

Supporting Statement for  
**FERC-588: Emergency Natural Gas Sale, Transportation, and Exchange Transactions**

The Federal Energy Regulatory Commission (FERC or Commission) requests the Office of Management and Budget (OMB) approve **FERC-588: Emergency Natural Gas Sale, Transportation, and Exchange Transactions** (OMB Control No. 1902-144), for three years. FERC-588 is an existing Commission data collection (application and filing requirement) as contained in 18 C.F.R. Part 284, Subpart I.

## **A. JUSTIFICATION**

### **1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY**

Under section 7(c) of the Natural Gas Act (NGA) (Public Law 75-688)(15 U.S.C. 717f) provides that every jurisdictional natural gas company must obtain Commission authorization of a certificate of public convenience and necessity before transporting or selling gas, or constructing or operating facilities for these purposes.

However, Section 7(c)(1)(b) of the NGA provides two exceptions to this certificate requirement: the first authorizing the issuance of a temporary certificate during emergencies pending a determination of a regular application; and the second exempting from certificate requirements “temporary acts or operations for which the issuance of a certificate will not be required in the public interest.”<sup>1</sup>

Emergency is defined as 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.

---

<sup>1</sup> The Natural Gas Policy Act (NGPA) (Public Law 95-621), most significantly, sections 311 and 312 provide an alternative to section 7(c)(1)(b) of the NGA for the following transactions in interstate commerce: sales, assignments, and/or transportation of intrastate natural gas by intrastate pipelines on behalf of interstate pipelines and local distribution companies served by interstate pipelines and transportation by interstate pipelines on behalf of intrastate pipeline and local distribution companies. Therefore, as a result of the NGPA, these transaction have been authorized to proceed, subject to certain limitations, for longer periods than would be appropriate or permissible under NGA section 7(c)(1)(b).

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

The natural gas companies file the necessary information with FERC so the Commission can determine from the data if the transaction qualifies for exemption. There are three elements to the collection: A report within forty-eight hours of the commencement of the transportation, sale, or exchange; a request to extend the sixty-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, and other pertinent information.

The Commission's Office of Energy Market Regulation (OEMR) is responsible for evaluating/processing data related to service emergencies under Section 375.307(a)(9)(v) of the regulations. The Office of Energy Projects (OEP) is responsible for evaluating/processing data related to facility emergencies under Section 375.308(w)(3) of the Commission's regulations.

## **3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED TECHNOLOGY TO REDUCE BURDEN AND TECHNICAL OR LEGAL OBSTACLE TO REDUCING BURDEN**

There is an ongoing effort to determine the potential and value of improved information technology to reduce burden. The FERC-588 application may be eFiled through FERC's EFiled system. [See <http://www.ferc.gov/docs-filing/efiling.asp> for more 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**

Filing requirements are periodically review as OMB review dates arise or as the Commission may deem necessary in carrying out its responsibilities under the NGPA and NGA in order to eliminate 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 BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES**

The collection of information under FERC-588 is made from interstate pipelines, intrastate pipelines or natural gas distributors (including Hinshaw pipelines) some of which may be small businesses. The amount of data to be reported is the same for large and small businesses but is the minimum that the Commission requires to determine that the transaction is authorized.

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

The information collection cannot be discontinued nor collected less frequently because of statutory requirements to monitor emergency transactions. Without such information, the Commission would be unable to fulfill its statutory responsibilities under both the NGA and NGPA to exempt natural gas companies transporting, selling, or exchanging emergency natural gas.

#### **7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

The 48-hour report required by 284.270(a), (b), and (c) must be a written report. The termination report required by 284.270(d) consists of a sworn statement and two conformed copies. This is consistent with 5 C.F.R. 1320.5d(2)(iii).

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

Pursuant to the review required by 5 CFR 1320.8 the Commission issued a Notice in the Federal Register (76 FR 30928, 05/27/2011) requesting public comments. No comments were received in response to this notice.

#### **9. EXPLAIN ANY PAYMENT OF GIFTS TO RESPONDENTS**

No payments or gifts have been made to respondents.

#### **10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS**

The Commission generally does not consider the data filed confidential. However, a company may request confidential treatment of some or all parts of the FERC-588 under the Freedom of Information Act and FERC Regulations of 18 C.F.R. 388.112. Each request for confidential treatment shall be reviewed by FERC on a case-by-case basis.

**11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE**

There are no questions of a sensitive nature that are considered private.

**12. ESTIMATED BURDEN OF COLLECTIONS**

The estimated average annual public reporting burden for FERC-588 follows:

<b>Data Collection</b>	<b>Number of Respondents Annually (1)</b>	<b>Number of Responses Per Respondent (2)</b>	<b>Average Burden Hours Per Response (3)</b>	<b>Total Annual Burden Hours (1)x(2)x(3)</b>
FERC-588	8	1	8 hours	64 hours

There is no change to the burden or reporting requirements.

**13. ESTIMATE OF TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

<b>Total Annual Burden Hours for Respondents (1)</b>	<b>Person Hours Per Year (2)</b>	<b>Estimated Cost Per Person (3)</b>	<b>Total Annual Cost to Respondents [(1)/(2)]x(3)</b>
64	2,080	\$142,372	\$4,381

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The estimated annualized cost to the Federal Government for FERC-588 follows:

	<b>No. of Employees (FTE's) (1 FTE = \$142,372)</b>	<b>Estimated Annual Federal Cost in (\$)</b>
<b>Total FERC Costs</b>	.33	46,983
<b>Forms Clearance</b>		1,575
<b>FERC Total</b>		<b>48,558</b>

**15. REASONS FOR CHANGES IN BURDEN INCLUDING ANY INCREASE**

The only change in burden involves using an updated estimated cost per person. This results in a nominal increase total annual cost to respondents of \$492 per year as compared to the same figure in the supporting statement from the last submission to OMB.

**16. TIME SCHEDULE FOR THE PUBLICATION OF DATA**

Not applicable, as the data from FERC-588 are not published.

**17. DISPLAY OF EXPIRATION DATE**

It is not appropriate to display the expiration date for OMB approval of the information collected. The information is not collected on a standard, preprinted form which would avail itself to that display. Rather, natural gas pipeline companies prepare and submit filings that reflect unique or specific circumstances related to the transaction in the filing. In addition, the information contains a mixture of narrative descriptions and empirical support that varies depending on the nature of the transaction.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The data collected for this reporting requirement is not used for statistical purposes. The information collected is case specific to each respondent.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable. This collection of information does not employ statistical methodology.