

Supporting Statement for
FERC-546, Certificated Rate Filings: Gas Pipeline Rates

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-546, Certificated Rate Filings: Gas Pipeline Rates, for a three-year period. FERC-546 (OMB Control No. 1902-0155) is an existing Commission data collection, as stated by 18 Code of Federal Regulations (CFR), 154 and 284.¹

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The following list outlines four circumstances under which the FERC-546 information collection requirements for certificated rates must be met:

A company decides to:

1. Construct and operate a new jurisdictional pipeline²;
2. Expand its certificated pipeline capacity by constructing a lateral pipeline, adding compression or providing storage at incremental or cost-based rates;
3. Build a new liquefied natural gas facility; or
4. Provide gas storage and negotiate market-based rates.

Section 403 authorizes the Commission, as delegated through the Department of Energy Organization Act, to establish and review priorities for curtailments under the Natural Gas Act (NGA).

Under the circumstances 1-3, the company must file its FERC-546 cost data along with an application for a certificate of public convenience and necessity under the statutory requirements of NGA Section 7(c). For circumstance 4, the company must file its FERC-546 information with an application under NGA Section 4(f).

The FERC-546 includes the following:

- Supporting information for proposed initial rates (e.g. cost-based, market based, incremental rates);
- Pro forma tariffs;
- Motions to put proposed initial rates into effect subject to Commission findings on the related certificate;
- Unexecuted precedent agreements; and

¹ More specifically requirements are contained within 18 CFR 154.4, 154.7, 154.202, 154.204-208, 154.602-603 and 284.501-505.

² Also known as a “greenfield” pipeline.

Section 16 of the NGA grants the Commission administrative powers including the ability to define accounting, technical and trade terms, prescribe forms, statements, declarations, or reports and to prescribe rules and regulations.

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

The Commission reviews the FERC-546 materials to approve rates and tariff changes associated with an application for a certificate under NGA Section 7(c). Additionally, the Commission reviews FERC-546 materials in 4(f) storage applications to evaluate market power and decide whether to grant, deny, or condition market-based rate authority for the applicant. The Commission also uses the FERC-546 information to monitor jurisdictional transportation, natural gas storage, and unbundled sales activities of interstate natural gas pipelines and Hinshaw³ pipelines. In addition to fulfilling the Commission's obligations under the NGA, the FERC-546 enables the Commission to monitor activities, evaluate transactions, ensure competitiveness, and improved efficiency of the gas industry's operations. In summary, the Commission uses the FERC-546 information to:

- Ensure adequate customer protections under section 4(f) of the NGA;
- Review rate and tariff changes by natural gas companies for the transportation of natural gas and natural gas storage services;
- Provide general industry oversight; and
- Supplement documentation during its audits process.

Failure to collect this information would prevent the Commission from being able to monitor and evaluate transactions and operations of interstate pipelines and perform its regulatory functions.

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

The Commission provides ongoing effort to apply improved information

³ Hinshaw pipelines are those that receive all out-of-state gas from entities within or at the boundary of a state if all the natural gas so received is ultimately consumed within the state in which it is received, 15 USC 717(c). Congress concluded that Hinshaw pipelines are "matters primarily of local concern," and so are more appropriately regulated by pertinent state agencies rather than by FERC. The Natural Gas Act section 1(c) exempts Hinshaw pipelines from FERC jurisdiction. A Hinshaw pipeline, however, may apply for a FERC certificate to transport gas outside of state lines.

technology to reduce the burden related to this information collection. Most documents may be filed electronically with the Commission via the Internet (e.g. via eFiling, eForms, eTariff). These efforts are part of FERC compliance with the Paperwork Reduction Act, the Government Paperwork Elimination Act, and the E-Government Act of 2002.

By issuing Order No. 714⁴ in 2008, the Commission revised its regulations to require electronic filing of all tariffs, tariff revisions and rate change applications for public utilities, natural gas pipelines, oil pipelines and power administrations starting in April 2010.

FERC-546 data can be embedded within the XML schema of the eTariff system. Providing FERC-546 filers with the eTariff system for submitting information reduced physical storage space needs and document processing time. It has also provided easier tracking of document filing activity and reduced mailing and courier fees. The eTariff system allows concurrent access to FERC-546 tariff filings by multiple parties as well as the ability to download and print tariff filings. It automatically sends filers an email indicating their filing has arrived at FERC and of its acceptance. All FERC-546 filings are also available electronically 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 FERC-546 information concerns rates for new or changed transportation and storage services stemming from new or modified natural gas infrastructure. There is a relationship with the FERC-545 because that collection's data includes the cost and revenue studies that NGA Section 7(c) certificate holders file to support a rate after their initial certificated rate period elapses. However, there is no duplication between the FERC-546 and any other data collection. Finally, each FERC-546 filing is unique to the filing pipeline and activity.

The Commission published a notice within the Federal Register⁶ to help identify any duplication of the information in FERC-546. The Commission received no comments regarding this collection. No similar information can be used or modified. There are no other Federal agencies responsible for deciding whether or not to determine initial rates associated with an application for a certificate under NGA Section 7(c).

⁴ 73 FR 57515

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

FERC-546 is a filing requirement pertaining to pipeline service filing obligations for the transportation, storage, and sale of natural gas. The FERC-546 filing collects data from both large and small respondent companies. The data required impose the least possible burden for companies while collecting the required information for the certificated rate filings. Use of the Internet to file documents electronically is the primary method the Commission uses to minimize the burden.

The filing of all documents within the data collection occurs through the eFiling interface as a means of reducing burden for respondents including small entities.

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

Industry respondents only file the FERC-546 data when rates for new or changed transportation and storage services will be needed for new or modified natural gas infrastructure. It is not possible for the Commission to receive FERC-546 data less frequently and meet its statutory responsibility of ensuring that the rates of these natural gas pipelines are just and reasonable under the Natural Gas Act.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

There are no special circumstances related to this collection.

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

In accordance with OMB requirements⁵, the Commission published a 60-day notice⁶ and a 30-day notice⁷ to the public regarding this information collection on 11/15/2021 and 1/28/2022 respectively. Within 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 concerning the collection of data. No comments were received in response to the 60-day notice.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

⁵ 5 CFR 1320.8(d)

⁶ 86 FR 63010

⁷ 87 FR 4581

There are no payments or gifts to FERC-546 respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC-546 filings to be confidential. However, the filer may request privileged treatment of a filing that may contain information harmful to the competitive posture of the applicant if released to the general public.⁸

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 Commission does not consider any of the questions to be sensitive or private.

⁸ 18 CFR 388.112

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission estimates the Public Reporting Burden for this information collection as:

FERC-546 (Certificated Rate Filings: Gas Pipeline Rates)						
	Annual Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (rounded) (1)*(2)=(3)	Average Burden & Cost Per Response⁹ (rounded) (4)	Total Annual Burden Hours & Total Annual Cost (rounded) (3)*(4)=(5)	Cost per Respondent (\$) (rounded) (5)÷(1)
Pipeline Certificate Filings and Storage Applications	47	1.595 ¹⁰	74.965	500 hrs.; \$41,652	37,482.50 hrs.; \$3,122,442.18	\$66,434.94

⁹ The hourly cost (for salary plus benefits) uses the figures from the Bureau of Labor Statistics, June 2021, for positions involved in the reporting and recordkeeping requirements. These figures include salary (https://www.bls.gov/oes/current/naics2_22.htm) and benefits (<http://www.bls.gov/news.release/ecec.nr0.htm>) and are:

- Electrical Engineer (Occupation Code: 17-2071; \$72.15/hour)
- Management Analyst (Occupation Code: 13-1111; \$68.39/hour)
- Accounting (Occupation Code: 13-2011; \$57.41/hours)
- Computer and Mathematical (Occupation Code: 15-0000; \$65.73/hour)
- Legal (Occupation Code: 23-0000; \$142.25/hour)

The average hourly cost (salary plus benefits) is calculated weighting each of the previously mentioned wage categories as follows:

$\$72.15/\text{hour} (0.4) + \$68.39/\text{hour} (0.2) + \$57.41/\text{hour} (0.1) + \$65.73/\text{hour} (0.1) + \$142.25/\text{hour} (0.2) = \$83.304/\text{hour}$. The Commission rounds this figure to \$83/hour.

¹⁰ This figure was calculated by dividing the total number of responses (1.595) by

13. ESTIMATE OF TOTAL ANNUAL COST OF 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

	Number of Employees (FTEs)	Estimated Annual Federal Cost
PRA ¹¹ Administration Cost ¹²	-	\$8,279
Data Processing and Analysis ¹³	0.75	\$135,527.25
FERC Total		\$143,806.25

The Commission bases its estimate of the “Data Processing and Analysis” 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 made in response to the information collection.

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

The annual burden hours decreased from 37500 to 37483 due to better accuracy in the estimate but there was a decrease in the number of respondents from 51 to 47 from the last renewal as a result of declining demand for natural gas due to a shift in domestic policies away from fossil fuel as well as increasing awareness in greenhouse gas mitigation. Another factor that has contributed to a decline in natural gas projects is the COVID-19 pandemic. The pandemic has caused pipeline companies to delay or stall many proposed pipeline projects. Thus, the

the total number of respondents (47). The resulting figure was then rounded to the nearest thousandth place.

¹¹ Paperwork Reduction Act of 1995 (PRA).

¹² The PRA Administration Cost is \$8,279, and includes preparing supporting statements, notices, and other activities associated with Paperwork Reduction Act compliance.

¹³ The cost estimate is based upon FERC’s FY2021 average annual salary plus benefits per FTE (full-time equivalent) of \$180,703.

public reporting burden has decreased for this information collection. However, the Commission made no program changes regarding burden imposed upon respondents and the FERC-546 requirements remain unchanged from previously approved clearance packages.

The following table shows the total burden of the new 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-546	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	75	75	0	0
Annual Time Burden (Hr)	37,483	37,500	-17	0
Annual Cost Burden (\$)	0	0	0	0

The format, labels, and definitions of the table above follow the ROCIS system’s “ICR Summary of Burden” for the meta-data.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical, tabulating analysis, or publication plans for the collection of information. The data are used 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/information-collections>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.