

Supporting Statement

FERC-549B: Gas Pipeline Rates: Capacity Reports and Index of Customers

Three-year extension requested

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve FERC- 549B (Gas Pipeline Rates: Capacity Reports and Index of Customers) information collection for a three-year period under OMB Control Number 1902-0169. The requirements are listed in the Commission's regulations at 18 CFR 284.13(b), 18 CFR 284.13(c), 18 CFR 284.13(d)(1), and 18 CFR 284.13(d)(2).

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Under the Natural Gas Act (NGA),¹ the Commission has oversight of the rates that natural gas pipelines charge to move natural gas in interstate commerce. The Commission must ensure that the rates are just and reasonable.² Shippers of natural gas need accurate information about the capacity in pipeline corridors, especially regarding its value. Shippers need this information to be able to determine what capacity will be available when and to make informed decisions about the capacity they may want to purchase.

The Commission established this collection of information in order to address these issues. FERC-549B covers the various aspects of releasing and acquiring natural gas pipeline capacity that are needed for regulatory oversight and efficient business transactions to occur easily. There are three distinct reporting requirements in FERC-549B:

- Capacity reports related to firm, released and interruptible transportation service;
- Peak day annual capacity reports; and
- Index of Customers (IOC).

Reports on Firm and Interruptible Services and on Capacity and Flow Information

The regulation at 18 CFR 284.13(b) requires each interstate natural gas pipeline to post information on a website with respect to each contract, or revision of a contract for firm and released transportation service. The following information must be available on the website no later than the first nomination under a transaction: who is releasing and taking the capacity; contract numbers, prices, volumes, and duration; any terms and conditions which differ from those in the pipeline's tariff; receipt and delivery points as well as zones; whether there is an affiliate relationship between the pipeline and the shipper or between the releasing and replacement shipper; whether a capacity release is a release to an asset manager and the asset

¹ 15 USC 717c, 717d, and 717.

² Under Section 4 of the NGA, rates are established by the pipeline filing for rate changes. The established rate continues in effect until the pipeline makes a subsequent rate case filing or the Commission takes action under Section 5 of NGA and determines that the existing rates are not just and reasonable. Section 16 authorizes the Commission to prescribe the rules and regulations necessary to administer its rate mandates.

manager's obligation to deliver gas to, or purchase gas from, the releasing shipper; and whether a capacity release is a release to a marketer participating in a state-regulated retail access program.

For interruptible service under 18 CFR 284.13(b), Commission regulations require interstate natural gas pipelines to post on their websites on a daily basis no later than the first nomination for service under an interruptible agreement: who the shipper receiving service is, the rate charged; the maximum rate; the receipt and delivery points, zones or segments covered between which the shipper is entitled to transport gas at the rate charged; the quantity of gas the shipper is entitled to transport; special details pertaining to the agreement, including conditions applicable to a discounted transportation contract and all aspects in which the agreement deviates from the pipeline's tariff ; and whether the shipper is affiliated with the pipeline.

At 18 CFR 284.13(d)(1), the Commission requires interstate natural gas pipelines to provide on their websites and in downloadable file formats equal and timely access to information relevant to the availability of all transportation services whenever capacity is scheduled, including, but not limited to: the availability of capacity at receipt points, on the mainline, at delivery points, and in storage fields; whether the capacity is available directly from the pipeline or through capacity release; the total design capacity of each point or segment on the system; the amount scheduled at each point or segment whenever capacity is scheduled; and all planned and actual service outages or reductions in service capacity. An interstate pipeline must also provide information about the volumes of no-notice transportation. This information must be posted at each receipt and delivery point before 11:30 a.m. central time three days after the day of gas flow and must reflect the pipeline's best estimate. Updated information must be posted at each receipt and delivery point as necessary within ten business days after the month of gas flow.

18 CFR 284.13(b) and 284.12(b) refer to separate processes, but generally the same information must be reported. Section 284.13(b) deals with how some of the information determined in section 284.12(b) is to be posted and/or reported. For instance, Section 284.13(b)(1) details how the firm shipper's unused capacity or released capacity is to be posted on the pipeline's website. However, Section 284.12(b) refers to the uniform business process that every pipeline must follow for accepting nominations from shippers, for scheduling the shippers' nominated gas, and for shippers to release their unused capacity into the pipeline's market for capacity. The regulations also detail the business processes the pipeline must follow to maintain flowing gas including: requirement to sign contracts with respect to balance flowing gas at every interconnection with another pipeline, the treatment of penalty revenue from shippers that fail to stay in compliance with the contracts (operational balancing agreements), and the communication protocols between the pipeline and its shippers. Neither of these regulations are a subset of the other.

Peak Day Annual Capacity Report

The second requirement of FERC-549B is described at 18 CFR 284.13(d)(2), which requires interstate natural gas pipelines to make an annual filing by March 1 of each year showing the

estimated peak day capacity of the pipeline's system, and the estimated storage capacity (if available) and maximum daily delivery capability of storage facilities under reasonably representative operating assumptions and the respective assignments of that capacity to the various firm services provided by the pipeline.

Index of Customers

The regulation at 18 CFR 284.13(c) requires each interstate natural gas pipeline to file an index of all its firm transportation and storage customers under contract on the first day of each quarter during the calendar year. In addition, the Index of Customers (IOC) must be posted on the pipeline's web site in a downloadable format complying with the specifications established by the Commission. The information posted on the pipeline's web site must be made available until the next quarterly IOC is posted.

The Commission requires detailed data in the IOC filings. These include: who the customers and shippers are, the rate schedule under which service is rendered, contract information such as effective rate, termination dates, maximum daily contract quantity for either transportation or storage, the receipt and delivery points under contract, the zones or segments in which the capacity is held, common transaction point codes, whether the contract includes negotiated rates, the names of any agents or asset managers that control capacity in a pipeline rate zone, and any affiliate relationship between the pipeline and the holder of capacity.

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

The Commission uses the information in the three FERC-549B requirements to analyze pipelines' capacity and to ensure that rates for gas capacity are just and reasonable. FERC-549B data enables the Commission to monitor marketplace behavior as well as to detect and remedy anti-competitive behavior. Natural gas shippers may also use FERC-549B information regarding existing and upcoming capacity in pipeline corridors for planning purpose, especially data related to the value of capacity. Shippers use this information to determine where and when capacity is available as well as to make informed decisions about the capacity they may want to purchase.

Without the data, the Commission would not be able to exercise its statutory responsibility of ensuring that rates are just and reasonable and would not be able to detect market power abuses or business practices that are unduly discriminatory or preferential. Without the data, natural gas shippers would not have sufficient information about potential pipeline capacity alternatives. Competition in the energy market would be negatively affected. If accurate, timely, and complete capacity information are not made available through the FERC-549B requirements, shippers would not know whether there is pipeline capacity they can use, when that would become available, and under what circumstances or how the cost of the capacity they currently

hold compares to other pipeline capacity they may be able to use.

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

When the Commission first required pipeline companies to file capacity information, the internet did not exist. Instead, natural gas pipelines were required to develop and use Electronic Bulletin Boards (EBBs) to provide shippers with equal and timely access to capacity data. They were also required to submit the IOC information to the Commission on diskettes, in tab-delimited format. The tab-delimited files were available in the Commission's Public Reference Room and eLibrary.

With the availability of the internet, the Commission recognized that the majority of pipelines could post all the relevant information on websites. The Commission requires natural gas pipelines to use this improved information technology. It eliminated requirements for the use of electronic bulletin boards and for filing data on diskettes. The tab delimited files for the IOC are now on the Commission's website at.

<https://www.ferc.gov/industries-data/natural-gas/overview/general-information/natural-gas-industry-forms/form-549b-index>. They are also in FERC's eLibrary system.

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 Commission regularly reviews filing requirements as part of its OMB renewal process. The information required by FERC-549B is not available elsewhere.

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

FERC-549B affects the day-to-day operations of both major and non-major natural gas pipeline companies. The Commission minimizes the burden by not requiring any capacity or customer information respondents wouldn't already have as a matter of established business practices.

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

The Commission and natural gas shippers would be disadvantaged by not having access to the most current data for competitive and regulatory purposes. Additionally, if the Commission did not collect IOC data (i.e. a list of all firm transportation and storage customers), the Commission's mission under 18 CFR 284 Part G would be undermined due to a lack of essential

data for competitive and regulatory purposes. Both the Commission and natural gas shippers need access to up-to-date information to monitor the self-implementing pipeline transportation and storage activities that are supposed to be carried out in a nondiscriminatory manner and at just and reasonable rates.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related to the information collection.

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

On October 26, 2020, the Commission published a notice in the Federal Register stating that it is requesting a three-year extension, and inviting public comment for 60 days (85 FR 67732). The comment period expired on December 28, 2020. The Commission received no comments in response.

On December 29, 2020, the Commission issued a notice announcing the submission of its extension request to OMB, and asking that public comment be sent within 30 days to OMB with copies to the Commission. The Commission will alert OMB to the published 30-day notice after it is in the Federal Register, and will add that notice to ROCIS when it becomes available.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents in the FERC-549B requirements.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

All data are public information and, therefore, not confidential. A filer may request (as allowed under the Commission's regulations at 18 CFR 388.112) confidential treatment of some or all of a FERC-549B filing. Each request for confidential treatment will be reviewed on a case-by-case basis.

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 reporting requirements.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission estimates the annual public reporting burden³ for the information collection as shown in the following table:

FERC-54B9B (Gas Pipeline Rates: Capacity Reports and Index of Customers)						
A. Types of Responses	B. Average Annual Number of Respondent s	C. Average Annual Number of Responses per Responden t	D. Average Annual Total Number of Response s (Col. B x Col. C)	E. Average Burden & Cost Per Response⁴	F. Total Annual Burden Hours & Total Annual Cost (Col. D x Col. E)	G. Cost per Responden t (\$) (Col. E ÷ Col. B)
Capacity Reports under 284.13(b) & 284.13(d) (1)	168	6	1,008	145 hrs.; \$83,664	146,160 hrs.; \$12,131,280	\$83,664
Index of Customers under 18 CFR 284.13(c)	168	4	672	3 hrs.; \$249	2,016 hrs.; \$167,328	\$996
Peak Day Annual Capacity Report under 18 CFR 284.13(d) (2)	168	1	168	10 hrs.; \$830	1,680 hrs.; \$139,440	\$830

³ 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, refer to 5 CFR 1320.3.

⁴ The current average cost for one FERC full-time equivalent (\$83.00 per hour for wages plus benefits) is used as a proxy for industry's hourly cost.

TOTALS		1,848		149,856 hrs.; \$12,433,04 8	\$85,490
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13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no capital or start-up costs associated with this collection. All of the costs are associated with the burden hours and accounted for in Question #12.

14. ESTIMATE OF THE TOTAL ANNUAL COST TO FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of filings ⁵	2.25	\$387,538
PRA ⁶ Administrative Cost ⁷		\$6,475
FERC Total		\$394,013

The Commission bases its estimate of the “Analysis and Processing of filings” cost to the Federal Government 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 collection.

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

The public reporting burden has decreased for this information collection. However, the Commission made no program changes regarding burden imposed upon respondents and the FERC-549B requirements remain unchanged from previously approved clearance packages. The estimated annual burden has been adjusted due to a decrease in the number of responses from pipeline abandonments, lack of firm shippers on the system, and/or leaving Commission jurisdiction. The adjustments are itemized below:

Type of Burden Estimate	Total Request	Previously Approved	Change due to Adjustment in Estimate
Annual Number of Responses	1,848	2,035	-187
Annual Time Burden (Hr.)	149,856	165,020	-15,164

⁵ Based upon the Commission’s 2020 full-time equivalent average annual salary plus benefits (\$172,329 per year).

⁶ Paperwork Reduction Act of 1995 (PRA)

⁷ The 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.

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There are no tabulations, statistical analysis, or publications of information planned for this information collection. The Commission intends to use the data for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

The expiration date is displayed in a table posted on ferc.gov at
<https://www.ferc.gov/industriesdata/natural-gas/industry-forms>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The only exception is that Commission will not be using statistical survey methodology for this information collection.