

**Supporting Statement for
FERC Form No. 6, Annual Report of Oil Pipeline Companies**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve, for three years, the FERC Form No. 6 (Annual Report of Oil Pipeline Companies, OMB Control No. 1902-0022), with no change to the reporting requirements.¹ The FERC Form No. 6 is an existing Commission data collection, contained in Title 18 Code of Federal Regulations (CFR), §357.2.

A. JUSTIFICATION

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Under the Interstate Commerce Act (ICA), (Section 20, 54 Stat. 916), the Interstate Commerce Commission (ICC) was authorized and empowered to make investigations and to collect and record data to the extent considered necessary or useful for the purpose of carrying out the provisions of the ICA.

In 1977, the Department of Energy Organization Act transferred to the Commission from the ICC the responsibility to regulate oil pipeline companies. In accordance with the transfer of authority, the Commission was delegated the responsibility to require oil pipelines to file annual reports of information necessary for the Commission to exercise its statutory responsibilities.² The transfer included the Form P, the forerunner to the Form 6, Annual Report of Oil Pipeline Companies (Form 6).³

In 1994, the Commission addressed additional revisions to the Form 6 in Order Nos. 571 and 571-A, including a new Page 700 (Annual Cost of Service).⁴ Data collected on page 700 is the basis for determining a pipeline's cost of service and rate base, which are used in tariff filings as well as the 5-year index.

¹ There is a pending Docket No. RM15-19 related to a Petition for some changes to the Form 6; that docket is separate and not addressed in this submittal and package.

In addition, Form 6 is part of the Forms Refresh effort (started in Docket No. AD15-11), which is a separate activity and not addressed here. When FERC makes changes to the Form 6, instructions, and/or reporting platform system, that information will be submitted to OMB, as appropriate, for review under the Paperwork Reduction Act (PRA). More information on the Forms Refresh project is posted at <http://www.ferc.gov/docs-filing/forms/eforms-refresh.asp>.

² Section 402(b) of the Department of Energy Organization Act (DOE Act), 42 U.S.C. 7172 provides that: "[t]here are hereby transferred to, and vested in, the Commission all functions and authority of the Interstate Commerce Commission or any officer or component of such Commission where the regulatory function establishes rates or charges for the transportation of oil by pipeline or established the valuation of any such pipeline."

³ The ICC developed the Form P to collect information on an annual basis to enable it to carry out its regulation of oil pipeline companies under the Interstate Commerce Act. A comprehensive review of the reporting requirements for oil pipeline companies was performed on September 21, 1982, when the Commission issued Order 260 revising the former ICC Form P, "Annual Report of Carriers by Pipeline" and redesignating it as FERC Form No. 6, "Annual Report of Oil Pipeline Companies".

⁴ *Cost of Service Requirements and Filing Requirements for Oil Pipelines*, Order No. 571, FERC Stats. & Regs., Regulation Preambles Jan. 1991- June 1996 ¶ 31,006, at p. 31,169 (1995).

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

In order to reduce burden while obtaining the data the Commission needs, there are three thresholds related to the material respondents must file.

1. Each oil pipeline carrier whose annual jurisdictional operating revenues has been \$500,000 or more for each of the three previous calendar years must file FERC Form 6 (18 C.F.R. § 357.2 (a)). Oil pipeline carriers submitting a complete FERC Form 6 must submit FERC Form 6-Q⁵ (18 C.F.R. § 357.4(a)). Newly established entities must use projected data to determine whether FERC Form No. 6 must be filed.
2. Oil pipeline carriers exempt from filing FERC Form 6 whose annual jurisdictional operating revenues have been more than \$350,000 but less than \$500,000 for each of the three previous calendar years must prepare and file page 301, "Operating Revenue Accounts (Account 600), and page 700, "Annual Cost of Service Based Analysis Schedule," of FERC Form 6. When submitting pages 301 and 700, each exempt oil pipeline carrier must include page 1 of the FERC Form 6, the Identification and Attestation schedules (18 C.F.R. § 357.2 (a)(2)).
3. Oil pipeline carriers exempt from filing FERC Form 6 and page 301 and whose annual jurisdictional operating revenues were \$350,000 or less for each of the three previous calendar years must prepare and file page 700, "Annual Cost of Service Based Analysis Schedule," of FERC Form 6.

When submitting page 700, each exempt oil pipeline carrier must include page 1 of FERC Form 6, the Identification and Attestation schedule (18 C.F.R. § 357.2 (a)(3)).

FERC and other entities use the FERC Form 6 information as follows.

- The Commission's Office of Enforcement (OE) uses the Form 6 data to assist in the implementation of its financial audits and programs, in the continuous review of the financial condition of regulated companies and in the assessment of energy markets. The Office of Energy Markets Regulation (OEMR) uses the data collected for various rate proceedings and economic analyses. The Office of Administrative Litigation (OAL) uses the data collected for background research for use in litigation. The Office of the General Counsel (OGC) uses the data in its programs relating to the administration of the ICA.
- The Office of the Executive Director (OED) uses data on Page 301 of the Form 6 to compute annual charges which are then assessed against oil pipeline companies to recover the Commission's annual costs as mandated by Commission Order No. 472. The annual charges are required by Section 3401 of the Omnibus Budget Reconciliation Act of 1986.
- The majority of state regulatory commissions use the Form 6 and the FERC Uniform System of Accounts⁶ to satisfy their reporting requirements for those companies under their

⁵ The FERC Form 6-Q (OMB Control No. 1902-0206) is pending OMB review under ICR 201512-1902-004 and is not addressed in this package. (The associated Notices were issued in Docket No. IC16-7.)

⁶ 18 CFR Part 352, Uniform Systems Of Accounts Prescribed For Oil Pipeline Companies Subject To The

jurisdiction.

- The public uses the data to assist in monitoring rates, the financial condition of the oil pipeline industry, and in the assessing energy markets.

Data from FERC Form 6 facilitates the calculation of the actual rate of return on equity. The actual rate of return on equity is particularly useful information when evaluating a pipeline's rates.

The Commission continues to review and modernize its oil regulations with a view toward reducing the burden it places on industry. The ICA mandates the collection of information needed by the Commission to perform its regulatory responsibilities in the setting of just and reasonable rates. The Commission could be held in violation of the ICA if the information was not collected.

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

There is an ongoing effort to determine the potential and value of improved information technology to reduce the burden. In December 2000, FERC issued Order No. 620 requiring every pipeline carrier subject to the provisions of Section 20 of the ICA to electronically submit FERC Form 6 through the forms submission software available at <http://www.ferc.gov/docs-filing/eforms/form-6/elec-subm-soft.asp>.

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

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 Act in an effort to alleviate duplication. All Commission information collections are subject to analysis by Commission staff and are examined for redundancy. To date, the Commission has not found duplication of the proposed data requirements.

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

The filing threshold for the Form 6 is divided into three categories, based on the annual jurisdictional operating revenues of the respondent company. (See #2 above.) Smaller companies are required to file only certain components of the Form 6. The Commission concluded that exempting a certain percentage of oil companies from filing the full FERC Form No. 6 in its entirety will not compromise its ability to gather meaningful data upon which to base its regulation of the oil pipeline industry.

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

The Commission is authorized by statute to collect this information on an annual basis (Form 6).⁷ If the collection were conducted less frequently, the Commission would be unable to perform its mandated review responsibilities with respect to the assessment of the financial conditions of oil pipeline companies. The continued use of the FERC Form No. 6 (and FERC Form No. 6-Q) ensures that the Commission has the financial, operational, and ratemaking information needed to carry out its regulatory responsibilities to monitor the oil pipeline industry.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances.

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

The Commission published its 60-day Notice⁸ (in Docket No. IC16-11) in the Federal Register, thereby allowing all pipeline companies, state commissions, federal agencies, and other interested parties an opportunity to submit comments, or suggestions concerning the Form 6. The 30-day notice is also being published in the Federal Register for public review and comment.

None of the comments received in Docket No. IC16-11 pertained to FERC Form 6.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission will not make any payments or gifts to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission designed Form 6 in a manner such that all information reported is subject to public access and review and, therefore, generally not confidential. The Commission will entertain specific requests for confidential treatment to the extent permitted by law and pursuant to 18 C.F.R. 388.112.

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

The Form 6 does not contain questions of a sensitive nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

⁷ The FERC Form 6-Q [pending OMB review in a separate ICR] collects the quarterly data.

⁸ The Notice was published at 81FR 38169, 6/13/2016; it is also available in FERC's eLibrary at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14270354>.

FERC Form No. 6 (OMB Control No. 1902-0022)

The Commission estimates the annual public reporting burden⁹ and cost¹⁰ for the FERC Form No. 6 information collection as follows.

FERC Form No. 6, Annual Report of Oil Pipeline Companies						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Form No. 6	198	1	198	161 hrs.; \$11,995	31,878 hrs.; \$2,375,010	\$11,995

13. ESTIMATE OF TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no capital or start-up costs related to this information collection request. All costs are related to burden hours.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimated annualized cost to the Federal government related only to modifications to the Form 6 in the data collections/requirements are shown below:

Cost Category	Number of Employees (FTEs)	Estimated Annual Federal Cost (rounded)
Analysis and Processing of filings ¹¹	.25	\$38,662
PRA Administrative Cost ¹²		\$5,481
FERC Total		\$44,143

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

⁹The burden associated with the one-time re-filing of Page 700 data for Years 2009-2011 has been completed and is being removed as discussed in #15.

¹⁰The cost is based on FERC’s 2016 average cost (salary plus benefits) of \$74.50/hour. The Commission staff believes that the industry’s level and skill set are comparable to FERC.

¹¹ The cost is based upon FERC’s 2016 annual average salary plus benefits of \$154,647 (or \$74.50/hour).

¹² The Paperwork Reduction Act of 1995 (PRA) Administrative Cost is associated with preparing, issuing, and submitting materials necessary to comply with the PRA for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. This average annual cost includes requests for extensions, all associated rulemakings, and other changes to the collection.

Program Decrease. The one-time re-filing of Page 700 data (for 2009-2011 data)¹³ has been completed and is being removed. The related IC (“Form 6, Page 700 Refiling (one-time for 2009-2011 data)”) will be deleted with the corresponding ‘change due to agency discretion,’ included below.

Adjustment in Estimate. Three years ago, there were 161 respondents (and responses). The increase (from 161 to 198) in the number of respondents (and corresponding number of responses) is due to normal fluctuations in the industry (e.g., companies merging, splitting, entering into and exiting the industry).

The following table shows the current and proposed burden inventory for the Form 6.

FERC Form 6	Total Request	Change Due to Agency Discretion	Change due to Adjustment in Estimate	Previously Approved
Annual Number of Responses	198	-161	+37	322
Annual Time Burden (Hr.)	31,878	-322	+5,947	26,253
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

The information furnished in the Form 6 is available for public inspection at the FERC website (<http://www.ferc.gov/docs-filing/forms.asp#6>). The data are collected for regulatory purposes and not for the purposes of a publication.

17. DISPLAY OF THE EXPIRATION DATE

The Form 6 displays the OMB control number and the expiration date. The expiration date is also displayed at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.

¹³ This IC covered 161 respondents and 161 responses for a total burden of 322 hours.

The following part of the FERC Form 6 instructions will be updated as noted.

V. Where to Send Comments on Public Reporting Burden

(a) The public reporting burden for the FERC Form 6 is estimated to average 161 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 6-Q is estimated to average 150 hours per response. Send comments regarding these burden estimates or any aspect of these information collections, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street, NE, Washington DC 20426 (Attention: Information Clearance Officer), by e-mail at DataClearance@ferc.gov; and to the Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission), by e-mail at oir_submission@omb.eop.gov.

(b) You shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.