

Supporting Statement for
FERC Form 547 (Gas Pipeline Rates: Refund Report Requirements)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC- 547 (Gas Pipeline Rates: Refund Report Requirements; OMB Control No. 1902-0084) for a three-year period. FERC-547 is an existing data collection with reporting requirement in 18 Code of Federal Regulations (CFR) Parts 154.501 and 154.502.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

FERC-547 is required to implement the statutory refund provisions governed by sections 4, 5, and 16 of the Natural Gas Act (NGA) (15 USC 717-717w). Sections 4 and 5 authorize the Commission to order a refund, with interest, for any portion of a natural gas company's increased rate or charge found to be unjust or unreasonable. Refunds may also be instituted by a natural gas company as a stipulation to a Commission-approved settlement agreement or a provision under the company's tariff. Section 16 authorizes the Commission to prescribe the rules and regulations necessary to administer its refund mandates. The Commission's refund reporting requirements are set forth in 18 CFR 154.501 and 154.502.

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

The impetus for establishing refund reporting requirements came as a result of a judicial decision.¹ The Commission, in response, established refund procedures for overcharges resulting from adjustments to the calculation of the energy content of natural gas sold in accordance with the Natural Gas Policy Act of 1978 (NGPA). The NGPA was repealed by P. L. 101-60, however, provisions under the NGA remained. These procedures and refund requirements were announced in Commission Order Nos. 399, 399-A and 399-B (1984).

A refund report generally includes the following:

- Work-papers and a narrative that is sufficient in:
 - Showing how the refunds for jurisdictional services were calculated,
 - Details for determining the origin of the refund, and.
 - Explaining how the refund was allocated to each jurisdictional customer.
- References to any publicly available sources which confirm the rates, quantities, or costs, which are used to calculate the refund balance or which confirm the refund amount itself.
- Work-papers showing the calculation of interest on a monthly basis.
- A letter of transmittal.
- A certification of service to all affected customers and interested state commissions

¹ See *Interstate Natural Gas Association v. Federal Energy Regulatory Commission*, 716 F.2d 1 (D.C. Cir. 1983).

For a more detailed list of the requirements, please see 18 CFR 154.501(e).

The Commission uses the data to monitor refunds owed by natural gas companies, to ensure the flow-through of refunds that are owed by pipelines are made as expeditiously as possible, and to assure that refunds are made in compliance with the directive. Failure to report this information may result in enforcement action.

The Commission's Office of Energy Market Regulation is responsible for evaluating and processing information related to refund report obligations.

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 determine the potential and value of improved information technology to reduce the burden. The refund reports can be eFiled through FERC's eFiling system. (See <http://www.ferc.gov/docs-filing/efiling.asp> for more 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 or as the Commission may deem necessary in carrying out its regulatory responsibilities under the Act in an effort alleviate duplication. This includes a review of the Commission's reporting requirements to identify duplication of data requirements. To date, no duplication of application data has been found. The information is specific to each applicant.

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

This filing collects data from both large and small respondent companies. Specific efforts have been made to minimize the burden imposed on those small companies who file the report (i.e. there is no required format, allowing respondents to file the required information in a format readily available from their own computer systems).

The data required imposes the least possible burden for companies while collecting the information that is required to process refund reports.

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

It is not possible to collect the data less frequently. The information is only required upon the distribution of a refund by a pipeline company and does not have a set reporting frequency. If the collection were discontinued, the Commission would not have the necessary information for

monitoring refund obligations.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

There are no special circumstances relating to this information collection.

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 7/29/2016 and 11/18/2016, 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 Commission does not consider the information collected in FERC-547 filings to be confidential.

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

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	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 Respondent (\$) (5)÷(1)
Natural Gas Pipelines	11	1	11	75 hrs.; \$5,587.50	825 hrs.; \$61,462.50	\$5,587.50

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

FERC-547	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings ⁵	0.5	\$77,324
PRA ⁶ Administrative Cost ⁷		\$5,481
FERC Total		\$82,805

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 making no changes to reporting requirements or the resultant 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.

4 The 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 is comparable to FERC.

5 Based upon 2016 FTE average annual salary plus benefits (\$154,647).

6 Paperwork Reduction Act of 1995 (PRA).

7 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.

FERC-547	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	11	11	0	0
Annual Time Burden (Hours)	825	825	0	0
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.

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.