

Supporting Statement for
**FERC-923, Communication of Operational Information
between Natural Gas Pipelines and Electric Transmission Operators**

The Federal Energy Regulatory Commission (Commission or FERC) requests reinstatement with changes of **FERC-923 (Communication of Operational Information between Natural Gas Pipelines and Electric Transmission Operators)** (OMB Control No. 1902-0265), for a three-year period.

In Order No. 787, the Commission amended its regulations to provide explicit information-sharing authority to interstate natural gas pipelines and public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce. Specifically, the regulations (at 18 CFR 38.2 and 284.12(b)(4)(i)) allow these entities to share non-public, operational information with each other for the purpose of promoting reliable service or operational planning. See *Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators*, Final Rule, 78 FR 70164 (Nov. 22, 2013), 145 FERC ¶ 61,134, Docket No. RM13-17-000.

The expiration date of FERC-923 was January 31, 2020. FERC initiated the renewal process for FERC-923 on December 30, 2019, by publishing a 60-day notice (84 FR 71912). That notice provided for a comment period that ended on February 28, 2020. No comments were received.

On January 28, 2020, FERC sent the OMB Administrator a request for a 3-month emergency extension of the expiration date in order to continue the renewal process. In addition, FERC published a notice of the emergency extension request on February 4, 2020 (85 FR 6153). OMB disapproved the request for an emergency extension on February 4, 2020.

In seeking reinstatement with changes, FERC has issued, and published on March 9, 2020, a notice providing 30 additional days for public comments (85 FR 13645).

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

In recent years, reliance on natural gas as a fuel for electric generation has steadily increased. This trend is expected to continue, resulting in greater interdependence between the natural gas and electric industries. Several events over the last few years demonstrated the crucial interconnection between natural gas pipelines and electric transmission operators and the need for robust communication between these industry sectors to ensure that both systems operate safely and effectively for the benefit of their customers.

The applicable regulations are in 18 CFR:

- Section 38.2, which applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce; and
- Section 284.12(b)(4)(i), which applies to any interstate pipeline.

These regulations authorize public utilities providing transmission service and interstate natural

gas pipelines to share non-public, operational information when such information is for the purpose of promoting reliable service or operational planning.

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

Note that this non-public information will be communicated and shared between transmission operators and is not being submitted to FERC. 18 CFR 38.2 [electric side] includes the following.

- §38.2 Communication and information sharing among public utilities and pipelines.
- (a) Any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce is authorized to share non-public, operational information with a pipeline, as defined in §284.12(b)(4) of this chapter, or another public utility covered by this section for the purpose of promoting reliable service or operational planning.
- (b) Except as permitted in paragraph (a) of this section, a public utility, as defined in this section, and its employees, contractors, consultants, and agents are prohibited from disclosing, or using anyone as a conduit for the disclosure of, nonpublic, operational information received from a pipeline pursuant to §284.12(b)(4) of this chapter to a third party or to its marketing function employees as that term is defined in §358.3(d) of this chapter.

18CFR 284.12(b)(4) [gas side] includes the following:

- §284.12 Standards for pipeline business operations and communications....
- (4) Communication and information sharing among pipelines and public utilities. (i) A pipeline is authorized to share nonpublic, operational information with a public utility, as defined in §38.2(a) of this chapter or another pipeline covered by this section, for the purpose of promoting reliable service or operational planning.
- (ii) Except as permitted in paragraph (b)(4)(i) of this section, a pipeline and its employees, contractors, consultants, and agents are prohibited from disclosing, or using anyone as a conduit for the disclosure of, non-public, operational information received from a public utility pursuant to §38.2 of this chapter to a third party or to its marketing function employees as that term is defined in §358.3(d) of this chapter.

Entities from both electric and natural gas industries have made efforts to improve coordination and enhanced system reliability by sharing non-public, operational information and continued sharing of non-public, operational information between transmission operators should continue to enhance system reliability and contingency planning in both industries. The information sharing and communications between industry entities are voluntary. FERC's regulations provide a limited exception to actual and perceived restrictions on providing non-public, operational information to third parties.

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

The permitted communications are voluntary. FERC does not prescribe the content, medium, format, or frequency for the information sharing and communications; those decisions are made by the transmission operators, depending on their needs for maintaining reliability or operational planning. As such, no physical or electronic form for the FERC-923 information collection exists.

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 operational information the transmission operators may choose to share is non-public and, in many cases, consists of current or time-sensitive operational data. The tariff filings are generally public. The information is not publicly available elsewhere.

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

The information sharing is voluntary (regardless of respondents' size) and between transmission operators that believe sharing the non-public, operational information is useful for the purposes of reliability and operational planning.

None of the entities impacted by FERC-923 meet the Small Business Administration's definition of a "small entity".

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

The frequency and content of the information being shared is not mandated by FERC; rather it is determined by the affected entities based on operational circumstances. (FERC, however, estimates the frequency of this information sharing to be 12 times per year, based on operational circumstances and needs.) The goal of the inter-industry communications is to promote operational planning and reliability on either the interstate natural gas pipeline's or utility's system.

The requirement to submit the tariff filing to FERC enabled the transmission operators to have these inter-industry communications to improve operational planning and reliability on either the interstate natural gas pipeline's or utility's system.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

There are no special circumstances.

8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY: SUMMARIZE PUBLIC COMMENTS AND THE AGENCY’S RESPONSE TO THESE COMMENTS

FERC initiated the renewal process for FERC-923 on December 30, 2019, by publishing a 60-day notice (84 FR 71912). That notice provided for a comment period that ended on February 28, 2020. The Commission received no comments in response to the 60-day notice.

FERC published, a 30-day notice on March 9, 2020 (85 FR 13645). Within the 30-day notice, the Commission noted that it is requesting reinstatement, with adjustments to the burden estimates.

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 sharing of the non-public data occurs between transmission operators; the data are not provided to FERC. Recipients of the non-public, operational information are subject to a No-Conduit Rule that prohibits subsequent disclosure of that information to a third party or marketing function employee.

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

The content being shared is determined by the entities involved based on reliability needs and the operational situation.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

The total estimated annual burden¹ for respondents is:

- 4,152 responses;
- 2,076 burden hours; and
- \$166,080.

The following table shows the pertinent calculations:

¹“Burden” is 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 estimated burden, refer to Title 5 Code of Federal Regulations 1320.3.

A. Initiator of Communication	B. Number of Respondents	C. Annual Number of Responses per Respondent	D. Total Number of Responses (Column B x Column C)	E. Average Burden Hrs. & Cost per Response²	F. Total Annual Hr. Burdens & Total Annual Cost (Column D x Column E)	G. Cost per Respondent (Column F ÷ Column B)
Public Utility Transmission Operators	165	12	1,980	0.5 hrs.; \$40	990 hrs.; \$79,200	\$480
Interstate Natural Gas Pipelines	181	12	2,172	0.5 hrs.; \$40	1,086 hrs.; \$86,880	\$480
Totals	346	—	4,152	—	2,076 hrs.; \$166,080	—

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

Since respondents do not submit information to FERC, the sole federal cost for FERC-923 is \$4,832. This is the Paperwork Reduction Act (PRA) Administrative Cost,³ which includes the average annual FERC cost in 2019 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. This estimate also includes the cost of publishing the necessary notices in the Federal Register.

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

The changes consist of revised burden estimates due in part to adjustments based on normal market fluctuation (e.g., merging or splitting, or entering or exiting the market). In addition, the previously approved burden estimates are not in effect at present because of OMB's February 4, 2020 disapproval of FERC's request for an emergency extension.

The changes are not a result of any program change or change in reporting/recordkeeping requirements.

The following table shows the changes in the burden estimates.

² Commission staff estimates that the respondents' skill set (and wages and benefits) for FERC-923 are comparable to those of FERC employees. Based on the Commission's Fiscal Year 2019 average cost of \$167,091/year (for wages plus benefits, for one full-time employee), \$80.00/hour is used.

³ This estimate was updated May 2018.

FERC-923	Total Request	Previous Collection (Expired 2/3/2020)	Net Change in Burden Estimate
Annual Number of Responses	4,152	3,828	+324
Annual Time Burden (Hours)	2,076	1,914	+162
Annual Cost Burden (\$)	\$0	\$0	\$0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

The non-public operational data are shared between companies and are not submitted to FERC of published.

17. DISPLAY OF EXPIRATION DATE

The previous expiration date (January 31, 2020) is displayed in a table posted on ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>. A new expiration date will be displayed upon reinstatement.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.