

FERC-567 (OMB Control No. 1902-0005)

Supporting Statement for
**FERC-567, Gas Pipeline Certificates: Annual Reports of
System Flow Diagrams**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-567, Gas Pipeline Certificates: Annual Reports of System Flow Diagrams**, for a three year period. FERC-567 (OMB Control No. 1902-0005) is an existing Commission data collection (filing requirements), as stated by 18 Code of Federal Regulations (CFR) 260.8.

The Commission estimates the annual reporting burden for FERC-567 will be 5,665 total hours (an average of 55 hours per respondent).

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Under the Natural Gas Act (NGA)¹, the Commission is authorized to make investigations and to collect and record data, to the extent the Commission may deem necessary or useful for the purpose of carrying out the provisions of the NGA.

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

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 under the requirements of the FERC-567 to obtain accurate data on pipeline facilities. More specifically, the Commission utilizes the FERC-567 to validate the need for new facilities proposed by pipelines in certificate applications. By modeling a pipeline applicant's system, Commission staff utilizes the FERC-567 data to determine configuration/location of installed pipeline facilities, and verify and determine the receipt and delivery points between shippers, producers and pipeline companies. Additionally, the Commission uses the FERC-567 to determine

¹ Public Law 75-688

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

18 CFR 260.8 requires each major natural gas² pipeline to file five (5) copies of a diagram or diagrams reflecting operating conditions on the pipeline's main transmission system³ with the Commission by June 1st of each year. However, these reports may be submitted by eFiling. If that option is selected by the respondent, there is no requirement for any paper copies.

These data are physical/engineering data not included as part of any other data collection requirement.

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

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

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSES DESCRIBED IN INSTRUCTION NO. 2

The Commission published a notice within the Federal Register⁴ to help identify any duplication of the information in FERC-567. No comments were received. No similar information can be used or modified.

² A pipeline having a system delivery capacity exceeding 100,000 Mcf per day.

³ For the prior 12 months ending December 31

⁴ 77 FR 11520 (2/27/2012)

5. METHOD USED TO MINIMIZE BURDEN IN COLLECTIONS OF INFORMATION INVOLVING SMALL ENTITIES

The universe of respondents within the FERC-567 consists of 17 small entities⁵. All of those small entities have the option of filing electronically through the eFiling interface as a means of reducing their incurred burden. This is how the Commission attempts to minimize the burden of FERC-567 upon small entities.

The burden will vary among applicants, since the information should be specific for each applicant and site.

6. CONSEQUENCE TO FEDERAL PROGRAM IF INFORMATION WERE COLLECTED LESS FREQUENTLY

The consequence of not collecting or collecting this information less frequently would be the Commission's inability to fulfill its statutory mandates under the NGA and its Rules of Practice and Procedure. The Commission uses system flow diagrams for regulatory purposes in connection with processing applications filed by interstate pipelines under Sections 7(a), 7(b), and 7(c) of the NGA. Various investigations and pipeline operations use this information in order to show interconnections with other pipelines, locations of gas supply sources, and the flow of gas and interconnections with customers' facilities.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO INFORMATION COLLECTION

If a FERC-567 respondent opts to respond electronically, the requirements of 5 CFR 1320.5 are met. However, if an applicant opts not to file electronically, they would have to submit five (5) copies per 18 CFR 260.8. While the Commission encourages applicants to submit their filings electronically, this is the applicant's option.

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

⁵ The Small Business Administration defines "small" natural gas pipelines as any pipeline whose annual receipts are less than \$25.5 million/per year. The Commission uses the SBA definition to account for "small" entities here. For more information on the definition of "small" entities, please go to http://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf

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In accordance with OMB requirements⁶, the Commission published a 60-day notice⁷ and a 30-day notice⁸ to the public regarding this information collection on 2/27/2012 and 6/14/2012 respectively. Within the public notice, the Commission noted that it would be requesting a three-year extension of the public reporting burden with no change to the existing requirements concerning the collection of data. No comments were received.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to FERC-567 respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission classified the FERC-567 data (filed under 18 CFR 260.8) within the definition of CEII and, thus, public access to this data is limited.

Shortly after the terrorist attacks on 9/11/2001, the Commission began specifically outlining CEII. First, the Commission removed documents (such as oversized maps) that were likely to contain detailed specifications of facilities from its public files and Internet pages. Then, the Commission directed the public to use the Freedom of Information Act (FOIA) request process to obtain this type of information. The Commission maintains a continuing commitment to protect information regarding critical energy infrastructure by evaluating the effectiveness of the CEII regulations and to making necessary changes. Since 2001, the Commission refined several of its CEII regulations addressing both entities submitting CEII materials and requesters seeking access to CEII materials. (Additional information on FERC's CEII program and related landmark orders is available at <http://www.ferc.gov/legal/maj-ord-reg/land-docs/ceii-rule.asp> .)

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE

The Commission does not consider any of the questions within the FERC-567 of a sensitive nature that would be considered private. However, the Commission considers the FERC-567 information as sensitive to the nation's energy infrastructure because the data contains location and operational data on the nation's natural gas pipelines. Therefore, the FERC-567 information is classified as CEII (further described in question #10).

6 5 CFR 1320.8(d)

7 77 FR 11520

8 77 FR 35667

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission proposed an erroneous burden estimate on the 60-day notice for this information collection. The Commission estimates the corrected total Public Reporting Burden for this information collection as:

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	Number of Respondents (A)	Number of Responses Per Respondent (B)	Total Number of Responses (A)x(B)=(C)	Average Burden Hours per Response (D)	Estimated Total Annual Burden (C)x(D)
Data Proposed on 60-day notice⁹ for FERC-567					
Natural Gas Pipelines	103	1	103	1	103
Corrected Data Proposed for FERC-567					
Natural Gas Pipelines	103	1	103	55	5,665

The Commission revised the erroneous figures (presented only within the 60-day notice for this information collectionError: Reference source not found) based on an improved internal analysis. Due to further analysis, the Commission used historical patterns of burden associated with filing these pipeline diagrams to revise the estimate into more representative figures.

The Commission outlines the differences between the total requested annual time burden and the previously approved annual time burden below:

FERC-585	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	103	161	-58	0
Annual Time Burden (Hr)	5,665	13,086	-7,421	0
Annual Cost Burden (\$)	0	807,165	-807,165	0

⁹ 77 FR 11520 (2/27/2012)

The format, labels, and definitions of the table above follow the ROCIS system’s “ICR Summary of Burden” for the meta-data.

The Commission is removing the annual cost burden figure that appears in ROCIS because it is associated with labor hours. The Commission only reports in ROCIS costs not associated with labor hours.

13. ESTIMATE OF TOTAL ANNUAL COSTS (BURDEN TO RESPONDENTS)

FERC-567	Annual Burden Hours (1)	Estimated Hourly Cost (\$) (2)	Estimated Total Annual Cost to Respondents (\$) (1) X (2)
	5,665	\$69.01 ¹⁰	\$390,941.65

The total estimated annual cost to respondents is \$390,941.65. The Commission bases the total estimated annual cost upon the annual burden hours (5,665) and estimated hourly cost (\$69.01). FERC based the figure of \$69.01 upon the 2012 average FERC annual employee salary plus benefits (\$143,540). FERC uses \$143,540 to represent the cost to respondents because for certain collections FERC assumes that the typical respondent FTE cost in the industry resembles FERC’s costs of performing the same function (if the Commission were similarly tasked). Since FERC has ready access to FERC salary costs per year, FERC uses the average employee salary plus benefits to provide an estimated annual cost figure. The average estimated hourly cost per respondent is \$69.01. There are no start-up costs because FERC-567 is an existing information collection.

The respondent burden includes the total time, effort, and financial resources respondents spend to assemble and file the information. The cost estimate is based on salaries (plus benefits) for professional and support staff.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of filings [\$143,540 /year]	0.5	\$71,770
Data Clearance Cost	N/A ¹¹	\$1,588 ¹²

¹⁰ \$143,540 (2012 FTE average annual salary plus benefits)/2080 hours/year = \$69.01 per hour

FERC Total	N/AError: Reference source not found	\$73,358
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The Commission bases its estimate of the “Analysis and Processing of filings” cost to the Federal Government on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision making, and review of any actual filings made in response to the information collection.

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

The requirements within the FERC-567 did not change from the previously approved information collection. However, we did note a significant decrease in the proposed burden for this information collection. The decrease is due to a revised (i.e. improved) internal estimate regarding burden imposed upon the respondent in making these filings. A thorough review by subject-matter experts revealed a gross overestimation in the previously proposed burden. This overestimation has been corrected and updated with more realistic figures. The revised estimation reduced the average burden hours per response resulting in a reduced estimated total annual burden for the collection. Moreover, the number of respondents for this collection decreased from previous renewals. The decrease is primarily due to organizational shifts within the universe of respondents (i.e. pipelines periodically purchase other pipelines resulting in a lower number of total respondents).

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information. As noted above, copies of the filing are published in the Federal Register. The data are used for regulatory purposes only.

17. DISPLAY OF AN EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collection pursuant to 18 CFR 260.401. The information is not collected upon a standard form which would facilitate the display of the expiration date for OMB approval.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

11 Not applicable

12 The Commission bases its estimate of the cost to the Federal Government on salaries for professional and clerical support. For the data clearance cost, the Commission bases this cost upon an average of 24 hours per clearance.

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The Commission does not use the data collected for this reporting requirement for statistical purposes. Therefore, the Commission does not use as stated in item (i) of the certification to OMB "effective and efficient statistical survey methodology." The information collected is case specific to each information collection. Further, as stated in item #17, the Commission does not display the expiration date.