that section 6 establishes initial filing requirements for a rate change and thus bars the Commission from requiring the threshold filings at issue here. The Commission disagrees.

Contrary to AOPL's contention, section 6(3) of the ICA is not a limitation on the Commission's authority to establish initial filing requirements but is rather no more than a specification of the form that a notice of a proposed change in rates must take. Thus, the Commission's requirements in section 346.1(c) are not contrary to the ICA. Moreover, the Commission here affirms its view that section 12(1)confers on the Commission broad powers to regulate the transportation of oil by pipeline, including those that AOPL claims are precluded by section 6(3), and thus authorizes the Commission to establish reasonable filing requirements for a cost-of-service rate change proposal.<sup>6</sup>

Rehearing on this first specification error is therefore denied.

B. AOPL's second specification of error, that the Commission imposed unduly burdensome initial filing requirements for cost-of-service-based rates, is likewise without merit. AOPL claims that the Commission, by imposing any filing requirements, ignored its comments regarding the resulting burden that pipelines would have to bear. AOPL's position, however, is based on the premise, already rejected, that section 6(3) bars any initial filing requirements. Thus, the thrust of AOPL's argument is that any initial filing requirement other than a mere notice of the rate change proposed, regardless of what it might be, is too burdensome for pipelines to bear. The Commission disagrees.

The Commission recognizes that there is a filing burden for pipelines that seek to opt out of indexing. However, because indexing is the Commission's prescribed, generally applicable ratemaking methodology, the Commission has concluded that a pipeline must as a threshold matter justify an exception to that methodology when it files for cost-of-service rates. As

The Interstate Commerce Commission shall carry out this subtitle. Enumeration of a power of the Commission in this subtitle does not exclude another power the Commission may have in carrying out this subtitle. The Commission may prescribe regulations in carrying out this subtitle. described earlier, it is well within the Commission's broad regulatory powers to determine how an oil pipeline is to secure permission to charge rates based on a method that deviates from the generally applicable method.

Contrary to AOPL's claims, the Commission has required only that data necessary for a pipeline to show whether there is a substantial divergence between its cost of service and revenues at the index ceiling rate and thus whether it warrants an exception to indexing. In fact, the Commission chose not to require certain other additional data. For example, it did not require a filing of individual point-to-point cost-of-service calculations in the initial filing of notices of rate change, recognizing that the burden of such a requirement would not be justified, particularly since the initial filing need only show that there is a substantial divergence between the costs of the pipeline, as reflected in Statement A, and the revenues that would be produced by the indexed ceiling rates, as reflected in Statement G.7 Thus, the Commission was not arbitrary in its assessment of minimum filing needs but rather carefully balanced the need for threshold information against the burden that filing requirements could impose on pipelines.

Rehearing on this second specification of error is therefore denied.

C. AOPL's third specification of error, that the Commission erred in determining that new Page 700 of Form No. 6 would impose only a minimal burden on oil pipelines, is denied. In Order No. 571, the Commission explained in detail why it believed page 700 of Form No. 6 is necessary for carrying out its regulatory responsibilities under the ICA and the Energy Policy Act of 1992.8 It described the benefits to the shippers of having this information available as an initial "substantial divergence" screen for pipeline rate filings, and as a means of testing the performance of the index when compared to individual indexed rates.9 Nothing in AOPL's request for rehearing persuades the Commission to modify its requirements for page 700.

It is correct that if viewed in isolation, the inclusion of Page 700 in the Form No. 6 would increase the reporting burden on oil pipelines. However, viewed as a whole, Order No. 571 will reduce the overall individual oil pipeline reporting burden, since it reduces or eliminates many of the other reporting requirements formerly in the Form No. 6.<sup>10</sup> Further, with the overall reduction in regulatory burden to be accomplished by the use of the indexing methodology, the addition of Page 700 as a safeguard should cause minimal additional burden.<sup>11</sup>

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While the initial computation for some of the companies which have not performed the Opinion No. 154-B calculation may be somewhat lengthy and may result in an initial, one-time burden for these companies because of the need to bring the data forward from 1984 to the current year, any initial burden on making the calculations is outweighed by the benefits of having the information available to the Commission to carry out its regulatory responsibilities. In addition, for each year subsequent to the initial computation, it would only be necessary for a company to update the schedules for the most current year. Thus, the minimal burden imposed in preparing and filing new page 700 is entirely justified when compared to the benefits to shippers and the Commission of having the information called for by this new page.

D. The Commission grants rehearing as to AOPL's allegation that the Commission erred in retaining depreciation study requirements that could result in the disclosure of confidential shipper information in contravention of the ICA. In Order No. 571, the Commission required that an oil pipeline that desires to establish initial depreciation rates or to change its existing depreciation rates file certain information supporting such a rate. The Commission, in response to comments on the Notice of Proposed Rulemaking (NOPR) in this docket, recognized that certain information which had been proposed in the NOPR might lead to such disclosure, and therefore modified the information originally proposed, providing that the information required by section 347.1(e)(vi) of the regulations should be provided in a format that would prevent disclosure of information which would violate the ICA. It left to

 $<sup>^{*}</sup>$   $^{*}$  \*. The Commission is authorized and required to execute the provisions of this chapter \*  $^{*}$  \*''.

<sup>&</sup>lt;sup>6</sup>Section 12(1) of the ICA as it existed on October 1, 1977, governs the authority and duties of the Commission. See also 49 U.S.C. 10321(a) which by Public Law 95–473, Oct. 17, 1978, 92 Stat. 1337, codified and restated in comprehensive form, without substantive change, the material part of section 12(1). Section 10321(a) provides:

<sup>&</sup>lt;sup>7</sup> Order No. 571, mimeo at 11.

<sup>&</sup>lt;sup>8</sup>42 U.S.C. 7172 note (West Supp. 1993).

<sup>9</sup> Order No. 571, mimeo at 16-24.

<sup>&</sup>lt;sup>10</sup> The Commission found, in Order No. 571, that "The final rule will reduce the existing reporting burden associated with Form No. 6 by an estimated 1,628 hours annually, or an average of 11 hours per response based on an estimated 148 responses. This estimate includes the addition of two new schedules, the elimination of several schedules, and increasing the reporting thresholds for which oil pipelines must analyze and report certain data." Order No. 571, mimeo at 4.

<sup>&</sup>lt;sup>11</sup> According to AOPL's own numbers, contained in Attachment A to AOPL's comments filed in this proceeding on September 8, 1994, the burden of producing page 700 shown by some companies is as small as four hours per year.