

FERC Form 549D (OMB Control No. 1902-0253)

Supporting Statement

FERC Form 549D: Quarterly Transportation and Storage Report for Intrastate Natural Gas and Hinshaw Pipelines

Three-year approval of extension requested

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve the FERC Form 549D (Quarterly Transportation and Storage Report for Intrastate Natural Gas and Hinshaw Pipelines) information collection for a three-year period under OMB Control Number 1902-0253.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The reporting requirements under FERC Form 549D (18 CFR 284.126) are required to carry out the Commission's policies in accordance with the general authority in Section 1(c) of the Natural Gas Act (NGA)¹, and Section 311 of the Natural Gas Policy Act of 1978 (NGPA)²

Subpart C of the Commission's open access regulations (18 CFR Part 284) implements the provisions of NGPA Section 311 concerning transportation by intrastate pipelines. 18 CFR Section 284.224 provides for the issuance of blanket certificates to Hinshaw pipelines to provide open access transportation service to the same extent and in the same manner as intrastate pipelines are authorized to perform such service by Subpart C. Further, the Commission finds that certain types of additional information should be published in order to enable shippers, other market participants and for the Commission to determine the extent to which particular transactions are comparable to one another (a prerequisite for determining the rights of similarly situated shippers and for detecting undue discrimination). The Commission has not imposed on intrastate pipelines all of the Part 284 requirements imposed on interstate pipelines³ to remain consistent with the NGPA's goal of encouraging intrastate pipelines to provide interstate service. Requiring Section 311 intrastate and Hinshaw pipelines to report this additional information concerning each transaction makes the reporting requirements for those pipelines more comparable to the transactional posting requirements for interstate pipelines. Section 284.13(b) (1) requires interstate pipelines to post similar information concerning contract rates, duration, receipt and delivery points, entitlements to service, and affiliate relationships.⁴ Most of the remaining information which Section 284.13(b) requires interstate pipelines to post is not required of Section 311 or Hinshaw pipelines to report.

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

This collection promotes transparency by collecting and making available intrastate and

1 15 USC 717-817-w

2 15 USC 3301-3432

3 Associated Gas Distributors v. FERC, 824 F.2d 981, 1002-1003 (D.C. Cir. 1987)(AGD); Mustang Energy Corp. v. Federal Energy Regulatory Commission, 859 F.2d 1447, 1457 (10th Cir. 1988), cert. denied, 490 U.S. 1019 (1988); see also EPGT Texas Pipeline, 99 FERC ¶ 61,295 (2002).

4 See 18CFR 284.13(b)(1)(ii), (iv), (v), and (vii) and (2)(iv)(v)(vi)and (ix).

Hinshaw pipeline transactional information. The Commission collects the data upon a standardized form with all requirements outlined in 18 CFR 284.126.

The FERC Form 549D collects the following information:

- Full legal name and identification number of the shipper receiving service;
- Type of service performed for each transaction;
- The rate charged under each transaction;
- The primary receipt and delivery points for the transaction, specifying the rate schedule/name of service and docket were approved;
- The quantity of natural gas the shipper is entitled to transport, store, and deliver for each transaction;
- The term of the transaction, specifying the beginning and ending month and year of current agreement;
- Total volumes transported, stored, injected or withdrawn for the shipper; and
- Annual revenues received for each shipper, excluding revenues from storage services.

Filers submit the Form-549D on a quarterly basis. The implementation of these data requirements will help the Commission to carry out its responsibilities under both the NGA and the NGPA to monitor the activities and evaluate transactions of the natural gas industry to ensure competitiveness and to assure the improved efficiency of the industry's operations. The Commission's Office of Energy Market Regulation and the Office of the General Counsel will use the data in rate proceedings to review rate and tariff changes by natural gas companies for the transportation of gas, for general industry oversight, and to supplement the documentation used during the Commission's audit process.

The Commission would be unable to monitor and evaluate transactions and operations of interstate pipelines and perform its regulatory functions without collecting these data.

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

The Commission's electronic filing program started in 10/2000⁵. Since that time, there has been an ongoing effort to expand the program and adopt user-friendly electronic formats, media, and software. In general, electronically filed forms and applications: (1)improve the efficiency and overall management of the filing process, (2)facilitate public access and the FERC's monitoring of the energy markets, and (3)enhance competition within industries (by providing the customers with an electronic means of comparing the rates, terms and conditions, and other provisions applicable to the regulated entities).

The FERC Form 549D must be filed in either a standardized PDF or Extensible Markup Language (XML) format in order to offer minimize the burden upon respondents (by use of a

⁵ The initial notice, issued 10/6/2000, is available at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=8036619> . Details on the current state of the eFiling program are posted at <http://www.ferc.gov/docs-filing/efiling.asp>.

readily available format).

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. This includes a review of the Commission's regulations and data requirements to identify any duplication. The Commission, in the Order on Rehearing (Order 735-A), addressed the issue of duplication of reporting requirements and contemporaneously began a rule making process that ultimately resulted in eliminating largely duplicative reporting requirements. To date, no duplication of the data requirements has been found. The Commission staff is continuously reviewing its various filings in an effort to alleviate duplication. There are no similar sources of information available that can be used or modified for use.

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

The Commission is not imposing on intrastate and Hinshaw pipelines the same reporting requirements as it imposes on interstate pipelines. FERC is not requiring the intrastate and Hinshaw pipelines to make daily postings of transactional information on their own websites. The Commission also recognizes that some respondents (with few transactions) may prefer to use PDF rather than XML. However, other respondents with a large number of transactions and experience with XML would probably prefer to use XML. As a result, the Commission will allow respondents to select the method of filing (XML or PDF) that is most appropriate to their circumstances.

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

By requiring Section 311 and Hinshaw pipelines to make quarterly transactional reports containing similar information to that reported by interstate pipelines, the Commission has sought to balance the benefits of increased transparency of intrastate and Hinshaw pipeline transactions with the interest in avoiding unduly burdensome requirements for those pipelines.

The quarterly response frequency of the 18 CFR 284.126(b) transactional reports by intrastate and Hinshaw pipelines provides shippers and the Commission with more timely and more useful information concerning the transactions entered into by Section 311 and Hinshaw pipelines.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related to the information collection.

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

In accordance with OMB requirements, the Commission published a 60-day notice⁶ and a 30-day notice⁷ to the public regarding this information collection on 11/21/2013 and 2/6/2014 respectively. Additionally, a 15-day notice was issued illustrating a change to the burden estimate previously noted in the 60 and 30-day notices. The change in burden results from a change in Average Burden Hours per Response for implementation burden for XML filings (from 104 hours to 196 hours). Within the public notices, the Commission noted that it would be requesting a three-year extension of the public reporting burden. The Commission received no comments from the public regarding this information collection.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents in the FERC Form 549D requirements.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC Form 549D filings to be confidential. There are no confidentiality provisions associated with the data requirements of FERC Form 549D.

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

There are no questions of a sensitive nature associated with the FERC Form 549D reporting requirements.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission estimates the Public Reporting burden for the FERC Form 549D information collection as follows:

FERC Form 549D: Quarterly Transportation and Storage Report for Intrastate Natural Gas and Hinshaw Pipelines					
Format of Pipelines' Filing	Number of Respondents (A)	Number of Responses Per Respondent	Total Number of Responses (A)x(B)=(C)	Average Burden Hours per Response	Estimated Total Annual Burden

⁶ 78 FR 69843
⁷ 79 FR 7175

		(B)		(D)	(C)x(D)
Implementation Burden					
PDF filings	3	1	3	68	204
XML ⁸ filings	2	1	2	196 ⁹	392
Ongoing Burden					
PDF filings	76	4	304	12.5	3,800
XML filings	33	4	132	10	1,320
TOTAL	109 ¹⁰		441		5,716

The total estimated annual cost burden to respondents is \$450,764 [5,716 hours * \$78.86/hour¹¹ = \$450,764].

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no capital or start-up costs associated with this collection. All of the costs are associated with the burden hours and accounted for in Question #12.

14. ESTIMATE OF THE TOTAL ANNUAL COST TO FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of filings ¹²	1	\$146,591
PRA ¹³ Administrative Cost		\$5,092
FERC Total		\$151,683

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

⁸ Extensible Markup Language (XML)

⁹ This figure was changed from 104 hours/response to 196 hours/response. This change was further described within a 15-day public notice that the Commission issued on 2/28/2014.

¹⁰ This figure does not include the five respondents for the “Implementation Burden”.

¹¹ This cost represents the average cost of four career fields: Legal (\$128.02/hour), Accountants (\$48.58/hour), Management Analyst (\$56.27/hour), and Computer and Information (\$82.67/hour); this cost also includes benefit costs within the hourly estimates. These figures were compiled using Bureau of Labor Statistics data that were specific to each occupational category: http://bls.gov/oes/current/naics2_22.htm

¹² Based upon 2014 FTE average salary plus benefits (\$146,591)

¹³ Paperwork Reduction Act of 1995 (PRA)

The FERC Form 549D experienced a decrease in burden.

- The initial public reporting burden (i.e. “start-up” burden) included in the previous burden estimate no longer applies to the majority of respondents to the FERC-549D.
- Commission staff can provide a better estimation of the respondent effort due to experience with the filings and better understanding of respondent behavior. Commission staff reviewed the filing requirements and concluded that the average hourly burden per response (for both implementation and ongoing burden) was overestimated in the previous approval. The average burden hours per response have been decreased appropriately.
- The number of respondents affected by the implementation burden was reduced from 125 to 5. Additionally, the number of respondents affected by the ongoing burden was reduced from 125 to 109. Both reductions contributed to the reduction in total respondent burden.
- As mentioned before in Question #8 and Question #12, the hourly implementation burden for XML filings was increased from 104 hours to 196 hours. Error: Reference source not found This increase, however, only resulted in an increase of 184 hours to the total collection.

Overall, there was a net decrease in estimated burden of 13,462 hours.

FERC Form 549D	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	436	0	-64	500
Annual Time Burden (Hr)	5,716	0	-13,462	19,178
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There are no tabulations, statistical analysis, or publications of information planned for the FERC Form 549D information collection. The Commission intends to use the data for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

The Commission collects FERC Form 549D data on a standard, preprinted form which displays the expiration date in the upper left-hand portion of each page of the form.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The Commission will not be using statistical survey methodology for this information collection.