

Supporting Statement

**FERC-725A, Mandatory Reliability Standards for the Bulk Electric System**  
Proposed Modifications to the collection due to the Proposed Rule in RM12-4-000  
“Transmission Vegetation Management”  
Proposed Reliability Standard FAC-003-2

In this supporting statement the Commission describes the new or modified information collection requirements contained in Reliability Standard FAC-003-2. This Reliability Standard only makes some modifications to the information collection requirements in the current transmission vegetation management Reliability Standard (FAC-003-1) and only these modifications are discussed in detail in this supporting statement. The information collection requirements contained in transmission vegetation management Reliability Standards are contained in FERC’s existing collection, FERC-725A.

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

On August 8, 2005, The Electricity Modernization Act of 2005, which is Title XII of the Energy Policy Act of 2005 (EPAAct 2005), was enacted into law.<sup>1</sup> EPAAct 2005 added a new section 215 to the FPA, which requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards, which are subject to Commission review and approval. Once approved the Reliability Standards may be enforced by the ERO, subject to Commission oversight.

On March 16, 2007, in Order No. 693, pursuant to section 215(d) of the FPA, the Commission approved 83 of 107 proposed Reliability Standards, six of the eight proposed regional differences, and the NERC *Glossary of Terms Used in Reliability Standards* (NERC Glossary), which includes NERC’s FAC-003-1 Transmission Vegetation Management Program. In approving FAC-003-1, the Commission directed the ERO to make or consider directives in the next version of the standard. The ERO was to determine the minimum clearance distance needed to prevent sustained vegetation outages, appropriate inspection cycles, applicability of sub 200kV transmission lines such as to not to impose a great burden on transmission owners<sup>2</sup>.

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<sup>1</sup> The Energy Policy Act of 2005, Pub. L. No 109-58, Title XII, Subtitle A, 119 Stat. 594, 941 (2005), codified at 16 U.S.C. 824o (2000).

<sup>2</sup> Order no. 693, FERC at p 706, 708, 721, 732.

On December 22, 2011, NERC submitted a petition pursuant to directives associated with Order No. 693 for FAC-003-2 Transmission Vegetation Management. NERC's petition requested the Commission approve FAC-003-2 and its implementation plan.

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

As part of the Notice of Proposed Rulemaking (NOPR), building on the material filed by NERC, several actions will be needed by transmission owners. With the proposed FAC-003-2, transmission owners will need to review their existing policy/procedures to determine how they may change with the new version of the standard. Also, the applicability of FAC-003-2 will add additional sub 200kV lines that are part of an Interconnection Reliability Operating Limit (IROL) or part of a Major WECC Transfer Path. With the new applicability, transmission owners will need to add those lines to their inspection programs and record keeping obligations. The regional entities and NERC monitor compliance with the requirements as part of periodic audits.

The quarterly reporting on sustained vegetation transmission outage will continue under the new standard as a compliance obligation. Transmission owners submit these quarterly reports to the regional entities. The regional entity then submits information to NERC. These reports allow regional entities and NERC to keep track of information related to outages.

Failure to follow requirements and compliance of proposed FAC-003-2 could lead to additional sustained outages due to tree-line contact. These types of failures could jeopardize system reliability. Vegetation contact with transmission lines were major factors in two significant blackouts in WECC territory in 1996 and August 2003 northeast blackout.

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

The continued information collection of quarterly reports will continue under FAC-003-2 standard. Transmission Owners are not expected to change their reporting methods to the regional entities and the expansion of applicable transmission lines is not forecasted to be significant. The use of current or improved technology is not covered in the Reliability Standard, and is therefore left to the discretion of each regional and reporting entity.

**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.**

The information collection requirements are unique to this reliability standard and to this information collection. The Commission does not know of any duplication in the requirements.

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

Small entities may see minor increase in cost due to either due to changing their right-of-way (ROW) inspection timing or new applicable transmission lines. Analysis shows that most small business entities do not have a significant number of lines above 200kV that could require more inspection and the applicability of new transmission lines will fall on larger entities.

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

Failure to follow requirements and compliance of proposed FAC-003-2 could lead to additional sustained outages due to tree-line contact. These types of failures could jeopardize system reliability. Vegetation contact with transmission lines were major factors in two significant blackouts in WECC territory in 1996 and August 2003 northeast blackout.

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

There are no special circumstances related to this proposed rule.

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

The ERO process to establish Reliability Standards is a collaborative process with the ERO, Regional Entities and other stakeholders developing and reviewing drafts, and providing comments, with the final proposed standard submitted to the FERC for review and approval.<sup>3</sup> In addition, each FERC rulemaking (both proposed and final rules) is

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<sup>3</sup> Details of the current ERO standard processes are available on the NERC website at [http://www.nerc.com/docs/standards/sar/Appendix\\_3A\\_Standard\\_Processes\\_Manual\\_20100903\\_2\\_.pdf](http://www.nerc.com/docs/standards/sar/Appendix_3A_Standard_Processes_Manual_20100903_2_.pdf).

published in the Federal Register, thereby providing 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 proposed rule was published in the Federal Register on October 24, 2012 (77 FR 64920).

**9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

There are no payments or gifts for respondents related to this collection.

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

There are no specific assurances of confidentiality mentioned to respondents. The collected information eventually finds its way into NERC's Vegetation Management Reports which are publically available.

**11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE**

This collection does not include any questions of a sensitive nature.

**12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

Our estimate below regarding the number of respondents is based on the NERC compliance registry as of July 24, 2012. According to the compliance registry, NERC has registered 330 transmission owners. The individual burden estimates are based on each transmission owner having to perform a one-time review of the revised Reliability Standard's information collection requirements and to make any required modifications to its existing vegetation management plans and documentation procedures. In addition, the burden estimate takes into account an on-going, albeit very minor increase in the quarterly reporting burden, based on the increased burden to confirm whether or not reportable outages have occurred on lines not previously subject to Reliability Standard FAC-003-1 requirements. Further, the burden estimate takes into account the increased recordkeeping burden associated with the proposed standard's annual vegetation inspection requirements, which is estimated to increase the inspection cycles (and the associated documentation to demonstrate compliance) for about one third of transmission owners (110 transmission owners).

<b>FAC-003-2 (Transmission</b>	<b>Number of Transmission Owner</b>	<b>Number of Responses</b>	<b>Average Burden</b>	<b>Total Annual</b>
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<b>Vegetation Management)</b>	<b>Respondents (1)</b>	<b>per Respondent (2)</b>	<b>Hours Per Response (3)</b>	<b>Burden Hours (1)x(2)x(3)</b>
One time review and modifications to existing documentation, plans and procedures	330	1	16	5,280 (one-time)
Quarterly Reporting	115	4	0.5	330 <sup>4</sup>
Annual Vegetation Inspections Documentation (recordkeeping)	110	1	2	220
<b>Total</b>				5,830

**Burden Hour Cost Estimates for the Proposed Changes:**

- Quarterly Reporting Cost for Transmission Owners: = 330 hours @ \$70/hour<sup>5</sup> = \$23,100
- Annual Vegetation Inspections Documentation: = 220 hours @ \$28/hour<sup>6</sup> = \$6,160.
- Total Annual Cost (Reporting + Record Retention): = \$23,100 + \$6,160 = \$29,260
- One-Time Review and Modification of Plans and Documentation: 5,280 hours @ \$52/hour<sup>7</sup> = \$274,560.

Changes to the current burden hour inventory

The current burden hour inventory will be changed according to the proposed burden hours above. The one-time burden hours will be averaged over three years and removed from this collection after year 3 (5,280/3=1,760).

We also added the reoccurring burden hours to the collection (550 hours annually). The total burden hour increase is 2,310 hours (1,760 hours + 550 hours = 2,310).

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4 While approval of FAC-003-2 is not expected to increase the number of reports made or the number of reportable outages experienced, some utilities may experience a very slight increase in the amount of time required to confirm whether or not any reportable outages occurred due the increased applicability of the standard to certain sub-200 kV transmission lines.

5 This figure is the average of the salary plus benefits for a manager and an engineer. The figures are taken from Bureau of Labor and Statistics at [http://bls.gov/oes/current/naics3\\_221000.htm](http://bls.gov/oes/current/naics3_221000.htm).

6 Wage figure is based on a Commission staff study of record retention burden.

7 This figure is the average of the salary plus benefits for an engineer and a forester. The figures are taken from Bureau of Labor and Statistics at [http://bls.gov/oes/current/naics3\\_221000.htm](http://bls.gov/oes/current/naics3_221000.htm).

The following table shows the burden hour impact in relation to the total inventory for the FERC-725A.

<b>FERC-725A</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	2,370	2,040	-	+330
Annual Time Burden (Hr)	1,829,623	1,827,313	-	+2,310
Annual Cost Burden (\$)	126,725	126,725	-	0

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

There are no non-labor hour costs associated with this proposed rule.

There is an existing record keeping requirement contained in the FERC-725A, estimated at \$126,725.

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

The Regional Entities and the North American Energy Reliability Corporation do most of the data processing, monitoring and compliance work for Reliability Standards. Any involvement by the Commission is covered under the FERC-725 collection (1902-0225).

The Commission does incur the costs associated with obtaining OMB clearance under the Paperwork Reduction Act for this Collection. FERC estimates the annual cost for this effort to be \$1,588.<sup>8</sup>

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

The Commission proposes to adopt FAC-003-2 which will cause an increase in burden. The increase in burden is necessary to ensure that all transmission lines identified as important to system reliability are protected against encroachment of vegetation that could lead to sustained outage. The exact method of providing the protection against encroachments is left to the discretion of the transmission owners. Through the addition of new applicable transmission lines, yearly right of way inspections, and accurate recordkeeping, the occurrence of sustained

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<sup>8</sup> This is based on an estimate of approximately 24 hours of work.

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outages due to vegetation will remain low and when they do occur they will be properly recorded.

These tasks are deemed necessary in order to maintain the reliable operation of nation's transmission lines.

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

There are no publications of data as part of this collection.

#### **17. DISPLAY OF EXPIRATION DATE**

It is not appropriate to display the expiration date because the information is not collected on a preformatted form or in any format that would allow for such a display.

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

The Commission does not use statistical methods for this collection.