

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

[Docket No. IC18-18-000]

COMMISSION INFORMATION COLLECTION ACTIVITIES
(FERC-545 and FERC-549C);
CONSOLIDATED COMMENT REQUEST; EXTENSION

(August 10, 2018)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of information collections and request for comments.

SUMMARY: In compliance with the requirements of the Paperwork Reduction Act of 1995, the Federal Energy Regulatory Commission (Commission or FERC) is soliciting public comment on the requirements and burden of the information collections described below.

DATES: Comments on the collections of information are due **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments (identified by Docket No. IC18-18-000) by either of the following methods:

- eFiling at Commission's Web Site: <http://www.ferc.gov/docs-filing/efiling.asp>
- Mail/Hand Delivery/Courier: Federal Energy Regulatory Commission,
Secretary of the Commission, 888 First Street, NE, Washington, DC 20426.

Please reference the specific collection number and/or title in your comments.

Instructions: All submissions must be formatted and filed in accordance with submission guidelines at: <http://www.ferc.gov/help/submission-guide.asp>. For user assistance

contact FERC Online Support by e-mail at ferconlinesupport@ferc.gov, or by phone at: (866) 208-3676 (toll-free), or (202) 502-8659 for TTY.

Docket: Users interested in receiving automatic notification of activity in this docket or in viewing/downloading comments and issuances in this docket may do so at

<http://www.ferc.gov/docs-filing/docs-filing.asp>.

FOR FURTHER INFORMATION: Ellen Brown may be reached by e-mail at DataClearance@FERC.gov, telephone at (202) 502-8663, and fax at (202) 273-0873.

SUPPLEMENTARY INFORMATION:

Type of Request: Three-year extension of the information collection requirements for all collections described below with no changes to the current reporting requirements.

Please note the two collections are distinct.

Comments: Comments are invited on: (1) whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (2) the accuracy of the agency's estimates of the burden and cost of the collections of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information collections; and (4) ways to minimize the burden of the collections of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

FERC-545, Gas Pipeline Rates: Rate Change (Non-formal)

Title: FERC-545, Gas Pipeline Rates: Rate Change (Non-formal)

OMB Control No.: 1902-0154

Type of Request: Three-year extension of the FERC-545 information collection requirements with no changes to the current reporting requirements.

Abstract: FERC-545 is required to implement sections 4, 5, and 16 of the Natural Gas Act (NGA), (15 USC 717c-717o, PL 75 688, 52 Stat. 822 and 830). NGA sections 4, 5, and 16 authorize the Commission to inquire into rate structures and methodologies and to set rates at a just and reasonable level. Specifically, a natural gas company must obtain Commission authorization for all rates and charges made, demanded, or received in connection with the transportation or sale of natural gas in interstate commerce.

Under the NGA, a natural gas company's rates must be just and reasonable and not unduly discriminatory or preferential. The Commission may act under different sections of the NGA to effect a change in a natural gas company's rates. When the Commission reviews rate increases that a natural gas company has proposed, it is subject to the requirement of section 4(e) of the NGA. Under section 4(e), the natural gas company bears the burden of proving that its proposed rates are just and reasonable. On the other hand, when the Commission seeks to impose its own rate determination, it must do so in compliance with section 5(a) of the NGA. Under section 5, the Commission must first establish that its alternative rate proposal is both just and reasonable.

Section 16 of the NGA states that the Commission "shall have the power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out provisions of [the NGA]." In other words, section 16 of the NGA grants the Commission the power to

define accounting, technical and trade terms, prescribe forms, statements, declarations or reports, and to prescribe rules and regulations.

Pipelines adjust their tariffs to meet market and customer needs. The Commission's review of these proposed changes is required to ensure rates remain just and reasonable and that services are not provided in an unduly or preferential manner. The Commission's regulations in 18 CFR Part 154 specify what changes are allowed and the procedures for requesting Commission approval.

The Commission uses information in FERC-545 to examine rates, services, and tariff provisions related to natural gas transportation and storage services. The following filing categories are subject to FERC-545: (1) Tariff Filings – filings regarding proposed changes to a pipeline's tariff (including Cost Recovery Mechanisms for Modernization of Natural Gas Facilities filings in Docket No. PL15-1) and any related compliance filings; (2) Rate Filings – rate-related filings under NGA sections 4 and 5 and any related compliance filings and settlements; (3) Informational Reports; (4) Negotiated Rate and Non-Conforming Agreement Filings; and (6) Market-Based Rates for Storage Filings (Part 284.501-505). One-time compliance filings mandated in Order No. 587-W (Docket Nos. RM96-1-038 and RM14-2-003) and Order No. 801 (Docket No. RM14-21-000) are excluded from this data collection renewal.

Type of Respondents: Natural gas pipelines under the jurisdiction of NGA.

Estimate of Annual Burden¹: The Commission estimates the annual public reporting burden for the information collection as:

FERC-545: Gas Pipeline Rates: Rate Change (Non-Formal)						
	Number of Respondents (1)	Average Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response² (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Tariff Filings	124	2.597	322	211 hrs.; \$24,054	67,947 hrs.; \$7,745,958	\$62,467
Rate Filings	17	1.412	24	354 hrs.; \$40,356	8,497 hrs.; \$968,658	\$56,980
Informational Reports	101	2.347	237	235 hrs.; \$26,790	55,706 hrs.; \$6,350,484	\$62,876
Negotiated Rates & Non-Conforming Agreement Filings	65	9.923	645	233 hrs.; \$26,562	150,285 hrs.; \$17,132,490	\$263,577
Market-Base Rates for Storage Filings	4	1	4	230 hrs.; \$26,220	920 hrs.; \$104,880	\$26,220
TOTAL			1,232		283,355 hrs.; \$32,302,470	

FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines

OMB Control No.: 1902-0174

¹ The Commission defines burden as the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. For further explanation of what is included in the information collection burden, reference 5 Code of Federal Regulations 1320.3.

² The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures for May 2017 posted by the Bureau of Labor Statistics for the Utilities sector (available at http://www.bls.gov/oes/current/naics2_22.htm#13-0000) and scaled to reflect benefits using the relative importance of employer costs in employee compensation from May 2017 (available at https://www.bls.gov/oes/current/naics2_22.htm). The hourly estimates for salary plus benefits are:

Computer and Mathematical (Occupation Code: 15-0000), \$63.25

Economist (Occupation Code: 19-3011), \$71.98

Legal (Occupation Code: 23-0000), \$143.68

Accountants and Auditors: 13-2011), \$56.59

The average hourly cost (salary plus benefits) is calculated weighting each of the aforementioned wage categories as follows: \$63.25 (0.05) + \$71.98 (0.3) + \$143.68 (0.6) + \$56.59 (0.05) = \$113.79. The Commission rounds it to \$114/hour.

Abstract: The business practice standards under FERC-549C are required to carry out the Commission's policies in accordance with the general authority in sections 4, 5, 7, 8, 10, 14, 16, and 20 of the Natural Gas Act (NGA)³, and sections 311, 501, and 504 of the Natural Gas Policy Act of 1978 (NGPA)⁴. The Commission adopted these business practice standards in order to update and standardize the natural gas industry's business practices and procedures in addition to improving the efficiency of the gas market and the means by which the gas industry conducts business across the interstate pipeline grid.

In various orders since 1996, the Commission has adopted regulations to standardize the business practices and communication methodologies of interstate natural gas pipelines proposed by the North American Energy Standards Board (NAESB) in order to create a more integrated and efficient pipeline industry.⁵ Generally, when and if NAESB-proposed standards (e.g. consensus standards developed by the Wholesale Gas Quadrant (WGQ)⁶) are approved by the Commission, the Commission incorporates them by reference into its approval. The process of standardizing business practices in the natural gas industry began with a Commission initiative to standardize electronic communication of capacity release transactions. The outgrowth of the initial Commission standardization efforts produced working groups composed of all segments of the natural gas industry and, ultimately, the Gas Industry Standards Board (GISB), a

³ 15 U.S.C. 717c-717w

⁴ 15 U.S.C. 3301-3432

⁵ This series of orders began with the Commission's issuance of *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587, FERC Stats. & Regs. ¶ 31,038 (1996).

⁶ An accredited standards organization under the auspices of the American National Standards Institute (ANSI).

consensus organization open to all members of the gas industry was created. GISB was succeeded by NAESB.

NAESB is a voluntary non-profit organization comprised of members from the retail and wholesale natural gas and electric industries. NAESB's mission is to take the lead in developing standards across these industries to simplify and expand electronic communication and to streamline business practices. NAESB's core objective is to facilitate a seamless North American marketplace for natural gas, as recognized by its customers, the business community, industry participants, and regulatory bodies.

NAESB has divided its efforts among four quadrants including two retail quadrants, a wholesale electric quadrant, and the WGQ. The NAESB WGQ standards are a product of this effort. Industry participants seeking additional or amended standards (to include principles, definitions, standards, data elements, process descriptions, and technical implementation instructions) must submit a request to the NAESB office, detailing the change, so that the appropriate process may take place to amend the standards.

Failure to collect the FERC-549C data would prevent the Commission from monitoring and properly evaluating pipeline transactions and/or meeting statutory obligations under both the NGA and NGPA.

Type of Respondent: Natural gas pipelines under the jurisdictions of NGA and NGPA.

Estimate of Annual Burden: The Commission estimates the annual public reporting burden for the information collection as:

FERC-549C: Standards for Business Practices of Interstate Natural Gas Pipelines						
	Number of Respondents (1)	Average Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response⁷ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Standards for Business Practices of Interstate Natural Gas Pipelines	165	2.96	490	96 hrs.; \$8,640	47,040 hrs.; \$4,233,600	\$25,658

Kimberly D. Bose,
Secretary.

⁷ The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures for May 2017 posted by the Bureau of Labor Statistics for the Utilities sector (available at http://www.bls.gov/oes/current/naics2_22.htm#13-0000) and scaled to reflect benefits using the relative importance of employer costs in employee compensation from May 2017 (available at https://www.bls.gov/oes/current/naics2_22.htm). The hourly estimates for salary plus benefits are:

Petroleum Engineer (Occupation Code: 17-2051), \$71.62
 Computer Systems Analysts (Occupation Code: 15-1120), \$46.26
 Legal (Occupation Code: 23-0000), \$143.68
 Economist (Occupation Code: 19-3011), \$71.98

The average hourly cost (salary plus benefits) is calculated weighting each of the aforementioned wage categories as follows: \$71.62 (0.3) + \$143.68 (0.3) + \$46.26 (0.15) + \$71.98 (0.25) = \$89.52. The Commission rounds it to \$90/hour.