

**U.S. Department of Agriculture  
Rural Development, Rural Utilities Service**

**SUPPORTING STATEMENT**

**OMB Control No. 0572-0025**

**7 CFR 1730, Review Rating Summary  
(RUS Form 300)**

**OMB Terms of Clearance: None**

**A. JUSTIFICATION**

**1. Explain the circumstances that make this collection of information necessary.**

USDA Rural Development administers rural utilities programs through the Rural Utilities Service (RUS or Agency) and manages loan programs in accordance with the Rural Electrification Act (RE Act) of 1936, 7 U.S.C. 901 *et seq.*, as amended. One of the Agency's main objectives is to safeguard loan security by seeing that Agency financed facilities are being responsibly used, adequately operated, and adequately maintained. Future needs must be anticipated to ensure that facilities will continue to produce revenue and loans will be repaid as required by the Agency mortgage or loan agreement. A periodic operations and maintenance (O&M) review, using the RUS Form 300, Review Rating Summary, in accordance with 7 CFR Part 1730, Electric System Operations and Maintenance, is an effective means for RUS to determine whether the Borrowers' systems are being properly operated and maintained, thereby protecting the loan collateral as prescribed by the Office of Management and Budget (OMB) Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.**

Inadequate O&M practices can result in public safety hazards, increased power outages for consumers, added expense for emergency maintenance, and premature aging of the Borrower's systems, which could increase the loan security risk to RUS. Regular O&M review using RUS Form 300 can identify and correct inadequate O&M practices before they cause extensive harm to the system. RUS Form 300 is completed by RUS Electric Borrowers and provides an efficient and effective means for Borrowers and RUS to:

- a. Identify items in need of additional attention;
- b. Plan corrective actions, including a time schedule for implementation;

- c. Budget funds and manpower for necessary maintenance; and,
- d. Initiate ongoing programs as necessary to avoid or minimize the need for “catch-up” programs.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.**

RUS is committed to meeting the requirements of the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible.

RUS Form 300 is made available on the internet at [http://www.rurdev.usda.gov/UP\\_ETPW\\_Forms.html](http://www.rurdev.usda.gov/UP_ETPW_Forms.html). At this time RUS does not allow for electronic submission of the form due to eSignature limitations by business entities.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

There is no duplication of effort with regard to O&M review because the RUS Form 300 information is specific to each electric system Borrower and is not found in other available sources.

**5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

All but 10% of the electric borrowers meet Small Business Administration criteria for a small business and RUS makes every effort to ensure that the burden on the small business entities is the minimum necessary to effectively administer the agency programs. RUS believes the information requested is the minimum necessary for the Agency to meet statutory requirements with respect to both large and small entities. RUS headquarters and field staff are available for consultation and to assist Borrowers in document preparation.

**6. Describe consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

O&M monitoring is continuous and ongoing for all electric system operating entities and Borrowers are currently required to complete the review form every three years. An O&M program review less frequent than three years would jeopardize the ability of the Agency to

make meaningful judgments on system conditions. Neglect of good O&M practices over time can have a detrimental impact on loan security since failure to make prudent O&M decisions and expenditures may lead to less than acceptable service levels, leading to the potential requirement of significant lump sum investment to bring the system up to acceptable service levels.

**7. Explain any special circumstances that would cause an information collection to conduct in a manner:**

**a. Requiring respondent to reporting information more than quarterly.**

There is no requirement to respond more frequently than quarterly.

**b. Requiring written response in less than 30 days.**

There is no requirement to respond in less than 30 days.

**c. Requiring more than an original and two copies.**

There is no requirement of more than original and two copies to be submitted.

**d. Requiring respondent to retain records for more than 3 years.**

Record retention requirements shall be in accordance with 7 CFR 1767.

**e. In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.**

This collection is not a survey.

**f. Requiring the use of a statistical data classification that has not be reviewed and approved by OMB.**

This collection does not employ statistical sampling.

**g. Requiring a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.**

This collection contains no requirement of a pledge of confidentiality.

- h. Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There is no requirement to submit propriety trade secrets.

**8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.**

A Notice requesting comments was published in the Federal Register on May 4, 2012, at 77 FR 26487 (copy attached) and no comments were received.

The following individuals were consulted to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, etc.:

Clay Crowley  
Arkansas Valley Electric Cooperative Corporation  
P.O. Box 47  
Ozark, AR 72949-0047  
479-667-9442

The Borrower states the Form 300 and the process of obtaining O&M information have proven to be useful for Arkansas Valley Electric Cooperative in that they provide a reference point for informed decisionmaking. The Borrower believes the collection of information is not burdensome.

Paul Ruud  
North Georgia Electric Membership Corporation  
P.O. Box 1407  
Dalton, GA 30722-1407  
706-259-3394

Overall the Borrower believes that the collection of O&M information requested is necessary and not too burdensome and materials such as CFR and RUS Website are very accessible.

Brian Bultje  
Central Electric Cooperative, Inc.  
P.O. Box 850  
Mitchell, SD 57301-0850

605-996-7516

Overall the Borrower believes that the collection of information requested is necessary and not too burdensome. The Borrower states that the General Field Representative (GFR) has been very helpful in assisting with the O&M report and knowledgeable in explaining what information is requested and why.

The Agency maintains close contact with borrowers through General Field Representatives (GFRs), field accountants, and headquarters staff. GFRs have direct personal contact with the borrower and any concerns and suggestions are brought to the Agency's attention via the GFR.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

Payments or gifts are not provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.**

This information collection does not require confidentiality.

**11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.**

This information collection includes no questions of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information.**

Number of Respondents. The Agency requires all active Electric Program Borrowers to complete the RUS Form 300 once every three years in order to obtain further advancement of loan funds. It is estimated that 4 hours are required to complete this review. There are about 650 active borrowers, however, because Borrowers are required to submit O&M reports every three years, only one-third of the Borrowers submit each year. Therefore, there are about 217 RUS Form 300 submissions to RUS annually.

Burden Hours. The information collection consists of RUS Form 300 prepared by the Borrower every three years. It is estimated that it takes 4 hours to complete the review. See the attached spreadsheet (RUS Form 36) for details concerning calculation of burden hours. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Hours per Response	Total Annual Hours
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7 CFR Part 1730	217	217	4	868
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**Annualized Cost to Respondents.** The Agency estimates that 100 percent of the time required for preparation and submission is professional time. The hourly wage rate of \$49.96 is the median hourly for Series 11-3031 Financial Managers provided by the Department of Labor, Bureau of Labor Statistics, Standard Occupational Classification wage rates, See: [http://www.bls.gov/oes/current/oes\\_nat.htm#11-0000](http://www.bls.gov/oes/current/oes_nat.htm#11-0000). Historical data provided by the Bureau of Labor Statistics, Employer Costs for Employee Compensation Supplemental Tables Historical Data December 2006-September 2012 for benefits as a percentage of total compensation for Private trade, transportation, and utilities industry workers indicates that employer costs for total benefits were 29.4% of total hourly compensation. See, <http://www.bls.gov/ncs/ect/sp/ecsuphst.pdf>, Page 91.

The cost to respondents can be summarized as follows:

Total Annual Hours	Hourly Wage and Benefits	Total Wage/Benefit Cost	Printing, copying, postage	Supplies, Equipment	Respondents' Cost
868	\$64.65	\$56,116.20	\$173.60	\$996.00	\$57,285.80

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

**a. Total capital and start-up cost component (annualized over expected useful life); and**

There are no capital or start-up costs associated with this collection.

**b. Total operation and maintenance or purchase of services costs associated with this collection.**

There are no operations and maintenance or purchase of services costs associated with this collection.

**14. Provide estimates of annualized cost to the Federal Government.**

RUS estimates the annualized cost to the Federal Government is \$386,688.

The table below displays the estimated cost to the government is based on an average annual salary of \$100,904 for a GS-13 Step 5 federal employee. The hourly wage was calculated using an hourly rate of \$48.35 and then multiplying by 36.25% to account for a fringe benefit cost factor for a total hourly wage of \$65.88.

	Hours	Wage/Cost (1)	Responses	Total
Employee labor and materials for developing, printing, storing forms	1.25	\$65.88	217	\$17,870
Employee labor and materials for developing computer systems, screens, or reports to support the collection	1	\$65.88	217	\$14,296
Employee travel hours	8	\$65.88	217	\$114,368
Employee travel costs		\$350	217	\$75,950
Employee labor and materials for collecting the information	9.5	\$65.88	217	\$135,812
Employee labor and materials for analyzing, evaluating summarizing, and/or reporting on the collected information	2	\$65.88	217	\$28,592
				\$386,888

(1)This cost represents OPM salary rate and 36.25% fringe benefit cost factor in accordance with OMB Memorandum M-08 13.

**15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.**

This is a revision of a currently approved collection. The annualized number of respondents decreased to 217 from 229, a difference of 12 respondents per year and a reduction of 48 hours. The decrease in respondent number is due to a decline in Electric Program Borrowers due to some Borrowers paying loans in full or merging or consolidating with other Borrowers. In addition, annualized cost to the Federal Government overall has increased from the last reporting period from \$4,830 to \$386.888 due to recalculation of wage rates to include total economic cost of benefits and to addition of indirect costs. The Agency completed a survey of its field employees and determined current costs related to the collection subsequent to OMB questions about the previous cost reporting.

**16. For collection of information whose results will be published, outline plans for tabulation and publication.**

There are no plans to publish the results of this information collection.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The Agency is not requesting an exemption to not display the OMB expiration date.

**18. Explain each exception to the certification statement identified in item 19 on**

**OMB 83-1.**

There are no exceptions to the certification statement.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This information collection does not employ statistical methods.