

Supporting Statement for
**FERC-725E, Mandatory Reliability Standards for the
Western Electric Coordinating Council**

The Federal Energy Regulatory Commission (Commission) (FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-725E, Mandatory Reliability Standards for the Western Electric Coordinating Council**, for a three year period. FERC-725E (Control No. 1902-0246) is an existing Commission data collection, (filing requirements), as contained in 18 Code of Federal Regulations, Part 40.

Background

The Electricity Modernization Act of 2005 was enacted into law as part of the Energy Policy Act of 2005 by President George W. Bush on August 8, 2005. Subtitle A of the Electricity Modernization Act amended the Federal Power Act (FPA) by adding a new section 215, titled “Electric Reliability.” Section 215 of the FPA buttresses the Commission’s efforts to strengthen the reliability of the interstate grid through the grant of new authority which provides for a system of mandatory Reliability Standards developed by the Electric Reliability Organization (ERO)¹ and reviewed and approved by FERC.

In the aftermath of the 1965 Blackout in the northeast United States, the electric industry established the North American Electric Reliability Council, a voluntary reliability organization and predecessor to the North American Electric Reliability Corporation (NERC). Since its inception, NERC has developed Operating Policies and Planning Standards that provide voluntary guidelines for operating and planning the North American bulk-power system. In April 2005, NERC adopted “Version O” reliability standards that translated the NERC Operating Policies, Planning Standards and compliance requirements into a comprehensible set of measurable standards. While NERC developed a compliance enforcement program to ensure compliance with the reliability standards it developed, industry compliance was still voluntary and not subject to mandatory enforcement penalties. Although NERC’s efforts have been important in maintaining the reliability of the nation’s bulk-power system, NERC itself recognized the need for mandatory, enforceable reliability standards and has been a proponent of legislation to establish a FERC-jurisdictional ERO that would propose and enforce mandatory reliability standards.

On February 3, 2006, the Commission issued Order No. 672, implementing section 215 of the FPA.² In Order No. 672, the Commission certified one organization, NERC, as the ERO.³

1 “Electric Reliability Organization” or “ERO” means the organization certified by the Commission the purpose of which is to establish and enforce Reliability Standards for the Bulk-Power System, subject to Commission review.

2 *Rules Concerning Certification of the Electric Reliability Organization; Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204 (2006), *order on reh’g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

3 See *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062 (*ERO Certification Order*), *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006).

Reliability Standards that the ERO proposes to the Commission may include Reliability Standards that are proposed to the ERO by a Regional Entity.⁴ A Regional Entity is an entity that has been approved by the Commission to enforce Reliability Standards under delegated authority from the ERO.⁵ When the ERO reviews a regional Reliability Standard that would be applicable on an Interconnection-wide basis and that has been proposed by a Regional Entity organized on an Interconnection-wide basis, the ERO must rebuttably presume that the regional Reliability Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest.⁶

RM06-16-000 Final Rule

On March 16, 2007, the Commission issued Order No. 693, a Final Rule that added part 40, to the Commission's regulations. The Final Rule stated that this part applies to all users, owners and operators of the Bulk-Power System within the United States (other than Alaska or Hawaii). It also requires that each Reliability Standard identify the subset of users, owners and operators to which that particular Reliability Standard applies. The new regulations also required that each Reliability Standard approved by the Commission will be maintained on the ERO's Internet website for public inspection.

The Commission approved 83 of 107 proposed Reliability Standards, six of the eight proposed regional differences, and the Glossary of Terms used in Reliability Standards as developed by the North American Electric Reliability Corporation. NERC was certified by the Commission as the Electric Reliability Organization (ERO) responsible for developing and enforcing mandatory Reliability Standards. Those Reliability Standards meet the requirements of section 215 of the FPA and Part 39 of the Commission's regulations. However, although the Commission believes it is in the public interest to make these Reliability Standards mandatory and enforceable, the Commission also found that much work remained to be done. Specifically, the Commission believed that many of these Reliability Standards require significant improvement to address, among other things, the recommendations of the Blackout Report. Therefore, in accordance with section 215(d)(5), the Commission required the ERO to submit significant improvements to 56 of the 83 Reliability Standards that were approved as mandatory and enforceable. The remaining 24 Reliability Standards remain pending at the Commission until further information is provided.

RR07-11-000 ORDER APPROVING REGIONAL RELIABILITY STANDARDS FOR THE WESTERN INTERCONNECTION

On March 26, 2007, the North American Electric Reliability Corporation submitted for approval eight proposed regional Reliability Standards for the Western Electricity Coordinating

4 16 U.S.C. § 824o (e)(4).

5 16 U.S.C. §§ 824o(a)(7) ana (e)(4).

6 16 U.S.C. § 824o (d)(3); 18 C.F.R. § 39.5 (b).

Council (WECC). These regional Reliability Standards apply to the Western Interconnection in addition to the 83 mandatory Reliability Standards developed by NERC that took effect on a nation-wide basis in June 2007.⁷ In accordance with section 215(d)(2) of the FPA, the Commission approved the regional Reliability Standards. The approval of the regional Reliability Standards allows for the continuation of certain reliability practices that were currently in effect in the Western Interconnection. In addition, the Commission directed WECC to develop several specific modifications to the regional Reliability Standards when WECC develops, through its Reliability Standards development process, permanent, replacement Reliability Standards.

A. Justification

1. **CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY**

Since 1935, the Commission has regulated certain electric utility activities under the FPA. Under FPA Sections 205 and 206, the Commission oversees the rates, terms and conditions of sales for resale of electric energy and transmission service in interstate commerce by public utilities. The Commission must ensure that those rates, terms and conditions are just and reasonable and not unduly discriminatory or preferential. One of the Commission's continuing priorities is to promote electricity grid reliability. Recent legislation has enhanced the Commission's efforts to strengthen the reliability of the interstate grid by granting it with new authority.

Recent Events

A common cause of the past three major regional blackouts (noted above) was violation of NERC's then Operating Policies and Planning Standards. During July and August 1996, the west coast of the United States experienced two cascading blackouts caused by violations of voluntary Operating Policies.⁸ In response to the outages, the Secretary of Energy convened a task force to advise the Department of Energy (DOE) on issues needed to be addressed to maintain the reliability of the bulk-power system. In a September 1998 report, the task force recommended, among other things, that federal legislation should grant more explicit authority for FERC to approve and oversee an organization having responsibility for bulk-power reliability standards.⁹ Further, the task force recommended that such legislation provide for

⁷ See *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, 118 FERC ¶ 61,218 (March 16, 2007), 72 Fed. Reg. 16,416 (April 4, 2007).

⁸ The Electric Power Outages in the Western United States, July 2-3, 1996, at 76 (ftp://www.nerc.com/pub/sys/all_updl/docs/pubs/doerept.pdf) and WSCC Disturbance Report, For the Power System outage that Occurred on the Western Interconnection August 10, 1996, at 4 (ftp://www.nerc.com/pub/sys/all_updl/docs/pubs/AUG10FIN.pdf).

⁹ Maintaining Reliability in a Competitive U.S. Electricity Industry. Final report of the Task Force on Electric System Reliability, Secretary of Energy Advisory Board, U.S. Department of Energy (September 1998), at 25-27, 65-67.

Commission jurisdiction for reliability of the bulk-power system and FERC implementation of mandatory, enforceable reliability standards.

Electric reliability legislation was first proposed after issuance of the September 1998 task force report and was a common feature of comprehensive electricity bills since that time. A stand-alone electric reliability bill was passed by the Senate unanimously in 2000. In 2001, President Bush proposed making electric Reliability Standards mandatory and enforceable as part of the National Energy Policy.¹⁰

Congress directed the development of mandatory, Commission-approved, enforceable electricity Reliability Standards. Section 215 of the FPA provides for a system of mandatory, enforceable Reliability Standards. Under the new electric power reliability system enacted by the Congress, the United States will no longer rely on voluntary compliance by participants in the electric industry with industry reliability requirements for operating and planning the Bulk-Power System. The Commission believes that, to achieve this goal, it is necessary to have a strong ERO that promotes excellence in the development and enforcement of Reliability Standards.

A mandatory Reliability Standard should not reflect the “lowest common denominator” in order to achieve a consensus among participants in the ERO’s Reliability Standard development process. Therefore, the Commission will carefully review each Reliability Standard submitted and, where appropriate, later remand if necessary, an inadequate Reliability Standard to ensure that it protects reliability, has no undue adverse effect on competition, and can be enforced in a clear and even-handed manner.

The Commission may approve a proposed Reliability Standard if the Commission finds it is just, reasonable, not unduly discriminatory or preferential, and in the public interest.¹¹ In addition, the Commission explained in Order No. 672 that “uniformity of Reliability Standards should be the goal and the practice, the rule rather than the exception.”¹² Yet, the Commission recognized that “the goal of greater uniformity does not, however, mean that regional differences cannot exist.”¹³ The Commission then provided the following guidance:

As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly discriminatory or preferential, and in the public interest, as required by the statute: (1) a regional difference that is more stringent than the continent-wide Reliability Standard, including a regional difference that addresses matters that the continent-wide Reliability Standard does not; and (2) a regional Reliability Standard that is necessitated by a physical difference in the Bulk-

¹⁰ Report of the National Energy Policy Development Group, May 2001, at p. 7-6.

¹¹ 16 U.S.C. § 824o (d)(2).

¹² Order No. 672 at P 290.

¹³ *Id.* at 291.

Power System.¹⁴

Western Electricity Coordinating Council (WECC)

WECC was formed on April 18, 2002, by the merger of Western Systems Coordinating Council (WSCC), Southwest Regional Transmission Association (SWRTA), and Western Regional Transmission Association (WRTA). The formation of WECC was accomplished over a four-year period through the cooperative efforts of WSCC, SWRTA, WRTA, and other regional organizations in the West. WECC's interconnection-wide focus is intended to complement current efforts to form Regional Transmission Organizations (RTO) in various parts of the West.

WECC is responsible for coordinating and promoting electric system reliability. In addition to promoting a reliable electric power system in the Western Interconnection, WECC supports efficient competitive power markets, assures open and non-discriminatory transmission access among members, provides a forum for resolving transmission access disputes, and provides an environment for coordinating the operating and planning activities of its members as set forth in the WECC Bylaws.

The WECC region encompasses a vast area of nearly 1.8 million square miles. It is the largest and most diverse of the ten regional councils of the North American Electric Reliability Council. WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and British Columbia, the northern portion of Baja California, Mexico, and all or portions of the 14 western states in between. Transmission lines span long distances connecting the Pacific Northwest with its abundant hydroelectric resources to the arid Southwest with its large coal-fired and nuclear resources. WECC and the nine other regional reliability councils were formed due to national concern regarding the reliability of the interconnected bulk power systems, the ability to operate these systems without widespread failures in electric service, and the need to foster the preservation of reliability through a formal organization.

WECC developed a Reliability Management System (RMS) pursuant to which transmission operators in the Western Interconnection agreed by contract to be bound by the WECC reliability criteria and sanctions for non-compliance. According to WECC, the criteria are recognized by all WECC members but are contractually binding only on members that signed an RMS Agreement.¹⁵

The eight Reliability Standards do not require responsible entities to file information with the Commission. However, the standards do require responsible entities to file periodic reports with WECC and to develop and maintain certain information for a specified period of time, subject to inspection by WECC. WECC-BAL-STD-002-0 requires balancing authorities and reserve sharing groups to submit to WECC quarterly reports on operating reserves as well as

¹⁴ *Id.*

¹⁵ See WECC April 17, 2007 Comments at 16.

reports after any instance of non-compliance. WECC-IRO-STD-006-0 requires transmission operators, balancing authorities and load-serving entities to document and report to WECC actions taken in response to direction to mitigate unscheduled flow. The standard also requires transmission operators to document required actions that are and are not taken by responsible entities. WECC- PRC-STD-001-1 requires certain transmission operators to submit to WECC annual certifications of protective equipment. WECC-PRC-STD-003-1 requires certain transmission operators to report to WECC any misoperation of relays and remedial action schemes. WECC-PRC-STD-005-1 requires certain transmission operators to maintain, in stated form, maintenance and inspection records pertaining to their transmission facilities. The standard also requires operators to certify to WECC that the operator is maintaining the required records. WECC-TOP-STD-007-0 requires certain transmission operators to submit to WECC quarterly reports on transfer capability data and compliance as well as reports after an instance of non-compliance. WECC-VAR-STD-002a-1 and WECC-VAR-STD-002b-1 require certain generators to submit quarterly reports to WECC on automatic voltage control and power system stabilizers. All of the foregoing regional Reliability Standards require the reporting entity to retain relevant data in electronic form for one year or for a longer period if the data is relevant to a dispute or potential penalty, except that WECC-PRC-STD-005-1 requires retention of maintenance and inspection records for five years and retention of other data for four years.

2. HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION

Prior to enactment of section 215, FERC had acted primarily as an economic regulator of wholesale power markets and the interstate transmission grid. In this regard, the Commission acted to promote a more reliable electric system by promoting regional coordination and planning of the interstate grid through regional independent system operators (ISOs) and regional transmission organizations (RTOs), adopting transmission pricing policies that provide price signals for the most reliable and efficient operation and expansion of the grid, and providing pricing incentives at the wholesale level for investment in grid improvements and assuring recovery of costs in wholesale transmission rates.

Sufficient supplies of energy and a reliable way to transport those supplies to customers are necessary to assure reliable energy availability and to enable competitive markets. Reasonable supply relative to demand is essential for competitive markets to work. Without sufficient delivery infrastructure, some suppliers will not be able to enter the market, customer choices will be limited, and prices will be needlessly volatile. The Commission assists in creating a more reliable electric system by:

- Fostering regional coordination and planning of the interstate grid through ISOs and RTOs;
- Adopting transmission policies that provide price signals for the most reliable and efficient operation and expansion of the grid; and

- Providing pricing incentives at the wholesale level for investment in grid improvements and ensuring opportunities for cost recovery in wholesale transmission rates.

The passage of the Electricity Modernization Act of 2005 added to the Commission's efforts identified above, by giving it the authority to strengthen the reliability of the interstate grid through the grant of new authority pursuant to section 215 of the FPA which provides for a system of mandatory Reliability Standards developed by the ERO, established by FERC, and enforced by the ERO and Regional Entities.

As part of FERC's efforts to promote grid reliability, the Commission created a new Office of Electric Reliability (OER) in 2007. This office oversees the development and review of mandatory Reliability and Security. OER also ensures compliance with the approved mandatory standards by users, owners, and operators of the Bulk Power System, and maintains a situational awareness monitoring tool to provide wide area visibility of the Bulk Power System.

The Commission uses the data to participate in NERC's Reliability Standards Development process. The Commission also uses the data when approving certain regional Reliability Standards such as those produced by WECC. In addition, FERC's Office of Electric Reliability uses the data to engage in studies and other activities to assess the longer-term and strategic needs and issues related to power grid reliability.

3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED TECHNOLOGY TO REDUCE BURDEN AND TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN.

The Commission has developed the capability for electronic filing of all major submissions to the Commission. In Order No. 619, the Commission established an electronic filing initiative that permits over 40 qualified types of documents to be filed over the Internet to its website. This includes the ability to submit standard forms using software that is readily available and easy to use. Electronic filing, combined with electronic posting and service over the web site, permits staff and the public to obtain filings in a faster and more efficient manner. The Commission is working to expand the qualified types of documents that can be filed over the Internet.

In order that the Commission is able to perform its oversight function with regard to Reliability Standards that are proposed by the ERO and established by the Commission, it is essential that the Commission receive timely information regarding all or potential violations of Reliability Standards. While section 215 of the FPA contemplates the filing of the record of an ERO or Regional Entity enforcement action, FERC needs information regarding violations and potential violations at or near the time of occurrence. Therefore, the Commission works with the ERO and regional reliability organizations to be able to use the electronic filing of information so the Commission receives timely information.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN INSTRUCTION NO. 2

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its responsibilities under the FPA in order to eliminate duplication and ensure that filing burden is minimized. There are no similar sources of information available that can be used or modified for these reporting purposes. All reliability requirements will be subject to FERC approval along with the requirements developed by Regional Entities and Regional Advisory Bodies and the ERO.

5. METHODS USED TO MINIMIZE BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES

FERC-725E is a filing requirement concerning the implementation of reliability standards by NERC and its responsibilities as well as those of Regional Entities in this instance WECC and Regional Advisory Bodies in the development of Reliability Standards. The Electricity Modernization Act specifies that the ERO and Regional Entities are not departments, agencies or instrumentalities of the United States government and will not be like most other businesses, profit or not-for-profit. Congress created the concept of the ERO and Regional Entities as select, special purpose entities that will transition the oversight of the Bulk-Power System reliability from voluntary, industry organizations to independent organizations subject to Commission jurisdiction.

Section 215(b) of the FPA requires all users, owners and operators of the Bulk-Power System to comply with Commission-approved Reliability Standards. Each proposed Reliability Standard submitted for approval by NERC applies to some subset of users, owners and operators. Each proposed Reliability Standard includes an “applicability” statement that identifies the functional classes of entities responsible for compliance. Such functional classes include reliability coordinators, balancing authorities, transmission operators, transmission owners, generator operators, generator owners, interchange authorities, transmission service providers, market operators, planning authorities, transmission planners, resource planners, load-serving entities, purchasing-selling entities, and distribution providers.¹⁶

As explained by NERC, a generator operator, for example, could include any entity that operates a generator interconnected to the grid, be it a large unit in excess of 1,000 MW or a small generator of one MW or less. NERC states that to ensure that Reliability Standards are applied cost effectively and that the applicability of Reliability Standards is focused on entities

¹⁶ See NERC Petition at 9-10.

having a material impact on Bulk-Power System reliability; it will begin providing greater specificity in the applicability section of a Reliability Standard.¹⁷

The Commission believes that these Reliability Standards may cause some small entities to experience economic impact. While the Commission is mindful of the possible impact on small entities, the Commission is also concerned that Bulk-Power-System reliability not be compromised based on an unwillingness of entities, large or small, to incur reasonable expenditures necessary to preserve such reliability. As the Commission explained in Order No. 672:

A proposed Reliability Standard may take into account the size of the entity that must comply with the Reliability Standard and the cost to those entities of implementing the proposed Reliability Standard. However, the ERO should not propose a “lowest common denominator” Reliability Standard that would achieve less than excellence in operating system reliability solely to protect against reasonable expenses for supporting this vital national infrastructure. For example, a small owner or operator of the Bulk Power-System must bear the cost of complying with each Reliability Standard that applies to it.^[18]

Based on available information regarding NERC’s compliance registry, approximately 180-200 entities will be responsible for compliance with the eight regional Reliability Standards. Most of those entities, *i.e.*, balancing authorities, generator operators, transmission owners and operators, do not fall within the definition of small entities.¹⁹ About one-fifth of the approximately 140 load-serving entities that are subject to the approved Standards might qualify as small entities.

While the Commission cannot rule on the merits until a specific proposal has been submitted, the Commission believes that reasonable limits on applicability based on size may be an acceptable alternative to lessen the economic impact on the proposed rule on small entities. The Commission emphasizes, however, that any such limits must not weaken Bulk-Power-System reliability.

6. CONSEQUENCE TO FEDERAL PROGRAM IF COLLECTION WERE CONDUCTED LESS FREQUENTLY

¹⁷ *Id.* at 81-82.

¹⁸ Order No. 672 at P 330.

¹⁹ The RFA definition of “small entity” refers to the definition provided in the Small Business Act, which defines a “small business concern” as a business that is independently owned and operated and that is not dominant in its field of operation. See 15 U.S.C. § 632 (2000). According to the SBA, a small electric utility is defined as one that has a total electric output of less than four million MWh in the preceding year.

The Electric Reliability Organization will conduct periodic assessments of the reliability and adequacy of the Bulk-Power System in North America and report its findings to the Commission, the Secretary of Energy, Regional Entities, and Regional Advisory Bodies annually or more frequently if so ordered by the Commission. The ERO and Regional Entities will report to FERC on their enforcement actions and associated penalties and to the Secretary of Energy, relevant Regional Entities and relevant Regional Advisory Bodies annually or quarterly in a manner to be prescribed by the Commission. If the information were conducted less frequently or discontinued, the Commission would be placed at a disadvantage in not having the data necessary for monitoring its mandated obligations.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

FERC-725E is a filing requirement necessary to comply with the applicable provisions of the Electricity Modernization Act of 2005 and section 215 of the Federal Power Act.

In accordance with section 39.5 of the Commission's regulations, the ERO must file each Reliability Standard or a modification to a Reliability Standard with the Commission. The filing is to include a concise statement of the basis and purpose of the proposed Reliability Standard, either a summary of the Reliability development proceedings conducted by the ERO or a summary of the Reliability Standard development proceedings conducted by a Regional Entity together with a summary of the Reliability Standard review proceedings of the ERO and a demonstration that the proposed Reliability Standard is "just, reasonable, not unduly discriminatory or preferential, and in the public interest.

The ERO must make each effective Reliability Standard available on its Internet website. Copies of the effective Reliability Standards will be available from the Commission's Public Reference Room.

WECC- PRC-STD-005-1 requires retention of maintenance and inspection records for five years and retention of other data for four years. This exceeds the OMB guidelines in 5 CFR 1320.5(d) (2) (iv) which directs that agencies should require the public to retain records for more than three years.

There is no explicit statute of limitations set forth in FPA section 215, and no statute of limitations appears in the FPA. In Order No. 670, the Commission declined to designate a statute of limitations or otherwise adopt an arbitrary time limitation on complaints or enforcement actions that may arise. However, the Commission noted, that when a statutory provision under which civil penalties may be imposed lacks its own statute of limitations, the

general statute of limitations for collection of civil penalties, 28 U.S.C. 2462, applies.²⁰ Section 2462 in 28 U.S.C. imposes a five-year limitations period on any “action, suit, or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise.”²¹

**8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY:
SUMMARIZE PUBLIC COMMENTS AND THE AGENCY'S RESPONSE
TO THESE COMMENTS**

Each Commission rulemaking (both NOPR and Final Rules) are published in the Federal Register, thereby affording all public utilities and licensees, state commissions, Federal agencies, and other interested parties an opportunity to submit data, views, comments or suggestions concerning the proposed collection of data. The notice procedures also allow for public conferences to be held as required. The Commission has held several workshops and technical conferences to address reliability issues including transition to the NERC Reliability Standards, operator tools, and reactive power.

Stakeholders in the electric utility industry have also participated in dialogues on the international implications of the ERO and Cross-Boarder Regional Entities during three public bilateral workshops held in the United States and Canada.

A notice of proposed information collection and request for comments was published in the Federal Register on June 21, 2010²², 75 FR 35001, 6/21/2010; and also posted at <http://elibrary.ferc.gov> [http://elibrary.ferc.gov/idmws/search/advResults.asp=20100615-3071\(23887771\)](http://elibrary.ferc.gov/idmws/search/advResults.asp=20100615-3071(23887771))[1]. The Commission received no comments in response to this notice. (The 30-day notice (Attachment A [in ROCIS under ‘supplementary documents’] is posted at <http://elibrary.ferc.gov/idmws>.)

No comments were received in response to the notice.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

No payments or gifts have been made to respondents.

**10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO
RESPONDENTS**

The Commission generally does not consider the data filed to be confidential.

²⁰ See, e.g., United States v. Godbout-Bandal, 232 F.3d 637, 639 (8th Cir. 2000).

²¹ 28 U.S.C. 2462 (2000). The five-year limitation runs “from the date the claim first accrued.” Id. 22 75 FR 35001.

Section 215(e) of the FPA as well as section 39.7(d) of the Commission’s regulations regarding enforcement of Reliability Standards provides for public notice and opportunity for a hearing with respect to both the ERO (or Regional Entity) enforcement proceedings and proceedings before the Commission involving review of a proposed penalty for violation of a Reliability Standard. Section 39.7(b)(4) provides a limited exception to this notice requirement and allows for non-public proceedings for enforcement actions that involve a Cybersecurity Incident,²³ unless FERC determines on a case-by-case basis that such protection is not necessary. The Commission has in place procedures to prevent the disclosure of sensitive information, such as the use of protective orders and rules establishing critical energy infrastructure information (CEII). However, the Commission believes that the specific, limited area of Cybersecurity Incidents requires additional protections because it is possible that system security and reliability would be further jeopardized by the public dissemination of information involving incidents that compromised the cybersecurity system of a specific user, owner or operator of the Bulk-Power System. In addition, additional information provided with a filing may be submitted with a specific request for confidential treatment to the extent permitted by law and considered pursuant to 18 C.F.R. 388.112 of FERC's regulations.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE.

There are no questions of a sensitive nature that are considered private.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission’s estimates below are based on the total reporting burdens that arise under the approved standards. The estimates are based on the NERC compliance registry as of April 2010. For the Western Interconnection that is overseen by WECC and NERC. WECC and NERC have identified approximately 34 balancing authorities, 206 generator operators, 149 load-serving entities, and 83 transmission operators and owners. The burden estimates shown below reflect an adjustment to the number of entities that were initially reported in R07-11-000, the Commission’s order approving these regional reliability standards.²⁴

Burden Estimate: The Public Reporting burden for the requirements in the present order is as follows:

FERC Data Collection	No. of Respondents	Average No. of Responses per	Average Burden Hours per	Total Burden Hours
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23 The term “Cybersecurity Incident” is defined as a malicious act or suspicious event that disrupts, or was an attempt to disrupt, the operation of those programmable electronic devices and communications networks including hardware, software and data that are essential to the Reliable Operation of the Bulk-Power System.

24 Order Approving Regional Reliability Standards for the Western Interconnections and Directing Modifications, 119 FERC ¶ 61,260(2007).

	(1)	Respondent (2)	Response (3)	(1)x(2)x(3)
FERC-725E				
Reporting				
Balancing Authorities	34	1	20	680
Generator Operators	206	1	10	2060
Load-Serving Entities	149	1	10	1490
Transmission Operators/ Owners	83	1-7 each (total of 83)	40	3320
Record-keeping	Balancing Authorities			68
	Generator Operators			206
	Load-Serving Entities			149
	Transmission Owners/Operators			332
	Totals			755

Total Annual hours for the Information Collection: 7,550 reporting hours + 755 recordkeeping = 8,305 hours.

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The Commission is seeking comments on the costs to comply with these requirements. It has projected the average annualized cost to be \$936,200 as shown below:

Reporting = 7,550 hours @ \$120/hour = \$906,000

Recordkeeping = 755 hours @ \$40/hour = \$30,200

Total Costs = Reporting (\$906,000) + Recordkeeping (\$30,200) = \$936,200

(The hourly rate figure is a composite figure. For reporting, the Commission has set a rate that combines time for legal, technical and administrative support. With regard to recordkeeping, the hourly rate represents both supervisory and support staff hourly rates.)

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimate of the cost to the Federal Government is based on salaries for professional and clerical support, as well as direct and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an organization in

support of its mission. These costs apply to activities which benefit the whole organization rather than anyone particular function or activity.

Direct Costs = \$137,872 x .26 FTE = \$35,847.

15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE

There is an adjustment to the estimates that the Commission submitted with the order approving the regional Reliability Standards (Docket No. RR07-11-000). In particular, the number of entities in WECC has increased significantly due to entities that have entered the market place to meet increasing demand. In particular, the number of load serving entities went from 50 to 149; generator operators went from 146 to 206 and transmission owners/operators which went from 14 to 83. This increase has resulted in an additional 3,729 hours. (8,305 hrs. - 4576 hrs.)

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

The filed Reliability Standards are available on the Commission's eLibrary document retrieval system in Docket No. RR07-11-000 and are available on the ERO's website, http://www.nerc.com/~filez/nerc_filings_ferc.html.

Copies of the filings are made available to the public within two days of submission to FERC via the Commission's web site. There are no other publications or tabulations of the information.

17. DISPLAY OF THE EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collected. The information will not be collected on a standard, preprinted form which would avail itself to that display. Rather the Electric Reliability Organization must prepare and submit filings that reflect unique or specific circumstances related to the Reliability Standard. In addition, the information contains a mixture of narrative descriptions and empirical support that varies depending on the nature of the transaction.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

Item No. 19(g) (vi) see Instruction No. 17 above for further elaboration. In addition, the data collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not use as stated in item no. 19(i) "effective and efficient statistical survey methodology." The information collected is case specific to each Reliability Standard.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.

This is not a collection of information employing statistical methods.