

Supporting Statement for  
**FERC-725A, Mandatory Reliability Standards for the Bulk-Power System**  
Docket Nos. RD11-10-000 and RD11-3-000  
(Commission Orders Issued November 17, 2011)

The Federal Energy Regulatory Commission (Commission or FERC) requests Office of Management and Budget (OMB) review of **FERC-725A, Mandatory Reliability Standards for the Bulk-Power System**<sup>1</sup> as contained in the Commission Order in Docket Nos. RD11-10-000<sup>2</sup> and RD11-3-000.<sup>3</sup> FERC-725A (Control No. 1902-0244) is an existing Commission data collection, contained in 18 Code of Federal Regulations (CFR), Part 40.

The proposed information collections in Docket Nos. RD11-10-000 and RD11-3-000 relate to Reliability Standards FAC-008-3 and FAC-013-2, developed by the North American Electric Reliability Corporation (NERC), and submitted to the Commission for approval. The information collection requirements contained in Reliability Standards FAC-008-3 and FAC-013-2 are contained in FERC-725A (OMB Control Number 1902-0244).

**A. Justification**

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

In the Energy Policy Act of 2005 (EPAAct 2005), Congress entrusted the Commission with a major new responsibility to oversee mandatory, enforceable Reliability Standards for the Nation's Bulk-Power System (excluding Alaska and Hawaii). This authority is in section 215 of the Federal Power Act (FPA). Section 215 requires the Commission to select an Electric Reliability Organization (ERO) that is responsible for proposing, for Commission review and approval, Reliability Standards or modifications to existing Reliability Standards to help protect and improve the reliability of the Nation's Bulk-Power System. The Commission has certified NERC as the ERO. The Reliability Standards apply to the users, owners and operators of the Bulk-Power System and become mandatory and enforceable in the United States only after Commission approval. The ERO also is authorized to impose, after notice and opportunity for a hearing, penalties for violations of the Reliability Standards, subject to Commission review and

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<sup>1</sup> The information collection requirements in these Orders were not submitted to OMB earlier due to another submission under the same control number that was submitted previously.

<sup>2</sup> *North American Electric Reliability Corporation*, 137 FERC ¶ 61,123 (2011).

<sup>3</sup> *North American Electric Reliability Corporation*, 137 FERC ¶ 61,131 (2011).

approval. The ERO may delegate certain responsibilities to Regional Entities, subject to Commission approval.

The Commission may approve proposed Reliability Standards or modifications to previously approved standards if it finds them “just, reasonable, not unduly discriminatory or preferential, and in the public interest.”<sup>4</sup> The Commission itself does not have authority to modify proposed standards. Rather, if the Commission disapproves of a proposed standard or modification, section 215 requires the Commission to remand it to the ERO for further consideration. The Commission, upon its own motion or upon complaint, may direct the ERO to submit a proposed standard or modification on a specific matter but it does not have the authority to modify or author a standard and must depend upon the ERO to do so.

On March 16, 2007, the Commission issued Order No. 693 approving 83 Reliability Standards proposed by NERC, including Reliability Standard FAC-008-1 and FAC-013-1.<sup>5</sup> In Order No. 693, the Commission also directed the ERO to modify Reliability Standard FAC-008-1 to: (1) document underlying assumptions and methods used to determine normal and emergency facility ratings; (2) develop facility ratings consistent with industry standards developed through an open, transparent and validated process; and (3) for each facility, identify the limiting component and, for critical facilities, the resulting increase in rating if that component is no longer limiting.<sup>6</sup> In addition, the Commission directed NERC to modify FAC-013 so that it would apply to all reliability coordinators, and directed NERC to develop a standard that would provide a framework for calculation of transfer capability using processes and criteria that are consistent with the processes and criteria used in planning and operations.<sup>7</sup> Subsequently, NERC developed and the Commission approved a separate set of standards that calculated transfer capability in the operating horizon, but the Commission found that these standards do not fully satisfy the outstanding directive to develop a standard that calculates transfer capability in the planning horizon for purposes of long-term transmission and reliability planning.<sup>8</sup>

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<sup>4</sup> 16 U.S.C. 824o(d)(3).

<sup>5</sup> *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, at P 736, *order on reh’g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

<sup>6</sup> Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 771.

<sup>7</sup> *Id.* at PP 776, 779 and 782.

<sup>8</sup> *Mandatory Reliability Standards for the Calculation of Available Transfer Capability*,

## **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 of the FPA, FERC had acted primarily as an economic regulator of the 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).

The passage of the EPACT 2005 added to the Commission's efforts, by giving it the authority to strengthen the reliability of the interstate electric transmission 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 electric transmission grid reliability, the Commission created the Office of Electric Reliability (OER) in 2007. OER oversees the development and review of mandatory Reliability Standards. OER also oversees 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.

### **FAC-008-3**

On June 15, 2011, NERC filed a petition requesting approval of Reliability Standard FAC-008-3, the associated Violation Risk Factors and Violation Severity Levels for this Reliability Standard, and retirement of Reliability Standards FAC-008-1 and FAC-009-1. NERC states that it developed Reliability Standard FAC-008-3 using the NERC Reliability Standards Development Procedure, and further states that FAC-008-3 addresses all three Commission directives from Order No. 693. Reliability Standard FAC-008-3 was approved by the NERC Board of Trustees on May 24, 2011.

NERC states that FAC-008-3 addresses the important reliability goal of improving uniformity and transparency in the facility ratings process. NERC avers that the Reliability Standard presents clear, measurable, and enforceable requirements that each

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*Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability and Existing Transmission Commitment and Mandatory Reliability Standards for the Bulk-Power System*, Order No. 729, 129 FERC ¶ 61,155, at P 291 (2009); *order on reh'g*, Order No. 729-A, 131 FERC ¶ 61,109, *order on reh'g*, Order No. 729-B, 132 FERC ¶ 61,027 (2010).

transmission and generator owner develop facility ratings methodologies for its facilities, which are essential for the determination of system operating limits.<sup>9</sup> NERC further states that FAC-008-3 requires transmission owners and generator owners to document underlying assumptions and methods used to determine normal and emergency facility ratings. NERC maintains that this added transparency will allow customers, regulators and other affected users, owners, and operators of the Bulk-Power System to understand how facility owners set facility ratings through differing methods that provide equivalent results. NERC notes that FAC-008-3 requires transmission owners and generator owners to make their facility ratings documentation and methodologies available for inspection and technical review, thereby contributing to the important reliability goal of improving uniformity and transparency in the facility ratings process.

The information that must be collected identifies the extent that facilities may be reliably and safely operated. This information gives operators of the Bulk-Power System indication of the system's ability to meet the projected energy demands over the operating time horizon and resiliency against contingencies. Without an accurate assessment of the capability of the Bulk-Power System as provided by Facility Ratings information, sections of the transmission grid may be under-utilized thus resulting in inefficient use of a scarce resource, or operated beyond its ratings potentially harming equipment and people.

### **FAC-013-2**

Reliability Standard FAC-013-2 was developed in response to FERC's directives to develop a standard requiring certain transmission planning entities to examine transfer capability on the Bulk-Power System over the planning horizon for purposes of improving long-term transmission and reliability planning. The revised standard developed in response to these directives has 6 requirements. Under Requirement R1, each planning coordinator must have a documented methodology for performing an annual assessment of transfer capability in the Near-Term Transmission Planning Horizon. Under Requirement R2, each planning coordinator must share its methodology with adjacent planning coordinators and transmission planners, and with other functional

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<sup>9</sup> NERC defines System Operating Limits as "The value (such as MW, MVar, Amperes, Frequency or Volts) that satisfies the most limiting of the prescribed operating criteria for a specified system configuration to ensure operation within acceptable reliability criteria. System Operating Limits are based upon certain operating criteria." *Glossary of Terms Used in NERC Reliability Standards* at 42, updated Aug. 4, 2011, available at: [http://www.nerc.com/files/Glossary\\_of\\_Terms\\_2011August4.pdf](http://www.nerc.com/files/Glossary_of_Terms_2011August4.pdf) (NERC Glossary) (examples of the operating criteria omitted).

entities with a reliability-related need for the information. Under Requirement R3, planning coordinators must provide a documented response to comments made by an interested party about the methodology. Under Requirement R4, planning coordinators must conduct and document an annual simulation or assessment of transfer capability for at least one year in the Near-Term Transmission Planning Horizon. Under Requirement R5, planning coordinators must make the results of the assessment available to the same types of parties identified in Requirement R2. Finally, under Requirement R6, planning coordinators must provide data to support the assessment if requested by identified interested parties.

The revised Reliability Standard requires planning coordinators to perform an annual assessment of transfer capability, in order to identify potential weaknesses and limitations in the Bulk-Power System that could ultimately affect reliable transfers of energy. Unlike other transmission planning criteria, it requires the planning coordinator to consider both approved and projected transmission uses, and therefore serves as a useful test of potential stresses to the system. The revised Reliability Standard allows planning coordinators and affected users and owners of the Bulk-Power System to identify potential areas of stress or weakness based on expected changes in load, demand, and generation dispatch with sufficient lead time to identify and implement improvements to the transmission grid or other appropriate responses, to improve reliability over the long-term.

Under prior versions of the revised Reliability Standard, entities were already required to undertake a similar type of study. The revised Reliability Standard modifies the existing requirement slightly by requiring an annual calculation of transfer capability and by requiring transparency and consistency with respect to data inputs and modeling assumptions used.

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

The approved Reliability Standards do not require information to be filed with the Commission. However, they do contain disclosure and documentation requirements for which using current technology is an option that may reduce burden compared to not using current technology.

**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. The information collection requirements are unique to these Reliability Standards and are not contained in any other collection.

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

This Reliability Standard does not contain explicit provisions for minimizing the burden of the collection for small entities. All the requirements in these Reliability Standards apply to every applicable entity, be it large or small. Applicable entities are those entities registered in the NERC compliance registry for the function type(s) listed in the standard(s). Based on size, certain entities are not required to register with NERC, and are therefore exempt from complying with any Reliability Standards.<sup>10</sup>

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

#### **FAC-008-3**

Maintaining updated Facility Ratings is an ongoing process. Facilities that are upgraded, repaired or otherwise modified must undergo a review of its Ratings to ensure that the most current information is provided to requesters. Absent modification of the Facility itself, the surrounding environment, equipment aging, and “wear and tear” make regular reviews necessary and prudent.

#### **FAC-013-2**

The revised Reliability Standard requires an annual assessment of transfer capability over the near-term transmission planning horizon, which the Commission has determined is useful for the early identification of potential system weaknesses or limits. Assessing system limits for transmission planning purposes requires periodic re-evaluation and re-assessment, as projected loads and generation profiles change and as resources are added or retired. Requiring the calculation of transfer capability on an annual basis accordingly ensures that the models and studies will reflect the changing parameters of the system. In

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<sup>10</sup> See *Statement of Compliance Registry Criteria (Rev. 5.0)* at [http://www.nerc.com/files/Statement\\_Compliance\\_Registry\\_Criteria-V5-0.pdf](http://www.nerc.com/files/Statement_Compliance_Registry_Criteria-V5-0.pdf)

addition, requiring use of data inputs and modeling assumptions that are both transparent and consistent allows other affected entities, including neighboring planning entities, to meaningfully review and provide input on the studies performed.

#### **7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

Much of the documentation required to be maintained must be kept since the last compliance audit for a given entity. Because compliance audits may occur more than 3 years apart, the records may be kept for a period that exceeds OMB guidelines in 5 CFR 1320.5(d)(2)(iv) of not retaining records for longer than three years. The Commission did not prescribe a set data retention period to apply to all Reliability Standards because the circumstance of each Reliability Standard varies. The approved standards and reporting and retention requirements were developed, vetted, and proposed by industry in its standards development process. [See #8 below.]

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

The ERO process to establish Reliability Standards is a collaborative process with the ERO, Regional Entities and others developing and reviewing drafts, and providing comments, with the final proposed standard submitted to the FERC for review and approval.<sup>11</sup> The FERC review and approval process is also subject to notice and comment procedures.

#### **FAC-008-3**

Following NERC's submission to the Commission for approval of the Reliability Standard, the Commission issued a notice of filing (August 17, 2011)<sup>12</sup>. In response to this notice, International Transmission Company d/b/a/ *ITCTransmission*, Michigan Electric Transmission Company, LLC, ITC Midwest LLC, and ITC Great Plains, LLC (ITC Companies) filed comments.

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<sup>11</sup> Details of the ERO standards development process are available on the NERC website at [http://www.nerc.com/docs/standards/sc/Standard\\_Processes\\_Manual\\_Approved\\_May\\_2010.pdf](http://www.nerc.com/docs/standards/sc/Standard_Processes_Manual_Approved_May_2010.pdf).

<sup>12</sup> This notice was published in the Federal Register, 76 FR 53119. Comments were accepted through September 16, 2011.

In their comments, the ITC Companies raise a concern regarding Sub-requirement R8.1, which requires transmission owners and certain generator owners to provide facility ratings and the identity of the most limiting equipment of the facilities, “as scheduled by the requesting entities.” The ITC Companies believe the language “as scheduled by the requesting entities” is too open-ended such that there could be repeated and frequent requests for this data. The ITC Companies state this could result in burdensome “nuisance” data requests. The ITC Companies propose revising Sub-requirement R8.1 to make the schedule for ratings requests be mutually agreed between requester and the transmission owner or generator owner rather than solely the requester’s schedule.

The Commission notes that the phrase “as scheduled by the requesting entities” is virtually identical to language in Requirement R2 of currently effective Reliability Standard FAC-009-1,<sup>13</sup> which requires transmission owners and generator owners to provide facility ratings “as scheduled by such requesting entities.” Requirement R2 of FAC-009-1 has been in effect since October 2006,<sup>14</sup> and the Commission is not aware that the use of similar language in FAC-009-1, Requirement 2 has been a source of concern for applicable entities.<sup>15</sup> Thus, the Commission is not persuaded by ITC Companies’ pleading that FAC-008-3, Sub-requirement R8.1 will result in an unreasonable or unmanageable number of requests for facility ratings or the identity of limiting equipment.

The Commission issued a subsequent notice requesting public comments on October 13, 2011 (available at: [http://elibrary.ferc.gov/idmws/File\\_list.asp?document\\_id=13963144](http://elibrary.ferc.gov/idmws/File_list.asp?document_id=13963144)). No comments were received in response to the notice.

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<sup>13</sup> FAC-009-1, Requirement 2 provides:

R2. The Transmission Owner and Generator Owner shall each provide Facility Ratings for its solely and jointly owned Facilities that are existing Facilities, new Facilities, modifications to existing Facilities and re-ratings of existing Facilities to its associated Reliability Coordinator(s), Planning Authority(ies), Transmission Planner(s), and Transmission Operator(s) as scheduled by such requesting entities.

<sup>14</sup> Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 773-774.

<sup>15</sup> Based on the development record for FAC-008-3 provided by NERC, it does not appear that the ITC Companies or any other stakeholder raised this issue during the comment periods. The ITC Companies cast affirmative votes to approve FAC-008-3, without comment, in both the initial ballot (April 21, 2011 to May 2, 2011) and the recirculation ballot (May 12, 2011 to May 23, 2011). See NERC Petition, Exhibit E at 845 and 1010.



## **FAC-013-2**

The Order in Docket No. RD11-3, published in the Federal Register November 22, 2011, requested public comments (at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=12820089>). The Commission received no comments in response to this Order.

### **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 to be confidential.

### **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**

#### **Reliability Standard FAC-008-3**

There is a net increase in information collection and reporting that would result from implementing proposed Reliability Standard FAC-008-3 and retiring the two superseded Reliability Standards. The breakdown is as follows:

<b>FAC-008-3</b>	<b>Applies to:</b>	<b>Additional reporting beyond current requirements in FAC-008-1 and FAC-009-1</b>	<b>Additional recordkeeping beyond current requirements in FAC-008-1 and FAC-009-1</b>
R1	Generator owners	None, this requirement is derived from R1 of FAC-008-1.	Retention period increased by 2 years.
R2	Generator owners	None, this requirement is derived from R1 of FAC-008-1.	Retention period increased by 2 years.

R3	Transmission owners	None, this requirement is derived from R1 of FAC-008-1.	Retention period increased by 2 years.
R4	Generator owners and Transmission owners	None, this requirement is derived from R2 of FAC-008-1.	Retention period increased by 2 years.
R5	Generator owners and Transmission owners	None, this requirement is derived from R3 of FAC-008-1.	Retention period increased by 2 years.
R6	Generator owners and Transmission owners	None, this requirement is derived from R1 of FAC-008-1.	Retention period increased by 2 years.
R7	Generator owners	None, this requirement is derived from R2 of FAC-008-1.	Retention period increased by 2 years.
R8	Generator owners that are subject to R2 and Transmission owners	Newly added reporting of the next most limiting equipment and the thermal rating for the next most limiting equipment.	New retention period of 3 years.

Public reporting burden for this proposed collection is estimated as:

<b>Additional Proposed Burden in FERC-725A From FAC-008-3</b>	<b>No. of Respondents per Compliance Registry Summary as of August 29, 2011 (A)</b>	<b>No. of Responses Per Respondent (B)</b>	<b>Hours Per Respondent Per Response (C)</b>	<b>Total Annual Hours (A x B x C)</b>
Report the next most limiting equipment and the thermal rating for the	83 <sup>17</sup> Generator owners	1	80	6,640

next most limiting equipment (R8), and related record retention. <sup>16</sup>				
Report the next most limiting equipment and the thermal rating for the next most limiting equipment (R8). <sup>18</sup>	342 Transmission owners	1	20 <sup>19</sup>	6,840
Increase in retention time by 2 years for R1 through R7.	833 Generator owners	1	2	1,666
Increase in retention time by 2 years for R1 through R7.	342 Transmission owners	1	2	684
Compliance/ Documentation sub-total				13,480

<sup>16</sup> The record retention requirement/burden hours are assumed to be part of the 80 hours per response.

<sup>17</sup> Requirement R8 applies to generator owners that own facilities between the step-up transformer and the point of interconnection. We estimate that 10% of all NERC registered generator owners own such facilities.

<sup>18</sup> The record retention requirement/burden hours are assumed to be part of the 20 hours per response.

<sup>19</sup> Transmission Owner estimate based on the supplemental work required to report the next most limiting equipment and assumes all prerequisite work was performed in compliance with previously effective Reliability

Recordkeeping sub-total Error: Reference source not found				2,350
<b>Total</b>				<b>15,830</b>

**FAC-013-2**

Rather than creating entirely new obligations with respect to the assessment of transfer capability for the near-term transmission planning horizon, Reliability Standard FAC-013-2 upgrades the existing planning requirements contained in FAC-013-1 and FAC-012-1<sup>20</sup> and specifically requires planning coordinators to have a methodology for and to perform an annual assessment identifying potential future transmission system weaknesses and limiting facilities that could impact the bulk electric system’s ability to reliably transfer energy in the near-term transmission planning horizon. Thus, this Order does not impose entirely new burdens on the affected entities. For example, the existing FAC-013-1 (being superseded) currently requires each applicable entity to have a documented methodology for assessing transfer capability and to share the results of that assessment with specific entities. The new FAC-013-2 imposes relatively minimal new requirements regarding the information that must be included in the documented methodology, the frequency of the assessment and the number of days allocated to make the assessment results available to other entities. Specifically, the only new requirements are a review and possible revision of methodology and establishing a procedure to perform the annual transfer capability assessment. All other requirements in the new FAC-013-2 standard were also a part of the existing FAC-013-1 and FAC-012-1 standards.<sup>21</sup>

Our estimate below regarding the number of respondents is based on the NERC compliance registry as of August 29, 2011. According to the registry, there are 80 planning authorities<sup>22</sup> that will be involved in providing information. This Order will

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<sup>20</sup> FAC-012-1 is not a standard that the Commission had approved previously. However, FAC-013-1 required entities to use the methodology put forth in FAC-012-1. Thus, FAC-012-1 was implicitly followed by the applicable entities.

<sup>21</sup> Both the old and the new standards are attached in ROCIS/REGINFO.

<sup>22</sup> The term “planning coordinator” is synonymous with the term “planning authority,” in the NERC Glossary.

require applicable entities to review their transfer capability methodologies and document compliance with the Reliability Standard’s requirements. For those planning coordinators that do not already comply with the Standard’s requirement for having a documented methodology for assessing transfer capability in the Near-Term Transmission Planning Horizon, they will be required to update their methodology documents and compliance protocols. In addition, planning coordinators must ensure that the required assessment will be performed at least once per calendar year.<sup>23</sup> The Commission estimates that this is a one-time burden. The estimated burden for the requirements in this Order follow:

<b>Additional Proposed Burden in FERC-725A from FAC-013-2</b>	<b>No. of Respondents (A)</b>	<b>No. of Responses Per Respondent (B)</b>	<b>Hours Per Respondent Per Response (C)</b>	<b>Total Annual Hours ( A x B x C )</b>
Review and possible revision of methodology (one-time)	20 <sup>24</sup>	1	80	1,600
Establish procedure to perform the annual	80	1	80	6,400

<sup>23</sup> While the document retention requirements are being increased under the new Reliability Standard (from one to three years), the usual and customary practice currently is to retain documentation needed to demonstrate compliance for the period since the last audit, which is on a three year schedule. In addition, while planning coordinators must ensure that they perform an appropriate transfer capability assessment at least once per year, they are already required to establish transfer capabilities and disseminate information about those capabilities. Thus, there should be no increase in burden other than the one-time cost of (1) setting up a procedure to ensure that the assessment will be performed at least once per year, and (2) adjusting the methodology (if needed) to comply with the more specific requirements set out in the new Reliability Standard.

<sup>24</sup> Requirement R1 applies to planning coordinators. We estimate that 25 percent of all planning coordinators will have to update their methodology documents.

Transfer Capability Assessment (one-time)Error: Reference source not found				
Total				8,000

Upon submitting this information to OMB, the Commission will average the total one-time burden over three years (the typical information collection review cycle). Averaging in this way results in a yearly burden of 2,667 hours (rounded). After three years, the Commission intends to remove this burden from the FERC-725A collection.

All other applicable information collection requirements not being changed in this proceeding have been approved previously by OMB under the FERC-725A (OMB Control No. 1902-0244)

This collection does impose a burden on NERC and on regional entities, both types of entities that take care of day to day compliance issues. FERC uses the collection FERC-725 to account for the burden on NERC and regional entities. The burden estimate in the FERC-725 for compliance issues (such as those contained in this collection) are estimated as “periodic, as needed” and not based on an individual standard basis. FERC assumes that the average estimate included in the FERC-725 encompasses any changes in the burden (decreases or increases).

The following table shows how the currently approved inventory for FERC-725A will be affected, in aggregate, by the new reporting/recordkeeping requirements in this Order. The format, labels, and definitions of the table follow the ROCIS system’s “ICR Summary of Burden” for the meta-data.

	<b>Requested</b>	<b>Program Change Due to Agency Discretion</b>	<b>Change Due to Adjustment in Agency Estimate</b>	<b>Previously Approved</b>
Annual Number of Responses <sup>25</sup>	2,040	100	0	1,940

<sup>25</sup> Prior to this proceeding the numbers of estimated respondents and responses for the

Annual Time Burden (Hr)	1,816,027	18,497 <sup>26</sup>	0	1,797,530
Annual Cost Burden (\$)	126,725	0	0	126,725

### 13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

#### FAC-008-3

The Commission estimates the cost as imposed by the Reliability Standard FAC-008-3 in RD11-10 to be:

Total Annual Hours imposed by the Reliability Standard: (Compliance and Documentation + Recordkeeping) = 15,830 hours.

Total Compliance/Documentation Cost = 13,480 hours X \$120/hour = \$1,617,600.

Total Recordkeeping Cost, which is a subset of reoccurring compliance costs, above = 2,350 hours X \$28/hour = \$65,800

Total Annual Cost = \$1,683,400

The Commission believes the Compliance/Documentation cost per hour figure of \$120 is representative of the costs for engineers and other professionals who provide the work to comply with the standards.

#### FAC-013-2

The Commission estimates the cost as imposed by the Reliability Standard FAC-013-2 in RD11-3 to be:

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FERC-725A have been input into the OMB submission system (ROCIS) as equal. This has been done to simplify the calculations for the collection. Thus each change in the burden is assumed to be part of a 'single' response per year. In this proceeding a one-time burden is added as a separate Information Collection (IC) under the FERC-725A. This approach leads to an increase in the number of responses (the number of respondents is unchanged).

<sup>26</sup> This figure is derived from adding the burden increases from each Reliability Standard: 15,830 annual hours under FAC-008-3 and 2,667 annual hours under FAC-013-2 (15,830 + 2,667 = 18,497).

Total one-time compliance and documentation = 8,000 hours  
Total one-time cost = 8,000 hours @ \$120/hour = \$960,000.

The Commission believes the cost per hour figure of \$120 is representative of the costs for engineers and other professionals who provide the work to comply with the standards.

Cost currently reported in ROCIS = \$126,725. This cost originated in the rulemaking under FERC Docket No. RM08-19 (ICR No. 200912-1902-005, approved by OMB 3/12/2009) and represents the cost of storing records offsite. All of the costs estimated in RD11-10 and RD11-3 are associated with labor hours.

#### **14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT**

No information is provided directly to the Commission under FAC-008-3 or FAC-013-2 nor does the Commission actively monitor compliance with these Reliability Standards. Thus, the Federal government incurs only the cost of processing this data collection, as follows:

Annual data clearance cost as contained in these Orders: \$1,588

The data clearance cost is based on the assumption that it requires, on average, 24 hours of FERC employee time to process each renewal. The FERC average annual adjusted employee cost (salary plus benefits) per full-time equivalent used is \$66.17 per hour. Thus, 24 hours X \$66.17/hour = \$1,588 (rounded).

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

These orders result in ongoing and one-time program increases in the burden. Both orders affect the FERC-725A collection. Reliability Standard FAC-008-3 (RD11-10) imposes an ongoing program increase of 15,830 hours. This standard makes modifications to the FAC-008-1 Standard and subsumes Reliability Standard FAC-009-1. The changes are necessary to implement the FERC directives from Order 693, which help provide for a more transparent process for developing and documenting facility ratings. The facility ratings in turn assist system operators in determining the available capacity to ultimately meet the needs of the customers.

Reliability Standard FAC-013-2 (RD11-3) is estimated to result in an 8,000 hour one-time program increase in the burden. This version of the Reliability Standard does not create entirely new obligations, rather FAC-013-2 upgrades the existing planning



requirements contained in FAC-013-1 and specifically requires planning coordinators to have a methodology for and to perform an annual assessment identifying potential future transmission system weaknesses and limiting facilities that could impact the bulk electric system's ability to reliably transfer energy in the near-term transmission planning horizon.

#### **16. TIME SCHEDULE FOR THE PUBLICATION OF DATA**

There is no data published as a result of this collection.

#### **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 specified entities must prepare and retain information that reflects unique or specific circumstances related to the Reliability Standards. The information is not submitted to FERC.

#### **18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The data collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not use as stated in item (i) of the certification to OMB "effective and efficient statistical survey methodology." The information collected is case specific to each Reliability Standard.