

Supporting Statement  
**FERC-588, Emergency Natural Gas Transportation, Sale, and Exchange  
Transactions**

(Three-year approval for extension requested)

The Federal Energy Regulatory Commission (FERC or Commission) requests the Office of Management and Budget (OMB) extend its approval of the FERC-588, Emergency Natural Gas Transportation, Sale, and Exchange Transactions, for an additional three years. FERC-588 is an existing information collection (OMB Control No. 1902-0144) consisting of filing requirements and notice procedures as contained in 18 Code of Federal Regulations (CFR) 284.262 and 284.270.

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

Section 7(c) of the Natural Gas Act (NGA)<sup>1</sup> provides that every jurisdictional natural gas company must obtain Commission authorization of a certificate of public convenience and necessity before transporting or selling gas, or constructing or operating facilities.

However, Section 7(c)(1)(b) of the NGA provides two exceptions to this certificate requirement:

- Authorization of the issuance of a temporary certificate during emergencies pending a determination of a regular application; and
- Exemption from the certificate requirements during which temporary acts or operations for which the issuance of a certificate will not be required in the public interest.”<sup>2</sup>

Emergency is defined as any situation in which an actual or expected shortage of gas supply would require an interstate pipeline company, intrastate pipeline, local distribution company, or Hinshaw pipeline to curtail deliveries of gas or provide less than the projected level of service to any customer. A sudden unanticipated loss of natural gas supply or sudden unanticipated increase in demand or any situation in which the

---

<sup>1</sup> (Public Law 75-688)(15 U.S.C. 717f)

<sup>2</sup> The Natural Gas Policy Act (NGPA) (Public Law 95-621), most significantly, sections 311 and 312 provide an alternative to section 7(c)(1)(b) of the NGA for the following transactions in interstate commerce: sales, assignments, and/or transportation of intrastate natural gas by intrastate pipelines on behalf of interstate pipelines and local distribution companies served by interstate pipelines and transportation by interstate pipelines on behalf of intrastate pipeline and local distribution companies. Therefore, as a result of the NGPA, these transaction have been authorized to proceed, subject to certain limitations, for longer periods than would be appropriate or permissible under NGA section 7(c)(1)(b).

participant, in good faith, determines that immediate action is required for the protection of life or health or the maintenance of physical property are also emergencies.

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

The natural gas companies file the necessary information with the Commission so that Commission staff can determine from the data if the transaction qualifies for exemption. There are three elements to the collection:

- A report within forty-eight hours of the commencement of the transportation, sale, or exchange;
- A request to extend the sixty-day term of the emergency transportation, if needed; and
- A termination report.

The data required to be filed for the 48-hour report and the termination report consist of:

- The dates the transaction commenced and terminated;
- The nature of the emergency;
- The total amount and average daily amount of emergency natural gas to be or that was purchased, exchanged or transported;
- The purchase price of the gas;
- The transportation rate;
- The identity of all the participants.

The Commission's Office of Energy Market Regulation (OEMR) is responsible for evaluation and processing of data related to service emergencies under Section 375.307(a)(9)(v) of the regulations. The Office of Energy Projects (OEP) is responsible for evaluation and processing of data related to facility emergencies under Section 375.308(w)(3) of the Commission's regulations. The consequence of not collecting FERC-588 data is that these offices will be unable to fulfill their statutory obligations per Section 7(c) of the NGA.

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

FERC continually considers the use of improved information technology to reduce burden in the filing requirements for submission of information.

The FERC-588 application can be submitted via FERC's eFiling system. See <http://www.ferc.gov/docs-filing/efiling.asp> for more details and 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, expiration dates approach, or as the Commission may deem necessary in carrying out its responsibilities under the Natural Gas Policy Act (NGPA) and NGA in order to eliminate duplication and ensure that filing burden is minimized. No other forms collect data similar to that collected/filed under FERC-588.

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

The Commission collects FERC-588 data from interstate pipelines, intrastate pipelines or natural gas distributors (including Hinshaw pipelines) some of which may be small businesses. The amount of reported data is the same for large and small businesses. However, this is already the minimum that the Commission requires to determine that the transaction is authorized.

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

The information collection cannot be discontinued nor collected less frequently because of statutory requirements to monitor emergency transactions. Without such information, the Commission would be unable to fulfill its statutory responsibilities under both the NGA and NGPA to exempt natural gas companies transporting, selling, or exchanging emergency natural gas.

**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 notice<sup>3</sup> and a 30-day notice<sup>4</sup> to the public regarding this information collection on 03/23/2017 and 5/31/2017 respectively. Within the public notices, the Commission noted that it would be

---

<sup>3</sup> 82 FR 14888

<sup>4</sup> 82 FR 24959

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 gifts or payments given to the respondents.

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

FERC- 588 information submitted to the Commission is made publically available. Specific requests for confidential treatment to the extent permitted by law are considered pursuant to 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.**

There are no questions of a sensitive nature associated with the FERC-588.

**12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

The Commission estimates the Public Reporting burden for the FERC-588 information collection as follows:

<b>FERC-588: Emergency Natural Gas Transportation, Sale, and Exchange Transportation</b>					
<b>Number of Respondents (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden &amp; Cost Per Response<sup>5</sup> (4)</b>	<b>Total Annual Burden &amp; Total Annual Cost (3)*(4)=(5)</b>	<b>Cost per Respondent (\$) (5)÷(1)</b>

5. The Commission staff thinks that the average respondent for this collection is similarly situated to the Commission, in terms of salary plus benefits. Based upon FERC’s 2017 annual average full-time equivalent (FTE) of \$158,754 (for salary plus benefits), the average hourly cost is \$76.50/hour.

10	3	30	10 hrs.; \$765	300 hrs.; \$22,950	\$2,295
----	---	----	-------------------	-----------------------	---------

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

There are no capital or start-up costs associated with FERC-588. All of the costs are associated with the burden hours and accounted for in Questions #12 and #15.

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

The following table contains the annualized effort and cost for FERC Form 588.

	<b>Number of Employees (FTEs)</b>	<b>Estimated Annual Federal Cost</b>
Analysis and Processing of filings <sup>6</sup>	0.50	\$79,377
PRA <sup>7</sup> Administrative Cost <sup>8</sup>		\$5,723
<b>FERC Total</b>		<b>\$85,100</b>

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

There is a slight increase in total burden due entirely to better estimates of average burden per response.

The following table shows the changes to burden hours caused by market influx., current OMB-approved inventory ('previously approved'), and the 'total request' for this supporting statement (as listed in ROCIS and reginfo.gov):

<b>FERC-588</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	30	8	+22	0
Annual Time Burden	300	80	+220	0

<sup>6</sup> Based upon 2017 FTE average salary plus benefits (\$158,754)

<sup>7</sup> Paperwork Reduction Act of 1995

<sup>8</sup> The 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.

(Hr.)				
Annual Cost Burden (\$)	\$ 0	\$ 0	\$ 0	\$ 0

**16. TIME SCHEDULE FOR PUBLICATION OF DATA**

There are no publication plans for this collection of information.

**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**

The data collected for this reporting requirement is not used for statistical purposes.