

**SUPPORTING STATEMENT FOR
FERC-545 [(Gas Pipeline Rates: Rate Change (Non-Formal))]
Modification from Notice of Rulemaking RM21-18-000**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review/approve the modification of the FERC-545 information collection [(Gas Pipeline Rates: Rate Change (Non-Formal))]. The final rule in Docket No. RM21-18-000¹ only pertains to section 4 of the Natural Gas Act (NGA), specifically during rate cases and does not impact sections 5 and 16 which are included in FERC-545.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

FERC-545 is required to implement sections 4, 5, and 16 of the NGA, (15 USC 717c, 717d, and 717o, PL 75 688, 52 Stat. 822 and 830). NGA sections 4, 5, and 16 authorize the Commission to inquire into rate structures and methodologies and to set rates at a just and reasonable level. Specifically, a natural gas company must obtain Commission authorization for all rates and charges made, demanded, or received in connection with the transportation or sale of natural gas in interstate commerce.

The NGA requires a natural gas company's rates to be just and reasonable and not unduly discriminatory or preferential. The Commission may act under different sections of the NGA to effect a change in a natural gas company's rates. When the Commission reviews rate increases that a natural gas company, it is subject to the requirement of NGA section 4(e). Under NGA section 4(e), the natural gas company bears the burden of proving that its rates are just and reasonable. On the other hand, when the Commission seeks to impose its own rate determination, it must do so in compliance with NGA section 5(a), which does not pertain to the final rule in Docket No. RM21-18-000.

NGA section 16 states that the Commission "shall have the power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out provisions of [the NGA]." In other words, NGA section 16 grants the Commission the power to define accounting, technical and trade terms, prescribe forms, statements, declarations or reports and to prescribe rules and regulations.

¹ Federal Register [87 FR 31783](#)

Natural gas pipelines adjust their tariffs to meet market and customer needs. Commission review of these proposed changes is required to ensure rates remain just and reasonable and that services are not provided in an unduly or preferential manner. The Commission's regulation in 18 CFR Part 154 specifies what changes are allowed and the procedures for requesting Commission approval.

The Commission sets rates for natural gas pipeline services in a number of proceedings. For example, when a pipeline files to increase its rates, it makes a filing with the Commission under NGA section 4. These types of filings are referred to as general NGA section 4 rate cases. In a general NGA section 4 rate case proceeding, the Commission reviews all of a pipeline's rates and services. A pipeline can file a general NGA section 4 rate case anytime it wishes, provided the pipeline did not agree otherwise in a settlement. A natural gas pipeline must demonstrate that the new rates it proposes to charge are just and reasonable. When a rate increase filing is made pursuant to NGA section 4, the application is typically suspended and set for hearing by a Commission Order.

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

The following information is the subject of the FERC-545: (1) tariff filings and any related compliance filings; (2) rate case filings and any related compliance filings; (3) informational reports; (4) negotiated rates; (5) non-conforming agreement filings; and (6) NAESB Activity (tariff portion only). In summary, the Commission uses the FERC-545 information to (1) ensure there are adequate customer protections under NGA section 4; (2) review rates and terms and conditions of service changes by natural gas companies for the transportation and storage of natural gas; (3) provide general industry oversight; and (4) supplement documentation during FERC's audits process.

The Commission reviews the FERC-545 materials to determine whether transportation and sales rates and terms and conditions of service are just and reasonable. The Commission uses the information to monitor rates and terms and conditions of service related to jurisdictional transportation, natural gas storage, and unbundled sales activities of jurisdictional companies. In addition to fulfilling the Commission's obligations under the NGA, the information enables the Commission to monitor the activities and evaluate transactions of the natural gas industry to ensure competitiveness and improved efficiency of the industry's operations.

Per NGA section 4, a natural gas pipeline must file an NGA section 4 rate case when it seeks to change its rates. The modification to FERC-545 per Docket No. RM21-18-000 requires entities to submit their rate filings in native format. This refers to the software

used to create the file. For example, when a file is submitted in native application format it is submitted in the format of the software used to create the file (e.g. Excel) with all links and formulas intact. The modification will better allow the Commission to analyze a given rate case to be sure that the rates remain just and reasonable. Additionally, by including the native formulas and links, the Commission and other stakeholders within the rate case will not be required to produce their own rate models, thus reducing the level of effort to determine if a rate is just and reasonable.

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

The Commission improved the security for submitting electronic tariff filings.² In addition, the Commission improved the pipelines' online process of appointing and modifying agents with the authority to make an electronic tariff filing on the pipeline's behalf.

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.

Commission filings and data requirements are periodically reviewed in conjunction with OMB clearance expiration dates. No duplication of the information collection requirements has been found.

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

The FERC-545 are filing requirements related to pipeline rate filing obligations for the transportation and storage of natural gas. The filings collect data from both large and small respondent companies. The data required were designed to impose the least possible burden for companies, while collecting the information required for processing the filings. Use of the Internet to file documents electronically is the primary method the Commission uses to minimize the filing burden.

² Please refer to Appendix A on last page of the Supporting Statement or refer to the link <https://ferconline.ferc.gov/FERCOOnline.aspx>

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

The FERC-545 is a one-time compliance filing if and when an entity subject to the NGA seeks a rate change. Failure to collect the information would prohibit the Commission from properly monitoring and evaluating pipeline transactions and meeting statutory obligations under the Natural Gas Policy Act and Natural Gas Act.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

The FERC-545 presents no special circumstances.

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

The Commission issued the final rule following an industry petition on June 24, 2021. Firms including the American Gas Association, American Public Gas Association, American Forest & Paper Association, Industrial Energy Consumers of America, Process Gas Consumers Group, and Natural Gas Supply Association filed the petition requesting that rate cases are submitted in native format.³

Additionally, the Commission received comments on the NOPR in Docket No. RM21-18-000 for the 30 days after the date of publication in the Federal Register. The Commission also issued a press release on May 19, 2022 to notify the public of the proposed rule.⁴ The final rule published on November 23, 2022,⁵ contains discussions on the comments received during the comment period.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts made or given to respondents associated with collections FERC-545.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO

³ Petition for Rulemaking to Update Pipeline Filing Requirements:
<https://elibrary.ferc.gov/eLibrary/search>

⁴

Issued on May 19, 2022: [eLibrary | File List \(ferc.gov\)](#)

⁵ 87 FR-71511

RESPONDENTS

As a natural gas pipeline’s rates are determined to be of general public interest per the NGA, the section 4 rate case is public information.

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 in the reporting requirements.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The FERC 545 collection is used for collections related to NGA sections 4, 5, and 16. However, this final rule does not change NGA sections 5 and 16 which include burdens related to tariff filings and rate filings. The costs associated with these filings remain unchanged (Table 2).

The Commission estimates the annual public reporting burden and cost for the information collection given the changes in RM21-18-000 as follows:

Table 1: Modifications to FERC 545 from Final Rule in Docket No. RM21-18-000

A. Area of Modification	B. Number of Respondents	C. Annual Estimated Number of Responses per Respondent	D. Annual Estimated Number of Responses (Column B X Column C)	E. Average Burden Hours & Cost per Response	F. Total Estimated Burden Hours & Total Estimated Cost (Column D x Column E)	G. Cost Per Respondent (Column F / Column B)
Section 4 Rate Case						
FERC 545: Annual Section 4 Rate Cases	8	1	8	100 hours; \$10,300	800 hours; \$82,400	\$10,300

FERC-545: Gas Pipeline Rates: Rate Change (Non-Formal) (No change)						
	Number of Respondents (1)	Average Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response⁶ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Tariff Filings	109	2.768	301.712	211 hrs.; \$21,733	63,661.232 hrs.; \$6,557,106.89	\$60,156.944
Rate Filings	32	2	64	354 hrs.; \$36,462	22,656 hrs.; \$2,333,568	\$72,924
Informational Reports	100	1.770	177	235 hrs.; \$24,205	41,595 hrs.; \$4,284,285	\$42,842.85
Negotiated Rates & Non-Conforming Agreement Filings	69	11	759	233 hrs.; \$23,999	176,847 hrs.; \$18,215,241	\$263,989

⁶ The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures for May 2021 posted by the Bureau of Labor Statistics for the Utilities sector (available at https://www.bls.gov/oes/current/naics3_221000.htm) and scaled to reflect benefits using the relative importance of employer costs for employee compensation from March 2022 available at <https://www.bls.gov/news.release/ecec.nr0.htm>). The hourly estimates for salary plus benefits are: Computer and Information Systems Manager (Occupation Code: 11-3021), \$111.63; Computer and Information Analysts (Occupation Code: 15-1210), \$76.35; Electrical Engineer (Occupation Code: 17-2071), \$77.02; Legal (Occupation Code: 23-0000), \$145.35. The average hourly cost (salary plus benefits) weighting all of the above skill sets evenly, is \$102.59. We round it to \$103/hour.

Market-Base Rates for Storage Filings	2	1	2	230 hrs.; \$23,690	460 hrs.; \$47,380	\$23,690
NAESB (version 3.2) one time over 3 years carried over from RM96-1-42 ⁷	59.33	1	59.33	10 hrs.; \$1,030	593.33 hrs.; \$61,109.90	\$1,030
TOTAL (Including Section 4 Rate Cases)			1,371 (rounded)		306,613 hrs (rounded); \$31,581,139	

Responses= 1,370.712 (1,371 rounded)

Burden Hours=306,612.56 (306,613 hrs. rounded)

The Commission’s burden estimates for the modification of FERC-545 are calculated on the average number of rate cases received on an annual basis. However, the number of rate cases (respondents) is slightly higher than the average number of cases received by the Commission. This was intentional as to anticipate the possibility of additional rate cases being submitted in the future.

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no capital or start-up costs for FERC-545. All the costs are related to burden hours and are detailed in Questions #12 and #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

⁷ The final rule in Docket No. RM96-1-042 was published in the Federal Register on August 10, 2021 (86 FR 43590). OMB approved the information collection aspects of the rule, including revisions of FERC-545, in November of 2021.

	Number of Hours or FTE's	Estimated Annual Federal Cost (\$) ⁸
PRA ⁹ Administration Cost ¹⁰	-	\$7,694 ¹¹
Data Processing and Analysis, Sub-Total ¹²	0.75	\$141,744
FERC Total for FERC-545		\$149,438

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

The final rule in Docket No. RM21-18-000 seeks to require submissions for NGA section 4 rate cases to be submitted in native file format with links and formulas. The Commission estimates a increase in total burden of 800 hours since the new rate cases would use the native format submissions.

	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
FERC-545				
Annual Number of Responses	1,371	1,363	0	8
Annual Time Burden (Hr.)	306,612	305,812	0	800
Annual Cost Burden	\$0	\$0	\$0	\$0

⁸ Based on FERC’s Fiscal Year 2022 average cost per FTE (salary plus benefits) of \$188,992 per year (or 2,080 work hours), rounded to \$91.00 per hour.

⁹ Paperwork Reduction Act of 1995 (PRA)

¹⁰

The PRA Administration Cost is \$ 7,694, and includes preparing supporting statements, notices, and other activities associated with PRA compliance.

¹¹

This cost will be applied to the FERC-545 information collection.

¹²

The estimate of federal FTE’s and the indicated split between FERC-545 is based on staff’s experience and the fact that the FERC-545 filings are one-time filings.

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16. TIME SCHEDULE FOR PUBLICATION OF DATA

Despite the fact that FERC-545 data are publicly available, there are no tabulating, statistical or publication plans.

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.

APPENDIX A

FILE CREATION HINTS

TAB-DELIMITED FILES

1. If you are using wordprocessing software to create a tabdelimited file, make sure the package you select has the capability to convert a "TAB" character to an ASCII 9 - decimal or 09 - hexadecimal character, and does not just convert the "TAB" into a certain number of blank spaces. To save a file in tab-delimited format, use the following instructions:

A WordPerfect:

1. DOS versions through 5.1 - Create the individual records using the "TAB" key to separate the data items and the "Enter" key to end each record with a carriage return/line feed. Save the file using the "Text In/Text Out" / "Save As" / "Generic" commands.

2. DOS version 6.0 - Create the individual records using the "TAB" key to separate the data items and the "Enter" key to end each record with a carriage return/line feed. Save the file using the "File" / "Save As" / "ASCII Text (Stripped)" commands.

3. Windows versions 5.2 and 6.1 - Create the individual records using the "TAB" key to separate the data items and the "Enter" key to end each record with a carriage return/line feed. Save the file using the "File" / "Save As" / "ASCII Generic Wordprocessor (DOS)" commands.

B. Microsoft Word: Create the individual records using the "TAB" key to separate the data items and the "Enter" key to end each record with a carriage return/line feed. Save the file using the "File" / "Save As" / "Save File As Type" / "Text Only (*.txt)" commands.

C. Windows Write: Create the individual records using the "TAB" key to separate the data items and the "Enter" key to end each record with a carriage return/line

feed. Save the file using the "File" / "Save As" / "Save File As Type" / "Text Files (*.TXT)" commands.

2. If using a spreadsheet program to create the electronic filing, make sure that it can save the spreadsheet as a "TAB" delimited file. The only spreadsheet program that Instruction Manual for Electronic Filings of Part 154 Rate Filings 133 staff has accessibility to, and has found capable of saving "TAB" delimited files, is Microsoft Excel for Windows.

A. Excel 4.0: Create the individual records using the spreadsheet column cells to separate the data items and rows for each record. Save the file using the "File" / "Save As" / "Save File As Type" / "Text (OS/2 or MS_DOS)" commands.

B. Excel 5.0: Create the individual records using the spreadsheet column cells to separate the data items and rows for each record. Save the file using the "File" / "Save As" / "Save File As Type" / "Text (Tab delimited)" commands.

3. To test whether or not you have truly created a "TAB" delimited file, read the file into a wordprocessor program and change the "TAB" settings of the document. If the text from the delimited file changes with the new "TAB" settings, then the original file you created was in a "TAB" delimited format.

ASCII FLAT FILE

1. It is important to save your wordprocessing document in an ASCII file format which preserves as much of the original document's appearance as possible. In order to best accomplish this task you should use the following tips:

A. Use a basic nonproportional font such as 'Courier'.

B. Use a pitch of 10 characters per inch (cpi) as your basic character size. If more characters per line are necessary, then use either 12 or 15/17 cpi. Any larger number for the pitch will cause the characters to be too small to read.

C. Be aware that special wordprocessor formatting characteristics such as bold, italics, underlining, etc., will not translate to ASCII. Use these special

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formatting characters sparingly or not at all. Try to keep your original document as generic in appearance as possible. You may use tabs, indents, headers, footers, footnotes, line numbering and page numbering as these formatting codes should convert to an ASCII equivalent. Please test other formatting options prior to creating your final wordprocessing documents to see which codes will convert to the ASCII format.

2. The following instructions are for converting several different wordprocessing software files into ASCII file format. The commands (and options within commands) to Instruction Manual for Electronic Filings of Part 154 Rate Filings 134 use for each software package are shown enclosed in quotes.

A. WordPerfect (DOS versions up to 6.0):

From the "Print" menu screen select the "Dos Text Printer" from your list of available printers. If this printer is not shown in the list then it will have to be installed. Since there are several different ways to install this printer depending on where the printer driver is located, you should refer to your WordPerfect documentation to perform this task. For reference purposes, the printer driver file name for this printer is DOTEXPRI.PRS.

Once the "DOS Text Printer" has been installed, then it must be configured to write the output to a file (rather than the printer) by using the "File" / "Print" / "Select Printer" / "Edit" / "Port" commands. At the prompt type the drive\path\filename of the ASCII flat file you want to create and save your document to.

Then "Exit" (F7 key) back to the "Print" menu screen and execute the print "Full Document" command. The WordPerfect document will be converted to ASCII and written to the file you typed in at the "Port" option. You can check the ASCII file by using any ASCII or DOS text editor (for example, the DOS command edit.com for DOS versions 6.0 and higher).

B. For all Windows 3.1 versions of wordprocessing software such as WordPerfect, Windows Write, and Microsoft Word:

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From the "Printer Setup" menu within the wordprocessing software select the "Generic / Text Only" printer from your list of available printers. If you don't have this printer listed as a selection then you must install it by using the following procedure.

Go to PROGRAM MANAGER and select "Control Panel" from the MAIN window under PROGRAM MANAGER. Next, double click on the "Printers" icon, click once on the "Add" button, highlight the "Generic / Text Only" entry and click on the "Install" button. Then click once on the "Connect" button and scroll down to highlight the "FILE" option and click once on the "OK" button. Now close the "Printers" window and then the "Control" window.

Once you have performed this printer installation, all of your Windows wordprocessing software will now have the "Generic / Text only" printer as an option for printing. Each time you select and print to this

Instruction Manual for Electronic Filings of Part 154 Rate Filings 135 printer while in your wordprocessing software, you will be prompted to type in a filename for the document to be printed to and saved as an ASCII file.

You can review the ASCII file using the Windows NOTEPAD program which is normally located within the ACCESSORIES window of PROGRAM MANAGER.

NATIVE APPLICATION FILES

Save the file as you normally do