

Supporting Statement for
**FERC-537 (Gas Pipeline Certificates: Construction, Acquisition, and
Abandonment), and
FERC-549 (Gas Pipeline Rates: NGPA Title III and NGA Blanket Certificate
Transactions),
related to NOPR in RM11-4**

The Federal Energy Regulatory Commission (FERC or Commission) requests the Office of Management and Budget (OMB) approve the deletion of parts of the FERC-537 (Gas Pipeline Certificates: Construction, Acquisition, and Abandonment; OMB No. 1902-0060) and FERC-549 (Gas Pipeline Rates: NGPA Title III and NGA Blanket Certificate Transactions; OMB No. 1902-0086) as proposed in the Notice of Proposed Rulemaking (NOPR) in Docket No. RM11-4-000.

Note that this supporting statement addresses the NOPR in RM11-4. The NOPR affects, and this consolidated supporting statement addresses, parts of two separate OMB Control Nos.:

- FERC-537 (OMB No. 1902-0060, that includes the intrastate pipeline semi-annual storage reports proposed for deletion) and
- FERC-549 (OMB No. 1902-0086, that includes the interstate pipeline semi-annual storage reports proposed for deletion).

[Because this consolidated supporting statement affects the two separate OMB Control Nos., one ICR with this supporting statement will be submitted to OMB for each of the two Control Numbers. The FERC-537 requirements proposed for deletion in the NOPR affect reporting by *intrastate* pipelines; the FERC-549 requirements proposed for deletion affect reporting by *interstate* pipelines.]

As stated in the NOPR (posted in FERC's eLibrary at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=12765517>),

“[t]he Commission proposes to eliminate the semi-annual storage reporting requirements for: (1) interstate natural gas companies subject to the Commission's jurisdiction under the Natural Gas Act (NGA), as codified in 18 CFR 284.13(e); (2) intrastate pipelines providing interstate services pursuant to section 311 of the Natural Gas Policy Act of 1978 (NGPA), as codified in 18 CFR 284.126(c); and (3) Hinshaw pipelines providing interstate services subject to the Commission's Natural Gas Act (NGA) jurisdiction pursuant to blanket certificates issued under § 284.224 of the Commission's regulations, as also codified in 18 CFR 284.126(c). The Commission finds that the reports now proposed for elimination are largely duplicative with other reporting requirements.”

The semi-annual storage report at 18CFR (Code of Federal Regulation) 284.13(e) is one of the parts of FERC-549¹; the semi-annual report at 18CFR 284.126(c) is a component of FERC-537. Other information collections and requirements included in the FERC-549 and FERC-537 are not affected by this NOPR.²

Background

On 1/18/2011, President Obama issued Executive Order 13563, “Improving Regulation and Regulatory Review,” (EO 13563) and a presidential memorandum on regulatory flexibility (Regulatory Flexibility Memo). Although the Commission, as an independent agency, is not subject to requirements of those presidential documents, Chairman Wellinghoff directed FERC staff to perform an internal assessment of the effectiveness of agency regulations. Subsequently, on 7/11/2011, President Obama issued an executive order asking independent regulatory agencies to take steps to reassess and streamline existing regulations.

FERC continually seeks to streamline its regulations in order to foster competitive markets, facilitate enhanced competition, and avoid imposing undue burdens and costs on regulated entities or their customers. The Notice of Inquiry (NOI, available at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12512760>) in this proceeding was issued 12/16/2010, before issuance of the above-noted executive orders. In analyzing the public comments received in response to the NOI, FERC considered the goals of those Executive Orders. In this NOPR, FERC is seeking to streamline our natural gas pipeline reporting requirements, as part of our continuing efforts to ensure Commission regulations are effective, timely, and up to date.

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Not applicable. The NOPR proposes to delete portions of FERC-537 and FERC-549.

¹ FERC-549 includes the Semi-Annual Storage Reports for Interstate Pipelines, in 18 CFR 284.13(e), and several other reporting requirements. A Notice in Docket IC11-549-000 was issued July 28, 2011 (76 FR 46783, August 3, 2011) as part of the OMB clearance process for the entire set of requirements under FERC-549. In Docket No. IC11-549-000, the Commission is seeking to continue the OMB clearance for the Semi-Annual Storage Reports for Interstate Pipelines in 18 CFR 284.13(e) until the resolution of the final rule in Docket No. RM11-4.

² This clearance package only addresses the requirements proposed for deletion in the NOPR in RM11-4, unless otherwise noted.

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

Not applicable. The NOPR proposes to delete portions of FERC-537 and FERC-549.

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

Not applicable. The NOPR proposes to delete portions of FERC-537 and FERC-549.

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 and other FERC initiatives. This includes a review of the Commission's regulations and data requirements to identify any duplication.

In this NOPR, FERC is proposing to delete both sections 284.13(e) and 284.126(c) from our regulations. The semi-annual storage reporting requirements in those regulations appear for the most part to duplicate other reporting requirements. To the extent those reports do include information not reported elsewhere, the burden of requiring pipelines to report that information appears to outweigh any benefits to the Commission or the public of requiring such information to continue to be reported on a regular basis.

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

The NOPR proposes to delete portions of FERC-537 and FERC-549, reducing burden on small and large entities.

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

Not applicable. The NOPR proposes to delete portions of FERC-537 and FERC-549.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

Not applicable. The NOPR proposes to delete portions of FERC-537 and FERC-549.

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

The Commission's procedures require that the rulemaking notice to be published in Federal Register, thereby allowing all pipeline companies, state commissions, federal agencies, and other interested parties an opportunity to submit comments, or suggestions concerning the proposal. The Commission issued an NOI (at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12512760>) on 12/16/2010. FERC received comments from 12 entities. The comments are addressed in the NOPR.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

Not applicable. The NOPR proposes to delete portions of FERC-537 and FERC-549.

**10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO
RESPONDENTS**

Not applicable. The NOPR proposes to delete portions of FERC-537 and FERC-549.

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

Not applicable. The NOPR proposes to delete portions of FERC-537 and FERC-549.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission is proposing to eliminate two reporting requirements that are components of FERC-549 (OMB No. 1902-0086) and FERC-537 (OMB No. 1902-0060) and to remove the burden of those requirements from jurisdictional entities, as follows.

Information Collection (or Part of) Proposed for Deletion in NOPR in RM11-4	Part of OMB Control No.	No. of Respondents (a)	No. of Filings Per Respondent Per Year, Proposed for Deletion³ (b)	Burden Hrs. per Filing, Proposed for Deletion (c)	Annual Burden Hrs. per Respondent, Proposed for Deletion (b X c)	Total Annual Burden Hrs., Proposed for Deletion (a X b X c)
FERC-549, for the requirements in 18 CFR 284.13(e) [Interstate pipeline semi-annual storage reports]	1902-0086	155	2	12	24	3,720
FERC-537, for the requirements in 18 CFR 284.126(c) [Intrastate pipeline semi-annual storage reports]	1902-0060	50	2	27	54	2,700
Grand Total		205				6,420

³ For the FERC-549 the number of responses is not being removed from the current inventory in the ROCIS meta-data associated with this submittal related to the NOPR in RM11-4, due to incorrectly accounting for the number of responses in the last submittal to OMB for this collection. In the 60-day notice in Docket IC11-549 at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12719352> (issued 7/28/2011), FERC proposed revised figures for the estimated number of various annual FERC-549 filings. We expect to provide corrected estimates for the number of filings when the upcoming 30-day notice is issued in Docket IC11-549 and the corresponding supporting statement submitted to OMB for review.

See response to question 12 for further information.

The NOPR in RM11-4 is estimated to reduce the estimated annual no. of filings as follows.

- FERC-549: 155 respondents X 2 filings per year, giving an annual reduction of 310 filings Error: Reference source not found
- FERC-537: 50 respondents X 2 filings per year, giving an annual reduction of 100 filings

Estimates of the burden for the components of FERC-549 and FERC-537 that are not affected by this NOPR in RM11-4 will be provided in the clearance package associated with a final rule, if FERC promulgates a final rule. The remaining totals follow.

Information Collection	Estimated Average Annual Burden Hours		
	Total in Current OMB Inventory	Total Proposed for Deletion in NOPR in RM11-4	Remaining Total Burden Hrs., if RM11-4 is implemented through a Final Rule
FERC-549, OMB Control No. 1902-0086	7,190	3,720	3,470
FERC-537, OMB Control No. 1902-0060	102,942	2,700	100,242
Total		6,420	

13. ESTIMATE OF TOTAL ANNUAL COST OF BURDEN TO RESPONDENTS^{4, 5}

The estimated, annual costs associated with the reports proposed for deletion follows. These costs to industry will be avoided in the future if the deletions proposed in the NOPR are promulgated through a subsequent Final Rule.

⁴ A work year is 2,080 hours. The current FTE cost estimate is \$142,372, which includes salary and benefits. Burden and/or dollar figures in the tables may be rounded.

⁵ Please note that the \$638,000 cost figure carried in the ROCIS meta-data from the previous FERC-549 ICR 200810-1902-003 appears to relate only to the cost associated with the corresponding 7,190 burden hours. Therefore, the \$638,000 will be removed from the ROCIS metadata. That action is purely administrative to reflect our current approach to include in the ROCIS metadata only the industry cost related to non-burden cost. This administrative action is not caused by the proposals in the NOPR in RM11-4, for which we are seeking OMB review here.

Information Collection (or Part of) Proposed for Deletion in NOPR in RM11-4	Total Annual Burden Hours for Respondents (associated with the proposed deletions) (1)	Person Hours Per Year (2)	Estimated Annual Cost Per Person (3)	Total Annual Cost to Respondents (of the requirements proposed for deletion) ^{Error: Reference source not found} [(1)/(2)]x(3)
FERC-549 (OMB No. 1902-0086), for the requirements in 18 CFR 284.13(e)	3,720	2,080	\$142,372	\$254,627
FERC-537 (OMB No. 1902-0060), for the requirements in 18 CFR 284.126(c)	2,700	2,080	\$142,372	\$184,810
Totals, associated with items proposed for deletion	6,420			\$439,437

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Because “[t]he Commission finds that the reports now proposed for elimination are largely duplicative with other reporting requirements,” we don’t anticipate a change to the federal cost as a result of the proposed rule in RM11-4.

The previously reported estimates for federal cost are:

Data Collection	Total Estimated Average Annual Federal Cost -- <i>These estimates are not affected by the NOPR in RM11-4.</i>
FERC-549 (OMB No. 1902-0086)	\$ 351,918 as stated in the Supporting Statement for the Final Rule in Docket RM01-5 (from 9/19/2008), ICR 200810-1902-003

FERC-537 (OMB No. 1902-0060)	\$6,550,687 as stated in the Supporting Statement for the renewal of FERC-537 (from 2/1/2011), ICR 201101-1902-007
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15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE

In this NOPR, FERC is proposing to delete both sections 284.13(e) and 284.126(c) from our regulations at 18CFR. The semi-annual storage reporting requirements in those regulations appear for the most part to duplicate other reporting requirements. To the extent those reports do include information not reported elsewhere, the burden of requiring pipelines to report that information appears to outweigh any benefits to the Commission or the public of requiring such information to continue to be reported on a regular basis.

For the FERC-549 (OMB No. 1902-0086), the ROCIS meta-data on the total number of responses remains unchanged. This is because the last submittal under this control number did not correctly account for the number of responses contained in this collection. This is being remedied in the request for extension for this collection that is expected to be submitted once this submittal is reviewed. Error: Reference source not found

16. TIME SCHEDULE FOR PUBLICATION OF DATA

Not applicable.

17. DISPLAY OF EXPIRATION DATE

Not applicable.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

Not applicable.

B. Collection of Information Employing Statistical Methods

Not applicable.