

Supporting Statement for  
**FERC-577, Natural Gas Facilities: Environmental Review and Compliance**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-577 (Natural Gas Facilities: Environmental Review and Compliance)** (OMB Control No. 1902-0128), for a three-year period. FERC-577 is an existing data collection with reporting requirement in 18 Code of Federal Regulations (CFR) Parts 2, 157, 284, and 380 of its regulations implementing National Environmental Policy Act (NEPA) and includes the environmental compliance conditions of Parts 2, 157, 284, and 380.

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

Section 102(2)(c) of the NEPA<sup>1</sup> requires that all Federal agencies must include in every recommendation or report on proposals for legislation and other major federal actions significantly affecting the quality of human environment, a detailed statement on: the environmental impact on the proposed actions; any adverse environmental effects which cannot be avoided should the proposal be implemented; alternatives to the proposed action; the relationship between local short-term uses of man's environment, and the maintenance and enhancement of resources which would be involved in the proposed action should it be implemented.

FERC-577 identifies the Commission's information collections relating to Parts 2, 157, 284, and 380 of its regulations implementing NEPA and includes the environmental compliance conditions of Parts 2, 157, 284, and 380.

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

Environmental concerns play a significant role in the review of certificate construction applications.<sup>2</sup> Pipelines are facing increased opposition from landowners as new projects are proposed, especially in more heavily populated areas. FERC has to balance the benefits of alternative supplies of natural gas with the environmental impact of a project. Critical to the Commission's efforts to balance benefits and environmental impacts are the general and project-specific environmental conditions the Commission applies to jurisdictional facilities.<sup>3</sup>

Applicants have to conduct appropriate studies which are necessary to evaluate the impact of the construction and/or operation of the proposed jurisdictional facilities on human and natural resources and the measures which may be necessary to protect the values of the affected area.

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1 PL 91-190 (42 USC 4321)

2 For certain pipeline projects/facilities, the pipeline company must obtain a certificate from the Commission in order to construct, operate or abandon pipeline facilities.

3 The 18 CFR section 2.55(a) projects at issue in this proceeding are not certificated projects, but they do fall under the Commission's jurisdiction.

In 2013<sup>4</sup>, FERC added new sections in its regulations (18 CFR) under Sections 2.55(c) and 380.15(b)(1) whereby a natural gas company must notify affected landowners at least five days prior to coming onto their property. The notifications were to include: (1) a brief description of the activity to be conducted or facilities to be constructed/replaced and the effects that the activities are expected to have on the landowner's property; (2) the name and phone number of the company representative that is knowledgeable about the project; and (3) a description of the Commission's Dispute Resolution Service Helpline, as explained in Section 1b.21(g) of the Commission's regulations, and the Dispute Resolution Service Helpline number.<sup>5</sup>

FERC defined "affected landowners" as owners of property interests, as noted in their most recent tax notice, whose property is directly affected (i.e. crossed or used) by the proposed activity, including all rights-of-way, facility sites, access roads, pipe and contractor yards, and temporary workspace.

The Commission collects the bulk of the information under the FERC-577 in order to comply with applicable environmental statutes. The Commission needs to know about the consequences of companies' activities to be able to ensure that FERC is complying with NEPA requirements. In particular, FERC wants to ensure that construction and operation activities are done in a manner that does not violate FERC's findings that there are no significant adverse impacts. The FERC-577 cannot be discontinued or conducted less frequently.

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

There is an ongoing effort to increase the use of improved information technology in order to reduce the compliance burden. The FERC-577 materials may be eFiled through FERC's eFiling system. [See <http://www.ferc.gov/docs-filing/efiling/filing.pdf> for more information.]

For the existing FERC-577 requirements, the majority of the application filings made in accordance with sections 7(a) and 7(c) are filed electronically. However, due to the complexity of the exhibits, maps, and projects, for some of the filings, up to three additional paper copies may be required for staff review, processing, and collaboration. As additional uses of information technology (including geospatial information systems) are implemented, FERC may be able to reduce or eliminate the need for the additional paper copies.

**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 information collection expiration dates arise or as the Commission may deem necessary in carrying out its regulatory responsibilities under the

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<sup>4</sup> RM12-11-000 Final Rule (12/4/2013; 78 FR 72794)

<sup>5</sup> This provides landowners a phone number they can use if a problem arises related to the work the pipeline is doing.

NGA in an effort to alleviate duplication. All Commission information collections are subject to analysis by Commission staff and are examined for redundancy. There is no other source of this information.

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

There are no special provisions or methods for reducing burden on any small entities.

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

FERC-577 data collections are required for statutory purposes and cannot be discontinued or collected less frequently. Generally, the information submitted to the Commission for FERC-577 is event driven. The information to be submitted in accordance with Commission regulations includes draft environmental material in accordance with the provisions of Part 380 of FERC's regulations in order to implement the Commission's procedures under NEPA.

Without such information, the Commission would be unable to fulfill its statutory responsibilities under the NGA, NGPA, NEPA, and the Energy Policy Act of 2005. Specifically, these responsibilities include ensuring company activities remain consistent with the public interest, which is specified in the NGA and inherent in the other statutes.

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

In general, FERC-577 meets all of the requirements in OMB's regulations. Because the landowner notification requirement is event driven, some respondents may have to notify landowners more often than quarterly. The Commission considers this necessary in order to provide landowners with notification when work is being done on their property.

Three paper copies may be required for the other requirements related to the FERC-577 information collection (depending on the item filed) for staff review, processing, and collaboration.

**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 notice<sup>6</sup> and a 30-day notice<sup>7</sup> to the public regarding this information collection on 8/19/2016 and 10/26/2016, respectively. Within the public notice, the Commission noted that it would be requesting a three-year extension of the public reporting burden with no change to the existing requirements concerning the collection of data. The Commission received no comments.

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681 FR 55456  
781 FR 74424

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

There are no payments or gifts to respondents of this collection.

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

The Commission does not consider the information to be confidential. However, the Commission has encouraged applicants to indicate information which may be Critical Energy Infrastructure Information (CEII), or privileged. CEII as defined in Section 388.113 of the Commission’s regulations includes information about proposed or existing natural gas facilities that could be used by a person planning an attack on critical energy infrastructure. More information about CEII and privileged security levels of information are posted at <http://www.ferc.gov/legal/ceii-foia/ceii.asp> and <http://www.ferc.gov/legal/ceii-foia/ceii/classes.asp>. The Commission’s procedures in Part 388 are designed to ensure that CEII and privileged material is not placed in the Commission’s public records.

**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 reporting requirements.

**12. ESTIMATED BURDEN COLLECTION OF INFORMATION**

FERC-577 (Natural Gas Facilities: Environmental Review and Compliance)						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response <sup>8</sup> (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Gas Pipeline Certificates <sup>9</sup>	92	16	1,472	193.518 hrs.; \$14,417	284,858 hrs.; \$21,221,824	\$230,672
Landowner Notification <sup>10</sup>	165	144	23,760	2 hrs.; \$149	47,520 hrs.; \$3,540,240	\$21,456

<sup>8</sup>The estimates for cost per response are derived using the following formula: Average Burden Hours per Response \* \$74.50 per Hour = Average Cost per Response. The Commission staff believes that the industry’s level and skill set are comparable to FERC, so the FERC 2016 average hourly cost (for salary plus benefits) of \$74.50 per hour is used.

<sup>9</sup> Requirements are found in 18 CFR Parts: 157, 284, 2, and 380.

<sup>10</sup> Requirements are found in 18 CFR Parts: 2.55(b), 157.203(d), 380.15, and 2.55(a).

<b>TOTAL</b>		25,232		332,378 hrs.;	
				<b>\$24,762,064</b>	

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

There are no non-labor start-up costs. All costs are related to burden hours and are addressed in Questions #12 and #15.

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

	<b>Number of Employees (FTE)</b>	<b>Estimated Annual Federal Cost</b>
Analysis and Processing of Filings <sup>11</sup>	34	\$5,257,998
PRA <sup>12</sup> Administrative Cost <sup>13</sup>		\$5,481
<b>FERC Total</b>		<b>\$5,263,479</b>

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**

The Commission is not modifying reporting requirements for the FERC-577 information collection. There is no change to the FERC-577 burden estimate.

The following table shows the annual total burden of the collection of information. The format, labels, and definitions of the table follow the ROCIS submission system’s “Information Collection Request Summary of Burden” for the metadata.

<b>FERC-577</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	25,323	25,323	0	0
Annual Time Burden (Hours)	332,378	332,378	0	0

<sup>11</sup> Based upon 2016 FTE average annual salary plus benefits (\$154,647).

<sup>12</sup> Paperwork Reduction Act of 1995 (PRA).

<sup>13</sup> The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (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.

Annual Cost Burden (\$)	\$0	\$0	\$0	\$0
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**16. TIME SCHEDULE FOR PUBLICATION OF DATA**

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information. The data are used 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**

There are no exceptions.