and 1.5 miles south of the 096° bearing from the airport extending from the 2.6-mile radius to 3.9 miles east of the airport, excluding the Los Angeles Airport Class D airspace. This Class D airspace is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

Paragraph 6004 Class E airspace areas designated as an extension to Class D or Class E surface area.

* * * * *

AWP CA E4 Hawthorne, CA [Revised]

Jack Northrop Field/Hawthorne Municipal Airport, CA
(Lat. 33°55′22″ N., long. 118°20′07″ W.)

That airspace extending upward from the surface within 2 miles north and 1.5 miles south of the 096° bearing from Jack Northrop Field/Hawthorne Municipal Airport, beginning 3.9 miles east of the airport extending to 6.3 miles east of the airport. This Class E airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

Issued in Seattle, Washington, on February 1, 2012.

Johanna Forkner,

Acting Manager, Operations Support Group, Western Service Center.

[FR Doc. 2012–3149 Filed 2–10–12; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 40

[Docket No. RM10–5–000; Order No. 758]

Interpretation of Protection System Reliability Standard

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final rule.

SUMMARY: On November 17, 2009, the North American Electric Reliability Corporation (NERC) submitted a petition (Petition) requesting approval of NERC's interpretation of Requirement R1 of Commission-approved Reliability Standard PRC–005–1 (Transmission and Generation Protection System Maintenance and Testing). On December 16, 2010, the Commission issued a Notice of Proposed Rulemaking (NOPR). In the NOPR, the Commission proposed to accept the NERC proposed interpretation of Requirement R1 of Reliability Standard PRC–005–1, and proposed to direct NERC to develop modifications to the PRC–005–1 Reliability Standard through its Reliability Standards development process to address gaps in the Protection System maintenance and testing standard that were highlighted by the proposed interpretation. As a result of the comments received in response to the NOPR, in this order the Commission adopts the NOPR proposal to accept NERC's proposed interpretation. In addition, as discussed below, the Commission accepts, in part, NERC's commitment to address the concerns in the Protection System maintenance and testing standard that were identified by the NOPR within the Reliability Standards development process, and directs, in part, that the concerns identified by the NOPR with regard to reclosing relays be addressed within the reinitiated PRC–005 revisions.

DATES: *Effective Date:* This rule will become effective March 14, 2012.

FOR FURTHER INFORMATION CONTACT:

Ron LeComte (Legal Information), Office of General Counsel, Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426, (202) 502–8405, *ron.lecomte@ferc.gov*.

Danny Johnson (Technical Information), Office of Electric Reliability, Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426, (202) 502–8892, *danny.johnson@ferc.gov*.

SUPPLEMENTARY INFORMATION:

Before Commissioners: Jon Wellinghoff, Chairman; Philip D. Moeller, John R. Norris, and Cheryl A. LaFleur.

Final Rule (Issued February 3, 2012.)

1. On November 17, 2009, NERC submitted the Petition requesting approval of NERC's interpretation of Requirement R1 of Commission-approved Reliability Standard PRC–005–1 (Transmission and Generation Protection System Maintenance and Testing). NERC developed the interpretation in response to a request for interpretation submitted to NERC by the Regional Entities Compliance Monitoring Processes Working Group (Working Group).[1] In a December 16, 2010 Notice of Proposed Rulemaking (NOPR),[2] the Commission proposed to accept the NERC proposed interpretation of Requirement R1 of Reliability Standard PRC–005–1, and proposed to direct NERC to develop modifications to the PRC–005–1 Reliability Standard through its Reliability Standards development process to address gaps in the Protection System maintenance and testing standard highlighted by the proposed interpretation. As a result of the comments received in response to the NOPR, in this order the Commission adopts the NOPR proposal to accept NERC's proposed interpretation. In addition, the Commission accepts, in part, NERC's commitments to address the concerns in the Protection System maintenance and testing standard that were identified by the NOPR within the Reliability Standards development process, and directs, in part, that the concerns identified by the NOPR with regard to reclosing relays be addressed within the reinitiated PRC–005 revisions.

I. Background

2. Section 215 of the Federal Power Act (FPA) requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards, which are subject to Commission review and approval.[3] Specifically, the Commission may approve, by rule or order, a proposed Reliability Standard or modification to a Reliability Standard if it determines that the Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest.[4] Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight, or by the Commission independently.[5]

3. Pursuant to section 215 of the FPA, the Commission established a process to select and certify an ERO,[6] and subsequently certified NERC.[7] On April 4, 2006, NERC submitted to the Commission a petition seeking approval of 107 proposed Reliability Standards. On March 16, 2007, the Commission issued a Final Rule, Order No. 693,[8] approving 83 of the 107 Reliability Standards, including Reliability

[1] The Working Group is a subcommittee of the Regional Entity Management Group which consists of the executive management of the eight Regional Entities.

[2] *Interpretation of Protection System Reliability Standard,* Notice of Proposed Rule Making, 75 FR 81,152 (Dec. 27, 2010), FERC Stats. & Regs. ¶ 32,669 (2010).

[3] 16 U.S.C. 824 (2006).

[4] *Id.* 824o(d)(2).

[5] *Id.* 824o(e)(3).

[6] *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards,* Order No. 672, FERC Stats. & Regs. ¶ 31,204, *order on reh'g,* Order No. 672–A, FERC Stats. & Regs. ¶ 31,212 (2006).

[7] *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).

[8] *Mandatory Reliability Standards for the Bulk-Power System,* Order No. 693, FERC Stats. & Regs. ¶ 31,242, *order on reh'g,* Order No. 693–A, 120 FERC ¶ 61,053 (2007).

Standard PRC–005–1. In addition, pursuant to section 215(d)(5) of the FPA,[9] the Commission directed NERC to develop modifications to 56 of the 83 approved Reliability Standards, including PRC–005–0.[10]

4. NERC's Rules of Procedure provide that a person that is ''directly and materially affected'' by Bulk-Power System reliability may request an interpretation of a Reliability Standard.[11] In response, the ERO will assemble a team with relevant expertise to address the requested interpretation and also form a ballot pool. NERC's Rules of Procedure provide that, within 45 days, the team will draft an interpretation of the Reliability Standard and submit it to the ballot pool. If approved by the ballot pool and subsequently by the NERC Board of Trustees (Board), the interpretation is appended to the Reliability Standard and filed with the applicable regulatory authorities for approval.

II. Reliability Standard PRC–005–1

5. The purpose of PRC–005–1 is to ''ensure all transmission and generation Protection Systems affecting the reliability of the Bulk Electric System (BES) are maintained and tested.'' In particular, Requirement R1, requires that:

R1. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:

R1.1. Maintenance and testing intervals and their basis.

R1.2. Summary of maintenance and testing procedures.

6. NERC currently defines ''Protection System'' as follows: ''Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.''[12]

III. NERC Proposed Interpretation

7. In the NERC Petition, NERC explains that it received a request from the Working Group for an interpretation of Reliability Standard PRC–005–1, Requirement R1, addressing five specific questions. Specifically, the Working Group questions and NERC proposed interpretations include:

Request 1: ''Does R1 require a maintenance and testing program for the battery chargers for the 'station batteries' that are considered part of the Protection System?''

Response: ''While battery chargers are vital for ensuring 'station batteries' are available to support Protection System functions, they are not identified within the definition of 'Protection Systems.' Therefore, PRC–005–1 does not currently require maintenance and testing of battery chargers.''[13]

Request 2: ''Does R1 require a maintenance and testing program for auxiliary relays and sensing devices? If so, what types of auxiliary relays and sensing devices? (i.e., transformer sudden pressure relays).''

Response: ''The existing definition of 'Protection System' does not include auxiliary relays; therefore, maintenance and testing of such devices is not explicitly required. Maintenance and testing of such devices is addressed to the degree that an entity's maintenance and testing program for DC control circuits involves maintenance and testing of imbedded auxiliary relays. Maintenance and testing of devices that respond to quantities other than electrical quantities (for example, sudden pressure relays) are not included within Requirement R1.''

Request 3: ''Does R1 require maintenance and testing of transmission line re-closing relays?''

Response: ''No. 'Protective Relays' refer to devices that detect and take action for abnormal conditions. Automatic restoration of transmission lines is not a 'protective' function.''

Request 4: ''Does R1 require a maintenance and testing program for the DC circuitry that is just the circuitry with relays and devices that control actions on breakers, etc., or does R1 require a program for the entire circuit from the battery charger to the relays to circuit breakers and all associated wiring?''

Response: ''PRC–005–1 requires that entities (1) address DC control circuitry within their program, (2) have a basis for the way they address this item, and (3) execute the program. Specific additional requirements relative to the scope and/or methods are not established.''

Request 5: ''For R1, what are examples of 'associated communications systems' that are part of 'Protection Systems' that require a maintenance and testing program?''

Response: '' 'Associated communication systems' refer to communication systems used to convey essential Protection System tripping logic, sometimes referred to as pilot relaying or teleprotection. Examples include the following:

—Communications equipment involved in power-line-carrier relaying;
—Communications equipment involved in various types of permissive protection system applications;
—Direct transfer-trip systems;
—Digital communication systems * * *.''

8. In its Petition requesting that the Commission accept the proposed interpretation, NERC recognized that greater clarity to the requirement language in PRC–005–1a is necessary to provide a complete framework for maintenance and testing of equipment necessary to ensure the reliability of the Bulk Power System. In its Petition, NERC also stated that this activity is already underway in the scope of Project 2007–17—Protection System Maintenance and Testing, coupled with the revised definition of Protection System.

IV. Commission NOPR

9. In the NOPR, the Commission proposed to accept the NERC proposed interpretation of Requirement R1 of Reliability Standard PRC–005–1. In addition, the Commission proposed to direct NERC to develop modifications to the PRC–005–1 Reliability Standard through its Reliability Standards development process to address gaps in the Protection System maintenance and testing standard that were highlighted by the proposed interpretation. The specific modifications are discussed below.

V. Comments

10. Comments on the Commission's proposed interpretation were received by the NERC, Edison Electric Institute (EEI), ISO/RTO Council (IRC), American Public Power Association (APPA), National Rural Electric Cooperative Association (NRECA), Transmission Access Policy Study Group (TAPS), Cities of Anaheim and Riverside, California (Joint Cities), Northwest

[9] 16 U.S.C. 824o(d)(5).

[10] Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1475.

[11] NERC Rules of Procedure, Appendix 3A, Reliability Standards Development Procedure, Version 6.1, at 26–27 (2007).

[12] In Docket No. RD11–13–000, NERC has proposed to revise the definition of Protection System effective on the first day of the first calendar quarter twelve months from approval. The Commission is approving this revision in an order issued concurrently with this order. *See North American Electric Reliability Corp.,* 138 FERC ¶ 61,095 (2012).

[13] The revised definition of Protection System accepted in Docket No. RD11–13–000 includes battery chargers as an element of the Protection System and, as a result of that change, battery chargers must be maintained and tested. Thus, the modified definition of Protection System approved in Docket No. RD11–13–000, when effective, shall supersede the interpretation of Requirement R1 of Reliability Standard PRC–005–1 approved in this order.

Commenters,[14] International Transmission Company (ITC), PSEG Companies,[15] and MidAmerican Energy Holdings Company (MidAmerican), Constellation/CENG,[16] and Manitoba Hydro (Manitoba). In general, commenters support NERC's proposed interpretation, and oppose the further directives in the NOPR. Commenters also state that modifications to the Reliability Standards should be addressed within the NERC standards development process and that certain of the modifications are currently being addressed.

VI. Discussion

11. As a result of the comments received in response to the proposal, the Commission adopts the NOPR proposal to accept NERC's proposed interpretation. As discussed below, [17] the Commission accepts, in part, NERC's commitments to address the concerns in the Protection System maintenance and testing standard that were identified by the NOPR within the Reliability Standards development process, and directs, in part, that the concerns identified by the NOPR with regard to reclosing relays be addressed within the reinitiated PRC–005 revisions.

A. Maintenance and Testing of Auxiliary and Non-Electrical Sensing Relays

12. In the NOPR, the Commission noted a concern that the proposed interpretation may not include all components that serve in some protective capacity.[18] The Commission's concerns included the proposed interpretation's exclusion of auxiliary and non-electrical sensing relays. The Commission proposed to direct NERC to develop a modification to the Reliability Standard to include any component or device that is designed to detect defective lines or apparatuses or other power system conditions of an abnormal or dangerous nature, including devices designed to sense or take action against any abnormal system condition that will affect reliable operation, and to initiate appropriate control circuit actions.

13. In their comments NERC, EEI, Joint Cities, Manitoba, NRECA, ITC, MidAmerican, and PSEG expressed varying levels of disagreement with the NOPR's proposed directive. The disagreements are based on a concern that the proposed directive will create an increase in scope that will capture many items not used in BES protection. NERC is concerned the scope of this proposed directive is so broad that any device that is installed on the Bulk-Power System to monitor conditions in any fashion may be included.[19] NERC states that many of these devices are advisory in nature and should not be reflected within NERC Reliability Standards if they do not serve a necessary reliability purpose.[20] NERC does not believe it is necessary for the Commission to issue a directive to address this issue. Instead, NERC proposes to develop, either independently or in association with other technical organizations such as IEEE, one or more technical documents which:

1. Describe the devices and functions (to include sudden pressure relays which trip for fault conditions) that should address FERC's concern; and
2. Propose minimum maintenance activities for such devices and maximum maintenance intervals, including the technical basis for each.[21]

14. NERC states that these technical documents will address those protective relays that are necessary for the reliable operation of the Bulk-Power System and will allow for differentiation between protective relays that detect faults from other devices that monitor the health of the individual equipment and are advisory in nature (e.g., oil temperature). Following development of the above-referenced document(s), NERC states that it will ''propose a new or revised standard (e.g. PRC–005) using the NERC Reliability Standards development process to include maintenance of such devices, including establishment of minimum maintenance activities and maximum maintenance intervals.'' [22] Accordingly, NERC proposes to ''add this issue to the Reliability Standards issues database for inclusion in the list of issues to address the next time the PRC–005 standard is revised.'' [23]

15. The Commission accepts NERC's proposal, and directs NERC to file, within sixty days of publication of this Final Rule, a schedule for informational purposes regarding the development of the technical documents referenced above, including the identification of devices that are designed to sense or take action against any abnormal system condition that will affect reliable operation. NERC shall include in the informational filing a schedule for the development of the changes to the standard that NERC stated it would propose as a result of the above-referenced documents.[24] NERC should update its schedule when it files its annual work plan.

B. Reclosing Relays

16. In the NOPR, the Commission noted that while a reclosing relay is not identified as a specific component of the Protection System, if it either is used in coordination with a Protection System to achieve or meet system performance requirements established in other Commission-approved Reliability Standards, or can exacerbate fault conditions when not properly maintained and coordinated, then excluding the maintenance and testing of these reclosing relays will result in a gap in the maintenance and testing of relays affecting the reliability of the Bulk-Power System.[25] Accordingly, the Commission proposed that NERC modify the Reliability Standard to include the maintenance and testing of reclosing relays affecting the reliability of the Bulk-Power System.

17. NERC, EEI, IRC, ITC MidAmerican, NRECA, and PSEG opposed the NOPR's directive to include reclosing relays. In general, commenters state that reclosing relays used for stability purposes are already included in maintenance and testing programs, and that reclosing relays that are primarily used to minimize customer outages times and maximize availability of system components should not be included. PSEG and MidAmerican contend that the NERC standards development process should be utilized to determine the maintenance and testing of those reclosing relays that affect the reliability of the Bulk-Power System.

18. ISO/RTO contends that the primary purpose of reclosing relays is to allow more expeditious restoration of lost components of the system, not to maintain the reliability of the Bulk-Power System. Therefore, ISO/RTO maintains that automatic reclosing

[14] Lincoln People's Utility District, Columbia River People's Utility District, Inland Power and Light Company, Northwest Public Power Association, Northwest Requirements Utilities, Pacific Northwest Generating Cooperative, Public Power Council, Public Utility District No. 1 of Snohomish County, and Tillamook People's Utility District.

[15] Public Service Electric and Gas Company, PSEG Fossil LLC, and PSEG Nuclear LLC.

[16] Constellation Energy Group, Inc., Baltimore Gas & Electric Company, Constellation Energy Commodities Group, Inc., Constellation Energy Control and Dispatch, LLC, Constellation NewEnergy, Inc., and Constellation Power Source Generation, Inc. (together, Constellation) and Constellation Energy Nuclear Group, LLC (CENG).

[17] *See infra,* P 15, P 18, P 20.

[18] NOPR at P 11–14.

[19] NERC February 25, 2011 Comments at 7.

[20] *Id.*

[21] *Id.*

[22] *Id.*

[23] *Id.*

[24] *Id.* at 7, 8.

[25] NOPR at P 15.

relays should not be subject to the NERC Reliability Standard for relay maintenance and testing. MidAmerican states that there are only limited circumstances when a reclosing relay can actually affect the reliability of the Bulk-Power System. MidAmerican contends that it would be overbroad for the Commission to direct a modification to the standard that encompasses all reclosing relays that can ''exacerbate fault conditions when not properly maintained and coordinated,'' as this would improperly include many types of reclosing relays that do not necessarily affect the reliability of the Bulk-Power System.

19. ITC agrees with the Commission's proposal that reclosing relays that are required for system stability should be maintained and tested under Requirement R1 of PRC–005–1. However, ITC contends that since most bulk electric system automatic reclosing relay systems are applied to minimize customer outage times and to maximize availability of system components, only some ''high speed'' reclosing relays will affect the reliability of the Bulk-Power System. Therefore, ITC proposes that the Commission should direct NERC to draft specific requirements or selection criteria that should be used in identifying the types of re-closing relays for maintenance and testing under Requirement R1 of PRC–005–1.[26]

20. While NRECA notes that reclosing relays operate to restore, not protect a system, NRECA also notes that there are reclosing schemes that directly affect and are required for automatic stability control of the system, but that such schemes are already covered under Special Protection Schemes that are subject to reliability standards. NRECA, notes that some transmission operators do not allow reclosing relays on the bulk power system to remove the possibility of reclosing in on a permanent fault, thus avoiding further potential damage to the bulk power system.[27]

21. Similarly, NERC comments that in most cases reclosing relays cannot be relied on to meet system performance requirements because of the need to consider the impact of auto-reclosing into a permanent fault; however, NERC states that applications that may exist in which automatic restoration is used to meet system performance requirements following temporary faults. NERC comments that where reclosing relays are applied to meet performance requirements in approved NERC Reliability Standards, or where automatic restoration of service is fundamental to derivation of an Interconnection Reliability Operating Limit (IROL), it is reasonable to require maintenance and testing of auto-reclosing relays.[28] However, NERC does not believe it is necessary for the Commission to issue a directive.[29] NERC states that the proposed revisions to Reliability Standard PRC–005–1 that are under development include maintenance of reclosing devices that are part of Special Protection Systems.[30] NERC proposes ''to add the remaining concerns relating to this issue to the Reliability Standards issues database for inclusion in the list of issues to address the next time Reliability Standard PRC–005 is revised.'' [31]

22. As NERC and other commenters point out, reclosing relays are used in a broad range of applications; e.g., meet system performance requirements in approved Reliability Standards, derivation of IROLs, maintain system stability, minimize customer outage times, to maximize availability of system components, etc. While commenters acknowledge that reclosing relays have several applications, commenters also appear to be divided on which applications, if any, should be included in a maintenance and testing program.

23. The NOPR raised a concern that excluding the maintenance and testing of reclosing relays that can exacerbate fault conditions when not properly maintained and coordinated will result in a gap affecting Bulk-Power System reliability.[32] We agree with MidAmerican that while there are only limited circumstances when a reclosing relay can actually affect the reliability of the Bulk-Power System, there are some reclosing relays, e.g., whose failure to operate or that misoperate during an event due to lack of maintenance and testing, may negatively impact the reliability of the Bulk-Power System.[33] We agree with NERC that where reclosing relays are applied to meet performance requirements in approved NERC Reliability Standards, or where automatic restoration of service is fundamental to derivation of an Interconnection Reliability Operating Limit (IROL), it is reasonable to require maintenance and testing of auto-reclosing relays.

24. In the NOPR we stated that a misoperating or miscoordinated reclosing relay may result in the reclosure of a Bulk-Power System element back onto a fault or that a misoperating or miscoordinated reclosing relay may fail to operate after a fault has been cleared, thus failing to restore the element to service. As a result, the reliability of the Bulk-Power System would be affected. In addition, misoperated or miscoordinated relays may result in damage to the Bulk-Power System. For example, a misoperation or miscoordination of a reclosing relay causing the reclosing of Bulk-Power System facilities into a permanent fault can subject generators to excessive shaft torques and winding stresses and expose circuit breakers to systems conditions less than optimal for correct operation, potentially damaging the circuit breaker.[34]

25. While some commenters argue that reclosing relays do not affect the reliability of the Bulk-Power System, the record supports our concern. For example, we note NERC's concern regarding the ''* * * need to consider the impact of autoreclosing into a permanent fault.'' We also note NRECA's comments that ''* * * some transmission operators do not allow reclosing on the bulk electric system facilities to remove the opportunity of closing in on a permanent fault'' and ''* * * by its [automatic reclosing] use a utility understands the potential for further damage that may occur by reclosing.'' [35] Because the misoperation or miscommunication of reclosing relays can exacerbate fault conditions, we find that reclosing relays that may affect the reliability of the Bulk-Power System should be maintained and tested.[36]

26. For the reasons discussed above, we conclude that it is important to maintain and test reclosing relays that may affect the reliability of the Bulk-Power System. We agree with ITC that specific requirements or selection criteria should be used to identify reclosing relays that affect the reliability of the Bulk-Power System. As MidAmerican suggests, the standard should be modified, through the

[26] ITC Comments at 7.

[27] NRECA Comments at 13–14.

[28] NERC February 25, 2011 Comments at 9.

[29] TAPs urges the Commission to use its authority pursuant to section 215(d)(5) in circumstances where there is a clear need for such a directive.

[30] *Id.*

[31] *Id.*

[32] NOPR at P 15, noting one such outage resulting in the loss of over 4,000 MW of generation and multiple 765 kV lines.

[33] MidAmerican Comments at 6.

[34] NERC System Protection and Control Subcommittee, ''Advantages and Disadvantages of EHV Automatic Reclosing, ''December 9, 2009, p. 14.

[35] NRECA Comments at 13.

[36] As NERC notes, there may be applications of reclosing relays where the misoperation or miscommunication may does not have a detrimental effect on the reliability of the Bulk-Power System.

Reliability Standards development process, to provide the Transmission Owner, Generator Owner, and Distribution Provider with the discretion to include in a Protection System maintenance and testing program only those reclosing relays that the entity identifies as having an affect on the reliability of the Bulk-Power System.

27. We note that the original project to revise Reliability Standard PRC–005 failed a recirculation ballot in July of 2011. The project was subsequently reinitiated to continue the efforts to develop Reliability Standard PRC–005–2. Given that the project to draft proposed revisions to Reliability Standard PRC–005–1 continues in this reinitiated effort, and the importance of maintaining and testing reclosing relays, we direct NERC to include maintenance and testing of reclosing relays that can affect the reliable operation of the Bulk-Power System, as discussed above, within these reinitiated efforts to revise Reliability Standard PRC–005.[37]

C. DC Control Circuitry and Components

28. In the NOPR, the Commission explained its understanding that a maintenance and testing program for DC control circuitry would include all components of DC control circuitry necessary for ensuring Reliable Operation of the Bulk-Power System, and that not establishing the specific requirements of such a maintenance and testing program results in a gap in the maintenance and testing of Protection System components.[38]

29. Joint Cities, MidAmerican, and NRECA expressed concern that the NOPR's directive is too broad and unnecessarily burdensome. NERC agrees that maintenance and testing should be required for all DC control circuitry.[39] NERC further stated that draft standard PRC–005–2 being developed in Project 2007–17 ''includes extensive, specific maintenance activities (with maximum maintenance intervals) related to the DC control circuits.'' [40] The Commission accepts NERC's commitment to include the development of specific requirements of such a maintenance and testing program described above in Project 2007–17.[41]

VII. Information Collection Statement

30. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting and recordkeeping (collections of information) imposed by an agency.[42] The Commission submits reporting and recording keeping requirements to OMB under section 3507 of the Paperwork Reduction Act of 1995.[43]

31. As stated above, the Commission previously approved, in Order No. 693, the Reliability Standard that is the subject of the current Final Rule. This Final Rule accepts an interpretation of the currently approved Reliability Standard. The interpretation of the current Reliability Standard at issue in this final rule is not expected to change the reporting burden or the information collection requirements. The informational filing required of NERC is part of currently active collection FERC–725 and does not require additional approval by OMB.

32. We will submit this final rule to OMB for informational purposes only.

VIII. Environmental Analysis

33. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.[44] The Commission has categorically excluded certain actions from this requirement as not having a significant effect on the human environment. Included in the exclusion are rules that are clarifying, corrective, or procedural or that do not substantially change the effect of the regulations being amended.[45] The actions proposed herein fall within this categorical exclusion in the Commission's regulations.

IX. Regulatory Flexibility Act

34. The Regulatory Flexibility Act of 1980 (RFA) generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities.[46] The RFA mandates consideration of regulatory alternatives that accomplish the stated objectives of a proposed rule and that minimize any significant economic impact on a substantial number of small entities. The Small Business Administration's (SBA) Office of Size Standards develops the numerical definition of a small business.[47] The SBA has established a size standard for electric utilities, stating that a firm is small if, including its affiliates, it is primarily engaged in the transmission, generation and/or distribution of electric energy for sale and its total electric output for the preceding twelve months did not exceed four million megawatt hours.[48] The RFA is not implicated by this Final Rule because the interpretation accepted herein does not modify the existing burden or reporting requirements. Because this Final Rule accepts an interpretation of the currently approved Reliability Standard, the Commission certifies that this Final Rule will not have a significant economic impact on a substantial number of small entities.

X. Document Availability

35. In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (*http://www.ferc.gov*) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5 p.m. Eastern time) at 888 First Street NE., Room 2A, Washington, DC 20426.

36. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

37. User assistance is available for eLibrary and the FERC's Web site during normal business hours from FERC Online Support at 202–502–6652 (toll free at 1–866–208–3676) or email at *ferconlinesupport@ferc.gov,* or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. Email the Public Reference Room at *public.referenceroom@ferc.gov.*

[37] On December 13, 2011, NERC submitted its Standards Development Plan for 2012–2014. NERC estimates that Project 2007–17 will be completed in the second quarter of 2012. By July 30, 2012, NERC should submit to the Commission either the completed project which addresses the remaining issues consistent with this order, or an informational filing that provides a schedule for how NERC will address such issues in the Project 2007–17 reinitiated efforts.

[38] NOPR at P 16.

[39] NERC February 25, 2011 Comments at 10.

[40] *Id.*

[41] As previously noted, NERC estimates that Project 2007–17 will be completed by the second quarter of 2012. By July 30, 2012, NERC should submit to the Commission either the completed project which addresses the remaining issues consistent with this order, or an informational filing that provides a schedule for how NERC will address such issues in the Project 2007–17 reinitiated efforts.

[42] 5 CFR 1320.

[43] 44 U.S.C. 3507.

[44] *Regulations Implementing the National Environmental Policy Act of 1969,* Order No. 486, FERC Stats. & Regs. ¶ 30,783 (1987).

[45] 18 CFR 380.4(a)(2)(ii).

[46] 5 U.S.C. 601–612.

[47] 13 CFR 121.201.

[48] *Id.* n.1.

XI. Effective Date and Congressional Notification

38. This Final Rule is effective March 14, 2012. The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of OMB that this rule is not a ''major rule'' as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996.

List of Subjects in 18 CFR Part 40

Applicability, Mandatory reliability standards, Availability of reliability standards.

By the Commission.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R08–OAR–2011–0100; FRL–9495–9]

Disapproval and Promulgation of Air Quality Implementation Plans; Montana; Revisions to the Administrative Rules of Montana—Air Quality, Subchapter 7, Exclusion for De Minimis Changes

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: EPA is taking final action to partially approve and partially disapprove State Implementation Plan (SIP) revisions and new rules as submitted by the State of Montana on June 25, 2010 and May 28, 2003. The revisions contain new rules in Subchapter 7 (Permit, Construction, and Operation of Air Contaminant Sources) that pertain to the issuance of Montana air quality permits, in addition to other minor administrative changes to other subchapters of the Administrative Rules of Montana (ARM). In this action, EPA is approving those portions of the rules that are approvable and disapproving those portions of the rules that are inconsistent with the Clean Air Act (CAA). This action is being taken under section 110 of the CAA.

DATES: *Effective Date:* This final rule is effective March 14, 2012.

ADDRESSES: EPA has established a docket for this action under Docket ID No. EPA–R08–OAR–2011–0100. All documents in the docket are listed in the *www.regulations.gov* Web site. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, will be publicly available only in hard copy. Publicly available docket materials are available either electronically in *www.regulations.gov* or in hard copy at the Air Program, Environmental Protection Agency (EPA), Region 8, 1595 Wynkoop Street, Denver, Colorado 80202–1129. EPA requests you contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section to view the hard copy of the docket. You may view the hard copy of the docket Monday through Friday, 8 a.m. to 4 p.m., excluding Federal holidays.

FOR FURTHER INFORMATION CONTACT: Kevin Leone, Air Program, Mailcode 8P–AR, Environmental Protection Agency, Region 8, 1595 Wynkoop Street, Denver, Colorado 80202–1129, (303) 312–6227, or *leone.kevin@epa.gov.*

SUPPLEMENTARY INFORMATION:

Definitions

For the purpose of this document, we are giving meaning to certain words or initials as follows:

(i) The words or initials *Act* or *CAA* mean or refer to the Clean Air Act, unless the context indicates otherwise.

(ii) The words *EPA, we, us* or *our* mean or refer to the United States Environmental Protection Agency.

(iii) The initials *SIP* mean or refer to State Implementation Plan.

(iv) The words *State* or *Montana* mean the State of Montana, unless the context indicates otherwise.

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I. What action is EPA taking?

A. Summary of Final Action

EPA is taking final action to approve new rule ARM 17.8.745 as submitted by the State of Montana on June 25, 2010. Montana adopted this rule on May 14, 2010 and it became State effective on May 28, 2010. We are also taking final action to approve all references to ARM 17.8.745, submitted by Montana on May 28, 2003. Specifically, the following phrases in 17.8.740(8)(a) and (c), respectively, (1) ''except when a permit is not required under ARM 17.8.745'' and (2) ''except as provided in ARM 17.8.745,'' the phrase ''and 17.8.745'' in ARM 17.8.743(1) and the phrase ''the emission increase meets the criteria in ARM 17.8.745 for a *de minimis* change not requiring a permit in ARM 17.8.864(1)(b). These references were adopted on December 6, 2002, and became State effective on December 27, 2002. EPA is also taking final action to disapprove the phrase ''asphalt concrete plants, mineral crushers'' in new rule ARM 17.8.743(1)(b) as submitted by the State of Montana on May 28, 2003. This rule was adopted on December 6, 2002, and became State effective on December 27, 2002.

ARM 17.8.745, as submitted by the State of Montana on June 25, 2010, and all references to ARM 17.8.745, as submitted by the State of Montana on May 28, 2003, meet the requirements of the Act and EPA's minor New Source Review (NSR) regulations. ARM 17.8.743(1)(b), as submitted by the State of Montana on May 28, 2003, does not meet the requirements of the Act and EPA's minor NSR regulations.

EPA proposed an action for the above SIP revision submittals on September 26, 2011 (76 FR 59338). We accepted comments from the public on this proposal from September 27, 2011, until October 26, 2011. A summary of the comments received and our evaluation thereof is discussed in section III below. In the proposed rule, we described our basis for the actions identified above. The reader should refer to the proposed rule, and sections III and IV of this preamble, for additional information regarding this final action.

EPA reviews a SIP revision submission for its compliance with the Act and EPA regulations. CAA 110(k)(3). We evaluated the submitted Program based upon the regulations and associated record that have been submitted and are currently before EPA. In order for EPA to ensure that Montana has a Program that meets the requirements of the CAA, the State must demonstrate the Program is as stringent as the Act and the implementing regulations discussed in this notice. For example, EPA must have sufficient information to make a finding that the new Program will ensure protection of the NAAQS, and noninterference with the Montana SIP control strategies, as required by section 110(l) of the Act.

The provisions in these submittals were not submitted to meet a mandatory