

Supporting Statement

FERC Form No. 6-Q, Quarterly Financial Report of Oil Pipeline Companies

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC Form No. 6-Q, Quarterly Financial Report of Oil Companies, for a three year period. FERC Form No. 6-Q (OMB Control No. 1902-0206) is an existing Commission data collection (reporting requirement), as stated by 18 Code of Federal Regulations (CFR) Part 357.4.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Interstate Commerce Act (ICA) authorizes the Commission to make investigations, collect, and record data in order to carry out certain necessary and useful provisions. The information collected from oil pipeline companies under the requirements of the FERC Form No. 6-Q provide the Commission the ability to implement the statutory provisions of the ICA including the authority to prescribe rules, regulations concerning accounts, records, memoranda as necessary. The ICA also allows the Commission to prescribe a system of accounts for jurisdictional companies and (after notice) an opportunity for hearing can determine the accounts in which particular outlays and receipts can be entered, charged, or credited.

The financial accounting and reporting provides needed information concerning a FERC Form No. 6-Q company's past performance and its future prospects. Without reliable financial statements (prepared in accordance with the Commission's Uniform Systems of Accounts), the Commission would be unable to accurately determine the costs that related to a particular time period, service, or line of business. Additionally, it would be more difficult for the Commission to determine if a certain entity was previously provided the opportunity to recover its costs via rates or to compare how the financial performance of one regulated entity relates to another.

The FERC Form No. 6-Q assists the Commission in overseeing and policing the regulated oil pipeline markets to assist in enforcing the ICA.

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

The Commission's Office of Enforcement (OE) uses the FERC Form No. 6-Q data to assist in the implementation of its financial audits and programs for the continuous review of the financial condition of regulated companies and assessment of energy markets. The Commission's Office of Energy Markets Regulation (OEMR) uses the data collected for various rate proceedings and economic analyses. The Commission's Office of Administrative Litigation (OAL) uses the data

collected for background research for use in litigation. The Commission's Office of General Counsel (OGC) uses the data in its programs relating to the administration of the ICA.

Additionally, many state regulatory commissions use the FERC Form No. 6-Q and the Uniform System of Accounts to satisfy their reporting requirements for companies under their jurisdiction.

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

FERC has attempted to facilitate the filing process by providing materials to assist every potential pipeline carrier's response to this collection. FERC Form No. 6-Q and related helpful materials can be found on the FERC website here:

<http://www.ferc.gov/docs-filing/forms.asp#6Q>.

The Commission observes that electronic submission of FERC Form No. 6-Q filings yields significant benefits including more timely analysis and publication of data, increased data analysis capability, reduced cost of data entry and retrieval, simplification of 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. There is no other source of this information.

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

Only companies (whose annual jurisdictional operating revenues have been \$500,000 or more for each of the three previous calendar years) that file the full FERC Form No. 6 are required to file the FERC Form No. 6-Q. Consequently, companies with annual jurisdictional operating revenues below \$500,000 are excluded from filing the FERC Form No. 6-Q.

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

The Commission is authorized by statute to collect this information on an annual and quarterly 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-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

FERC Form No. 6-Q meets OMB's Section 1320.5 requirements.

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

In accordance with OMB requirements, the Commission published a 60-day notice¹ and a 30-day notice² to the public regarding this information collection on 2/6/2013 and 4/24/2013 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. The Commission received no comments.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to FERC Form No. 6-Q respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC Form No. 6-Q filings to be confidential. However, the filer may request privileged treatment of a filing that may contain information harmful to the competitive posture of the applicant if released to the general public.³

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

1 78 FR 8500
2 78 FR 24187
3 18 CFR 388.112

The Commission considers the questions within the FERC Form No. 6-Q neither sensitive in nature nor private.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The annual burden estimate of 71,100 hours for information requirements under FERC Form No. 6-Q is based on the Commission's recent experience with filings of the complete FERC Form No. 6-Q.

A detailed summary of FERC Form No. 6-Q burden estimates is shown below:

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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)
Oil Pipeline	158	3	474	150	71,100

The following table shows the labor cost associated with the burden hours.

Annual Burden Hours (1)	Estimated Hourly Cost (\$) (2)	Estimated Total Annual Cost to Respondents (\$) (1) X (2)
71,100	\$70 ⁴	\$4,977,000

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The Commission does not estimate any capital, start-up, or other non-labor costs associated with this collection. All costs are captured as part of the labor hours included in item #12.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of filings ⁵	.5	\$72,909
PRA ⁶ Administrative Cost ⁷		\$2,250
FERC Total		\$75,159

⁴ This figure is rounded to the nearest dollar.

⁵ Based upon 2013 FTE average salary plus benefits (\$145,818)

⁶ Paperwork Reduction Act of 1995 (PRA)

⁷ Based upon Commission staff time/effort and Federal Register costs

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 submitted in response to the information collection.

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

The reason for the change in reporting burden is due to the increase in the number of filers completing the FERC Form No. 6-Q. The number of filers is constantly in flux because there are new market entrants and those leaving the market or consolidation of market participants. The number of FERC Form No. 6-Q filers increased from 142 to 158 since the last OMB approval of this collection.

FERC-6Q	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	474	426	48	-
Annual Time Burden (Hr)	71,100	63,900	7,200	-
Annual Cost Burden (\$)	\$0	\$4,235,931	-\$4,235,931	-

With the clearance package, the cost to industry is displayed using the unit of burden hours. In accordance with the “ROCIS HOW TO Guide for Agency Users of the Information Collection Request (ICR) Module”, users should not report as a dollar cost any burden reported in hours⁸. Therefore, Commission staff corrected the industry’s annual cost burden within the ROCIS metadata to show that the Commission associates no cost to capital investment or other non-labor costs. The Commission estimates the monetary cost related to the burden hours in #12 (above). This was done erroneously in previous FERC Form No. 6-Q supporting statements. Commission staff corrected the error within the current proposed clearance package, which is why the above table shows a removal of \$4,235,931 in annual cost burden.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information. The Commission uses the data for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

⁸ [https://www.rocis.gov/rocis/jsp/common/ROCIS HOW TO Guide for AGENCY Users of ICR Module-03192012_v2.pdf](https://www.rocis.gov/rocis/jsp/common/ROCIS_HOW_TO_Guide_for_AGENCY_Users_of_ICR_Module-03192012_v2.pdf), p.37

The Commission's website displays the expiration date in the information portion of the FERC Form No. 6-Q's web posting viewable here: <http://www.ferc.gov/docs-filing/forms.asp#6Q>. Additionally, the FERC Form No. 6-Q displays the expiration date in the upper right-hand corner of the first page.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

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.