

FERC Supporting Statement for
**FERC-551, Reporting of Flow Volume and Capacity by Interstate Natural Gas
Pipelines**

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve **FERC-551 (Reporting of Flow Volume and Capacity by Interstate Natural Gas Pipelines)** for a three-year period under OMB Control Number 1902-0243. FERC-551 is an existing data collection with reporting requirements in 18 Code of Federal Regulations (CFR) section 284.13(b).

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

With the passage of the Energy Policy Act of 2005 (EPA 2005)¹, Congress affirmed a commitment to competition in wholesale natural gas and electricity markets as national policy. As part of this commitment to competition, in the transparency provisions, Congress charged the Commission with assuring the integrity of the wholesale markets and assuring fair competition by facilitating price transparency in those markets. It also significantly strengthened the Commission's regulatory tools in the transparency provisions, specifically, in Section 220 of the Federal Power Act and Section 23 of the Natural Gas Act (NGA).

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

General Background. On September 19, 2008, Order No. 714, the Commission revised its regulations to require that, effective October 1, 2010, all tariffs and tariff revisions and rate change applications for the public utilities, natural gas pipelines, oil pipelines and power administrations be filed electronically according to a set standard developed in conjunction with the North American Energy Standards Board. That effort was part of the Commission's efforts to comply with the Paperwork Reduction Act, the Government Paperwork Elimination Act (GPEA), and the E-Government Act of 2002 by developing the capability to file electronically with the Commission via the Internet.²

¹ Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594 (2005).

² eTariff (used for natural gas, electric, and oil tariffs, under separate information collections and OMB Control Nos.) includes FERC-545, Gas Pipeline Rates: Rate Change (OMB Control No. 1902-0154), and FERC-549, NGPA Title III Transactions and NGA Blanket Certificate Transactions (OMB Control No. 1902-0086). More information on eTariff is available at <https://www.ferc.gov/docs-filing/etariff.asp>.

In addition, the Commission required that all pipeline's revise their tariffs to unbundle gas supplies from transportation on the pipeline. The Commission also required every pipeline and every shipper to post any unused and available next day capacity so that it is available for other shippers to bid on. FERC-551 is a part of the posting requirement.

FERC-551. FERC-551 requires natural gas pipelines to post information on their websites regarding contracts related to firm and interruptible services. The postings must be made at a minimum, on a daily basis. The daily posting instruction for each entity is located at 18 CFR §284.13(b) (2019) (Reporting Requirements for Interstate Pipelines).³

The daily posting of information by interstate pipelines is necessary to provide information regarding the price and availability of natural gas to market participants, state commissions, the Commission, and the public.

Posting capacity for transportation service contributes to market transparency by aiding the understanding of the volumetric/availability drivers behind price movements. This information provides a better picture of disruptions in interstate natural gas flows in the case of disturbances to the pipeline system and allows for the monitoring of potentially manipulative or unduly discriminatory activity in the interstate natural gas market. If the Commission was unable to collect this information, it would be difficult to monitor and evaluate transactions and operations of interstate pipelines and to perform its regulatory functions and statutory responsibilities as enumerated by the Energy Policy Act of 2005.

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

FERC-551 allows companies to fulfill the posting requirements by including the information on the companies' websites, and does not require companies to file the information with the Commission. As such, the companies may pursue internal information technology burden reductions. The Commission has received no comments proposing industry-wide burden reduction.

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

³The reporting requirements of 18 CFR 284.13(b) are included in Supplementary Documents in reginfo.gov and ROCIS.

The Commission periodically reviews filing requirements as OMB review dates arise or as it may deem necessary in carrying out its regulatory responsibilities under the NGA. All Commission information collections are subject to analysis by Commission staff and are examined for redundancy. The Commission is unaware of any other source of this information at the federal, state or local level.

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

Small entities subject to this collection may request a waiver from the posting requirements.

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

As noted above, the daily posting of flow information by interstate pipelines provides several benefits to the functioning of natural gas markets by protecting the integrity of physical, interstate natural gas markets, protecting fair competition in those market, and serving the public interest by better protecting consumers.

Effective market monitoring relies, in part, on the availability of timely information. Less frequent reporting could hinder the Commission in meeting its regulatory objectives. The daily posting of flow information by interstate pipelines is necessary to provide information regarding the price and availability of natural gas to market participants, State commissions, the Commission, and the public.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related to the collection.

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 notice⁴ and a 30-day notice⁵ in the Federal Register on 9/12/2019 and 2/18/2020, respectively. In 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.

⁴ 84 FR 48137

⁵ 85 FR 8854

The Commission received no public comments on the 60-day notice. The comment period on the 30-day notice remains open.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents in the FERC-551 requirements.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The data submitted to pipelines’ internet websites is public information and, therefore, is not considered 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 that are considered private that are associated with the FERC-551 reporting requirements.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission estimates the annual public reporting burden and cost for the information collection as:

FERC-551: Reporting of Flow Volume and Capacity by Interstate Natural Gas Pipelines						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost (\$ Per Response) e⁶ (4)	Total Annual Burden Hours & Total Annual Cost (\$) (3)*(4)=(5)	Burden Hours & Cost (\$ per Respondent (5)÷(1)

⁶The hourly figure (wages plus benefits) is based on the average of the occupational categories for 2018 found on the Bureau of Labor Statistics website (http://www.bls.gov/oes/current/naics2_22.htm and

FERC -551	172	365	62,780	0.5 hours; \$25.59	31,390 hrs. ; \$1,606,540. 20	182.5 hrs. ; \$9,340.35
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13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up or other non-labor costs associated with the information collection. All costs are associated with the burden hours and accounted for in Question #12.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimate of the cost for ‘analysis and processing of filings’ is based 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 collections.

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.

The estimated average annual cost to the Commission of FERC-551 is set forth below.

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of filings	0	\$0
PRA Administrative Cost		\$4,832
FERC Total		\$4,832

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

<http://www.bls.gov/news.release/ecec.nr0.htm>):

-Management (Occupation Code: 11-0000): \$66.67

-Business (Occupation Code: 13-0000): \$41.98

-Financial (Occupation Code: 13-2051): \$44.92

These various occupational categories’ wage (and benefits) figures are averaged and weighted equally, giving an average of \$51.19/hour. The resulting wage figure is rounded to \$51.00/hour for use in calculating wage figures in the FERC-551 renewal.

There are no changes to the reporting/posting requirements.

The burden associated with FERC-551 reflects the respondent burden for interstate natural gas pipelines. This increase (adjustment in estimate) is due to a more up-to-date estimate of the number of respondents and not related to any agency program changes. The number of respondents is affected by normal industry fluctuations (e.g., pipelines entering or exiting the market, or companies merging or splitting).⁷

The current OMB-approved inventory is listed under the “Previously Approved” column. The annual responses and annual burden were 61,684 and 30,843 respectively. The revised annual responses and annual burden (change due to adjustment in estimate, as discussed above) is 62,780 and 31,390 respectively.

FERC-551	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	62,780	61,684	1,096	0
Annual Time Burden (Hr.)	31,390	30,843	547	0
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

The Commission considers that scheduled flow information that is not provided daily to be untimely and of vastly diminished use to market participants. The interstate natural gas pipeline postings set an appropriate standard: postings should occur at least daily. Further, this standard conforms to Congress’ direction in Section 23 of the NGA, which requires that the Commission’s transparency rules “provide for the dissemination, on a timely basis, of information about the availability and prices of natural gas....”⁸

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>.

⁷ See https://www.naesb.org/members/urls_of_pipelines.htm.

⁸ 15 U.S.C. ch. 15B §171t–2(a)

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.