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective thirty days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

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**§ 717w. Short title**

This chapter may be cited as the “Natural Gas Act.”