

FERC-546 (OMB No. 1902-0155)

Supporting Statement for
FERC-546, Certificated Rate Filings: Gas Pipeline Rates
OMB No. 1902-0155
(Currently approved through September 30, 2009)

The Federal Energy Regulatory Commission (Commission or FERC) requests Office of Management and Budget (OMB) review and approval of **FERC-546, Certificated Rate Filings: Gas Pipeline Rates**. FERC requests a 3-year extension (until 9/30/2012) for FERC-546. FERC-546 is an existing data requirement supporting obligations set out in 18 CFR Parts 154 and 284.221. There are no changes to the burden, regulations, or reporting requirements.

A. JUSTIFICATION

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

In accordance with sections 4, 5, and 16 of the Natural Gas Act (NGA), (15 USC 717c - 717o, PL 75-688, 52 Stat. 822 and 830), and Section 403 of the Natural Gas Policy Act (NGPA), (15 USC 3393, PL 95-621), a natural gas company must obtain Commission authorization for all rates and charges made, demanded, or received in connection with the transportation or sale of natural gas in interstate commerce. The Commission is authorized to investigate the rates charged by natural gas pipeline companies subject to its jurisdiction. If, after the investigation, the Commission is of the opinion that the rates are "unjust or unreasonable or unjustly discriminatory or unduly preferential," it is authorized to determine and prescribe just and reasonable rates. The NGA also provides the Commission with a means for considering the reasonableness of rates through settlement conferences or hearings. If the Commission finds rates to be "unjust or unreasonable or unjustly discriminatory or unduly preferential," it is authorized to determine and prescribe just and reasonable rates. The NGA further provides the Commission with a means for considering the reasonableness of rates through settlement conferences or hearings.

FERC has authority under Section 5 of the NGA to require prospective changes in the rates charged by a pipeline when it can be demonstrated that the rates are no longer just and reasonable. The FERC can initiate a Section 5 proceeding on its own motion or upon complaint from an interested party. In a Section 5 proceeding, the Commission has the burden of demonstrating that the currently effective rates of a pipeline are no longer just and reasonable, and of establishing just and reasonable rates.

When a pipeline decides to construct and operate a jurisdictional pipeline, it files an application with the Commission and receives a Certificate of Public Convenience and Necessity from FERC. In the Certificate Proceeding (CP), the Commission has authorized "initial rates" for firm and interruptible transportation service to be provided by the pipeline.

Initial rates are established for new services authorized in certificate proceedings and must meet a public convenience and necessity standard. Initial rates established in the certificate proceeding remain in effect until such rates are reviewed by the Commission in a rate proceeding. After the pipeline has been in operation for a set period, it files a Section 4 rate filing to have its initial rates reviewed under the just and reasonable standard.

Section 16 of the NGA grants the Commission with administrative powers including the ability to define accounting, technical and trade terms, prescribe forms, statements, declarations or reports and to prescribe rules and regulations.

Section 403 authorizes the Commission, as delegated through Department of Energy Organization Act, to establish and review priorities for curtailments under the Natural Gas Act.

The appropriate sections of the statutes and regulations are included at Attachment A.

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

The Commission uses the information collected in these filings to monitor jurisdictional transportation and unbundled sales activities of interstate natural gas pipelines and Hinshaw¹ pipelines. In addition to fulfilling the Commission's obligations under the NGA, this information collection enables the Commission to monitor the activities and evaluate transactions of the natural gas industry, ensuring competitiveness, and improved efficiency of the industry's operations. Under the new section 4(f) of the NGA as created by the Energy Policy Act of 2005, FERC is authorized to ensure adequate customer protections. The Commission's Office of Energy Market Regulation and the Office of the General Counsel use the data in rate proceedings to review rate and tariff changes by natural gas companies for the transportation of gas, for general industry oversight, and to supplement the documentation used during the Commission's audit process.

Approval of the certificated pipeline changes in service² is collected under FERC-546. (Information necessary to examine and approve any change in rates is collected separately under

¹ Hinshaw pipelines are those that receive all out-of-state gas from entities within or at the boundary of a state if all the natural gas so received is ultimately consumed within the state in which it is received, 15 U.S.C. § 717(c). Congress concluded that Hinshaw pipelines are "matters primarily of local concern," and so are more appropriately regulated by pertinent state agencies rather than by FERC. The Natural Gas Act section 1(c) exempts Hinshaw pipelines from FERC jurisdiction. A Hinshaw pipeline, however, may apply for a FERC certificate to transport gas outside of state lines.

² Changes in service include new service agreements, canceled service agreements, successions of pipeline ownership, among others.

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FERC-542 for tracking filings and FERC-545 for general rate change filings, including NGA Section 4 major rate cases). The Commission's reporting requirements for this collection of information are set forth in 18 CFR Sections 154.4; 154.7; 154.202; 154.204-.209; and 154.602-.603.

Failure to collect this information would result in the inability of the Commission to monitor and evaluate transactions and operations of interstate pipelines and perform its regulatory functions.

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

The filings may be submitted electronically to the Commission. (See instructions in section 385.2011 of the Commission's regulations, and eFiling information posted at <http://www.ferc.gov/docs-filing/efiling.asp>.) The Commission has adopted user-friendly electronic filing formats and software in order to facilitate the required electronic filings. Starting April 1, 2010, the Commission will require that all tariff filings be filed using e-Tariff.

In RM01-5-000 (69 FR 43929, July 23, 2004) the Commission proposed that all tariff filings by public utilities, natural gas and oil pipeline companies be in electronic format. The proposed new tariffs will change from a tariff-sheet format to a section-based format, which is better suited to electronic filing. In addition, FERC proposed to standardize the process for withdrawals of tariff filings and amendments to tariff filings. The Commission developed prototype software that was used in a pilot program by several companies for testing the software application. Order No. 714 in Docket No. RM01-5-000 was issued September 19, 2008, and is available in FERC's eLibrary at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=11810623>.

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

Commission 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. To date, no duplication of the proposed data requirements has been found. The Commission staff is continuously reviewing its various filings in an effort to alleviate duplication. There are no similar sources of information available that can be used or modified for use for the purpose described in Item A (1.).

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

FERC-546 is a filing requirement pertaining to pipeline service filing obligations for the transportation, storage, and sale of natural gas. This filing collects data from both large and small respondent companies. Specific efforts have been made to minimize the burden imposed on those small companies which file under this obligation. The data required impose the least possible burden for companies, while collecting the information required for processing the certificated rate filings.

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

The information collections are only obtained through the submission of filings by Natural Gas Act section 1(c) pipeline companies, so it would not be possible to conduct this information collection less frequently.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

This proposed program meets all of OMB's section 1320.5 requirements with the exception of part "d." Section 1320.5(d) limits a data collection to request an original and two copies of any document. In the event that an entity chooses to submit filings in hard copy, the Commission requires an electronic filing diskette and five paper copies of any rate schedule or any change in rate schedule or tariff related filing (see Section 154.4 of the Commission's regulations) to conduct regulatory review. The distribution of multiple hard copies of a filing is essential to ensure that the required technical reviews and analyses can proceed simultaneously and efficiently.

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), the data collection under FERC-546 was noticed in the Federal Register on February 9, 2009 (74FR6401, 2/9/09). The Notice is included at Attachment B. No comments were submitted during the 60-day notice period.

9. EXPLAIN ANY PAYMENT 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 generally does not consider the data filed to be confidential. Specific requests for confidential treatment to the extent permitted by law will be entertained pursuant to 18 CFR Section 388.110.

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

This collection does not include any questions that the Commission considers “sensitive” in nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

	Number of Respondents Annually (1)	No. of Responses per Respondent (2)	Average Burden Hours per Response (3)	Total Annual Burden Hours (1)x(2)x(3)
Pipeline companies	77	4	40	12,320
Storage operators	3	1	350	1,050
Total	80			13,370

The burden estimate of 13,370 hours for information requirements/collections under FERC-546 is based on the Commission's recent experience with tariff/rate filings. The estimated annual number of responses and burden hours are unchanged.

13. ESTIMATE OF TOTAL ANNUAL COST OF BURDEN TO RESPONDENTS

Total Respondent Burden Hours	Number of Hours per Staff Year	Cost per Staff Employee	Total Annualized Cost
13,370	÷ 2,080	x \$128,297	= \$824,678.31

The estimated cost burden to respondents is \$824,678.31. The estimated cost per respondent is \$10,308.48. There are no start-up costs because FERC-546 is an existing information collection.

The current estimated annual cost displayed in OMB’s ROCIS for FERC-546 is \$224,000. That figure appears to be from the last supporting statement (that was combined for FERC-546 (ICR #200606-1902-007), FERC-545 (ICR #200606-1902-009) and FERC-549 (ICR #200606-1902-008)) for the final rule in FERC Docket No. RM05-23. FERC’s supporting statement for FERC-546 (ICR #200606-1902-007) estimated the “average annualized cost for

all respondents to be \$224,000 (2,800 hours x \$80.00 per hour)". The \$224,000 related to the total 2,800 additional hours (comprised of 700 added hrs. in FERC-549, 1,050 hrs. in FERC-545, and 1,050 hrs. in FERC-546) related to only the rulemaking. It appears the total additional cost of \$224,000 should have been distributed amongst the three collections, based on the added hours to each.

The cost figure provided in this supporting statement (\$824,678.31) replaces, corrects, and updates the cost figure for FERC-546 in ROCIS; it also relates to the cost for the entire burden of 13,370 hours (rather than only one component of it). The burden, regulations, and reporting requirements have **not** changed.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Total Staff Burden Hours		Number of Hours per Staff Year		Cost per Staff Employee Error: Reference source not found		Total Annualized Cost
Information Analysis Forms Clearance Review	4160	÷	2080	x	\$128,297	=	\$256,594
FERC Total							\$258,074

The estimate of the cost to the Federal Government is based on salaries for professional and clerical support, as well as direct and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an organization in support of its mission.

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

There are no changes to the burden.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

Copies of the filings are made available to the public within two days of submission to FERC via the Commission's web site. There are no other publications or tabulations of the information.

17. DISPLAY OF EXPIRATION DATE

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Not applicable. The data requirements under FERC-546 are based on regulations and not filed on formatted/printed forms. Thus, the subject data requirements do not have an appropriate format to display an OMB expiration date.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There is one exception to the Paperwork Reduction Act statement. The Commission will not use statistical survey methodology for these information collections.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

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

ATTACHMENT A

15 USC 717(c)-(o), Natural Gas Act sections 4, 5, and 16

§ 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

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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.

§ 717c–1. Prohibition on market manipulation

It shall be unlawful for any entity, directly or indirectly, to use or employ, in connection with the purchase or sale of natural gas or the purchase or sale of transportation services subject to the jurisdiction of the Commission, any manipulative or deceptive device or contrivance (as those terms are used in section 78j (b) of this title) in contravention of such rules and regulations as the Commission may prescribe as necessary in the public interest or for the protection of natural gas ratepayers. Nothing in this section shall be construed to create a private right of action.

§ 717d. Fixing rates and charges; determination of cost of production or transportation

(a) Decreases in rates

Whenever the Commission, after a hearing had upon its own motion or upon complaint of any State, municipality, State commission, or gas distributing company, shall find that any rate, charge, or classification demanded, observed, charged, or collected by any natural-gas company in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, or that any rule, regulation, practice, or contract affecting such rate, charge, or classification is unjust, unreasonable, unduly discriminatory, or preferential, the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order: Provided, however, That the Commission shall have no power to order any increase in any rate contained in the currently effective schedule of such natural gas company on file with the Commission, unless such increase is in accordance with a new schedule filed by such natural gas company; but the Commission may order a decrease where existing rates are unjust, unduly discriminatory, preferential, otherwise unlawful, or are not the lowest reasonable rates.

(b) Costs of production and transportation

The Commission upon its own motion, or upon the request of any State commission, whenever it can do so without prejudice to the efficient and proper conduct of its affairs, may investigate and determine the cost of the production or transportation of natural gas by a natural-gas company in cases where the Commission has no authority to establish a rate governing the transportation or sale of such natural gas.

§ 717e. Ascertainment of cost of property

(a) Cost of property

The Commission may investigate and ascertain the actual legitimate cost of the property of every natural-gas company, the depreciation therein, and, when found necessary for rate-making purposes, other facts which bear on the determination of such cost or depreciation and the fair value of such property.

(b) Inventory of property; statements of costs

Every natural-gas company upon request shall file with the Commission an inventory of all or any part of its property and a statement of the original cost thereof, and shall keep the Commission informed regarding the cost of all additions, betterments, extensions, and new construction.

§ 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

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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

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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.

§ 717g. Accounts; records; memoranda

(a) Rules and regulations for keeping and preserving accounts, records, etc.

Every natural-gas company shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for purposes of the administration of this chapter: Provided, however, That nothing in this chapter shall relieve any such natural-gas company from keeping any accounts, memoranda, or records which such natural-gas company may be required to keep by or under authority of the laws of any State. The Commission may prescribe a system of accounts to be kept by such natural-gas companies, and may classify such natural-gas companies and prescribe a system of accounts for each class. The Commission, after notice and opportunity for hearing, may determine by order the accounts in which particular outlays or receipts shall be entered, charged, or credited. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry, and the Commission may suspend a charge or credit pending submission of satisfactory proof in support thereof.

(b) Access to and inspection of accounts and records

The Commission shall at all times have access to and the right to inspect and examine all accounts, records, and memoranda of natural-gas companies; and it shall be the duty of such natural-gas companies to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda when requested so to do. No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books, records, data, or accounts, except insofar as he may be directed by the Commission or by a court.

(c) Books, accounts, etc., of the person controlling gas company subject to examination

The books, accounts, memoranda, and records of any person who controls directly or indirectly a natural-gas company subject to the jurisdiction of the Commission and of any other company controlled by such person, insofar as they relate to transactions with or the business of such natural-gas company, shall be subject to examination on the order of the Commission.

§ 717h. Rates of depreciation

(a) Depreciation and amortization

The Commission may, after hearing, require natural-gas companies to carry proper and adequate depreciation and amortization accounts in accordance with such rules, regulations, and forms of account as the Commission may prescribe. The Commission may from time to time ascertain and determine, and by order fix, the proper and adequate rates of depreciation and amortization of the several classes of property of each natural-gas company used or useful in the production, transportation, or sale of natural gas. Each natural-gas company shall conform its depreciation and amortization accounts to the rates so ascertained, determined, and fixed. No natural-gas company subject to the jurisdiction of the Commission shall charge to operating expenses any depreciation or amortization charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a percentage of depreciation or amortization other than that prescribed therefor by the Commission. No such natural-gas company shall in any case include in any form under its

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operating or other expenses any depreciation, amortization, or other charge or expenditure included elsewhere as a depreciation or amortization charge or otherwise under its operating or other expenses. Nothing in this section shall limit the power of a State commission to determine in the exercise of its jurisdiction, with respect to any natural-gas company, the percentage rates of depreciation or amortization to be allowed, as to any class of property of such natural-gas company, or the composite depreciation or amortization rate, for the purpose of determining rates or charges.

(b) Rules

The Commission, before prescribing any rules or requirements as to accounts, records, or memoranda, or as to depreciation or amortization rates, shall notify each State commission having jurisdiction with respect to any natural-gas company involved and shall give reasonable opportunity to each such commission to present its views and shall receive and consider such views and recommendations.

§ 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.

§ 717j. State compacts for conservation, transportation, etc., of natural gas

(a) Assembly of pertinent information; report to Congress

In case two or more States propose to the Congress compacts dealing with the conservation, production, transportation, or distribution of natural gas it shall be the duty of the Commission to assemble pertinent information relative to the matters covered in any such proposed compact, to make public and to report to the Congress information so obtained, together with such recommendations for further legislation as may appear to be appropriate or necessary to carry out the purposes of such proposed compact and to aid in the conservation of natural-gas resources within the United States and in the orderly, equitable, and economic production, transportation, and distribution of natural gas.

(b) Assembly of information relative to operation of compact; report to Congress

It shall be the duty of the Commission to assemble and keep current pertinent information relative to the effect and operation of any compact between two or more States heretofore or hereafter approved by the Congress, to make such information public, and to report to the Congress, from time to time, the information so obtained, together with such recommendations as may appear to be appropriate or necessary to promote the purposes of such compact.

(c) Availability of services, etc., of other agencies

In carrying out the purposes of this chapter, the Commission shall, so far as practicable, avail itself of the services, records, reports, and information of the executive departments and other agencies of the Government, and the President may, from time to time, direct that such services and facilities be made available to the Commission.

§ 717k. Officials dealing in securities

It shall be unlawful for any officer or director of any natural-gas company to receive for his own benefit, directly or indirectly, any money or thing of value in respect to the negotiation, hypothecation, or sale by such natural-gas company of any security issued, or to be issued, by such natural-gas company, or to share in any of the proceeds thereof, or to participate in the making or paying of any dividends, other than liquidating dividends, of such natural-gas company from any funds properly included in capital account.

§ 717l. Complaints

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Any State, municipality, or State commission complaining of anything done or omitted to be done by any natural-gas company in contravention of the provisions of this chapter may apply to the Commission by petition, which shall briefly state the facts, whereupon a statement of the complaint thus made shall be forwarded by the Commission to such natural-gas company, which shall be called upon to satisfy the complaint or to answer the same in writing within a reasonable time to be specified by the Commission.

§ 717m. Investigations by Commission

[How Current is This?](#)

(a) Power of Commission

The Commission may investigate any facts, conditions, practices, or matters which it may find necessary or proper in order to determine whether any person has violated or is about to violate any provisions of this chapter or any rule, regulation, or order thereunder, or to aid in the enforcement of the provisions of this chapter or in prescribing rules or regulations thereunder, or in obtaining information to serve as a basis for recommending further legislation to the Congress. The Commission may permit any person to file with it a statement in writing, under oath or otherwise, as it shall determine, as to any or all facts and circumstances concerning a matter which may be the subject of investigation. The Commission, in its discretion, may publish in the manner authorized by section [825k](#) of title [16](#), and make available to State commissions and municipalities, information concerning any such matter.

(b) Determination of adequacy of gas reserves

The Commission may, after hearing, determine the adequacy or inadequacy of the gas reserves held or controlled by any natural-gas company, or by anyone on its behalf, including its owned or leased properties or royalty contracts; and may also, after hearing, determine the propriety and reasonableness of the inclusion in operating expenses, capital, or surplus of all delay rentals or other forms of rental or compensation for unoperated lands and leases. For the purpose of such determinations, the Commission may require any natural-gas company to file with the Commission true copies of all its lease and royalty agreements with respect to such gas reserves.

(c) Administration of oaths and affirmations; subpoena of witnesses, etc.

For the purpose of any investigation or any other proceeding under this chapter, any member of the Commission, or any officer designated by it, is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records which the Commission finds relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or at any designated place of hearing. Witnesses summoned by the Commission to appear before it shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) Jurisdiction of courts of United States

In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, and other records. Such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found or may be doing business. Any person who willfully shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in his or its power so to do, in obedience to the subpoena of the Commission, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than \$1,000 or to imprisonment for a term of not more than one year, or both.

(e) Testimony of witnesses

The testimony of any witness may be taken at the instance of a party, in any proceeding or investigation pending before the Commission, by deposition at any time after the proceeding is at issue. The Commission may also order testimony to be taken by deposition in any proceeding or investigation pending before it at any stage of such proceeding or investigation. Such depositions may be taken before any person authorized to administer oaths not being of counsel or attorney to either of the parties, nor interested in the proceeding or investigation. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, as either may be nearest, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce documentary evidence, in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the Commission, as hereinbefore provided. Such testimony

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shall be reduced to writing by the person taking deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent.

(f) Deposition of witnesses in a foreign country

If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken before an officer or person designated by the Commission, or agreed upon by the parties by stipulation in writing to be filed with the Commission. All depositions must be promptly filed with the Commission.

(g) Witness fees

Witnesses whose depositions are taken as authorized in this chapter, and the person or officer taking the same, shall be entitled to the same fees as are paid for like services in the courts of the United States.

§ 717n. Process coordination; hearings; rules of procedure

(a) Definition

In this section, the term “Federal authorization”—

(1) means any authorization required under Federal law with respect to an application for authorization under section [717b](#) of this title or a certificate of public convenience and necessity under section [717f](#) of this title; and

(2) includes any permits, special use authorizations, certifications, opinions, or other approvals as may be required under Federal law with respect to an application for authorization under section [717b](#) of this title or a certificate of public convenience and necessity under section [717f](#) of this title.

(b) Designation as lead agency

(1) In general

The Commission shall act as the lead agency for the purposes of coordinating all applicable Federal authorizations and for the purposes of complying with the National Environmental Policy Act of 1969 ([42 U.S.C. 4321](#) et seq.).

(2) Other agencies

Each Federal and State agency considering an aspect of an application for Federal authorization shall cooperate with the Commission and comply with the deadlines established by the Commission.

(c) Schedule

(1) Commission authority to set schedule

The Commission shall establish a schedule for all Federal authorizations. In establishing the schedule, the Commission shall

(A) ensure expeditious completion of all such proceedings; and

(B) comply with applicable schedules established by Federal law.

(2) Failure to meet schedule

If a Federal or State administrative agency does not complete a proceeding for an approval that is required for a Federal authorization in accordance with the schedule established by the Commission, the applicant may pursue remedies under section [717r \(d\)](#) of this title.

(d) Consolidated record

The Commission shall, with the cooperation of Federal and State administrative agencies and officials, maintain a complete consolidated record of all decisions made or actions taken by the Commission or by a Federal administrative agency or officer (or State administrative agency or officer acting under delegated Federal authority) with respect to any Federal authorization. Such record shall be the record for—

(1) appeals or reviews under the Coastal Zone Management Act of 1972 ([16 U.S.C. 1451](#) et seq.), provided that the record may be supplemented as expressly provided pursuant to section 319 of that Act [[16 U.S.C. 1465](#)]; or

(2) judicial review under section [717r \(d\)](#) of this title of decisions made or actions taken of Federal and State administrative agencies and officials, provided that, if the Court determines that the record does not contain sufficient information, the Court may remand the proceeding to the Commission for further development of the consolidated record.

(e) Hearings; parties

Hearings under this chapter may be held before the Commission, any member or members thereof, or any representative of the Commission designated by it, and appropriate records thereof shall be kept. In any proceeding before it, the Commission in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State commission, municipality or any representative of interested consumers or security holders, or any competitor of a party to such proceeding, or any other person whose participation in the proceeding may be in the public interest.

(f) Procedure

All hearings, investigations, and proceedings under this chapter shall be governed by rules of practice and procedure to be adopted by the Commission, and in the conduct thereof the technical rules of evidence need not be applied. No informality in any hearing, investigation, or proceeding or in the manner of taking testimony shall invalidate any order, decision, rule, or

regulation issued under the authority of this chapter.

§ 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.

15 USC 3393, Section 403 Natural Gas Policy Act

§ 3393. Establishment and implementation of priorities

[How Current is This?](#)

(a) Establishment of priorities

The Secretary of Energy shall prescribe the rules under sections [3391](#) and [3392](#) of this title pursuant to his authority under the Department of Energy Organization Act [42 U.S.C 7101 et seq.] to establish and review priorities for curtailments under the Natural Gas Act [[15](#) U.S.C. [717](#) et seq.].

(b) Implementation of priorities

The Commission shall implement the rules prescribed under sections [3391](#) and [3392](#) of this title pursuant to its authority under the Department of Energy Organization Act [[42](#) U.S.C. [7101](#) et seq.] to establish, review, and enforce curtailments under the Natural Gas Act [[15](#) U.S.C. [717](#) et seq.].

CFR TITLE 18--CONSERVATION OF POWER AND WATER RESOURCES

CHAPTER I--FEDERAL ENERGY REGULATORY COMMISSION, DEPARTMENT OF ENERGY

Subpart A_General Provisions and Conditions

Sec. 154.4 Electronic and paper media.

(a) General rule. All statements filed pursuant to subpart D of this part, and all workpapers in spreadsheet format, and tariff sheets other than those in Volume No. 2, must be submitted on electronic media. Filings pursuant to this part 154 must also include the prescribed number of paper copies. Tariffs, rate schedules, and contracts, or parts thereof, and material related thereto, including any change in rates, notice of cancellation or termination, and certificates of adoption, must be submitted to the Commission in an original and 5 paper copies, except that filings pursuant to subpart D of this part must be submitted in an original and 12 paper copies.

(b) All filings must be signed in compliance with the following.

(1) The signature on a filing constitutes a certification that: The signer has read the filing signed and knows the contents of the paper copies and electronic media; the paper copies contain the same information as contained on the electronic media; the contents as stated in the copies and on the electronic media are true to the best knowledge and belief of the signer; and, the signer possesses full power and authority to sign the filing.

(2) A filing must be signed by one of the following:

(i) The person on behalf of whom the filing is made;

(ii) An officer, agent, or employee of the governmental authority, agency, or instrumentality on behalf of which the filing is made; or,

(iii) A representative qualified to practice before the Commission under Sec. 385.2101 of this chapter who possesses authority to sign.

(c) Electronic media suitable for Commission filings are listed in the instructions for each form and filing. Lists of suitable electronic media are available upon request from the Commission. The formats for the electronic filing and paper copy can be obtained at the Federal Energy Regulatory Commission, Public Information and Reference Branch, 888 First Street, NE., Washington, DC 20426.

(d) Where to file. The electronic media, the paper copies and accompanying transmittal letter must be submitted in one package to: Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

(e) Waiver. A natural gas company may request a waiver of the requirement to submit filings by electronic media, by filing an original and 5 copies of a request for waiver. The request must demonstrate that the natural gas company does not have, and is unable to acquire, the technical capability to file the information on electronic media.

Subpart A_General Provisions and Conditions

Sec. 154.7 General requirements for the submission of a tariff filing or executed service agreement.

The following must be included with the filing of any tariff, executed service agreement, or part thereof, or change thereto.

(a) A letter of transmittal containing:

(1) A list of the material enclosed,

(2) The name of a responsible company official to whom questions regarding the filing may be addressed, with a telephone number at which the official may be reached,

(3) The date on which such filing is proposed to become effective,

(4) Reference to the authority under which the filing is made, including the specific section of a statute, subpart of these regulations, order of the Commission, provision of the company's tariff, or any other appropriate authority. If an order is referenced, the letter must include the citation to the FERC Reports, the date of issuance, and the lead docket number of the proceeding in which the order was issued.

(5) A list of the tariff sheets enclosed,

(6) A statement of the nature, the reasons, and the basis for the filing. The statement must include a summary of the changes or additions made to the tariff or executed service agreement, as appropriate. The statement must include a

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quantified summary comparing the cost of service, rate base and throughput underlying each change in rate made to the tariff or executed service agreement compared to the same information underlying the last rate found by the Commission to be just and reasonable. A detailed explanation of the need for each change or addition to the tariff or executed service agreement must be included. The natural gas company also must note all relevant precedents relied upon to prepare its filing.

(7) Any requests for waiver. A request for waiver must include a reference to the specific section of the statute, regulations, or the company's tariff from which waiver is sought, and a justification for the waiver.

(8) Where the natural gas company proposes a new rate, identification of the last rate, found by the Commission to be just and reasonable, that underlies the proposed rate.

(9) A motion, in case of minimal suspension, to place the proposed rates into effect at the end of the suspension period; or, a specific statement that the pipeline reserves its right to file a later motion to place the proposed rates into effect at the end of the suspension period.

(b) A certification of service pursuant to Sec. 154.2(d) to all customers on the service list and interested state commissions.

Subpart C_Procedures for Changing Tariffs

Sec. 154.202 Filings to initiate a new rate schedule.

(a) When the filing is to initiate a new service authorized under a blanket authority in part 284 of this chapter, the filing must comply with the requirements of this paragraph.

(1) Filings under this paragraph must:

(i) Adhere to the requirements of subparts A, B, and C of this part;

(ii) Contain a description of the new service, including, but not limited to, the proposed effective date for commencement of service, applicability, whether the service is interruptible or firm, and the necessity for the service;

(iii) Explain how the new service will differ from existing services, including a concise description of the natural gas company's existing operations;

(iv) Explain the impact of the new service on existing firm and interruptible customers, including but not limited to:

(A) The adequacy of existing capacity, if the proposed service is a firm service, and

(B) The effect on receipt and delivery point flexibility, nominating and scheduling priorities, allocation of capacity, operating conditions, and curtailment, for any new service;

(v) Include workpapers that detail the computations underlying the proposed rate under the new rate schedule; or, if the rate is a currently effective rate, include the appropriate reference and an explanation of why the rate is appropriate;

(vi) Give a justification, similar in form to filed testimony in a general section 4 rate case, explaining why the proposed rate design and proposed allocation of costs are just and reasonable;

(vii) If the costs relating to existing services are reallocated to new services, explain the method for allocating the costs and the impact on the existing customers;

(viii) Include workpapers showing the estimated effect on revenue and costs over the twelve-month period commencing on the proposed effective date of the filing.

(ix) List other filings pending before the Commission at the time of the filing which may significantly affect the filing. Explain how the instant filing would be affected by the outcome of each related pending filing;

(2) Any interdependent filings must be filed concurrently and contain a notice of the interdependence.

(b) If a new service, facility, or rate is specifically authorized by a Commission order pursuant to section 7 of the Natural Gas Act, with the filing of tariff sheets to implement the new rate schedule, the natural gas company must:

(1) Comply with the requirements of Sec. 154.203; and

(2) Where the rate or charge proposed differs from the rate or charge approved in the certificate order, the natural gas company must:

Show that the change is due to a rate adjustment under a periodic rate change mechanism previously accepted under Sec. 154.403 which has taken effect since the certificate order was issued; or, show that the rate change is in accordance with the terms of the certificate, and provide workpapers justifying the change.

Sec. 154.204 Changes in rate schedules, forms of service agreements, or the general terms and conditions.

A filing to revise rate schedules, forms of service agreements, or the general terms and conditions, must:

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- (a) Adhere to the requirements of subparts A, B, and C, of this part;
- (b) Contain a description of the change in service, including, but not limited to, applicability, necessity for the change, identification of services and types of customers that will be affected by the change;
- (c) Explain how the proposed tariff provisions differ from those currently in effect, including an example showing how the existing and proposed tariff provisions operate. Explain why the change is being proposed at this time;
- (d) Explain the impact of the proposed revision on firm and interruptible customers, including any changes in a customer's rights to capacity in the manner in which a customer is able to use such capacity, receipt or delivery point flexibility, nominating and scheduling, curtailment, capacity release;
- (e) Include workpapers showing the estimated effect on revenues and costs over the 12-month period commencing on the proposed effective date of the filing. If the filing proposes to change an existing penalty provision, provide workpapers showing the penalty revenues and associated quantities under the existing penalty provision during the latest 12-month period; and
- (f) List other filings pending before the Commission which may significantly affect the filing.

Sec. 154.205 Changes related to suspended tariffs, executed service agreements, or parts thereof.

- (a) Withdrawal of suspended tariffs, executed service agreements, or parts thereof. A natural gas company may not, within the period of suspension, withdraw a proposed tariff, executed service agreement, or part thereof, that has been suspended by order of the Commission, except by special permission of the Commission granted upon application therefor and for good cause shown.
- (b) Changes in suspended tariffs, executed service agreements, or parts thereof. A natural gas company may not, within the period of suspension, file any change in a proposed tariff, executed service agreement, or part thereof, that has been suspended by order of the Commission, except by special permission of the Commission granted upon application therefor and for good cause shown.
- (c) Changes in tariffs, executed service agreements, or parts thereof continued in effect, and which were to be changed by the suspended filing. A natural gas company may not, within the period of suspension, file any change in a tariff, executed service agreement, or part thereof, that is continued in effect by operation of the order of suspension, and that was proposed to be changed by the suspended filing, except:
 - (1) Under a previously approved tariff provision permitting a limited rate change, or
 - (2) By special permission of the Commission.

Sec. 154.206 Motion to place suspended rates into effect.

- (a) If, prior to the end of the suspension period, the Commission has issued an order requiring changes in the filed rates, or the filed rates recover costs for facilities not certificated and in service as of the proposed effective date, in order to place the suspended rates into effect, the pipeline must file a motion at least one day prior to the effective date requested by the pipeline. The motion must be accompanied by revised tariff sheets reflecting any changes ordered by the Commission or modifications approved by the Commission during the suspension period under Sec. 154.205. The filing of the revised tariff sheets must:
 - (1) Comply with the requirements of subparts A, B, and C of this part;
 - (2) Identify the Commission order directing the revision;
 - (3) List the modifications made to the currently effective rate during the suspension period, the docket number in which the modifications were filed, and identify the order permitting the modifications.
- (b) Where the Commission has suspended the effective date of a change of rate, charge, classification, or service for a minimal period and the pipeline has not included a motion in its transmittal letter, or has specified in its transmittal letter pursuant to Sec. 154.7(a)(9), that it reserves its right to file motion to place the proposed change of rate, charge, classification, or service into effect at the end of the suspension period, the change will go into effect, subject to refund, upon motion of the pipeline.
- (c) Where the Commission has suspended the effective date of a change of rate, charge, classification, or service for a minimal period and the pipeline has included, in its transmittal letter pursuant to Sec. 154.7(a)(9), a motion to place the proposed change of rate, charge, classification, or service into effect at the end of the suspension period, the change will go into effect, subject to refund, on the authorized effective date.

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Sec. 154.207 Notice requirements.

All proposed changes in tariffs, contracts, or any parts thereof must be filed with the Commission and posted not less than 30 days nor more than 60 days prior to the proposed effective date thereof, unless a waiver of the time periods is granted by the Commission.

Sec. 154.208 Service on customers and other parties.

(a) On or before the filing date, the company must serve, upon all customers as of the date of the filing and all affected state regulatory commissions, an abbreviated form of the filing consisting of: The Letter of Transmittal; the Statement of Nature, Reason, and Basis; the changed tariff sheets; a summary of the cost-of-service and rate base; and, summary of the magnitude of the change.

(b) On or before the filing date, the company must serve a full copy of the filing upon all customers and state regulatory commissions that have made a standing request for such service.

(c) Within two business days of receiving a request for a complete copy from any customer or state commission that has not made a standing request, the company must serve a full copy of any filing.

(d) A customer or other party may designate a recipient of service. The filing company must serve the designated recipient, in accordance with paragraphs (a), (b) and (c) of this section, instead of the customer or other party. For the purposes of this section, service upon such designated recipient will be deemed service upon the customer or other party.

Sec. 154.209 Form of notice for Federal Register.

The applicant must include a form of notice of the application suitable for publication in the Federal Register in accordance with the specifications in Sec. 385.203(d) of this chapter. The form of notice shall be on electronic media as specified by the Secretary.

PART 154_RATE SCHEDULES AND TARIFFS--Table of Contents

Sec. 154.4 Electronic and paper media.

(a) General rule. All statements filed pursuant to subpart D of this part, and all workpapers in spreadsheet format, and tariff sheets other than those in Volume No. 2, must be submitted on electronic media. Filings pursuant to this part 154 must also include the prescribed number of paper copies. Tariffs, rate schedules, and contracts, or parts thereof, and material related thereto, including any change in rates, notice of cancellation or termination, and certificates of adoption, must be submitted to the Commission in an original and 5 paper copies, except that filings pursuant to subpart D of this part must be submitted in an original and 12 paper copies.

(b) All filings must be signed in compliance with the following.

(1) The signature on a filing constitutes a certification that: The signer has read the filing signed and knows the contents of the paper copies and electronic media; the paper copies contain the same information as contained on the electronic media; the contents as stated in the copies and on the electronic media are true to the best knowledge and belief of the signer; and, the signer possesses full power and authority to sign the filing.

(2) A filing must be signed by one of the following:

(i) The person on behalf of whom the filing is made;

(ii) An officer, agent, or employee of the governmental authority, agency, or instrumentality on behalf of which the filing is made; or,

(iii) A representative qualified to practice before the Commission under Sec. 385.2101 of this chapter who possesses authority to sign.

(c) Electronic media suitable for Commission filings are listed in the instructions for each form and filing. Lists of suitable electronic media are available upon request from the Commission. The formats for the electronic filing and paper copy can be obtained at the Federal Energy Regulatory Commission, Public Information and Reference Branch, 888 First Street, NE., Washington, DC 20426.

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(d) Where to file. The electronic media, the paper copies and accompanying transmittal letter must be submitted in one package to: Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

(e) Waiver. A natural gas company may request a waiver of the requirement to submit filings by electronic media, by filing an original and 5 copies of a request for waiver. The request must demonstrate that the natural gas company does not have, and is unable to acquire, the technical capability to file the information on electronic media.

Subpart G_Other Tariff Changes

Sec. 154.602 Cancellation or termination of a tariff, executed service agreement or part thereof.

When an effective tariff, contract, or part thereof on file with the Commission, is proposed to be canceled or is to terminate by its own terms and no new tariff, executed service agreement, or part thereof, is to be filed in its place, the natural gas company must notify the Commission of the proposed cancellation or termination on the form indicated in Sec. 250.2 or Sec. 250.3 of this chapter, whichever is applicable, at least 30 days prior to the proposed effective date of such cancellation or termination. With such notice, the company must submit a statement showing the reasons for the cancellation or termination, a list of the affected customers and the contract demand provided to the customers under the service to be canceled. A copy of the notice must be duly posted.

Sec. 154.603 Adoption of the tariff by a successor.

Whenever the tariff or contracts of a natural gas company on file with the Commission are to be adopted by another company or person as a result of an acquisition, or merger, authorized by a certificate of public convenience and necessity, or for any other reason, the succeeding company must file with the Commission, and post within 30 days after such succession, a certificate of adoption on the form prescribed in Sec. 250.4 of this chapter. Within 90 days after such notice is filed, the succeeding company must file a revised tariff with the sheets bearing the name of the successor company.

§ 284.221 General rule; transportation by interstate pipelines on behalf of others.

(a) *Blanket certificate.* Any interstate pipeline may apply under this section for a single blanket certificate authorizing the transportation of natural gas on behalf of others in accordance with this subpart. A certificate of public convenience and necessity under this section is granted pursuant to section 7 of the Natural Gas Act.

(b) *Application procedure.* (1) An application for a blanket certificate under this section must be filed electronically. The format for the electronic application filing can be obtained at the Federal Energy Regulatory Commission, Division of Information Services, Public Reference and Files Maintenance Branch, Washington, DC 20426, and must include:

(i) The name of the interstate pipeline; and

(ii) A statement by the interstate pipeline that it will comply with the conditions in paragraph (c) of this section.

(2) Upon receipt of an application under this section, the Commission will conduct a hearing pursuant to section 7(c) of the Natural Gas Act and §157.11 of this chapter and, if required by the public convenience and necessity, will issue to the interstate pipeline a blanket certificate authorizing such pipeline company to transport natural gas, as provided under this subpart.

(c) *General conditions.* Any blanket certificate under this subpart is subject to the conditions of subpart A of this part.

(d) *Pre-grant of abandonment.* (1) Except as provided in paragraph (d)(2) of this section, abandonment of transportation services is authorized pursuant to section 7(b) of the Natural Gas Act upon the expiration of the contractual term or upon termination of each individual transportation arrangement authorized under a certificate granted under this section.

(2) Paragraph (d)(1) of this section does not apply if the individual transportation arrangement is for firm transportation under a contract with a term of one year or more, and the firm shipper:

(i) Exercises any contractual right to continue such service; or

(ii) Gives notice that it wants to continue its transportation arrangement and will match the longest term and highest rate for its firm service, up to the applicable maximum rate under §284.10, offered to the pipeline during the period established in the pipeline's tariff for receiving such offers by any other person desiring firm capacity, and executes a contract matching the terms of any such offer. To be eligible to exercise this right of first refusal, the firm shipper's contract must be for service for twelve consecutive months or more at the applicable maximum rate for that service, except that a contract for more than one

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year, for a service which is not available for 12 consecutive months, would be subject to the right of first refusal.

(e) *Availability of regular certificates.* This subpart does not preclude an interstate pipeline from applying for an individual certificate of public convenience and necessity for any particular transportation service.

(f) *Cross references.* (1) Any local distribution company served by an interstate pipeline may apply for a blanket certificate to perform certain services under §284.224 of this chapter.

(2) Any interstate pipeline may apply under subpart F of part 157 of this chapter for a blanket certificate to construct or acquire and operate certain natural gas facilities that are necessary to provide transportation under §284.223.

(3) Section 157.208 of this chapter provides automatic authorization for the construction, acquisition, operation, replacement, and miscellaneous rearrangement of certain eligible facilities, as defined in §157.202 of this chapter, subject to limits specified in §157.208(d) of this chapter and §284.11.

(4) Authorization for delivery points is subject to the automatic authorization under §157.211(a)(1) and the prior notice procedures under §157.211(a)(2) and §157.205.

(g) *Flexible receipt point authority.* (1) An interstate pipeline authorized to transport gas under a certificate granted under this section may, at the request of the shipper and without prior notice:

(i) Reduce or discontinue receipts of natural gas at a particular receipt point from a supplier; and

(ii) Commence or increase receipts at a particular receipt point from that supplier or any other supplier.

(2) The total natural gas volumes received by the interstate pipeline following any such reassignment under this paragraph must not exceed the total volume of natural gas that the interstate pipeline may transport on behalf of the shipper under a certificate granted under this section.

(3) The receipt points to which natural gas volumes may be reassigned under this paragraph include eligible facilities under §157.208 which are authorized to be constructed and operated pursuant to a certificate issued under subpart F of part 157 of this chapter.

(h) *Flexible delivery point authority.* (1) An interstate pipeline authorized to transport gas under a certificate issued pursuant to this section may at the request of the shipper and without prior notice:

(i) Reduce or discontinue deliveries of natural gas to a particular delivery point; and

(ii) Commence or increase deliveries at a particular delivery point.

(2) The total natural gas volumes delivered by the interstate pipeline following any such reassignment must not exceed the total amount of natural gas that the interstate pipeline is authorized under a certificate issued pursuant to this section to transport on behalf of the shipper.

(3) The delivery points to which natural gas volumes may be reassigned under this paragraph include facilities authorized to be constructed and operated only under §157.211 and the prior notice conditions of §157.205 of this chapter.

[Order 436, 50 FR 42496, Oct. 18, 1985, as amended by Order 433-A, 51 FR 43607, Dec. 3, 1986; Order 636, 57 FR 13317, Apr. 16, 1992; Order 636-A, 57 FR 36217, Aug. 12, 1992; Order 581, 60 FR 53073, Oct. 11, 1995; Order 603, 64 FR 26610, May 14, 1999; Order 637, 65 FR 10222, Feb. 25, 2000; Order 637-A, 65 FR 35765, June 5, 2000]

FERC-546 (OMB No. 1902-0155)

ATTACHMENT B
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

[Docket No. IC09-546-000]

COMMISSION INFORMATION COLLECTION ACTIVITIES (FERC-546); COMMENT REQUEST;
EXTENSION

(February 2, 2009)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of proposed information collection and request for comments.

SUMMARY: In compliance with the requirements of section 3506(c) (2) (a) of the Paperwork Reduction Act of 1995 (Pub. L. No. 104-13), the Federal Energy Regulatory Commission (Commission) is soliciting public comment on the specific aspects of the information collection described below.

DATES: Comments in consideration of the collection of information are due April 13, 2009.

ADDRESSES: Comments may be filed either electronically or in paper format, and should refer to Docket No. IC09-546-000. Documents must be prepared in an acceptable filing format and in compliance with Commission submission guidelines at <http://www.ferc.gov/help/submission-guide.asp>.

Comments may be eFiled. The eFiling option under the Documents & Filings tab on the Commission's home web page: www.ferc.gov directs users to the eFiling website. First-time users follow the eRegister instructions on the eFiling web page to establish a user name and password before eFiling. Filers will receive an emailed confirmation of their eFiled comments. Commenters filing electronically should not make a paper filing. If you are unable to make a filing electronically, submit an original and 14 paper copies of the filing to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, N.E., Washington, DC 20426.

Parties interested in receiving automatic notification of activity in this docket may do so through eSubscription. The eSubscription option under the Documents & Filings tab on the Commission's home

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web page directs users to the eSubscription web page. Users submit the docket numbers of the filings they wish to track and will subsequently receive an email notification each time a filing is made under the submitted docket numbers. First-time users will need to establish a user name and password before eSubscribing.

Filed comments and FERC issuances may be viewed, printed and downloaded remotely from the Commission's website. The red eLibrary link found at the top of most of the Commission's web pages directs users to the eLibrary. From the eLibrary web page, choose General Search, and in the Docket Number space provided, enter IC09-546; then click the Submit button at the bottom of the page.

For help with any of the Commission's electronic submission or retrieval systems, email FERC Online Support: ferconlinesupport@ferc.gov, or telephone toll-free: (866) 208-3676 (TTY (202) 502-8659).

FOR FURTHER INFORMATION: Michael Miller may be reached by telephone at (202) 502-8415, by fax at (202) 273-0873, and by e-mail at michael.miller@ferc.gov.

SUPPLEMENTARY INFORMATION: FERC-546 (Certificated Rate Filings: Gas Pipeline Rates; OMB Control Number 1902-0155) is required to implement Sections 4, 5, 16 and 7(e) of the Natural Gas Act (NGA) (15 USC 717-717w). NGA Sections 4, 5 and 16 authorize the Commission to inquire into rate structures and methodologies and to set rates at a just and reasonable level. Section 7(e) authorizes the Commission to set initial rates that are in keeping with the public convenience and necessity.

The Commission uses the FERC-546 information to examine service and tariff provisions for the transportation and storage, and/or sale of natural gas in interstate commerce filed with the Commission.

When a pipeline decides to construct and operate a jurisdictional pipeline, it files an application with the Commission and receives a Certificate of Public Convenience and Necessity. As part of its

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review, the Commission considers and authorizes "initial rates" for transportation and/or storage service for the pipeline. Initial rates are established for new services authorized in certificate proceedings and must meet a public convenience and necessity standard. Initial rates established in the certificate proceeding remain in effect until such rates are reviewed by the Commission in a rate proceeding. The information submitted by the pipeline company to the Commission in these applications for initial rates is the subject of FERC-546.³

The Commission's reporting requirements for this information collection are provided in 18 CFR 154.4, 154.7, 154.202, 154.204-.209, and 154.602-.603. Failure to collect this information would prevent the Commission from monitoring and properly evaluating pipeline proposals to add or modify services.

ACTION: The Commission is requesting a three-year extension of the current reporting requirements.

BURDEN STATEMENT: Public reporting burden for this collection is estimated at:

FERC Data Collection – FERC-546	Number of Respondents Annually (1)	Number of Responses Per Respondent (2)	Average Burden Hours Per Response (3)	Total Annual Burden Hours (1)x(2)x(3)
Natural Gas Companies	77	4	40	12,320
Storage Operators	3	1	350	1,050
TOTAL				13,370

The estimated cost burden to respondents is \$812,381.76 (13,370 hours divided by 2,080 hours⁴ per year times \$126,384⁵ equals \$812,381.77). The cost per respondent is \$10,154.77.

³ The Commission collects information necessary to examine and approve any change in rates separately under FERC-542 and FERC-545. The FERC 542 is for tracking filings, and FERC-545 is for general rate change filings, including NGA Section 4 major rate cases.

⁴ Number of hours an employee works each year.

⁵ Average annual salary per employee.

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The reporting burden includes the total time, effort, or financial resources expended to generate, maintain, retain, disclose, or provide the information including: (1) reviewing instructions; (2) developing, acquiring, installing, and utilizing technology and systems for the purposes of collecting, validating, verifying, processing, maintaining, disclosing and providing information; (3) adjusting the existing ways to comply with any previously applicable instructions and requirements; (4) training personnel to respond to the collection of information; (5) searching data sources; (6) completing and reviewing the collection of information; and (7) transmitting, or otherwise disclosing the information.

The respondent's cost estimate is based upon salaries for professional and clerical support, as well as direct and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an organization in support of its mission. These costs apply to activities which benefit the whole organization rather than any one particular function or activity.

Comments are invited on: (1) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information to be collected; and (4) ways to minimize the respondent information collection burden, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses.

Kimberly D. Bose,
Secretary.