estimated 22 oil pipelines who will be exempt from the filing requirements of Form No. 6 but not from the filing

requirements of page 700.

Comments regarding these burden estimates or any other aspect of these collections of information, including suggestions for reducing this burden, can be sent to the Federal Energy Regulatory Commission, 941 North Capitol Street, N.E., Washington, DC 20426 [Attention: Michael Miller, Information Services Division, (202) 208–1415]; and to the Office of Information and Regulatory Affairs of OMB (Attention: Desk Officer for Federal Energy Regulatory Commission), FAX: (202) 395–5167.

III. Discussion

A. Form No. 6

Form No. 6 provides the Commission with financial and operational data for the proper administration of the Commission's responsibilities for rate regulation of oil pipelines under the Interstate Commerce Act, as amended,7 and the Act of 1992. In a like manner, the Commission requires the other entities it regulates to submit annual financial and operational data. However, the Commission has established minimum filing thresholds for submission of annual reports for both electric utilities and natural gas companies.8 For example, a natural gas pipeline is only required to submit an annual report if its total gas sales or volumes transported exceeds 200,000 Mcf in each of the three previous calendar years. This has allowed the Commission to maintain data on the more significant pipelines and yet has allowed those whose operations are minimal to avoid the regulatory expense and burden of filing reports which would be of limited statistical importance to the Commission. The Commission here intends to provide the same type of relief from the annual filing burden and expense for oil pipelines with limited jurisdictional

The Commission proposes to establish a filing threshold for Form No. 6 based on the annual jurisdictional operating revenues of an oil pipeline company. While the filing thresholds for electric

utilities and natural gas companies are stated in volumes, the Commission believes that a volumetric threshold is not appropriate for oil pipelines.⁹

Analysis of the 146 oil pipelines that filed Form No. 6 for the 1993 reporting year indicates three natural breaks in jurisdictional operating revenues that could be used to establish a minimum filing threshold:

\$100,000 level—22 oil pipelines, or 15 percent of the 1993 total, had jurisdictional operating revenues at or below this level.

\$300,000 level—32 oil pipelines, or 22 percent of the 1993 total, had jurisdictional operating revenues at or below this level.

\$1,000,000 level—38 oil pipelines, or 26 percent of the 1993 total, had jurisdictional operating revenues at or below this level.

The Commission proposes to establish the minimum reporting threshold for oil pipeline companies to file Form No. 6 at the \$100,000 level of jurisdictional operating revenues. This level will exempt companies with minimal jurisdictional transactions from the burdens associated with preparation of the annual report, yet the Commission should continue to have statistically valid data for its use in oil pipeline rate regulation.

For both electric utilities and natural gas companies, the Commission's regulations require a company to look to its three immediately preceding reporting years to determine, inter alia, whether it is exempt from filing an annual report with the Commission. 10 If a regulated company had been exempt from reporting and exceeds the minimum filing threshold for each of the three immediately preceding calendar years, it would be required to file an annual report for the current reporting year. Thereafter, the company would be required to file an annual report until the level of its operations falls below the established threshold for the three immediately preceding calendar years, at which time it would again become exempt from the annual report requirement. This three-year

approach was established to guard against anomalies in the operations of a regulated company and to provide some measure of stability in the annual reports, while not imposing an undue burden on companies which were clearly showing a pattern of operations below the established minimum thresholds.

The Commission proposes to require the same three-year test for oil pipelines to see if they meet the minimum exemption. That is, a pipeline will be exempt from preparing and filing FERC Form No. 6 if its jurisdictional operating revenues for the three calendar years immediately preceding the current reporting year were \$100,000 or less per reporting year. For a newly established pipeline without three years of operations, the company, as is now required for electric utilities and natural gas companies, would use projected data to determine whether Form No. 6 needs to be filed.

Order No. 571 amended Form No. 6 by requiring, inter alia, that a new page 700 be incorporated into Form No. 6. This page requires an oil pipeline to report its total annual cost of service as calculated under the Opinion No. 154-B methodology, 11 its operating income, and its throughput in barrels and barrelmiles. This page is an integral part of the Commission's data collection efforts to ensure that the index prescribed by Order No. 561 properly tracks industry costs. Page 700 provides shippers with the necessary information to serve as a preliminary screening tool for pipeline rate filings. It is designed to enable shippers to compare proposed changes in rates against the change in the level of a pipeline's cost of service, to compare the change in a shipper's individual rate with the change in a pipeline's average company-wide barrelmile rate, and to determine whether to challenge a pipeline's indexed rate increase filings. As such, page 700 provides the Commission and the public with information beyond the financial and accounting data found in the rest of Form No. 6. Because the information found on page 700 is not readily available elsewhere, the Commission proposes to require those pipelines that would be exempt from filing Form No. 6 to prepare and file page 700 at the time that other pipelines are required to

⁷⁴⁹ App. U.S.C. 1 (1988).

⁸ For electric utilities and licensees, see 18 CFR 141.1 and 141.2 and General Instruction 1, Classification of Utilities of the Uniform System of Accounts Prescribed for Public Utilities and Licensees, 18 CFR Part 101.

For natural gas companies, see 18 CFR 260.1 and 260.2 and General Instruction 1, Classification of Utilities of the Uniform System of Accounts Prescribed for Natural Gas Companies, 18 CFR Part 201

⁹In establishing annual charges for the companies it regulates, the Commission considered the use of a volumetric standard in setting annual charges for oil pipelines, but rejected such an approach. It found, for the reasons stated in that proceeding, that the operating revenue approach for setting annual fees would most fairly and equitably distribute the oil program cost. See Annual Charges Under the Omnibus Budget Reconciliation Act of 1986, FERC Stats. & Regs., Preambles (1986–1990) ¶ 30,746 (1987) at pp. 30,631–30,634. For the reasons stated in that proceeding, the Commission believes that jurisdictional operating revenues is the appropriate basis for exemption of filing Form No. 6.

¹⁰ In the case of a newly established jurisdictional entity, the projected data of the company would be the basis for determining whether an annual report would be required for its first year of operations. See 18 CFR Parts 101 and 201, General Instruction 1, Classification of Utilities, paragraph C.

¹¹ The Opinion No. 154–B methodology is derived from the Commission's opinions in Williams Pipe Line Company, Opinion No. 154–B, 31 FERC ¶ 61,377 (1985), on rehearing, Opinion No. 154–C, Williams Pipeline Company, 33 FERC ¶ 61,327 (1985); and ARCO Pipe Line Company, Opinion No. 351, 52 FERC ¶ 61,055 (1990), on rehearing, Opinion No. 351–A, ARCO Pipe Line Company, 53 FERC ¶ 61,398 (1990).