Supporting Statement

**FERC-725P1, Mandatory Reliability Standards: PRC-005-4Reliability Standard,**

in Final Rule in RM15-9-000

The reporting and recordkeeping requirements for Reliability Standard PRC-005-4 (Protection System, Automatic Reclosing and Sudden Pressure Relaying Maintenance) will be added to FERC-725P1, as discussed in the Final Rule in Docket No. RM15-9-000[[1]](#footnote-1) and this supporting statement. The Federal Energy Regulatory Commission (FERC or Commission) is requesting that the Office of Management and Budget (OMB) approve the reporting and recordkeeping requirements in Reliability Standard PRC-005-4 in the Final Rule in RM15-9.

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 (EPAct 2005), was enacted into law.[[2]](#footnote-2) EPAct 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.

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 North American Electric Reliability Corporation (NERC) *Glossary of Terms Used in Reliability Standards* (NERC Glossary), 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.**[[3]](#footnote-3)** 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, underfrequency load shedding (UFLS) equipment and undervoltage 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 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.**[[4]](#footnote-4)** In response to that concern, NERC developed 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 operation of the Bulk-Power System.

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

The Final Rule approves Reliability Standard PRC-005-4, which will replace PRC-005-3 (Protection System and Automatic Reclosing Maintenance). The 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. As discussed above, this standard was developed to address the Commission’s concern that NERC’s requirements for protection system maintenance did not cover certain non-electrical sensing devices that could, if not properly maintained, affect the reliability of the Bulk-Power System.

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 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.

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,**[[5]](#footnote-5)** 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 minimum time needed to ensure compliance with maintenance requirements.**[[6]](#footnote-6)**

1. **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 is not covered in Reliability Standards, and is therefore left to the discretion of each reporting entity. We think that nearly all of the respondents are likely to make and keep related records in an electronic format. Each of the Regional Entities has a well-established compliance portal for registered entities to electronically submit compliance information and reports. The compliance portals allow documents developed by the registered entities to be attached and uploaded to the Regional Entity’s portal. Compliance data can also be submitted by filling out data forms on the portals. These portals are accessible through an internet browser password protected user interface.

The submittals are not made to FERC.

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 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. In addition, the standard-developing group (the ERO and various stakeholders) and the scientific community think it needs to be addressed and documented, as indicated in the NERC petition.

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 is available in NERC’s Rules of Procedure at sections 507 and 508[[7]](#footnote-7).

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

If this standard and the associated information collection requirements did not exist or were performed less frequently, it would not be possible to ensure that applicable entities are performing required maintenance on devices that could, if not properly maintained, affect the reliability of the Bulk-Power System. This would likely lead to lower system reliability and higher vulnerability and risk, such as transmission system outages and loss of load. Moreover, as noted above, the specific requirements were designed to reflect common industry practice and applicable entities are accordingly not expected to experience a meaningful change in actual maintenance and documentation practices.

Reliability Standard PRC-005-4 reduces the evidence retention requirements approved in previously-approved versions of the standard.

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

There are some special circumstances as described in 5 CFR 1320.5(d)(2) related to this information collection.

Some of the evidence must be retained until actions in the Corrective Action Plan are completed, as described below, in the Evidence Retention section of the standard.

1.2. Evidence Retention

The following evidence retention periods identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the Compliance Enforcement Authority may ask an entity to provide other evidence to show that it was compliant for the full time period since the last audit.

The Transmission Owner, Generator Owner, and Distribution Provider shall each keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

For Requirement R1, the Transmission Owner, Generator Owner, and Distribution Provider shall each keep its current dated Protection System Maintenance Program, as well as any superseded versions since the preceding compliance audit, including the documentation that specifies the type of maintenance program applied for each Protection System, Automatic Reclosing, or Sudden Pressure Relaying Component Type.

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 scheduled audit date shall be retained.

For Requirement R5 the Transmission Owner, Generator Owner, and Distribution Provider shall each keep documentation of Unresolved Maintenance Issues identified by the entity since the last audit, including all that were resolved since the last audit.

The Compliance Enforcement Authority shall keep the last audit records and all requested and submitted subsequent audit records.

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 standard submitted to the FERC for review.**[[8]](#footnote-8)** 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 collection of data. The final rule is being published in the Federal Register.

The Commission received eight comments in response to the Notice of Proposed Rulemaking (NOPR)[[9]](#footnote-9). However, the Commission received no comments regarding the information collection or the paperwork burden estimates associated with PRC-005-4 as described in the NOPR

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

The Commission does not make payments or provide gifts for respondents related to this collection.

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

According to the NERC Rule of Procedure 1502, “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 Standards 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 review.

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 include any questions of a sensitive nature.

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

According to the NERC Compliance Registry as of 2/27/2015, the total number of unique entities that may be identified as a notification provider (e.g. applicable entity) in accordance with the approved Reliability Standard PRC-005-4 will be approximately 1,287 entities registered in the United States as a transmission owner, generator owner, and distribution providers, or any combination of these roles).

There is no information collection burden currently associated with FERC-725P1 (before implementation of the requirements in this Final Rule). FERC-725P1 is a temporary collection number to enable FERC staff to submit timely to OMB, for PRA review, this Final Rule within Docket No. RM15-9-000 with its corresponding FERC-approved information collection requirements. Currently, other unrelated 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). The requirements included here in FERC-725P1 will be moved to FERC-725G, long-term

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| --- | --- | --- | --- | --- | --- | --- |
| **Final Rule in RM15-9-000 (Mandatory Reliability Standards: Reliability Standard PRC-005-4)** | | | | | | |
|  | **Number of Respondents (1)** | **Annual Number of Responses per Respondent**  **(2)** | **Total Number of Responses (1)\*(2)=(3)** | **Average Burden (Hours) & Cost Per Response[[10]](#footnote-10)**  **(4)** | **Total Annual Burden Hours & Total Annual Cost**  **(3)\*(4)=(5)** | **Cost per Respondent**  **($)**  **(5)÷(1)** |
| Review of sudden pressure relay maintenance program and adjustment | 1,287 | 1 | 1,287 | 8[[11]](#footnote-11)[[12]](#footnote-12)  $523 | 10,296  $673,101 | $523 |

The information collection burden associated with Reliability Standard PRC-005-3 (i.e. the previous version of this standard) is contained in FERC-725P (OMB Control No. 1902-0269). This burden (similar to the requested burden here for PRC-005-4) is intended to be in FERC-725G (OMB Control No. 1902-0252). But, as stated earlier in this supporting statement, other unrelated FERC activities are pending OMB review of the FERC-725G information collection.

Since the burden for PRC-005-3 (the previous version of the reliability standard) is included and approved in FERC-725P and the burden for the newer version (PRC-005-4) is approved in FERC-725P1, there will be duplicated burden in both of these collections until Commission staff can remove the superseded burden for PRC-005-3 from FERC-725P.

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

There are no non-labor costs currently associated with the FERC-725P1. 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 final rule in RM15-9-000 are associated with burden hours (labor) and described in #12 and 15.

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. 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 order in Docket No. RM15-9-000 follows:

|  |  |  |
| --- | --- | --- |
|  | **Number of Federal Employees (FTE)** | **Estimated Annual Federal Cost** |
| FERC-725P1 Analysis and Processing of filings | 0 | $0 |
| PRA[[13]](#footnote-13) Administrative Cost[[14]](#footnote-14) |  | $5,193 |
| **FERC Total** |  | $5,193 |

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

FERC-725P1 is a new collection number for the revised Reliability Standard PRC-005-4 (Protection System, Automatic Reclosing and Sudden Pressure Relaying Maintenance). Long-term the information collection requirements should be part of FERC-725G (OMB Control No. 1902-0252). However, an unrelated ICR is pending at OMB for review under FERC-725G.

Pursuant to Section 215 of the Federal Power Act (FPA), FERC approves a revised Reliability Standard, PRC-005-4, developed and submitted by NERC. In addition, the Commission approves one new definition and four revised definitions referenced in the Reliability Standard, as well as the assigned violation risk factors and violation severity levels, and the approved implementation plan. Consistent with Order No. 758, Reliability Standard PRC-005-4 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 changes11 in FERC-725P1 (Docket No. 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) | 10,296 | 0 | 0 | 10,296 |
| Annual Cost Burden ($) | 0 | 0 | 0 | 0 |

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

There are no data publications as part of this collection

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**

There are no exceptions.

1. FERC’s NOPR is posted in FERC’s eLibrary at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13988999> [↑](#footnote-ref-1)
2. 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). [↑](#footnote-ref-2)
3. 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). [↑](#footnote-ref-3)
4. *See Interpretation of Protection System Reliability Standard,* Order No. 758, 138 FERC ¶ 61,094 at P 12, *clarification denied*, 139 FERC ¶ 61,227 (2012). [↑](#footnote-ref-4)
5. *See* 5 CFR 1320.5(d)(2)(iv). [↑](#footnote-ref-5)
6. *See* Order No. 803, 150 FERC ¶ 61,039 at PP 37-38. [↑](#footnote-ref-6)
7. Details of the current ERO Reliability Standard processes are available on the NERC website at <http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/Appendix_3A_StandardProcessesManual_20130626.pdf>. [↑](#footnote-ref-7)
8. Details of the current ERO Reliability Standard processes are available on the NERC website at <http://www.nerc.com> . [↑](#footnote-ref-8)
9. 80 FR 22444 (4/22/2015) [↑](#footnote-ref-9)
10. The hourly cost would be performed by an engineer at a rate of $65.34/hour. The figure is taken from the Bureau of Labor Statistics at <http://www.bls.gov/oes/current/naics2_22.htm>; Occupation Code: 17-2071. [↑](#footnote-ref-10)
11. The hourly burden here is an annual figure. In other words, the information collection burden for PRC-005-4 is 8 hours per response annually (i.e. for each year of Years 1-3) [↑](#footnote-ref-11)
12. Any record keeping requirements associated with PRC-005-4 are usual and customary business practices. The burden associated with those requirements is de minimis. [↑](#footnote-ref-12)
13. Paperwork Reduction Act of 1995 (PRA) [↑](#footnote-ref-13)
14. 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.    [↑](#footnote-ref-14)