

Supporting Statement for  
**FERC-545 (Gas Pipeline Rates: Rate Change Non-Formal) and  
FERC-549C (Standards for Business Practices of Interstate Natural Gas Pipelines),  
as revised by NOPR in Docket No. RM14-2-000**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve changes proposed in the Notice of Proposed Rulemaking (NOPR) in Docket No. RM14-2 to:

1. FERC-545 (Gas Pipeline Rates: Rate Change Non-Formal), OMB Control No. 1902-0154 and
2. FERC-549C (Standards for Business Practices of Interstate Natural Gas Pipelines), OMB Control No. 1902-0174.

The NOPR in Docket RM14-2 affects subsets of the two OMB Control Nos. FERC is submitting this consolidated supporting statement to OMB with one ICR for each of the 2 separate OMB Control Numbers.

General information about the filing requirements that are not modified by the NOPR is also provided in this supporting statement for background, under Questions 1 and 2.

## **A. Justification**

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

In this NOPR in RM14-2,<sup>1</sup> FERC proposes to amend its regulations at 18 C.F.R. section 284.12 relating to the scheduling of transportation service on interstate natural gas pipelines to better coordinate the scheduling practices of the natural gas and electricity industries (in light of increased reliance on natural gas for electric generation), as well as to provide additional scheduling flexibility to all shippers on interstate natural gas pipelines. The proposed revisions deal principally with revision of the operating day and scheduling practices used by interstate pipelines to schedule natural gas transportation service. These proposed revisions affect the business practices of the natural gas industry, which the industry has developed through the North American Energy Standards Board (NAESB), and which the Commission has incorporated by reference into its regulations.

The Commission, therefore, is providing the natural gas and electric industries with 180 days

---

<sup>1</sup> The reforms proposed in this NOPR (and two separate contemporaneous orders) build upon the comments made during Commission staff technical conferences and in comments filed in Docket No. AD12-12-000. Additional information on Docket AD12-12 is available in FERC's eLibrary.

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
(3/28/2014)

to reach consensus on detailed standards, consistent with the Commission's guidance, including any revisions or modifications to these proposals. FERC's NOPR includes specific proposed reforms to existing natural gas industry scheduling practices, but we continue to recognize that the natural gas and electricity industries are best positioned to work out the details of how changes in scheduling practices can most efficiently be made and implemented, consistent with the policies discussed in the proposed rule. Therefore, stakeholders in the NAESB process should explore whether consensus can be reached on any reforms to these practices that would address the identified policy concerns. In addition, while the proposals in this Proposed Rule focus on natural gas industry regulations, FERC expects the electric industry (particularly the ISOs and RTOs) to participate in these efforts to help ensure that the resulting consensus reasonably accommodates the interests of both industries. Comments on any consensus proposals, as well as comments on the Commission's proposals, are to be filed 240 days after publication of the NOPR in the Federal Register.

***General Background on the Collections (including items not affected by the NOPR in Docket RM14-2).***

**FERC-545.** FERC-545 is required to implement sections 4, 5, and 16 of the Natural Gas Act (NGA), (15 USC 717c 717o, PL 75 688, 52 Stat. 822 and 830). NGA Sections 4, 5, and 6 authorize the Commission to inquire into rate structures and methodologies and to set rates at a just and reasonable level. Specifically, a natural gas company must obtain Commission authorization for all rates and charges made, demanded, or received in connection with the transportation or sale of natural gas in interstate commerce. Under the NGA, a natural gas company's rates must be just and reasonable and not unduly discriminatory or preferential. The Commission may act under different sections of the NGA to effect a change in a natural gas company's rates. When the Commission reviews rate increases that a natural gas company has proposed, it is subject to the requirement of section 4(e) of the NGA. Under section 4(e), the natural gas company bears the burden of proving that its proposed rates are just and reasonable. On the other hand, when the Commission seeks to impose its own rate determination, it must do so in compliance with section 5(a) of the NGA. Under section 5, the Commission must first establish that its alternative rate proposal is both just and reasonable.

Section 16 of the NGA states that the Commission "shall have the power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out provisions of [the NGA]." In other words, section 16 of the NGA grants the Commission the power to define accounting, technical and trade terms, prescribe forms, statements, declarations or reports and to prescribe rules and regulations.

Pipelines adjust their tariffs to meet market and customer needs. Commission review of these proposed changes is required to ensure rates remain just and reasonable and that services

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
(3/28/2014)

are not provided in an unduly or preferential manner. The Commission's regulation in 18 C.F.R. Part 154 specifies what changes are allowed and the procedures for requesting Commission approval.

The Commission sets rates for interstate pipeline services in a number of proceedings. For example, when a pipeline files to increase its rates, it makes a filing with the Commission under section 4 of the NGA. These types of filings are referred to as general section 4 rate cases. In the proceedings, the Commission reviews all of a pipeline's rates and services. A pipeline can file a general section 4 rate case anytime it wishes, provided the pipeline did not agree otherwise in a settlement. A pipeline must demonstrate that the new rates it proposes to charge are just and reasonable. When a rate increase filing is made pursuant to section 4, the application is typically suspended and set for hearing by a Commission Order.

**FERC-549C.** The business practice standards under FERC-549C are required to carry out the Commission's policies in accordance with the general authority in Sections 4, 5, 7, 8, 10, 14, 16, and 20 of the Natural Gas Act (NGA) (15 U.S.C. 717c-717w), and sections 311, 501, and 504 of the Natural Gas Policy Act of 1978 (NGPA) (15 U.S.C. 3301-3432). The Commission adopted these business practice standards in order to update and standardize the natural gas industry's business practices and procedures as well as to improve the efficiency of the gas market and the means by which the gas industry conducts business across the interstate pipeline grid.

In various orders since 1996<sup>2</sup>, FERC has adopted regulations to standardize the business practices and communication methodologies of interstate pipelines in order to create a more integrated and efficient pipeline industry. In general, when and if NAESB-proposed standards (e.g., consensus standards developed by the Wholesale Gas Quadrant (WGQ), an accredited standards organization under the auspices of the American Standards Institute (ANSI)) are approved by FERC, the Commission incorporates them by reference into its approval. The process of standardizing business practices in the natural gas industry began with a Commission initiative to standardize electronic communication of capacity release transactions. The outgrowth of the initial Commission standardization efforts produced working groups composed of all segments of the gas industry and ultimately, the Gas Industry Standards Board (GISB), a consensus organization open to all members of the gas industry was created. GISB was succeeded by the North American Energy Standards Board (NAESB).

NAESB<sup>3</sup> is a voluntary non-profit organization comprised of members from the retail and

---

<sup>2</sup> FERC-549C was created in Order No. 587 (July 26, 1996, 61 FR 39053) because interstate pipelines were required to adopt certain standards for business practices that required changes in the day-to-day operations. In addition, these standards required pipelines to adopt certain mechanisms for electronic communication between the pipelines and those doing business with the pipelines.

<sup>3</sup> Additional information is available on NAESB's website at <http://www.naesb.org/>. NAESB described its standards development process as of 1/29/2013 in "Submittal of Modifications to the NAESB Public Key Infrastructure Standards and Other Standards to support the Public Key Infrastructure (Docket Nos. RM05-5-000 and RM05-5-022)", Appendix E, posted on [ferc.gov](http://ferc.gov) at

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
(3/28/2014)

wholesale natural gas and electric industries. NAESB's mission is to take the lead in developing standards across these industries to simplify and expand electronic communication, and to streamline business practices. Core to its objective is to lead to a seamless North American marketplace for natural gas, as recognized by its customers, the business community, industry participants and regulatory bodies. NAESB WGQ standards are a product of this effort. Industry participants seeking additional or amended standards (including principles, definitions, standards, data elements, process descriptions, technical implementation instructions) submits a request to the NAESB office, detailing the change, so that the appropriate process may take place to amend the standards.

While the Commission previously has adopted NAESB standards regarding natural gas and electric utility scheduling, NAESB has thus far been unable to reach consensus on standards coordinating the scheduling between these two industries because these issues involve policy questions more appropriate for resolution by the Commission. In this NOPR, the Commission is proposing, and seeking comment on whether, revisions to the NAESB standards are necessary to provide more efficient coordination between the two industries to reduce costs and to promote the provision of reliable service. However, the Commission is providing NAESB an opportunity, as it has in the past, to consider these policy goals and develop consensus standards that may better fit the business practices of the two industries.

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

**FERC-545.** The NOPR in RM14-2 proposes to require the pipelines to make a one-time tariff filing to reflect the changes (such as additional intraday nomination cycles and a changed start time).

The following information is the subject of the FERC-545: (1) tariff filings and any related compliance filings; (2) rate case filings and any related compliance filings; (3) informational reports; (4) negotiated rates; (5) non-conforming agreement filings; and (6) NAESB Activity (tariff portion only). In summary, the Commission uses the FERC-545 information to (1) ensure adequate customer protections under section 4 of the NGA; (2) review rates and terms and conditions of service changes by natural gas companies for the transportation and storage of natural gas; (3) provide general industry oversight; and (4) supplement documentation during FERC's audits process.

The Commission reviews the FERC-545 materials to determine whether proposed transportation and sales rates and terms and conditions of service are just and reasonable. The Commission uses the FERC-545 information to monitor rates and terms and conditions of service related to jurisdictional transportation, natural gas storage, and unbundled sales activities of jurisdictional companies. In addition to fulfilling the Commission's obligations under the

---

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13165589> .

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
(3/28/2014)

NGA, the FERC-545 enables the Commission to monitor the activities and evaluate transactions of the natural gas industry to ensure competitiveness and improved efficiency of the industry's operations.

**FERC-549C.** The Commission requires the FERC-549C because the NOPR proposes to amend the Commission's current business practice and industry standards to the latest version approved by the North American Energy Standards Board (NAESB) Wholesale Gas Quadrant (WGQ). In this NOPR, the Commission is proposing that NAESB consider standards that: (1) move the start of the Natural Gas Operating Day earlier than the current 9:00 a.m. CCT, (2) start the first day-ahead gas nomination opportunity (Timely Nomination Cycle) later than 11:30 a.m. CCT, (3) add additional intraday nominations, and (4) allow multiple shippers to share pipeline capacity under a single firm transportation service agreement.

Adoption and implementation of the Commission proposals herein to amend its regulations at section 284.12 relating to the scheduling of transportation service on interstate natural gas pipelines will serve to better coordinate the scheduling practices of the natural gas and electricity industries, as well as to provide additional scheduling flexibility to all shippers on interstate natural gas pipelines.

The Commission is seeking comments on proposed changes to selected business practice standards in order to update and standardize the natural gas industry's business practices and procedures as well as to improve the efficiency of the gas market and the means by which the gas industry conducts business across the interstate pipeline grid. In the NOPR in RM14-2, FERC is encouraging the industries to collaborate and reach consensus on the proposals.

**FERC-545 and -549C.** Failure to collect this information would prohibit the Commission from monitoring and properly evaluating pipeline transactions and meeting statutory obligations under both the NGPA and the NGA.

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

**FERC-545.** In previous rulemakings,<sup>4</sup> the Commission implemented the capability and requirement for electronic filing of all tariff submissions. FERC also improved the security of submitting those electronic filings and the pipelines' on-line process of appointing and modifying agents with the authority to make a filing on the pipeline's behalf (providing filing companies with greater control over the agents eligible to make specific types of filings on their behalf).

**FERC-549C.** The information resulting from the FERC-549C data requirements will not be

---

<sup>4</sup> More information is available on FERC's eTariff page at <http://www.ferc.gov/docs-filing/etariff.asp> .

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
(3/28/2014)

filed at FERC. Instead it will be posted on the pipelines' Internet sites, provided to third parties or retained. The Internet and current software allow easy access and use of data on the pipelines' Internet sites and for transmittal of information.

#### **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**

**FERC-545 and FERC-549C.** 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 duplication. No duplication of the information collection requirements has been found.

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

**FERC-545.** The FERC-545 is a filing requirement related to pipeline rate filing obligations for the transportation and storage of natural gas. The filing collects data from both large and small respondent companies. The data required impose the least possible burden for companies, while collecting the information required for processing the filings. Use of the Internet to file documents electronically is the primary method the Commission uses to minimize the FERC-545 burden.

The one-time compliance filings proposed in the NOPR must be filed electronically.

**FERC-549C.** The FERC-549C information collection will impact the proposed business standards, practices and procedures for the day-to-day operations of major and a few non-major natural gas companies. The business practice standards are designed to benefit all customers, including small businesses. The Commission allows for extensions of time and for waivers of the business practice standards. Such extensions or waivers are based upon a pipeline's individual circumstances, including the size of the pipeline. For smaller pipelines the Commission has granted waivers of some of the standards when such pipelines have shown that complying with such standards would prove unduly burdensome.

The Small Business Administration (SBA) has established a size standard for pipelines transporting natural gas, stating that a firm is a small entity if its annual receipts are less than \$25.5 million. Approximately 166 interstate pipeline entities are potential respondents subject to the NOPR reporting requirements. For the year 2012, eleven companies unaffiliated with larger companies had annual revenues of less than \$25.5 million (7 percent of 166 potential respondents) and are defined by the SBA as "small entities". The Commission anticipates that the estimated compliance cost of the proposals in this NOPR is \$7,479,122 (or \$45,055 per entity) in Year 1 (one-time and ongoing costs), and \$4,268,566 (or \$25,714 per entity) in Years

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
(3/28/2014)

2 and 3 (ongoing cost), regardless of entity size. The Commission does not consider the estimated impact per company to be significant. Adoption of consensus standards helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of industry participants representing all segments of the industry.

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

**FERC-545.** This is a one-time compliance filing.

**FERC-549C.** There is one-time implementation plus ongoing operations.

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

The **FERC-545 and FERC-549C** present no special circumstances.

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

The Commission has engaged in an extensive dialogue with industry on gas-electric coordination issues. These efforts were first formalized on February 15, 2012, when the Commission issued a notice in Docket No. AD12-12-000 requesting comment on various aspects of gas-electric interdependence and coordination in response to questions posed by members of the Commission. In order to better understand the interface between the electric and natural gas pipeline industries and identify areas for improved coordination, the questions covered a variety of topics including market structures and rules, scheduling, communications, infrastructure and reliability. In response to the notice, the Commission received comments from 79 entities that raised concerns, including the need for alignment of natural gas and electric scheduling.

During August 2012, the Commission convened five regional conferences for the purpose of exploring these issues and obtaining further information from the electric and natural gas industries regarding coordination between the industries. Representatives from a cross-section of both industries attended the regional conferences, with total attendance exceeding 1,200 registrants. As noted above, the November Staff Report following these conferences stated that, among other topics, participants highlighted the need for alignment of natural gas and electric scheduling. Generators participating in the ISO and RTO markets stated that managing fuel procurement risk can be a challenge because the natural gas and electric operating days are not aligned. Many participants voiced concerns related to whether establishing a standard energy day for both industries is warranted, whether and how utilities can most effectively match their scheduling times with the nationwide natural gas scheduling timeline, whether additional nomination opportunities for natural gas can be provided and, if so, under what conditions.

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
(3/28/2014)

Participants also pointed out that changes to natural gas scheduling practices can have national implications given the operational structure of the pipeline system and that whether changes to the scheduling practices of the natural gas or electric industries are necessary to better align these two markets has been a matter of debate among the industries for a number of years.

On November 15, 2012, the Commission issued an order directing further technical conferences and reports. In this order, the Commission recognized that questions raised at the conferences, related to scheduling and other issues, were of sufficient importance that they warranted a separate technical conference to focus on the details relating to scheduling. Therefore, the Commission directed, among other things, that Commission staff convene a technical conference to identify areas in which additional Commission guidance or potential regulatory changes could be considered.

Pursuant to the November 15 Order, the Commission held a technical conference on April 25, 2013 (April 2013 technical conference) regarding natural gas and electric scheduling practices, and issues related to whether and how natural gas and electric industry schedules could be harmonized in order to achieve the most efficient scheduling systems for both industries. More than 300 persons, representing a cross-section of industry, participated in the April 2013 technical conference, and discussed four major topic areas: natural gas and electric operating day, natural gas nomination cycles, the No-Bump Rule, and electric scheduling and market rules.

The participants in these conferences identified a number of specific areas in which the differences between the nationwide natural gas schedules and the regional electric schedules can affect the ability to provide reliable service and may create inefficiencies in scheduling that result in less cost effective use of resources. The major areas identified by the participants were: 1) the discontinuity between the operating days of electric utilities (including ISOs and RTOs) and the standardized operating day of interstate natural gas pipelines; 2) the lack of coordination between the day-ahead process for nominating interstate natural gas pipeline transportation services and the day-ahead process for scheduling electric generators, particularly those of the ISOs and RTOs; and 3) the lack of intra-day nomination opportunities on interstate natural gas pipelines, which may limit the ability of gas-fired electric generators, as well as other shippers, to revise their nominations during the operating day.

This NOPR provides:

- six months for the natural gas and electric industries and NAESB and other stakeholders to reach consensus on standards, consistent with the Commission's guidance, including revisions or modifications to the proposals.<sup>5</sup>
- public comment to be submitted to FERC within 240 days of publication of the NOPR in the Federal Register.

---

<sup>5</sup> "Therefore, participants in the NAESB process should work to reach consensus on standards that would address the policy concerns identified below." Page 12, NOPR.



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

**FERC-545 and FERC-549C.** There are no payments or gifts to respondents.

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

**FERC-545 and FERC-549C.** The data are public. In general, for all submittals to the Commission, filers may submit specific requests for confidential treatment to the extent permitted by law; details are available in 18 C.F.R. Section 388.112.

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

**FERC-545 and FERC-549C.** These collections do not include any questions of a sensitive nature.

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

**FERC-545 and FERC-549C.** The current OMB-approved annual estimates in ROCIS and reginfo.gov follow.

<b>Data Collection</b>	<b>Annual Number of Responses</b>	<b>Annual Total Burden Hours</b>	<b>Annual Total Burden Hour Cost for Industry</b>
FERC -545 <sup>6</sup>	2,151	280,445	\$19,347,929
FERC-549C	161	14,490	\$550,977

See #15, below, for information on the estimated changes to burden proposed in the NOPR in RM14-2 and for the proposed new inventory figures.

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

**FERC-545 and FERC-549C.** There are no capital or start-up costs for the requirements in the NOPR in RM14-2 that are not associated with the burden hours. All of the costs are related to burden hours and are detailed in #12 and #15.

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

---

<sup>6</sup> FERC-545 includes items such as: Standard Rate Case Issues (e.g., Compliance, Cost of Service, Settlement); Reports (e.g., Annual, Reconciliation); Negotiated Rates; Non-Conforming Agreements; and Tariffs

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
 Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
 (3/28/2014)

**FERC-545 and FERC-549C.** The following federal costs relate only to the new requirements proposed by the NOPR.

	<b>Number of Hours or FTE's</b>	<b>Estimated Annual Federal Cost (\$)<sup>7</sup></b>
PRA <sup>8</sup> Administration Cost <sup>9</sup>	-	\$5,092
Data Processing and Analysis, Sub-Total	1.00	\$146,591
<i>FERC-545</i>	<i>0.25</i>	<i>\$36,648</i>
<i>FERC-549C</i>	<i>0.75</i>	<i>\$109,943</i>
<b>FERC Total</b>	-	\$151,683

The estimates for the federal cost (including existing inventory, proposed changes due to this NOPR, and updated total) follow.

<b>Data Collection</b>	<b>Current OMB Inventory</b>	<b>Proposed Rule Cost<sup>10</sup></b>	<b>Total, including Proposed Rule</b>
FERC-545	\$2,876,510	\$37,921	\$2,914,431
FERC-549C	\$109,243	\$113,762	\$223,005
<b>TOTAL</b>	\$2,985,753	\$151,683	\$3,137,436

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

The estimated changes to burden and cost as proposed by the NOPR in RM14-2 follow.

### NOPR in RM14-2

<sup>7</sup> Based on 2014 cost (salary plus benefits) per FTE of \$146,591.00 for 1 year (or 2,080 hours), rounded to \$70.50 per hour.

<sup>8</sup> Paperwork Reduction Act of 1995 (PRA)

<sup>9</sup> The PRA Administration Cost is \$5,092, and includes preparing supporting statements, notices, and other activities associated with Paperwork Reduction Act compliance.

<sup>10</sup> This cost includes the Data Processing and Analysis cost. In addition, it includes a portion of the PRA Admin. cost weighted as follows:

- for FERC-545,  $0.25 * \$5,092 = \$1,273$
- for FERC-549C,  $0.75 * \$5,092 = \$3,819$

	<b>Number of Respondents<sup>11</sup></b> <b>(1)</b>	<b>Number of Responses per Respondent</b> <b>(2)</b>	<b>Average Burden Hours Per Response</b> <b>(3)</b>	<b>Total Annual Burden Hours</b> <b>(1)x(2)x(3)</b>	<b>Total Annual Cost (\$)<sup>12</sup></b>
<b>FERC-545 (OMB Control No. 1902-0154)</b>					
Tariff Filing (one-time) <sup>13</sup>	166	1	10	1,660	\$138,892
<b>FERC-549C (OMB Control No. 1902-0174)</b>					
Implementation of proposed business standards, including process, procedures, and IT support (one-time) <sup>14</sup>	166	1	240	39,840	\$3,071,664

<sup>11</sup> An estimated 166 natural gas pipelines (Part 284 program) are affected by this NOPR. Although some natural gas pipeline companies may utilize business practices that satisfy parts of the proposals in this NOPR (e.g., provide additional nomination opportunities), the full cost of industry compliance is estimated for the total number of approximately 166 potential respondents.

<sup>12</sup> Wage data is based on the Bureau of Labor Statistics data for 2012 (“May 2012 National Industry-Specific Occupational Employment and Wage Estimates, [for] Sector 22 - Utilities” at [http://bls.gov/oes/current/naics2\\_22.htm](http://bls.gov/oes/current/naics2_22.htm)) and is compiled for the top 10 percent earned. For the estimate of the benefits component, see <http://www.bls.gov/news.release/ecec.nr0.htm>.

<sup>13</sup> The mean hourly cost of tariff filings and implementation for interstate natural gas pipelines is \$83.67. This represents the average composite wage (salary and benefits for 2,080 annual work-hours) of the following occupational categories: “Legal” (\$128.02 per hour), “Computer Analyst” (\$83.50 per hour), and “Office and Administrative” (\$39.49 per hour). Wage data is available from the Bureau of Labor Statistics at [http://bls.gov/oes/current/naics2\\_22.htm](http://bls.gov/oes/current/naics2_22.htm) and is compiled for the top 10 percent earned. For the estimate of the benefits component, see <http://www.bls.gov/news.release/ecec.nr0.htm>.

<sup>14</sup> The average hourly cost is \$77.10. This represents the average composite wage (salary and benefits for 2,080 annual work-hours) of the following occupational categories: “Legal” (\$128.02 per hour), “Computer Analyst” (\$83.50 per hour), “Gas Plant Operator” (\$57.40) and “Office and Administrative” (\$39.49 per hour).

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
 Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
 (3/28/2014)

Annual operations, including 2 additional intraday nominations (ongoing) <sup>15, 16</sup>	166	1	365	60,590	\$4,268,566
<b>Total one-time (for FERC-545 and FERC-549C)</b>				41,500	\$3,210,556
<b>Total ongoing (for FERC-549C)</b>				60,590	\$4,268,566

For this submittal for the FERC-549C, we are averaging the one-time implementation burden (39,840 hrs.) and cost (\$3,071,664) over Years 1-3. Using that approach for FERC-549C, each of Years 1-3 would impose:  $(39,840/3) + 60,590 = 73,870$  hrs.;  $(\$3,071,664/3) + \$4,268,566 = \$5,292,454$ . Then after Year 3, the FERC-549C burden associated with the averaged implementation burden would be removed from the inventory.

Summary table of changes to burden hours, with current approved inventory, as listed in ROCIS and reginfo.gov are :

	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
<b>FERC-545</b>				
Annual Number of Responses	2,317	2,151	0	+166
Annual Time Burden (Hr.)	282,105	280,445	0	+1,660 <sup>17</sup>

<sup>15</sup> For ongoing operations, we estimate 1 hour per calendar day per respondent (or 365 hours annually per respondent). The average hourly cost is \$70.45. This represents the average composite wage (salary and benefits for 2,080 annual work-hours) of the following occupational categories: “Computer Analyst” (\$83.50 per hour), and “Gas Plant Operator” (\$57.40).

<sup>16</sup> The NOPR displays 365 responses per entity (taking 1 hour each) per year for a total per entity of 365 burden hours per year.

<sup>17</sup> This FERC-545 burden increase is one-time and only in Year 1. FERC will request that it be removed from the inventory of FERC-545 after completion in Year 1.

FERC-545 (OMB Control No. 1902-0154) and FERC-549C (OMB Control No. 1902-0174)  
 Docket No. RM14-2-000 (NOPR, Issued 3/20/2014); RIN 1902-AE82  
 (3/28/2014)

Annual Cost Burden (\$)	\$0	\$0	\$0	\$0
<b>FERC-549C</b>				
Annual Number of Responses <sup>18</sup>	493	161	0	+332
Annual Time Burden (Hr.) <sup>19</sup>	88,360	14,490	0	+73,870
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

## 16. TIME SCHEDULE FOR PUBLICATION OF DATA

**FERC-545 and FERC-549C.** There are no publications of the information.

## 17. DISPLAY OF EXPIRATION DATE

**FERC-545 and FERC-549C.** The expiration dates are displayed on [ferc.gov](http://www.ferc.gov) with links to the updated table from <http://www.ferc.gov/docs-filing/info-collections.asp>.

## 18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

**FERC-545 and FERC-549C.** These information collections do not employ statistical methods.

---

<sup>18</sup> Each of the respondents has one-time burden, and each has ongoing burden. As a result, the [reginfo.gov](http://reginfo.gov) and ROCIS number of responses shows 332 additional responses (+166 one-time, plus 166 ongoing), giving a total new number of responses of 493.

<sup>19</sup> Averaging the one-time burden and cost over Years 1-3 for the purposes of this PRA-related supporting statement (for the total number of entities)