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U.S. Energy Information Administration
Petroleum and Biofuel Supply
Statistics Team, EI-23,
Forrestal Building
1000 Independence Ave. SW
Washington, DC 20585
Attn: Michael Conner.

SUBJECT: Department of Energy's Energy Information Administration's Agency Proposed Changes to the Petroleum Supply Reporting System (PSRS) Information Collection

The American Petroleum Institute (API) offers the following comments on the Energy Information Administration's (EIA) Agency Proposed Changes to the Petroleum Supply Reporting System (PSRS) Information Collection which currently consists of *six weekly surveys* that make up the Weekly Petroleum Supply Reporting System (WPSRS), *eight monthly surveys* that make up the Monthly Petroleum Supply Reporting System (MPSRS), and *one annual survey*. API is a national trade association that represents nearly 600 members involved in all aspects of the oil and natural gas industry, including producers, refiners, suppliers, pipeline operators, and marine transporters, as well as service and supply companies that support all segments of the industry. API members are deeply committed to safe, secure, and environmentally responsible operations which reduce potential risk to the public, as well as employees, contractors, and operations, while supplying critical energy supplies both domestically and abroad.

The following comments refers to the proposed changes to information collection *Form EIA-805, Weekly Bulk Terminal Report*, and *Form EIA-815, Monthly Bulk Terminal Report* as well as the collection of a new weekly survey, *Form EIA-806, Weekly Natural Gas Liquids Report*.



Comments on information collection Form EIA-805, Weekly Bulk Terminal Report, and Form EIA-815, Monthly Bulk Terminal Report.

API members have concerns about the real value and costs of EIA's Office of Petroleum and Biofuels Statistics (PBS) proposal to begin collecting stocks of propane that meet at least the minimum specifications to be classified as consumer-grade propane (product code 626).

Unclear definition of terms

EIA definitions of propane (C_3H_8)¹ and consumer-grade propane² are very similar with a small unclear distinction for the reporting team of the companies to understand and follow. Respondents are not properly trained or familiar to these distinctions and may potentially report unreliable data. EIA Instructions³ of how to correctly fill out the form should be unambiguous, clear, and understandable to ensure accurate reporting of data and currently the instructions EIA has provided is unclear for this specific product.

Potentially unreliable weekly data

Propane data are currently stored as a mix product (i.e., commercial and consumer grade) and to report consumer-grade propane separately from the current accounting system of the companies would be burdensome, time consuming, and costly to the respondent. To require a weekly reporting of this data would likely result in inaccurate and unreliable data. Collection of consumer-grade propane on a monthly basis would provide a more sufficient and far reliable data and thus could be more valuable metric. Reporting this data on a monthly basis provide companies with more time which allows rigorous review process, analysis, and validation before being finalized and submitted for reporting. Reporting this data on a weekly basis would not present sufficient time to do proper audit and review. Discrepancies between the aggregate weekly data and final monthly data would be common and evident. Explaining these discrepancies would be a significant burden to measurement and reporting teams.

Costly

To meet the weekly and monthly reporting requirement of the product consumer-grade propane, the companies would require significant investments in software, training, and data management.

¹ <https://www.eia.gov/petroleum/supply/monthly/pdf/psmdefs.pdf>

² <https://www.eia.gov/tools/glossary/index.php?id=propane>

³ <https://www.eia.gov/survey/notice/petsupply2023.php>



Comments on information collection of a new weekly survey, Form EIA–806, Weekly Natural Gas Liquids Report

API members also have concerns about the real value and costs of EIA’s Office of Petroleum and Biofuels Statistics (PBS) proposal to begin collecting weekly production and inventory of natural gas liquids (NGL) from operators of natural gas processing plants and inventory data from operators of natural gas liquids fractionation plants using a new Form EIA–806 “Weekly Natural Gas Liquids Report.” While EIA has stated that data collected on Form EIA–806 will be comparable but less detailed than the data collected on Form EIA–816 “Monthly Natural Gas Liquids Report,” our members do not believe the estimates of the time and cost burdens are accurate based on their operations and accounting processes. The following comments outline our concerns in greater detail.

Potential Unintended Consequences

A weekly reporting requirement could potentially increase the possibility for fines and penalties levied against companies as they attempt to comply with this new form. Fines can be up to \$10,633 each day per violation.⁴ Given that a report has eight lines, and the precedent to treat each reported line as a separate violation, there is the potential over 52 weeks for significant fines based on a form that is arbitrary and of little empirical value. In addition to the potential monetary costs, EIA should clarify that the intent of this proposed reporting is not to require operators to make process changes to collect additional data or retrofit process flow systems in order to differentiate currently combined product streams. Additional regulatory burden to industry would be incurred if that were the case.

Burden

In its proposal, EIA estimates the total annual reporting and recordkeeping cost to be \$16,960,659 (203,414 burden hours times \$83.38 per hour)—which already includes the collection of the new weekly survey Form EIA-806⁵. EIA fails to highlight with the proposed collection of the new weekly Form EIA-806 there will be additional cost and burden hours. EIA estimates reporting burden for this new Form EIA-806 collection of information to be about 0.75 hours per response, including the time of reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This estimate of 0.75 hours per response or forty-five (45) minutes translates to 2,340 burden hours in a year or \$195,109 additional cost (2,340 burden hours times \$83.38 per hour) per each additional form to fill out⁶. Additionally, many operators are not currently tracking, nor do they have the accounting capacity to track, NGL volume stocks by week. These are accounted for on a monthly basis and involve daily sales that would be impossible to track on a transactional level. Therefore, collection of weekly data may not guarantee accuracy of data. Implementing the changes in

⁴ https://www.eia.gov/survey/form/eia_806/proposed/instructions.pdf

⁵ <https://www.govinfo.gov/content/pkg/FR-2022-05-06/pdf/2022-09752.pdf>

⁶ https://www.eia.gov/survey/form/eia_806/proposed/instructions.pdf



processes and systems to track the requested volumes on a weekly basis would require significant investments in software, training, and data management. Plant accounting systems would need to accept daily volumes (and sales) in order to perform accounting of this nature and many are currently not designed to do that. Based on historical industry experience, a change of that magnitude could run in the hundreds of thousands of dollars to implement per company, leading to a significantly larger burden than that estimated by EIA. Additionally, because of the shorter turnaround (less auditing and processing time) in the weekly report of data, discrepancies in the weekly aggregated data and monthly final data would be more evident and again, explaining these discrepancies would be a significant burden to measurement and reporting teams.

Demonstrated Need

EIA's justification for this new form, that it "will allow EIA to improve the accuracy of weekly propane production and, for the first time, allow EIA to report weekly natural gas liquids production using actual data collected from gas processing plants" is not adequate to justify the cost and burden to operators currently reporting information through EIA Form 816, "Monthly Natural Gas Liquids Report." EIA does not report data in "real time" so any granularity gained from a new procedure would be fleeting, at best. EIA also does not accept revisions; which would surely increase in number, not to mention the increased cost of compliance because of the changing volumes of production, processing, and transportation that are all driven by broader market forces.

API and our members hope EIA is willing to discuss these concerns with us to better understand the ways in which our members collect and report data, and what may be possible without having to invest significant resources of time, money, and training to collect information that may only be of marginal value, if any at all, in light of the current data collected in EIA Form 816.

Regards,

A handwritten signature in black ink, appearing to read 'Robin Rorick', is positioned below the 'Regards,' text.

Robin Rorick Group
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American Petroleum Institute