

Supporting Statement for  
**FERC-577, Natural Gas Projects: Environmental Review and Compliance**  
(OMB Control. No. 1902-0128)

The Federal Energy Regulatory Commission (FERC or Commission) requests the Office of Management and Budget (OMB) extend its approval of FERC-577 for three years. FERC-577 is an existing information collection dealing with the collection of environmental information. The FERC is proposing to change the title of the collection to more accurately reflect the nature of the information being collected. The reporting requirements are not changing.

Total reporting burden under FERC-577 is expected to be 284,096 hours per year during the next three years.

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

Section 102 (2)(c) of National Environmental Policy Act of 1969 (Pub.L 91-190) (42 U.S.C. 4321) requires that all Federal agencies:

- Consider the environmental impact of its decisions regarding those activities that are major federal actions significantly affecting the quality of human environment
- Produce a detailed statement on the environmental impact of the proposed actions that addresses any adverse environmental effects which cannot be avoided
- Produce alternatives to the proposed action.

The Commission's regulations implementing NEPA in 18 CFR Part 380 require applicants seeking authorization to construct and abandon facilities to provide a detailed environmental report with their application that describes the impact the project is likely to have and the measures the applicant will implement to mitigate those impacts. This environmental report consists of at least twelve separate reports, each addressing a particular resource area.

Section 311(d) of EPLA 2005 amended the Natural Gas Act (NGA) to require the Commission to develop and implement regulations for the pre-filing process, which is designed to identify and resolve environmental and other issues while a proposed project is in its early stages of design. The purpose of the regulations was to make the use of the pre-filing process mandatory for prospective applicants seeking authorization to site and construct a liquefied natural gas (LNG) terminal, and to require that prospective applicants begin FERC's pre-filing review process at least 6 months prior to filing an application.

The Commission's pre-filing regulations (18 CFR 157.21) were promulgated in Order 665 and became effective in October 2005. The regulations outline the requirements for initiating the pre-filing process and timelines for the submittal of environmental information. The regulations also state that the mandatory pre-filing procedures that apply to the prospective applicant for authorization of an LNG terminal, as defined in EAct 2005, also apply to any pipeline and other natural gas facilities necessary to transport re-gasified LNG to or from an LNG terminal. Prospective applicants for other types of natural gas facilities can continue to use the pre-filing process on a voluntary basis, but they would be subject to the requirements and timelines in the pre-filing regulations. As part of the pre-filing process, prospective applicants are required to produce and file the same information required under Part 380 for a formal application with the Commission. The pre-filing information is considered preliminary and may be revised and updated multiple times as the project design is modified and new information becomes available.

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

The Commission collects environmental information from companies in connection with proposals to construct new natural gas facilities or to modify, expand or abandon existing facilities. The information is collected during the pre-filing process (before the filing of an application), during the application review, and after the Commission's authorization of a project (to ensure compliance with the Commission Order).

Environmental concerns play a significant role in the review of applications for natural gas infrastructure. In considering applications, FERC has to consider both the benefits of a proposed project and its environmental impact. The environmental information collected by the Commission and its independent analysis of that information is critical to the decision-making process.

FERC-577 data collections are required for statutory purposes and cannot be discontinued. The consequences of not collecting this information are that the Commission would be unable to fulfill its statutory mandates under its Rules of Practice and Procedure, and in compliance with EAct 2005, NGA, and NEPA.

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

The Commission is engaged in continuous efforts to determine the potential for and value of improved information technology to reduce the burden on stakeholders. As of January 2013, certificate applications and other related environmental materials can be filed electronically, along with a requirement for three hard copies to be delivered to staff as a courtesy. This represents a reduction from the previous requirement for an original and seven copies. At present, the majority of the filings in connection with the environmental review of projects are made electronically. However, due to their size and complexity, maps and engineering drawings that are submitted as required exhibits with an application may not readily lend themselves to the use of electronic media. As the Commission increases its use of electronic media for filing, storage, retrieval, and tracking of information and documents, greater uniformity in filing procedures, where practical, will greatly expedite and simplify conversion to electronic media.

**4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED ON MODIFIED FOR USE FOR THE PURPOSES 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 NGA in an effort to alleviate duplication. All Commission information collections are subject to analysis by Commission staff and are examined for redundancy.

The applicant proposing the project is the only source of the required information.

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

The information requirements under FERC-577 apply only to natural gas companies that are or would be transporting natural gas in interstate commerce, or importing or exporting natural gas. Based on the Commission's experience, few of the companies regulated by the Commission fall within the Regulatory Flexibility Act's definition of a small entity.

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

FERC-577 data collections are required for statutory purposes and cannot be discontinued. The consequences of not collecting this information are that the Commission would be unable to fulfill its statutory mandates under its Rules of Practice and Procedure, and in compliance with EPCA 2005, NGA, and NEPA.

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

There are two special circumstances related to this collection.

The amount and frequency of the information collection is highly variable and largely based on the completeness of an applicant's filings throughout the environmental review process. An applicant may have to file information more often than quarterly. Factors that affect information collection include the location and complexity of the project in addition to the level of stakeholder involvement.

FERC requires three paper copies for staff as a courtesy to assist with staff review, processing, and collaboration.

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

In accordance with the requirements of the Paperwork Reduction Act of 1995<sup>1</sup>, the Commission issued a request for comments on the information collected under FERC-577. The information collection and requests for comments were published in the Federal Register on February 28, 2013 (78 FR 13657) and on May 16, 2013 (78FR28825). The Commission did not receive any comments.

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

No payments or gifts are offered to respondents.

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

The majority of the information collected is not confidential. However, the Commission's regulations require that information on the location and nature of cultural resources that could be affected be filed as privileged material to protect the resource. Applicants are also required to provide the names and addresses of affected landowners. This information is also treated as privileged material.

Some information required by the Commission is comprised of detailed maps and engineering drawings which may contain Critical Energy Infrastructure Information (CEII). CEII as defined in section 388.113 of the Commission's

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<sup>1</sup> 42 U.S.C. 4321, et. seq.

regulations includes information about proposed or existing natural gas facilities that could be used by a person planning an attack on critical energy infrastructure. The Commission’s procedures in Section 388.112 are designated to ensure that CEII is not placed in the Commission’s public records.

In addition, applicants may ask that the Commission treat certain information as proprietary for business reasons.

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

See the response in Question #10 above.

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

The estimated average annual public reporting burden and cost for FERC-577 follow.

<b>Number of Respondents Annually (1)</b>	<b>Number of Responses Per Respondent (2)</b>	<b>Average Burden Hours Per Response (3)</b>	<b>Total Annual Burden Hours (1)x(2)x(3)</b>
92	16	193	284,096

The burden estimates are based on the number of actual filings and Commission staff experience with those filings.

The estimated annual cost associated with the burden hours is \$19,886,720 (284,096 hours x \$70/hour<sup>2</sup> = \$19,886,720).

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

There are no start-up, capital, or operations and maintenance costs associated with the FERC-577.

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

Below is the Federal Cost estimate for the existing requirements under FERC-577.

<b>Type of Cost</b>	<b>Number of Employees (FTEs)</b>	<b>Estimated Annual</b>
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<sup>2</sup> Based on wages and benefits for an employee.

		<b>Federal Cost<sup>3</sup></b>
PRA Administration Cost <sup>4</sup>		\$2,250
FTE	34	\$4,957,812
<b>FERC Total</b>		\$4,960,062

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

There is a slight reduction in the total burden estimate due to the Commission rounding off the number of responses per respondent and the burden hours per response. This adjustment leads to a reduction of 2 responses and 1,130 hours. There are no changes to the FERC-577 requirements and the estimated number of respondents has not changed.

The following table shows the adjustment to the existing burden hours.

<b>FERC-577</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	1,472	1,474	-2	-
Annual Time Burden (Hr)	284,096	285,226	-1,130	-
Annual Cost Burden (\$)	0	18,906,383	-18,906,383	-

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 hours<sup>5</sup>. 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 the previous FERC-577 supporting statement. Commission staff corrected the error within the current proposed clearance package.

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<sup>3</sup> Based on 2013 cost per FTE of \$145,818  
<sup>4</sup> The PRA Administration Cost is based on the Commission’s estimated staff time and resources to comply with the requirements of the PRA.  
<sup>5</sup> See [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

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

FERC does not publish any data as part of this collection.

**17. DISPLAY OF EXPIRATION DATE**

The information collected as part of the FERC-577 is not collected 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**

Because the data collected is not submitted on a standardized form, the Commission does not display the expiration date. In addition, the Commission does not use statistical survey methodology for these information collections.