

**(Revised 8/25/2009)**

**SUPPORTING STATEMENT FOR  
FERC-576, REPORT OF SERVICE INTERRUPTIONS  
(Three-Year Extension Requested Through 8/31/2012)**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) extend its approval of FERC-576 (Report of Service Interruptions; OMB Control No. 1902-0004) through 8/31/2012. FERC-576 is an existing data collection, consisting of filing requirements contained in 18 C.F.R. 260.9 (Attachment A). (The current OMB approval of FERC-576 expires 8/31/2009.) The reporting requirements 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) (15 U.S.C. 717-717w) a natural gas company must obtain Commission authorization to engage in the transportation, sale or exchange of natural gas in interstate commerce. (Those reporting requirements are covered separately by FERC-537, OMB Control No. 1902-0060, which is not a subject of this clearance request.) The Commission is also empowered to oversee continuity of service in the transportation of natural gas in interstate commerce. The information collected under FERC-576 notifies the Commission in a timely manner of any interruption to service or damages to the regulated energy infrastructure that could result in a possible hazard to public health or safety.

Filings in accordance with the provisions of Section 4(d) of the Natural Gas Act (NGA) (15 U.S.C. § 717c) are to contain information necessary to advise the Commission when a change in service has occurred. Under Section 7(d) of the NGA (15 U.S.C. § 717f) 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. Section 10(a) of the NGA, 15 U.S.C. §717i) requires natural gas pipeline companies to file reports with the Commission as prescribed by rules or regulations or by order as appropriate, in order to allow the Commission to perform its regulatory duties. The provisions of Section 16 of the NGA, 15 U.S.C. § 717o) authorize the Commission to prescribe forms, statements, declarations, reports and the information they are to contain plus the time frames as to when the information is to be filed. Related parts of the statute are included at Attachment B.

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

The Commission in response to timely notification of a serious interruption or damage may contact the pipeline to determine the estimated duration of the outage, and if necessary,

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authorize emergency transportation or re-construction of facilities to alleviate the problem. The data collected pertains to serious interruptions of service to any wholesale customer involving facilities operated under certificate authorization from the Commission.

Specifically, the data collected may include: (1) date of the service interruption, (2) date of reporting of the interruption to the Commission, (3) location, (4) brief description of facility involved and cause of interruption, (5) customers affected, (6) duration of the interruption, and (7) volumes of natural gas interrupted.

These data are required by the Commission to provide timely information concerning interruptions to wholesale service. The reporting of these interruptions will assist the Commission and the natural gas industry in fulfilling their obligations to the public to provide better service through increased efficiency and reliability, natural gas to the municipality or person and, for such purpose, to extend its transportation facilities to communities immediately adjacent to such facilities or areas served by the natural gas company.

The Commission's Office of Energy Projects (OEP) is responsible for evaluating/processing data related to service interruptions under Section 260.9 of the Commission's regulations.

The information collection cannot be discontinued nor collected less frequently because of statutory requirements. The Commission is required to review reports concerning any disruptions in service of the transportation of natural gas in wholesale markets. The consequences of not collecting this information are that the Commission would be unable to fulfill its statutory mandate under the NGA and its own rules of practice and procedure.

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

The FERC-576 is submitted electronically by e-mail to [pipelineoutage@ferc.gov](mailto:pipelineoutage@ferc.gov).

### **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.

In coordination with the U. S. Department of Transportation (DOT), FERC has reviewed the pipeline damage reporting requirements. FERC and DOT have concluded that there is minimal duplication between the data collected here and that collected by DOT under 49CFR191. The intent, timing, and the information collected serve different needs, and a

common reporting form is not appropriate.

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

FERC-576 is a regulatory filing requirement relating to the collection of natural gas data relative to emergencies affecting pipeline service and facilities. The data collected under FERC-576 are collected only during the service interruption emergency and recovery. The collected data are the minimum required regardless of company size and the minimum necessary for the Commission to make regulatory decisions. Such data are required by the Commission to determine the magnitude and impact of the service interruption emergency. The data are readily available to the respondent.

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

The information collection cannot be discontinued nor collected less frequently because of statutory requirements to monitor emergency transactions. Without such information, the Commission staff would be unable to evaluate the data as described in item no. 2 above. The timing and frequency of data filed with the Commission under FERC-576 is determined by the respondent and when an interruption of service occurs.

**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-576.

**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-576 was issued by FERC on 1/29/09 (in Docket No. IC09-576 and available in FERC's eLibrary, at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=11918611> ). The Notice was published in the Federal Register (at 74FR6273, 2/6/09; at <http://edocket.access.gpo.gov/2009/pdf/E9-2520.pdf> ). Public comments were due 4/9/09, 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-576 data collection.

10. and 11. **DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS AND THE BASIS FOR THE ASSURANCE IN STATUTE, REGULATION, OR AGENCY POLICY; and PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE**

FERC-576 provides real-time notification about a possible emergency situation (and any associated corrective measures) for a gas pipeline. FERC-576 describes extenuating circumstances and may deal with sensitive information about the regulated energy infrastructure. The public may request access to the material through the Freedom of Information Act (FOIA).

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

The estimates for the average annual burden for the reporting requirements under FERC-576 follow.

<b>FERC Data Collection - FERC-576</b>	<b>Number of Respondents [Events] Annually(1)</b>	<b>Number of Responses Per Respondent (2)</b>	<b>Average Burden Hours Per Response (3)</b>	<b>Total Annual Burden Hours (1)x(2)x(3)</b>
submittal to FERC of the original e-mail and follow-up e-mail Error: Reference source not found	40	2 <sup>1</sup>	1	80 Error: Reference source not found
submittal of damage report to state commissions	40	1	0.25	10
submittal to FERC of copy of DOT incident report	40	1	0.25	10
<b>Total</b>				<b>100</b>

See Attachment C for a comparison to the burden and cost information currently in the OMB inventory.

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

The estimated, annual cost to respondents<sup>2</sup>, averaged over the next three years, is \$6,307 (100 hours X \$63.07 per hour= \$6,307). See Attachment C for a comparison to the burden and cost information currently in the OMB inventory.

1 This includes the original e-mail, plus the follow-up e-mail (sent when throughput or storage deliverability has been restored).

2 Based on the Bureau of Labor Statistics’ figures (for May 2008) for wage estimates within ‘NAICS 486200, Pipeline Transportation of Natural Gas’ (posted at [http://www.bls.gov/oes/2008/may/naics4\\_486200.htm](http://www.bls.gov/oes/2008/may/naics4_486200.htm)), the average hourly cost being used for these calculations is \$63.07. The total estimated cost burden provided here (\$6,307) updates and replaces the estimate (of \$6,076.15) provided in the 60-day Notice issued on 1/29/09.

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

The estimated annualized cost to the Federal Government for processing, reviewing, and evaluating the information reported under FERC-576 is:

Processing of Request for Renewal of OMB Clearance	\$1,480
Analysis of data, .75 FTE <sup>3</sup>	\$96,222.75
<b>Total estimated annual federal cost</b>	<b>\$97,702.75</b>

See Attachment C for a comparison to the burden and cost information currently in OMB inventory.

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

The number of respondents, responses, and corresponding total burden hours have been revised, based on the actual number of submittals. (The reporting requirements have not changed.) See Attachment C for a comparison to the burden and cost information currently in the OMB inventory, and an explanation of the differences.

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

The Commission has no plans to tabulate or publish the information collected under FERC-576. The data are used only for regulatory purposes.

**17. DISPLAY OF EXPIRATION DATE**

The reporting requirements under FERC-576 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#576>.

**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.

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<sup>3</sup> For this calculation, the average full-time employee (FTE) works 2,080 hours per year and costs \$129,297 per year.

The following information is provided as it relates to FERC-576.

**e-CFR Data is current as of April 30, 2009**

## **Title 18: Conservation of Power and Water Resources**

[PART 260—STATEMENTS AND REPORTS \(SCHEDULES\)](#)

### **§ 260.9 Reports by natural gas pipeline companies on service interruptions and damage to facilities.**

(a)(1) Every natural gas company must report to the Director, Division of Pipeline Certificates, at the earliest feasible time:

(i) Damage to any jurisdictional natural gas facilities other than liquefied natural gas facilities caused by a hurricane, earthquake or other natural disaster or terrorist activity that results in a loss of or reduction in pipeline throughput or storage deliverability; and

(ii) Serious interruptions of service to any shipper involving jurisdictional natural gas facilities other than liquefied natural gas facilities. Such serious interruptions of service shall include interruptions of service to communities, major government installations and large industrial plants outside of communities or any other interruptions which are significant in the judgment of the pipeline company. Interruptible service interrupted in accordance with the provisions of filed tariffs, interruptions of service resulting from planned maintenance or construction and interruptions of service of less than three hours duration need not be reported.

(2) In the event of damage to a natural gas company's jurisdictional natural gas facilities other than liquefied natural gas facilities by reason other than hurricane, earthquake or other natural disaster or terrorist activity, the natural gas company should report such damage if, in the natural gas company's judgment, such damage creates the potential for serious delivery problems on its own system or the pipeline grid.

(b) Any report of damage to facilities required by paragraph (a)(1)(i) of this section, any report of service interruption required by paragraph (a)(1)(ii) of this section and any report made pursuant to paragraph (a)(2) of this section in a natural gas company's discretion must be submitted by the natural gas company by e-mail to [pipelineoutage@ferc.gov](mailto:pipelineoutage@ferc.gov) or by facsimile transmission to the Director, Division of Pipeline Certificates, Office of Energy Projects at FAX number (202) 208-2853.

(1) Reports required by paragraph (a)(1)(i) or (ii) or made in a natural gas company's discretion pursuant to paragraph (a)(2) shall be made at the earliest feasible time and must state:

(i) The location and cause of the service interruption or damage to natural gas pipeline or storage facilities;

(ii) The nature of any damage to pipeline or storage facilities;

(iii) Specific identification of any facilities damaged;

(iv) The time the service interruption or damage to facilities occurred;

(v) The customers affected by the interruption of service or damage to facilities;

(vi) Emergency actions taken to maintain service; and

(vii) Company contact and telephone number.

(2) Following a report required by paragraph (a)(1)(i) of this section of damage to natural gas facilities resulting in loss of pipeline throughput or storage deliverability or a report pursuant to paragraph (a)(2) of this section in a natural gas company's discretion, the natural gas company shall report to the Director, Division of Pipeline Certificates, at the earliest feasible time when pipeline throughput or storage deliverability has been restored.

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(c) If so directed by the Commission or the Director, Division of Pipeline Certificates, the company must provide any supplemental information so as to provide a full report of the circumstances surrounding the occurrence.

(d) In any instance in which an incident or damage report involving jurisdictional natural gas facilities is required by Department of Transportation reporting requirements under the Natural Gas Pipeline Safety Act of 1968, a copy of such report shall be submitted to the Director, Division of Pipeline Certificates, within 30 days of the reportable incident.

(e) When a report of damage to facilities is required by paragraph (a)(1)(i) of this section or a report of service interruption is required by paragraph (a)(1)(ii) of this section, a copy of the e-mail or facsimile report required pursuant to paragraph (b) of this section must be sent to each State commissions for the States in which the reported service interruptions or damage has occurred.

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-576.

**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



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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 4d]**

## **§ 717c. Rates and charges**

### **(a) Just and reasonable rates and charges**

All rates and charges made, demanded, or received by any natural-gas company for or in connection with the transportation or sale of natural gas subject to the jurisdiction of the Commission, and all rules and regulations affecting or pertaining to such rates or charges, shall be just and reasonable, and any such rate or charge that is not just and reasonable is declared to be unlawful.

### **(b) Undue preferences and unreasonable rates and charges prohibited**

No natural-gas company shall, with respect to any transportation or sale of natural gas subject to the jurisdiction of the Commission,

(1) make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, or

(2) maintain any unreasonable difference in rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service.

### **(c) Filing of rates and charges with Commission; public inspection of schedules**

Under such rules and regulations as the Commission may prescribe, every natural-gas company shall file with the Commission, within such time (not less than sixty days from June 21, 1938) and in such form as the Commission may designate, and shall keep open in convenient form and place for public inspection, schedules showing all rates and charges for any transportation or sale subject to the jurisdiction of the Commission, and the classifications, practices, and regulations affecting such rates and charges, together with all contracts which in any manner affect or relate to such rates, charges, classifications, and services.

### **(d) Changes in rates and charges; notice to Commission**

Unless the Commission otherwise orders, no change shall be made by any natural-gas company in any such rate, charge, classification, or service, or in any rule, regulation, or contract relating thereto, except after thirty days' notice to the Commission and to the public. Such notice shall be given by filing with the Commission and keeping open for public inspection new schedules stating plainly the change or changes to be made in the schedule or schedules then in force and the time

when the change or changes will go into effect. The Commission, for good cause shown, may allow changes to take effect without requiring the thirty days' notice herein provided for by an order specifying the changes so to be made and the time when they shall take effect and the manner in which they shall be filed and published.

**(e) Authority of Commission to hold hearings concerning new schedule of rates**

Whenever any such new schedule is filed the Commission shall have authority, either upon complaint of any State, municipality, State commission, or gas distributing company, or upon its own initiative without complaint, at once, and if it so orders, without answer or formal pleading by the natural-gas company, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, charge, classification, or service; and, pending such hearing and the decision thereon, the Commission, upon filing with such schedules and delivering to the natural-gas company affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such schedule and defer the use of such rate, charge, classification, or service, but not for a longer period than five months beyond the time when it would otherwise go into effect; and after full hearings, either completed before or after the rate, charge, classification, or service goes into effect, the Commission may make such orders with reference thereto as would be proper in a proceeding initiated after it had become effective. If the proceeding has not been concluded and an order made at the expiration of the suspension period, on motion of the natural-gas company making the filing, the proposed change of rate, charge, classification, or service shall go into effect. Where increased rates or charges are thus made effective, the Commission may, by order, require the natural-gas company to furnish a bond, to be approved by the Commission, to refund any amounts ordered by the Commission, to keep accurate accounts in detail of all amounts received by reason of such increase, specifying by whom and in whose behalf such amounts were paid, and, upon completion of the hearing and decision, to order such natural-gas company to refund, with interest, the portion of such increased rates or charges by its decision found not justified. At any hearing involving a rate or charge sought to be increased, the burden of proof to show that the increased rate or charge is just and reasonable shall be upon the natural-gas company, and the Commission shall give to the hearing and decision of such questions preference over other questions pending before it and decide the same as speedily as possible.

**(f) Storage services**

**(1)** In exercising its authority under this chapter or the Natural Gas Policy Act of 1978 ([15 U.S.C. 3301](#) et seq.), the Commission may authorize a natural gas company (or any person that will be a natural gas company on completion of any proposed construction) to provide storage and storage-related services at market-based rates for new storage capacity related to a specific facility placed in service after August 8, 2005, notwithstanding the fact that the company is unable to demonstrate that the company lacks market power, if the Commission determines that—

**(A)** market-based rates are in the public interest and necessary to encourage the construction of the storage capacity in the area needing storage services; and

**(B)** customers are adequately protected.

**(2)** The Commission shall ensure that reasonable terms and conditions are in place to protect consumers.

**(3)** If the Commission authorizes a natural gas company to charge market-based rates under this subsection, the Commission shall review periodically whether the market-based rate is just, reasonable, and not unduly discriminatory or preferential.

**[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.

***§ 717w. Short title***

This chapter may be cited as the "Natural Gas Act."

For ease of comparison, we are providing the following information on the burden and cost:

1. currently approved in the OMB inventory and system
2. in this request (for clearance extension through 8/2012) and the related entry in OMB’s ROCIS system.

Please note that OMB’s ROCIS system truncates and/or rounds off certain components of the calculations for burden and cost. In addition, FERC’s calculations are best estimates for annual figures, averaged over a three-year period; they have also been rounded.

FERC-576 – Annual Estimates	Number of Respondents [Events] Annually (1)	Number of Responses Per Respondent (2)	Average Burden Hours Per Response (3)	Total Annual Burden Hours (1)x(2)x(3)	Annual Private Sector Costs (\$)	Annual Costs to Federal Gov’t. (\$)
<b>current clearance, approved by OMB through 08/2009 <sup>4</sup></b>						
	15	2.3	2.51	88	0 Error: Reference source not found	0 Error: Reference source not found
<b>this request for approval through 8/2012 <sup>5</sup></b>						
submittal to FERC of the original e-mail and follow-up e-mail Error: Reference source not found	40	2 <sup>6</sup>	1			
submittal of damage report to state commissions	40	1	0.25			
submittal to FERC of copy of DOT incident report	40	1	0.25	100	\$6,307	\$97,702.75
<b>this request (for extension through 8/2012), as compared to existing OMB approval (expiring 8/2009) Error:</b>						

<sup>4</sup> Note the OMB Notice of Action (NOA) dated 8/24/2006 and OMB system list the number of responses (rather than the number of respondents as indicated in the supporting statement) as 15; the FERC supporting statement showed 15 respondents and 28.5 annual responses.

OMB’s system shows estimated annual public and federal costs of \$0, however estimated annual costs from the associated FERC supporting statements show:

- for public cost, \$11,634 (\$10,500 from the supporting statement for RM06-18, in addition to the previous public cost of \$1,134) and
- for federal cost, \$91,841 (\$58,660 from the supporting statement for RM06-18, in addition to the previous cost of \$33,181).

For comparison purposes, the current cost figures (noted above) from the supporting statements are subtracted from the cost figures for this clearance request.

<sup>5</sup> The estimate of 40 ‘events’ annually is based on actual filings made in Fiscal Year (FY) 2008. In FY 2008, FERC received 81 reports, equating to approximately 40 ‘events’, and 2 e-mails per ‘event’.

<sup>6</sup> This includes the original e-mail (on the ‘event’ [and any associated corrective measures], plus the follow-up e-mail (sent when throughput or storage deliverability has been restored).

Reference source not found						
	+25 'events' [respondents] estimated annually See response above to Question 12. Error: Reference source not found				+12	+\$6,307 See response above to Question 13. Error: Reference source not found Error: Reference source not found
						+\$97,702.75 See response to Question 14. Error: Reference source not found, Error: Reference source not found