#### **Supporting Statement**

FERC-725Z, (Mandatory Reliability Standards: IRO Reliability Standards) and FERC-725A(1C) (Mandatory Reliability Standards for Bulk-Power System: Reliability Standard TOP-001-4), as affected by Order in Docket No. RD17-4

The Federal Energy Regulatory Commission (Commission or FERC) requests the Office of Management and Budget (OMB) review and approve the revisions made to FERC-725Z and FERC-725A(1C) in Docket No. RD17-4. This consolidated supporting statement addresses the revisions to:

- 1. FERC-725A(1C) (Mandatory Reliability Standards for Bulk-Power System: Reliability Standard TOP-001-4), OMB Control No. TBD. (This is a new 'placeholder' information collection number.)
- 2. FERC-725Z (Mandatory Reliability Standards: IRO Reliability Standards), OMB Control No. 1902-0276

As of 7/5/2017, another unrelated item under FERC-725A<sup>1</sup> is pending review at the Office of Management and Budget (OMB). Only one item per OMB Control No. may be pending OMB review at a time. In order to submit this consolidated supporting statement (for Docket No. RD17-4) timely to OMB, a 'placeholder' information collection number (FERC-725A(1C), Mandatory Reliability Standards for Bulk-Power System: Reliability Standard TOP-001-4) will be used (rather than FERC-725A). The temporary information collection number FERC-725A(1C) is new, so we are requesting a full three years.

Rather than requesting a full three years of OMB approval for the revisions to FERC-725Z, we request that OMB approve the revisions made in Docket RD17-4 for the remainder of the current clearance period, in order to synchronize the timing of the expiration date for all requirements in . FERC-725Z, which expires 5/31/2020.

#### **Background**

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.<sup>2</sup> Under section 215 of

<sup>&</sup>lt;sup>1</sup> The unrelated FERC-725A package pending review (ICR #201702-1902-002, submitted on 2/28/2017) is for the Notice of Proposed Rulemaking in Docket No. RM16-20-000. <sup>2</sup> The Energy Policy Act of 2005 (EPAct), Pub. L. No 109-58, Title XII, Subtitle A, 119 Stat. 594, 941 (2005), codified at 16 U.S.C. 824o (2000).

the Federal Power Act (FPA), the Commission requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards<sup>3</sup>, which are subject to Commission review and approval. In 2006, the Commission established a process to select and certify an ERO and, subsequently, certified NERC as the ERO.<sup>4</sup>

The ERO develops proposed Reliability Standards<sup>5</sup> and, if approved by NERC, submits them to the Commission for review and approval. If and when the standards are approved by the Commission, the Reliability Standards become mandatory and must be enforced by the ERO, subject to Commission oversight. The Commission implements section 215 in 18 CFR 40.

In Order No. 693, the Commission approved 83 of 107 proposed Reliability Standards submitted by NERC; the information collection provisions of those original 83 standards were initially included under FERC-725A. Since that time, various Reliability Standards have been retired, revised, or added (to FERC-725A or other Reliability information collection numbers), including standards in FERC-725Z.<sup>6</sup>

#### A. Justification

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

<sup>&</sup>lt;sup>3</sup> The Federal Power Act (as modified by the EPAct) states "[t]he 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."

<sup>&</sup>lt;sup>4</sup> North American Electric Reliability Corp., 116 FERC ¶ 61,062, order on reh'g and compliance, 117 FERC ¶ 61,126 (2006), order on compliance, 118 FERC ¶ 61,190, order on reh'g, 119 FERC ¶ 61,046 (2007), aff'd sub nom. Alcoa Inc. v. FERC, 564 F.3d 1342 (D.C. Cir. 2009).

<sup>&</sup>lt;sup>5</sup> The NERC Standard Processes Manual (posted at http://www.nerc.com/comm/SC/Documents/Appendix\_3A\_StandardsProcessesManual.p df) describes the process for developing, modifying, withdrawing, or retiring a Reliability Standard.

<sup>&</sup>lt;sup>6</sup> More information on the Reliability program and Reliability Standards is posted on FERC's website at https://www.ferc.gov/industries/electric/indus-act/reliability.asp.

In a Petition dated March 6, 2017<sup>7</sup>, the North American Electric Reliability Corporation ("NERC") requested Commission approval for proposed Reliability Standards IRO-002-5 (Reliability Coordination, Monitoring and Analysis) and TOP-001-4 (Transmission Operations). NERC stated that the "proposed Reliability Standards address the Commission directives in Order No. 817 related to: (i) transmission operator monitoring of non-bulk electric system ("BES") facilities; (ii) redundancy and diverse routing of transmission operator, balancing authority, and reliability coordinator data exchange capabilities; and (iii) testing of alternative or less frequently used data exchange capabilities." In addition, NERC requested Commission approval of the retirement of Reliability Standards TOP-001-3 and IRO-002-4.

NERC states that the proposed "Reliability Standards TOP-001-4 and IRO-002-5 build upon the improvements made in the prior versions of those standards to further advance reliability." Proposed Reliability Standard TOP-001-4, Requirement R10 has been revised to require the transmission operator to monitor non-BES facilities for determining system operating limit exceedances within its transmission operator area, as directed by the Commission in Order No. 817. NERC states that this revision helps to ensure that all facilities that can adversely impact reliability are monitored. 10

NERC also revised proposed Reliability Standard TOP-001-4 to require that the operator's and balancing authority's data exchange capabilities for the exchange of real-time data needed for real-time monitoring and Real-time Assessments have redundant and diversely routed data exchange infrastructure within the entity's primary control center and that these capabilities be tested for redundant functionality on a regular basis. Similar revisions are reflected in Reliability Standard IRO-002-5 to clarify the obligations of the reliability coordinator. NERC states that these modifications help support reliable operations by preventing a single point of failure in primary control center data exchange infrastructure from halting the flow of real-time data used by operators to monitor and control the BES.<sup>11</sup> NERC requests that the Commission approve proposed Reliability Standards TOP-001-4 and IRO-002-5 as consistent with its directives in Order No. 817 and find that the proposed Reliability Standards are just, reasonable, not unduly discriminatory or preferential, and in the public interest.

<sup>&</sup>lt;sup>7</sup> The NERC Petition and Exhibits are available in FERC's eLibrary in Docket No. RD17-4-000. The cover letter is posted at

https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14514025.

<sup>&</sup>lt;sup>8</sup> *Id*. at 13.

<sup>&</sup>lt;sup>9</sup> Order No. 817, 153 FERC ¶ 61,178 at P 35.

<sup>&</sup>lt;sup>10</sup> NERC Petition at 3.

<sup>&</sup>lt;sup>11</sup> *Id.* at 3-4.

In the delegated FERC order issued on April 17, 2017,<sup>12</sup> the implementation of Reliability Standard TOP-001-4 (and the retirement of Reliability Standard TOP-001-3) and implementation of IRO-002-5 (and retirement of IRO-002-4) was approved.

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

In general, information collection and record retention requirements related to Reliability Standards are not submitted to, or retained for audit by, the Commission. Rather they are submitted to, or retained for audit by, NERC (the Commission-approved ERO) or the Compliance Enforcement Authority, as specified in each individual Reliability Standard.

As discussed by NERC in its Petition [footnotes omitted],

"The proposed Reliability Standards address the Commission directives in Order No. 817 related to: (i) Transmission Operator monitoring of non-Bulk Electric System ("BES") facilities; (ii) redundancy and diverse routing of Transmission Operator, Balancing Authority, and Reliability Coordinator data exchange capabilities; and (iii) testing of alternative or less frequently used data exchange capabilities.

. . .

Proposed Reliability Standards TOP-001-4 and IRO-002-5 build upon the improvements made in the prior versions of those standards to further advance reliability. As explained in detail in Section IV, proposed TOP-001-4 Requirement R10 has been revised to require the Transmission Operator to monitor non-BES facilities for determining System Operating Limit ("SOL") exceedances within its Transmission Operator Area, as directed by the Commission in Order No. 817. This revision helps to ensure that all facilities that can adversely impact reliability are monitored.

Proposed TOP-001-4 has been further revised to require that the Transmission Operator's and Balancing Authority's data exchange capabilities for the exchange of Real-time data needed for Real-time monitoring and Real-time Assessments have redundant and diversely routed data exchange infrastructure within the entity's primary Control Center and that these capabilities be tested for redundant functionality on a regular basis. Similar revisions are reflected in proposed Reliability Standard IRO-002-5 to clarify the obligations of the Reliability Coordinator. These modifications, which are responsive to the Commission's

<sup>&</sup>lt;sup>12</sup> The Letter Order is available in the Commission's eLibrary at https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14560616.

directives in Order No. 817, help support reliable operations by preventing a single point of failure in primary Control Center data exchange infrastructure from halting the flow of Real-time data used by operators to monitor and control the BES."

## 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.

We think that nearly all of the respondents are likely to make and keep related records in an electronic format. Each of the eight 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.

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

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its regulatory responsibilities under the FPA in order to eliminate duplication and ensure that filing burden is minimized. There are no similar sources for information available that can be used or modified for these reporting purposes.

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

In general, small entities may reduce their burden by taking part in a joint registration organization 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 508.<sup>13</sup>

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

Per NERC's Petition [without footnotes], "...TOP-001-4 Requirement R10 has been revised to require the Transmission Operator to monitor non-BES facilities for determining System Operating Limit ("SOL") exceedances within its Transmission Operator Area, as directed by the Commission in Order No. 817. This revision helps to ensure that all facilities that can adversely impact reliability are monitored.

Proposed TOP-001-4 has been further revised to require that the Transmission Operator's and Balancing Authority's data exchange capabilities for the exchange of Real-time data needed for Real-time monitoring and Real-time Assessments have redundant and diversely routed data exchange infrastructure within the entity's primary Control Center and that these capabilities be tested for redundant functionality on a regular basis. Similar revisions are reflected in proposed Reliability Standard IRO-002-5 to clarify the obligations of the Reliability Coordinator. These modifications, which are responsive to the Commission's directives in Order No. 817, help support reliable operations by preventing a single point of failure in primary Control Center data exchange infrastructure from halting the flow of Real-time data used by operators to monitor and control the BES."

Failure to implement the changes could directly affect the ability to effectively monitor and control and ensure reliability of the bulk electric system.

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

There are no special circumstances related to the revisions in FERC-725A(1C) and FERC-725Z.

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

<sup>&</sup>lt;sup>13</sup> NERC Rules of Procedure Sections 507 and 508 are available at: http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC\_ROP\_Effective\_201 40701\_updated\_20140602%20(updated).pdf.

The ERO process<sup>14</sup> to develop and establish Reliability Standards is a collaborative process between the ERO, Regional Entities and other industry stakeholders developing, discussing, and reviewing drafts, commenting and voting on the drafts, posting responses to the comments, conducting a final ballot, and submitting the standard and implementation plan to the Board of Trustees (BOT) for adoption and approval. [This process provides several opportunities for review and comment by stakeholders and interested parties.] Then the final proposed standard (if approved by the BOT) is submitted by the ERO to the FERC for review and approval. Upon approval by FERC, the standards are mandatory and enforceable.

FERC notices were published in the Federal Register, thereby allowing all public utilities, natural gas and oil pipeline companies, state commissions, federal agencies, and other interested parties an opportunity to submit comments, or suggestions concerning the proposal.

- Notice of NERC's Petition was issued on 3/9/2017; no comments were received.
- The 60-day PRA Notice was issued in Docket No. RD17-4 on 4/25/2017 and published on 5/2/2017 (82 FR 20473). The Commission received no public comments from the 60-day Notice.
- The 30-day PRA Notice in Docket RD17-4 will also be published in the Federal Register.

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

The Commission does not make payments or provide gifts for respondents of these information collections.

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

Responding entities do not submit the information collections to FERC. Rather, they submit the information to NERC, the regions, or maintain it internally. Since there are no submittals made to FERC, FERC provides no specific provisions in order to protect confidentiality.

According to the NERC Rules of Procedure section 1502, "...a Receiving Entity shall keep in confidence and not copy, disclose, or distribute any Confidential Information or

<sup>&</sup>lt;sup>14</sup> Details of the ERO's standard process is available on the NERC website in the Standard Process Manual (Version 3, effective 6/26/2013) at <a href="http://www.nerc.com/comm/SC/Documents/Appendix 3A StandardsProcessesManual.pdf">http://www.nerc.com/comm/SC/Documents/Appendix 3A StandardsProcessesManual.pdf</a>. Figure 1 (Process for Developing or Modifying a Reliability Standard) on page 15 of the NERC manual includes a diagram showing the "typical process for a project identified in the Reliability Standards Development Plan that involves a revision to an existing Reliability Standard...."

any part thereof without the permission of the Submitting Entity, except as otherwise legally required." This serves to protect confidential information submitted to or retained for NERC or Regional Entities.

# 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

There are no questions of a sensitive nature in these information collections that are considered private.

#### 12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The estimated burdens and costs related to the changes in Docket No. RD17-4 are as follows:

| Changes Due to Docket No. RD17-4-000 |                         |            |            |            |                    |  |
|--------------------------------------|-------------------------|------------|------------|------------|--------------------|--|
|                                      |                         |            |            |            | Total              |  |
|                                      |                         | Annual No. |            | Average    | Annual             |  |
| of Total No. Burden Burden           |                         |            |            |            |                    |  |
|                                      | No. of                  | Responses  | of         | Hours &    | Hours &            |  |
|                                      | Responden               | per        | Response   | Cost Per   | Total              |  |
| Information                          | ts & Type               | Responden  | S          | Response   | <b>Annual Cost</b> |  |
| Collection                           | of Entity <sup>15</sup> | t          | (1)*(2)=(3 | (\$)       | (\$)               |  |
| Requirements                         | (1)                     | (2)        | )          | $(4)^{16}$ | (3)*(4)=(5)        |  |
| FERC-725A                            |                         |            |            |            |                    |  |

<sup>&</sup>lt;sup>15</sup> Our estimates are based on the NERC Compliance Registry of 12/12/2016, which indicates that, within the United States, there are 323 entities registered as TOPs, 99 entities registered as BAs, and 11 entities registered as RCs. One entity may be registered as having several roles.

<sup>&</sup>lt;sup>16</sup>The hourly cost figures, for salary plus benefits, for the new standards are based on Bureau of Labor Statistics (BLS) information (at

http://www.bls.gov/oes/current/naics2\_22.htm), as of May 2015. For reporting requirements, an electrical engineer (code 17-2071) is \$64.29/hour; for the recordkeeping requirements, an information and record clerk (code 43-4199) is \$37.75/hour.

| Reporting and             |             |                   |                    |           |              |
|---------------------------|-------------|-------------------|--------------------|-----------|--------------|
| 1 1                       |             |                   |                    |           |              |
| Recordkeeping             |             |                   |                    |           |              |
| Requirements              |             |                   |                    |           |              |
| (continuing in            |             |                   |                    |           |              |
| TOP-001-4                 |             |                   |                    |           |              |
| [formerly in              |             |                   |                    | 1 .       | _            |
| TOP-001-3]) <sup>17</sup> |             |                   |                    | no change | no change    |
|                           |             | <b>FERC-725</b> A |                    |           |              |
| Increases, due to         | Implementat | ion of TOP-0      | 01-4 <sup>19</sup> |           |              |
| Reporting (R10,           |             |                   |                    |           |              |
| R20, & R21), in           |             |                   |                    | 11 hrs.;  | 3,553 hrs.;  |
| Yr. 1                     | 323 (TOP)   | 1                 | 323                | \$707.19  | \$228,422.37 |
| Reporting (R10,           |             |                   |                    |           |              |
| R20, & R21), in           |             |                   |                    |           |              |
| Yr. 2 &                   |             |                   |                    | 3 hrs.;   | 969 hrs.;    |
| ongoing                   | 323 (TOP)   | 1                 | 323                | \$192.87  | \$62,297.01  |
| Recordkeeping,            |             |                   |                    | 3 hrs.;   | 969 hrs.;    |
| in Yr. 1                  | 323 (TOP)   | 1                 | 323                | \$113.25  | \$36,579.75  |
| Recordkeeping,            | ,           |                   |                    |           |              |
| in Yr. 2 &                |             |                   |                    | 2 hrs.;   | 646 hrs.;    |
| ongoing                   | 323 (TOP)   | 1                 | 323                | \$75.50   | \$24,386.50  |
| Reporting (R23            |             |                   |                    |           |              |
| & R24), in Yr.            |             |                   |                    | 8 hrs.;   | 792 hrs.;    |
| 1                         | 99 (BA)     | 1                 | 99                 | \$514.32  | \$50,917.68  |
| Reporting (R23            | ` /         |                   |                    |           | . ,          |
| & R24), in Yr.            |             |                   |                    | 2 hrs.;   | 198 hrs.;    |
| 2 & ongoing               | 99 (BA)     | 1                 | 99                 | \$128.58  | \$12,729.42  |

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<sup>&</sup>lt;sup>17</sup> The reporting and recordkeeping requirements and the associated burden will continue in TOP-001-4 (formerly included in TOP-001-3, which is now being retired). The corresponding estimated burden for the 196 TOPs and BAs continues to be 96 hours per response (or a total estimated burden of 18,816 hours). These burdens continue in FERC-725A with no change, so a formal submittal for FERC-725A will not be made at this time. The changes are being submitted under 'placeholder' information collection no. FERC-725A(1C), as discussed on page 1.

<sup>&</sup>lt;sup>18</sup> The new requirements and burden which would normally be submitted to OMB under FERC-725A will be submitted under 'placeholder' information collection number FERC-725A(1C).

<sup>&</sup>lt;sup>19</sup> Requirement R21 (applicable to TOPs in ongoing yrs.) covers quarterly testing and associated reporting and recordkeeping requirements. Requirement R24 (applicable to BAs in ongoing yrs.) covers quarterly testing and associated engineering and recordkeeping requirements.

| Recordkeeping,  |          |   |    | 4 hrs.;   | 396 hrs.;     |  |
|---|----------|---|----|-----------|---------------|--|
| in Yr. 1  | 99 (BA)  | 1 | 99 | \$151.00  | \$14,949.00   |  |
| Recordkeeping,  | 33 (B11) |   | 55 | Ψ151.00   | Ψ1 1,0 15.00  |  |
| in Yr. 2 and  |          |   |    | 4 hrs.;   | 396 hrs.;     |  |
| ongoing   | 99 (BA)  | 1 | 99 | \$151.00  | \$14,949.00   |  |
| Increase to   |          | _ |    | 4-5-135   | 4 = 1,0 10100 |  |
| FERC-   |          |   |    |           |               |  |
| 725A(1C) in   |          |   |    |           | 5,710 hrs.;   |  |
| Year 1  |          |   |    |           | \$330,868.80  |  |
| Increase to   |          |   |    |           | ·             |  |
| FERC-   |          |   |    |           |               |  |
| 725A(1C) in   |          |   |    |           |               |  |
| Year 2 &  |          |   |    |           | 2,209 hrs.;   |  |
| ongoing   |          |   |    |           | \$114,361.93  |  |
| FERC-725Z   |          |   |    |           |               |  |
| Reporting and   |          |   |    |           |               |  |
| Recordkeeping   |          |   |    |           |               |  |
| Requirements  |          |   |    |           |               |  |
| (continuing in  |          |   |    |           |               |  |
| IRO-002-5   |          |   |    |           |               |  |
| [formerly in  |          |   |    |           |               |  |
| IRO-002-4]) <sup>20</sup>                                   |          |   |    | no change | no change     |  |
| Increases, due to Implementation of IRO-002-5 <sup>21</sup> |          |   |    |           |               |  |
| Reporting (R2   | •        |   |    | 8 hrs.;   | 88 hrs.;      |  |
| & R3), in Yr. 1   | 11 (RC)  | 1 | 11 | \$514.32  | \$5,657.52    |  |
| Reporting (R2   | , ,      |   |    |           |               |  |
| & R3), in Yr. 2   |          |   |    | 2 hrs.;   | 22 hrs.;      |  |
| & ongoing   | 11 (RC)  | 1 | 11 | \$128.58  | \$1,414.38    |  |
| Recordkeeping,  |          |   |    | 5 hrs.;   | 55 hrs.;      |  |
| in Yr. 1  | 11 (RC)  | 1 | 11 | \$188.75  | \$2,076.25    |  |
| Recordkeeping,  |          |   |    |           |               |  |
| in Yr. 2 &  |          |   |    | 4 hrs.;   | 44 hrs.;      |  |
| ongoing   | 11 (RC)  | 1 | 11 | \$151.00  | \$1,661.00    |  |

<sup>&</sup>lt;sup>20</sup> The reporting and recordkeeping requirements and the associated burden will continue in IRO-002-5 (burden formerly included in IRO-002-4, which is being retired). The corresponding estimated burden for the 11 RCs continues to be 24 hours per response (or a total estimated burden of 264 hours).

<sup>&</sup>lt;sup>21</sup> Requirement R3 (applicable to RCs in ongoing yrs.) covers quarterly testing and associated reporting and recordkeeping requirements.

| Increase to                  |  |  |              |
|------------------------------|--|--|--------------|
| FERC-725Z in                 |  |  | 143 hrs.;    |
| Year 1                       |  |  | \$7,733.77   |
| Increase to                  |  |  |              |
| FERC-725Z in                 |  |  |              |
| Year 2 and                   |  |  | 66 hrs.;     |
| ongoing                      |  |  | \$3,075.38   |
| TOTAL                        |  |  |              |
| <b>INCREASE IN</b>           |  |  |              |
| <b>YEAR 1,</b> <sup>22</sup> |  |  |              |
| <b>Due To Docket</b>         |  |  | 5,853 hrs.;  |
| No. RD17-4                   |  |  | \$338,602.57 |
| TOTAL                        |  |  |              |
| <b>INCREASE IN</b>           |  |  |              |
| YEAR 2 AND                   |  |  |              |
| ONGOING, <sup>22</sup>       |  |  |              |
| <b>Due To Docket</b>         |  |  | 2,275 hrs.;  |
| No. RD17-4                   |  |  | \$117,437.31 |

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

The costs related to the changes in Docket No. RD17-4 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, auditing, and compliance work for Reliability Standards. Any involvement by the Commission is covered under the FERC-725 (OMB Control No. 1902-0255) and is not part of this request or package. The data for FERC-725A(1C) and FERC-725Z are not submitted to FERC.

The Commission does incur the costs associated with obtaining OMB clearance for the two collections under the Paperwork Reduction Act of 1995 (PRA). 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 and orders, other changes to the collection, and associated publications in the Federal Register.

<sup>&</sup>lt;sup>22</sup> This figure covers increases to both FERC-725A(1C) and FERC-725Z.

FERC estimates the annual federal cost for this effort to be \$5,723. each for FERC-725A(1C) and FERC-725Z (for a total of \$11,446, shown below).

|                            | Number of Employees<br>(FTE) | Estimated Annual<br>Federal Cost |
|----------------------------|------------------------------|----------------------------------|
| Analysis and Processing of |                              |                                  |
| filings                    | 0.0                          | \$0                              |
| PRA Administrative Cost    |                              | \$11,446                         |
| FERC Total                 |                              | \$11,446                         |

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

NERC stated in its Petition that the "proposed Reliability Standards address the Commission directives in Order No. 817 related to: (i) transmission operator monitoring of non-bulk electric system ("BES") facilities; (ii) redundancy and diverse routing of transmission operator, balancing authority, and reliability coordinator data exchange capabilities; and (iii) testing of alternative or less frequently used data exchange capabilities." In addition, NERC requested Commission approval of the retirement of Reliability Standards TOP-001-3 and IRO-002-4. In an order on April 17, 2017, FERC approved the request.

FERC-725A(1C) is affected by the implementation of Reliability Standard TOP-001-4; FERC-725Z is affected by the implementation of Reliability Standard IRO-002-5.

Averaging Burden Increase due to RD17-4 over Years 1-3 for ROCIS and Reginfo.gov. For the purpose of submittal of this package to OMB (and inclusion in ROCIS and reginfo.gov), the burden increase attributable to Docket No. RD17-4 will be averaged over Years 1-3.

The average annual burden increase (due to Docket No. RD17-4) over Years 1-3 follows.

- FERC-725A(1C):
  - o reporting increase of 2,226.33 hrs./yr. (based on 4,345 hrs. for Yr. 1, and 1,167 hrs. each for Yrs. 2 and 3)
  - o recordkeeping increase of 1,149.67 hours/yr. (based on 1,365 hrs. in Yr. 1, and 1,042 hrs. each in Yrs. 2 and 3)
  - o giving a total annual increase (reporting plus recordkeeping) of 3,376 hrs.
- FERC-725Z
  - o reporting increase of 44 hours/yr. (based on 88 hrs. in Yr. 1, and 22 hrs. each in Yrs. 2 and 3)

- o recordkeeping increase of 47.67 hours/yr. (based on 55 hrs. in Yr. 1, and 44 hrs. each in Yrs. 2 and 3)
- o giving a total annual increase (reporting plus recordkeeping) of 91.67 hrs.

The number of additional responses does not vary from Year 1 through Year 3.

|                                     | Total Request | Previously<br>Approved | Change due to<br>Adjustment in<br>Estimate | Change Due to Agency Discretion |  |  |  |
|-------------------------------------|---------------|------------------------|--|---------------------------------|--|--|--|
| FERC-725A(1C) (OMB Control No. TBD) |               |                        |  |                                 |  |  |  |
| Annual Number                       |               |                        |  |                                 |  |  |  |
| of Responses                        | 422           | 0                      | 0  | +422                            |  |  |  |
| Annual Time                         |               |                        |  |                                 |  |  |  |
| Burden (Hr.)                        | 3,376         | 0                      | 0  | +3,376                          |  |  |  |
| Annual Cost                         |               |                        |  |                                 |  |  |  |
| Burden (\$)                         | \$0           | \$0                    | 0  | 0                               |  |  |  |

| FERC-725Z (OMB Control No. 1902-0276) |        |        |   |        |  |  |
|---------------------------------------|--------|--------|---|--------|--|--|
| Annual Number                         |        |        |   |        |  |  |
| of Responses                          | 6,683  | 6,672  | 0 | +11    |  |  |
| Annual Time                           |        |        |   |        |  |  |
| Burden (Hr.)                          | 49,423 | 49,331 | 0 | +91.67 |  |  |
| Annual Cost                           |        |        |   |        |  |  |
| Burden (\$)                           | 0      | 0      | 0 | 0      |  |  |

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

There is no publication of data associated with the FERC-725A(1C) or FERC-725Z collections of information.

#### 17. DISPLAY OF EXPIRATION DATE

The expiration dates are posted on ferc.gov at http://www.ferc.gov/docs-filing/info-collections.asp.

#### 18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.