



BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. PL19-4-000]

Commission Information Collection Activities; Request for Emergency Processing for FERC-6(PL)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of information collection and request for emergency processing.

SUMMARY: In compliance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the Federal Energy Regulatory Commission (Commission or FERC) is submitting an emergency request for the information collection, FERC-6(PL) (One-time Re-filing Under Docket PL19-4 of Page 700 of Form No. 6 (Annual Report of Oil Pipeline Companies)), to the Office of Management and Budget (OMB) for approval.

FOR FURTHER INFORMATION CONTACT: Ellen Brown may be reached by email at DataClearance@ferc.gov and telephone at (202) 502-8663.

SUPPLEMENTARY INFORMATION:

Title: FERC-6(PL), One-Time Refiling Under Docket No. PL19-4 of Page 700 of Form 6 (Annual Report of Oil Pipeline Companies).

OMB Control No.: TBD

Type of Request: Request for Emergency Processing and Approval Pursuant to 5 CFR 1320.13.

Abstract: In the Energy Policy Act of 1992, Congress required the Commission to develop a simplified method for changing oil pipeline rates. In response, the Commission established an indexing methodology that allows oil pipelines to change rates based upon an annual industry-wide index.¹ The Commission committed to review the index level every five years to ensure that the index level continues to reflect annual industry-wide cost changes.² In Order No. 561 and each successive five-year review, the Commission calculated the index level based upon the Kahn Methodology, which determines the differences over the prior five-year period between changes in costs reported on page 700 of FERC Form No. 6³ and changes in the Producer Price Index for Finished Goods (PPI-FG). The index level is then set at PPI-FG plus (or minus) this differential. In the 2020 five-year review, the Commission will measure pipeline cost changes over the period from 2014-2019 in order to establish the index level for the five-year period from 2021-2026.

On May 21, 2020, the Commission issued a Policy Statement on Determining Return on Equity for Natural Gas and Oil Pipelines (ROE Policy Statement), in which the

¹ *Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992*, Order No. 561, FERC Stats. & Regs. 30,985, at 30,947 (1993), *order on reh'g*, Order No. 561-A, FERC Stats. & Regs. 31,000 (1994), *aff'd*, *Ass'n of Oil Pipe Lines v. FERC*, 83 F.3d 1424 (D.C. Cir. 1996).

² *Id.*

³ FERC Form No. 6 (OMB Control No. 1902-0022), the Annual Report of Oil Pipeline Companies, is required by 18 CFR 357.2.

Commission adopted a revised methodology for determining return on equity (ROE) used to calculate oil pipelines' Annual Cost of Service on page 700 of FERC Form No. 6.⁴ The issuance of the ROE Policy Statement may affect the oil pipeline industry's 2019 costs reported on page 700 that the Commission will use in the 2020 five-year review. Thus, the ROE Policy Statement encouraged pipelines to file, on a one-time basis, updated page 700 data for 2019 reflecting the Commission's revised methodology and solicited comments on this voluntary information collection pursuant to the PRA by June 26, 2020.

The Commission received five comments in response to the ROE Policy Statement, one of which addressed the information collection for oil pipelines. On June 11, 2020, Liquids Shippers Group filed a motion for reconsideration of the ROE Policy Statement and a request for expedited action (Motion). The Motion asserts that the voluntary information collection improperly gives pipelines discretion to file ROEs that are higher, which would increase the index level, while refraining from filing ROEs that are lower, which would decrease the index level. Thus, the Motion states that the information collection will bias the record in the five-year review proceeding.

The Commission will address the Motion in due course. However, the Motion should not affect the Commission's request for OMB's emergency processing and approval of the FERC-6(PL). First, the Motion does not reference the PRA or the

⁴ *Inquiry Regarding the Commission's Policy for Determining Return on Equity*, 171 FERC 61,155 (2020).

burdens the information collection would impose. Second, the Motion addresses the information collection from the perspective of shippers, rather than pipelines that will be subject to the information collection. Third, the Motion seeks to convert this voluntary information collection into a mandatory one and implementing a mandatory collection at this time would likely delay the five-year review. Fourth, the Commission will address the merits of Liquids Shippers Group's claims regarding the calculation of the index level in the five-year review proceeding itself, where the Commission has requested comments on this very issue.⁵ The effect of this data on the Commission's analysis in the five-year review will depend upon how many pipelines file updated page 700 data and the comments that the Commission receives.

Accordingly, the Commission requests that OMB review and approve FERC-6(PL) [the request to have pipelines voluntarily refile, on a one-time basis, page 700 of their 2019 FERC Form No. 6] in order to reflect the ROE Policy Statement. The Commission requests emergency processing of this information collection because this collection is essential to the mission of the Commission and public harm is reasonably likely to occur if normal clearance procedures are followed.

FERC submitted a formal request to OMB on June 29, 2020 for emergency approval of the one-time FERC-6(PL).⁶ The Commission requested an OMB decision

⁵ *Five-Year Review of the Oil Pipeline Index*, 171 FERC 61,239 at PP 2, 8.

⁶ The request pending at OMB (ICR 202005-1902-002) for approval of the voluntary re-filing of Page 700 of the FERC Form No. 6 will be retracted. It is being *(continued ...)*

on FERC-6(PL) by July 6, 2020.

*Estimate of Annual Burden.*⁷ The Commission estimates the annual public reporting burden and cost⁸ for the information collection as:

FERC-6(PL)--Estimated Annual Burden due to Docket No. PL19-4⁹ (Figures may be rounded)						
	Number of Potential Respondents (1)	Annual Number of Responses Per Respondent (2)	Total Number of Responses (1)*(2)= (3)	Average Burden Hours & Cost (\$) Per Response (4)	Total Annual Burden Hours & Total Annual Cost (\$) (3)*(4)= (5)	Cost per Respondent (\$) (5)÷(1)= (6)
Updated ROE Study	244	1	244	187.5 hrs.; \$15,000	45,750 hrs.; \$3,660,000	\$15,000
Refile FERC Form No. 6, page 700	244	1	244	0.5 hrs.; \$40	122 hrs.; \$9,760	\$40

replaced by the request for emergency approval of the FERC-6(PL).

⁷ Burden is 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. For further explanation of what is included in the information collection burden, refer to Title 5 of Code of Federal Regulations 1320.3.

⁸ The Commission staff estimates that the industry's skill set and cost (for wages and benefits) for performing the ROE study and completing and filing FERC-6(PL) is comparable to the Commission's skill set and average cost. The FERC 2019 average salary plus benefits for one FERC full-time equivalent (FTE) is \$167,091/year or \$80.00/hour.

⁹ The Commission staff has conservatively assumed a 100 percent voluntary response rate.

FERC-6(PL)--Estimated Annual Burden due to Docket No. PL19-4⁹						
(Figures may be rounded)						
	Number of Potential Respondents (1)	Annual Number of Responses Per Respondent (2)	Total Number of Responses (1)*(2)= (3)	Average Burden Hours & Cost (\$) Per Response (4)	Total Annual Burden Hours & Total Annual Cost (\$) (3)*(4)= (5)	Cost per Respondent (\$) (5)÷(1)= (6)
Total, Due to PL19-4	244	1	244		45,872 hrs.; \$3,669,760	\$15,040

Dated: June 29, 2020.

Kimberly D. Bose,

Secretary.