

Supporting Statement
FERC-549B Gas Pipeline Rates: Capacity Information
Three-year approval for extension requested

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve the FERC-549B (Gas Pipeline Rates: Capacity Information) information collection for a three-year period under OMB Control No. 1902-0169. These requirements are part of the Commission's regulations in 18 Code of Federal Regulations (CFR) 284.13(b), 18 CFR 284.13(d)(1), and 18 CFR 284.13(d)(2). The requirements have not changed for this collection since the last OMB renewal.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Under the Natural Gas Act (NGA),¹ the Commission has oversight of the rates that natural gas pipelines charge to move natural gas in interstate commerce. The Commission must ensure that the rates are just and reasonable.² Shippers of natural gas need accurate information about the capacity in pipeline corridors, especially regarding its value. Shippers need this information to be able to determine what capacity will be available when and to make informed decisions about the capacity they may want to purchase.

To meet its statutory charge for just and reasonable rates while accommodating the need of gas shippers for capacity information, the Commission established the requirements in the FERC 549-B. It did so through a series of orders during the 1990s and in 2000. The series consists of Order No. 636 (RM91-11-000), Order No. 636-A (RM91-11-002), Order No. 577 (RM95-5-000), and Order No. 637 (RM98-10-000). Changes to the Commission's reporting requirements over these years enhanced the reliability of information about capacity availability and price. This information is needed by shippers to make informed decisions in a competitive market. Additionally, the information enhances the ability of sellers to monitor marketplace behavior, and the ability of the Commission to detect anti-competitive behavior and remedy it.

The FERC-549B covers the various aspects of releasing and acquiring natural gas pipeline capacity that are needed for regulatory oversight and efficient business transactions to occur easily. There are three distinct reporting requirements under the FERC-549B information collection: (1) capacity reports related to firm, released and interruptible transportation service; (2) peak day annual capacity reports; and (3) Index of Customers.

¹ 15 USC 717c, 717d, and 717.

² Under Section 4 of the NGA, rates are established by the pipeline filing for rate changes. The established rate continues in effect until the pipeline makes a subsequent rate case filing or the Commission takes action under Section 5 of NGA and determines that the existing rates are not just and reasonable. Section 16 authorizes the Commission to prescribe the rules and regulations necessary to administer its rate mandates.

Capacity Reports

Commission regulations at 18 CFR 284.13(b) require that interstate natural gas pipelines post on their website with respect to each contract, or revision of a contract for firm and released transportation service, the following information no later than the first nomination under a transaction: who is releasing and taking the capacity; contract numbers, prices, volumes, and duration; any terms and conditions which differ from those in the pipeline's tariff; receipt and delivery points as well as zones; whether there is an affiliate relationship between the pipeline and the shipper or between the releasing and replacement shipper; whether a capacity release is a release to an asset manager and the asset manager's obligation to deliver gas to, or purchase gas from, the releasing shipper; and whether a capacity release is a release to a marketer participating in a state-regulated retail access program.

For interruptible service under 18 CFR 284.13(b), Commission regulations require interstate natural gas pipelines to post on their websites on a daily basis no later than the first nomination for service under an interruptible agreement: who the shipper receiving service is, the rate charged; the maximum rate; the receipt and delivery points, zones or segments covered between which the shipper is entitled to transport gas at the rate charged; the quantity of gas the shipper is entitled to transport; special details pertaining to the agreement, including conditions applicable to a discounted transportation contract and all aspects in which the agreement deviates from the pipeline's tariff ; and whether the shipper is affiliated with the pipeline.

At 18 CFR 284.13(d)(1) the Commission requires interstate natural gas pipelines provide on their websites and in downloadable file formats equal and timely access to information relevant to the availability of all transportation services whenever capacity is scheduled, including, but not limited to: the availability of capacity at receipt points, on the mainline, at delivery points, and in storage fields; whether the capacity is available directly from the pipeline or through capacity release; the total design capacity of each point or segment on the system; the amount scheduled at each point or segment whenever capacity is scheduled; and all planned and actual service outages or reductions in service capacity. An interstate pipeline must also provide information about the volumes of no-notice transportation. This information must be posted at each receipt and delivery point before 11:30 a.m. central time three days after the day of gas flow and must reflect the pipeline's best estimate. Updated information must be posted at each receipt and delivery point as necessary within ten business days after the month of gas flow.

Peak Day Annual Capacity Report

The second requirement covered the FERC 549-B collection is in 18 CFR 284.13(d)(2). In those regulations, FERC requires that interstate natural gas pipelines make an annual filing by March 1 of each year showing the estimated peak day capacity of the pipeline's system, and the estimated storage capacity and maximum daily delivery capability of storage facilities under reasonably

representative operating assumptions and the respective assignments of that capacity to the various firm services provided by the pipeline.

Index of Customers (IOC)

The FERC 549-B also includes the regulations at 18 CFR 284.13(c). Those Commission regulations state that on the first business day of each calendar quarter, an interstate natural gas pipeline must file with the Commission an index of all its firm transportation and storage customers under contract as of the first day of the calendar quarter. The IOC must also be posted on the pipeline's web site. It must be made available from the pipeline's web site in a downloadable format complying with the specifications established by the Commission. The information posted on the pipeline's web site must be made available until the next quarterly index is posted.

The Commission requires detailed data in the IOC filings. These include: who the customer and shipper are; the rate schedule under which service is rendered; contract information such as effective rate, termination dates, maximum daily contract quantity for either transportation or storage; the receipt and delivery points under contract; the zones or segments in which the capacity is held; common transaction point codes; whether the contract includes negotiated rates; the names of any agents or asset managers that control capacity in a pipeline rate zone; and any affiliate relationship between the pipeline and the holder of capacity.

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

The Commission uses the information collected in the FERC-549B to analyze capacity held on pipelines and to ensure that rates for gas capacity are just and reasonable. The FERC-549B allows the Commission to monitor marketplace behavior as well as to detect and remedy anti-competitive behavior. Shippers of natural gas need to use all FERC-549B information about the capacity in pipeline corridors, especially the data related to the value of capacity. Shippers use this information to determine where capacity is available and when as well as to make informed decisions about the capacity they may want to purchase.

Without FERC-549B data, the Commission would not be able to exercise its statutory responsibility of ensuring that rates are just and reasonable and would not be able to detect market power abuses or business practices that are unduly discriminatory or preferential.

Without the FERC-549B data, natural gas shippers would not have information about potential pipeline capacity alternatives. Energy market competition would be negatively affected. If accurate, timely and complete capacity information were not available through the FERC-549B requirements, shippers would not know whether there is pipeline capacity they can use, when

that would become available and under what circumstances or how the cost of the capacity they currently hold compares to other pipeline capacity they may be able to use.

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

When the Commission first required pipeline companies to file FERC-549B capacity information, the internet did not exist. Instead, natural gas pipelines were required to develop and use Electronic Bulletin Boards (EBBs) to provide shippers with equal and timely access to FERC-549B capacity data. They were also required to submit the Index of Customer information to the Commission on diskettes, in tab-delimited format. The tab-delimited files were available in the Commission's Public Reference Room and eLibrary.

With the availability of the internet, the Commission recognized that the majority of pipelines could post all their FERC-549B information on websites. The Commission requires natural gas pipelines to use this improved information technology. It eliminated requirements for the use of electronic bulletin boards and for filing data on diskettes. The tab delimited files for the Index of Customers are now on the Commission's website at <http://www.ferc.gov/docs-filing/forms/form-549b/data.asp>. They are also in FERC's eLibrary system.

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 regularly reviews filing requirements as part of its OMB renewal process. No other forms collect data similar to FERC-549B. The capacity data required by the FERC-549B is not available elsewhere.

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

The FERC-549B filings affect the day-to-day operations of both major and non-major natural gas pipeline companies. The Commission minimizes the FERC-549B burden by not requiring any capacity information respondents wouldn't already have as a matter of established business practices.

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

The Commission and natural gas shippers would be disadvantaged by not having access to the most current data for competitive and regulatory purposes. Both need access to up-to-date information to monitor the self-implementing pipeline transportation and storage activities that are supposed to be carried out in a nondiscriminatory manner and at just and reasonable rates.

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 regarding this information collection on 6/9/2014 and 8/21/2014 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-549B requirements.

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 a FERC-549B 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-549B reporting requirements.

3 79 FR 32926
4 79 FR 49504

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission estimates the Public Reporting burden for the FERC-549B information collection as follows:

FERC-549B (Gas Pipeline Rates: Capacity Reports and Index of Customers)						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response⁵ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Capacity Reports under 284.13(b) & 284.13(d)(1)	185	6	1,110	145 \$10,222.50	160,950 \$11,346,975	\$61,335
Peak Day Annual Capacity Report under 284.13(d)(2)	185	1	185	10 \$705	1,850 \$130,425	\$705
Index of Customers under 284.13(c)	185	4	740	3 \$211.50	2,220 \$156,510	\$846
TOTAL			2,035		165,020 \$11,633,910	\$62,886

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

The following table shows the annualized cost to the Federal Government for the FERC-549B.

	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of filings ⁶	2.25	\$329,830

⁵The estimates for cost per response are derived using the following formula: Average Burden Hours per Response * \$70.50 per hour. This cost is based on the average FERC employee salary. We assume (based upon consultation of subject matter experts for this industry) that respondents to this collection are similarly compensated in terms of salary and benefits.

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

PRA ⁷ Administrative Cost ⁸		\$5,092
FERC Total		\$334,922

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

The FERC eRegistration process and the issuance of company identification numbers provide authentication and an accurate count of jurisdictional companies in each program area. The increased burden is due to a more accurate count of the respondents who file the FERC-549B data.

FERC Form 549B	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	2,035	1,419	616	0
Annual Time Burden (Hr)	165,020	115,068	49,952	0
Annual Cost Burden (\$)	\$ 0	\$ 0	\$ 0	\$ 0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

The results of this information collection are not published by the Commission. However, the capacity and IOC information is posted on the pipelines’ websites for public disclosure. There are no tabulations, statistical analysis, or publications of information planned for the FERC-549B information collection. The Commission intends to use the data for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

The electronic filing instruction manual and the instructions for posting the IOC information on the pipelines’ websites contain the OMB control number and expiration date.

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

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

⁷Paperwork Reduction Act of 1995

⁸The 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.

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The Commission does not use either the capacity reports or the IOC information for statistical purposes.