



## DEPARTMENT OF AGRICULTURE

### Rural Utilities Service

7 CFR Parts 1710, 1717, 1721, 1726, and 1730

[Docket No. RUS-23-ELECTRIC-0024]

RIN 0572-AC64

### Revision to Electric Program Operating Policies and Procedures

**AGENCY:** Rural Utilities Service, U.S. Department of Agriculture (USDA).

**ACTION:** Final rule; request for comment.

**SUMMARY:** The Rural Utilities Service (RUS), a Rural Development (RD) agency of the United States Department of Agriculture (USDA), is issuing a final rule with request for comments. The intent of this rulemaking is to provide more flexibility for the RUS Electric Program borrowers to complete emergency repairs while maintaining the ability to receive RUS financing, to delete unnecessary and outdated requirements imposed on electric borrowers and applicants and provide flexibility in selecting construction procurement methods that better support applicant needs in awarding construction contracts. These changes will reduce agency travel costs by extending the time between the required review period for operations and maintenance reviews, reduce the number of reviews for RUS Electric Program staff, and increase customer satisfaction and service.

**DATES:** This final rule is effective **[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** You may submit comments, identified by Docket Number (RUS-23-ELECTRIC-0024) or the RIN # (0572-AC64).

- Federal eRulemaking Portal: Follow instructions for sending comments. In the “Search Documents” box, enter the Docket Number (RUS-23-ELECTRIC-0024) or the RIN # (0572-AC64) provided in this rule, and click the “Search” button. To submit a comment, choose the “Comment” button associated with the rule. Information on using Regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available under the “FAQ” link at the bottom of the home page.

Other Information: Additional information about RD and its programs is available on the Internet at [www.rd.usda.gov/programs-services](http://www.rd.usda.gov/programs-services).

*Instructions:* All submissions received must include the agency name and docket number or Regulatory Information Number (RIN) for this rulemaking. All comments received will be posted without change to [www.regulations.gov](http://www.regulations.gov), including any personal information provided.

**FOR FURTHER INFORMATION CONTACT:** Mark Bartholomew, Rural Utilities Service Electric Program, Rural Development, United States Department of Agriculture, 1400 Independence Avenue, SW, STOP 1560, Washington, DC 20250; 704-544-4612  
[mark.bartholomew@usda.gov](mailto:mark.bartholomew@usda.gov).

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

Rural Development (RD) is a mission area within the U.S. Department of Agriculture (USDA) comprising the Rural Utilities Service (RUS), Rural Housing Service, and Rural Business-Cooperative Service. RD’s mission is to increase economic opportunity and improve the quality of life for all rural Americans. RD meets its mission by providing loans, loan guarantees, grants, and technical assistance through numerous programs aimed at creating and improving housing, business, and infrastructure throughout rural America. RUS loan, loan guarantee, and grant programs act as a catalyst for economic and community development. By financing improvements to rural electric, water and waste, and

telecommunications and broadband infrastructure, RUS also plays a significant role in improving other measures of quality of life in rural America, including public health and safety, environmental protection, and cultural and historic preservation. The RUS Electric Program provides funding to maintain, expand, upgrade, and modernize America's rural electric infrastructure. The loans and loan guarantees finance the construction or improvement of electric distribution, transmission, and generation facilities in rural areas.

This rulemaking is part of the RUS Electric Program's continuing effort to improve customer service for its borrowers and to create a more efficient work process for its staff. This rulemaking will continue to streamline RUS Electric Program procedures and revise regulations, including removing unnecessary and outdated regulation references, and simplifying policies and procedures to increase flexibilities for borrowers and applicants.

The goal of these proposed changes is to provide more flexibility for RUS Electric Program borrowers in (1) completing emergency repairs while maintaining the ability to receive RUS financing, (2) selecting construction procurement methods that better support their needs in awarding construction contracts, and (3) delete unnecessary and outdated requirements imposed on electric borrowers and applicants. RUS expects that these actions will enhance RUS and customer efficiency, thereby increasing customer satisfaction and service.

The proposed changes will improve customer experience and customer service and allow RUS to better focus on feasibility and security issues while lessening the burdens on the RUS Electric Program borrowers. In addition, the changes will provide flexibility in making business decisions, and reduces the number of reviews for RUS Electric Program staff. These actions should not impose additional costs on applicants or on electric borrowers as the proposed changes increase flexibility for the Borrowers under existing requirements. These changes will positively affect the RUS Electric borrower experience and enhance RUS customer service by simplifying policies and procedures to increase flexibilities for electric borrowers and applicants,

minimizing the regulatory impact of applying for loans made or guaranteed by RUS, and facilitating lending for construction of rural electric infrastructure.

## **II. Summary of Changes to Rule**

### 7 CFR 1710.250 General.

The construction work plans and related studies coverages are modified to include acts of sabotage, willful attacks, accidents, or acts of force majeure as additional events that qualify for emergency repairs before a construction work plan amendment is prepared by the borrower. These modifications will provide borrowers increased flexibility and options to proceed with emergency repair work without losing eligibility for RUS financing.

### 7 CFR 1710.500 Initial contact.

This change is to correct a citation and is being made to ensure applicants and borrowers are directed to the correct section in the regulation.

### 7 CFR 1710.501 Loan application documents.

This change amends the paragraph by removing paragraphs (a)(9) and (13). These deletions will remove certifications that are no longer required to be submitted by applicants. The certifications being removed are part of the Financial Assistance General Certifications and Representations in the System for Award Management that must be completed when applying for an award and updated annually. The remaining paragraphs in § 1710.501(a) will be redesignated accordingly as part of this amendment.

### 7 CFR 1717.156 Transitional assistance affecting preexisting loans.

Transitional assistance affecting preexisting loans, is amended to replace two incorrect citations in the paragraph. These corrections will ensure borrowers know the correct regulation citation to review.

### 7 CFR 1721.1 Advances.

Paragraphs (b) and (c) are modified to increase the limit for minor projects and projects requiring a contract or work order number. This change is being made to adjust for inflation over

time and will provide greater flexibility for borrowers to complete more projects under this process which allows the borrowers to complete needed infrastructure improvements in a timelier fashion.

7 CFR 1726.14 Definitions.

The definition of “Minor modification” is amended to increase the project cost and the definition of “Multiparty unit price quotations” is being deleted. This change will provide borrowers more flexibility to utilize purchase orders or other construction contracts for smaller projects without having to use RUS’ standard contract forms.

7 CFR 1726.51 Procurement methods to award contracts for distribution line construction.

Paragraph (b)(1) is modified to increase limits, increase Net Utility Plant (NUP) percentages, and delete the “not to exceed” limitations. These changes are being made to provide Electric Program borrowers greater flexibility in determining the procurement method that best meets their needs to award construction contracts.

7 CFR 1726.77 Substation and transmission line construction.

Paragraph (b)(1) is modified to increase limits, increase Net Utility Plant (NUP) percentages, and delete the “not to exceed” limitations. Paragraph (c) is changed to increase contract approval amounts and delete the “not to exceed” limitations. These changes are being made to provide Electric Program borrowers greater flexibility in determining the procurement method that best meets their needs to award construction contracts. It will also reduce the number of construction contracts that need to be reviewed and approved by RUS Staff.

7 CFR 1726.125 Generating plant facilities.

Paragraph (c) is amended to remove an incorrect citation that does not exist in the regulation.

7 CFR 1726.150 Headquarters buildings.

A sentence in paragraph (b) is amended to delete the “not to exceed” limitation and increase the percent of NUP from three percent to four percent. These changes are being made to

provide borrowers greater flexibility in determining the procurement method that best meets their needs to award construction contracts.

7 CFR 1726.176 Communication and control facilities.

Paragraph (b) limitations for Load control systems, communications systems, and SCADA systems is modified to increase limits, increase NUP percentages and delete the “not to exceed” limitations. These changes are being made to provide Electric Program borrowers greater flexibility in determining the procurement method that best meets their needs to award construction contracts. It will also reduce the number of construction contracts that need to be reviewed and approved by RUS Staff.

7 CFR 1726.204 Multiparty unit price quotations.

This section is removed and reserved as a conforming change to a prior streamlining effort. Multiparty Unit Price Quotations are no longer specifically sited or used in the regulations.

7 CFR 1730.24 RUS review and evaluation.

This section is modified to increase the Operations and Maintenance review period from normally every three years to normally every four years. This change is being made to better match the four-year construction work plan (CWP) period. The Agency will also see savings from reduced travel time due to increasing the review period.

7 CFR 1730.100 OMB control number.

This section is updated to revise the Office of Management and Budget (OMB) control number.

### **III. Executive Orders and Acts**

Executive Order 12866 – Classification

This rulemaking has been determined to be non-significant for purposes of Executive Order (EO) 12866 and, therefore, has not been reviewed by the Office of Management and Budget (OMB).

### Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Information and Regulatory Affairs designated this rulemaking as not a major rule, as defined by 5 U.S.C. 804(2).

### Assistance Listing Number (formally known as the Catalog of Federal Domestic Assistance)

The Assistance Listing Number assigned to the Rural Electrification Loans and Loan Guarantees Program is 10.850. The Assistance Listings are available on the Internet at <https://sam.gov/>.

### Executive Order 12372, Intergovernmental Review of Federal Programs

This rulemaking is excluded from the scope of EO 12372, Intergovernmental Consultation, which may require a consultation with State and local officials. See the final rule related notice entitled, “Department Programs and Activities Excluded from EO 12372” (50 FR 47034) advising that RUS loans and loan guarantees were not covered by EO 12372.

### Paperwork Reduction Act

This rulemaking contains no new reporting or recordkeeping burdens under OMB control number 0572-0032 that would require approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

### National Environmental Policy Act

In accordance with the National Environmental Policy Act of 1969, Public Law 91-190, this final rule has been reviewed in accordance with 7 CFR part 1970 (“Environmental Policies and Procedures”). RUS has determined that i) this action meets the criteria established in 7 CFR 1970.53(f); ii) no extraordinary circumstances exist; and iii) the action is not “connected” to other actions with potentially significant impacts, is not considered a “cumulative action” and is not precluded by 40 CFR 1506.1. Therefore, RUS has determined that the action does not have a significant effect on the human environment, and therefore neither an Environmental Assessment nor an Environmental Impact Statement is required.

### Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act (APA) or any other statute. The Administrative Procedure Act exempts from notice and comment requirements rules “relating to agency management or personnel or to public property, loans, grants, benefits, or contracts” (5 U.S.C. 553(a)(2)), so therefore an analysis has not been prepared for this rule.

### Executive Order 12988 – Civil Justice Reform

This rule has been reviewed under EO 12988, Civil Justice Reform. In accordance with this rule: (1) unless otherwise specifically provided, all State and local laws that conflict with this rule will be preempted; (2) no retroactive effect will be given to this rule except as specifically prescribed in the rule; and (3) administrative proceedings of the National Appeals Division of the Department of Agriculture (7 CFR part 11) must be exhausted before bringing suit in court that challenges action taken under this rule.

### Unfunded Mandates Reform Act (UMRA)

Title II of the UMRA, Public Law 104-4, establishes requirements for Federal Agencies to assess the effects of their regulatory actions on State, local, and Tribal governments and on the private sector. Under section 202 of the UMRA, Federal agencies generally must prepare a written statement, including cost-benefit analysis, for proposed and Final Rules with “Federal mandates” that may result in expenditures to State, local, or Tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, section 205 of the UMRA generally requires a Federal agency to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the rule.

This rulemaking contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and Tribal governments or for the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

#### Executive Order 13132 – Federalism

It has been determined, under EO 13132, Federalism, that the policies contained in this rule do not have any substantial direct effect on States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required.

#### Executive Order 13175 - Consultation and Coordination with Indian Tribal Governments

This executive order imposes requirements on RUS in the development of regulatory policies that have Tribal implications or preempt Tribal laws. RUS has determined that the rule does not have a substantial direct effect on one or more Indian Tribe(s) or on either the relationship or the distribution of powers and responsibilities between the Federal Government and Indian Tribes. Thus, this rule is not subject to the requirements of Executive Order 13175. If Tribal leaders are interested in consulting with RUS on this rule, they are encouraged to contact USDA's Office of Tribal Relations or RD's Tribal Relations Team at: [AIAN@usda.gov](mailto:AIAN@usda.gov) to request such a consultation.

#### E-Government Act Compliance

RD is committed to the E-Government Act of 2002, Public Law 107-347, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible and to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to government information and services, and for other purposes.

#### Civil Rights Impact Analysis

RD has reviewed this rule in accordance with USDA Regulation 4300-004, “Civil Rights Impact Analysis,” to identify any major civil rights impacts the rule might have on program participants on the basis of age, race, color, national origin, sex, disability, marital or familial status. Based on the review and analysis of the rule and all available data, issuance of this Final Rule is not likely to negatively impact low and moderate-income populations, minority populations, women, Indian Tribes, or persons with disability, by virtue of their age, race, color, national origin, sex, disability, or marital or familial status.

#### USDA Non-Discrimination Statement

In accordance with Federal civil rights laws and USDA civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language) should contact the responsible Mission Area, agency, or staff office; or the 711 Relay Service.

To file a program discrimination complaint, a complainant should complete a Form AD-3027, *USDA Program Discrimination Complaint Form*, which can be obtained online at <https://www.usda.gov/sites/default/files/documents/ad-3027.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant’s name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights

(ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

a. Mail: U.S. Department of Agriculture

Office of the Assistant Secretary for Civil Rights

1400 Independence Avenue, SW

Washington, D.C. 20250-9410; or

b. Fax: (833) 256-1665 or (202) 690-7442; or

c. Email: [program.intake@usda.gov](mailto:program.intake@usda.gov)

## **List of Subjects**

### **7 CFR Part 1710**

Electric power, Grant programs-energy, Loan programs-energy, Reporting and recordkeeping requirements, Rural areas.

### **7 CFR Part 1717**

Administrative practice and procedure, Electric power, Electric power rates, Electric utilities, Intergovernmental relations, Investments, Loan programs-energy, Reporting and recordkeeping requirements, Rural areas.

### **7 CFR Part 1721**

Electric power, Grant programs-energy, Loan programs-energy, Reporting and recordkeeping requirements, Rural areas.

### **7 CFR Part 1726 and 1730**

Electric power, Loan programs-energy, Reporting and recordkeeping requirements, Rural areas.

For the reasons set forth in the preamble, RUS amends 7 CFR parts 1710, 1717, 1721, 1726, and 1730 as follows:

**PART 1710-GENERAL AND PRE-LOAN POLICIES AND PROCEDURES COMMON  
TO ELECTRIC LOANS AND GUARANTEES**

1. The authority citation for part 1710 continues to read as follows:

**Authority:** 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

**Subpart F – Construction Work Plans and Related Studies**

2. Amend § 1710.250 by revising paragraph (f) to read as follows:

**§ 1710.250 General.**

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(f) In the case of damage caused by storms, natural catastrophes, sabotage, willful attacks, accidents, or acts of force majeure, a borrower may proceed with emergency repair work before a CWP or CWP amendment is prepared by the borrower and approved by RUS, without losing eligibility for RUS financing of the repairs. The borrower must notify RUS in writing after the incident, of its preliminary estimates of damages and repair costs. Not later than 120 days after the incident, the borrower must submit to RUS for approval, a CWP or CWP amendment detailing the repairs.

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**Subpart I – Application Requirements and Procedures for Loans**

3. Amend § 1710.500 by revising paragraph (b) to read as follows:

**§ 1710.500 Initial contact.**

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(b) Before submitting an application for an insured loan the borrower shall ascertain from RUS the amount of supplemental financing required, as set forth in § 1710.110. If the borrower is applying for either a municipal rate loan subject to the interest rate cap or a hardship rate loan, the application must provide a preliminary breakdown of residential consumers either by county,

Tribal land or by census tract. Final data must be included with the application. *See* § 1710.501(a)(7).

**§ 1710.501 [Amended]**

4. Amend § 1710.501 by removing paragraphs (a)(9) and (13) and redesignating paragraphs (a)(10), (11), (12), and (14) through (16) as paragraphs (a)(9) through (14).

**PART 1717—POST-LOAN POLICIES AND PROCEDURES COMMON TO INSURED AND GUARANTEED ELECTRIC LOANS**

5. The authority citation for part 1717 continues to read as follows:

**Authority:** 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

**Subpart D – Mergers and Consolidations of Electric Borrowers**

6. Revise § 1717.156 to read as follows:

**§ 1717.156 Transitional assistance affecting preexisting loans.**

The fund advance period for an insured loan, which is the period during which RUS may advance loan funds to a borrower, terminates automatically after a specific period of time. *See* 7 CFR 1710.602. If, on the effective date the original fund advance period or the fund advance period as extended pursuant to 7 CFR 1710.602(b), on any preexisting RUS loan to any of the active borrowers involved in a merger has not terminated, such fund advance period shall be automatically lengthened by 2 years. However, under no circumstances shall RUS ever make or approve an advance, regardless of the last day for an advance on the loan note or any extension by the Administrator, later than September 30 of the fifth year after the fiscal year of obligation if such date would result in the RUS obligating or permitting advance of funds contrary to the Anti-Deficiency Act. On the borrower's request RUS will prepare documents necessary for the advance of loan funds. RUS will prepare documents for the borrower's execution that will reflect this extension and will provide the legal authority for RUS to advance funds to the successor.

**PART 1721—POST-LOAN POLICIES AND PROCEDURES FOR INSURED ELECTRIC LOANS**

7. The authority citation for part 1721 continues to read as follows:

**Authority:** 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

**Subpart A – Advances**

8. Amend § 1721.1 by revising paragraph (b) and paragraph (c) introductory text to read as follows:

**§ 1721.1 Advances.**

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(b) *Minor project.* Minor project means a project costing \$250,000 or less. Such a project qualifies for advance of loan funds even though it may not have been included in an RUS-approved borrower's CWP, amendment to such CWP, or approved loan. Total advances requested shall not exceed the total loan amount. All projects for which loan fund advances are requested must be constructed to achieve purposes permitted by terms of the loan contract between the borrower and RUS.

(c) *Certification.* Pursuant to the applicable provisions of the RUS loan contract, borrowers must certify with each request for funds to be approved for advance that such funds are for projects in compliance with this section and shall also provide for those that cost in excess of \$250,000 a contract or work order number as applicable and a CWP cross-reference project coded identification number. For a minor project not included in a RUS approved borrower's CWP or CWP amendment, the Borrower shall describe the project and do one of the following to satisfy RUS' environmental review requirements in accordance with 7 CFR part 1970:

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**PART 1726-ELECTRIC SYSTEM CONSTRUCTION POLICIES AND PROCEDURES**

9. The authority citation for part 1726 continues to read as follows:

**Authority:** 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

## **Subpart A – General**

10. Amend § 1726.14 by revising the definition of “Minor modification or improvement” and removing the definition of “Multiparty unit price quotations”.

The revision reads as follows:

### **§ 1726.14 Definitions.**

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*Minor modification or improvement* means a project the cost of which is \$250,000 or less, exclusive of the cost of owner furnished materials.

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## **Subpart B—Distribution Facilities**

11. Amend § 1726.51 by revising paragraph (b)(1) to read as follows:

### **§ 1726.51 Distribution line construction.**

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(b) \*\*\*

(1) It is the responsibility of each borrower to determine the procurement method that best meets its needs to award contracts in amounts of up to a cumulative total of \$1,000,000 or four percent of NUP, whichever is greater, per calendar year of distribution line construction (including minor modifications or improvements), exclusive of the cost of owner furnished materials and equipment. Borrowers may award Cost-Plus/Hourly contracts as part of these borrower responsibility limits up to a cumulative total of \$500,000 or two percent of NUP, whichever is greater, per calendar year of distribution line construction (including minor modifications or improvements), exclusive of the cost of owner furnished materials and equipment.

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## **Subpart C—Substation and Transmission Facilities**

12. Amend § 1726.77 by revising paragraphs (b)(1) and (c) to read as follows:

**§ 1726.77 Substation and transmission line construction.**

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(b) \*\*\*

(1) It is the responsibility of each borrower to determine the procurement method that best meets its needs to award contracts in amounts of up to a cumulative total of \$1,000,000 or four percent of NUP, whichever is greater, per calendar year of substation and transmission line construction (including minor modifications or improvements), exclusive of the cost of owner furnished materials and equipment. Borrowers may award Cost-Plus/Hourly contracts as part of these borrower responsibility limits up to a cumulative total of \$500,000 or two percent of NUP, whichever is greater, per calendar year of substation and transmission line construction (including minor modifications or improvements), exclusive of the cost of owner furnished materials and equipment.

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(c) *Contract approval.* Individual contracts in the amount of \$1,000,000 or more or four percent of NUP, whichever is greater, exclusive of the cost of owner furnished materials and equipment, are subject to RUS approval.

**Subpart D—Generation Facilities**

13. Amend § 1726.125 by revising paragraph (c) introductory text to read as follows:

**§ 1726.125 Generating plant facilities.**

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(c) *Contract approval.* During the early stages of generating plant design or project design, RUS will, in consultation with the borrower and its consulting engineer, identify the specific contracts which require RUS approval based on information supplied in the plant design manual. The following are typical contracts for each type of generating project which will require RUS approval. Although engineering services are not covered by this part, they are listed

in this paragraph to emphasize that RUS approval is required for all major generating station engineering service contracts in accordance with applicable RUS rules. For types of projects not shown, such as nuclear and alternate energy projects, RUS will identify the specific contracts which will require RUS approval on a case-by-case basis.

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### **Subpart E—Buildings**

14. Amend § 1726.150 by revising paragraph (b) to read as follows:

#### **§ 1726.150 Headquarters buildings.**

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(b) *Procurement procedures.* A borrower may use Multiparty Lump Sum Quotations to award contracts in amounts of up to a cumulative total of \$1,500,000 or four percent of NUP, whichever is greater, per calendar year of headquarters construction (including minor modifications or improvements). The borrower shall use formal competitive bidding for all other headquarters contract construction unless RUS specifically approves an alternative method.

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### **Subpart F—General Plant**

15. Amend § 1726.176 by revising paragraphs (b)(2)(i) and (b)(3) to read as follows:

#### **§ 1726.176 Communication and control facilities.**

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(b) \*\*\*

(2) \*\*\*

(i) It is the responsibility of each borrower to determine the procurement method that best meets its needs to award contracts not requiring RUS approval in amounts of up to a cumulative total of \$1,000,000 or four percent of NUP, whichever is greater, per calendar year of communications and control facilities construction (including minor modifications or improvements), exclusive of the cost of owner furnished materials and equipment.

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(3) *Contract approval.* Individual contracts in amounts of \$1,000,000 or more or four percent of NUP, whichever is greater, exclusive of the cost of owner furnished materials and equipment, are subject to RUS approval.

### **Subpart G—Procurement Procedures**

#### **§ 1726.204 [Removed and Reserved].**

16. Remove and reserve § 1726.204.

### **PART 1730—ELECTRIC SYSTEMS OPERATIONS AND MAINTENANCE**

17. The authority citation for part 1730 continues to read as follows:

**Authority:** 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, and 6941 *et seq.*

### **Subpart B – Operations and Maintenance Requirements**

18. Revise § 1730.24 to read as follows:

#### **§ 1730.24 RUS review and evaluation.**

RUS will initiate and conduct a periodic review and evaluation of the operations and maintenance practices of each borrower for the purpose of assessing loan security and determining borrower compliance with RUS policy as outlined in this part. This review will normally be done at least once every four years for all Borrowers. The borrower will make available to RUS the borrower's policies, procedures, and records related to the operations and maintenance of its complete system. Reports made by other inspectors (*e.g.*, other Federal agencies, State inspectors, etc.) will also be made available, as applicable. RUS will not duplicate these other reviews but will use their reports to supplement its own review. RUS may inspect facilities, as well as records, and may also observe construction and maintenance work in the field. Key borrower personnel responsible for the facilities being inspected are to accompany RUS during such inspections, unless otherwise determined by RUS. RUS personnel may prepare an independent summary of the operations and maintenance practices of the borrower. The borrower's management will discuss this review and evaluation with its Board of Directors.

## **Subpart C— Interconnection of Distributed Resources**

19. Revise § 1730.100 to read as follows:

### **§ 1730.100 OMB control number.**

The information collection requirements in this part are approved by the Office of Management and Budget and assigned OMB control number 0572-0025.

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**Andrew Berke,**

Administrator,

Rural Utilities Service.

[FR Doc. 2024-05076 Filed: 3/8/2024 8:45 am; Publication Date: 3/11/2024]