Supporting Statement for

**FERC-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 the 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) 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 U.S.C. 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.

1. **HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE 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]](#footnote-2) The judicial decision required FERC to establish refund reporting requirements. The refund report is just a report with actual refund dollars in them. 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) and NGA. The NGPA was repealed by P. L. 101-60, however, provisions under the NGA remained.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).

The Commission uses the data in the refund reports to monitor refunds owed by natural gas companies and to ensure the flow-through of refunds that are owed by pipelines are made as expeditiously as possible. The information in the refund reports are literally actual refund data in dollar amounts made from pipeline to shippers. The information provided by the respondents is used by Commission staff to monitor refund progress and to assure that refunds are made in compliance with the directive. Failure to report this information may result in enforcement action.

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

The refund reports can be eFiled in any format accepted by the Commission through the Commission’s website: <http://www.ferc.gov/docs-filing/efiling.asp>.

1. **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**

Filings are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of the Commission’s reporting requirements to identify duplication of data requirements. To date, no duplication of the data has been found.

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

FERC-547 is a filing requirement pertaining to pipeline rate refund obligations under the NGA for the sale of natural gas as stated herein. FERC estimates that 3 of the 19 respondents are small entities. FERC has made specific efforts to minimize the burden imposed on those small companies who file the report, e.g., 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.

1. **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 therefore does not have a set frequency for reporting. If the collection were discontinued, the Commission would not have the necessary information for monitoring refund obligations.

1. **EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

There are no special circumstances regarding FERC-547 information collection.

1. **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 notice[[2]](#footnote-3) and 30-day notice[[3]](#footnote-4) in the Federal Register thereby providing public utilities and licensees, state commissions, federal agencies, and other interested parties an opportunity to submit data, views, comments or suggestions concerning FERC-547. The Commission received no comments on the 60-day notice.

FERC did not otherwise consult with members of the public concerning this information collection pursuant to 5 CFR 1320.8(d)(1).

1. **EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

There are no payments or gifts to respondents of the collection.

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

The information submitted to the Commission is public information and therefore is not considered confidential. However, a company may request confidential treatment of some or all parts of the FERC-547 requirements under the Commission regulations at 18 C.F.R. 388.112. Each request for confidential treatment will be reviewed by the Commission on a case-by-case basis.

1. **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**

This collection does not contain any questions of a sensitive nature.

1. **ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

The Commission estimates the annual public reporting burden***[[4]](#footnote-5)*** and cost[[5]](#footnote-6) for the information collection as:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **FERC-547: Gas Pipeline Rates: Refund Report Requirements** | | | | | |
| **Average Annual Number of Respondents**  **(1)** | **Average**  **Annual Number of Responses Per Respondent**  **(2)** | **Total Number of Responses**  **(1) x (2) = (3)** | **Average Burden Hours & Average Cost per Response ($)**  **(4)** | **Total Annual Burden Hours & Total Annual Cost ($)**  **(3) x (4) = (5)** | **Cost per Respondent ($)**  **(5) ÷ (1) = (6)** |
| 19 | 2 | 38 | 2 hrs.;  $160 | 76 hrs.;  $6,080 | $320 |

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

There are no start-up or other non-labor costs. All of the costs in the renewal are associated with burden hours (labor) and addressed in Questions #12 and #15.

1. **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 Paperwork Reduction Act (PRA) Administrative Cost is the average annual FERC cost associated with preparing, issuing, and submitting materials necessary to comply with the PRA for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. It also includes the cost of publishing the necessary notices in the Federal Register.

|  |  |  |
| --- | --- | --- |
| **FERC-547** | **Number of Employees (FTEs)** | **Estimated Federal Cost** |
| PRA[[6]](#footnote-7)Administration Cost | - | $4,832.00 |
| Analysis and Processing of Filings [[7]](#footnote-8) | 0.5 | $83,545.50 |
| **FERC TOTAL** |  | $88,377.50 |

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

**Program changes**. No program changes are being made to the reporting requirements at this time.

**Adjustments in Estimates.** The following adjustments are being made to estimates due to better accountability and normal fluctuations in industry (e.g., companies entering or leaving the field, or merging or splitting).

* The number of respondents increased to 19 (rather than 11) based on historical data from the last 3 years, which reflects standard industry fluctuations.
* The number of annual responses per respondent increased to 2 (rather than 1) due to better estimates from the Commission database, which has improved significantly in the last three years to better reflect actual responses.
* The number of responses increased to 38 (rather than 11). The number of responses increased since the last renewal to include reports that were omitted from the last renewal.
* The average burden and cost per response decreased to 2 hours (rather than 75 hours). The 75 hours reported in the last renewal overestimated the complexity of processing a refund report. Refund reports are actuals in refund dollars generated by the pipeline and submitted to FERC. Commission analysts generally are able to quickly review these reports, which are for informational purposes only (except in rare cases where reports are protested). For these reasons, 75 hours of burden per response was an overestimate of actual FERC staff times, and we are adjusting to 2 hours to better reflect the actual time it takes to process a refund report. Consequently, the adjustment in the annual burden is due to an adjustment made to correct the overestimation from the last renewal. The annual time burden presented here is more reflective of the actual burden time needed for the preparation of the responses required for FERC-547.

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-547** | **Total Request** | **Previously Approved** | **Change due to Adjustment in Estimate** | **Change Due to Agency Discretion** |
| Annual Number of Responses | 38 | 11 | +27 | 0 |
| Annual Time Burden (Hrs.) | 76 | 825 | -749 |  |
| Annual Cost Burden ($) | $0 | $0 | $0 | $0 |

1. **TIME SCHEDULE FOR THE PUBLICATION OF DATA**

There are no publication plans for the collection of information. The data are used for regulatory purposes only.

1. **DISPLAY OF THE EXPIRATION DATE**

The expiration date is displayed in a table posted on ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>.

1. **EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions.

1. See Interstate Natural Gas Association v. Federal Energy Regulatory Commission, 716 F.2d 1 (D.C. Cir. 1983). [↑](#footnote-ref-2)
2. 84 FR 41708, August 15, 2019 [↑](#footnote-ref-3)
3. 84 FR 69739, December 19, 2019 [↑](#footnote-ref-4)
4. “Burden” is defined 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. [↑](#footnote-ref-5)
5. The Commission staff estimates that industry is similarly situated in terms of hourly cost (for wages plus benefits). Based on the Commission’s 2019 average cost (for wages plus benefits), $80.00/hour is used. [↑](#footnote-ref-6)
6. Paperwork Reduction Act of 1995 (PRA). [↑](#footnote-ref-7)
7. Based upon 2019 FTE average annual salary plus benefits ($167,091). [↑](#footnote-ref-8)