

Supporting Statement for
**FERC-923, Communication of Operational Information
between Natural Gas Pipelines and Electric Transmission Operators**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-923 (Communication of Operational Information between Natural Gas Pipelines and Electric Transmission Operators)** (OMB Control No. 1902-0265), for a three-year period.

In Order No. 787, the Commission amended its regulations to provide explicit authority to interstate natural gas pipelines and public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce to share non-public, operational information with each other for the purpose of promoting reliable service or operational planning on either the public utility's or pipeline's system. FERC-923 is an existing data collection with reporting requirement in 18 Code of Federal Regulations (CFR) Parts 284.12 and 38.2.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

In recent years, reliance on natural gas as a fuel for electric generation has steadily increased. This trend is expected to continue into the future, resulting in greater interdependence between the natural gas and electric industries. Several events over the last few years¹ demonstrated the crucial interconnection between natural gas pipelines and electric transmission operators and the need for robust communication between these industry sectors to ensure that both systems operate safely and effectively for the benefit of their customers.

The applicable regulations are in 18 CFR:

- Part 38.2 which applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce subject to a No-Conduit Rule, and
- Part 284.12(b)(4) which applies to any interstate pipeline.

These sections (Parts 38.2 and 284.12(b)(4)) authorize public utilities providing transmission service and interstate natural gas pipelines to share non-public, operational information when such information is for the purpose of promoting reliable service or operational planning.

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

Note that this non-public information will be communicated and shared between transmission operators and is not being submitted to FERC.

Entities from both electric and natural gas industries have already begun efforts to improve coordination and enhanced system reliability by sharing non-public, operational information and continued sharing of non-public, operational information between transmission operators should

¹ The Southwest Cold Weather Event, for one example.

continue to enhance system reliability and contingency planning in both industries. The information sharing and communications between industry entities are voluntary; there are restrictions on providing the non-public information to third parties or marketing entities.

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

In its Order No. 787, FERC removed actual or perceived impediments to the information sharing and communications of non-public, operational data between transmission operators. The permitted communications are voluntary. FERC is not prescribing the content, medium, format, or frequency for the information sharing and communications; those decisions will be made by the transmission operators, depending on their needs for maintaining reliability or operational planning. As such, no physical or electronic form for the FERC-923 information collection exists.

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 operational information the transmission operators may choose to share is non-public and in many cases current or time-sensitive operational data. The tariff filings are generally public. The information is not publicly available elsewhere.

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

The information sharing is voluntary (regardless of size) and between transmission operators that believe sharing the non-public, operational information is useful for the purposes of reliability and operational planning.

None of the entities impacted by FERC-923 are “small”.

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

The frequency and content of the information being shared is not mandated by FERC; rather it is determined by the affected entities based on operational circumstances. (FERC, however, estimates the frequency of this information sharing to be 12 times per year, based on operational circumstances and needs.) The goal of the inter-industry communications is to promote operational planning and reliability on either the interstate natural gas pipeline’s or utility’s system.

The requirement to submit the tariff filing to FERC enabled the transmission operators to have

these inter-industry communications to improve operational planning and reliability on either the interstate natural gas pipeline's or utility's system.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

There are no special circumstances.

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 notice² and a 30-day notice³ to the public regarding this information collection on 8/16/2016 and 10/24/2016, 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.

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 sharing of the non-public data occurs between transmission operators; the data are not provided to FERC. Recipients of the non-public, operational information are subject to a No-Conduit Rule that prohibits subsequent disclosure of that information to a third party or marketing function employee.

The tariff filings are generally public information. Filers may request special treatment under 18 CFR 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 voluntary sharing of the non-public, operational information occurs between transmission operators; the data are not provided to FERC. The content and frequency of the data being shared is determined by the entities involved based on reliability needs and the operational situation.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

FERC-923, Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response⁴ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Responde nt (\$) (5)÷(1)
Public Utility Transmission Operator, communications	164 ⁵	12	1,968	0.5 hrs.; \$37.25	984 hrs.; \$73,308	\$447
Interstate Natural Gas Pipelines, communications	155	12	1,860	0.5 hrs.; \$37.25	930 hrs.; \$69,285	\$447
TOTAL			3,828		1,914 hrs.; \$142,593	

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

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings ⁶	0.15	\$23,198
PRA ⁷ Administrative Cost ⁸		\$5,481
FERC Total		\$28,679

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

⁴The 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 is comparable to FERC’s 2016 figures with an average hourly cost (wages plus benefits) of \$74.50.

⁵ The estimate for the number of respondents is based on the North American Electric Reliability Corporation (NERC) Compliance Registry as of July 29, 2016, minus the Transmission Operators within ERCOT.

⁶ Based upon FERC’s 2016 FTE average annual salary plus benefits (\$154,647).

⁷ Paperwork Reduction Act of 1995 (PRA).

⁸The 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.

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 making slight modifications to the reporting burden for the FERC-923 information collection. .

Changes due to Agency Discretion:

Burden associated with tariff changes is no longer included in the burden associated with FERC-923 because tariff changes, if needed, were completed during the initial implementation of Order No. 787 information sharing and communications between entities⁹. (The remaining burden is associated only with ongoing non-public information sharing between respondent entities.)

Changes due to Adjustment in Estimate:

The increase in responses is due to an expected increase in the number of respondents over the next three year clearance period. The increase in respondents is due to normal market fluctuation (e.g., merging or splitting, or entering or exiting the market) . It is not a result of any program change or change in reporting/recordkeeping requirements.

Overall, the aforementioned changes (the removal of burden associated with tariff filings and the small increase in the number of respondents involved in information sharing) result in a slight increase in responses and a slight reduction in total annual burden.

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.

FERC-923	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	3,828	3,660	180	-12
Annual Time Burden (Hours)	1,914	1,920	90	-96
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

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.

⁹ RM13-17-000, published on 11/22/2013 (78 FR 70164)

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.