

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 that 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)¹ provides that jurisdictional natural gas companies must obtain from the Commission a certificate of public convenience and necessity before transporting or selling gas, or constructing or operating facilities. Section 7(c)(1)(B) of the NGA provides that the Commission may issue a temporary certificate in cases of emergency, to assure maintenance of adequate service, or to serve particular customers, pending action on an application for a certificate.

As defined at 18 CFR 284.262, an “emergency” is 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 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**

Respondents, (companies who are not otherwise under the Commission’s jurisdiction, but who offer natural gas services or use of natural gas facilities to mitigate an emergency) must file information about an emergency transaction in accordance with 18 CFR Part 284, Subpart I. The information enables Commission staff to determine if the transaction qualifies for exemption from NGA section 7.

The regulation at 18 CFR 284.270 lists the required information:

¹ 15 U.S.C. 717f(c).

- A report within 48 hours of the commencement of the transportation, sale, or exchange;
- A request to extend the 60-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.²

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. If these offices did not collect the data listed above, they would be unable to fulfill their obligations under 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

² The regulation at 18 CFR 284.262 defines "participant" as any first seller, interstate pipeline, intrastate pipeline, local distribution company, or Hinshaw pipeline that participates in an emergency natural gas transaction under 18 CFR Part 284, Subpart I.

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 statutory responsibilities, in order to eliminate or minimize 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

Without timely information about emergency natural gas transactions, the Commission would be unable to fulfill its responsibilities under the NGA pertaining to the transport, sale, or exchange of 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 notice³ and a 30-day notice⁴ to the public regarding this information collection. Within the public notices, the Commission noted that it would be 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.

³ 85 FR 43579 (July 17, 2020)

⁴ CITE

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

FERC- 588 information submitted to the Commission is made publicly available through the Commission’s elibrary records management system (<https://elibrary.ferc.gov/eLibrary/search>).⁵ 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 burden⁶ for the FERC-588 information collection as follows:

FERC-588: Emergency Natural Gas Transportation, Sale, and Exchange Transportation					
Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response ⁷ (4)	Total Annual Burden & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
10	3	30	10 hrs.; \$830	300 hrs.; \$24,900	\$2,490

⁵ Submissions made under this Emergency Natural Gas Transportation, Sale, and Exchange Transactions receive a docket prefix of “EM” (<https://elibrary.ferc.gov/eLibrary/assets/docket-prefix.pdf>).

⁶ “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 information collection burden, refer to 5 CFR 1320.3.

⁷ The Commission staff believes that industry and Commission staff are similarly situated in terms of cost for wages and benefits. Therefore, we are using \$83.00 per hour in this calculation. That is the current average hourly cost, for wages plus benefits, for one FERC full-time equivalent.

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 federal cost.

	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of filings ⁸	0.50	\$86,164.50
PRA ⁹ Administrative Cost ¹⁰		\$6,475.00
FERC Total		\$92,639.50

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

There are no adjustments and no program changes.

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.

⁸ Based upon the Commission's 2020 full-time equivalent average annual salary plus benefits (\$172,329 per year).

⁹ Paperwork Reduction Act of 1995.

¹⁰ 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.