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DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission

[Docket No. IC20-1-000]

Commission Information Collection Activities
(FERC-549);
Comment Request; Extension

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of information collection and request for comments.

SUMMARY: In compliance with the requirements of the Paperwork Reduction Act of 1995, the Federal Energy Regulatory Commission (Commission or FERC) is soliciting public comment on the currently approved information collection FERC-549 (NGPA Title III Transactions and NGA Blanket Certificate Transactions) and submitting the information collection to the Office of Management and Budget (OMB) for review. Any interested person may file comments directly with OMB and should address a copy of those comments to the Commission as explained below.

DATES: Comments on the collection of information are due **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Comments filed with OMB, identified by OMB Control No. 1902-0086, should be sent via email to the Office of Information and Regulatory Affairs:

oira_submission@omb.gov, Attention: Federal Energy Regulatory Commission Desk Officer.

A copy of the comments should also be sent to the Commission, in Docket No. IC20-1-000, by either of the following methods:

- eFiling at Commission's Web Site: <http://www.ferc.gov/docs-filing/efiling.asp>
- Mail: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC 20426.

Instructions: All submissions must be formatted and filed in accordance with submission guidelines at: <http://www.ferc.gov/help/submission-guide.asp>. For user assistance, contact FERC Online Support by e-mail at ferconlinesupport@ferc.gov, or by phone at: (866) 208-3676 (toll-free), or (202) 502-8659 for TTY.

Docket: Users interested in receiving automatic notification of activity in this docket or in viewing/downloading comments and issuances in this docket may do so at <http://www.ferc.gov/docs-filing/docs-filing.asp>.

FOR FURTHER INFORMATION CONTACT: Ellen Brown may be reached by e-mail at DataClearance@FERC.gov, telephone at (202) 502-8663, and fax at (202) 273-0873.

SUPPLEMENTARY INFORMATION:

Title: FERC-549, NGPA Title III Transactions and NGA Blanket Certificate Transactions.

OMB Control No.: 1902-0086

Type of Request: Three-year extension of the FERC-549 information collection requirements with no changes to the current reporting and recordkeeping requirements.

Abstract: On October 23, 2019, the Commission published a Notice in the Federal Register (84 FR 56805) in Docket No. IC20-1-000 requesting public comments. The Commission received no public comments.

FERC-549 is required to implement the statutory provisions governed by Sections 311 and 312 of the Natural Gas Policy Act (NGPA) (15 USC 3371-3372) and Section 7 of the Natural Gas Act (NGA) (15 USC 717f). The reporting requirements for implementing these provisions are contained in 18 CFR Part 284.

Transportation for Intrastate Pipelines

In 18 CFR 284.102(e), the Commission requires interstate pipelines to obtain proper certification in order to ship natural gas on behalf of intrastate pipelines and local distribution companies (LDC). This certification consists of a letter from the intrastate pipeline or LDC authorizing the interstate pipeline to ship gas on its behalf. In addition, interstate pipelines must obtain from its shippers the certifications including sufficient information to verify that their services qualify under this section.

In 18 CFR 284.123(b), the Commission provides that intrastate gas pipeline companies file for Commission approval of rates for services performed in the interstate transportation of gas. An intrastate gas pipeline company may elect to use rates contained in one of its then effective transportation rate schedules on file with an appropriate state regulatory

agency for intrastate service comparable to the interstate service or file proposed rates and supporting information showing the rates are cost based and are fair and equitable. It is the Commission policy that each pipeline must file at least every five years to ensure its rates are fair and equitable. Depending on the business process used, either 60 or 150 days after the application is filed, the rate is deemed to be fair and equitable unless the Commission either extends the time for action, institutes a proceeding or issues an order providing for rates it deems to be fair and equitable.

In 18 CFR 284.123(e), the Commission requires that within 30 days of commencement of new service any intrastate pipeline engaging in the transportation of gas in interstate commerce must file a statement that includes the interstate rates and a description of how the pipeline will engage in the transportation services, including operating conditions. If an intrastate gas pipeline company changes its operations or rates it must amend the statement on file with the Commission. Such amendment is to be filed not later than 30 days after commencement of the change in operations or change in rate election.

Market-Based Rates for Storage

In 2006, the Commission amended its regulations to establish criteria for obtaining market-based rates for storage services offered under 18 CFR 284.501-505. First, the Commission modified its market-power analysis to better reflect the competitive alternatives to storage. Second, pursuant to the Energy Policy Act of 2005 (EPAAct 2005), the Commission promulgated rules to implement section 4(f) of the Natural Gas Act, to

permit underground natural gas storage service providers that are unable to show that they lack market power to negotiate market-based rates in circumstances where market-based rates are in the public interest and necessary to encourage the construction of the storage capacity in the area needing storage services, and where customers are adequately protected. The revisions were intended to facilitate the development of new natural gas storage capacity while protecting customers.

Code of Conduct

The Commission's regulations at 18 CFR 284.288 and 284.403 provide that applicable sellers of natural gas adhere to a code of conduct when making gas sales in order to protect the integrity of the market. As part of this code, the Commission imposes a record retention requirement on applicable sellers to "retain, for a period of five years, all data and information upon which it billed the prices it charged for natural gas it sold pursuant to its market based sales certificate or the prices it reported for use in price indices." FERC uses these records to monitor the jurisdictional transportation activities and unbundled sales activities of interstate natural gas pipelines and blanket marketing certificate holders.

The record retention period of five years is necessary due to the importance of records related to any investigation of possible wrongdoing and related to assuring compliance with the codes of conduct and the integrity of the market. The requirement is necessary to ensure consistency with the rule prohibiting market manipulation

(regulations adopted in Order No. 670, implementing the EPart 2005 anti-manipulation provisions) and the generally applicable five-year statute of limitations where the Commission seeks civil penalties for violations of the anti-manipulation rules or other rules, regulations, or orders to which the price data may be relevant.

Failure to have this information available would mean the Commission is unable to perform its regulatory functions and to monitor and evaluate transactions and operations of interstate pipelines and blanket marketing certificate holders.

Type of Respondents: Jurisdictional interstate and intrastate natural gas pipelines.

*Estimate of Annual Burden:*¹ The Commission estimates the annual burden and cost for the information collection as follows.

¹ Burden is defined 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. See 5 CFR 1320 for additional information on the definition of information collection burden.

FERC-549: NGPA Title III Transactions and NGA Blanket Certificate Transaction ²						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hrs. & Cost (\$) Per Response (4)	Total Annual Burden Hours & Total Annual Cost (\$) (rounded) (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Transportation by Pipelines ³	53	2	106	50 hrs.; \$5,331	5,300 hrs.; \$565,086	\$10,662
Market-Based Rates ⁴	1	1	1	350 hrs.; \$37,317	350 hrs.; \$37,317	\$37,317
TOTAL			107		5,650 hrs.; \$602,403	

Record Retention Requirements for Holders of Blanket Marketing or Unbundled Sales Certificates						
Labor Burden and Cost	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hrs. & Cost (\$) Per Response (4)	Total Annual Burden Hours & Total Annual Cost (\$) (rounded) (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Code of Conduct (record-keeping) ^{5, 6}	319	1	319	1 hr.; \$33.39	319 hrs.; \$10,651	\$33.39
TOTAL			319		319 hrs.; \$10,651	

² The estimates for cost per response are derived using the following formula:
Average Burden Hours per Response * \$106.62 per Hour = Average Cost per Response.
The hourly average of \$106.62 (for wages and benefits) assumes equal time is spent by an economist and lawyer. The average hourly cost (for wages plus benefits) is: \$70.38 for economists (occupation code 19-3011) and \$142.86 for lawyers (occupation code 23-0000). (The figures are taken from the Bureau of Labor Statistics, May 2018 figures at http://www.bls.gov/oes/current/naics2_22.htm.)

³ The entities affected by 18 CFR 284.123(b) and (e) are intrastate pipelines. Interstate and intrastate pipelines are affected by 18 CFR 284.102(e). Since 2016, the Commission has not received any filings under 18 CFR 284.102(e).

⁴ 18 CFR 284.501-505

⁵ 18 CFR 284.288 and 284.403

⁶ For the Code of Conduct record-keeping, the \$33.39 hourly cost figure comes from the average cost (wages plus benefits) of a file clerk (Occupation Code 43-4071) as posted on the BLS website (http://www.bls.gov/oes/current/naics2_22.htm).

Storage Cost for Record Retention Requirements for Holders of Blanket Marketing or Unbundled Sales Certificates			
	Total Number of Responses (1)*(2)=(3)	Cost (\$) Per Respondent (4)	Total Annual Cost (\$) (3)*(4)=(5)
Paper Storage	319	\$80.75	\$25,759.25
Electronic Storage	319	\$3.18	\$1,014.42
TOTAL STORAGE COST	319		\$26,773.67

Storage Cost⁷: In addition to the burden and cost for labor, the table above reflects an additional cost for record retention and storage:

- Paper storage costs (using an estimate of 12.5 cubic feet x \$6.46 per cubic foot): \$80.75 per respondent annually. Total annual paper storage cost to industry (\$80.75 x 319 respondents): \$25,759.25. This estimate assumes that a respondent stores 12.5 cubic feet of paper. We expect that this estimate should trend downward over time as more companies move away from paper storage and rely more heavily on electronic storage.
- Electronic storage costs: \$3.18 per respondent annually. Total annual electronic storage cost to industry (\$3.18 x 319 respondents): \$1,014.42. This calculation estimates storage of approximately 200 MB per year with a cost of \$3.18. We expect that this estimate should trend downward over time as the cost of electronic storage technology, including cloud storage, continues to decrease. For example, external hard drives of approximately 500GB are available for approximately \$50. In addition, cloud storage

⁷ Each of the 319 entities is assumed to have both paper and electronic record retention. Internal analysis assumes 50% paper storage and 50% electronic storage.

plans from multiple providers for 1TB of storage (with a reasonable amount of requests and data transfers) are available for less than \$35 per month.

Comments: Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden and cost of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Dated: December 26, 2019.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

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