

Supporting Statement

**FERC-588 Emergency Natural Gas Sale, Transportation, and Exchange Transactions
Three-year approval for extension requested**

The Federal Energy Regulatory Commission (FERC of Commission) requests that the Office of Management and Budget (OMB) review and approve the FERC-588 (Emergency Natural Gas Sale, Transportation, and Exchange Transactions) information collection for a three-year period under OMB Control No. 1902-0144. These requirements are part of the Commission's regulations in 18 Code of Federal Regulations (CFR) 284.262 and 284.270.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Section 7(c) of the Natural Gas Act (NGA)¹ provides that every jurisdictional natural gas company must obtain Commission authorization of a certificate of public convenience and necessity before transporting or selling gas, or constructing or operating facilities.

However, Section 7(c)(1)(b) of the NGA provides two exceptions to this certificate requirement:

- Authorization of the issuance of a temporary certificate during emergencies pending a determination of a regular application; and
- Exemption from the certificate requirements during which temporary acts or operations for which the issuance of a certificate will not be required in the public interest.”²

Emergency is defined as any situation in which an actual or expected shortage of gas supply would require an interstate pipeline company, intrastate pipeline, local distribution company, or Hinshaw pipeline to curtail deliveries of gas or provide less than the projected level of service to any customer. A sudden unanticipated loss of natural gas supply or sudden unanticipated increase in demand or any situation in which the participant, in good faith, determines that immediate action is required for the protection of life or health or the maintenance of physical property are also emergencies.

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

1 (Public Law 75-688)(15 U.S.C. 717f)

2 The Natural Gas Policy Act (NGPA) (Public Law 95-621), most significantly, sections 311 and 312 provide an alternative to section 7(c)(1)(b) of the NGA for the following transactions in interstate commerce: sales, assignments, and/or transportation of intrastate natural gas by intrastate pipelines on behalf of interstate pipelines and local distribution companies served by interstate pipelines and transportation by interstate pipelines on behalf of intrastate pipeline and local distribution companies. Therefore, as a result of the NGPA, these transaction have been authorized to proceed, subject to certain limitations, for longer periods than would be appropriate or permissible under NGA section 7(c)(1)(b).

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The natural gas companies file the necessary information with the Commission so that Commission staff can determine from the data if the transaction qualifies for exemption. There are three elements to the collection:

- A report within forty-eight hours of the commencement of the transportation, sale, or exchange;
- A request to extend the sixty-day term of the emergency transportation, if needed; and
- A termination report.

The data required to be filed for the 48-hour report and the termination report consist of:

- The dates the transaction commenced and terminated;
- The nature of the emergency;
- The total amount and average daily amount of emergency natural gas to be or that was purchased, exchanged or transported;
- The purchase price of the gas;
- The transportation rate;
- The identity of all the participants.

The Commission's Office of Energy Market Regulation (OEMR) is responsible for evaluation and processing of data related to service emergencies under Section 375.307(a)(9)(v) of the regulations. The Office of Energy Projects (OEP) is responsible for evaluation and processing of data related to facility emergencies under Section 375.308(w)(3) of the Commission's regulations. The consequence of not collecting FERC-588 data is that these offices will be unable to fulfill their statutory obligations per Section 7(c) of the NGA.

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

FERC continually considers the use of improved information technology to reduce burden in the filing requirements for submission of information.

The FERC-588 application can be submitted via FERC's eFiling system. See <http://www.ferc.gov/docs-filing/efiling.asp> for more details and 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

The Commission periodically reviews filing requirements as OMB review dates arise, expiration dates approach, or as the Commission may deem necessary in carrying out its responsibilities

under the NGPA and NGA in order to eliminate duplication and ensure that filing burden is minimized. No other forms collect data similar to that collected/filed under FERC-588.

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

The Commission collects FERC-588 data from interstate pipelines, intrastate pipelines or natural gas distributors (including Hinshaw pipelines) some of which may be small businesses. The amount of reported data is the same for large and small businesses. However, this is already the minimum that the Commission requires to determine that the transaction is authorized.

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

The information collection cannot be discontinued nor collected less frequently because of statutory requirements to monitor emergency transactions. Without such information, the Commission would be unable to fulfill its statutory responsibilities under both the NGA and NGPA to exempt natural gas companies transporting, selling, or exchanging emergency natural gas.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

This collection does not have any special circumstances.

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 notice³ and a 30-day notice⁴ to the public regarding this information collection on 4/10/2014 and 7/21/2014 respectively. 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-588 requirements.

³ 79 FR 19888
⁴ 79 FR 48304

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

All data are public information and, therefore, not confidential. A filer may request (as allowed under the Commission’s regulations at 18 CFR 388.112) confidential treatment of some or all of the FERC-588 filing. Each request for confidential treatment will be reviewed on a case-by-case basis.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE.

There are no questions of a sensitive nature associated with the FERC-588 reporting requirements.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission estimates the Public Reporting burden for the FERC-588 information collection as follows:

FERC-588: Emergency Natural Gas Transportation, Sale, and Exchange Transportation					
Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hours/\$ Per Response⁵ (4)	Total Annual Burden Hours (Total Annual Cost) (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
8	1	8	10 \$705	80 \$56,400	\$705

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. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of	0.33	\$48,375

⁵ The estimates for cost per response are derived using the following formula: Average Burden Hours per Response * \$70.50 per hour.

filings ⁶		
PRA ⁷ Administrative Cost ⁸		\$5,092
FERC Total		\$53,467

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

There are no changes to reporting requirements. Moreover, there is no change to the number of respondents to the FERC-588 information collection.

However, there is a slight increase in total burden due entirely to better estimates of average burden per response (i.e. 8 hours per response to 10 hours per response).

FERC-588	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	8	8	0	0
Annual Time Burden (Hr)	80	64	16	0
Annual Cost Burden (\$)	\$ 0	\$ 0	\$ 0	\$ 0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulations, statistical analysis, or publications of information planned for the FERC-588 information collection. The Commission intends to use the data for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

The expiration date is displayed in a table posted on ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

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

⁶ Based upon 2014 FTE average salary plus benefits (\$146,591)

⁷ Paperwork Reduction Act of 1995

⁸ The Commission bases the cost of Paperwork Reduction Act administration on staff time, and other costs related to compliance with the Paperwork Reduction Act of 1995.