

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

North American Electric Reliability Corporation)
) **Docket No. FA11-21-000**

**COMPLIANCE FILING OF THE NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION**

The North American Electric Reliability Corporation (“NERC”)¹ submits this compliance filing in accordance with the Commission’s January 16, 2013 Order in Docket No. FA11-21-000.² In the January 16 Order, the Commission approved a Settlement Agreement between the Office of Enforcement (“Enforcement”) and NERC related to Enforcement’s findings and recommendations arising out of its 2012 performance audit of NERC. Specifically, Section II.7(b)(i) of the Settlement Agreement requires that:

Within forty-five days of the end of each quarter, beginning with the quarter ending March 31, 2013, NERC will file with the Commission the unaudited report of the NERC budget-to-actual spending variances during the preceding quarter. This report will include information regarding sources and uses of operating and working capital reserves and will match or exceed the level of detail of the quarterly budget-to-actual variance report of NERC expenditures attached to the agenda of NERC Board of Trustees Finance and Audit Committee’s October 2012 meeting.³

¹ NERC was certified by FERC as the electric reliability organization (“ERO”) authorized by Section 215 of the Federal Power Act. FERC certified NERC as the ERO in its order issued July 20, 2006 in Docket No. RR06-1-000. *Order Certifying North American Electric Reliability Corporation as the Electric Reliability Organization and Ordering Compliance Filing*, 116 FERC ¶ 61,062 (2006) (“ERO Certification Order”).

² See *North American Electric Reliability Corporation, Order Approving Settlement Agreement*, 142 FERC ¶ 61,042 (2013) (“January 16 Order”).

³ *Id.*

Attached hereto is the unaudited report of NERC's budget-to-actual variance information for the first quarter of 2013, in accordance with the January 16 Order. This variance information was posted on NERC's website and reviewed in open session at the May 8, 2013 meeting of the NERC Finance and Audit Committee.

I. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to:⁴

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*Persons to be included on the
Commission's official service list

⁴ Persons to be included on the Commission's service list are identified by an asterisk. NERC respectfully requests a waiver of Rule 203 of the Commission's regulations, 18 C.F.R. § 385.203 (2012), to allow the inclusion of more than two persons on the service list in this proceeding.

II. CONCLUSION

NERC respectfully requests that the Commission accept this filing as compliant with Section II.7(b)(i) of the Settlement Agreement and the Commission's January 16 Order in Docket No. FA11-21-000.

Respectfully submitted,

/s/ Rebecca J. Michael

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*Counsel for North American Electric
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Dated: May 15, 2013

ATTACHMENT

Summary of Results as of March 31, 2013

Through March 31, 2013, NERC was \$362.7k, 2.5%, under its expense and fixed asset budget. As reflected in the following table and as further explained below, NERC is projecting to be approximately \$1.5M, 2.8%, over budget at year end, due to the use of operating reserves (from both Known and Unforeseen operating reserve categories) to fund numerous initiatives in support of NERC's 2013 goals and objectives. All uses of operating reserves receive necessary corporate authorizations and are further explained beginning on page 4.

YTD Actual Versus YTD Budget and 2013 Projection Versus 2013 Total Budget by Category

	2013 YTD Actual	2013 YTD Budget	Variance from Budget		2013 Projection	2013 Annual Budget	Variance from Budget	
			Over(Under)	%			Over(Under)	%
TOTAL FUNDING	13,132,056	13,061,164	70,892	0.5%	52,271,565	52,252,656	18,909	0.0%
BUDGET - EXPENSES and FIXED ASSETS								
PERSONNEL EXPENSES	8,396,579	8,082,269	314,309	3.9%	31,711,977	31,298,403	413,572	1.3%
MEETINGS, TRAVEL and CONFERENCE CALLS	942,390	1,030,078	(87,687)	-8.5%	3,966,145	4,098,310	(132,165)	-3.2%
CONSULTANTS and CONTRACTS	2,242,603	2,916,731	(674,129)	-23.1%	9,729,770	8,816,254	913,516	10.4%
RENT	713,660	738,768	(25,108)	-3.4%	2,695,217	2,756,840	(61,623)	-2.2%
OFFICE COSTS, PROFESSIONAL SERVICES and MISCELLANEOUS	1,522,235	1,373,583	148,652	10.8%	5,899,299	5,494,346	404,953	7.4%
Other Non-Operating Expenses	2,800	12,500	(9,700)	-77.6%	50,000	50,000	-	100.0%
FIXED ASSET PURCHASES (excludes the credit for depreciation)	414,026	443,025	(28,999)	-6.5%	1,749,105	1,772,100	(28,737)	-1.6%
TOTAL BUDGET	14,234,293	14,596,953	(362,662)	-2.5%	55,801,514	54,286,253	1,509,516	2.8%
FTEs	173.13	182.00	(8.87)	-4.9%	185.03	186.25	(1.22)	-0.7%

Following is a brief summary of variances by major categories:

- **Personnel** expenses were over budget \$314.3k, 3.9%, and are projected to be \$413.6k, 1.3% over budget at year end. There were 8.8, 4.9%, fewer FTEs on staff than budgeted through March 31, 2013.
 - Salaries were over \$526.6k, 8.9%, budget due to higher average salaries for current staff than budgeted, higher incentive compensation accrual based upon historical achievement and higher expenses for employment agency fees and temporary office services needed to support NERC's ongoing operations during times of staff vacancies. Consistent with prior years, the budget for incentive compensation is based upon a lower achievement than historical results. Historical results are the basis for the current year accrual because the timing of hiring and staff turnover that occurs during the course of the year generally result in a lower final incentive compensation award. The actual year end budget impact will be reflected with actual documented performance results.
 - Payroll taxes were over budget 59.8k, 9.3% due to timing related to payroll taxes paid in February in connection with the payout of incentive compensation.

- Employee Benefits were \$98.1k, 12.7%, under budget primarily due to having fewer FTEs on staff than budgeted and due to lower costs than budgeted. Benefits are projected to be under budget at year end due to lower than budgeted renewal costs.
- Retirement costs were \$174.0k, 12.7%, under budget due to having fewer FTEs on staff and due to forfeiture of unvested funds related to personnel attrition.
- Meeting, travel and conferencing expenses were collectively under budget YTD \$87.7k, 8.5%, and are projected to be \$132.2k, 3.2%, under budget at year end. The cost of meetings and workshops were collectively \$10.6k over budget, primarily due to higher workshop expenses due to higher attendance, which also resulted in higher workshop fees collected. Travel expenses and the cost of conference calls and webinars were under budget collectively \$98.3k, but it is too early in the year to project if this is due to timing or a sustainable trend.
- Consultant and Contract expenses were \$674.1k, 23.1%, under budget due to timing of the budget versus actual payments for numerous projects throughout the organization. As further explained below, Consultant and Contract expenses are projected to be over budget \$913.5k, 10.4%, at year end due to a number of significant projects which have not yet started but are expected to be initiated or completed by the end of the year.

SUMMARY OF CONSULTANT AND CONTRACT EXPENSES BY DEPARTMENT

	2013 YTD Actual	2013 YTD Budget	Variance from Budget Over(Under)	2013 Projection	2013 Annual Budget	Variance from Budget Over(Under)
CONSULTANTS and CONTRACTS						
STANDARDS	85,217	60,000	25,217	378,085	150,000	228,085
COMPLIANCE OPERATIONS	-	-	-	-	-	-
COMPLIANCE ENFORCEMENT	-	-	-	-	-	-
RELIABILITY ASSESSMENTS and PERFORMANCE ANALYSIS	50,493	293,650	(243,157)	829,481	685,000	144,481
RELIABILITY RISK MANAGEMENT						
EVENT ANALYSIS	-	30,000	(30,000)	120,000	120,000	-
SITUATION AWARENESS	1,135,668	1,506,229	(370,560)	2,830,192	2,743,180	87,012
RELIABILITY RISK MANAGEMENT	1,135,668	1,536,229	(400,560)	2,950,192	2,863,180	87,012
CRITICAL INFRASTRUCTURE DEPARTMENT	72,724	181,250	(108,526)	795,000	785,000	10,000
TRAINING, EDUCATION and OPERATOR CERTIFICATION	125,806	94,224	31,582	797,007	848,574	(51,567)
GENERAL and ADMINISTRATIVE and EXECUTIVE	-	-	-	-	-	-
GOVERNMENT RELATIONS	39,223	37,500	1,723	152,000	150,000	2,000
LEGAL and REGULATORY ¹	-	-	-	-	-	-
INFORMATION TECHNOLOGY	457,484	422,750	34,734	3,008,234	2,721,000	287,234
HUMAN RESOURCES	135,838	143,249	(7,411)	348,021	288,500	59,521
FINANCE and ACCOUNTING	140,150	147,880	(7,730)	471,750	325,000	146,750
TOTAL CONTRACTS and CONSULTANTS	2,242,603	2,916,731	(674,129)	9,729,770	8,816,254	913,516

¹Professional fees associated with the use of outside counsel are budgeted and recorded in Operating Expenses. Outside counsel fees were \$4.4k over budget through March 31, 2013.

Over budget variances comparing the current 2013 Projection to the 2013 Annual Budget reflect management’s authorization, or anticipated authorization, of the use of operating reserves as detailed in the Operating Reserve Analysis on page 4.

- Standards – The \$228.1k over budget projection is related to the NERC standards review project utilizing outside expert consulting resources to help reduce unnecessary industry burdens (Paragraph 81 and guidance on compliance) and transformation of two or more Standards towards Steady-state, as well as for the basis of the 2014-2016 Reliability Standards Development Plan. These costs will be funded from the Unknown Contingency operating reserves as approved by the CEO.
- RAPA – Under budget due to timing. The \$144.5k over budget projection is primarily related to change management for GADS and TADS databases and consulting support needed due to staff vacancies.
- Situation Awareness – Under budget \$370.6k primarily due to timing. The \$87.0k over budget projection includes: (i) the estimated costs for a new secure alerts system, which are projected to be \$226.1k over budget based on current estimates for the project. The new secure alerts system is still under review and has not yet been authorized by management. (ii) \$100k for an automated reliability reports tool which was not included in the budget. (i) and (ii) are offset by \$225k in lower than budgeted costs for additional industry user licensing fees for SAFNR, which were incurred in 2012 but budgeted in 2013.
- CID – \$108.5k under budget due to timing. The \$10k over budget projection is related to the approved use of unforeseen contingency reserves to cover slightly higher than budgeted costs for the Grid Security exercise.
- Information Technology – \$34.7k over budget; projected to be \$287.2k over budget at year end. Year end IT Contract and Consulting expenses are projected to exceed budget due to the cost of development of applications to support NERC and Regional Entity operations. The contract for the development of the BES Exception Tracking application is projected to require the use of \$184.8k of Known Contingency operating reserves and has been approved by the CEO. The current year end projection for IT also includes estimated costs for the initial development of the Events Information Data System (EIDS) application, which is currently projected to exceed budget by \$78.9k. The Project Management Office (PMO) is continuing to work with potential vendors to refine the scope and cost of the project. The scope and costs of the Reliability Assessments Database System (RADS) project are also undergoing review by the PMO. It will likely be necessary to limit the scope of what can be undertaken this year in connection with the EIDS and RADS projects based on availability of funding.
- Office Costs, Professional Services and Miscellaneous expenses were \$148.7k, 10.8%, over budget due to: (i) higher internet expense related to the delay in the relocation of applications from the Princeton data center; (ii) timing of auditing fees which were spread evenly throughout the year;

and (iii) implementation costs of new travel and invoice process systems which were funded out of known contingency reserves and are related to implementation of the FERC audit recommendations.

- Fixed Asset Purchases, which excludes the credit for depreciation, were \$29.0k, 6.5%, under budget and are projected to be \$28.7k, 1.6% under budget at year end. Projected reductions in budget requirements for capitalized computers, software and equipment were offset by furniture and equipment costs required for expansion of the Atlanta offices. These costs were not fully known and only estimated at the time the budget was developed.

OPERATING RESERVE ANALYSIS

The company began the year with \$8.2M in working capital based upon audited 2012 results, compared to \$5.4M projected in the 2013 Business Plan and Budget, an increase of \$2.7M. In prior years and in connection with the preparation of NERC's 2013 Business Plan and Budget, management took a very conservative approach when calculating the balance in working capital and operating reserves¹ and included the entire balance of Deferred Rent as a current liability. The balance in deferred rent was historically relatively low (\$165,559 in 2010), and represented the difference between recording rent expense on a straight-line basis over the life of the lease and the actual rent paid to the landlord, which increases over time due to escalations. In 2011 and 2012, the balance in deferred rent increased significantly due to the abatement of rent associated with the lease of NERC's offices in Atlanta, the cash contribution received from the landlord of the new DC office space which was negotiated as part of the lease, and refunds of excess tenant improvement allowances associated with both the Atlanta and new DC leases. These transactions also resulted in a higher cash balance. Due to the significant increase in the balance of the deferred rent liability and because the balance will be amortized over the life of the leases, which extend to the year 2023, management reviewed the balance to determine the current and non-current portion of the deferred rent liability and calculated the beginning balance in working capital and operating reserves by including only the current portion of the deferred rent liability in the calculation. As a result of this change, the beginning balance is \$2.7M higher than the projected balance included in the 2013 Business Plan and Budget. Notwithstanding this revised calculation and the resulting higher balance in working capital and operating reserves, management has adjusted the beginning balance to be equal to the level included in the 2013 Business Plan and Budget so that funds needed to offset future liabilities are not expended in the current year. Management will continue to evaluate the balance in working capital and operating reserves necessary to manage NERC's ongoing operations in connection with the development of the 2014 Business Plan and Budget.

As detailed by the following table, the current projection includes the use of "Known Contingency Reserves" for (i) the development of two new enterprise software applications, the BES Exception Application, \$184.8k, and the Events Information Database System, \$78.9k; (ii) consulting support for the Reliability Assurance Initiative, \$45.0k; and (iii) implementation of additional back office accounting and expense management systems, together with consulting support, related to implementation of the FERC Audit recommendations, \$101.8k. The projected use of "Unknown Contingency Reserves" is primarily related to funding for (i) the Standards Overview Project, \$228.1k; (ii) GADS and TADS change management and consulting, \$161.8k; (iii) a new secure alerts system², \$287.4k; and (iv), costs in excess of the tenant improvement allowance associated with the 8th floor expansion of the Atlanta office of \$49.6k which were recorded as operating expenses and \$114.6k which were recorded in fixed assets, for a total of \$164.2k. The total cost of construction, furniture, equipment, leasehold improvements, and operating expenses was \$915,162. The tenant improvement allowance was \$751,007. The difference

¹ Working capital is defined as being equal to current assets minus current liabilities.

² Not yet authorized by management

between these two figures of \$164,155 represents the total cash outlay by NERC for the build out of the 8th floor. The remaining year end projected balances in Known Contingency and Unknown Contingency Reserves are \$542.9k and \$185.0k, respectively. No additional (unbudgeted) draws on the operating reserve balance associated with the System Operating Certification and Testing Program were made during the first quarter.

Management will continue to monitor closely the projected operating reserve balances as it evaluates funding requests for key initiatives in support of NERC's 2013 goals and objectives. An updated analysis at the close of the second quarter will be utilized in connection with the review and finalization of the 2014 business plan and budget.

OPERATING RESERVE ANALYSIS - MARCH 31, 2013

							2013 Projected Use of Reserves		
	2013 YTD	2013 YTD	2013 YTD Actual	2013	2013 Annual	2013 Projection	Known Contingency Reserves	Unknown Contingency Reserves	System Operator Reserves
	Actual	Budget	Variance from Budget Generation(Use)	Projection	Budget	Variance from Budget Generation(Use)			
Beginning Working Capital and Operating Reserves - 1/1/13	8,167,396	5,440,748	2,726,648	8,167,396	5,440,748	2,726,648			
Less: Adjustment for future liabilities	(2,726,648)		(2,726,648)	(2,726,648)		(2,726,648)			
Available Working Capital and Operating Reserves	5,440,748	5,440,748	-	5,440,748	5,440,748	-	1,000,000	2,910,483	1,530,265
(1) Generation (Use) of Operating Reserves from Budgeted Operations									
Funding	13,114,147	13,061,164	52,983	52,252,656	52,252,656	-			
Personnel	(8,396,579)	(8,082,269)	(314,309)	(31,711,977)	(31,298,403)	(413,572)		(413,572)	
Meetings, Travel and Conference Calls	(942,390)	(1,030,078)	87,687	(3,966,145)	(4,098,310)	132,165		132,165	
Contracts and Consultants	(2,242,603)	(2,916,731)	674,129	(7,255,412)	(7,429,654)	174,242		174,242	
Operating Expenses (excl. contracts, consultants & depreciation)	(2,165,380)	(2,112,351)	(53,029)	(8,461,267)	(8,214,186)	(247,081)		100,209	(347,290)
Non-Operating Expenses	(2,800)	(12,500)	9,700	(50,000)	(50,000)	-			
Fixed Assets (excluding depreciation)	(380,836)	(443,025)	62,189	(1,603,537)	(1,772,100)	168,563		168,563	
Total Operating Reserves Generated(Used) from Budgeted Operations	(1,016,441)	(1,535,789)	519,350	(795,683)	(609,997)	(185,684)	-	161,606	(347,290)
(2) Additions to Operating Reserves									
Services and Software Fees not budgeted	17,909	-	17,909	18,909	-	18,909		18,909	
Total Additions to Operating Reserves	17,909	-	17,909	18,909	-	18,909	-	18,909	-
(3) Expenditures of Operating Reserves									
Meetings and Workshops									
Subtotal	-	-	-	-	-	-	-	-	-
Contracts and Consultants									
NERC Standards Overview Project			-	(378,085)	(150,000)	(228,085)		(228,085)	
GADS and TADS Change Management and Consulting			-	(211,767)	(50,000)	(161,767)		(161,767)	
New Secure Alerts System			-	(337,436)	(50,000)	(287,436)		(287,436)	
ERO Applications - BES Exceptions			-	(766,400)	(581,600)	(184,800)	(184,800)		
ERO Applications - EIDS			-	(428,920)	(350,000)	(78,920)	(78,920)		
Reliability Assurance Initiative			-	(250,000)	(205,000)	(45,000)	(45,000)		
Systems review and implementation (FERC Audit)			-	(101,750)	-	(101,750)	(101,750)		
Subtotal	-	-	-	(2,474,358)	(1,386,600)	(1,087,758)	(410,470)	(677,288)	-
Operating Expenses									
Travel and invoice system implementation	(20,928)		(20,928)	(83,662)	(37,000)	(46,662)	(46,662)		
AFC Expansion	(49,587)		(49,587)	(49,587)		(49,587)		(49,587)	
Subtotal	(70,515)	-	(70,515)	(133,249)	(37,000)	(96,249)	(46,662)	(49,587)	-
Other Non-Operating Expenses									
Subtotal	-	-	-	-	-	-	-	-	-
Fixed Assets									
SAS Software Upgrade	(33,190)	-	(33,190)	(31,000)	-	(31,000)		(31,000)	
AFC Expansion - Furniture, Equipment and LI - net in excess of TIA	-	-	-	(114,568)	-	(114,568)		(114,568)	
Subtotal	(33,190)	-	(33,190)	(145,568)	-	(145,568)	-	(145,568)	-
Total Expenditure of Operating Reserves	(103,705)	-	(103,705)	(2,753,175)	(1,423,600)	(1,329,575)	(457,132)	(872,443)	-
(4) Net Expenditure of Operating Reserves	(85,796)	-	(85,796)	(2,734,266)	(1,423,600)	(1,310,666)	(457,132)	(853,534)	-
							2013 Projected Reserve Balance		
TOTAL Operating Reserves									
Beginning Balance 1/1/2012	5,440,748	5,440,748	-	5,440,748	5,440,748	-	1,000,000	2,910,483	1,530,265
Generation (Use) from Budgeted Operations	(1,016,441)	(1,535,789)	519,350	(795,683)	(609,997)	(185,684)	-	(448,393)	(347,290)
Generation (Use) from Unbudgeted Operations	(85,796)	-	(85,796)	(2,734,266)	(1,423,600)	(1,310,666)	(457,132)	(2,277,134)	
Projected Balance 12/31/13	4,338,510	3,904,959	433,554	1,910,799	3,407,151	(1,496,350)	542,868	184,956	1,182,975

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
Statement of Activities, Fixed Assets and Change in Working Capital
(Unaudited)
For the period ended 03/31/2013

	2013 YTD Actual	2013 YTD Budget	2013 YTD Actual Variance from Budget		2013 Projection	2013 Annual Budget	2013 Projection Variance from Budget	
			Over(Under)	%			Over(Under)	%
Funding								
Assessments	11,901,039	11,901,039	-		47,604,156	47,604,156	-	
Penalties	628,125	628,125	-		2,512,500	2,512,500	-	
Testing	447,475	420,000	27,475		1,680,000	1,680,000	-	
Services & Software	17,909	-	17,909		18,909	-	18,909	
Workshop Fees	136,075	107,000	29,075		436,000	436,000	-	
Interest	1,433	5,000	(3,567)		20,000	20,000	-	
Miscellaneous	-	-	-		-	-	-	
Total Funding	13,132,056	13,061,164	70,892	0.54%	52,271,565	52,252,656	18,909	0.04%
Expenses								
Personnel Expenses								
Salaries	6,458,246	5,931,620	526,627		25,091,314	24,056,165	1,035,149	
Payroll Taxes	705,622	645,800	59,823		1,495,453	1,459,710	35,743	
Employee Benefits	671,825	769,922	(98,097)		2,556,123	3,079,941	(523,818)	
Savings & Retirement	560,886	734,930	(174,043)		2,569,087	2,702,588	(133,501)	
Total Personnel Expenses	8,396,579	8,082,269	314,309	3.89%	31,711,977	31,298,403	413,572	1.32%
Meeting Expenses								
Meetings	276,622	266,000	10,622		1,065,919	1,042,000	23,919	
Travel	607,353	684,625	(77,272)		2,671,834	2,738,500	(66,666)	
Conference Calls	58,416	79,453	(21,037)		228,392	317,810	(89,418)	
Total Meeting Expenses	942,390	1,030,078	(87,687)	-8.51%	3,966,145	4,098,310	(132,165)	-3.22%
Operating Expenses								
Consultants and Contracts	2,242,603	2,916,731	(674,129)		9,729,770	8,816,254	913,516	
Rent & Improvements	713,660	738,768	(25,108)		2,695,217	2,756,840	(61,623)	
Office Costs	906,458	795,379	111,079		3,587,368	3,181,515	405,853	
Professional Services	614,157	572,829	41,328		2,291,931	2,291,331	600	
Miscellaneous	1,620	5,375	(3,755)		20,000	21,500	(1,500)	
Depreciation	449,069	394,952	54,117		1,710,894	1,579,801	131,093	
Total Operating Expenses	4,927,567	5,424,034	(496,467)	-9.15%	20,035,180	18,647,241	1,387,939	7.44%
Other Non-Operating Expenses	2,800	12,500	(9,700)		50,000	50,000	-	0.00%
Total Expenses	14,269,336	14,548,880	(279,546)	-1.92%	55,763,302	54,093,954	1,669,346	3.09%
Net Change in Assets	(1,137,280)	(1,487,716)	350,438	-23.56%	(3,491,737)	(1,841,298)	(1,650,437)	89.63%
Fixed Assets								
Depreciation	(449,069)	(394,952)	(54,117)		(1,710,894)	(1,579,801)	(131,093)	8.30%
Computer & Software CapEx	63,830	389,025	(325,195)		1,126,647	1,556,100	(435,196)	-27.97%
Furniture & Fixtures CapEx	142,194	-	142,194		282,425	-	282,425	
Equipment CapEx	135,972	54,000	81,972	151.80%	262,231	216,000	46,231	
Leasehold Improvements	72,030	-	72,030		77,803	-	77,803	
Incr(Dec) in Fixed Assets	(35,043)	48,073	(83,116)	-172.9%	38,212	192,299	(159,830)	-83%
Total Budget (Expenses plus Incr(Dec) in Fixed Assets)	14,234,293	14,596,953	(362,662)	-2.48%	55,801,514	54,286,253	1,509,516	2.78%
Change in Operating Reserves (Total Funding less Total Budget)	(1,102,238)	(1,535,789)	433,554		(3,529,949)	(2,033,597)	(1,490,607)	
FTE's	173.13	182.00	(8.87)	-4.87%	185.03	186.25	(1.22)	-0.66%
Headcount	170.00	182.00	(12.00)	-6.59%	188.00	188.00	-	0.00%
Beginning Working Capital and Operating Reserves - 1/1/13	5,440,748	5,440,748	-		5,440,748	5,440,748	-	
YTD Change - 2013	(1,102,238)	(1,535,789)	433,554		(3,529,949)	(2,033,597)	(1,490,607)	
Total Working Capital and Operating Reserves	4,338,510	3,904,959	433,554		1,910,799	3,407,151	(1,490,607)	

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 15th day of May, 2013.

/s/ Rebecca J. Michael

Rebecca J. Michael
*Attorney for North American
Electric Reliability Corporation*