Supporting Statement

**FERC-725U, Mandatory Reliability Standards: Reliability Standard CIP-014-1**

Final Rule in Docket No. RM14-15

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve the FERC-725U, Mandatory Reliability Standards: Reliability Standard CIP-014-1, information collection as included in the Final Rule (Order No. 802, issued 11/20/2014) in Docket No. RM14-15-000.**[[1]](#footnote-1)**

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

On August 8, 2005, the Electricity Modernization Act of 2005, which is Title XII,

Subtitle A, of the Energy Policy Act of 2005 (EPAct 2005), was enacted into law. EPAct 2005 adds a new section 215 to the Federal Power Act (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, an ERO would enforce the Reliability Standards either subject to Commission oversight or by the Commission independently.

On February 3, 2006, the Commission issued Order No. 672, implementing section 215 of the FPA. Pursuant to Order No. 672, the Commission certified one organization, NERC, as the ERO. The ERO is required to develop Reliability Standards, which are subject to Commission review and approval. The Reliability Standards apply to users, owners and operators of the Bulk-Power System, as set forth in each Reliability Standard.

Section 215(d)(2) of the FPA and the Commission’s regulations provide that the Commission may approve a proposed Reliability Standard if it determines that the proposal is just, reasonable, not unduly discriminatory or preferential, and in the public interest. The Commission specified in Order No. 672 certain general factors it would consider when assessing whether a particular Reliability Standard is just and reasonable. According to this guidance, a Reliability Standard must provide for the reliable operation of Bulk-Power System [[2]](#footnote-2)facilities and may impose a requirement on any user, owner or operator of such facilities. It must be designed to achieve a specified reliability goal and must contain a technically sound means to achieve this goal. The Reliability Standard should be clear and unambiguous regarding what is required and who is required to comply.

Pursuant to section 215 of the FPA, the Commission has approved Reliability Standard CIP-014-1 (Physical Security). NERC submitted the Reliability Standard for Commission approval in response to a Commission order issued on March 7, 2014.**[[3]](#footnote-3)**

In the March 7 Order, the Commission determined that physical attacks on the Bulk-Power System could adversely impact the reliable operation of the Bulk-Power System, resulting in instability, uncontrolled separation, or cascading failures. Moreover, the Commission observed that the then-current Reliability Standards do not specifically require entities to take steps to reasonably protect against physical security attacks on the Bulk-Power System. Accordingly, to carry out section 215 of the FPA and to provide for the reliable operation of the Bulk-Power System, the Commission directed NERC, pursuant to FPA section 215(d)(5), to develop and file for approval proposed Reliability Standards that address threats and vulnerabilities to the physical security of critical facilities on the Bulk-Power System.**[[4]](#footnote-4)**

The March 7 Order indicated that the Reliability Standards should require owners or operators of the Bulk-Power System to take at least three steps to address the risks that physical security attacks pose to the reliable operation of the Bulk-Power System. Specifically, the March 7 Order directed that: (1) the Reliability Standards should require owners or operators of the Bulk-Power System to perform a risk assessment of their systems to identify their “critical facilities”; (2) the Reliability Standards should require owners or operators of the identified critical facilities to evaluate the potential threats and vulnerabilities to those identified facilities; and (3) the Reliability Standards should require those owners or operators of critical facilities to develop and implement a security plan designed to protect against attacks to those identified critical facilities based on the assessment of the potential threats and vulnerabilities to their physical security.

In addition, the March 7 Order stated that the “risk assessment used by an owner or operator to identify critical facilities should be verified by an entity other than the owner or operator,” such as by NERC, the relevant Regional Entity, a reliability coordinator, or another entity.**[[5]](#footnote-5)** In addition, the March 7 Order also indicated that the Reliability Standards should include a “procedure for the verifying entity, as well as the Commission, to add or remove facilities from an owner’s or operator’s list of critical facilities.”**[[6]](#footnote-6)**

The March 7 Order further stated that the determination of threats and vulnerabilities and the security plan should be reviewed by NERC, the relevant Regional Entity, the reliability coordinator, or another entity with appropriate expertise.

The March 7 Order stated that, because the three steps of compliance with the contemplated Reliability Standards could contain sensitive or confidential information that, if released to the public, could jeopardize the reliable operation of the Bulk-Power System, NERC should include in the Reliability Standards a procedure that will ensure confidential treatment of sensitive or confidential information but still allow for the Commission, NERC and the Regional Entities to review and inspect any information that is needed to ensure compliance with the Reliability Standards.

The Commission directed NERC to submit the proposed Reliability Standards to the Commission for approval within 90 days of issuance of the March 7 Order (i.e., June 5, 2014). NERC submitted its proposal dated May 23, 2014.[[7]](#footnote-7)

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

Reliability Standard CIP-014-1[[8]](#footnote-8) requires applicable transmission owners and transmission operators to identify and protect transmission stations and transmission substations, and their associated primary control centers, that if rendered inoperable or damaged as a result of a physical attack could result in widespread instability, uncontrolled separation, or cascading within an Interconnection.[[9]](#footnote-9)

In terms of information collection requirements, an applicable entity must create or maintain documentation showing compliance, when appropriate, with each requirement of the Reliability Standard. Reliability Standard CIP-014-1 has six requirements.

* Requirement R1 requires applicable transmission owners to perform risk assessments on a periodic basis[[10]](#footnote-10) to identify their transmission stations and transmission substations that, if rendered inoperable or damaged, could result in widespread instability, uncontrolled separation, or cascading within an Interconnection. Requirement R1 also requires transmission owners to identify the primary control center that operationally controls each of the identified transmission stations or transmission substations. Examples of acceptable evidence may include dated written or electronic documentation of the risk assessment of its transmission stations and transmission substations (existing and planned to be in service within 24 months) that meet the criteria in Applicability Section 4.1.1 as specified in Requirement R1.
* Requirement R2 requires that each applicable transmission owner have an unaffiliated third party with appropriate experience verify the risk assessment performed under Requirement R1. Requirement R2 states that the transmission owner must either modify its identification of facilities consistent with the verifier’s recommendation or document the technical basis for not doing so. In addition, Requirement R2 requires each transmission owner to implement procedures for protecting sensitive or confidential information made available to third-party verifiers or developed under the Reliability Standard from public disclosure. Examples of acceptable evidence may include dated written or electronic documentation that the transmission owner completed an unaffiliated third party verification of the Requirement R1 risk assessment and satisfied all of the applicable provisions of Requirement R2, including, if applicable, documenting the technical basis for not modifying the Requirement R1 identification as specified under Part 2.3.
* Requirement R3 requires the transmission owner to notify a transmission operator that operationally controls a primary control center identified under Requirement R1 of such identification to ensure that the transmission operator has notice of the identification so that it may timely fulfill its obligations under Requirements R4 and R5 to protect the primary control center. Examples of acceptable evidence may include dated written or electronic communications that the transmission owner notified each transmission operator, as applicable, according to Requirement R3.
* Requirement R4 requires each applicable transmission owner and transmission operator to conduct an evaluation of the potential threats and vulnerabilities of a physical attack on each of its respective transmission stations, transmission substations, and primary control centers identified as critical in Requirement R1. Examples of evidence may include dated written or electronic documentation that the transmission owner or transmission operator conducted an evaluation of the potential threats and vulnerabilities of a physical attack to their respective transmission station(s), transmission substation(s) and primary control center(s) as specified in Requirement R4.
* Requirement R5 requires each transmission owner and transmission operator to develop and implement documented physical security plans that cover each of their respective transmission stations, transmission substations, and primary control centers identified as critical in Requirement R1. Examples of evidence may include dated written or electronic documentation of its physical security plan(s) that covers their respective identified and verified transmission station(s), transmission substation(s), and primary control center(s) as specified in Requirement R5, and additional evidence demonstrating implementation of the physical security plan.
* Requirement R6 requires that each transmission owner and transmission operator subject to Requirements R4 and R5 have an unaffiliated third party with appropriate experience review its Requirement R4 evaluation and Requirement R5 security plan. Requirement R6 states that the transmission owner or transmission operator must either modify its evaluation and security plan consistent with the recommendation, if any, of the reviewer or document its reasons for not doing so. In addition, Requirement R6 requires each transmission owner to implement procedures for protecting sensitive or confidential information made available to third-party reviewers or developed under the Reliability Standard from public disclosure. Examples of evidence may include written or electronic documentation that the transmission owner or transmission operator had an unaffiliated third party review the evaluation performed under Requirement R4 and the security plan(s) developed under Requirement R5 as specified in Requirement R6 including, if applicable, documenting the reasons for not modifying the evaluation or security plan(s) in accordance with a recommendation under Part 6.3.

Transmission owners and transmission operators must keep data or evidence to show compliance with the standard for three years unless directed by its Compliance Enforcement Authority. If a responsible entity is found non-compliant, it must keep information related to the non-compliance until mitigation is complete and approved, or for the three years, whichever is longer.

Note that the requirement for NERC to make the informational filing (addressing the possibility that Reliability Standard CIP-014-1 may not provide physical security for all “High Impact” control centers, as that term is defined in Reliability Standard CIP-002-5.1, necessary for the reliable operation of the Bulk-Power System) is part of the regular responsibilities related to NERC’s being the Commission-approved nation-wide Electric Reliability Organization. The Commission extended the originally proposed deadline for that informational filing until two years following the effective date of Reliability Standard CIP-014-1. The burden related to that filing is a part of FERC-725 (OMB Control Number 1902-0225) and is not discussed further here.

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

The information technology to meet the information collection requirements is not specifically covered in the Reliability Standard, leaving the decision up to the entities, and NERC.

In general, the Commission supports the use of information technology to reduce burden.

1. **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 Commission periodically reviews filing requirements concurrent with OMB review or as the Commission deems necessary to eliminate duplicative filing and to minimize the filing burden.

The Commission is unaware of any other source of information related to bulk electric system physical security.

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

Small entities generally can reduce their burden by taking part in a joint registration organization or a coordinated function registration. These options allow an entity the ability to share its compliance burden with other similar entities.

Detailed information regarding these options are available in NERC’s Rules of Procedure at sections 507 and 508.[[11]](#footnote-11)

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

The paperwork requirements documenting compliance with substantive requirements (including the preparation of a physical security plan), and maintaining such documents. The frequency of the paperwork requirements was vetted and approved by industry consensus in the NERC standard development process and is ultimately meant to support the reliability of the bulk electric system.

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

There are no special circumstances for this collection.

1. **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 Commission for review and approval.**[[12]](#footnote-12)** In addition, each Commission rulemaking (both proposed and final rules) is 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 Commission issued a Notice of Proposed Rulemaking (NOPR) in Docket No. RM14-15 on 7/17/2014. The proposed rule was published in the Federal Register on July 23, 2014 (79 FR 42734).

The Commission received 39 public comments.[[13]](#footnote-13) The Commission issued a Final Rule[[14]](#footnote-14) which also addresses the comments. *No comments were directly related to the Paperwork Reduction Act (PRA)*; comments received had to do with the propose directives on the definition of “widespread”, elimination of the power for the Commission to add and subtract critical facilities, and future informational filings from NERC on the implementation of the Reliability Standard.

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

There are no gifts or payments given to the respondents.

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

In general, according to the NERC Rule of Procedure[[15]](#footnote-15), “…a Receiving Entity shall keep in confidence and not copy, disclose, or distribute any Confidential Information or any part thereof without the permission of the Submitting Entity, except as otherwise legally required.” For this Physical Security Reliability Standard, some of the material may be sensitive, so, for example, Reliability Standard CIP-014-1, Requirement R6.4 states:

**6.4.** Each Transmission Owner and Transmission Operator shall implement procedures, such as the use of non-disclosure agreements, for protecting sensitive or confidential information made available to the unaffiliated third party reviewer and to protect or exempt sensitive or confidential information developed pursuant to this Reliability Standard from public disclosure.

In addition, the Compliance section of the Reliability Standard states:

**1.4. Additional Compliance Information**

Confidentiality: To protect the confidentiality and sensitive nature of the evidence for demonstrating compliance with this standard, all evidence will be retained at the Transmission Owner’s and Transmission Operator’s facilities.

Responding entities do not submit the information collected under the proposed Reliability Standard to the Commission. Since there are no submissions made to the Commission, the Commission has made no specific provisions in order to protect confidentiality, in addition to those provide by the Commission’s regulations, the NERC Rules of Procedure and the Reliability Standard itself.

1. **PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE.**

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

1. **ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

The table below shows the estimated information collection burden. The Commission estimated the burden by requirement in the proposed Reliability Standard (e.g., Requirements R1 and R2) and by the year (year 1 through year 3). The table also includes the related burden cost. The estimates for the number of respondents, burden hours, the skill sets, and costs are based on

information from NERC (petition), as well as estimates from the FERC’s subject matter experts.

Some of the burden hour estimates take into account work already being done by most entities, (e.g., the industry standards drafting team used something called a TPL (Transmission Planning) analysis (a practice that is already in place and part of standard operating procedures)). Additionally, FERC staff understands that some of the tasks associated with R1 and R2 are automated.

The reporting requirements of this collection are periodic and detailed in the Reliability Standard. For example, of the 357 entities[[16]](#footnote-16) complying with Requirement R1 in year 1, 30[[17]](#footnote-17) will have to do Requirement R1 again in year 3 (at least once every 30 calendar months), and all 357 will have to do Requirement R1 again in year 5 (at least once every 60 calendar months). The record retention requirements are imposed annually on transmission owners (357) plus the transmission operators identified in requirement R3 (2).

For Requirements R4, R5, and R6[[18]](#footnote-18) in year one the respondents are a subset (30) of the total group of transmission owners (357) and the two transmission operators identified in requirement R3. This same group of entities (30 transmission owners and two transmission operators) are the entities that have to comply again in year three.

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| **FERC-725U** |
| **Requirements in Reliability Standard CIP-014-1 over** **Years 1-3** | **Number and Type of Respondents(1)** | **Number of Responses per Respondent****(2)** | **Total Number of Responses (1)\*(2)=(3)** | **Average Burden Hours & Cost Per Response[[19]](#footnote-19)****(4)** | **Total Burden Hours & Total Cost****(3)\*(4)** |
| **Year 1** |  |  |  |  |  |
| R1 | 357 TO | 1 | 357 | 20$1,220 | 7,140$435,540 |
| R2 | 357 TO | 1 | 357 | 34$2,342 | 12,138$836,094 |
| R3 | 2 TOP | 1 | 2 | 1$128 | 2$256 |
| R4 | 30 TO and 2 TOP | 1 | 32 | 80$4,880 | 2,560$156,160 |
| R5 | 30 TO and 2 TOP | 1 | 32 | 320$19,520 | 10,240$624,640 |
| R6 | 30 TO and 2 TOP | 1 | 32 | 304$18,812 | 9,728$601,984 |
| Record Retention | 357 TO and 2 TOP | 1 | 359 | 2$64 | 718$22,976 |
| **Year 2** |  |  |  |  |  |
| Record Retention | 357 TO and 2 TOP | 1 | 359 | 2$64 | 718$22,976 |
| **Year 3**  |  |  |  |  |  |
| R1 | 30 TO | 1 | 30 | 20$1,220 | 600$36,600 |
| R2 | 30 TO | 1 | 30 | 34$2,342 | 1,029$70,260 |
| R3 | 2 TOP | 1 | 2 | 1$128 | 2$256 |
| R4 | 30 TO and 2 TOP | 1 | 32 | 80$4,880 | 2,560$156,160 |
| R5 | 30 TO and 2 TOP | 1 | 32 | 80$4,880 | 2,560$156,160 |
| R6 | 30 TO and 2 TOP | 1 | 32 | 134$8,442 | 4,288$270,144 |
| Record Retention | 357 TO and 2 TOP | 1 | 359 | 2$64 | 718$22,976 |
| *Year 1 Total* |  | 42,526$2,677,650 |
| *Year 2 Total* |  | 718$22,976 |
| *Year 3 Total* |  | 11,748$712,556 |
| **TOTAL (for Years 1-3)** |  | **54,992****$3,413,182** |

1. **ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

There are no start-up or other non-labor costs associated with the information collection. All of the costs are related to burden hours and are detailed in #12 and #15. There was no purchase of software or computers as a result of the PRA-related requirements in this rule or the associated standard. The rule more standardizes practices rather than creating new tasks or requirements.

1. **ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT**

The Regional Entities and NERC do most of the data processing, monitoring and compliance work for Reliability Standards. The burden and cost for NERC and the Regional Entities of standards development, oversight, assessment, monitoring and compliance work is covered under FERC-725 (OMB Control No. 1902-0225).

Any involvement by the Commission is also covered under the FERC-725 collection (OMB Control No. 1902-0225) and is not part of this request or package.

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| --- | --- | --- |
| **FERC-725U** | **Number of Employees (FTEs)** | **Estimated Annual Federal Cost** |
| Analysis and Processing of filings | 0 | $0 |
| Paperwork Reduction Act Administrative Cost[[20]](#footnote-20) |  | $5,092 |

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

This is a new information collection contained in the requirements of the new physical security Reliability Standard CIP-014-1. The burden increase is necessary to support the implementation of a nation-wide physical security Reliability Standard.

The annual time burden below represents the total burden for the first three years (54,992 hours), divided by three (giving an annual average over Years 1-3 of 18,331 hours).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **FERC-725U** | **Total Request** | **Previously Approved** | **Change due to Adjustment in Estimate** | **Change Due to Agency Discretion** |
| Annual Number of Responses | 359 | 0 | 0 | 0 |
| Annual Time Burden (Hr.) | 18,331 | 0 | 0 | 0 |
| Annual Cost Burden ($) | $0 | $0 | $0 | $0 |

1. **TIME SCHEDULE FOR PUBLICATION OF DATA**

The Commission does not publish data from this collection of information.

1. **DISPLAY OF EXPIRATION DATE**

The expiration date is displayed in a table posted on ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>.

1. **EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The Commission does not use the data collected for this reporting requirement 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.”

1. The Final Rule (Order No. 802) is posted on the Commission’s eLibrary document system at http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13690552. [↑](#footnote-ref-1)
2. 16 U.S.C.”§824o. Electric reliability

(a) Definitions

For purposes of this section:

(1) The term "bulk-power system" means-

(A) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and

(B) electric energy from generation facilities needed to maintain transmission system reliability.

The term does not include facilities used in the local distribution of electric energy.

....

(3) The term "reliability standard" means a requirement, approved by the Commission under this section, to provide for reliable operation of the bulk-power system. The term includes requirements for the operation of existing bulk-power system facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the bulk-power system, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity.” [↑](#footnote-ref-2)
3. *Reliability Standards for Physical Security Measures*, 146 FERC ¶ 61,166 (2014) (March 7 Order). The Order in Docket RD14-6 is available in FERC’s eLibrary at http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13479398 ; the related News Release is posted at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13479403> . [↑](#footnote-ref-3)
4. 16 U.S.C. 824o(d)(5). [↑](#footnote-ref-4)
5. March 7 Order, 146 FERC ¶ 61,166 at P 11. [↑](#footnote-ref-5)
6. *Id.* [↑](#footnote-ref-6)
7. The NERC Petition is available on the Commission’s eLibrary document system at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13553524>. The various exhibits are available in eLibrary by doing a search in eLibrary on Accession No. 20140523-5074. [↑](#footnote-ref-7)
8. A copy of Reliability Standard CIP-014-1 is included in Supplemental Documents in reginfo.gov and ROCIS. [↑](#footnote-ref-8)
9. Reliability Standard CIP-014-1 (Purpose). [↑](#footnote-ref-9)
10. The frequency is detailed in the Reliability Standard. For example, R1 states in part:

“1.1 Subsequent risk assessments shall be performed:

	* At least once every 30 calendar months for a Transmission Owner that has identified in its previous risk assessment (as verified according to Requirement R2) one or more Transmission stations or Transmission substations that if rendered inoperable or damaged could result in widespread instability, uncontrolled separation, or Cascading within an Interconnection; or
	* At least once every 60 calendar months for a Transmission Owner that has not identified in its previous risk assessment (as verified according to Requirement R2) any Transmission stations or Transmission substations that if rendered inoperable or damaged could result in widespread instability, uncontrolled separation, or Cascading within an Interconnection.1.2. The Transmission Owner shall identify the primary control center that operationally controls each Transmission station or Transmission substation identified in the Requirement R1 risk assessment. “ [↑](#footnote-ref-10)
11. Available at <http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20140701_updated_20140602.pdf>. [↑](#footnote-ref-11)
12. Details of the current ERO Reliability Standard processes are available on the NERC website at <http://www.nerc.com/pa/Stand/Resources/Documents/Appendix3AStandardsProcessesManual.pdf>. [↑](#footnote-ref-12)
13. The comments are available in the Commission’s eLibrary document system at <http://elibrary.ferc.gov/idmws/docket_search.asp> by doing a search for Docket No. RM14-15. [↑](#footnote-ref-13)
14. The Final Rule is being published in the Federal Register on 11/25/2014. [↑](#footnote-ref-14)
15. NERC Rules of Procedure, Section 1502, Paragraph 2, *available at* www.nerc.com. [↑](#footnote-ref-15)
16. The Commission based its estimates on the number of respondents on the NERC compliance registry as of May 28, 2014. According to the registry, there are 357 transmission owners (TOs) and 197 transmission operators (TOPs). The NERC compliance registry also shows that there are only 19 transmission operators that are not also registered as a transmission owner. [↑](#footnote-ref-16)
17. The estimate of 30 is based on NERC’s Petition Exhibit F which states in part:

“The Standard Drafting Team (SDT) estimates that relatively few Transmission Owners

(perhaps 30 or less) will have Transmission stations or Transmission substations that if

rendered inoperable or damaged could result in widespread instability or uncontrolled

separation.” [↑](#footnote-ref-17)
18. R4, 5, and 6 affect “[e]ach Transmission Owner that identified a Transmission station, Transmission substation, or primary control center in Requirement R1 and verified according to Requirement R2, and each Transmission Operator notified by a Transmission Owner according to Requirement R3.” [↑](#footnote-ref-18)
19. The estimates for cost per response are derived using the following formula: Average Burden Hours per Response \* XX per Hour = Average Cost per Response.

The hourly cost figures are based on data for wages plus benefits from the Bureau of Labor Statistics (as of 9/4/2014) at http://www.bls.gov/oes/current/naics3\_221 000.htm and <http://www.bls.gov/news.release/ecec.nr0.htm>. The figures are rounded for the purposes of calculations in this table and are:

for electrical engineers, $60.87/hr., rounded to $61/hr.

for attorneys, $128/hr.

for administrative staff, $31.86/hr., rounded to $32/hr.

The record retention cost is based on the administrative staff category; R3 is based on the attorney category; Requirements R1, R4, R5 and R6 are based on the electrical engineer category; and R2 is a mix of the electrical engineer and related engineering review process (30 hrs. at $61/hr.) and attorney (4 hrs. at $128/hr.) categories.

 [↑](#footnote-ref-19)
20. The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the PRA for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection.   This average annual cost includes requests for extensions, all associated rulemakings (not just this final rule), and other changes to the collection.  [↑](#footnote-ref-20)