AGENCY: Federal Energy Regulatory Commission.

ACTION: Final Rule.

SUMMARY: In this Final Rule, the Commission eliminates the semi-annual storage reporting requirements for Interstate and Intrastate Natural Gas Companies. The Commission finds that these particular reporting requirements are largely duplicative with other reporting requirements.

EFFECTIVE DATE: This rule will become effective [insert date 60 days from publication in Federal Register].

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SUPPLEMENTARY INFORMATION:
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Storage Reporting Requirements of Interstate and Intrastate Natural Gas Companies

Docket No. RM11-4-000

ORDER NO. 757

FINAL RULE

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1. In this Final Rule, the Commission adopts the proposal in the Notice of Proposed Rulemaking (NOPR) in this docket. Effective [insert date 60 days from publication in Federal Register], the Commission eliminates its semi-annual storage reporting requirements for (1) interstate natural gas companies subject to the Commission’s jurisdiction under the Natural Gas Act (NGA), as codified in 18 CFR 284.13(e); (2) intrastate pipelines providing interstate services pursuant to section 311 of the Natural Gas Act.

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1 Storage Reporting Requirements of Interstate and Intrastate Natural Gas Companies, Notice of Proposed Rulemaking, 76 FR 58741 (2011) FERC Stats. & Regs ¶ 32.678 (NOPR).
Docket No. RM11-4-000

Gas Policy Act of 1978 (NGPA),\(^2\) as codified in 18 CFR 284.126(c); and (3) Hinshaw\(^3\) pipelines providing interstate services subject to the Commission’s NGA jurisdiction pursuant to blanket certificates issued under section 284.224 of the Commission’s regulations, as also codified in 18 CFR 284.126(c). All of the parties who filed comments in response to the NOPR stated that they support this course of action. The Commission found in the NOPR that these particular reporting requirements are largely duplicative with other reporting requirements.

I. **Background**

A. **Current Reporting Requirements**

2. Currently, section 284.13(e) of the Commission’s regulations requires interstate pipelines to file semi-annual storage reports at the end of each complete storage injection and withdrawal season. Section 284.126(c) requires similar semi-annual reports by section 311 and Hinshaw pipelines providing interstate storage service. Pipelines must file these reports within 30 days of the end of each complete storage injection and


\(^3\) Section 1(c) of the NGA exempts from the Commission’s NGA jurisdiction pipelines which transport gas in interstate commerce if (1) they receive natural gas at or within the boundary of a state, (2) all the gas is consumed within that state, and (3) the pipeline is regulated by a state Commission. This exemption is referred to as the Hinshaw exemption after the Congressman who introduced the bill amending the NGA to include § 1(c). *See ANR Pipeline Co. v. Federal Energy Regulatory Comm’n*, 71 F.3d 897, 898 (1995) (briefly summarizing the history of the Hinshaw exemption).
withdrawal season, and the reports must be signed under oath by a senior official. The reports by the two sets of pipelines must include:

(1) the identity of each customer injecting gas into storage and/or withdrawing gas from storage (including, for interstate pipelines, any affiliate relationship),

(2) the rate schedule (for interstate pipelines) or docket number (for intrastate pipelines) authorizing the storage injection or withdrawal service,

(3) the maximum storage quantity and maximum daily withdrawal quantity applicable to each storage customer,

(4) for each storage customer, the volume of gas (in dekatherms) injected into and/or withdrawn from storage during the period,

(5) the unit charge and total revenues received during the injection/withdrawal period from each storage customer (including, for interstate pipelines, any discounts), and

(6) for intrastate pipelines, any related docket numbers under which the intrastate pipeline reported storage related injection/withdrawal transportation services.

3. The Commission adopted the existing semi-annual storage reporting requirements for both interstate and intrastate pipelines in 1992 as part of Order No. 636, and there

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have been only minor modifications in the semi-annual storage reporting requirements since that date. 5 However, the Commission has added other reporting requirements for both sets of pipelines, which include much of the same information as is included in the semi-annual storage reports.

4. First, in 2000, the Commission issued Order No. 637,6 revising the reporting requirements for interstate pipelines in order to require them to post on their internet websites basic information on the terms of each transportation and storage contract with individual shippers, no later than the first nomination under a transaction.7 These posting

5 In 1995 in Order No. 581, the Commission held that it would “retain the semi-annual storage reports,” and “not exempt intrastate storage companies charging market-based rates from the requirement to file semi-annual storage reports,” and made minor changes to the regulatory text. Revisions to Uniform System of Accounts, Forms, Statements, and Reporting Requirements for Natural Gas Companies, Order No. 581, 60 FR 53019, 53049-51, FERC Stats. & Regs. ¶ 31,026 (1995), order on reh’g, Order No. 581-A, FERC Stats. & Regs. ¶ 31,032 (1996).


7 The information to be posted includes the name of the shipper, the contract number (for firm service), the rate charged, the maximum rate, the duration (for firm service), the receipt and delivery points and zones covered, the quantity of natural gas covered, any special terms or details (such as any deviations from the tariff), and whether any affiliate relationship exists.
requirements are set forth in section 284.13(b) of the Commission’s regulations. That section requires interstate pipelines to make daily postings of the same types of information about both firm and interruptible storage transactions as is contained in the interstate pipelines’ semi-annual storage reports, except for (1) the amount of gas injected and withdrawn from storage by each individual customer, (2) storage revenues from each individual customer, and (3) the rate schedule authorizing the injection or withdrawal service. Order No. 637 also retained the existing requirement that interstate pipelines post an index of their firm customers each quarter and expanded the information that must be included in that index. Among other things, that index must include the rate schedule under which service under each firm contract is provided. However, Order No. 637 did not significantly modify the semi-annual storage reporting requirement for interstate pipelines.

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8 18 CFR 284.13(b).

9 Because the semi-annual reporting periods are tied to the injection and withdrawal season, the time periods covered by that report do not correspond with the time periods covered by the interstate pipelines’ reports.

10 Order No. 637 moved the index of customers requirement from § 284.106(c) to § 284.13(c).

11 Order No. 637 moved the interstate semi-annual storage reporting requirement from § 284.106(b) to § 284.13(e), and eliminated the requirement that interstate pipelines identify in their semi-annual storage reports any related docket numbers under which the interstate pipeline reported storage-related injection/withdrawal transportation services.
5. Order No. 637 did not modify any of the reporting requirements for section 311 and Hinshaw pipelines. However, in 2010, the Commission issued Order No. 735 to bring the transactional reporting requirements for section 311 pipelines and Hinshaw pipelines closer in line with the 18 CFR 284.13(b) posting requirements for interstate pipelines.\textsuperscript{12} As amended by Order Nos. 735 and 735-A, section 284.126(b) requires that section 311 and Hinshaw pipelines file quarterly reports of their transportation and storage transactions in a standardized electronic format, and it requires that those reports be public. The revised quarterly reports require section 311 and Hinshaw pipelines to report the same types of information about firm and interruptible storage transactions as is contained in their semi-annual storage reports, except for storage revenues from each individual storage customer. In addition, because the semi-annual reporting periods are tied to the injection and withdrawal season, the time periods covered by each report do not correspond precisely. Order No. 735 did not modify the existing semi-annual storage reporting requirement for section 311 and Hinshaw pipelines in section 284.126(c) of the Commission’s regulations in any way.

B. NOI and NOPR

6. In December 2010, the Commission issued a Notice of Inquiry (NOI) to consider whether and how the semi-annual storage reports required of both interstate and intrastate

\textsuperscript{12} Contract Reporting Requirements of Intrastate Natural Gas Companies, Order No. 735, 75 FR 29404, FERC Stats. & Regs. ¶ 31,310, 131 FERC ¶ 61,150, order on reh’g, Order No. 735-A, 75 FR 80685, 133 FERC ¶ 61,216 (2010).
pipelines should be modified.\textsuperscript{13} After analyzing the comments in response to the NOI, the Commission issued a NOPR in September 2011, proposing to eliminate the semi-annual storage reports.

7. In the NOPR, the Commission found that the semi-annual storage reports are now largely duplicative with other reporting requirements, which gather the same or similar information, but present it to the public in a more standardized and accessible form. For interstate pipelines, the Commission found that the semi-annual storage reports overlap with the section 284.13(b) daily transactional posting requirements established in Order No. 637,\textsuperscript{14} described above.\textsuperscript{15} The Commission stated that, as Order No. 637 found, the information included in the interstate pipelines’ daily postings of both transportation and storage contracts “provides price transparency so shippers can make informed purchasing


\textsuperscript{15} The information to be posted includes the name of the shipper, the contract number (for firm service), the rate charged, the maximum rate, the duration (for firm service), the receipt and delivery points and zones covered, the quantity of natural gas covered, any special terms or details (such as any deviations from the tariff), and whether any affiliate relationship exists.
decisions, and also permits both shippers and the Commission to monitor actual transactions for evidence of the possible abuse of market power."  

Accordingly, the NOPR found that there appeared to be no need to require interstate pipelines to continue filing an additional semi-annual report of their storage transactions containing much the same information Order No. 637 requires them to post on a daily basis to accomplish the goal of price transparency.

8. The NOPR recognized that the semi-annual storage reports do provide certain information that is not provided by the interstate pipelines’ daily website postings, concerning the volume of gas each customer injects into and/or withdraws from storage and the total revenues received from each storage customer. However, the Commission found that the primary value of information about injections and withdrawals from storage is to permit shippers to monitor the availability of storage capacity and whether shippers or the pipeline are withholding storage capacity.  

Section 284.13(d) requires interstate pipelines to provide on their websites “equal and timely access to information relevant to the availability of all transportation services whenever capacity is scheduled, including . . . in storage fields, whether the capacity is available directly from the pipeline or through capacity release.”  

The NOPR stated that, while these postings do not

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16 Order No. 637, FERC Stats. & Regs. ¶ 31,091 at 31,320.

17 See Order No. 637, FERC Stats. & Regs. ¶ 31,091 at 31,320.

18 In addition, the Energy Information Administration publishes weekly

(continued…)
provide individual shipper injection and withdrawal information, they appear more useful to shippers because they provide information about the availability of capacity at the time shippers are seeking to schedule capacity. By contrast, the semi-annual storage reports are not filed until up to 30 days after the completion of each injection and withdrawal season. The NOPR also found that, while the section 284.13(b) daily postings do not require interstate storage providers to post the revenues collected from each customer, that section does require such storage providers to post the per-unit rates they charge to each customer, thus enabling shippers to monitor the storage provider’s actions for potentially discriminatory practices.

9. For section 311 and Hinshaw pipelines, the NOPR found, the semi-annual storage reports substantially overlap with the amended section 284.126(b) quarterly reporting requirement established in Order No. 735, described above. The NOPR recognized that, unlike the semi-annual storage reports, the section 284.126(b) quarterly reports do not require section 311 and Hinshaw pipelines to report per-customer storage revenues. However, the Commission found that the pipelines commenting in this proceeding had provided detailed arguments that providing the public with individual customer storage underground storage data, including base gas, working gas in storage, and injection and withdrawal volumes by storage facility type and region. Available at http://www.eia.gov/naturalgas/data.cfm#storage.

revenue is burdensome, while proponents of collecting this information had not provided any convincing reason why the Commission should continue to require all section 311 and Hinshaw pipelines to provide this information in periodic reports.

10. The Commission concluded that, to the extent the semi-annual storage reports do include information not reported elsewhere, the burden of requiring pipelines to report that information appears to outweigh any benefits to the Commission or the public of requiring such information to continue to be reported on a regular basis. However, if such information is needed in a particular case, the Commission retains the ability to seek such information through a data request to the pipeline in question.

C. Comments to the NOPR

11. Eleven companies and associations, listed in the Appendix to this order, filed comments in response to the NOPR. Every comment supported the proposal. While two parties had filed comments on the NOI opposing elimination of the semi-annual storage reports, to which the Commission responded in the NOPR, neither of these parties filed comments on the NOPR. Several commenters on the NOPR urged the Commission to act as soon as possible in order to eliminate the reporting requirement before the next

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20 The American Public Gas Association and the Independent Oil and Gas Association of West Virginia.
round of reports are due on April 30, 2012. Spectra also recommended that the Commission review other regulations for possible redundancies, but did not suggest any specific regulations for review.

**D. Executive Orders**

12. On January 18, 2011, President Obama issued an executive order and a presidential memorandum on regulatory flexibility, small business, and job creation. The Commission, as an independent agency, is not subject to requirements of those presidential documents. Nonetheless, Chairman Wellinghoff directed Commission staff to perform an internal assessment of the effectiveness of Commission regulations. Subsequently, on July 11, 2011, the President issued an executive order asking independent regulatory agencies such as the Commission to take steps to reassess and streamline existing regulations. On November 8, 2011, the Commission issued its plan...

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21 Spectra Energy Transmission, LLC and Spectra Energy Partners, LP file jointly on behalf of themselves and their subsidiaries, which operate numerous natural gas storage facilities.


for retrospective analysis of existing rules, setting forth the schedule for complying with the executive orders.\textsuperscript{25}

13. The Commission continually seeks to streamline its regulations in order to foster competitive markets, facilitate enhanced competition, and avoid imposing undue burdens on regulated entities or unnecessary costs on those entities or their customers. In analyzing the comments received in response to the NOI and NOPR, the Commission considered the goals of those executive orders. In this Final Rule, the Commission is seeking to streamline our natural gas pipeline reporting requirements, as part of our continuing efforts to ensure Commission regulations are effective, timely, and up to date.

II. Discussion

14. In this Final Rule, the Commission eliminates the semi-annual storage reporting requirements both for interstate pipelines and for section 311 and Hinshaw pipelines that are currently codified in 18 CFR 284.13(e) and 18 CFR 284.126(c), respectively. All of the parties who filed comments in response to the NOPR stated that they support this course of action. As detailed in the above section, the NOPR found that these reports are largely duplicative of other reporting requirements. For the limited amount of information not reported elsewhere, the NOPR found that the burden of requiring pipelines to report outweighs any benefits to the Commission or the public of requiring

\textsuperscript{25} Plan for Retrospective Analysis of Existing Rules, Docket No. AD12-6-000, 76 FR 70913 (2011).
such information to be reported on a regular basis. All the commenters on the NOPR support that conclusion. If any information that is no longer collected as a result of the elimination of the semi-annual storage reports is needed in a particular case, the Commission retains the ability to seek such information through a data request to the pipeline in question.

15. Accordingly, the Commission finds that elimination of the semi-annual storage reports will help streamline our natural gas reporting requirements and avoid imposing unnecessary burdens on regulated pipelines, without adversely affecting the ability of the Commission and shippers to monitor storage transactions for evidence of the possible abuse of market power.

III. **Regulatory Requirements**

A. **Information Collection Statement**

16. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting, record keeping, and public disclosure requirements (collections of information) imposed by an agency.\(^{26}\) Therefore, the Commission is providing notice of its elimination of the information collections. This rule will be submitted to OMB for review in accordance with the Paperwork Reduction Act of 1995.\(^{27}\)

\(^{26}\) 5 CFR 1320.

\(^{27}\) 44 U.S.C. 3507(d).
17. The Commission shall eliminate two reporting requirements and remove the burden of those requirements from jurisdictional entities.

Information Collections:

<table>
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<tr>
<th>Information Collection (or Part of) Eliminated</th>
<th>Part of OMB Control No.</th>
<th>Number of Respondents (a)</th>
<th>Filings Per Respondent Per Year (b)</th>
<th>Burden Hours per Filing (c)</th>
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<td>6420</td>
</tr>
</tbody>
</table>

The elimination of the semi-annual storage reports will save industry an estimated $394,731 annually (for the 6,420 burden hours).\(^{28}\)

Title: Semi-annual storage reporting requirements for Interstate and Intrastate Natural Gas Companies (currently codified in 18 CFR 284.13(e) [component of FERC-549, OMB Control No. 1902-0086] and 18 CFR 284.126(c) [component of FERC-537, OMB Control No. 1902-0060]).

\(^{28}\) The cost estimate is based on a work year of 2,080 hours and includes salary and benefits. For FERC-549, an estimate of $58 per hour is used. For FERC-537, $137,874 per work year is used.
Respondents: Interstate and Intrastate Natural Gas Companies.

Internal review: The Commission has reviewed the semi-annual storage reporting requirements for Interstate and Intrastate Natural Gas Companies that are currently codified in 18 CFR 284.13(e) and 18 CFR 284.126(c). The Commission has determined that the reports are largely duplicative of other reporting requirements.

18. Interested persons may obtain information on the reporting requirements being eliminated by contacting: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426 [Attention: Ellen Brown, Office of the Executive Director, e-mail: DataClearance@ferc.gov, Phone: (202) 502-8663, fax: (202) 273-0873].

Comments on the requirements being deleted in this rule may also be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission]. For security reasons, comments should be sent by e-mail to OMB at oira_submission@omb.eop.gov. Please reference OMB Control Nos. 1902-0086 (FERC-549) and 1902-0060 (FERC-537) in your submission.

B. Environmental Analysis

19. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect
on the human environment.\textsuperscript{29} The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.\textsuperscript{30} The actions taken here fall within categorical exclusions in the Commission’s regulations for rules that are corrective, clarifying, or procedural, for information gathering, analysis, and dissemination, and for sales, exchange, and transportation of natural gas that requires no construction of facilities.\textsuperscript{31} Therefore an environmental review is unnecessary and has not been prepared in this rulemaking.

\textbf{C. Regulatory Flexibility Act}

20. The Regulatory Flexibility Act of 1980 (RFA)\textsuperscript{32} generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. Most of the natural gas companies regulated by the Commission do not fall within the RFA’s definition of a small entity.\textsuperscript{33} Any economic


\textsuperscript{30} 18 CFR 380.4.

\textsuperscript{31} See 18 CFR 380.4(a)(2)(ii), 380.4(a)(5), and 380.4(a)(27).

\textsuperscript{32} 5 U.S.C. 601-612.

\textsuperscript{33} See 5 U.S.C. 601(3) (citing section 3 of the Small Business Act, 15 U.S.C. 623, which defines a “small business concern” as a business which is independently owned and operated and which is not dominant in its field of operation. The Small Business Size Standards component of the North American Industry Classification System defines a small natural gas pipeline company as one that transports natural gas and whose annual

(continued…)}
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impact from the rulemaking would be due to the elimination of unnecessary filing
burdens and costs on small and large entities. Accordingly, the Commission certifies that
this rule will not have a significant impact on a substantial number of small entities.

D. Document Availability

21. In addition to publishing the full text of this document, except for the Appendix, in
the Federal Register, the Commission provides all interested persons an opportunity to
view and/or print the contents of this document via the Internet through the
Commission’s Home Page (http://www.ferc.gov) and in the Commission’s Public
Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at
888 First Street NE, Room 2A, Washington, DC 20426.

22. From the Commission’s Home Page on the Internet, this information is available
on eLibrary. The full text of this document, including the Appendix, is available on
eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading.
To access this document in eLibrary, type the docket number excluding the last three
digits of this document in the docket number field.

23. User assistance is available for eLibrary and the Commission’s website during
normal business hours from the Commission’s Online Support at (202) 502-6652 (toll
free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference

receipts (total income plus cost of goods sold) did not exceed $7 million for the previous
year).
E. Effective Date and Congressional Notification

24. These regulations are effective [insert date 60 days from publication in Federal Register]. The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of OMB, that this rule is not a “major rule” as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996. The rule is being submitted to the Senate, House, Government Accountability Office, and the Small Business Administration.

List of subjects in 18 CFR Part 284

Continental shelf, Natural gas, Reporting and recordkeeping requirements

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,
Deputy Secretary.
In consideration of the foregoing, the Commission amends Part 284, Chapter I, Title 18, Code of Federal Regulations, as follows.

PART 284 – CERTAIN SALES AND TRANSPORTATION OF NATURAL GAS UNDER THE NATURAL GAS POLICY ACT OF 1978 AND RELATED AUTHORITIES

1. The authority citation for part 284 continues to read as follows:


§ 284.13  [Amended]

2. Sec. 284.13 is amended as follows:

   a. Paragraph (e) is removed.

   b. Paragraph (f) is redesignated as paragraph (e).

§ 284.126  [Amended]

3. Sec. 284.126 is amended as follows:

   a. Paragraph (c) is removed.
Appendix

List of Commenters and Abbreviations

<table>
<thead>
<tr>
<th>Commenter</th>
<th>Abbreviation</th>
</tr>
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<tbody>
<tr>
<td>American Gas Association</td>
<td>AGA</td>
</tr>
<tr>
<td>Cranberry Pipeline Corporation</td>
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