

OMB Control Number: To be decided (FERC-725P1)
RM15-9-000, NOPR
RIN: 1902-AF03
(updated 7/21/2015)

Supporting Statement

FERC-725P1, Mandatory Reliability Standards for PRC-005-4
for the Notice of Proposed Rulemaking (NOPR) in Docket Number RM15-9-000
(issued on 4/16/2015)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review FERC-725P1 (Mandatory Reliability Standards for the Bulk-Power System: PRC¹ Reliability Standards). The requirements for this information collection are referenced in the Commission's regulations at 18 Code of Federal Regulations (CFR) Part 40.

In this NOPR, the Commission proposes to approve a revised Reliability Standard PRC-005-4². Consistent with Commission Order No. 758, the Reliability Standard would require applicable entities to test and maintain certain sudden pressure relays as part of their protection system maintenance plan. Additionally, the Commission approves one new definition and four revised definitions referenced in the Reliability Standard, the assigned violation risk factors/violation severity levels, and the proposed implementation plan.

The existing information collection requirements in the currently-approved family of PRC Reliability Standards, which are in place before implementation of this NOPR in RM15-9, are approved by OMB under FERC-725A (OMB Control No. 1902-0244), FERC-725G (OMB Control No. 1902-0252), and FERC-725P (OMB Control No. 1902-0269). As of 7/21/2015, there are four pending ICRs (listed in Attachment A) affecting various Reliability Standards in the PRC family. The Commission submits the changes due to this NOPR in Docket No. RM15-9-000 under the FERC-725P1 information collection (OMB Control No. TBD) in order to submit it timely to OMB.

Although FERC-725P1 is intended as a temporary collection number to ensure FERC's timely submission to OMB, all PRC reliability standards should eventually be in the FERC-725G information collection (OMB Control No. 1902-0252).³

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

1 PRC is not an acronym. Rather, it is a prefix that denotes reliability standards related to "Protection and Control".

2 Protection System and Automatic Reclosing Maintenance

3 The collection itself is not temporary; rather the collection number (FERC-725P1) is a temporary identifier. The requirements would normally be included in FERC-725G. However FERC-725G is currently pending OMB review, and only one item per OMB Control No. can be pending OMB review at a time. Attachment A provides additional information on the four ICRs, affecting various components of the PRC family of Rel. Standards, which are pending OMB review at this time.

OMB Control Number: To be decided (FERC-725P1)
RM15-9-000, NOPR
RIN: 1902-AF03
(updated 7/21/2015)

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. EPAAct 2005 added 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, the Reliability Standards may be enforced by the ERO, subject to Commission oversight. In 2006, the Commission certified the North American Electric Reliability Corporation (NERC) as the ERO pursuant to FPA section 215.⁴

In 2007, the Commission approved an initial set of Reliability Standards submitted by NERC, including initial versions of four protection system and load-shedding-related maintenance standards: PRC-005-1, PRC-008-0, PRC-011-0, and PRC-017-0.⁵ In addition, the Commission directed NERC to develop a revision to PRC-005-1 incorporating a maximum time interval during which to conduct maintenance and testing of protection systems, and to consider combining into one standard the various maintenance and testing requirements for all of the maintenance and testing-related standards for protection systems, under frequency load shedding (UFLS) equipment and under voltage load shedding (UVLS) equipment.

In February 2012, the Commission issued Order No. 758 in response to NERC's request for approval of its interpretation of Requirement R1 of the then-current version of the protection system maintenance standard, Reliability Standard PRC-005-1. In that order, the Commission accepted NERC's proposed interpretation of Requirement R1, which interpretation provided guidance on the types of protection system equipment to which the Reliability Standard did or did not apply. In reviewing NERC's interpretation, the Commission raised several concerns about potential gaps in the coverage of PRC-005-1, including a concern that the standard as written may not include all components that serve in some protective capacity.⁶

On December 18, 2014, NERC submitted a petition seeking approval of proposed Reliability Standard PRC-005-4, which would add to the applicability of Reliability Standard PRC-005-3 those sudden pressure relays that NERC has identified as having a potential effect on the reliable

⁴ *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g & compliance*, 117 FERC ¶ 61,126 (2006), *aff'd sub nom. Alcoa, Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

⁵ *Mandatory Reliability Standards for the Bulk Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242 at PP 1474, 1492, 1497, and 1514, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

⁶ *See* Order No. 758, 138 FERC ¶ 61,094 at P 12. NERC has addressed the Commission's concerns stated in Order No. 758 through a series of projects modifying the PRC-005 standard. *See Protection System Maintenance Reliability Standard*, Order No. 793, 145 FERC ¶ 61,253 (2013) (approving Reliability Standard PRC-005-2, which incorporated specific minimum maintenance activities and maximum time intervals for maintenance of individual components of the protection systems and load shedding equipment affecting the bulk electric system); *Protection System Maintenance Reliability Standard*, Order No. 803,150 FERC ¶ 61,039 (2015) (approving PRC-005-3 and directing NERC to develop a modification to include maintenance and testing of supervisory relays associated with relevant autoreclosing relay schemes).

OMB Control Number: To be decided (FERC-725P1)
RM15-9-000, NOPR
RIN: 1902-AF03
(updated 7/21/2015)

operation of the Bulk-Power System.⁷ NERC states that these revisions were developed to satisfy NERC's commitment to develop modifications to PRC-005 that would address the Commission's concerns, as set out in Order No. 758, regarding the lack of maintenance requirements for non-electrical sensing relays (such as sudden pressure relays) that could affect the reliable operation of the Bulk-Power System.⁸

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

The Commission proposes to approve Reliability Standard PRC-005-4, which will replace PRC-005-3 (Protection System and Automatic Reclosing Maintenance). The proposed Reliability Standard expands the existing standard to cover sudden pressure relays that meet certain criteria, thereby imposing mandatory minimum maintenance activities and maximum maintenance intervals for the applicable relays. Because the specific requirements were designed to reflect common industry practice, entities are not expected to experience a meaningful change in actual maintenance and documentation practices. However, each applicable entity will have to perform a one-time review of sudden pressure relays that detect rapid changes in gas pressure, oil pressure, or oil flow that are indicative of faults within transformer equipment, and, if it has applicable sudden pressure relay devices, review current maintenance programs to ensure that they meet the requirements of proposed standard PRC-005-4. Accordingly, all additional information collection costs are expected to be limited to the first year of implementation of the revised standard.

Proposed Reliability Standard PRC-005-4 reduces the evidence retention requirements approved in previously-approved versions of the standard, and now requires entities to maintain documentation of maintenance activities for only one maintenance cycle (a maximum of twelve years) if the maintenance interval is longer than the audit cycle. For maintenance activities where the interval is shorter than the audit cycle, documentation is to be retained for all maintenance activities since the previous audit. While the potential data retention requirement exceeds the three-year period that is routinely allowed for regulations requiring record retention under the OMB regulations implementing the PRA,⁹ the maximum evidence retention period has been reduced from 24 years to a maximum of 12 years as a result of the Commission's prior request for comment on the reasonableness of the evidence retention period in earlier versions of the standard, and appears to reflect the maximum time needed to ensure compliance with maintenance requirements.¹⁰

⁷ Proposed Reliability Standard PRC-005-4 is not attached to the NOPR; however, the complete text of the proposed Reliability Standard is available on the Commission's eLibrary document retrieval system in Docket No. RM15-9-000 and is posted on NERC's web site, *available at:* <http://www.nerc.com>.

⁸ See NERC Petition at 3, 9.

⁹ See 5 CFR 1320.5(d)(2)(iv).

¹⁰ See Order No. 803, 150 FERC ¶ 61,039 at PP 37-38.

OMB Control Number: To be decided (FERC-725P1)
RM15-9-000, NOPR
RIN: 1902-AF03
(updated 7/21/2015)

The new information collection requirements in PRC-005-4 help to ensure that protection systems are well maintained and tested. Without these new requirements there is an increased chance of protection systems not functioning properly.

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

The use of current or improved technology and the medium are not covered in Reliability Standards, and are therefore left to the discretion of each respondent.

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

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 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. Under this proceeding, Reliability Standard PRC-005-4 does not duplicate any filing requirements since the NOPR revises an existing standard to improve clarity and efficiency.

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

FERC estimates that there are 789¹¹ small entities to which the proposed standard would apply. FERC considers the impact of the rule to be very minimal. In general, small entities may reduce their burden by taking part in a joint organization registration or a coordinated functional registration. These options allow a small entity to share the compliance burden with other entities and, thus, to minimize their own compliance burden. Detailed information regarding these options is available in NERC's Rule of Procedure at Sections 507 and 508¹².

¹¹ 61.3% of affected entities

¹² These options are detailed in NERC's Rules of Procedure (Section 507, Provisions Relating to Joint Registration Organizations (JRO) and Section 508, Provisions Relating to Coordinated Functional Registration (CFR) Entities) on NERC's website at [http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20140701_updated_20140602%20\(updated\).pdf](http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20140701_updated_20140602%20(updated).pdf).

OMB Control Number: To be decided (FERC-725P1)
RM15-9-000, NOPR
RIN: 1902-AF03
(updated 7/21/2015)

In this NOPR, the approved changes are estimated to cost small entities approximately \$523 which Commission staff considers minimal.

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

The additional burden imposed by this NOPR is one-time only and cannot be conducted less frequently. The record retention requirements are either existing requirements or considered usual business practice. The record retention requirements are not modified by this NOPR.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There is one special circumstances as described in 5 CFR 1320.5(d)(2) related to this information collection:

The data retention requirement in the Reliability Standard PRC-005-4 says:

For Requirement R2, Requirement R3, and Requirement R4, in cases where the interval of the maintenance activity is longer than the audit cycle, the Transmission Owner, Generator Owner, and Distribution Provider shall each keep documentation of the most recent performance of that maintenance activity for the Protection System, Automatic Reclosing, or Sudden Pressure Relaying Component. In cases where the interval of the maintenance activity is shorter than the audit cycle, documentation of all performances (in accordance with the tables) of that maintenance activity for the Protection System, Automatic Reclosing, or Sudden Pressure Relaying Component since the previous schedule audit date shall be retained.

Based on the above passage, entities may have to retain some documentation for as long as 12 years which is longer than the 3-year maximum period allowed by OMB. As noted above, however, Proposed Reliability Standard PRC-005-4 reduces the evidence retention requirements approved in previously-approved versions of the standard, and now requires entities to maintain documentation of maintenance activities for only one maintenance cycle (a maximum of twelve years) if the maintenance interval is longer than the audit cycle. For maintenance activities where the interval is shorter than the audit cycle, documentation is to be retained for all maintenance activities since the previous audit. While the potential data retention requirement exceeds the three-year period that is routinely allowed for regulations requiring record retention under the OMB regulations implementing the PRA, the maximum evidence retention period has been reduced from 24 years to a maximum of 12 years as a result of the Commission's prior request for comment on the reasonableness of the evidence retention period in earlier versions of the standard, and appears to reflect the maximum time needed to ensure compliance with maintenance requirements.

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. The reliability standard was submitted to the FERC for review and approval. In addition, each FERC 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 approved collection of data. The NOPR was published in the Federal Register on 4/22/2015 (80 FR 22444).

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents associated with this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

According to the NERC Rules of Procedure 1502,¹³ "...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." This serves to protect confidential information submitted to NERC or Regional Entities.

Responding entities do not submit the information collected under the approved Reliability Standard to FERC. Rather, they maintain it internally. Since there are no submissions made to FERC, FERC provides no specific provisions in order to protect confidentiality unless and until any such information is submitted to FERC as part of an enforcement action or other compliance process.

11. 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.

¹³ Section 1502, Paragraph 2, available at NERC's website.

OMB Control Number: To be decided (FERC-725P1)
RM15-9-000, NOPR
RIN: 1902-AF03
(updated 7/21/2015)

There are no questions of a sensitive nature in the reporting requirements.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

According to the NERC Compliance Registry as of 2/27/2015, there are 1,287 unique entities required to comply with this reliability standard (distribution providers, generator owners and transmission owners, or a combination of those). The Commission bases individual burden estimates on the time needed (8 hours) for an entity to conduct a one-time review of sudden pressure relay schemes and associated maintenance programs to ensure that the programs contain at a minimum the activities required by PRC-005-4. These burden estimates are consistent with estimates for similar tasks in other Commission-approved Reliability Standards.

There is no information collection burden currently associated with FERC-725P1 (before implementation of this NOPR). FERC-725P1 is a temporary collection number to enable FERC staff to submit timely to OMB, for PRA review, this NOPR in RM15-9 with its corresponding proposed information collection requirements.³ Currently, other FERC activities are pending OMB review of the FERC-725P information collection (OMB Control No. 1902-0269) and FERC-725G information collection (OMB Control No. 1902-0252). [An updated list of ICRs, related to the PRC family of Rel. Standards and pending review at OMB as of 7/21/2015, is available at Attachment A.]

The total cost of the annualized burden for this collection is based upon the number of responses (1,287 respondents) times the estimated time it will take per response (8 hours) which equals 10,296 hours. To calculate the cost for this collection we used the current wage figure¹⁴ of \$65.34 per hour times 8 hours (\$523), then we multiply the total estimated cost per respondent by the total number of responses. The total annualized cost for this collection is \$673,101 [rounded]. (See table below.)

<p style="text-align: center;">Estimated annual burden and costs (rounded) for NOPR in RM15-9-000 (Mandatory Reliability Standards: Reliability Standard PRC-005-4)</p>
--

¹⁴ The \$523 cost per response is based on the following calculation: \$65.34/hour * 8 hours = \$523. The wage figure of \$65.34/hour is for electrical engineers and is taken from the Bureau of Labor Statistics at http://www.bls.gov/oes/current/naics2_22.htm; Occupation Code: 17-2071). . The estimated hourly costs are adjusted to include benefits by assuming that salary accounts for 69.40 percent of total compensation). See <http://www.bls.gov/news.release/ecec.nr0.htm>.

OMB Control Number: To be decided (FERC-725P1)
 RM15-9-000, NOPR
 RIN: 1902-AF03
 (updated 7/21/2015)

	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden (Hours) & Cost Per Response (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
One-time review of sudden pressure relay maintenance program and adjustment	1,287	1	1,287	8 hrs.; \$523	10,296 hrs.; \$673,101	\$523

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor costs currently associated with either FERC-725P1 or this rulemaking. Commission staff assumes that the information collection requirement associated with this rulemaking is consistent with estimates for similar tasks in other Commission-approved Reliability Standards and can be completed by entities using existing hardware and/or software.

All of the costs in the NOPR are associated with burden hours (labor) and described in #12 and 15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The Regional Entities and NERC 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 (OMB Control No. 1902-0225) and is not part of this request or package.

The estimated annualized cost to the Federal Government for FERC-725P1 as related to the requirements in the NOPR in RM15-9-000 follows:

	Number of Federal Employees (FTE)	Estimated Annual Federal Cost
--	--	--------------------------------------

OMB Control Number: To be decided (FERC-725P1)
 RM15-9-000, NOPR
 RIN: 1902-AF03
 (updated 7/21/2015)

FERC-725P1 Analysis and Processing of filings	0	\$0
PRA ¹⁵ Administrative Cost ¹⁶		\$5,193
FERC Total		\$5,193

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

FERC-725P1 is a new collection number for the proposed revised Reliability Standard PRC-005-4 (Protection System, Automatic Reclosing and Sudden Pressure Relaying Maintenance).³

Pursuant to section 215 of the Federal Power Act (FPA), FERC proposes to approve a revised Reliability Standard, PRC-005-4, developed and submitted by the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO). In addition, the Commission proposes to approve one new definition and four revised definitions referenced in the proposed Reliability Standard, as well as NERC’s proposed violation risk factors, violation severity levels, and implementation plan. Consistent with Order No. 758, the proposed Reliability Standard requires applicable entities to test and maintain certain sudden pressure relays as part of a protection system maintenance program.

The estimated revised totals after the one-time changes in FERC-725P1 (RM15-9-000) follow:

FERC-725P1	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	1,287	0	0	+1,287
Annual Time Burden (Hr.) ¹⁷	10,296	0	0	+10,296
Annual Cost Burden (\$)	0	0	0	0

¹⁵ Paperwork Reduction Act of 1995 (PRA)

¹⁶ 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 the NOPR in Docket No. RM15-9-000), and other changes to the collection.

¹⁷ The new, additional, one-time burden discussed in this supporting statement and imposed by Reliability Standard PRC-005-4 (in Docket No. RM15-9-000) is 10,296 hours.

OMB Control Number: To be decided (FERC-725P1)
RM15-9-000, NOPR
RIN: 1902-AF03
(updated 7/21/2015)

16. TIME SCHEDULE FOR PUBLICATION OF DATA

FERC does not publish any data associated with this collection.

17. DISPLAY OF EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collected pursuant to this rulemaking affecting FERC-725P1 because there are no specific instruments used in the collection.

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

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.

OMB Control Number: To be decided (FERC-725P1)
 RM15-9-000, NOPR
 RIN: 1902-AF03
 (updated 7/21/2015)

ATTACHMENT A

As of 7/21/2015, the following FERC items, affecting part of the PRC family of Reliability Standards, are pending OMB's PRA review. In the future when there are not multiple pending PRC-related activities (such as pending docket activities at FERC or ICRs at OMB), FERC Staff plans to try to move the PRC Standards and burden (e.g., in the following FERC-725G4, FERC-725G2, and FERC-725P1 [the proposed requirements discussed in this supporting statement]) to the FERC-725G collection to consolidate the PRC requirements.

OMB Control No.	ICR No.	Date Submitted to OMB for PRA Review	FERC 'Form' No.	FERC Collection Title
	<u>201507-1902-005</u>	07/20/2015	FERC-725G4	FERC-725G4, (NOPR in RM15-7, RM15-12, & RM15-13) Mandatory Reliability Standards: Reliability Standard PRC-010-1 (Undervoltage Load Shedding)
<u>1902-0252</u>	<u>201502-1902-004</u>	05/28/2015	FERC-725G	FERC-725G (Order in RD15-2; on PRC-006-2) Mandatory Reliability Standards for the Bulk-Power System: PRC Standards
	<u>201505-1902-003</u>	05/27/2015	FERC-725G2	FERC-725G2, [NOPR in RM15-4] Reliability Standard: Disturbance Monitoring and Reporting Requirements
	<u>201504-1902-006</u>	04/28/2015	FERC-725P1	FERC-725P1 (RM15-9-000, NOPR) Mandatory Reliability Standards, PRC-005-4 Reliability Standard