

**Supporting Statement for  
FERC Form No. 6, Annual Report of Oil Pipeline Companies  
(OMB Control No. 1902-0022),  
in Final Rule (Docket No. RM11-21-000)**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve the FERC Form No. 6 (Annual Report of Oil Pipeline Companies; current expiration date of 6/30/2013), for a three-year period. The FERC Form No. 6 is an existing Commission data collection, contained in Title 18 Code of Federal Regulations (CFR), Part 357.<sup>1</sup>

**Rulemaking Proceeding in Docket No. RM11-21-000**

On July 29, 2011, the Commission issued a Notice of Proposed Rulemaking (NOPR) in Docket No. RM11-21-000, Revision to Form No. 6. In the NOPR the Commission proposed to amend the instructions on page 700, Annual Cost of Service Based Analysis Schedule, of FERC Form No. 6 (Form 6) to ensure that pipelines report interstate-only barrel and barrel-mile data and not a combination of interstate and intrastate throughput. The Commission also proposed to direct pipelines that reported combined interstate and intrastate data on lines (1) through (12) of page 700 of their 2010 Form 6 to file a revised page 700 containing only interstate data for the years 2010 and 2009.

In the Final Rule, the Commission is amending the instructions on page 700 of the Form 6 to ensure that pipelines report interstate-only barrel and barrel-mile data and not a combination of interstate and intrastate throughput. The Commission also directs pipelines that reported combined interstate and intrastate data in any field (including columns (b) and (c)) on lines (1) through (12) of page 700 of their 2010 Form 6<sup>2</sup> or their 2011 Form 6<sup>3</sup> to file within 90 days of the final rule's publication in the *Federal Register* revised page 700 data containing only interstate data for the years 2009, 2010, and 2011.

**A. JUSTIFICATION**

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

Under the Interstate Commerce Act (ICA), (Section 20, 54 Stat. 916), the Commission is authorized and empowered to make investigations and to collect and record data to the extent

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<sup>1</sup> The FERC Form No. 6-Q is not being reviewed here. This is because the Rulemaking that has triggered this review is only proposing changes to the FERC Form No. 6.

<sup>2</sup> Pipelines filed their 2010 FERC Form 6 on April 18, 2011.

<sup>3</sup> Pipelines filed their 2011 FERC Form 6 on April 18, 2012.

the Commission may consider to be necessary or useful for the purpose of carrying out the provisions of the ICA. The information collected under the requirements of the Form 6 is used by the Commission to carry out its responsibilities in implementing the statutory provisions of the ICA, including the authority to prescribe rules and regulations concerning accounts, records and memoranda as necessary or appropriate. The Commission may prescribe a system of accounts for jurisdictional companies and, after notice and opportunity for hearing may determine the accounts in which particular outlays and receipts will be entered, charged or credited.

Financial accounting and reporting provides needed information concerning a company's past performance and its future prospects. Without reliable financial statements prepared in accordance with the Commission's Uniform System of Accounts and related regulations, the Commission would be unable to accurately determine the costs that relate to a particular time period, service or line of business. Additionally, it would be difficult to determine whether a given entity has previously been given the opportunity to recover its costs through rates, or to compare how the financial performance and results of the operations of one regulated entity relates to another.

The Form 6 also assists the Commission in overseeing and policing the regulated oil pipeline markets to assist in enforcing the ICA.

### **Historical Background**

In 1977, the Department of Energy Organization Act transferred to the Commission from the Interstate Commerce Commission (ICC) the responsibility to regulate oil pipeline companies. In accordance with the transfer of authority, the Commission was delegated the responsibility to require oil pipelines to file annual reports of information necessary for the Commission to exercise its statutory responsibilities.<sup>4</sup> The transfer included the Form P, the forerunner to the Form 6, Annual Report of Oil Pipeline Companies.<sup>5</sup>

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<sup>4</sup> Section 402(b) of the Department of Energy Organization Act (DOE Act), 42 U.S.C. 7172 provides that; "[t]here are hereby transferred to, and vested in, the Commission all functions and authority of the Interstate Commerce Commission or any officer or component of such Commission where the regulatory function establishes rates or charges for the transportation of oil by pipeline or established the valuation of any such pipeline."

<sup>5</sup> The ICC developed the Form P to collect information on an annual basis to enable it to carry out its regulation of oil pipeline companies under the Interstate Commerce Act. A comprehensive review of the reporting requirements for oil pipeline companies was performed on September 21, 1982, when the Commission issued Order 260 revising the former ICC Form P, "Annual Report of Carriers by Pipeline" and redesignating it as FERC Form No. 6, "Annual Report of Oil Pipeline Companies".

In 1994, the Commission addressed additional revisions to the Form 6 in Order Nos. 571 and 571-A, including a new Page 700 (Annual Cost of Service).

On December 13, 2000, the Commission issued a Final Rule in Docket No. RM99-10-000, Order No. 620, "Revisions to and Electronic Filing of the FERC Form No. 6 and Related Uniform System of Accounts." The Final rule revised Form 6 and the Commission's regulations in 18 CFR Part 357. These revisions amended the annual filing requirements and raised the minimal filing threshold for the Form 6. The Commission also revised the Form 6 instructions and schedules to clarify definitions and general instructions, eliminated duplicate reporting requirements, removed and consolidated schedules, updated and revised current schedules. As a result, three tiers, or thresholds based on the last three years of reported operating revenues (as noted below) were created for filing the Form 6.

- (A) \$500,000 and above-must file the full Form 6;
- (B) \$350,000 to \$499,999 – must file only the Identification page, Page 301 and Page 700;
- (C) Below \$350,000 – must file only the Identification page and Page 700.

Section 352 of Title of the Code of Federal Regulations prescribes a system of accounts which is applicable to all oil pipeline companies subject to the Commission's jurisdiction.

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

The Commission uses the information filed on the Form 6 Commission is used in the following manner:

- The Commission's Office of Enforcement (OE) uses the Form 6 data collected to assist in the implementation of its financial audits and programs, in the continuous review of the financial condition of regulated companies and in the assessment of energy markets. The Office of Energy Markets Regulation (OEMR) uses the data collected for various rate proceedings and economic analyses. The Office of Administrative Litigation (OAL) uses the data collected for background research for use in litigation. The Office of the General Counsel (OGC) uses the data in its programs relating to the administration of the ICA.
- The Office of the Executive Director (OED) uses data on certain schedules of the Form 6 to compute annual charges which are then assessed against oil pipeline companies to recover the Commission's annual costs as mandated by Commission Order No. 472. The annual charges are required by Section 3401 of the Omnibus Budget Reconciliation Act of 1986.

- The majority of state regulatory commissions use the Form 6 and the FERC Uniform System of Accounts to satisfy their reporting requirements for those companies under their jurisdiction.
- The public uses the data to assist in monitoring rates, the financial condition of the industry, and in the assessment of energy markets.

Page 700 of Form 6 serves as a preliminary screening tool for shippers to evaluate interstate pipeline rates subject to the Commission's jurisdiction. In Order Nos. 620 and 620-A, the Commission clarified that page 700 must include only jurisdictional costs and jurisdictional revenues (i.e. interstate costs and interstate revenues) and not a combination of jurisdictional and non-jurisdictional data.<sup>6</sup> Page 700 contains data for the current year and previous year, which allows shippers and the Commission to evaluate the pipeline's cost changes during the prior year.<sup>7</sup>

The current instructions on page 700 may inadvertently have caused some pipelines to report barrel and barrel-mile throughput that combines interstate and intrastate data.<sup>8</sup>

The final rule fixes the instructions so that the data can be used as intended.

The Commission continues to review and modernize its oil regulations with a view toward reducing the burden it places on industry. The ICA mandates the collection of information needed by the Commission to perform its regulatory responsibilities in the setting of just and reasonable rates.

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

Every pipeline carrier subject to the provisions of Section 20 of the ICA must electronically file with the Commission through Commission-provided software. The Commission has made available to all Form 6 respondents web-based submission software necessary to file

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<sup>6</sup> *Revisions to and Electronic Filing of the FERC Form No. 6 and Related Uniform Systems of Accounts*, Order No. 620, FERC Stats. & Regs. ¶ 31,115, at 31,959, *on reh'g*, 94 FERC ¶ 61,130, at 61,498 (2001).

<sup>7</sup> Page 700 of the 2010 Form 6 contains data for 2010 and 2009. Following the issuance of the NOPR, pipelines filed the 2011 Form 6 on April 18, 2012, which contains page 700 data for 2011 and 2010.

<sup>8</sup> Specifically, the instruction for line (12) on page 700 directs pipelines to report the same barrel-mile figures as those reported on line 33a of page 600 of the Form 6. Similarly, the instruction for line (11) on page 700 directs pipelines to report the same barrel figures as those reported on line 33b of page 601 of the Form 6. Thus, the instructions on page 700 specify that the throughput data reported on page 700 is the same throughput data that is reported on page 600-601. The instructions for page 600 direct pipelines to include "all oils received" by the pipeline, which consequently may have led some filers to report combined interstate and intrastate barrel-miles on lines (11) and (12) of page 700.

electronically through a doorway found on the FERC web site at <http://www.ferc.gov/docs-filing/forms/form-6/elec-subm-soft.asp>. The Commission requires all Form 6 respondents to use this software and doorway access for filings.

The Commission believes that electronic submission of Form 6 filings yields significant benefits, including more timely analysis and publication of data, increased data analysis capability, reduced cost of data entry and retrieval, simplifying the form design, and overall reduction of the reporting burden.

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

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its regulatory responsibilities under the Act in an effort to alleviate duplication. All Commission information collections are subject to analysis by Commission staff and are examined for redundancy. To date, no duplication of the proposed data requirements has been found.

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

The filing threshold for the Form 6 is divided into three categories, based on the size of the company (see Historical Background section under item 1 above). Smaller companies are not required to file the full Form 6, only certain pieces of the form. The Commission concluded that exempting a certain percentage of oil companies from filing the full FERC Form No. 6 in its entirety will not compromise its ability to gather meaningful data upon which to base its regulation of the oil pipeline industry.

The one-time filing imposed by the final rule will affect some but not all filers of the Form 6. For instance, some companies already file Page 700, including those that have interstate and intrastate operations but only report interstate data, while others only have interstate operations, or are excluded by regulation such as all Trans Alaska Pipeline System (TAPS) owners or companies which deliver oil into TAPS. However, the average burden per filer is expected to be small (6 hour per company), and therefore not substantially impacting small entities.

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

The Commission is authorized by statute to collect this information on an annual (Form 6) and quarterly (Form 6-Q)<sup>9</sup> basis. If the collection were conducted less frequently, the Commission would be unable to perform its mandated review responsibilities with respect to the assessment of the financial conditions of oil pipeline companies. The continued use of the FERC Form No. 6 (and FERC Form No. 6-Q) ensures that the Commission has the financial, operational, and ratemaking information needed to carry out its regulatory responsibilities to monitor the oil pipeline industry.

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

The requirements of the FERC Form No. 6 meet all of OMB's section 1320.5 requirements.<sup>10</sup>

**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 be published in the 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 rulemaking procedures also allow for public conferences to be held as required. On August 3, 2011, a NOPR was published in the Federal Register (76 FR 46668). Comments in response to this notice were due October 3, 2011.

Comments on the NOPR were due on October 3, 2011. Comments were filed by Valero Marketing and Supply Company (Valero); Air Transport Association of America and the National Propane Gas Association (ATA/NPGA); Magellan Pipeline, L.P. (Magellan); Association of Oil Pipelines (AOPL);<sup>11</sup> Enbridge Pipelines Inc.; and R. Gordon Gooch (Mr. Gooch). AOPL, Valero and Mr. Gooch filed reply comments, which the Commission accepts as they assisted our decision-making process.<sup>12</sup>

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<sup>9</sup> FERC is not asking for OMB to review the Form 6-Q as part of this proceeding or supporting statement. Page 700 (the impetus for the rulemaking and submittal to OMB) is contained only on the Form 6.

<sup>10</sup> 5 C.F.R. § 1320.5 (1995).

<sup>11</sup> AOPL states that it is a nonprofit trade association that represents the interests of common carrier oil pipelines. AOPL states that its members transport almost 85 percent of the crude oil and refined petroleum products shipped through pipelines in the United States.

<sup>12</sup> All the comments referenced in the following footnotes can be found as links in a document attached to the package accompanying this supporting statement on [reginfo.gov](http://reginfo.gov) or on the Commission's eLibrary system at [ferc.gov](http://ferc.gov) by searching under docket number RM11-21.

Below is an excerpt from the final rule summarizing some of the comments received and providing the Commission's responses. For a complete discussion of the comments, please see the final rule attached to this package.

**a. Clarification To Page 700 Requiring that All Pipelines Report Interstate-Only Barrels and Barrel Miles**

**1. The NOPR**

The NOPR proposed to modify the instructions for line (11) and line (12) of page 700 to specify that pipelines must report only interstate barrels and interstate barrel-miles and not a combination of interstate and intrastate throughput.

**2. Comments**

Valero, ATA/NPGA, and Mr. Gooch support the clarification that pipelines are to report on page 700 only interstate barrels and barrel-miles. They state that this change is consistent with the purpose of page 700. Magellan also states that it supports the proposal. AOPL and Enbridge state that they do not oppose the proposal to change the instructions on page 700.

**3. Commission Determination**

The Commission adopts the proposal to clarify that the barrel and barrel-mile data reported on lines (11) and (12) of page 700 must include interstate-only data and may not comingle interstate and intrastate data. None of the parties oppose this change. This modification will ensure that the interstate-only revenues and costs currently required to be reported on page 700 are accompanied by interstate-only volumes.

**b. Filing Revised Page 700**

**1. The NOPR**

The NOPR proposed that pipelines that reported combined interstate and intrastate data in lines (1) through (12) on page 700 should file a corrected 2010 Form 6 page 700 containing interstate only data for 2009 and 2010.

**2. Comments**

**i. Initial Comments**

Valero, ATA/NPGA, and Mr. Gooch support requiring pipelines that included intrastate data in the page 700 on the 2010 Form 6 to file revised 2009 and 2010 data containing interstate-only information. In addition, Valero and ATA/NPGA request that the Commission require pipelines to re-file corrected page 700 going back to the 2005 Form 6. Valero, ATA/NPGA, and Mr. Gooch state that once the Commission has gathered the page 700 information, it should then re-evaluate the appropriateness of the current oil pipeline index<sup>13</sup> based upon the prior years' page 700 information. The current index adjustment is the result of the Commission's recent five-year review of the index conducted in 2010.<sup>14</sup> Shipper parties had proposed using page 700 in the 2010 five-year review of the index level and now claim that the Commission rejected the use of the page 700 data only due to the interstate/intrastate mismatch on page 700, which is being remedied by this proceeding. Valero argues that burden on pipelines of re-filing data back to 2005 is likely to be negligible. Extrapolating from the cost estimates in the NOPR, Valero asserts that re-filing corrected Form 6, page 700 going back to 2005 would be \$171.10 for a pipeline that is re-filing all five-years.

In contrast, AOPL, Magellan, and Enbridge oppose requiring any pipeline that comingled interstate and intrastate costs to re-submit 2009 page 700 data. AOPL and Magellan assert that there is no compelling regulatory need for the 2009 data. AOPL argues that requiring 2009 data is a retroactive action that is contrary to the precepts of administrative law.<sup>15</sup> These parties do not raise objections to filing interstate-only 2010 data as part of the 2011 Form 6 to be filed on April 18, 2012.

Additionally, AOPL and Magellan dispute the NOPR's estimate that re-filing 2009 and 2010 data will only be one hour per filer. AOPL contends that it can be difficult to determine whether a movement is interstate or intrastate. Similarly, Magellan states that until the most recent 2010 Form 6 filed on April 18, 2011, Magellan filed comingled interstate and intrastate throughput and operating cost data on its page 700. Based upon its own experience, Magellan estimates that revisions to 2009 data for other pipelines would require forty man-hours over a three-week period involving multiple personnel.

## **ii. Reply Comments**

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<sup>13</sup> Under the index, an oil pipeline may change its ceiling rates effective every July 1 by multiplying the previous index year's ceiling rates by the index multiplier published by the Commission. The index is currently set at the Producer Price Index for Finished Goods (PPI-FG) plus an adjustment factor of 2.65 percent.

<sup>14</sup> *Five-Year Review of Oil Pipeline Pricing Index*, 133 FERC ¶ 61,228, at P 64-85 (2010) (2010 Five-Year Index Review), *reh'g denied*, 135 FERC ¶ 61,172, at P 27-43 (2011) (2010 Five-Year Index Review Rehearing).

<sup>15</sup> AOPL Comments at 6 (citing *Bowen v. Georgetown Univ. Hospital*, 488 U.S. 204, 208 (1988)).



In its reply comments, AOPL asserts that Valero, ATA/NPGA, and Mr. Gooch's proposal to require re-filing of page 700 data going back the 2005 Form 6 is an improper collateral attack on the Commission's decisions in the 2010 Five-Year Index Review. AOPL adds that if the Commission considers using page 700 to calculate the index in the future, the Commission must address the objections that were raised in the last five-year review.<sup>16</sup>

Also in its reply comments, AOPL reiterates its position that the request for corrected 2009 data has not been justified. AOPL contends that the burden of recalculating the 2010 Form 6, page 700 data substantially exceeds the one hour per filer estimated by the NOPR. AOPL states that sorting out the jurisdictional status of individual pipeline movements and recalculating the correct number of barrels and barrel-miles to each destination can be quite time consuming. Responding to Valero, ATA/NPGA, and Mr. Gooch, AOPL states that the further back in time the recalculation is required, the more difficult the data is to reconstruct. AOPL adds that there have been significant changes in pipeline ownership and operations since 2005, making it more difficult to reconstruct historic data.

In its reply comments, Valero denies that its request is a collateral attack on the 2010 Five-Year Index Review. Valero emphasizes the importance of the index level for shipper costs. Citing the NOPR's estimate of a total cost of \$11,362.70 to correct the referenced reporting errors for the years 2009 and 2010, Valero asserts that requiring pipelines to file corrected data for 2006, 2007, and 2008 would cost \$35,000. Valero disputes AOPL's and Magellan's claims regarding burden of filing revised interstate-only page 700 information. Valero observes that only one pipeline (Magellan) raised objections to the Commission's burden estimate. Valero states that pipelines such as Magellan already report intrastate and interstate revenue on page 301 of the Form 6. Thus, Valero concludes that pipelines should be fully aware of the corresponding interstate and intrastate movements, barrels, and barrel-miles, underlying these reported revenue amounts. Valero notes that pipelines are already required to report interstate-only data for lines (1) through (10).

### **3. Commission Determination**

In the NOPR, the Commission proposed to require any pipeline that reported comingled interstate and intrastate data on lines (1) through (12) of the 2010 Form 6, page 700 to file revised 2010 Form 6, page 700 data for the years 2010 and 2009. In addition, following the issuance of the NOPR and after the filing of comments, pipelines filed the 2011 Form 6 on April 18, 2012, which contains page 700 data for 2011 and 2010. Accordingly, the Commission directs any pipeline that reported combined interstate and intrastate data in any field (including columns (b) and (c) on lines (1) through (12) of page 700

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<sup>16</sup> AOPL Comments at 3 (citing Reply Comments of the Association of Oil Pipe Lines at 30-37, Docket No. RM10-25-000 (Sept. 20, 2010); Response of the Association of Oil Pipe Lines at 19-28, Docket No. RM10-25-000 (Oct. 20, 2010)).

of its 2010 Form 6 or page 700 of its 2011 Form 6 to file a revised page 700 containing only interstate data for the years 2009, 2010 and 2011.

This action ensures the availability of complete interstate cost per barrel-mile data consistent with the Commission's regulation of interstate oil and petroleum product pipeline rates and the intent of page 700 to enable the Commission and shippers to analyze interstate pipeline costs. For example, the interstate-only information for the year 2009, 2010 and 2011 will provide the Commission with useful information during the next five-year review of the Commission's index level.<sup>17</sup> In the recent 2010 Five-Year Index Review, parties urged the Commission to modify its existing practice and to use page 700 data to calculate the oil pipeline index.<sup>18</sup> The Commission determined that it could not use data from page 700 because the page 700 instructions, which are being corrected by this order, created a "mismatch between the page 700 total cost-of-service, which includes only interstate data, and the page 700 throughput data, which includes interstate and intrastate data."<sup>19</sup> Thus, by collecting the interstate-only page 700 data for 2009, 2010 and 2011, as directed by this order, the Commission will have available complete page 700 data for the five-year (2009-2014) period to use during the 2015 Five-Year Index Review if deemed appropriate.<sup>20</sup>

The Commission will not require pipelines to file revised page 700 data for the years prior to 2009. The sole purpose given by Valero, ATA/NPGA, and Mr. Gooch for requesting this information is to reconsider the conclusions of the Commission's 2010 Five-Year Index Review. The proposal to revisit the indexing calculation is a collateral attack on the recently completed 2010 Five-Year Index Review, which has been administratively final as of the Commission's order on rehearing.<sup>21</sup> A request to further reconsider the Commission's indexing methodology and to re-calculate the index level is unnecessary given the scope of that proceeding and the use of the Commission's established methodology.<sup>22</sup>

<sup>17</sup> Under the index, an oil pipeline may change its ceiling rates effective every July 1 by multiplying the previous index year's ceiling rates by the index multiplier published by the Commission. The Commission reviews the index level every five years to determine whether it continues to track oil pipeline cost changes and to revise the index level if necessary. The Commission completed its most recent review, establishing an index level to be effective for the period July 1, 2011, through June 30, 2016, of the Producer Price Index for Finished Goods (PPI-FG) plus an adjustment factor of 2.65 percent. 2010 Five-Year Index Review, 133 FERC ¶ 61,228, *reh'g denied*, 135 FERC ¶ 61,172.

<sup>18</sup> The Commission has historically used data from elsewhere on the Form 6, not the page 700. Specifically the Commission has used data drawn from the Form 6: Carrier Property, page 110; Accrued Depreciation, page 111; Operating Revenues and Operating Expenses, page 114; Crude and Products Barrel-Miles, page 600. 2010 Five-Year Index Review, 133 FERC ¶ 61,228 at n. 9.

<sup>19</sup> 2010 Five-Year Index Review, 133 FERC ¶ 61,228 at P 83.

<sup>20</sup> In each five-year review, the Commission has considered cost per barrel mile changes over the prior five year period. *E.g.*, 2010 Five-Year Index Review, 133 FERC ¶ 61,228 at P 5.

<sup>21</sup> 2010 Five-Year Index Review Rehearing, 135 FERC ¶ 61,172.

<sup>22</sup> *Id.* P 43.

In response to AOPL, Magellan, and Enbridge, the Commission does not view the re-filing requirement for the 2010 Form 6, page 700 and the 2011 Form 6, page 700 as creating an undue burden. The Commission is not persuaded that requiring pipelines to file revised 2009, 2010 or 2011 interstate only page 700 data will be as difficult or costly as AOPL, Magellan, and Enbridge suggest. This requirement will only affect pipelines that filed comingled interstate and intrastate data on the page 700. Regarding cost and revenue data, the Commission's directive does not impose an expense on pipeline parties that is not already embodied in existing Commission rules. The Commission clarified over a decade ago that cost and revenue information reported on lines (1) through (10) of page 700 data should include interstate-only data.<sup>23</sup> No party disputes this.

Regarding the barrel and barrel-mile data on lines (11) and (12), Magellan and AOPL contend that it is sometimes difficult to determine whether a shipment is interstate or intrastate. However, compliance with the existing requirement for pipelines to file only interstate costs and revenues on lines (1) through (10) requires a similar determination distinguishing between interstate shipments and intrastate shipments.<sup>24</sup>

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

The Commission will not make any payments or gifts to respondents.

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

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<sup>23</sup> In Order No. 620-A, the Commission stated:

The Commission never intended in the Final Rule to have a pipeline report its non-jurisdictional costs on page 700.... [W]e take this opportunity to clarify Order No. 620 that the cost-of-service and revenue data reported on page 700 will be the cost of service and revenues related to FERC jurisdictional services.

<sup>94</sup> FERC at 61,498.

<sup>24</sup> Page 301 of the Form 6 also requires pipelines to separately identify interstate revenues and intrastate revenues. Furthermore, under the Interstate Commerce Act (ICA), carriers must charge the correct rate on file for transportation service, and shippers are required to provide accurate information regarding the nature of their shipments in order to ensure that the correct rate is charged, which would include distinguishing interstate and intrastate rates. See 49 app. U.S.C. §10.

The Commission designed Form 6 in a manner such that all information reported is subject to public access and review and therefore, generally not confidential. The Commission entertains specific requests for confidential treatment to the extent permitted by law pursuant to 18 C.F.R. §388.112.

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

There are no items of confidentiality or questions of a sensitive nature associated with the data requirements proposed on the Form 6.

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

In the NOPR, the Commission estimated that it would require respondents, on average, one hour each to make the one-time modification and submittal of past data. In response to the NOPR, several commenters expressed that the burden would be significantly higher. For example, Magellan estimates that it would take a pipeline 40 hours to refile the 2009 data that the Commission is asking for. In contrast, other commenters argued that the Commission's burden estimate in the NOPR is reasonable. The Commission is not persuaded that requiring pipelines to file revised 2009 interstate only page 700 data will be as difficult or costly as some commenters suggest. However, given the time it takes to verify data and file it with the Commission, we may have underestimated the one hour average per filer. Consequently we have revised the average burden to four hours for filing corrected 2009 and 2010 page 700 data. In this final rule, the Commission is also seeking revised 2011 data. Thus, we estimate an additional one-time burden of six hours per filer for the combined implementation and the refiling of the page 700 for the 2009, 2010, and 2011 data. For the recurring effort involved in filing interstate data on lines (1) through (12) of page 700 for 2012 and future years, we estimate that the change in burden is negligible (after the initial implementation).

The following table shows the impact of the final rule on Form 6 respondents:

<b>RM11-21, FERC Form 6</b>	<b>Number of Respondents Annually<sup>25</sup> (A)</b>	<b>Number of Responses per Respondent (B)</b>	<b>Total Number of Responses (A)x(B)=(C)</b>	<b>Average Burden Hours per Response (D)</b>	<b>Total Estimated Additional One-Time Burden (C)x(D)</b>
Implementation Burden (one-time); and Re-filing of Page 700, lines 1-12 for 2009-2011 (one-time)	166	1	166	6	996

For the changes to the Form 6 in the Final Rule, the Commission estimates an additional one time burden hour cost of \$68,734 (996 hours \* \$69.01/hour<sup>26</sup>)

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

There are no capital or start-up costs related to this information collection request.

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

For the reporting requirements included in the Final Rule in RM11-21-000, the estimated average annual costs to the Commission (averaged over Years 1-3) follow.

<b>Annualized Cost to the Federal Government</b>	<b>Annual No. of FTEs</b>	<b>Annual Cost (averaged over Years 1-3)</b>
Estimated Average Annual Figure for analysis and processing (averaged over Years 1-3) [average cost for 1 FTE (including salary + benefits) is \$143,540 per year.]	.5	\$71,770
Estimated Average Paperwork Reduction Act Administration Cost (based on 24 hours of work time)		\$1,588
<b>Total Estimated Annualized Federal Cost (averaged over Years</b>		<b>\$73,358</b>

<sup>25</sup> Although 166 pipelines file page 700, the number of pipelines that must file corrected information will likely be substantially less. Some pipelines only transport interstate shipments and thus would have reported only interstate data on page 700. Other pipelines may have reported only interstate data on lines (1) – (12) on page 700, and these pipelines would not need to file additional data. Additionally, owners of the Trans Alaska Pipeline System and companies that deliver oil into TAPS are not required to file Page 700, by Commission Order.

<sup>26</sup> Using 2,080 hours/year, the estimated cost for 1 full-time employee is \$143,540/year. The estimated hourly cost is \$69.01 (or \$143,540/2,080).

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

The Commission estimates there will be a one-time increased burden involved in the initial implementation associated with: (a) using only interstate figures for lines 1-12 of page 700, and (b) re-filing of revised data for lines (1) through (12) of page 700 for 2009, 2010, and 2011. For the recurring effort involved in filing interstate data on lines (1) through (12) of page 700 for 2012 and future years, we estimate that the change in burden is negligible (after the initial implementation). By requiring the filing of correct data on page 700 moving forward and the re-filing of page 700 for years 2009, 2010, and 2011, the Commission will be able to more fully perform its responsibilities under the ICA.

The following summary table shows how the current inventory will be affected by the final rule:

<b>Form 6<sup>27</sup></b>	<b>Total Request</b>	<b>Change Due to Agency Discretion</b>	<b>Change due to Adjustment in Estimate</b>	<b>Previously Approved</b>
Annual Number of Responses	332	166	0	166
Annual Time Burden (Hr)	26,989	332	0	26,657
Annual Cost Burden (\$)	0	0	-1,767,092	1,767,092

The additional one-time burden of 996 hours is being averaged over the three years for the purposes of submittal to the Office of Management and Budget (OMB), giving an average additional annual burden of 332 hours.<sup>28</sup>

In the last submission to OMB under this control number the Commission included the annual cost figure in the ROCIS metadata. However, the Commission currently only includes in ROCIS the costs not associated with burden hours and wages for employees and has therefore removed the cost figure previously reported in ROCIS as it corresponded to wages paid to employees in completing this collection (burden hour costs are reported in question 12).

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

<sup>27</sup> Some of the figures do not add up exactly due to rounding/truncating error.

<sup>28</sup> After three years, the Commission intends to remove these hours from this collection.

FERC Form No. 6 (OMB Control No. 1902-0022)  
Final Rule (RM11-21) Issued September 20, 2012 (RIN: 1902-AE37)

The information furnished in the Form 6 is available for public inspection at the FERC website (<http://www.ferc.gov/docs-filing/forms.asp#6>). Each pipeline company, subject to the provisions of Section 20 of the ICA, must file the Form 6 on or before April 18 of the year following the year covered by this report. The data are not collected for the purposes of a publication; rather they are collected for regulatory purposes.

#### **17. DISPLAY OF THE EXPIRATION DATE**

The Form 6 displays both the OMB control number and the expiration date. This information is displayed in the upper right-hand corner of the cover page in the appropriate electronic version of this form.

#### **18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There is an exception to the Paperwork Reduction Act Submission Certification. The data collected for this reporting requirement is not used for statistical purposes, as is stated in the certification accompanying this submission.