DOCKET NO. RR13-__-000

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

2014 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 2

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

PROPOSED 2014 BUSINESS PLAN AND BUDGET

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Final 2014 Business Plan and Budget

August 14, 2013

Board Approved: August 15, 2013

RELIABILITY | ACCOUNTABILITY




Table of Contents

About NERC

Overview

The North American Electric Reliability Corporation (NERC) is a not-for-profit entity organized under the New Jersey Nonprofit Corporation Act. NERC's mission is to improve and ensure the reliability of the Bulk-Power System (BPS) in North America. NERC's area of responsibility spans the continental United States and Canada and the northern portion of Baja California, Mexico. Entities under NERC's jurisdiction are the users, owners, and operators of the bulk power system—a system that serves the needs of over 334 million people, includes installed electricity production capacity of approximately 1,200 gigawatts, operates 211,000 miles of high-voltage transmission, and is comprised of assets worth more than one trillion dollars.

The Federal Energy Regulatory Commission (FERC or Commission) certified NERC as the Electric Reliability Organization (ERO) within the United States to establish and enforce reliability standards for the United States portion of the BPS, pursuant to section 215 of the Federal Power Act. NERC is subject to regulatory oversight by FERC.

In Canada, NERC presently has memoranda of understanding with provincial authorities in Ontario, New Brunswick, Nova Scotia, Québec, Saskatchewan, and Alberta, and with the National Energy Board of Canada. NERC standards are mandatory and enforceable in Ontario and New Brunswick as a matter of provincial law. NERC has an agreement with Manitoba Hydro that makes reliability standards mandatory for that entity, and Manitoba has adopted legislation setting out a framework for standards to become mandatory for users, owners, and operators in the province. In addition, NERC has been designated as the "electric reliability organization" under Alberta's Transportation Regulation, and certain reliability standards have been approved in that jurisdiction; others are pending. NERC and the Northeast Power Coordinating Council (NPCC) have been recognized as standards-setting bodies by the Régie de l'énergie of Québec, and Québec has the framework in place for reliability standards to become mandatory. NERC standards are now mandatory in British Columbia and Nova Scotia**.**

Membership and Governance

An 11-member Board of Trustees (Board) governs NERC (10 independent directors plus the CEO serving as the management trustee). The Board has formed several committees to facilitate its oversight of the organization in the areas of finance and audit, governance and human resources, compliance, standards oversight and technology, and nominations. A risk management and internal controls subcommittee of the Finance and Audit Committee supports corporate risk management and internal audit functions.

Membership in NERC is open to any person or entity that has an interest in the reliability of the North American BPS. Membership in NERC is voluntary and affords participants the opportunity to engage in the governance of the organization through election to the Member Representatives Committee (MRC). Nearly six hundred entities and individuals are members.

The MRC comprises 28 voting representatives elected from the 12 membership sectors. The MRC elects the independent trustees and, along with the Board, votes on amendments to the

Bylaws. The MRC also provides policy advice and recommendations to the Board on behalf of stakeholders with respect to annual budgets, business plans, and other matters pertinent to the purpose and operation of the organization.

Scope of Responsibilities

As the ERO, NERC's primary responsibilities are leading the development, adoption, and improvement of mandatory reliability standards for the BPS in North America; monitoring, evaluating, and enforcing compliance with those reliability standards by the approximately 1,900 entities registered with NERC as BPS users, owners, and operators; and monitoring and assessing the reliability and adequacy of the BPS in North America. Collectively, the entities registered with NERC perform over 4,600 BPS reliability functions. NERC conducts near-term and long-term assessments of the reliability and future adequacy of the North American BPS; certifies BPS operators as having and maintaining the necessary knowledge and skills to perform their reliability responsibilities; and maintains situational awareness of events and conditions that may threaten the reliability of the BPS. NERC coordinates efforts to improve physical security and cybersecurity for the BPS of North America; conducts detailed analyses and investigations of system disturbances and unusual events to determine root causes, uncover lessons learned, and issue relevant findings as advisories, recommendations, and essential actions to the industry; and, based on lessons learned, identifies the potential need for new or modified reliability standards, improved compliance, or other initiatives.

Delegated Authorities

In executing a portion of its responsibilities, NERC delegates authority to eight regional reliability entities (Regional Entities) to perform certain functions through delegation agreements. FERC has approved delegation agreements between NERC and the eight Regional Entities (Florida Reliability Coordinating Council, Midwest Reliability Organization, Northeast Power Coordinating Council, Inc., Reliability*First* Corporation, SERC Reliability Corporation, Southwest Power Pool Regional Entity, Texas Reliability Entity, Inc., and the Western Electricity Coordinating Council). These agreements describe the authority delegated to the Regional Entities in the United States to propose and enforce reliability standards within their geographic footprints. NERC expects Regional Entities, whose territories extend into Canadian provinces and Mexico, to perform equivalent functions in those jurisdictions.

Statutory and Regulatory Background

NERC's authority as the ERO in the United States is based on Section 215 of the Federal Power Act as added by the Energy Policy Act of 2005[1] and the Commission's regulations and orders issued pursuant to Section 215. In Canada, NERC's authorities are established by the memoranda of understanding and regulations previously mentioned.

Funding

Section 215 of the Federal Power Act and FERC regulations also specify procedures for NERC's funding in the United States. NERC's annual business plan and budget is subject to FERC approval in the United States. Once approved, assessments are allocated to load-serving entities on a net energy for load (NEL) basis. Equivalent funding mechanisms are provided in Canada, subject to the specific laws and regulations of each province.

The funding requirements for each Regional Entity are addressed separately in each Regional Entity's business plan and budget, which must be reviewed and approved by NERC and FERC in the United States. Assessments for the Regional Entity budgets are included in the overall NERC assessments to load-serving entities.

[1]This was codified in section 215 of the Federal Power Act, 16 United States C. 824o.

Introduction and Executive Summary

TOTAL RESOURCES (in whole dollars)	2014 Budget	U.S.	Canada	Mexico
Statutory FTEs	189.53			
Non-statutory FTEs				
Total FTEs	189.53			
Statutory Expenses	$ 55,605,313			
Non-Statutory Expenses	$ -			
Total Expenses	$ 55,605,313			
Statutory Inc (Dec) in Fixed Assets	$ 784,784			
Non-Statutory Inc (Dec) in Fixed Assets	$ -			
Total Inc (Dec) in Fixed Assets	$ 784,784			
Statutory Working Capital Requirement	$ (1,660,724)			
Non-Statutory Working Capital Requirement				
Total Working Capital Requirement	$ (1,660,724)			
Proceeds from Financing Activities	$ (993,990)			
Total Statutory Funding Requirement	$ 53,735,382			
Total Non-Statutory Funding Requirement	$ -			
Total Funding Requirement	$ 53,735,382			
Statutory Funding Assessments	$ 51,401,382	$ 46,708,699	$ 4,554,567	$ 138,116
Non-Statutory Fees				
NEL	4,476,669,439	3,949,655,760	515,406,761	11,606,918
NEL%	100.00%	88.23%	11.51%	0.26%

Strategic Goals and Objectives

The 2014 business planning process commenced in the fourth quarter of 2012 with a collaborative review of the ERO's goals and objectives by NERC and Regional Entity senior executives. This was followed by a review of business planning assumptions, existing activities, and resources, in each case taking into consideration lessons learned, stakeholder feedback, and statutory and governmental requirements and directives. Efforts were made to identify the desired end state for each of the major goals over the next three-year planning period, significant gaps to achieving stated objectives, and activities that should be undertaken to close those gaps. NERC's Finance and Audit Committee and the Board also participated in strategic planning sessions to provide input in the development of the ERO's strategic goals, objectives, and business plan and budget.

The 2014–2016 planning initiative updated the ERO Enterprise Strategic Plan (Strategic Plan) and associated strategic goals and objectives in the areas of standards; compliance, registration

and certification; risks to reliability; and coordination and collaboration. A draft ERO Enterprise Strategic Plan was presented at the February 2013 meeting of the Board and posted for a 30-day public comment period. Written comments were received from a number of individuals and entities and posted on the company website. Input was also sought from the trade associations and an informal input group of MRC members, which was established by the MRC in August 2012 to help facilitate NERC's business planning and budgeting process. In response to these comments, management recommended certain modifications to the Strategic Plan. These modifications were reviewed and approved at the Board meeting on May 9, 2013. The following is a list of the specific goals and objectives set forth in the Strategic Plan.

Standards

Goal 1. Develop clear, reasonable, and technically sound mandatory reliability standards in a timely and efficient manner. These standards establish threshold requirements for ensuring the BPS is planned, operated, and maintained in a manner that minimizes risks of cascading failures, avoids damage to major equipment, or limits interruptions of bulk power supply.

Objectives include:

a. Standards are timely, clear, and responsive to reliability and security risks.

b. Standards are practical to implement and cost-effective.

Compliance, Registration, and Certification

Goal 2. Be a strong enforcement authority that is independent, without conflict of interest, objective, and fair. The ERO retains and refines its ability to use enforcement when warranted and impose penalties and sanctions commensurate with risk.

Objectives include:

a. The ERO registers entities commensurate with risk to the BPS and ensures all key reliability entities are certified to have essential capabilities.

b. The ERO holds industry accountable for violations that create serious risk to the BPS; resulting actions are timely and transparent to industry.

c. The ERO monitors registered entities and standards requirements commensurate with the risk and role of each type of registered entity.

Goal 3. Promote a culture of compliance that is driven by a culture of reliability excellence and addresses reliability risks across the industry. The ERO works with industry to identify standards, procedures, practices, and controls to address reliability risks.

Objectives include:

a. Industry has effective procedures and programs to monitor, detect, correct, report, and prevent compliance, reliability, and security issues.

b. The ERO uses efficient processes and proportional exercise of discretion to verify that compliance objectives are met by industry.

Risks to Reliability

Goal 4. Identify the most significant risks to reliability. The ERO identifies and prioritizes reliability risks, facilitates effective solutions and interventions, and monitors results.

Objectives include:

a. Risks are identified and prioritized based on reliability impacts, cost and practicality assessments, projected resources, and emerging issues.

b. Events and system performance are consistently analyzed for sequence, cause, and remediation to identify reliability risks and trends, and to inform standards, compliance, and other programs. Industry is well informed of system events, emerging trends, risk analysis, lessons learned, and expected actions.

Goal 5. Be accountable for mitigating reliability risks. The ERO works with industry stakeholders and experts to ensure the mitigation of known risks to reliability.

Objectives include:

a. The ERO is tracking industry accountability for critical reliability and security recommendations.

b. Industry is aware of and is effectively addressing security vulnerabilities and threats. Industry security posture is being evaluated and continuously improved. During crisis situations, the ERO facilitates sharing of information among industry, Regions, and government.

Goal 6. Promote a culture of reliability excellence. The ERO facilitates a learning environment throughout the industry through event causal analysis, communication of lessons learned, tracking of recommendations, and implementation of best practices.

Objectives include:

a. ERO is a leading resource to industry and policy makers for reliability information.

b. Reliability models and data accurately represent system behavior and are shared among reliability entities.

Coordination and Collaboration

Goal 7. Improve transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness. ERO accomplishes this by working with the Regional Entities and registered entities to ensure effective coordination, collaboration, and process improvements. The ERO communicates expectations clearly and fosters collaboration to deliver important

results in advancing system reliability. The ERO engages the support and expertise of stakeholders, is an efficient steward of resources, and leverages information systems to create efficiencies and process controls.

Objectives include:

a. The ERO acquires, engages, and retains highly qualified talent suited to the mission.

b. The ERO's internal risks are understood and managed; ERO processes are effective, efficient, and continuously improved.

Major Ongoing Activities

The following is a list of the major ongoing and new activities by strategic goal area that will be undertaken in 2014, followed by a discussion of activities that address new research initiatives, key strategic initiatives, and associated resource requirements.[2]

Standards

- Continue addressing regulatory obligations for standards development and revisions as specified in regulatory directives.
- Complete standards revisions related to Paragraph 81, Phase 2 requirements.
- Meet targets in support of the three-year standards development plan.
- Integrate the plan from the 2013 independent expert review team into the standards development plan.
- Increase coordination with NERC's Compliance and Enforcement departments in integrating compliance considerations into standards development.
- Accelerate delivery of the number of standards that meet quality criteria and the results-based construct.
- Develop a BPS reliability risk profile to evaluate existing standards and continue the prioritized development of risk-based standards focused on key reliability outcomes.
- Facilitate industry transition to CIP Version 5 and minimize an unintended surge in violations.
- Develop methods to assess and manage cost-effectiveness (benefit) of new standards.
- Continue to support alignment between standards development and the Reliability Issues Steering Committee (RISC) priorities.

Compliance, Registration, and Certification

- Continue to improve enforcement processing efficiency, including steps to ensure the sustainability and expandability of the Find, Fix, Track, and Report process.
- Finalize and implement the RAI enforcement strategy and deliver 2014 milestones.

[2] See Section A for a discussion of other ongoing department activities, including activities currently underway in 2013.

- Focus on achieving better consistency in regional enforcement outcomes.
- Continue registered entity mapping activities to ensure that registry gaps, duplicative registration, and compliance monitoring are avoided.
- Continue to work to ensure registered entities understand their compliance obligations and how compliance will be assessed.
- Complete functional model review and registration needs assessment.
  - Develop common and consistent registration approach among Regions.
  - Develop recommendations to modify registration and certification process based on BPS risk.
- Complete Bulk Electric System (BES) Phase II exception process implementation.
- Reduce unnecessary compliance documentation while working to ensure registered entities are monitored in a cost-effective manner.
- Continuously assess the actively monitored list based on reliability trends, risks, and historical information to ensure that the compliance focus remains on the most critical reliability standards.
- Develop highly qualified and trained auditor, investigator, and enforcement staffs.
- Develop training resources for the ERO and industry, including materials related to the Reliability Assurance Initiative (RAI).
- Provide early and ongoing input into the standards development process.
- Provide ongoing oversight of Regional Entity compliance and enforcement activities.
- Develop metrics and incentives to improve trends in mitigation aging curve.
- Continue to identify the causes and trends of violations in enforcement cases.

Risk to Reliability

- Issue reliability assessment reports, guidelines, recommendations, and alerts as needed.
- Prepare long-term and seasonal reliability assessments.
- Conduct special assessments addressing key reliability issues.
- Prepare an annual state of reliability report that analyzes BPS performance trends and provides insight and guidance to address key reliability aspects.
- Continue to work to address high-impact, low-frequency (HILF) issues, including effects of geomagnetic disturbance on the BES and vulnerability assessments.
- Provide oversight, analysis, and review of Generating, Transmission, and Demand Response Availability Data Systems (GADS, TADS, and DADS), along with the Spare Equipment Database.
- Strengthen data collection and validation processes by designing, creating, testing, and implementing data systems and management for reliability assessment and risk analysis.

- Provide quarterly updates on trends and measures of BES reliability.
- Develop a risk registry and a systematic prioritization process with the RISC.
- Develop control strategies and plans to address the highest priority existing or emerging risks to BES reliability.
- Develop a risk register to support BPS risk profile measurement and assessment of standards.
- Conduct major event investigations, analysis, and reporting of major findings and recommendations that will improve reliability.
- Support the development and implementation of NERC and Regional Entity (ERO Enterprise) software applications, which support common functions and are critical to advancing the quality and usefulness of reliability assessments and event analysis data.
- Develop structured approaches to evaluate and improve system models, analysis, and assessments.
- Improve the functionality and usability of the Electricity Sector -Information Sharing and Analysis Center (ES-ISAC) portal for registered entities.
- Develop a cybersecurity maturity model tool kit for industry to conduct cybersecurity self-assessments.
- Deliver important information to registered entities regarding critical infrastructure protection security threats, vulnerabilities, and lessons learned from subject matter experts, senior industry, and governmental representatives.
- Through security best-practice discussion forums, educate industry about reliability concerns and risk mitigation associated with emerging physical and cybersecurity threats.
- Continue to collaborate with government agencies in the United States and Canada to develop more timely dissemination of classified information regarding threats to the BPS in a form that can be provided to and used by the industry.
- Conduct security incident analysis and work with industry experts to evaluate, track, and identify lessons learned and security metrics that enhance the electricity sector's security posture.
- Continue to work with the Regional Entities to obtain and review information from registered entities regarding qualifying events and disturbances in order to advance awareness of events above a threshold level and facilitate analysis of root causes, risks to reliability, wide-area assessments, mitigation, and timely dissemination of information regarding events.
- Continue to support the System Operator Certification and continuing education programs, as well as provide training to support knowledge and skills development in standards, compliance, event analysis, registration, and other key areas.

Coordination and Collaboration

- Continue to provide resources and support to the Board and Board committees, the MRC, Standards Committee, Compliance and Certification Committee, Planning Committee, Operating Committee, Critical Infrastructure Protection Committee, Electricity Sub-sector Coordinating Council (ESCC), Reliability Issues Steering Committee, and numerous ERO subcommittees and working groups.
- Continue to implement procedures, controls, processes, documentation, and systems to improve the efficiency of operations and control costs.
- Continue to work with Regional Entities to improve oversight and collaboration.
- Continue to enhance to ERO risk management tools and procedures.
- Develop a comprehensive technology roadmap for applications and infrastructure supporting ERO operations, including Regional Entity components.
- Continue to work collaboratively with the Regional Entities to advance the design and implementation of strategic ERO Enterprise IT applications and supporting infrastructure.
- Review and, where applicable, make recommendations for improvements to NERC and Regional Entity operating and working capital reserve policies and forecasting, including policies applicable to tracking and use of excess operating reserves.
- Evaluate and implement mechanisms to improve talent acquisition and employee retention.

2014 Key Business Planning Assumptions

As part of their annual business planning initiatives, NERC and the Regional Entities collaborate to form significant assumptions that should be considered when developing their respective business plans and budgets. For the 2014 business plans and budgets, these assumptions include, but are not limited to:

1. There will be continued industry participation to support key program areas, including but not limited to the standards and compliance process improvement initiatives.
2. External factors, including regulatory actions, may affect resource needs and allocation.
3. Critical infrastructure protection will continue to be a priority in the United States and Canada.
4. Compliance auditing will transition to be more reflective of a registered entity's reliability risk profile.
5. Significant investments will be required over the planning period to develop and implement program area and enterprise-wide applications to support common NERC and Regional Entity business needs and processes.

These assumptions also reflect the application of the Section 215 criteria discussed in the following section. A more complete list of the common assumptions is attached as **Exhibit A**.

Application of Section 215 Criteria to Major Activities

In its order approving NERC's 2013 business plan and budget, the Federal Energy Regulatory Commission (FERC) required NERC to establish criteria for determining whether its proposed activities are eligible for funding under Section 215. In an order dated April 19, 2013, FERC approved NERC's proposed criteria, with certain modifications.[3] **Exhibit B** summarizes the major activities NERC proposes to undertake and the approved Section 215 criteria applicable to such activities.

As further described in Exhibit B, all of the major activities that NERC proposes to undertake in 2014 are within the Section 215 guidelines. In addition, as part of the business planning process, the Board requested policy input regarding the potential for funding support for the ESCC and the operation of the ES-ISAC outside of Section 215. Based on this feedback and the discussions at the May 2013 Board meeting, NERC is planning to continue Section 215 funding for the ES-ISAC in 2014. The NERC board of trustees is considering a proposal to move the ESSC outside of NERC. From a 2014 budget and funding standpoint, the cost of any company personnel and expenses to support the ESSC, as well as the costs of outside consulting support, will remain statutory.

Stakeholder feedback was also sought regarding the potential funding of the System Operator Certification and Continuing Education Program (SOCCED) activities outside of Section 215. The SOCCED programs are designed to ensure that personnel operating the BPS have the skills, training, and qualifications needed to operate the system reliably. NERC maintains the credentials required to work in system control centers across North America for over 6,000 system operators. The requirements of the SOCCED programs are encompassed in Sections 600 and 902 of the NERC Rules of Procedure, as well as in Article XII of the NERC Bylaws. NERC's system operator certification exam is designed to test specific knowledge of job skills and reliability standards. It also prepares operators to comply with requirements of reliability standards and appropriately operate the BPS during normal and emergency operations.

Certification exams are created by the Personnel Certification Governance Committee (PCGC), an industry group of operations experts, trainers, and supervisors. Under the PCGC oversight, the Examination Working Group periodically updates and publishes new exams. When an operator passes the certification exam, certification is maintained by completing NERC-approved continuing education courses and activities. The Personnel Subcommittee, composed of industry training experts, provides oversight of the Continuing Education program. SOCCED costs have been entirely or substantially funded through testing and certification fees, and a separate operating reserve has been established for the SOCCED program under NERC's Working Capital and Operating Reserve Policy. Based on the feedback received to date, the company is proposing to continue the current SOCCED funding approach in 2014.

Overview of 2014 Funding Requirements

NERC's 2014 Business Plan and Budget reflects NERC's ongoing efforts to better define program area requirements and allocate resources to make more meaningful and demonstrable contributions to improvements to the reliability of the bulk power systems in

[3] *North American Electric Reliability Corporation, Order on Compliance*, 143 FERC ¶ 61,052 (2013).

North America. Management has continued to enhance the quality and depth of information provided in the company's business plan and budget in order to improve transparency and stakeholder communications and understanding of the ERO's resources requirements.

The following sections of the 2014 Business Plan and Budget describe in detail the resources required in 2014 for NERC to continue to carry out its mission. The 2014 funding requirements reflect the costs to maintain current operations, including but not limited to: personnel costs based on projected 2013 year-end headcount, contracts for office space, software licensing, third-party data management, communication and other services to support current operations. Incremental funding requirements in 2014 are primarily driven by resources required to fund (1) geomagnetic disturbance (GMD) research; (2) consulting resources to support compliance and enforcement reform initiatives; (3) investments in technology and support services to improve cyber threat information sharing capabilities, preparedness, and mitigation strategies; and (4) investments in the development of software applications and infrastructure to facilitate improved business processes and efficiency and to reduce unnecessary costs on registered entities. The 2014 funding requirements for these items are partially offset by savings realized from a reduction in contractor and consulting costs tied to the completion, elimination, or reduction in the scope of various other program area initiatives.

Penalty funds received in 2013 and a reduction in NERC's working capital reserves will reduce NERC's 2014 assessments funding approximately $1.5M (3.2%). After taking into account the application of NERC's policies regarding the allocation of United States penalty funds,[4] the allocation of certain compliance and enforcement costs,[5] and using 2012 net energy for load data, assessments will be approximately $3.7M (8.5%) higher for U.S. entities, $111.3k (2.5%) higher for Canadian entities, and $13.4k (10.8%) higher for Mexican entities.

The 2014 proposed assessment increase represents a net increase of $739k (1.5%) in assessments over the two-year period between 2013 and 2014.

NERC proposes to finance the cost of certain enterprise IT applications that are under development in 2013 and are slated to be developed in 2014, as well as finance the cost of certain hardware that supports internal and enterprise software applications. It is anticipated that the combination of NERC's strong credit and a favorable interest rate environment will allow these investments to be financed at attractive interest rates. This financing will place downward pressure on assessments in the near term and spread out the costs of each of these capital projects over three years. Additional details regarding this proposed financing are included in **Exhibit D**. The repayment of the projected principal and interest in connection with this financing has also been factored into the 2015 and 2016 budget projections discussed further below. Implementation of this approach is dependent on negotiation of acceptable, definitive terms and conditions of the financing agreements with lenders, NERC Board approval, and Commission approval of the projected principal repayment and interest schedule for the borrowings in NERC's budget and statutory assessments. Any variation in projected compared to actual principal and interest payment obligations will be tracked and reported as part of the

4 Accounting, Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standards, December 8, 2008

5 Expanded Policy on allocation of Certain Compliance and Enforcement Costs, July 29, 2008

company's quarterly budget to actual variance report provided to the NERC Finance and Audit Committee, Board, and FERC.

Management is proposing to maintain operating reserves for known contingencies and unforeseen contingencies at the same level as in the 2013 budget, including a $1M budget for known contingency reserves and $1M budget for unforeseen contingency reserves. Known contingency reserves include potential funding of vegetation research related to the FAC-003 reliability standard for vegetation management and development of a reliability assessment database that will be used to conduct reliability risk assessments and analysis for resource planning and allocation, as well as industry advisories and alerts. The FAC-003 vegetation research was originally planned to commence in 2014 but has been deferred to 2015, with the potential to accelerate funding into 2014 subject to the availability of reserves. Further information regarding these two initiatives may be found under the Reliability Assessment and Performance Analysis department section of this business plan and budget. Based on an analysis of working capital and operating reserve levels and taking into account the forecasted year-end reserve balances, a total of $1.2M in excess operating reserves is proposed to be applied to reduce 2014 assessments, as shown on Table B-1 in Section B.

Management has also prepared preliminary budget projections for 2015 and 2016. Further information regarding the assumptions underlying these projections may be found on pages 26–27.

2014 Cost of Current Operations and Additional Resource Requirements

Management and the NERC Board take the efficiency and the cost of NERC's operations very seriously. The following steps that have been taken to control costs and increase the efficiency of operations are reflected in the development of this Business Plan and Budget:

1. Established a formal working capital and operating reserve policy and controls.
2. Implemented policies and controls regarding the expenditure of funds approved for specific statutory purposes on unbudgeted activities.
3. Increased the detail and granularity of variance reporting, both monthly for operational purposes and quarterly for review with the Finance and Audit Committee, as well as in quarterly public postings and annual FERC filings.
4. Retained an outside consulting firm to conduct a comprehensive review of employee compensation and benefits and implemented revised polices governing compensation and benefits.
5. Implemented an ongoing top-to-bottom review of the entire organization to determine the particular skills and competencies that are required to perform the necessary tasks of each position in the organization.
6. Significantly reduced the company portion of employee benefits costs by increasing employee contributions and deductibles .
7. Implemented average salary increases below peer group average.

8. Implemented a workforce management system to track employee time by major activity.
9. Developed more robust policies and controls governing employee travel expenses.
10. Strengthened resource capabilities for Regional Entity oversight.
11. Established a risk management and internal controls framework and hired experienced personnel to implement it.
12. Developed and obtained FERC approval of written criteria governing statutory activities and applied these criteria to departmental activities in connection with the development of the business plan and budget.
13. Reviewed departmental activities to ensure alignment with goals and objectives contained in the approved Strategic Plan.
14. Eliminated funding of non-core activities including the Interchange Distribution Calculator (IDC) and related tools, and the North American Synchrophasor Initiative (NASPI).
15. Improved coordination and decision making with the Regional Entities.

With due regard to the foregoing, the projected 2014 revenue requirements reflect the revenues necessary to support the major departmental activities discussed on pages 10–13, including but not limited to the cost of personnel, meetings, travel, office space, information technology, and other costs necessary to support the essential functioning and governance of the corporation as detailed in the financial statements and supporting schedules. The projected cost of ongoing operations in 2014 reflects (1) average salary increases below industry average, (2) a personnel attrition factor, (3) continuation of 2013 reductions in the employer portion of the costs of medical and retirement benefits, (4) market increases in health care costs, and (5) the elimination of funding of the IDC and contractors and consultants to support NASPI.

Forecasted 2014 personnel costs include 2013 budgeted full-time employees (FTEs) plus five new positions required to support current operations. These positions include: (1) an engineer in the Reliability Assessment and Performance Analysis department to support risk management initiatives and associated technical analysis, (2) a shared administrative support position for the legal and enforcement departments (which are both based in the Washington, D.C. office and currently have limited administrative support), (3) a database analyst to assist in the management of the numerous databases necessary for ERO operations, (4) a webmaster to support the day-to-day maintenance of NERC's website and associated applications, which are used extensively to support both internal and external knowledge management and communications and (5) one additional employee to strengthen the operation of the ES-ISAC. NERC's 2014 cost of ongoing operations also includes the cost associated with support provided to the ESCC. NERC is utilizing a recently implemented workforce management system to track time associated with providing ESCC support. In the future, the company will have the ability to allocate costs to specific activities, such as ESCC support. Additional revenue requirements to further improve ES-ISAC operations and associated registered entity benefits are discussed in the next section.

NERC is projecting approximately $53.5M in total operating expenses and capital expenditures to support current ongoing operations, which is approximately $800.6k (1.5%) less than 2013.

NERC management has also budgeted resources required in 2014 to enable the company to (1) conduct GMD research in connection with recent FERC orders, (2) support key strategic initiatives, and (3) improve and expand ES-ISAC capabilities and performance. The following table sets forth the 2014 budget impact of these incremental resource requirements, followed by a more detailed discussion of these incremental resource needs.

2013 Budget		2014 Commitments - Inc(Dec)	Incremental Resources	Total 2014 Budget
$ 31,298,405	Total Personnel Expense	$ 2,761,249	$ -	$ 34,059,654
$ 4,098,310	Total Meeting Expense	$ (308,785)	$ -	$ 3,789,525
$ 8,816,254	Contracts and Consultants	$ (3,381,731)	$ 1,394,450	$ 6,828,973
$ 8,251,187	Operating Expenses (excl depreciation)	$ 198,968	$ -	$ 8,450,154
$ 50,000	Non-Operating Expenses	-	94,000	$ 144,000
$ 1,772,100	Capital Expenditures	$ (70,300)	$ 1,415,990	$ 3,117,790
$ 54,286,256	Total Budget	$ (800,600)	$ 2,904,440	$ 56,390,096

Additional Research Related to Regulatory Matters

Recent regulatory requirements regarding vegetation clearances and vegetation management on public lands, as well as the potential impacts of geomagnetic disturbances (GMD), may impact resource requirements for 2014. These items are described below with estimated 2014 funding requirements.

1. Vegetation Research

   The recent FERC order approving the FAC-003 reliability standard for vegetation management included an obligation to validate the technical foundation supporting the inclusion within the Gallet Equation of factors for the Minimum Vegetation Clearance Distance (MVCD). Significant industry support for the application of the Gallet Equation was a key factor in achieving approval for this standard. An estimated cost of $500k for this research is supported by a draft statement of work prepared by EPRI that involves an approximately nine-to-fifteen-month period of effort and associated activity. Contractor support will be required to conduct the necessary research that provides the technical foundation supporting the use of the MVCD in the application of the vegetation management standard. Due to budget constraints NERC will be exploring potential sources of third party funding for a portion of the cost of this research, as well as deferring a portion of its funding beyond 2014, phasing its total planned multi-year funding commitment of $500k over several years and relying on operating reserves for partial funding of this initiative in 2014. Use of operating reserves for funding in 2014 will reduce NERC's total planned multi-year funding commitment of $500k.

The research plan is intended to provide empirical technical support for the application of the Gallet equation and the associated factors related to the MVCD. These empirical tests will involve actual flash-over distances between conductors and vegetation grown specifically for this purpose at the EPRI test facility in Lenox, Massachusetts. The research will evaluate flash distances in a carefully calibrated environment and thereby validate through data the actual application of the MVCD factors in the currently approved FAC-003 standard.

2. Vegetation Management on Public Lands

   In the recent FERC order approving the FAC-003 reliability standard for vegetation management, the Commission directed NERC to ascertain the issues surrounding access for vegetation and related maintenance for transmission assets crossing public lands. FERC is concerned that issues arising from federal- and state-governed lands (e.g., Bureau of Land Management areas, national and state forests, etc.) restrict access to transmission assets crossing such lands and may potentially lead to a reliability risk for outages or delayed restoration. Consulting resources are required to develop a plan to gather technically valid information that would identify the nature and extent of such issues on public lands. The research plan as currently envisioned would be led by NERC and financially supported by existing industry groups, such as the EEI Vegetation Management Task Force. NERC does not anticipate having to provide direct financial support in 2014 for this research.

3. Reliability Effects of GMD

   The continuing efforts of the HILF work to expand the technical foundation for understanding the potential impact of GMD will involve continuation of the GMD Task Force work and research through the Electric Power Research Institute (EPRI) in 2014. The current 2013 funding level of $250,000 is expected to be required in 2014, targeting overall completion by the end of the year. The current work centers around providing a suite of technically valid tools and operational measures and transformer modeling, along with coordinating work efforts at the National Oceanic and Atmospheric Administration and space weather entities to understand the potential ranges of geomagnetically induced currents from coronal mass ejections on the sun. The results will permit individual entities to conduct associated vulnerability assessments. Once the EPRI and industry efforts are completed, the task force can finalize the tool development and associated baseline information. The objective for 2014 is to complete associated research efforts and conduct an overall assessment of the vulnerability assembled in a report that provides an indication of the how these factors potentially affect reliability of the BPS in North America.

Additional Resources to Support Compliance and Enforcement Reform (Reliability Assurance) Initiatives

During 2013 and consistent with the goals and objectives set forth in the Strategic Plan, NERC established a Reliability Assurance Initiative (RAI) as part of its stated objectives of ensuring BPS reliability, improving the efficiency and effectiveness of NERC and Regional Entity compliance

and enforcement operations, and reducing unnecessary costs to registered entities by focusing compliance oversight and enforcement resources on significant risks to reliability. Implementing the RAI program is a multiyear effort that involves compliance and enforcement process changes, development of new tools and training materials, and a variety of related efforts. These initiatives are specifically aimed at moving the ERO toward a culture of reliability through improved compliance monitoring and enforcement mechanisms. Moreover, these initiatives will also eliminate known problems with the current "zero-tolerance" processes that place unnecessary administrative burdens on registered entities and consume far too many NERC and Regional Entity resources.

The major RAI activities for 2013 include: (1) identifying and implementing process improvements to the self-reporting process; (2) implementing FFT enhancements; (3) developing an auditor handbook and checklist for use by compliance auditors; and, (4) initiating small prototype and pilot programs focused on developing entity risk assessments and developing processes for evaluating and testing internal controls. As further discussed under the Enforcement Department section of the 2014 Business Plan and Budget, the first two activities—self-reporting and FFT enhancements—seek to better align NERC and the Regional Entity enforcement processing activities with the level of risk the particular activity poses to the reliability of the BPS. These activities promote efficiencies for both the ERO Enterprise and registered entities by eliminating undue regulatory burdens, streamlining documentation and filing requirements, and substantially improving the processing of alleged violations and their companion mitigation plans. An audit handbook, which is being developed in 2013, will be utilized across the entire ERO by all compliance auditors and will support the audit processes outlined in the audit checklist. The audit handbook will address concerns voiced by registered entities, particularly those with operations in more than one Region, that differing audit practices exist in various Regions and among various audit teams within those Regions. Registered entities will benefit from the handbook because it will promote consistency in regional compliance audit practices, eliminating guesswork for entities in pre-audit preparations. Lastly, the prototypes and pilot programs will focus on how to best develop registered entity reliability risk assessment profiles and perform reviews and tests of internal controls. These pilots are an excellent means by which the newly developed tools and procedures can be tested and modified based upon actual results from the field, firsthand experiences, and lessons learned.

Three major activities that will build upon the framework and improvements implemented as a result of the ongoing 2013 RAI activities are planned for 2014: (1) developing a training program to support implementation of the common audit procedures developed in 2013; (2) assessment of the existing compliance, reporting, analysis tracking system (CRATS) and other compliance tools to support RAI activities; and (3) developing prototypes and pilot programs to support the development of registered entity reliability risk assessments and compliance monitoring scoping projects. These activities are necessary to implement the strategic reforms to the compliance monitoring and enforcement programs. The bulk of these activities will be resourced from NERC and Regional Entity staffs. However, as detailed below, certain activities require funding for an outside consultant with specialized industry expertise. Where appropriate, the plan will leverage volunteers from industry. For instance, a number of prototypes and pilot programs will include testing operational aspects of the RAI activities with

volunteer registered entities. This mix of resources will allow NERC to produce the RAI deliverables in a timely way, at an effective cost, and in a manner that ensures ERO Enterprise personnel will be equipped to execute the new processes and procedures in future years. NERC has budgeted $400k for outside consulting resources in 2014 to support these initiatives, which are further described in Section A of the Business Plan and Budget, under Compliance Operations.

Additional Resources to Support Enterprise Software Applications and Infrastructure

During 2013, considerable emphasis has been placed on consolidating applications determined to have similar business processes and functions across NERC and the Regional Entities. NERC and the Regional Entity Management Group deemed the bulk electric system exceptions process and event information data analysis to be ERO Enterprise in nature. Therefore, NERC and the Regional Entities undertook a concerted effort to gather business and functional requirements to build enterprise-wide applications supporting these processes that would culminate in an application package that would become operational in a dedicated data center facility. NERC and the Regional Entities will use these applications to perform required business functions, thereby reducing multiple disparate applications and databases into single, agreed-upon business applications.

The 2014 budget includes proposed incremental funding to support continuing multiyear undertaking to consolidate and manage ERO Enterprise applications into a reliable, centrally managed, dedicated hosting facility. This will require leveraging unique vendor capabilities to provide infrastructure services, security, back-up, and recovery that would otherwise require NERC and the Regional Entities to run, secure, and manage separate instances of the applications and databases, along with requirements to create connectivity between the multiple systems. Each enterprise application will be designed to offload the burden of multiple registrations by registered entities, reduce manual efforts by NERC and Regional Entity staff to manually process volumes of data, and significantly increase business intelligence and analytical capabilities.

During 2013, NERC and the Regional Entities developed a common software application to process BES exception requests, and are in the process of developing an application to facilitate the management, analysis and dissemination of information regarding events affecting BPS reliability. Another example is planned design and implementation of an enterprise application (the "RADS" application[6]) to replace the legacy reliability assessment database, which currently requires hundreds of NERC and Regional Entity man-hours to process millions of data elements to populate up to 27 individual spreadsheets that are manually processed in connection with preparation of the summer and winter seasonal assessments. The replacement RADS application will allow regional staffs to input data into forms that would automatically populate a central database for almost immediate creation of the data required for seasonal assessments, reducing manual workload and potential for error. The resulting efficiency gains will be used to redirect resources in support key reliability improvement initiatives.

[6] The RADS application is presently budgeted for development in 2015 but may be accelerated into 2014, subject to the availability of funding from reductions in the cost of the development of a replacement Alerts applications, operating reserves and/or the capital financing program, which are further, discussed in Section A under the Situation Awareness and Information Technology departments, respectively.

This multiyear effort will also focus on a new centralized compliance application to replace the multiple applications used by NERC and the Regional Entities, as previously mentioned in connection with the Reliability Assurance Initiative. A centralized compliance application will provide multiple tangible benefits including a secure, logically and physically segregated central database for management and reporting, and it would also reduce the number of system touch points required to synchronize and manage the integrity of multiple databases. A new compliance application will create efficiencies and continue to foster process improvements by establishing a common tool to be used by multiple compliance and enforcement staffs.

Each enterprise application will be designed through a collaborative approach with the Regional Entities and in such a manner as to facilitate business intelligence and analytic capability with the appropriate level of security. In addition to providing a more cohesive view of data across applications and databases by NERC and the Regional Entity staffs, the environment will incorporate design features that would allow the Regional Entities, along with the general public, access to reporting and analytics. It will be designed to facilitate dashboards and reporting either with anonymous access, or, with enhanced feature functionality, upon proper vetting and approval.

The enterprise applications will be hosted and centrally managed from a dedicated state-of-the-art data center facility. The facility would incorporate all elements of infrastructure support to include system administration and help desk functions, security, monitoring and back-up, and recovery capability. A central hosted facility will achieve a single point of accountability, reduce security exposure by leveraging best-in-class security practices and technology, and standardize tools and technologies used amongst NERC and the Regional Entities.

The ERO Enterprise application and infrastructure plan and budget was developed as a multi-year strategic initiative. Projected costs over the 2014–2016 planning period are set forth in the detailed IT department description under the General and Administrative Program Area in Section A of the Business Plan and Budget. Management anticipates financing the development of these capital assets and spreading the cost out over several years to mitigate the impact on assessments and cash flow. Further details regarding the financing program are included in Exhibit D.

ES-ISAC Incremental Funding Needs

The resources currently devoted to supporting the ES-ISAC consist primarily of personnel and contractors who gather, analyze, and provide information regarding cyber threats to industry through a secure communications portal and the costs to operate and maintain that portal. By having access to information regarding threats (including threats faced by other sectors such as the financial and communications industries) and the ability to analyze the potential impact of these threats on the electric sector and rapidly share this information with industry, the security of the electricity sector is improved.

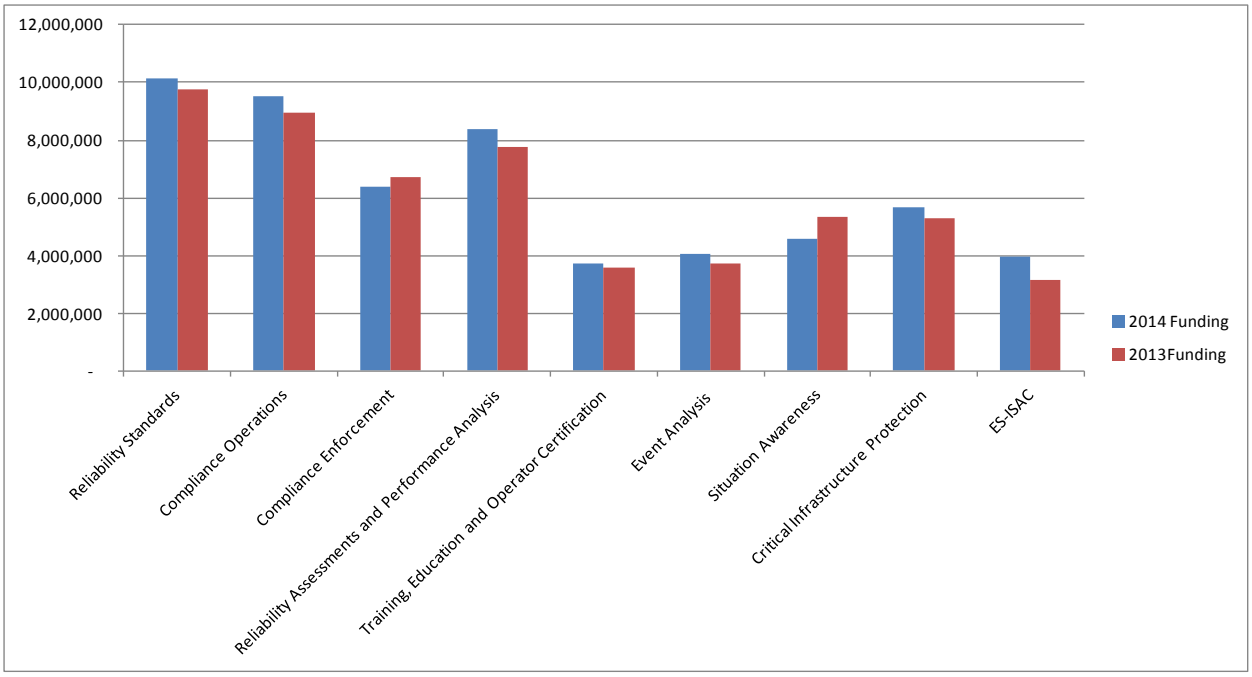
To keep pace with the growth and risk of cyber attacks and the associated need for timely and effective information sharing with industry and other sectors in order to mitigate potential significant BPS reliability risk, NERC's 2014 budget includes a significant increase in the tools and technologies devoted to supporting ES-ISAC. This additional resource support is in three

areas: (1) tools and technologies for improving the usability and functionality of the information-sharing portal to better allow the electric sector to receive and provide information to the ES-ISAC and to better allow the ES-ISAC to share information with other sector ISACs; (2) the preparation of a cyber risk preparedness toolkit to allow industry to conduct self-assessments of cyber risk preparedness; and (3) adding one staff position to increase analytical capabilities, portal monitoring, and information sharing and shift staffing on the National Cybersecurity and Communications Integration Center (NCCIC) floor. The additional cost in 2014 associated with improving the portal and information-sharing capabilities consists primarily of software licensing fees. The preparation of the cyber risk preparedness toolkit will reduce the projected ongoing costs for NERC to conduct individual cyber risk preparedness assessments for industry in the absence of industry having a tool to conduct these assessments.

The federal government has been piloting a new form of highly secure information sharing network and associated technology that can be utilized to identify, track, and deploy fixes to emerging cyber security threats. This project, a combination of what is known as the "Cyber Federated Model" (CFM) and "Cyber Risk Information Sharing Program" (CRISP), is at a point where the tools are ready to be commercialized. Federal funding provided to incubate this technology up to the point of commercialization is expected to be reduced or eliminated in 2014 and replaced by private sector sources of funding. NERC has not included any specific funding to support the commercialization of this portal and associated technology in 2014.

The following table sets forth a 2013–2014 total budget (operating expenses plus fixed assets minus depreciation) comparison by department, followed by a bar chart comparison of funding by department.

Total Budget	Budget 2013	Budget 2014	Change 2014 Budget v 2013 Budget	% Change
Reliability Standards	9,775,088	10,167,369	392,281	4.0%
Compliance Operations	8,928,994	9,496,446	567,452	6.4%
Compliance Enforcement	6,725,004	6,395,091	(329,913)	-4.9%
Reliability Assessments and Performance Analysis	7,762,436	8,350,598	588,162	7.6%
Training, Education and Operator Certification	3,571,766	3,737,472	165,706	4.6%
Reliability Risk Management				
Event Analysis	3,738,430	4,048,371	309,941	8.3%
Situation Awareness	5,324,311	4,583,264	(741,047)	-13.9%
Critical Infrastructure Department				
Critical Infrastructure Protection	5,299,502	5,668,027	368,525	7.0%
ES-ISAC	3,160,725	3,943,457	782,731	24.8%
Total Budget	54,286,256	56,390,096	2,103,840	3.9%



The following chart presents a year-over-year comparison of FTEs by department and reflects 2013 personnel additions and interdepartmental transfers, attrition assumptions, and proposed 2014 personnel additions. It is followed by a statement of activities comparing the 2013 and proposed 2014 budget.

Total FTE's by Program Area	Budget 2013	Budget 2014*	Change from 2013 Budget
STATUTORY			
Operational Programs			
Reliability Standards	26.50	25.92	(0.58)
Compliance Operations	24.00	23.04	(0.96)
Compliance Enforcement	21.00	18.24	(2.76)
Reliability Assessments and Performance Analysis	18.75	18.99	0.24
Training, Education and Operator Certification	8.00	8.16	0.16
Event Analysis	9.50	9.60	0.10
Situation Awareness	6.50	6.24	(0.26)
Critical Infrastructure Protection	12.50	11.98	(0.52)
ES-ISAC	6.75	8.22	1.47
Total FTEs Operational Programs	**133.50**	**130.39**	**(3.11)**
Administrative Programs			
General & Administrative	8.00	10.56	2.56
Legal and Regulatory	14.00	15.15	1.15
Information Technology	16.75	18.07	1.32
Human Resources	3.00	2.88	(0.12)
Finance and Accounting	11.00	12.48	1.48
Total FTEs Administrative Programs	**52.75**	**59.14**	**6.39**
Total FTEs	**186.25**	**189.53**	**3.28**

*Reflects 2013 additions and transfers between departments, anticipated timing of 2014 hires, and assumes 4% attrition in all programs

The complete NERC organizational chart is attached as **Appendix 1.**

Statement of Activities and Fixed Assets Expenditures
2013 Budget & Projection, and 2014 Budget

STATUTORY

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 47,604,156	$ 47,604,156	$ (0)	$ 51,401,382	$ 3,797,226
Penalty Sanctions	2,512,500	2,512,500	-	290,000	(2,222,500)
Total NERC Funding	**$ 50,116,656**	**$ 50,116,656**	**$ (0)**	**$ 51,691,382**	**$ 1,574,726**
Membership Dues	-	-	-	-	-
Testing Fees	1,680,000	1,680,000	-	1,620,000	(60,000)
Services & Software	-	57,000	57,000	50,000	50,000
Workshops	436,000	372,950	(63,050)	354,000	(82,000)
Interest	20,000	20,000	-	20,000	-
Miscellaneous	-	224	224	-	-
Total Funding (A)	**$ 52,252,656**	**$ 52,246,830**	**$ (5,826)**	**$ 53,735,382**	**$ 1,482,726**
Expenses					
Personnel Expenses					
Salaries	$ 24,056,165	$ 24,965,038	$ 908,873	$ 26,218,572	$ 2,162,407
Payroll Taxes	1,459,710	1,473,809	14,099	1,570,954	111,244
Benefits	3,079,941	2,917,558	(162,383)	3,385,917	305,976
Retirement Costs	2,702,588	2,264,996	(437,592)	2,884,211	181,623
Total Personnel Expenses	**$ 31,298,403**	**$ 31,621,401**	**$ 322,997**	**$ 34,059,654**	**$ 2,761,250**
Meeting Expenses					
Meetings	$ 1,042,000	$ 1,158,289	$ 116,289	$ 1,052,150	$ 10,150
Travel	2,738,500	2,419,525	(318,975)	2,419,525	(318,975)
Conference Calls	317,810	323,850	6,040	317,851	41
Total Meeting Expenses	**$ 4,098,310**	**$ 3,901,664**	**$ (196,646)**	**$ 3,789,525**	**$ (308,785)**
Operating Expenses					
Consultants & Contracts	$ 8,816,254	$ 8,140,646	$ (675,608)	$ 6,828,973	$ (1,987,281)
Office Rent	2,756,840	2,695,217	(61,623)	2,617,300	(139,540)
Office Costs	3,181,515	3,488,179	306,664	3,506,074	324,559
Professional Services	2,291,331	2,369,743	78,412	2,290,280	(1,051)
Miscellaneous	21,500	19,250	(2,250)	36,500	15,000
Depreciation	1,579,801	1,859,008	279,207	2,333,006	753,205
Total Operating Expenses	**$ 18,647,241**	**$ 18,572,043**	**$ (75,198)**	**$ 17,612,133**	**$ (1,035,108)**
Total Direct Expenses	**$ 54,043,954**	**$ 54,095,108**	**$ 51,153**	**$ 55,461,313**	**$ 1,417,358**
Indirect Expenses	**$ -**	**$ 0**	**$ 0**	**$ 0**	**$ 0**
Other Non-Operating Expenses	**$ 50,000**	**$ 128,060**	**$ 78,060**	**$ 144,000**	**$ 94,000**
Total Expenses (B)	**$ 54,093,954**	**$ 54,223,168**	**$ 129,213**	**$ 55,605,313**	**$ 1,511,358**
Change in Assets	**$ (1,841,298)**	**$ (1,976,338)**	**$ (135,039)**	**$ (1,869,930)**	**$ (28,631)**
Fixed Assets					
Depreciation	$ (1,579,801)	$ (1,859,008)	(279,207)	$ (2,333,006)	$ (753,205)
Computer & Software CapEx	1,556,100	2,242,083	685,983	2,904,790	1,348,690
Furniture & Fixtures CapEx	-	340,788	340,788	-	-
Equipment CapEx	216,000	527,031	311,031	213,000	(3,000)
Leasehold Improvements	-	77,803	77,803	-	-
Allocation of Fixed Assets	$ -	$ 0	$ 0	$ -	$ -
Inc(Dec) in Fixed Assets (C)	**192,299**	**1,328,696**	**1,136,397**	**784,784**	**592,485**
TOTAL BUDGET (=B + C)	**$ 54,286,253**	**$ 55,551,864**	**$ 1,265,610**	**$ 56,390,096**	**$ 2,103,842**
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)[1]	**$ (2,033,597)**	**$ (3,305,034)**	**$ (1,271,437)**	**$ (2,654,714)**	**$ 132,089**
FTEs	**186.25**	**179.04**	**(7.21)**	**189.53**	**3.3**

[1]The 2014 budgeted change in working capital reflects both a reduction in excess working capital and operating reserves and the assumptions related to capital financing. Refer to Table B-1 on page 115 for a complete analysis of the Working Capital and Operating Reserve balance.

Projections for 2015–2016

Management has developed preliminary operating and fixed asset (capital) budget projections for 2015 and 2016. The following significant assumptions were included in these projections:

- No increase in FTEs above 2014 budgeted levels.
- An overall personnel expense increase of 3%, which is inclusive of salary increases, benefit and retirement costs.
- An increase of less than 5% in overall contractor and consulting expenses.
- Cost of ongoing IT operations and development of Enterprise IT applications as set forth in the IT section of the 2014 business plan and budget.
- No funding for additional ES-ISAC tools or incremental resource needs, pending further review and input from the ESCC.
- Principal and interest payments in connection with borrowing under the capital financing program to fund IT Enterprise software application development and IT hardware, as further described in the IT section and Exhibit D of the 2014 business plan and budget.

Based on these assumptions, management is projecting a 2.6% and 3.4% year-over-year increase in operating expenses for 2015 and 2016, respectively. Fixed Asset (Capital) Expenses are projected to increase by 78% in 2015 and decrease 33% in 2016. The combined effect of the projected increase in operating and capital expenses results in a projected average increase in assessments of 8.9% and 4.1% for 2015 and 2016, respectively. The projected higher percentage increase in assessments in 2015 is primarily due to (1) the projected IT expenditures, including the debt service associated with the amortization of the cost of IT Enterprise application development and hardware, (2) a loss of penalty fund offsets since penalty funds are not projected or taken into account in the forecast, and (3) elimination of the return of excess operating reserves which applied to reduce assessments in 2014. Management will be reviewing these projections in an effort to further refine and where possible reduce or defer costs in order to mitigate the impact on assessments. The future availability of penalty funds and any excess operating reserves, to the extent generated in 2014, will also be taken into account. In addition, the projected assessments for 2015 and 2016 will be further updated to reflect the actual interest rate and amortization schedule of the capital additions, which are authorized to be financed under the approved 2014, 2015, and 2016 budgets.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2014 Budget & Projected 2015 and 2016 Budgets

	2014 Budget	2015 Projection	$ Change 15 v 14	% Change 15 v 14	2016 Projection	$ Change 16 v 15	% Change 16 v 15
Funding							
ERO Funding							
NERC Assessments	$ 51,401,382	$ 55,993,807	$ 4,592,424	8.93%	$ 58,371,961	$ 2,378,155	4.1%
Penalty Sanctions	290,000	-	(290,000)	-100.00%	-	-	
Total NERC Funding	**$ 51,691,382**	**$ 55,993,807**	**$ 4,302,424**	**8.3%**	**$ 58,371,961**	**$ 2,378,155**	**4.1%**
Membership Dues	-		-			-	
Testing Fees	1,620,000	1,620,000	-	0.00%	1,620,000	-	0.0%
Services & Software	50,000	50,000	-	0.00%	50,000	-	0.0%
Workshops	354,000	309,000	(45,000)	-12.71%	309,000	-	0.0%
Interest	20,000	20,000	-	0.00%	20,000	-	0.0%
Miscellaneous	-		-			-	
Total Funding (A)	**$ 53,735,382**	**$ 57,992,807**	**$ 4,257,424**	**7.9%**	**$ 60,370,961**	**$ 2,378,155**	**4.1%**
Expenses							
Personnel Expenses							
Salaries	$ 26,218,572	$ 26,874,036	$ 655,464	2.5%	$ 27,545,887	$ 671,851	2.5%
Payroll Taxes	1,570,954	1,610,228	39,274	2.5%	1,650,484	40,256	2.5%
Benefits	3,385,917	3,641,810	255,893	7.6%	3,923,292	281,482	7.7%
Retirement Costs	2,884,211	2,956,316	72,105	2.5%	3,030,224	73,908	2.5%
Total Personnel Expenses	**$ 34,059,654**	**$ 35,082,391**	**$ 1,022,737**	**3.0%**	**$ 36,149,887**	**$ 1,067,496**	**3.0%**
Meeting Expenses							
Meetings	$ 1,052,150	$ 1,052,150	$ -	0.0%	$ 1,052,150	-	0.0%
Travel	2,419,525	2,419,525	-	0.0%	2,419,525	-	0.0%
Conference Calls	317,851	317,851	-	0.0%	317,851	-	0.0%
Total Meeting Expenses	**$ 3,789,525**	**$ 3,789,525**	**$ -**	**0.0%**	**$ 3,789,525**	**$ -**	**0.0%**
Operating Expenses							
Consultants & Contracts	$ 6,828,973	$ 7,143,540	314,567	4.6%	$ 7,336,172	192,632	2.7%
Office Rent	2,617,300	2,632,300	15,000	0.6%	2,657,300	25,000	0.9%
Office Costs	3,506,074	3,752,979	246,905	7.0%	3,752,979	0	0.0%
Professional Services	2,290,280	2,290,280	-	0.0%	2,290,280	-	0.0%
Miscellaneous	36,500	36,500	-	0.0%	36,500	-	0.0%
Depreciation	2,333,006	2,114,705	(218,301)	-9.4%	2,750,705	636,000	30.1%
Total Operating Expenses	**$ 17,612,133**	**$ 17,970,305**	**$ 358,171**	**2.0%**	**$ 18,823,937**	**$ 853,632**	**4.8%**
Total Direct Expenses	**$ 55,461,313**	**$ 56,842,221**	**$ 1,380,908**	**2.5%**	**$ 58,763,349**	**$ 1,921,128**	**3.4%**
Indirect Expenses	**$ -**	**$ -**			**$ -**	**$ -**	
Other Non-Operating Expenses	**$ 144,000**	**$ 236,000**	**$ 92,000**	**63.9%**	**247,000**	**11,000**	**4.7%**
Total Expenses (B)	**$ 55,605,313**	**$ 57,078,221**	**$ 1,472,908**	**2.6%**	**$ 59,010,349**	**1,932,128**	**3.4%**
Change in Assets	**$ (1,869,930)**	**$ 914,586**	**$ 2,784,516**	**-148.9%**	**$ 1,360,613**	**$ 446,027**	**48.8%**
Fixed Assets					-		
Depreciation	$ (2,333,006)	$ (2,114,705)	$ 218,301	-9.4%	$ (2,750,705)	$ (636,000)	30.1%
Computer & Software CapEx	2,904,790	5,017,500	2,112,710	72.7%	3,167,500	(1,850,000)	-36.9%
Furniture & Fixtures CapEx	-	-	-		-	-	
Equipment CapEx	213,000	535,000	322,000	151.2%	535,000	-	0.0%
Leasehold Improvements	-	-	-		-	-	
Allocation of Fixed Assets							
Inc(Dec) in Fixed Assets (C)	**$ 784,784**	**$ 3,437,795**	**$ 2,653,011**	**338.1%**	**$ 951,795**	**$ (2,486,000)**	**0.0%**
TOTAL BUDGET (=B + C)	**$ 56,390,096**	**$ 60,516,015**	**$ 4,125,919**	**7.3%**	**$ 59,962,144**	**$ (553,872)**	**-0.9%**
FTEs	**189.53**	**189.53**	**-**		**189.53**	**-**	

Section A — 2014 Business Plan and Budget Program Area and Department Detail

Reliability Standards

Reliability Standards Program (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	26.50	25.92	(0.58)
Direct Expenses	$ 5,134,738	$ 5,150,854	$ 16,116
Indirect Expenses	$ 4,581,241	$ 4,872,999	$ 291,758
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	$ 59,109	$ 143,517	$ 84,408
TOTAL BUDGET	$ 9,775,088	$ 10,167,369	$ 392,280

Background and Scope

The Reliability Standards Program carries out the ERO's statutory responsibility to develop, adopt, obtain approval of, and modify as and when appropriate, mandatory reliability standards (both continent-wide standards and regional reliability standards) for the reliable planning, operation and critical infrastructure protection of the North American BPS.

NERC's ANSI-accredited standards development process was reaccredited in 2013 and found to be open, balanced, and transparent. As part of the standard development process, industry technical experts scope, draft, and review the new or revised NERC Reliability Standards for approval by the industry ballot body, adoption by the Board, and filing with regulatory authorities in the United States and Canada.

The major activities undertaken by NERC's standards department include:

1. **Delivering high-quality, continent-wide reliability standards**: NERC standards developers and other standards staff provide project management and leadership for informal standard development activities, facilitate drafting team activities, support drafting, assist the drafting teams in maintaining adherence to the development process as outlined in the Standard Processes Manual, and ensure that the quality of documents produced are appropriate for approval by industry and the Board.
2. **Facilitating continent-wide industry engagement**: NERC manages the work of over 200 industry contributors who serve on the Standards Committee and subgroups, as well as informal development, standards drafting, interpretation, and other project teams for the development of NERC standards through the standards development program.
3. **Conducting balloting, disseminating information, and supporting regulatory filings**: Through NERC's commenting and ANSI-accredited balloting process, industry consensus

is built by engaging thousands of industry volunteers within hundreds of registered entities throughout North America who review, comment on, and approve the standards products created by the standard drafting teams. The department also supports the filing of standards with regulatory authorities and provides support in connection with regulatory proceedings.

The standards program also provides a mechanism for the eight Regional Entities to process regional standards when reliability gaps are detected at the regional level. The NERC Standards staff supports regional standards development processes by providing technical advice, final quality review of regional standards, presentation to the Board, and preparation of regional standards materials for submission to the applicable regulatory authorities in the United States and Canada for adoption.

Key Standards Production Efforts Underway in 2013

Several years ago NERC's standards department began laying the foundation to transition from the existing set of NERC standards to a clear, concise, and stable body of world-class, high-quality standards that ensure the reliability of the BPS. In 2013, the standards department is taking additional steps to address regulatory directives and conduct quality reviews of existing standards. These actions are vital to ensuring standards are focused on significant reliability risks and reducing regulatory uncertainty. The three major work streams include:

- **Existing Projects/Emerging Issues** – Ensuring projects that support either high-risk reliability issues or emerging reliability issues are initiated or remain on schedule.
- **Five Year Reviews** – Initiating the review of standards that were due for assessment and have not been revised in recent development projects.
- **Directives** – Addressing FERC directives.

In conjunction with these work streams, two major initiatives were created to ensure standards address reliability risks and to eliminate standards or requirements that do not significantly benefit reliability and create unnecessary compliance burdens on industry:

- **Paragraph 81 Initiative:** On March 15, 2012, the Commission issued an order on NERC's Find, Fix, Track and Report (FFT) program. In the order, NERC was invited to make a proposal to the Commission identifying specific standards or requirements that need to be revised or retired because of the lack of any meaningful benefit to BPS reliability.
- **Results-Based Standards Initiative:** Ensuring that standards are focused on required actions or results (the "what") and not necessarily on the methods by which to accomplish those actions or results (the "how").

These two initiatives were applied to each standard or group of standards within the three major work streams to ensure that requirements with little or no benefit to reliability are eliminated and all new or revised standards are results-based. It is expected that these initiatives will lead to a concise set of standards that have the necessary combination of risk-, performance-, and capability-based requirements to ensure BPS reliability.

Based on the recommendation of the Member Representatives Committee's Standards Process Improvement Group, in 2013 NERC also began piloting methods to measure cost-effectiveness of standards under development. The goal of this work is to ensure that the standards development process produces standards that cost-effectively address reliability gaps.

Finally, a key departmental objective is to transform the existing set of standards to a world-class, results-based and stable body of standards that are truly focused on supporting BPS reliability. To set the foundation for this transformation, NERC formed a standards independent expert review panel to evaluate NERC's standards and associated requirements. This panel will rate each standard requirement's content and quality. Their report will include recommendations to retire or improve requirements and will form the basis for a roadmap to support the standards development plan and standards transformation.

2014 Goals and Deliverables

In 2014, the Standards department resources will be focused on the following three areas:

1. **Transforming NERC's standards to high-quality, world-class, results-based standards**: NERC will complete its foundational work by addressing remaining regulatory obligations specified in regulatory directives and outstanding Paragraph 81 Phase 2 requirements candidates. Based on the work from the standards independent expert review panel, the 2014–2016 Reliability Standards Development Plan will launch a standard transformation to world-class, results-based standards in steady state. This transformation is expected to take approximately three years.
2. **Develop a BPS reliability risk profile**: In coordination with the Reliability Issues Steering Committee and the ERO's technical committees, the Standards department will develop an overall North American-wide reliability risk profile for the BPS. Existing standards will then be evaluated to identify any high-risk reliability gaps. Risk-based standard development will be further refined and prioritized to address high-risk reliability gaps.
3. **Develop methods to assess and manage cost-effectiveness (benefit) of new standards**: Additional pilots to assess the cost-effectiveness of standards will be undertaken in order to lay the groundwork for an adoption of approaches to better inform the standards development process regarding the cost-effectiveness of alternative approaches to meeting reliability objectives.

Resource Requirements

Personnel

As in prior years, industry engagement is vital to successful standards development. In 2014, industry subject matter expert engagement requirements will remain steady from 2013, as the remaining projects from 2013 finalize in the first quarter of 2014. The transformation of NERC standards to steady state will require additional industry engagement throughout 2014.

NERC Standards management is also continuously considering ways to improve the efficiency of standard development activities. In 2013, NERC gained regulatory approval of revisions to its Standard Processes Manual, which adopted changes consistent with ANSI requirements for standards development and provides the potential to shorten standards development time frames. Further, in late 2012, the NERC Standards department evaluated the 2012 organization

and determined changes were required to refocus resources on the production of standards, rather than the executing and monitoring process. In October, the department was realigned into three teams of standards developers and one team focused on information management.

No additional personnel are planned to be added to the Standards department in 2014. The 0.58 reduction in FTEs is due to the assumption of 4% attrition in all departments. However, an increase in departmental travel expense is expected, given the number of standards initiatives expected to be underway.

Contractors and Consultants

No contractor and consulting support is budgeted in 2014, representing a $150k reduction from the 2013 budget.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
RELIABILITY STANDARDS

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 9,156,330	$ 9,156,330	$ -	$ 10,000,443	$ 844,113
Penalty Sanctions	510,788	510,788		58,951	(451,837)
Total NERC Funding	**$ 9,667,118**	**$ 9,667,118**	**$ -**	**$ 10,059,394**	**$ 392,276**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	104,000	104,000	-	104,000	-
Interest	3,970	4,224	254	3,976	6
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 9,775,088**	**$ 9,775,342**	**$ 254**	**$ 10,167,369**	**$ 392,281**
Expenses					
Personnel Expenses					
Salaries	$ 3,335,519	$ 3,273,607	$ (61,912)	$ 3,308,688	$ (26,831)
Payroll Taxes	213,052	206,812	(6,240)	210,130	(2,922)
Benefits	350,484	357,589	7,105	454,850	104,366
Retirement Costs	362,334	340,835	(21,499)	377,588	15,254
Total Personnel Expenses	**$ 4,261,388**	**$ 4,178,843**	**$ (82,546)**	**$ 4,351,256**	**$ 89,867**
Meeting Expenses					
Meetings	$ 164,000	$ 224,000	$ 60,000	$ 185,000	$ 21,000
Travel	372,500	400,000	27,500	400,000	27,500
Conference Calls	108,500	123,748	15,248	123,748	15,248
Total Meeting Expenses	**$ 645,000**	**$ 747,748**	**$ 102,748**	**$ 708,748**	**$ 63,748**
Operating Expenses					
Consultants & Contracts	$ 150,000	$ 380,367	$ 230,367	$ -	$ (150,000)
Office Rent	-	-	-	-	-
Office Costs	77,850	84,314	6,464	90,350	12,500
Professional Services	-	-	-	-	-
Miscellaneous	500	700	200	500	-
Depreciation	-	2,883	2,883	-	-
Total Operating Expenses	**$ 228,350**	**$ 468,264**	**$ 239,914**	**$ 90,850**	**$ (137,500)**
Total Direct Expenses	**$ 5,134,738**	**$ 5,394,855**	**$ 260,116**	**$ 5,150,854**	**$ 16,115**
Indirect Expenses	**$ 4,581,241**	**$ 5,070,006**	**$ 488,765**	**$ 4,872,999**	**$ 291,758**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 9,715,979**	**$ 10,464,861**	**$ 748,881**	**$ 10,023,853**	**$ 307,873**
Change in Assets	**$ 59,109**	**$ (689,520)**	**$ (748,628)**	**$ 143,517**	**$ 84,409**
Fixed Assets					
Depreciation	$ -	$ (2,883)	$ (2,883)	$ -	$ -
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	**$ 59,109**	43,250	(15,859)	143,517	84,408
Inc(Dec) in Fixed Assets (C)	**59,109**	**40,366**	**(18,743)**	**143,517**	**84,408**
TOTAL BUDGET (=B + C)	**$ 9,775,088**	**$ 10,505,228**	**$ 730,139**	**$ 10,167,369**	**$ 392,280**
FTEs	**26.50**	**26.25**	**(0.25)**	**25.92**	**(0.58)**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries and payroll tax expenses are projected to be lower in 2014 due to an estimated 4% attrition rate. Benefits are projected to be higher due to; (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses. Retirement expense is projected to be higher in 2014 due to having all positions filled on January 1, 2014, compared to 2013, which included reductions in budgeted retirement expense related to eligibility due to the timing of hiring.
- **Meetings, Travel and Conferencing Expenses** – Increases in meetings and travel expenses are due to the number of standards initiatives expected in 2014. The projected increase in conferencing expense is based upon 2013 trends.
- **Consultants and Contracts** – There are no requirements for support from outside consultants for the Standards program in 2014.
- **Office Costs** – The increase is due to higher cellular and air card expenses.

Compliance Monitoring and Enforcement and Organization Registration and Certification

The Compliance Monitoring and Enforcement and Organization Registration and Certification Program's purpose is to monitor, enforce, and ensure registered entity compliance with the ERO's mandatory standards. This program area includes oversight of the registration and certification of BPS users, owners, and operators and is broken down into two departments for operational and financial reporting purposes: (1) the Compliance Operations department, and (2) the Enforcement department.

Compliance Operations Department

Compliance Operations (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	24.00	23.04	(0.96)
Direct Expenses	$ 4,787,043	$ 5,037,321	$ 250,279
Indirect Expenses	$ 4,149,048	$ 4,331,554	$ 182,506
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	$ (7,098)	$ 127,570	$ 134,668
TOTAL BUDGET	$ 8,928,994	$ 9,496,446	$ 567,454

Background and Scope

NERC's Compliance Operations department works collaboratively with the eight Regional Entities to ensure consistent and effective implementation of the Compliance Monitoring and Enforcement Program (CMEP).

The Compliance Operations department is responsible for the following major activities and functions:

- Consistent implementation of the risk-based compliance monitoring program, including registration and certification, for reliability improvements;
- ERO education programs that support industry compliance and the integration of risk assessment and internal controls;
- Development of minimum baseline monitoring requirements;
- Oversight of the Regional Entities' delegated compliance functions, including:
  - CMEP planning, implementation, and reporting,
  - Compliance operations and coordination, and
  - Auditor training;
- Development and maintenance of Reliability Standard Audit Worksheets (RSAWs); and

- Support for the Compliance and Certification Committee (CCC).

2014 Goals and Deliverables

Reliability Assurance Initiative

During 2013, consistent with the goals and objectives set forth in the Strategic Plan, NERC established a Reliability Assurance Initiative (RAI) as part of its stated objectives of ensuring BPS reliability, improving the efficiency and effectiveness of NERC and Regional Entity compliance and enforcement operations, and reducing unnecessary costs to registered entities by focusing compliance oversight and enforcement resources on significant risks to reliability. Implementing the RAI program is a multiyear effort that involves compliance and enforcement process changes, development of new tools and training materials, and a variety of related efforts. These initiatives are specifically aimed at moving the ERO toward a culture of reliability through improved compliance monitoring and enforcement mechanisms. Moreover, these initiatives will also eliminate known problems with the current "zero-tolerance" processes that place unnecessary administrative burdens on registered entities and consume far too many NERC and Regional Entity resources.

The major RAI activities for 2013 include: (1) identifying and implementing process improvements to the self-reporting process; (2) implementing FFT enhancements; (3) developing an auditor handbook and checklist for use by compliance auditors; and (4) initiating small prototype and pilot programs focused on developing entity risk assessments and developing processes for evaluating and testing internal controls. As further discussed under the Enforcement Department section of the 2014 Business Plan and Budget, the first two activities—self-reporting and FFT enhancements—seek to better align NERC and the Regional Entity enforcement processing activities with the level of risk the particular activity poses to the reliability of the BPS. These activities promote efficiencies for both the ERO Enterprise and registered entities by eliminating undue regulatory burdens, streamlining documentation and filing requirements, and substantially improving the processing of alleged violations and their companion mitigation plans.

An audit handbook, which is being developed in 2013, will be utilized across the entire ERO by all compliance auditors and will support the audit processes outlined in the audit checklist. The audit handbook will address concerns voiced by registered entities (particularly those with operations in more than one region) that differing audit practices exist in various regions and among various audit teams within those regions. Registered entities will benefit from the handbook because it will promote consistency in regional compliance audit practices, eliminating guesswork for entities in pre-audit preparations. Lastly, the prototypes and pilot programs will focus on how to best develop registered entity reliability risk assessment profiles and perform reviews and tests of internal controls. These pilots are an excellent means by which the newly developed tools and procedures can be tested and modified based upon actual results from the field, firsthand experiences, and lessons learned.

Three major activities are planned for 2014 that will build upon the framework and improvements implemented as a result of the ongoing RAI activities in 2013. These activities

include: (1) developing a training program to support implementation of the common audit procedures developed in 2013; (2) assessing the existing compliance, reporting, analysis tracking system (CRATS) and other compliance tools to support RAI activities; and (3) developing prototypes and pilot programs to support the development of registered entity reliability risk assessments and compliance monitoring scoping projects. These activities are necessary to implement the strategic reforms to the compliance monitoring and enforcement program. The bulk of these activities will be resourced with staff from NERC and the Regional Entities. However, as detailed below, certain activities require funding for an outside consultant with specialized industry expertise or experience. Where appropriate, the plan will leverage volunteers from industry. For instance, a number of prototypes and pilot programs will include testing operational aspects of the RAI activities with volunteer registered entities. This mix of resources will allow NERC to deliver the RAI deliverables in a timely way, at an effective cost, and in a manner that ensures ERO Enterprise personnel will be equipped to execute the new processes and procedures in future years. The details regarding the 2014 initiatives and contractor and consulting resources are described below.

(1) Developing a training program to support implementation of common audit procedures

The Compliance Operations department responsibilities include supporting the development of highly qualified and trained compliance operations and auditing staffs at both NERC and the Regional Entities by ensuring the proper qualifications of personnel for auditing and other essential compliance roles and providing proper training. A training program is also necessary to support the implementation of compliance monitoring and enforcement activities related to RAI. NERC will work directly with the Regional Entities to develop proper implementation and integration of the tools and processes developed during 2013, specifically the RAI Standardized Compliance Auditor Handbook and Checklist, and also incorporate lessons learned from the pilots. This training is essential for ensuring that all Regions are consistently applying the procedures and methodologies identified in the audit handbook. Additionally, the training program will address any other auditor needs associated with RAI improvements to the Compliance Monitoring and Enforcement Program (CMEP), including redesigned compliance communication tools. Another key component of the training program will focus on implementing changes related to enforcement processing, specifically changes to the self-reporting process and enhancements to the FFT process. This program will be developed in collaboration with the Regions and coordinated by NERC. External resources are needed to assist in developing these materials in time so they can be delivered throughout 2014. The 2014 budget for external consulting support for these training-related activities is $150k, with another $150k projected in 2015.

This training will provide a significant benefit to registered entities, because it will promote consistency of approach in the audit practices utilized by the regional audit teams. Regional Entity audit staffs will be trained on the proper practices for use by their auditor teams, which will promote audit consistency in both approach and performance, and thereby benefit registered entities. The training will address topics such as the proper timing for document requests, the types of documentation requested, the quality and level of detail necessary for various types of acceptable evidence, and the ability of the entity to present alternative forms

of evidence to exhibit compliance. Setting clear expectations for registered entities regarding audit practices and procedures should also allow registered entities to increase the efficiency and effectiveness of their pre-audit preparation.

(2) Assessing existing compliance tools that support compliance and enforcement operations

One key RAI activity for 2014 is the assessment and development of the ERO's Compliance Reporting and Tracking System (CRATS) and other available information systems and tools that are necessary to support the implementation and management of risk-based compliance monitoring and enforcement activities across NERC and the Regional Entities. The current CRATS software application is used to manage compliance and enforcement information through a combination of: (1) SharePoint for physical document retention, (2) a violation-tracking database with a translator, and (3) two different database applications. As described below, the capabilities of the current system will not support the compliance and enforcement process improvements that are contemplated under the Strategic Plan and instead will be designed and implemented through the RAI. The improvements in the self-reporting process and FFT enhancements will result in changes in compliance and enforcement data, retention requirements, and analysis, which will require changes to the supporting information systems and database management capabilities within CRATS.

Resources are needed to assess and make enhancements to the CRATS program or develop a replacement application. Outside consulting resources will be required to support this work. The major undertakings requiring consulting support in 2014 will include:

- A comprehensive assessment of the CRATS application and other compliance and enforcement platforms currently in use by the Regional Entities.
- Identification of the data and analytic requirements needed to support the risk assessment and processing requirements associated with RAI.
- Identification of how and the extent to which CRATS and any Regional Entity applications can be utilized and incorporated into the newly developed enforcement processing activities, including contemplated changes in self-reporting and FFT enhancements. These tools must ensure data integrity and accuracy to allow for effective oversight, as well as be flexible enough to accommodate possible segregation of matters not pursued through enforcement and streamlined reporting requirements.
- Recommendations regarding the development of an ERO-wide compliance information management and reporting system, including identification of the best platform to support this system.

Consultants in 2014 will focus on defining the business requirements for the tools needed to enable the RAI-related changes. These requirements and recommendations will be used to guide future ERO Enterprise applications development, which is anticipated beginning in 2015. $250k has been budgeted for these external consulting resource needs in 2014.

(3) Assessing reliability risks and scoping compliance monitoring

In 2014, NERC and the Regional Entities will develop new prototype audit processes based on lessons learned from the 2013 pilots. This work will include an analysis of the results of the 2013 pilots, refining assessments of risk in the determination of audit scoping, and designing a second wave of pilots to test these updated procedures. Lessons learned from the 2013 pilot programs will be shared with registered entities so they can be incorporated into their respective risk assessments. Additionally, during 2014 an industry team working with NERC and the Regional Entities will develop guidance documents on internal controls for use by registered entities. As part of the development of these guidance documents, the team will prepare scoping materials regarding how a registered entity's internal controls could be assessed and tested to provide a reasonable assurance of compliance with applicable standards. This information will then be utilized to develop and document a methodology that can be provided to the registered entities for use in developing their internal control programs.

The core concept of risk-based compliance monitoring is to provide guidance to Regional Entities regarding how to appropriately scope compliance monitoring activities and methods (frequency and scope of standards to be monitored) based on each entity's potential impact to the BPS. Through continued refinement of the risk-based compliance monitoring program, NERC seeks to ensure that registered entities are monitored in a cost-effective manner. Registered entities will also benefit from these activities since the development of this methodology will take into account differences in registered entity size and the differing levels of risk posed to the bulk power system and will provide the appropriate scoping of audits. The emphasis on internal controls will also benefit registered entities by influencing the type of compliance approach used and the amount of monitoring deemed necessary to establish a reasonable assurance of compliance. Enhanced compliance monitoring approaches and properly scoped audits translate into reduced resources expended and other compliance-related savings for registered entities.

NERC's 2014 budget does not include funding for outside consultants to support the development of these scoping materials in 2014; instead, NERC believes this work will be undertaken by internal resources with industry support.

Registration Efficiencies

Throughout 2014, the Compliance Operations department, in coordination with the Regional Entities, will continue registered entity mapping activities to ensure the registry criteria is accurate and that gaps in and duplication of registration and compliance monitoring do not occur. NERC takes its obligation seriously to ensure that all entities that should be registered are accounted for.

Part of this effort includes enabling the registration process to be flexible and cost-effective. This is one way to increase the likelihood that applicable entities of all sizes and resource levels are able to become registered. Having appropriate registration is critical to compliance monitoring activities and enforcement activities. Elimination of duplicative or concurrent registration equates to better use of resources at both the registered entity level in the

implementation of compliance programs, and at the Regional level in regard to overall compliance monitoring efforts.

Ensure Industry Understanding of Compliance Requirements, Reduce Unnecessary Compliance Documentation, and Support Standards Development

The Compliance Operations department will continue efforts to ensure that all registered entities understand their compliance obligations and how compliance will be assessed. Compliance department staff will continue its work in reducing the variety of compliance documents currently produced and revising the RSAW tool to be more effective and less burdensome. An RSAW must provide sufficient information to assist auditors in assessing compliance; as well, an entity should be able to utilize an RSAW as a tool to measure its compliance and prepare for an audit.

Compliance staff will provide compliance and enforcement information, statistics, and perspectives to standard drafting teams to foster the development of standards that provide an increased reliability benefit and clarify compliance risks. Compliance department staff will continue its collaboration with industry and Standards department staff early in the standards development process by providing draft RSAW guidance, including information on how compliance with draft standards will be determined, as well as their views regarding the auditability and enforceability of the draft standards. This will better ensure that an RSAW serves as a tool in the auditing process and is not used or viewed as a tool to expand or modify standards requirements. After the Board approves a reliability standard and before the standard's effective date, NERC will conduct compliance trials to provide auditors and industry clear expectations of compliance.

NERC's goal is for registered entities to have effective compliance programs and internal controls. As discussed in connection with the RAI, greater consideration of internal controls in the compliance monitoring program is a proactive and forward-looking method of supporting reliability. NERC, the Regional Entities, and industry collaborated to improve the risk-based compliance monitoring program. The result is an Entity Impact Evaluation template that will support a consistent, risk-based approach to how registered entities can be assessed and how compliance monitoring activities may be scoped. As this component of the risk-based compliance monitoring program matures, NERC will rely on industry volunteers for participation in its development.

Regional Entity Audit Oversight

Compliance Operations department staff will oversee Regional Entity audits and conduct Key Reliability Standard Spot Checks.

Resource Requirements

Personnel

The Compliance Operations department is not proposing the addition of staff in 2014. The 0.96 reduction in FTEs is due to the assumption of 4% attrition in all departments.

Contractors and Consultants

NERC has budgeted a total of $400k in contractor and consulting support for the RAI in 2014. This includes $150k for outside consulting support for the development of auditor training materials and $250k for outside consulting support to assist in the assessment of the existing software application supporting compliance, registration, and enforcement operations. It also includes assistance on defining the business requirements to update or replace the existing application, with development and funding of the replacement application to be undertaken in 2015.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
COMPLIANCE OPERATIONS, INVESTIGATIONS and ORGANIZATION REGISTRATION and CERTIFICATION

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 8,422,798	$ 8,422,798	$ (0)	$ 9,400,511	$ 977,713
Penalty Sanctions	462,601	$ 462,601		52,401	(410,200)
Total NERC Funding	**$ 8,885,399**	**$ 8,885,399**	**$ (0)**	**$ 9,452,912**	**$ 567,513**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	40,000	20,000	(20,000)	40,000	-
Interest	3,596	3,760	164	3,534	(62)
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 8,928,994**	**$ 8,909,159**	**$ (19,836)**	**$ 9,496,446**	**$ 567,451**
Expenses					
Personnel Expenses					
Salaries	$ 3,202,041	$ 3,307,335	$ 105,294	$ 3,192,809	$ (9,232)
Payroll Taxes	202,103	209,693	7,590	202,068	(35)
Benefits	325,579	386,563	60,984	404,311	78,732
Retirement Costs	368,031	327,522	(40,509)	364,901	(3,130)
Total Personnel Expenses	**$ 4,097,754**	**$ 4,231,113**	**$ 133,359**	**$ 4,164,089**	**$ 66,335**
Meeting Expenses					
Meetings	$ 80,000	$ 60,000	$ (20,000)	$ 70,000	$ (10,000)
Travel	440,500	312,657	(127,843)	312,657	(127,843)
Conference Calls	34,235	16,574	(17,661)	16,574	(17,661)
Total Meeting Expenses	**$ 554,735**	**$ 389,232**	**$ (165,503)**	**$ 399,232**	**$ (155,503)**
Operating Expenses					
Consultants & Contracts	$ -	$ 60,000	$ 60,000	$ 400,000	$ 400,000
Office Rent	-	-	-	-	-
Office Costs	73,424	71,713	(1,711)	73,500	76
Professional Services	-	7,600	7,600	-	-
Miscellaneous	500	100	(400)	500	-
Depreciation	60,630	64,869	4,239	-	(60,630)
Total Operating Expenses	**$ 134,554**	**$ 204,282**	**$ 69,728**	**$ 474,000**	**$ 339,446**
Total Direct Expenses	**$ 4,787,043**	**$ 4,824,626**	**$ 37,583**	**$ 5,037,321**	**$ 250,278**
Indirect Expenses	**$ 4,149,048**	**$ 4,513,754**	**$ 364,706**	**$ 4,331,554**	**$ 182,506**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 8,936,092**	**$ 9,338,381**	**$ 402,290**	**$ 9,368,875**	**$ 432,784**
Change in Assets	**$ (7,098)**	**$ (429,222)**	**$ (422,126)**	**$ 127,570**	**$ 134,666**
Fixed Assets					
Depreciation	(60,630)	(64,869)	(4,239)	-	60,630
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	0
Equipment CapEx	-	-	-	-	0
Leasehold Improvements	-	-	-	-	0
Allocation of Fixed Assets	$ 53,532	$ 38,505	(15,027)	127,570	74,038
Inc(Dec) in Fixed Assets (C)	**$ (7,098)**	**$ (26,364)**	**$ (19,266)**	**$ 127,570**	**$ 134,668**
TOTAL BUDGET (=B + C)	**$ 8,928,994**	**$ 9,312,016**	**$ 383,023**	**$ 9,496,446**	**$ 567,453**
FTEs	**24.00**	**23.37**	**(0.63)**	**23.04**	**(0.96)**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries, payroll tax and retirement expenses are projected to be lower in 2014 due to an estimated 4% attrition rate. Benefits are projected to be higher due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Meetings, Travel and Conferencing Expenses** – Meetings, travel and conferencing expenses are expected to be lower in 2014 based upon trending of actual expenses in 2013 and the reduction in FTEs.
- **Consultants and Contracts –** The increase is related to the reliability assurance initiative, the development of a training program and the assessment of enhancements to the CRATS program or the development of a replacement application as described above.

Compliance Enforcement Department

Compliance Enforcement (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	21.00	18.24	(2.76)
Direct Expenses	$ 3,047,746	$ 2,864,951	$ (182,794)
Indirect Expenses	$ 3,630,417	$ 3,429,147	$ (201,270)
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	$ 46,841	$ 100,993	$ 54,152
TOTAL BUDGET	$ 6,725,004	$ 6,395,091	$ (329,912)

Background and Scope

The Compliance Enforcement department is responsible for overseeing enforcement processes, the application of penalties or sanctions, and activities to mitigate and prevent recurrence of remediated issues or confirmed violations of ERO standards.

A priority for this department is to ensure noncompliance is timely mitigated while at the same time focusing both NERC and Regional Entity enforcement resources on the matters that have the greatest impact on BPS reliability.

NERC's Compliance Enforcement department performs its responsibilities through:

- Monitoring Regional Entities' enforcement processes to ensure due process, to identify best practices and process efficiency opportunities, and to promote consistency among Regional Entities' business practices;
- Collecting and analyzing compliance enforcement and violation data and trends to assist with the identification of emerging risks and to help inform the development of enforcement policy and processes;
- Filing notices of penalty and other submittals associated with violations discovered through Regional Entity compliance, enforcement, and monitoring activities;
- Processing and filing notices of penalty and other submittals associated with violations discovered through NERC-led investigations and audits; and
- Docketing possible violations coming into the NERC enforcement program.

2014 Goals and Deliverables

Relationship to the Reliability Assurance Initiative (RAI) and expansion of the Find, Fix, Track and Report (FFT) program

As previously stated, RAI was launched to identify and implement changes that enhance the effectiveness of the ERO enterprise's compliance monitoring and enforcement and reduce unnecessary burdens and costs on registered entities. Activities associated with the expansion

of the FFT program are being conducted within the umbrella of the RAI program as priority projects.

Throughout the remainder of 2013 and into 2014, NERC's Enforcement department will continue to focus efforts on ensuring the sustainability and expandability of the FFT process. In addition to ongoing efforts aimed at addressing the consistency in application of CMEP program and documentation requirements, NERC and the Regional Entities will also work to implement the incremental enhancements proposed to FERC in NERC's March 15, 2013 FFT filing upon receipt of the necessary approvals.

Through FFT, NERC and the Regional Entities are also working on identifying opportunities for efficiencies in the processing of minimal risk issues found at audits. This project is being developed under the RAI umbrella but has its own timelines and milestones and is independent of other aspects of the RAI program. NERC expects to conduct one or more pilots in the fourth quarter of 2013 and will continue to test additional process improvements during 2014.

Another priority project under the RAI umbrella is the identification of improvements to the self-report process. Among other things, this project is considering changes to how the information associated with minimal risk issues flows from the registered entity to the Regional Entity to NERC. NERC expects to implement pilots to test process improvements beginning in the fourth quarter of 2013 and continuing during 2014.

Finally, the RAI program includes a project to develop guidelines for exercising greater discretion in identifying when noncompliance requires formal enforcement action. The assessment phase of this project is expected to go through the end of 2013 and continue in 2014.

Violation Trend Analysis

The Enforcement department continues to analyze the violations and processing information to identify trends and emerging risks and to gain insight into the effectiveness of NERC and the Regional Entities' processes and programs. The analysis is utilized in the development of enforcement policy and processes. In addition, the analysis is used to provide feedback to other departments, such as Standards. NERC's Enforcement department works in close collaboration with other NERC departments to leverage analytics as a risk management and resource allocation tool.

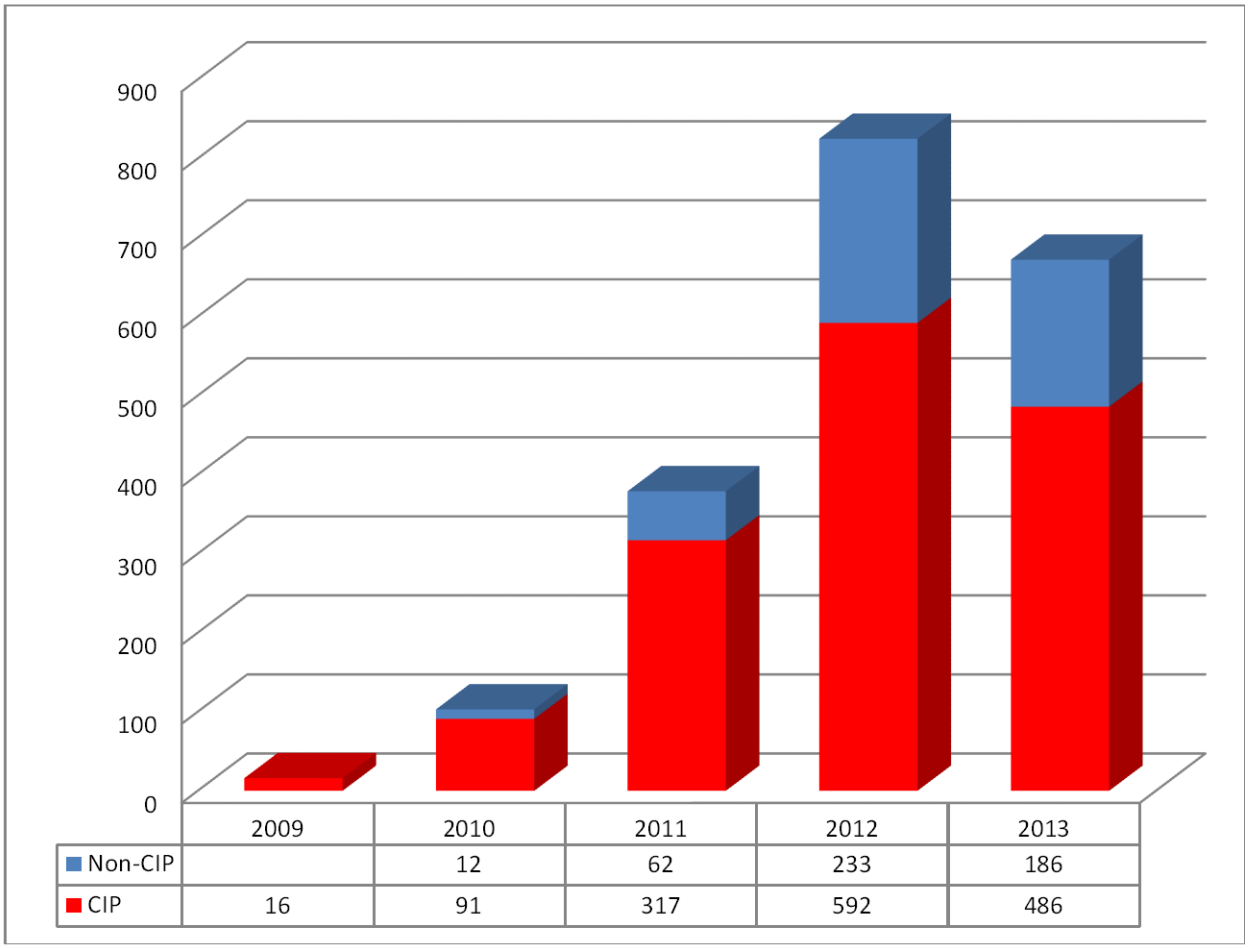
Reduction of Outstanding Caseload and Increased Processing Efficiencies

Throughout 2014, NERC's Enforcement department will continue to identify processing efficiencies to guide enhancements in enforcement activities and remain focused on issues that reduce BPS reliability risk.

Timely processing of violations will be another area of focus, particularly those that pose greater BPS risk and can provide lessons learned to industry. Early dissemination of violation information to registered entities will enable them to learn from prior events and violations so they may take preventative actions to eliminate similar risks.

As of June 30, 2013, NERC's Enforcement department reduced the number of active violations discovered prior to January 1, 2012 (those that are not held by appeal, a regulator, or a court), by 50% from the number at January 1, 2012.

Violations in ERO Inventory
As of June 30, 2013
This excludes violations that are held by appeal, a regulator, or a court.

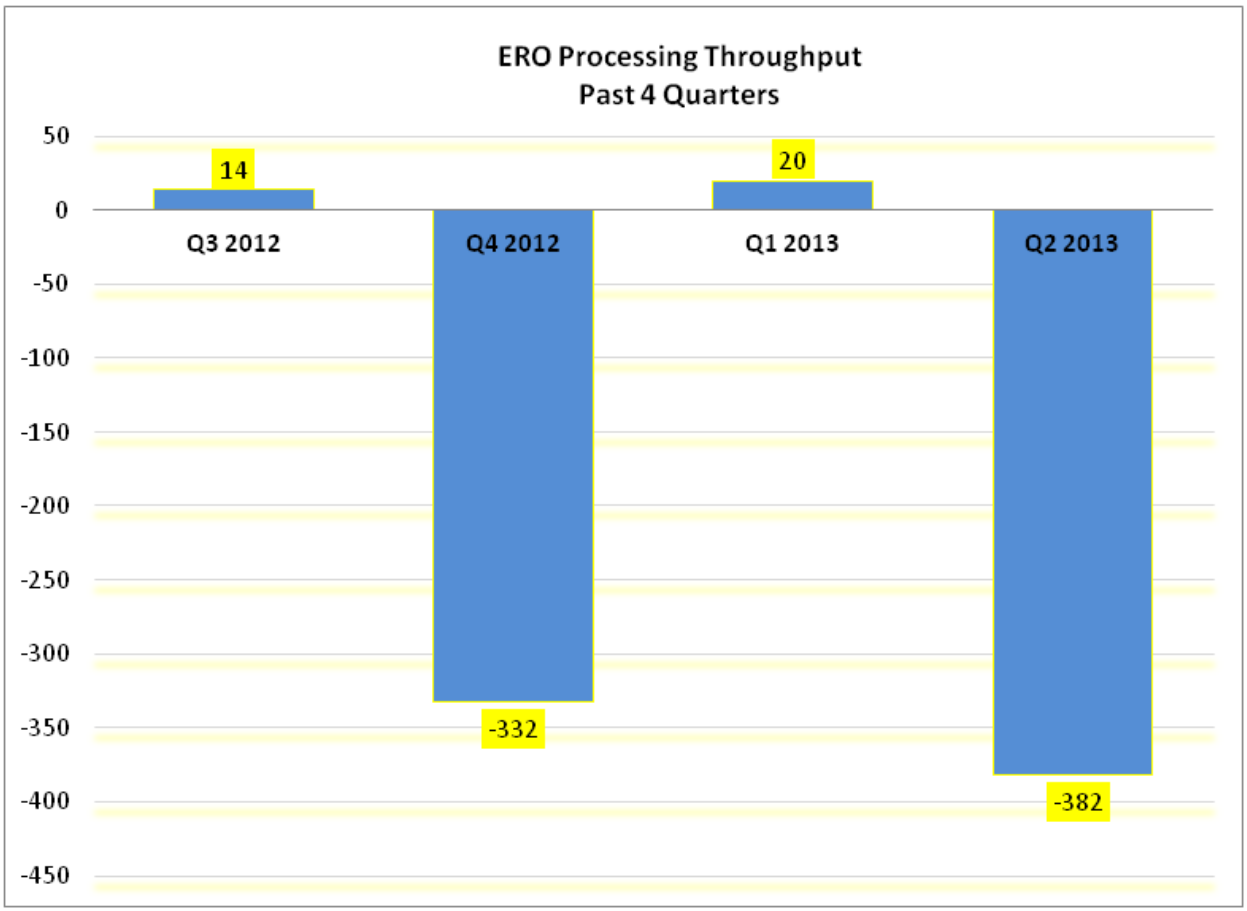


	2009	2010	2011	2012	2013
Non-CIP		12	62	233	186
CIP	16	91	317	592	486

The Enforcement department continues to work with the Regional Entities to significantly reduce this prior caseload by closing the possible violations and providing information on prior violations to registered entities throughout the remainder of 2013 and in 2014.

The following chart shows the processing rates for the past four consecutive quarters. It includes both filed and dismissed violations and shows the number of incoming violations (fewer violations filed or dismissed) that required processing during the given quarter.

Violation Processing Within 12 Months



Resource Requirements

Personnel

No additional Enforcement personnel are being proposed in 2014. The 2.76 reduction in FTEs is due to the assumption of 4% attrition in all departments and due to the transfer of 2.0 FTEs to other departments in 2013.

Contractor Expenses

The cost for outside consulting assistance to conduct an assessment of the software application supporting the department's compliance reporting, analysis, and tracking needs has been budgeted under the Compliance Operations department.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
COMPLIANCE ENFORCEMENT

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 6,317,083	$ 6,317,083	$ (0)	$ 6,350,810	$ 33,727
Penalty Sanctions	404,776	$ 404,775		41,484	(363,292)
Total NERC Funding	**$ 6,721,858**	**$ 6,721,858**	**$ (0)**	**$ 6,392,293**	**$ (329,566)**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	3,146	2,711	(435)	2,798	(348)
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 6,725,004**	**$ 6,724,569**	**$ (435)**	**$ 6,395,091**	**$ (329,914)**
Expenses					
Personnel Expenses					
Salaries	$ 2,152,370	$ 1,909,732	$ (242,638)	$ 2,043,427	$ (108,943)
Payroll Taxes	140,794	121,393	(19,401)	132,855	(7,939)
Benefits	274,883	224,621	(50,262)	320,080	45,197
Retirement Costs	247,200	202,884	(44,316)	234,210	(12,990)
Total Personnel Expenses	**$ 2,815,246**	**$ 2,458,630**	**$ (356,617)**	**$ 2,730,572**	**$ (84,675)**
Meeting Expenses					
Meetings	$ 5,000	$ 5,000	$ -	$ 2,500	$ (2,500)
Travel	186,000	85,298	(100,702)	85,298	(100,702)
Conference Calls	-	5,081	5,081	5,081	5,081
Total Meeting Expenses	**$ 191,000**	**$ 95,379**	**$ (95,621)**	**$ 92,879**	**$ (98,121)**
Operating Expenses					
Consultants & Contracts	$ -	$ -	$ -	$ -	$ -
Office Rent	-	-	-	-	-
Office Costs	41,000	34,774	(6,226)	41,000	-
Professional Services	-	480	480	-	-
Miscellaneous	500	100	(400)	500	-
Depreciation	-	2,724	2,724	-	-
Total Operating Expenses	**$ 41,500**	**$ 38,078**	**$ (3,422)**	**$ 41,500**	**$ -**
Total Direct Expenses	**$ 3,047,746**	**$ 2,592,087**	**$ (455,660)**	**$ 2,864,951**	**$ (182,796)**
Indirect Expenses	**$ 3,630,417**	**$ 3,254,461**	**$ (375,956)**	**$ 3,429,147**	**$ (201,270)**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 6,678,163**	**$ 5,846,548**	**$ (831,616)**	**$ 6,294,098**	**$ (384,066)**
Change in Assets	**$ 46,841**	**$ 878,021**	**$ 831,181**	**$ 100,993**	**$ 54,152**
Fixed Assets					
Depreciation	-	(2,724)	(2,724)	-	-
Computer & Software CapEx	-	2,199	2,199	-	-
Furniture & Fixtures CapEx	-	-	-	-	0
Equipment CapEx	-	-	-	-	0
Leasehold Improvements	-	-	-	-	0
Allocation of Fixed Assets	$ 46,841	$ 27,762	(19,079)	100,993	54,152
Inc(Dec) in Fixed Assets (C)	**$ 46,841**	**$ 27,237**	**$ (19,604)**	**$ 100,993**	**$ 54,152**
TOTAL BUDGET (=B + C)	**$ 6,725,004**	**$ 5,873,785**	**$ (851,220)**	**$ 6,395,091**	**$ (329,914)**
FTEs	**21.00**	**16.85**	**(4.15)**	**18.24**	**(2.76)**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries, payroll tax and retirement expenses are projected to be lower in 2014 due to the reduction in the number of FTEs and due to an estimated 4% attrition rate. Benefits are projected to be higher due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Travel** – Travel expenses are expected to be lower in 2014 based upon trending of actual expenses in 2013 and the reduction in FTEs.

Reliability Assessment and Performance Analysis

Reliability Assessments and Performance Analysis (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	18.75	18.99	0.24
Direct Expenses	$ 4,516,620	$ 4,903,304	$ 386,684
Indirect Expenses	$ 3,241,444	$ 3,570,148	$ 328,704
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	$ 4,372	$ (122,854)	$ (127,226)
TOTAL BUDGET	$ 7,762,436	$ 8,350,598	$ 588,161

Background and Scope

NERC's Reliability Assessments and Performance Analysis (RAPA) program and department carries out the ERO's statutory responsibility to conduct assessments of the reliability and adequacy of the BPS in North America. RAPA also identifies reliability performance issues and areas of concern (including equipment performance and reliability issues) for consideration in the development of new mandatory reliability standards, the modification of existing standards as part of the Reliability Standards Development Program, or other initiatives that enhance overall reliability.

A comprehensive understanding of the complexity of the changing BPS is key to developing effective approaches for achieving reliability. RAPA develops a solid technical framework and understanding of the reliability risks facing the industry and utilizes those insights to communicate guidance and information to entities across North America to enhance reliability. RAPA does this through its own engineering and analysis efforts, as well as through marshaling stakeholder resources with subject matter expertise.

Key Focus Areas

RAPA focuses its efforts in four key areas:

(1) Reliability Assessment

Reliability assessments provide a technical platform for important policy discussions on challenges facing the interconnected North American BPS. Each year, NERC is responsible for independently assessing and reporting on the overall reliability, adequacy, and associated risks that could impact the upcoming summer and winter seasons and the long-term, 10-year period. As emerging risks and potential impacts to reliability are identified, RAPA conducts special reliability assessments and identifies remedial actions that may be warranted. RAPA's assessments are founded on solid engineering through collaborative and consensus-based approach.

By identifying and quantifying emerging reliability issues, NERC is able to provide risk-informed recommendations and support a learning environment for industry to pursue improved reliability performance. These recommendations, along with the associated technical analysis, provide the basis for actionable enhancements to resource and transmission planning methods, planning and operating guidelines, and NERC Reliability Standards.

Key assessments include:

- Long-Term Reliability Assessment
- Summer and Winter Reliability Assessments
- Special and Scenario Reliability Assessments

Additionally, RAPA coordinates forecast reliability data between planning areas, the eight Regional Entities, and governmental organizations through the Electricity Supply and Demand Database.

(2) Performance Analysis

The Performance Analysis group identifies and tracks key reliability risk indicators to benchmark reliability performance and measure reliability improvements. With this information, the group provides the framework for insights and guidance about emerging trends and associated actions that may be warranted. This includes assessing available event analysis results, incident severity measures, and compliance performance results; developing guidelines for acceptable metrics, and maintaining a performance metrics dashboard on the NERC website.

The key trends, findings, and recommendations from risk performance analysis serve as technical input to the ERO's reliability standards and project prioritization, compliance process improvements, event analyses, reliability assessment, and critical infrastructure protection efforts. This analysis of BPS performance not only provides an industry reference for historical BPS reliability, but it also offers analytical insights across the enterprise that lead toward industry action and enable the discovery and prioritization

of specific actionable risk control steps. These analyses and results are summarized in the annual *State of Reliability Report*, which provides guidance and recommendations that will lead to enhanced bulk system reliability.

(3) Reliability Risk Analysis and Control

A comprehensive understanding of complex interdependencies and their wide-ranging impacts affecting the reliability of the BPS requires deliberate and methodical risk analysis and control strategies. A robust approach that effectively identifies emerging reliability risks and seeks to address them is essential for ensuring NERC's effectiveness and enhancing the reliability of the BPS.

RAPA works with industry leaders to create a reliability strategy that is relevant, timely, and effective at addressing the most important reliability risks. This effort includes understanding key information identified through analysis and assessment efforts; extracting and prioritizing the associated reliability risks from that information; sharing and integrating those risk analysis insights across the ERO enterprise; and translating that knowledge into actionable guidance and recommendations for NERC management, the Board, and industry entities.

This offers stakeholders an open and transparent approach for the development of NERC's reliability strategy, ultimately ensuring the ERO is accountable to industry, regulators, and the public at large.

(4) Reliability Initiatives and System Analysis

A deep understanding of the technical performance behavior of the North American grid provides a sound technical foundation for identifying those crucial aspects of grid performance that are important to sustaining overall reliability. This understanding is achieved through a comprehensive evaluation and testing of BPS behavior through forensic analysis of system disturbances and analytic simulations. Methodically comparing actual system behavior to the results of analytical power-flow and dynamics simulations provides the essential confidence and credibility to guide recommendations and insights that enhance system performance and reliability. These insights establish the framework and foundation for predictive results that lead to effective operating strategies and recommendations that serve to maintain reliability.

Based on NERC and industry priorities, and to meet business-planning goals, several issues and initiatives will not be pursued in 2014. Probabilistic analysis of reserve margins for NERC's Long-Term Reliability Assessment will be completed every two years rather than annually (none in 2013); the smart grid follow-on work plan will be addressed sometime after 2014; and wind generator availability information (GADS) will be re-programmed to the 2014–2015 timeframe. In 2014, RAPA will refine the composition of NERC's annual *State of Reliability Report* to reflect Post-Seasonal Reliability Review, insights from analysis of transmission, generator and demand response data systems (TADS, GADS, and DADS), and integration of event analysis and misoperations.

Further, RAPA will continue to work closely with other organizations, including, but not limited to, the Electric Power Research Institute (EPRI), Institute of Electrical and Electronic Engineers (IEEE), the North American Transmission Forum (NATF), the North American Generation Forum (NAGF), and Canadian Electricity Association (CEA). RAPA collaborates with these groups on a number of fronts, including geomagnetic disturbance (GMD), vegetation management, TADS, GADS, and variable generation integration. RAPA will continue working with the Interstate Natural Gas Association of America (INGAA) and the Natural Gas Supply Associations (NGSA) regarding studies pertaining to the interdependency of gas and electric systems.

Bulk Electric System (BES) Implementation

During 2013, the RAPA department has been closely involved in the development of a revised definition of the BES. RAPA has also been working closely with the Regional Entities to develop a software application to manage the implementation of the BES definition and exception process, by which a registered entity submits self-determined notifications or requests for exception of certain assets and systems from the BES. The associated business processes and guidance supporting the implementation are important elements aligned with the development of the BES tool that utilize an enterprise project management organization (PMO) approach to ensure effective implementation. The BES tool and its functionality for Regions, registered entities, and NERC has been structured to conform to provisions of the Order 773 and 773-A directives and requirements.

2014 Goals and Deliverables

- Issue reliability assessment reports, guidelines, recommendations, and alerts as needed.
  - One 10-year Long-Term Reliability Assessment.
  - Two seasonal assessments: Summer and Winter.
  - Reliability assessment report on geomagnetic disturbance (GMD) BES effects and vulnerability assessment.
  - One additional special focused assessment addressing key aspects of reliability issues, such as:
    - Variable generation penetration reliability impacts
    - Planning assumptions related to major one-in-a-hundred-year storms
    - Reliability risks associated with a diverse and changing resource mix
  - One annual State of Reliability Report.
  - Oversight of Generating, Transmission, and Demand Response Availability Data Systems (GADS, TADS, and DADS), along with reliability metrics, misoperations, and the Spare Equipment Database.
  - Strengthen data collection and validation processes by designing, creating, testing, and implementing data checking systems for reliability assessment, system analysis, and risk analysis.
  - Provide periodic updates on trends and measures of BPS reliability.

- Develop a risk registry and a systematic prioritization process consistent with the Reliability Issues Steering Committee (RISC) framework and support BPS risk profile measurement and assessment of standards.
- Develop risk control strategies and plans across the organization to address the highest priority existing or emerging risks to BPS reliability, and explicitly measure the results.
- Support NERC Reliability Standard development and response to FERC directives by providing technical and system analysis expertise.
- Support the technical foundation development for reliability standards to address deficiencies or needs revealed by reliability assessments and performance analysis.
- Provide support and leadership to the Planning Committee, and Standing Committees' subcommittees, working groups, and task forces serving the Standing Committees.
- Develop a structured approach to evaluate and improve system models, model validation, system analysis, and assessments.
- Assist in the development of approaches to registration and maintenance of the actively monitored list based on reliability trends, risks, and historical information to ensure that the compliance focus remains on the most critical entities and associated reliability standards.
- Conduct major event investigations, analysis, and reporting of major findings and recommendations that will improve reliability.
- Build and sustain an enterprise reliability assessment and performance analysis team that encompasses risk-informed approaches and structured methodology to identify and address reliability risks.
- Implement effective oversight and tracking of various technical aspects of reliability, including frequency response performance, application of TPL footnote b adoption, and root cause applications to assessment and analyses.

Resource Requirements

Personnel

The 2014 budget includes the addition of an engineer in RAPA to support risk management initiatives and technical analysis. The 0.24 increase in FTEs reflects the timing of hiring and the assumption of 4% attrition in all departments

Contractor Expenses

The total contractor and consultant expenses for the department are projected at $638.1k, representing an approximate $46.9k decrease over the 2013 budget. The 2014 contractor and consulting resources are described below and are grouped into four categories: (1) Research and Initiative Implementation, Tracking, and Reporting, (2) Special and Long-Term Assessments and State of Reliability Analysis, (3) Licensing and Support of Existing Databases, and (4) Application Development. Exhibit B shows the specific amount of 2014 contractor and consulting funding in a complete list for all NERC departments, compared to 2013 budgeted amounts.

(1) Research and Initiative Implementation, Tracking, and Reporting

2014 resource requirements include those in connection with recent regulatory developments regarding vegetation clearances and vegetation management on public lands, as well as the potential impacts of geomagnetic disturbances (GMD). Each of these items is described further below.

a. Vegetation Research:

The recent FERC order approving the FAC-003 reliability standard for vegetation management included an obligation to validate the technical foundation supporting the inclusion within the Gallet Equation of factors for the Minimum Vegetation Clearance Distance (MVCD). Significant industry support for the application of the Gallet Equation was a key factor in achieving approval for this standard. An estimated cost of $500k for this research is supported by a draft statement of work prepared by EPRI that involves an approximately nine-to-fifteen-month period of effort and associated activity. Contractor support will be required to conduct the necessary research that provides the technical foundation supporting the use of the MVCD in the application of the vegetation management standard. Due to budget constraints NERC will be exploring potential sources of third party funding for a portion of the cost of this research, as well as deferring a portion of its funding beyond 2014, phasing its total planned multi-year funding commitment of $500kover several years and relying on operating reserves for partial funding of this initiative in 2014. Use of operating reserves for funding in 2014 will reduce NERC's total planned multi-year funding commitment of $500k.

The research plan is intended to provide empirical technical support for the application of the Gallet equation and the associated factors related to the MVCD. These empirical tests will involve actual flash-over distances between conductors and vegetation grown specifically for this purpose at the EPRI test facility in Lenox, Massachusetts. The research will evaluate flash distances in a carefully calibrated environment and thereby validate through data the actual application of the MVCD factors in the currently approved FAC-003 standard.

b. Vegetation Management on Public Lands:

In the recent FERC order approving the FAC-003 reliability standard for vegetation management, the Commission directed NERC to ascertain the issues surrounding access for vegetation and related maintenance for transmission assets crossing public lands. FERC is concerned that issues arising from federal- and state-governed lands (e.g., Bureau of Land Management areas, national and state forests, etc.) restrict access to transmission assets crossing such lands and may potentially lead to a reliability risk for outages or delayed restoration. Consulting resources are required to develop a plan to gather technically valid information that would identify the nature and extent of such issues on public lands. The research plan as currently envisioned would be led by NERC and financially supported by existing industry groups, such as the EEI Vegetation Management Task Force. NERC does not anticipate having to provide direct financial support in 2014 for this research.

c. Reliability Effects of GMD Vulnerability Assessment:
The continuing efforts of the high-impact, low-frequency (HILF) work to expand the technical foundation for understanding the potential impact of GMD will involve continuation of the GMD Task Force work and research through EPRI in 2014. The current 2013 funding level of $250k is expected to be required in 2014, and overall completion is targeted for the end of the year. The current work centers around providing a suite of technically valid tools and operational measures and transformer modeling, along with coordinating work efforts at the National Oceanic and Atmospheric Administration and space weather entities to understand the potential ranges of geomagnetically induced currents from coronal mass ejections on the sun. The results will permit individual entities to conduct associated vulnerability assessments. Once the EPRI and industry efforts are completed, the task force can then finalize the tool development and associated baseline information. The objective for 2014 is to complete associated research efforts, conduct an overall assessment of the vulnerability, and assemble a report that indicates how these factors potentially affect reliability of the BPS in North America.

(2) Special and Long-Term Assessments and State of Reliability Analysis

a. Scenario Consultant—Addressing Standing and Emerging Issues:
NERC will continue to develop ad hoc special and scenario assessments, which are developed through RISC and Board initiatives and which are informed by the emerging issues process currently established in the LTRA.[7] Scenario assessments provide detailed quantitative and qualitative analyses that stress the reference planning case of the North American BPS. Scenario analysis can indicate the relative sensitivity of the reference case to changes in pre-specified conditions and may provide insight into regional reliability risks. Based on input from RISC, as well as insights from assessments and analyses, industry is generally supportive of further analysis regarding BPS reliability. Scenario assessments may also be prompted by input from policy and legislative initiatives that NERC would undertake to provide the solid technical framework and foundation for policy decisions and guidance.

(3) Licensing and support of existing databases
The 2014 RAPA contractor and consulting budget also includes the costs to license and maintain the metrics collection, analysis, and display tools, as well as the generator availability data system, transmission availability data system, demand side management assessment database, and spare equipment database.

[7] Special Assessments are ad hoc assessments focused on specific industry issues (emerging or standing). For these assessments, detailed quantitative and qualitative analysis, beyond what is included in the annual long-term and seasonal reliability assessments, is examined. These reports are generally published separately from the annual long-term and seasonal reliability assessments.

Scenario Assessments are ad hoc assessments focused on specific, hypothetical industry conditions. For these assessments, detailed quantitative and qualitative analyses are performed that stress the Reference Case. Scenario assessments will be included as part of the annual long-term and seasonal reliability assessments to provide a sensitivity of potential outcomes.

a. Metrics Data Collection, Analysis, and Display Tools – Enhancements and Maintenance:
   This application collects, records, and retrieves reliability metric information that quantifies characteristics of adequate levels of reliability. The metric trends and performance analyses serve as technical input to reliability standards and project prioritization, compliance process improvement, event analysis, reliability assessment, and critical infrastructure protection. The dashboard displays dynamic performance trends and risk-based index curves on the NERC public website. Charts are interactive, and viewers can search specific supporting information through multilevel drilldown features with simple and direct access.

b. GADS/TADS/DADS/SED:

   - Generation Availability Data System (GADS) – Enhancements and Maintenance:
     This tool collects, records, and retrieves operating information on power plant availability, including event, performance, and design data. The information is used to support equipment reliability and availability analyses, as well as risk-informed decision making, including the reliability and adequacy of the BPS and the potential need for development of new or modified reliability standards.

   - Transmission Availability Data System (TADS) – Enhancements and Maintenance:
     This tool collects, records, and retrieves information used to measure transmission availability and performance. This data is important for assessing the reliability and adequacy of the BPS and can also provide information that indicates trends and insights into the need for developing reliability standards or other risk control strategies. The data reporting tool collects information about the transmission lines and transformers operating above 200 kV, including outage details and cause codes.

   - Demand Response Availability Data System (DADS) – Enhancements and Maintenance:
     This tool collects demand response enrollment and event information to measure its performance, including its contribution to improved reliability. This provides industry a consistent basis for projecting contributions of dispatchable and non-dispatchable demand response to support resource projections and operational reliability. The data is also important for assessing the reliability and adequacy of the BPS and can provide information that indicates the need to develop new or modified reliability standards.

   - Spare Equipment Database (SED) – Enhancements and Maintenance:
     This tool collects and tracks spare long-lead time transformer information used to strengthen industry resiliency in order to withstand a significant event that damages large amounts of long-lead-time equipment. The database provides industry a vital tool of communication and coordination for tracking spare equipment. This ability will be extremely helpful in the aftermath of a HILF event, such as coordinated attack or extreme weather.

(4) Software application development

a. Replacement for pc-GAR:
Many years ago, NERC developed pc-GAR, a legacy software application, to provide industry and vendors restricted access to limited GADS information for benchmarking and other reliability improvement initiatives. NERC developed it when the provision of generator data was voluntary. In exchange for providing this data, companies received a restricted license for access to certain summary data from the system. Some generator major equipment vendors have also requested and been granted restricted licenses for access to this data in order to benchmark and improve their equipment.

Historically, NERC charged nominal license fees to help defray a portion of the costs of operating, maintaining, and administering this complex legacy software. In response to its 2013 business plan and budget (in which NERC expressed the intent to discontinue the licensing of this software and data availability), NERC received comments from industry expressing a strong desire for continuing access so that they could continue to undertake the reliability assessment and improvement activities generally described above. NERC management considered transferring the licensing of the software to a third party but felt that it was important to retain control of the licensing in order to ensure the protection of confidential information. NERC expects to commence development of a replacement software application in 2013 and therefore no specific funding is included in the 2014 business plan and budget for this activity. However, given that this work has not yet been completed the possibility exists that funding from reserves may be required in 2014, subject to the availability of reserves and other funding priorities.

b. Reliability Assessment Data System (RADS):
NERC's seasonal and long-term reliability assessments provide an independent view of the reliability of the North American BPS while identifying trends, emerging issues, and potential concerns. Assessments also provide seasonal resource adequacy and operating reliability, as well as an overview of projected electricity demand growth. The Regional Entities provide data and other information requested by NERC in support of the preparation of the annual long-term and seasonal assessments. The data from these efforts is then used to coordinate forecast reliability data between planning areas, the eight Regional Entities, and governmental organizations. NERC is bound by a memorandum of understanding with the Energy Information Administration to submit this data on behalf of the industry in an effort to eliminate duplicative reporting.

NERC has been collecting reliability assessment information from the Regional Entities using up to 27 Microsoft Excel spreadsheets. The purpose of the RADS applications is to facilitate the collection of regional demand, capacity, and transmission data to quantify and analyze the reliability of the BPS in a standard, consistent, transparent method. RADS will substantially improve the accuracy and completeness of this data, while enabling it to be leveraged by all users of NERC

data—including registered entities.[8] More importantly, RADS will benefit registered entities by creating a more efficient data collection process for those who submit data to NERC. Increased efficiency and accuracy, driven by the validation features of the system, will allow for extension of existing deadlines, which in turn gives registered entities additional time to provide data to their respective Regional Entities.

While the intent of Phase I of the project is to facilitate this data collection effort at the Assessment Area level,[9] future phases of the project are intended to capture data from registered entities in one location. Currently, registered entities must submit data to the Regional Entities in a variety of formats. The Regional Entities must then provide data to NERC through a different mechanism. The end state of RADS incorporates a fully integrated model that utilizes a common system for the entire ERO.

RADS will provide enhanced analytics that facilitate cross-system intelligence. For example, data provided within the GADS and TADS information systems can be used to fulfill some of the data requirements needed for assessments. Additionally, because of the forward-looking nature of the data provided within RADS, the projections can be used to provide information applicable to registration. These are only some of the examples of how RADS can provide risk-informed information to support other functions of the ERO.

The commencement of the development of RADS is currently slated for 2015. NERC is also planning to finance the development of the RADS application as part of the capital financing program described in Exhibit D. The company may advance the initiation of the development of RADS into 2014, subject to availability of funding from operating reserves to cover 2014 financing costs and the receipt of necessary corporate authorizations and review by the Standards Oversight and Technology Committee.

8 The use of NERC reliability assessment data across the industry is extensive. The Electricity Supply and Demand Database (ES&D)—which is a product of the reliability assessment process—is downloaded over 300 times each year by various organizations, including Registered Entities, governmental organizations, government labs, academic institutions, and other researchers.

9 Assessment Areas are defined as the Registered Planning Coordinator Entities or groups of Registered Planning Coordinator Entities.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
RELIABILITY ASSESSMENTS and PERFORMANCE ANALYSIS

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 7,358,220	$ 7,358,220	$ -	$ 8,214,496	$ 856,276
Penalty Sanctions	361,407	361,407		43,190	(318,217)
Total NERC Funding	**$ 7,719,627**	**$ 7,719,627**	**$ -**	**$ 8,257,686**	**$ 538,059**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	50,000	50,000	50,000	50,000
Workshops	40,000	40,000	-	40,000	-
Interest	2,809	2,780	(29)	2,913	104
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 7,762,436**	**$ 7,812,407**	**$ 49,971**	**$ 8,350,598**	**$ 588,162**
Expenses					
Personnel Expenses					
Salaries	$ 2,429,590	$ 2,366,832	$ (62,758)	$ 2,604,058	$ 174,468
Payroll Taxes	150,215	140,690	(9,525)	159,156	8,941
Benefits	262,762	254,223	(8,539)	333,241	70,479
Retirement Costs	269,736	220,455	(49,281)	294,179	24,443
Total Personnel Expenses	**$ 3,112,303**	**$ 2,982,200**	**$ (130,103)**	**$ 3,390,634**	**$ 278,331**
Meeting Expenses					
Meetings	$ 78,000	$ 78,000	$ -	$ 90,000	$ 12,000
Travel	410,000	385,000	(25,000)	385,000	(25,000)
Conference Calls	31,950	31,950	-	31,950	-
Total Meeting Expenses	**$ 519,950**	**$ 494,950**	**$ (25,000)**	**$ 506,950**	**$ (13,000)**
Operating Expenses					
Consultants & Contracts	$ 685,000	$ 735,764	$ 50,764	$ 638,085	$ (46,915)
Office Rent	-	-	-	-	-
Office Costs	161,416	126,210	(35,206)	139,135	(22,281)
Professional Services	-	468	468	-	-
Miscellaneous	500	500	-	500	-
Depreciation	37,450	160,057	122,607	228,000	190,550
Total Operating Expenses	**$ 884,366**	**$ 1,022,999**	**$ 138,633**	**$ 1,005,720**	**$ 121,354**
Total Direct Expenses	**$ 4,516,620**	**$ 4,500,149**	**$ (16,470)**	**$ 4,903,304**	**$ 386,685**
Indirect Expenses	**$ 3,241,444**	**$ 3,337,513**	**$ 96,069**	**$ 3,570,148**	**$ 328,704**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 7,758,064**	**$ 7,837,662**	**$ 79,599**	**$ 8,473,452**	**$ 715,389**
Change in Assets	**$ 4,372**	**$ (25,254)**	**$ (29,627)**	**$ (122,854)**	**$ (127,227)**
Fixed Assets					
Depreciation	(37,450)	(160,057)	(122,607)	(228,000)	(190,550)
Computer & Software CapEx	-	780,326	780,326	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	$ 41,822	$ 28,471	$ (13,351)	105,146	$ 63,324
Inc(Dec) in Fixed Assets (C)	**$ 4,372**	**$ 648,740**	**$ 644,368**	**$ (122,854)**	**$ (127,226)**
TOTAL BUDGET (=B + C)	**$ 7,762,436**	**$ 8,486,402**	**$ 723,967**	**$ 8,350,598**	**$ 588,163**
FTEs	**18.75**	**17.28**	**(1.47)**	**18.99**	**0.24**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – All personnel related expenses are projected to increase in 2014 due to the increase in the number of FTEs and due to higher average salary expense per FTE in this program. Salaries, payroll tax and retirement expenses were offset by the 4% attrition rate, which was applied to all departments. Benefits are projected to increase at a higher rate than other personnel expenses due to; (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Travel** – Travel expenses are expected to be lower in 2014 based upon trending of actual expenses in 2013 and the reduction in FTEs.
- **Office Costs** – The reduction in office costs is based upon trending of actual expenses in 2013.

Reliability Risk Management

NERC's Reliability Risk Management (RRM) group carries out the ERO's statutory responsibility to perform assessments (including real-time or near-real-time assessments) of the reliability and adequacy of the BPS, including identifying potential issues of concern relating to system, equipment, entity, and human performance that may indicate the possible need to develop new or modified reliability standards. RRM has four primary functions and two departments: the Situation Awareness Department and the Event Analysis Department. The four primary functions include: (1) BPS awareness; (2) event analysis and determination of root and contributing causes; (3) assessment of human performance challenges that affect BPS reliability and identification of improvement opportunities; and (4) support of the NERC Operating Committee. The functions and resources of this group are directly focused on proactive awareness of BPS conditions and all events over a threshold of impact. RRM analyzes events, addresses the most significant risks to BPS reliability, and ensures that industry is well informed of system events, emerging trends, risk analysis, and lessons learned. Through performing these functions, RRM may also identify areas in which new or enhanced compliance monitoring and enforcement initiatives are warranted, pursuant to the ERO's statutory responsibility to monitor, enforce and achieve compliance with mandatory reliability standards.

Situation Awareness Department

Situation Awareness (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	6.50	6.24	(0.26)
Direct Expenses	$ 4,193,507	$ 2,891,092	$ (1,302,415)
Indirect Expenses	$ 1,123,701	$ 1,173,129	$ 49,428
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	7,103	519,043	511,940
TOTAL BUDGET	$ 5,324,311	$ 4,583,264	$ (741,047)

Background and Scope

The Situation Awareness department works with registered entities to monitor present conditions on the high-voltage transmission lines, associated substations, and large generators using various software tools and applications. NERC communicates and coordinates with Regional and registered entities to notify them of various types of disturbances (hurricanes, tornados, earthquakes, solar flares from the sun, etc.) that could negatively impact their ability to deliver power to homes and businesses. Additionally, when significant BPS disturbances occur, NERC facilitates the coordination of communication between registered entities and applicable governmental authorities.

In 2013, the Interchange Distribution Calculator and several related reliability tools that had been funded and managed by NERC were successfully transitioned to industry sponsorship.

Based on the successful commercialization, deployment, and transition to private sector support of synchrophasor technology, NERC will end its direct funding and sponsorship of the North American Synchrophasor Initiative at the end of 2013. As a result of these successful transitions, together with the transition from development to operation and maintenance of the SAFNR software application used for Situation Awareness monitoring, NERC's budget and funding requirements to support Situation Awareness will be reduced by over $1.2 million in 2014 compared to 2013.

The 2014 Situation Awareness budget will continue to include funding for the ongoing maintenance and support of several tools used to support ERO operations. The specific 2014 budget for each of these tools is set forth in Exhibit C, together with a comparison to 2013 budgeted amounts. These tools are described below.

- **Automated Reliability Reports** — This tool produces daily and monthly summaries of historical load generation resource adequacy and control performance for the three interconnections. This tool is used to monitor frequency response and perform trending analysis. This tool relies on data supplied to the Resource Adequacy Tool. The funding included in the 2014 budget is based on 2013 actual expenditures, which were not budgeted as a separate line item in 2013.
- **Resource Adequacy (ACE Frequency) Tool** — This software application provides continuous monitoring of key resource adequacy performance metrics, including pre-established thresholds and limits defined in standards. It alerts Reliability Coordinators and resource subcommittees to conditions potentially resulting in critical inadequacies, such as major tie error, inaccurate load forecast, and inadequate frequency response.
- **Inadvertent Interchange** — This tool facilitates the entering of monthly scheduling data and submittal of monthly inadvertent performance standards reports to NERC. It also assists in the monitoring and resolution of reliability issues originated by inadvertent interchange imbalances.
- **AIE Monitoring Tool** — This is an automatic data collection tool for post-analysis of frequency excursions. It is used in major system disturbances as part of the frequency response analysis.
- **Frequency Monitoring and Analysis Tool** — This tool detects frequency events and captures key frequency response information for each interconnection.
- **Intelligent Alarms Tool** — This tool detects short-term and long-term frequency deviations using data transmitted to NERC by the Balancing Authorities. When coupled with the FNet[10] and Frequency Monitoring and Analysis tools, this tool allows immediate differentiation of the cause of a frequency deviation—a generator trip or a scheduling error.
- **Secure Alerts System** – This software application notifies industry of critical or impending reliability and security threats to assist entities in taking preemptive or

[10] **FNet** – Operated by the Power Information Technology Laboratory at the University of Tennessee, FNET is a low-cost, quickly deployable GPS-synchronized wide-area frequency measurement network. High dynamic accuracy Frequency Disturbance Recorders (FDRs) are used to measure the frequency, phase angle, and voltage of the power system at ordinary 120 V outlets. The measurement data are continuously transmitted via the internet to the FNET servers hosted at the University of Tennessee and Virginia Tech.

precautionary measures. The existing alerts tool is cumbersome to use, is not integrated with other NERC reliability information systems, and has a number of other limitations that reduce its usefulness as a tool to rapidly disseminate important reliability information to industry. In 2013, NERC issued a request for proposals and selected a vendor to develop a replacement software application. The 2014 fixed asset budget includes the projected costs to complete the development of this replacement. The projected annual maintenance costs for this replacement are included in the 2014 contract and consultant budget.

- **NERCnet (Frame Relay Contract)** – The Interconnection Security Network (ISN), or NERCnet, was established to facilitate the exchange of power system operational data between Reliability Coordinators, Transmission Operators, and Balancing Authorities for the purpose of power system security analysis. This network is a collection of nodes that communicate over a secure network to exchange data related to real-time power system-related data operations. NERC initiated a project in 2013 to conduct an orderly transition of the NERCnet network to a telecommunications management and service provider that will assume operational responsibility for the network, including invoicing and support. At that time, NERC will become a user of the service but no longer have operational responsibility for the network. NERC budgeted an estimated $400k in cost for its use of the replacement network in 2014, which represents an increase of $100k over the 2013 budget.

2014 Goals and Deliverables

The department will continue to work with the Regional Entities to obtain and review information from registered entities regarding qualifying events and disturbances, as outlined in the ERO Event Analysis Process. These reports are reviewed to verify the accuracy of information, as well as to ensure they include the information necessary for categorizing and cause coding events.

The department's 2014 goals and deliverables include:

- Ensure that the ERO is aware of all BPS events above a threshold of impact.
- Ensure the sharing of information and data to facilitate wide area situational awareness.
- Reduce the need for NERC Situation Awareness staff engagement with RCs and Regional Entities when events occur or when reliability threats are identified.
- During crisis situations, facilitate the exchange of information among industry, Regions, and government.
- Keep the industry informed of emerging reliability threats and risks to the BPS, including any expected actions.
- Enhance tracking of notification of expected actions in response to emerging actions to promote greater industry accountability.
- Issue timely updates regarding progress toward resolving issues identified in Recommendations and Essential Actions.

Resource Requirements

Personnel

No additional personnel are projected for the Situation Awareness Department in 2014. The reduction of 0.26 FTEs is due to the assumption of 4% attrition in all departments.

Contractor Expenses

The overall funding of approximately $1,289,000 for contractors and consultants to support the Situation Awareness department in 2014 is approximately $1,454,000 below 2013 budget levels. The detailed 2014 contractor and consulting budget for the Situation Awareness department is set forth in Exhibit C, together with a comparison to 2013 budgeted amounts.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
SITUATION AWARENESS

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 5,093,049	$ 6,974,096	$ 1,881,047	$ 4,493,115	$ (599,934)
Penalty Sanctions	125,288	125,288	0	14,192	(111,096)
Total NERC Funding	**$ 5,218,337**	**$ 7,099,384**	**$ 1,881,047**	**$ 4,507,307**	**$ (711,030)**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	7,000	7,000	-	-
Workshops	105,000	75,850	(29,150)	75,000	(30,000)
Interest	974	3,902	2,928	957	(17)
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 5,324,311**	**$ 7,186,136**	**$ 1,861,825**	**$ 4,583,264**	**$ (741,047)**
Expenses					
Personnel Expenses					
Salaries	$ 856,927	$ 710,617	$ (146,310)	$ 915,216	$ 58,289
Payroll Taxes	56,925	47,650	(9,275)	60,207	3,282
Benefits	87,659	93,117	5,458	109,501	21,842
Retirement Costs	98,496	50,901	(47,595)	104,293	5,797
Total Personnel Expenses	**$ 1,100,007**	**$ 902,285**	**$ (197,722)**	**$ 1,189,217**	**$ 89,210**
Meeting Expenses					
Meetings	$ 198,000	$ 110,331	$ (87,669)	$ 171,000	$ (27,000)
Travel	72,500	28,020	(44,480)	28,020	(44,480)
Conference Calls	24,175	5,000	(19,175)	4,000	(20,175)
Total Meeting Expenses	**$ 294,675**	**$ 143,351**	**$ (151,324)**	**$ 203,020**	**$ (91,655)**
Operating Expenses					
Consultants & Contracts	$ 2,743,180	$ 2,644,605	$ (98,575)	$ 1,289,108	$ (1,454,072)
Office Rent	-	-	-	-	-
Office Costs	47,750	43,088	(4,662)	47,750	-
Professional Services	-	180	180	-	-
Miscellaneous	500	500	-	500	-
Depreciation	7,395	4,465	(2,930)	161,498	154,103
Total Operating Expenses	**$ 2,798,825**	**$ 2,692,838**	**$ (105,987)**	**$ 1,498,856**	**$ (1,299,970)**
Total Direct Expenses	**$ 4,193,507**	**$ 3,738,474**	**$ (455,033)**	**$ 2,891,092**	**$ (1,302,415)**
Indirect Expenses	**$ 1,123,701**	**$ 1,002,413**	**$ (121,288)**	**$ 1,173,129**	**$ 49,428**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 5,317,208**	**$ 4,740,887**	**$ (576,321)**	**$ 4,064,222**	**$ (1,252,986)**
Change in Assets	**$ 7,103**	**$ 2,445,249**	**$ 2,438,146**	**$ 519,043**	**$ 511,940**
Fixed Assets					
Depreciation	(7,395)	(4,465)	2,930	(161,498)	(154,103)
Computer & Software CapEx	-	-	-	645,990	645,990
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	$ 14,498	$ 8,551	(5,947)	34,550	20,052
Inc(Dec) in Fixed Assets (C)	**$ 7,103**	**$ 4,086**	**$ (3,017)**	**$ 519,043**	**$ 511,940**
TOTAL BUDGET (=B + C)	**$ 5,324,311**	**$ 4,744,973**	**$ (579,338)**	**$ 4,583,264**	**$ (741,047)**
FTEs	**6.50**	**5.19**	**(1.31)**	**6.24**	**(0.26)**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – All personnel related expenses are projected to increase in 2014 due to higher average salary expense per FTE in this program. Salaries, payroll tax and retirement expenses were offset by the 4% attrition rate, which was applied to all departments. Benefits are projected to increase at a higher rate than other personnel expenses due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Meetings, Travel and Conferencing** – These expenses are expected to be lower in 2014 based upon trending of actual expenses in 2013.
- **Consultants and Contracts** – The reduction in consultant and contract expense is due to: (i) the transitioning of the IDC and synchrophasor contracts to industry sponsorship as described above; (ii) reduced cost of the current secure alerts application; and (iii) reduced cost of SAFNR.
- **Fixed Assets** – The $646.0k increase is related to the replacement of the secure alerts software application described above.

Event Analysis Department

Event Analysis (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	9.50	9.60	0.10
Direct Expenses	$ 2,074,908	$ 2,384,069	$ 309,162
Indirect Expenses	$ 1,642,332	$ 1,804,814	$ 162,482
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	$ 21,190	$ (140,512)	$ (161,702)
TOTAL BUDGET	$ 3,738,430	$ 4,048,371	$ 309,941

Background and Scope

The Event Analysis Department is critical to supporting the ERO's reliability goals through its work to evaluate BPS events. Event Analysis undertakes appropriate levels of analysis to determine the causes of the events, promptly assure tracking of corrective actions to prevent recurrence, and provide lessons learned to the industry. This department manages all NERC activities with respect to event analysis, assuring consistent, timely, and coordinated results. The group ensures that reporting and analysis are consistent to allow wide area assessment of trends and risks; all reportable events are analyzed for sequence of events, root cause, risk to reliability, and mitigation; and the industry is well informed of system events, emerging trends, risk analysis, lessons learned, and expected actions. The event investigation group is responsible for reviewing formal complaints and conducting non-public compliance investigations, as well as assisting in the review of registered entity compliance assessments to

verify that compliance gaps are assessed in all reportable events. The event investigation group supports NERC's statutory responsibility of developing reliability standards and assessing the reliability and adequacy of the BPS, as well as monitoring and enforcing compliance with mandatory reliability standards.

Resources within this group also focus on identifying human error risks and those precursory factors that allow human error to impact system reliability. The group educates industry regarding those risks, precursors, and mitigation methods. These resources also support compliance and standards training initiatives, as well as trending and analysis to identify emerging reliability risks to the BPS. These efforts are conducted in collaboration with industry human performance projects, including the Western Electricity Coordinating Council's (WECC's) Human Performance Working Group, the North American Transmission Forum's (NATF's) Human Performance Group, and the Electric Power Research Institute.

Development of Events Information Data System

The Event Analysis and RAPA departments are currently working closely with the Regional Entities to develop a new software application called the Events Information Data System (EIDS). The purpose of EIDS is to create an ERO-wide, robust tool to collect, analyze, and report detailed information regarding events that impact the reliability of the BPS in North America. The EIDS tool will provide registered entities a single entry point for data to meet several requirements, thus reducing redundant processes, reporting, and data reconciliation. The EIDS tool will also create a platform by which registered entity users can submit and track event reports in one place and receive status and feedback updates directly from the ERO. Further, to support the ERO in performance assessment and risk cluster identifications, it is vital that this tool connect with other ERO reliability data sources (e.g., TADS, GADS, and reliability metrics) for determining accurate and complete risk trends and improving consistency and efficiency of data checking and validation. Future enhancements among these applications will encompass connectivity with other data sources (e.g., TADS and GADS) and metrics development. This platform will also provide a venue for actively sharing these reliability trends. Funding for the initial development of the EIDS application was included in the 2013 budget. The insights and analyses that emerge from the application of the EIDS system—particularly once integrated and aligned with the other NERC database systems such as TADS and GADS—should provide a foundation for gaining a better understanding of the risk-informed trends, recommendations, and guidance necessary to align reliability objectives and priorities as contemplated by the RISC. See Exhibit D for a further discussion of the Enterprise IT financing program and projected amortization schedule and financing of EIDS development costs.

2014 Goals and Deliverables

- Work with the Regional Entities to obtain and review information from registered entities regarding qualifying events and disturbances in order to advance awareness of events above a threshold level; facilitate analysis of root causes, risks to reliability, wide area assessments, and mitigation; and disseminate information regarding events in a timely manner.
- Ensure that all reportable events are analyzed for sequence of events, root cause, risk to reliability, and mitigation.

- Refine risk-based methodologies to support more effective and efficient identification of reliability risks, including the use of more sophisticated cause codes for analysis.
- Ensure consistency in reporting and analysis to support wide area assessments of significant reliability trends and risks.
- Issue reliability recommendations and alerts as needed.
- Track industry accountability for critical reliability recommendations.
- Ensure that industry is well informed of system events, emerging trends, risk analysis, lessons learned, and expected actions.
- Conduct major event investigations, analysis, and reporting of major findings and recommendations that will improve reliability.
- Advance the quality and usefulness of reliability assessments and event analysis data.

Resource Requirements

Personnel

No additional personnel are planned to be added to the Event Analysis department in 2014. The 0.10 additional FTE is due to the transfer of 0.5 FTEs from another department in 2013, offset by the assumption of 4% attrition in all departments.

Contractor Expenses

No consulting and contractor support is required for Event Analysis in 2014.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget

EVENT ANALYSIS

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 3,501,894	$ 3,501,893	$ (1)	$ 3,975,065	$ 473,171
Penalty Sanctions	183,113	$ 183,113		21,834	(161,279)
Total NERC Funding	**$ 3,685,006**	**$ 3,685,006**	**$ (1)**	**$ 3,996,898**	**$ 311,891**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	52,000	38,100	(13,900)	50,000	(2,000)
Interest	1,423	1,522	99	1,473	50
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 3,738,430**	**$ 3,724,628**	**$ (13,802)**	**$ 4,048,371**	**$ 309,941**
Expenses					
Personnel Expenses					
Salaries	$ 1,340,677	$ 1,389,096	$ 48,419	$ 1,470,290	$ 129,613
Payroll Taxes	82,107	84,717	2,610	91,480	9,373
Benefits	125,335	130,341	5,006	168,463	43,128
Retirement Costs	153,189	143,538	(9,651)	167,286	14,097
Total Personnel Expenses	**$ 1,701,309**	**$ 1,747,692**	**$ 46,384**	**$ 1,897,519**	**$ 196,211**
Meeting Expenses					
Meetings	$ 62,000	$ 99,559	$ 37,559	$ 67,000	$ 5,000
Travel	155,000	155,000	-	155,000	-
Conference Calls	-	32,864	32,864	31,864	31,864
Total Meeting Expenses	**$ 217,000**	**$ 287,423**	**$ 70,423**	**$ 253,864**	**$ 36,864**
Operating Expenses					
Consultants & Contracts	$ 120,000	$ 48,000	$ (72,000)	$ -	$ (120,000)
Office Rent	-	-	-	-	-
Office Costs	36,100	34,613	(1,487)	38,519	2,419
Professional Services	-	432	432	-	-
Miscellaneous	500	100	(400)	500	-
Depreciation	-	704	704	193,667	193,667
Total Operating Expenses	**$ 156,600**	**$ 83,849**	**$ (72,751)**	**$ 232,686**	**$ 76,086**
Total Direct Expenses	**$ 2,074,908**	**$ 2,118,964**	**$ 44,056**	**$ 2,384,069**	**$ 309,161**
Indirect Expenses	**$ 1,642,332**	**$ 1,827,134**	**$ 184,802**	**$ 1,804,814**	**$ 162,482**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 3,717,240**	**$ 3,946,098**	**$ 228,858**	**$ 4,188,883**	**$ 471,643**
Change in Assets	**$ 21,190**	**$ (221,470)**	**$ (242,660)**	**$ (140,512)**	**$ (161,702)**
Fixed Assets					
Depreciation	-	(704)	(704)	(193,667)	(193,667)
Computer & Software CapEx	-	581,000	581,000	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	$ 21,190	$ 15,586	(5,604)	53,154	31,964
Inc(Dec) in Fixed Assets (C)	**$ 21,190**	**$ 595,882**	**$ 574,692**	**$ (140,512)**	**$ (161,702)**
TOTAL BUDGET (=B + C)	**$ 3,738,430**	**$ 4,541,980**	**$ 803,550**	**$ 4,048,371**	**$ 309,941**
FTEs	**9.50**	**9.46**	**(0.04)**	**9.60**	**0.10**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – All personnel related expenses are projected to increase in 2014 due to a slight increase in FTEs and due to higher average salary expense per FTE in this program. Salaries, payroll tax and retirement expenses were offset by the 4% attrition rate, which was applied to all departments. Benefits are projected to increase at a higher rate than other personnel expenses due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Conferencing Expenses** – Conferencing expenses for this department were not separately tracked prior to 2013. The 2014 budget is generally based upon trending of actual expenses in 2013.
- **Consultants and Contracts** – Support from outside consultants and contractors is not required in 2014.

Critical Infrastructure Protection

Critical Infrastructure Department (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	12.50	12.48	(0.02)
Direct Expenses	$ 3,110,661	$ 3,257,012	$ 146,351
Indirect Expenses	$ 2,145,903	$ 2,299,170	$ 153,267
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	$ 42,937	$ 111,846	$ 68,909
TOTAL BUDGET	$ 5,299,501	$ 5,668,027	$ 368,526

Background and Scope

NERC's Critical Infrastructure Protection resources support the development and administration of critical infrastructure standards, CMEP oversight, critical infrastructure and cyber information sharing, incident analysis, risk assessment, and coordination between industry and governmental entities. These resources also provide staff-level support for several industry-led activities and organizations,[11] including the following:

- Critical Infrastructure Protection Committee, an industry-led committee comprised of industry experts in the areas of cybersecurity, physical security, and operational security; and
- Electricity Sub-sector Coordinating Council (ESCC), which works closely with the federal government to identify and discuss critical infrastructure protection concepts, processes, and resources, as well as facilitate information sharing regarding cyber vulnerabilities and threats.

2014 Goals and Deliverables

2014 goals and deliverables include:

- Support CIP standards development and implementation through outreach presentations, webinars, and other training opportunities.
- Support the compliance and enforcement process improvement initiatives (e.g., RAI), including but not limited to improvements in audit consistency, risk-based audit approaches and auditor training.
- Through the operation of the ES-ISAC, provide rapid dissemination of cyber threat, vulnerability information, and mitigation strategies to industry, including the dissemination of information derived from classified sources.

[11] Critical Infrastructure Protection Resources also participate in other industry-led groups, such as the Cross-Sector Cyber Security Working Group, the Industrial Control Systems Joint Working Group, and the Partnership for Infrastructure Security.

- Conduct security incident analyses and work with industry experts to evaluate, track, and identify lessons learned and security metrics that enhance the sector's security posture.
- Conduct Cyber Risk Preparedness Assessments (CRPA) and sufficiency reviews and develop CRPA tools for industry to conduct self-assessments.
- Contribute technical expertise to establish a NERC enterprise-wide cause-coding effort designed to inform sector risk-based analytics.

ESCC Support

The ESCC was established to provide the federal government a forum for coordinating with the electricity sector on critical infrastructure protection matters. Since May 2010, the ESCC has been composed of executive-level members who broadly represent industry stakeholders to provide strategic and policy-level guidance on critical infrastructure security and reliability resilience. NERC supports the ESCC by providing executive involvement, expert input and advice, coordination with stakeholders, and secretariat support. The vast majority of this support is provided by utilizing internal resources. Outside contractor support has historically been utilized to supplement internal resources. In 2014, $190k has been budgeted for this external consulting support, which is an increase of $60k over the 2013 budget.

Resource Requirements

Personnel

No additional personnel are planned to be added to the Critical Infrastructure department in 2014. The 0.02 reduction in FTEs is the assumption of 4% attrition in all departments. ES-ISAC personnel additions are discussed in the next section.

Contractors- contractor expense for ESSC support is projected to increase by $60k over 2013, as discussed above.

Electricity Sector Information Sharing and Analysis Center (ES-ISAC)

ES-ISAC (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	6.75	7.72	0.97
Direct Expenses	$ 1,978,746	$ 2,444,997	$ 466,251
Indirect Expenses	$ 1,181,979	$ 1,498,460	$ 316,481
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	$ -	$ -	$ -
TOTAL BUDGET	$ 3,160,725	$ 3,943,457	$ 782,732

The ES-ISAC was formed in 1998 when the U.S. Secretary of Energy requested that NERC serve as the ISAC[12] for the electricity sub-sector.[13] ES-ISAC's primary function is the rapid and secure sharing of information with the electric industry and governmental entities regarding real and potential cyber-related threats to the electricity sector, as well as methods and tools to avoid or mitigate the potential impact from these threats.

The ES-ISAC gathers information from the disparate electricity industry participants about security-related events, disturbances, and off-normal occurrences within the electricity sub-sector and shares that information with its partners in the government. In turn, the government provides information regarding risks, threats, and warnings to the ES-ISAC, which then disseminates that information throughout the electricity sub-sector.

In general, the ES-ISAC supports two functions, information sharing and analytics, which are vitally important to all other critical infrastructures and key resource sectors that have active ISACs. The ES-ISAC is a founding member of the National Council of ISACs and participates in daily coordination with its members to ensure effective collaboration and communication. This close coordination is essential to addressing critical infrastructure protection and resilience within each sector, as well as the important interdependencies that exist among sectors.

The ES-ISAC develops alerts and notifications for distribution to registered entities. The ES-ISAC also utilizes its secure, private information-sharing portal to receive voluntary reports from industry members. This portal is designed with the unique ability to receive unattributed reports in order to increase information reporting.

The ES-ISAC also maintains a seat on the operations floor of the National Cybersecurity and Communications Integration Center (NCCIC) within the Department of Homeland Security (DHS). This operations center is the hub for real-time, classified threat and vulnerability work, and the ES-ISAC serves a central private sector role in this operation. The NCCIC operations floor is where ES-ISAC personnel holding the appropriate security clearances analyze the threat and vulnerability component provided by the intelligence community and make initial determinations of potential BPS impacts. The ES-ISAC maintains other information-sharing relationships throughout the U.S. and Canadian governments, including DOE, Canadian Secret Intelligence Service, and the U.S. Department of Defense. The ES-ISAC also coordinates information sharing with similar agencies in Australia, New Zealand, and the United Kingdom.

The resources currently devoted to supporting the ES-ISAC are contained and budgeted in a separate department. These resources consist primarily of personnel and contractors who gather, analyze, and provide information regarding cyber threats to industry through a secure communications portal and the costs to operate and maintain that portal. Having access to information regarding threats (including threats faced by other sectors, such as the financial and communications industries) and the ability to analyze the potential impact of these threats

[12] The Information Security Analysis Center (ISAC) construct was conceived and operates under US Government authorities derived from Presidential Decision Directive 63, which was signed in 1998. The ISACs focus specifically on information sharing, analytics and sector activities directly related to the protection of critical infrastructure.

[13] Subsequent administrations have sought to continue and strengthen information sharing in other sectors by establishing other sector-specific ISACs. In 2013, the Department of Energy (DOE) again reaffirmed its desire for NERC to continue to operate the ES-ISAC.

on the electric sector and rapidly share this information with industry enables the ES-ISAC to improve the security of the electricity sector.

To keep pace with the growth and risk of cyber attacks and the associated need for information sharing with other sectors and industry in order to mitigate potential significant BPS reliability risk, NERC's 2014 budget includes a significant increase in the resources devoted to supporting ES-ISAC. This additional resource support is in three areas: (1) improving the usability and functionality of the information-sharing portal, (2) the preparation of a cyber risk preparedness toolkit to allow industry to conduct self-assessments of cyber risk preparedness, and (3) adding personnel to increase analytical capabilities, portal monitoring, and information sharing and shift staffing on the NCIC floor. The additional cost in 2014 associated with improving the portal and information-sharing capabilities consists primarily of software licensing fees. The cyber risk preparedness toolkit will reduce NERC's projected ongoing costs for conducting individual cyber risk preparedness assessments for industry.

The federal government has been piloting a new form of highly secure information sharing network and associated technology that can be utilized to identify, track, and deploy fixes to emerging cybersecurity threats. This project, a combination of the "Cyber Federated Model" and "Cyber Risk Information Sharing Program," is at a point where the tools are ready to be commercialized. Federal funding provided to incubate this technology to the point of commercialization is expected to be reduced or eliminated in 2014 and be replaced by private sector sources of funding. NERC has not included any specific funding to support the commercialization of this portal and associated technology in 2014.

Resource Requirements

Personnel

The increase of 0.97 FTEs includes the assumption of 4% attrition in all departments and the timing of hiring 1.0 additional staff position in 2014.

Contractors, Technology, and Tool Expenses

The 2014 contractor and consulting budget for ES-ISAC is approximately $786.5k, which represents an increase of approximately $331.5k over the 2013 budget. This includes funding for existing and added tools and technology. The line-by-line budget detail is set forth in Exhibit C. A discussion of the specific nature and need for these resources follows.

Portal Enhancement

The ES-ISAC communication portal capabilities include: publishing alerts and other informational products, exchanging threat indicator information, and providing self-service access to user security awareness services. The present platform is cumbersome for registered entities to use and has limited flexibility to support additional functionality, such as tighter integration with other ISACs and different types of collaboration support. The National Council of ISACs recently informed NERC of a program that could more fully integrate the ES-ISAC's existing information-sharing platform with other formal ISACs, as well as significantly expand the portal capabilities, functionality, and capacity. This integration will be accomplished through an arrangement between NERC, Microsoft, and Cyber IQ Services (CIQS), which will then maintain ES-ISAC's portal in a cloud-based, secure platform solution. This portal will

facilitate direct data exchange with other ISACs and government partners. The portal will also support the ES-ISAC analysts in their information analysis functions and tie the ES-ISAC analysts with their counterparts in other sectors and national laboratories. The 2014 cost of the CIQS portal integration is $250k, which is a $160k increase over the 2013 portal budget.

Intelligence Reporting Services

ES-ISAC analytic personnel maintain a detailed understanding of emerging vulnerabilities and threats within the broad industrial control systems community, as well as within the more focused BPS community. To support this intelligence role, the ES-ISAC budget includes the costs of a contract for intelligence services from a specialized security information service provider that focuses closely on the electricity sub-sector and has a working relationship with DOE's Idaho National Laboratory. These reporting services include weekly, quarterly, and annual news in the industrial controls systems (ICS) and security space, along with expert guidance, opinion, and sourced material. This service gives ES-ISAC staff increased understanding of continuing trends, breaking news, and implications to the BPS, which they utilize to keep registered entities informed of emerging BPS risks through alerts and esisac.com security postings. The 2014 budget for these services is $42k, a $2k increase over 2013.

Cyber Risk Preparedness Assessments (CRPA)

The CRPA is a program that assesses the cybersecurity capabilities of registered entities through facilitated tabletop exercises. Conducting these assessments allows the ES-ISAC to gain a better understanding of industry capabilities, identify key sector level areas for improvement, and share best practices across the industry. Through the CRPA, participants gain an improved understanding of their cybersecurity programs and capabilities. The CRPA allows them to identify areas for improvement and enhance their abilities to respond to and recover from cyber events. The CRPA also educates participants through defined deliverables and best practices. The CRPA incorporates many Electricity Subsector Cybersecurity Capability Maturity Model practices, which allows the participating organization to assess its cybersecurity program and use the CRPA to validate its assessment. The ES-ISAC is developing a CRPA "kit" for entities to use to develop and run their own CRPAs. This kit will allow more sector members to leverage the CRPA methodology, which will have a more significant impact on overall sector preparedness. ES-ISAC staff will host training and education sessions on the kit to accelerate adoption of the methodology across the sector and move the program toward self-sustainment within the industry. To accommodate more CRPA engagements and to develop a complete kit for use by industry partners, the contractor and consulting budget to support these activities will be increased from $150k in 2013 to $200k in 2014. Commencing in 2015, the ES-ISAC will conduct only one or two strategic CRPA engagements, with the expectation that industry will engage in the program through the kits. The 2015 budget for this activity is expected to remain at a minimal level to aggregate results across the sector, support ongoing development of best practices and information sharing, and promote continued adoption of the methodology.

Aurora Webinars and Technical Support

In late 2006, a significant supply chain vulnerability was discovered in digital protective control devices that protect generators and motors in use throughout the BPS. This vulnerability, named the Aurora Vulnerability, demonstrated a remote exploit that led to the destruction of a small generator as a proof of concept attack in early 2007. In June of 2007, NERC released a

Level 1 Industry Advisory that specified actions that entities could take to help prevent exploitation. In October 2010, NERC released a second Aurora Alert, this time a Level 2 Recommendation to Industry. This second release also triggered a substantial increase in NERC's effort to close this vulnerability gap, and it required entities to report every six months until they closed the alert actions. Prior to each required reporting period, the ES-ISAC holds three webinars to provide BPS entities who are still working on their Aurora mitigations an opportunity to interact with the original authors and researchers who discovered the Aurora vulnerability. The ES-ISAC anticipates supporting two sets of three webinars each until at least 2017. $30k is budgeted to support this activity in 2014, which is a $15k increase over 2013.

Secure Bidirectional Communications

Certain emergent security situations may require the ES-ISAC to quickly transmit secure information from the ES-ISAC to DHS's NCCIC, DOE and its National Laboratories, and among different registered entities. DOE recently developed the Contested Operational Network for Reporting and Defense (CONRAD) system for its own internal communications, which is now available for the ES-ISAC's use. The CONRAD system is an "out-of-band" network that ES-ISAC cyber analysts will use to communicate with their peers. The CONRAD system implements a specific network architecture that is separate from all regular site enterprise networks like Voice over Internet Protocol, normal email, web-based applications, and standard telephony. The CONRAD deployment is a fee-based contract that costs $8k every three years per network interface device; each location that participates in CONRAD requires a Network interface device. For the initial 2014 deployment of 20 devices, $20k has been budgeted in the ES-ISAC budget and the remaining cost will be funded from operating reserves. NERC will utilize two devices (one in Situation Awareness and 1 in the ES-ISAC) and make 18 devices available to 16 reliability coordinators. The remaining 2 devices will be provided to registered entities who volunteer to participate in the program.

Cyber Awareness Monitoring

A new class of cyber intelligence tools that collects and analyzes information and then alerts the user about selected threats is emerging in the marketplace. This collection and analysis goes beyond the individual organization's network perimeter and gives organizations like the ES-ISAC visibility across the entire industrial sector. Key global internet infrastructure data sources are combined with advanced visual analysis tools that provide ES-ISAC staff with enhanced analytic capabilities. The ES-ISAC currently licenses cyber awareness and continuous monitoring tools and services, including third party services, which provide real-time internet communications visibility and analytics. During 2012 and 2013, the ES-ISAC worked with a vendor to develop a specific software visualization application that allows ES-ISAC staff to monitor malware and threats, as well as the general health of BPS entities. ES-ISAC staff can then alert individual entities to problems. In 2013, the ES-ISAC portal will begin to provide individual asset owners a customized view of their asset networks. This view will provide the asset owner with insight into the organization's general network hygiene and highlight any significant network activity of concern. The 2014 cost for the software application and services is budgeted at $152,700, an increase of $92.7k from 2013.

Attack Tree Threat Modeling

Attack trees are hierarchical, graphical diagrams that show how low-level hostile activities interact and combine to achieve an adversary's objectives—usually with negative consequences for the victim of the attack. ES-ISAC staff has been working with a vendor that developed an advanced attack tree-based threat risk assessment tool to discover which weaknesses are most likely to be used by attackers within a particular network. This tool provides the capability to pose "what-if" attack scenarios and threat modeling against the BPS. The risk management process is enhanced by review of data regarding attack scenarios. The ES-ISAC team applies its knowledge of this data during emergent situations and compares what-if scenarios to the real-time data feeds. It then alerts industry participants regarding potential emerging threats. The 2014 budgeted cost for this tool and supporting services is $7.5k, which is consistent with the 2013 budget. This cost is budgeted under Office Costs as a software maintenance expense.

Software Integration Support and BPS Mapping Services

The ES-ISAC operations center includes monitors used to display intelligence information provided from various software applications. Software integration services are routinely required from vendors providing existing and new software applications. Additional software must be licensed and maintained to display and integrate BPS maps that have cyber intelligence information. The 2014 budget for software integration support and BPS mapping is $89,250, an increase of $6,750 from the 2013 budget. A portion of these costs are budgeted under Office Costs as software maintenance expenses.

Analyst Workbench

A strong technical analytic capability is needed to develop baselines and identify patterns and understandings of potential cyber related threats. The analyst workbench toolset maintains historical information and allows a team to use and deliver consistent and repeatable analysis in both an operational (during an event) as well as nonoperational capacity. The analyst workbench will also offer stand-alone functionality for assessing and understanding cyber events. This workbench will include a threat database for historical correlation and various tools for network and host-based analysis of malicious software. The 2014 budget to support this activity is $30,000 and includes funding for information services and software tools. This is consistent with the 2013 budget.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
CRITICAL INFRASTRUCTURE DEPARTMENT & ES-ISAC

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 7,991,299	$ 7,396,148	$ (595,151)	$ 9,517,444	$ 1,526,145
Penalty Sanctions	371,044	371,044	(0)	45,941	(325,103)
Total NERC Funding	**$ 8,362,343**	**$ 7,767,192**	**$ (595,151)**	**$ 9,563,386**	**$ 1,201,043**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	95,000	95,000	-	45,000	(50,000)
Interest	2,884	-	(2,884)	3,098	214
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 8,460,227**	**$ 7,862,192**	**$ (598,035)**	**$ 9,611,484**	**$ 1,151,257**
Expenses					
Personnel Expenses					
Salaries	$ 2,853,871	$ 2,844,383	$ (9,488)	$ 3,220,485	$ 366,614
Payroll Taxes	172,586	169,015	(3,571)	191,249	18,663
Benefits	250,885	294,325	43,440	354,474	103,589
Retirement Costs	312,315	283,938	(28,377)	366,598	54,283
Total Personnel Expenses	**$ 3,589,657**	**$ 3,591,661**	**$ 2,004**	**$ 4,132,806**	**$ 543,149**
Meeting Expenses					
Meetings	$ 145,000	$ 156,168	$ 11,168	$ 145,000	$ -
Travel	420,000	328,428	(91,572)	328,428	(91,572)
Conference Calls	24,000	32,574	8,574	32,574	8,574
Total Meeting Expenses	**$ 589,000**	**$ 517,171**	**$ (71,829)**	**$ 506,003**	**$ (82,997)**
Operating Expenses					
Consultants & Contracts	$ 785,000	$ 785,000	$ -	$ 976,450	$ 191,450
Office Rent	-	-	-	-	-
Office Costs	125,250	126,975	1,725	86,250	(39,000)
Professional Services	-	480	480	-	-
Miscellaneous	500	500	-	500	-
Depreciation	-	16,425	16,425	-	-
Total Operating Expenses	**$ 910,750**	**$ 929,379**	**$ 18,629**	**$ 1,063,200**	**$ 152,450**
Total Direct Expenses	**$ 5,089,407**	**$ 5,038,211**	**$ (51,196)**	**$ 5,702,009**	**$ 612,602**
Indirect Expenses	**$ 3,327,882**	**$ 3,501,684**	**$ 173,802**	**$ 3,797,630**	**$ 469,748**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 8,417,290**	**$ 8,539,895**	**$ 122,606**	**$ 9,499,639**	**$ 1,082,350**
Change in Assets	**$ 42,937**	**$ (677,703)**	**$ (720,641)**	**$ 111,846**	**$ 68,908**
Fixed Assets					
Depreciation	-	(16,425)	(16,425)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	$ 42,937	$ 29,871	(13,066)	111,846	68,909
Inc(Dec) in Fixed Assets (C)	**$ 42,937**	**$ 13,447**	**$ (29,490)**	**$ 111,846**	**$ 68,909**
TOTAL BUDGET (=B + C)	**$ 8,460,227**	**$ 8,553,342**	**$ 93,116**	**$ 9,611,484**	**$ 1,151,258**
FTEs	**19.25**	**18.13**	**(1.12)**	**20.20**	**0.95**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – All personnel related expenses are projected to increase in 2014 due to an increase in FTEs and due to higher average salary expense per FTE in this program. Salaries, payroll tax and retirement expenses were offset by the 4% attrition rate, which was applied to all departments. Benefits are projected to increase at a higher rate than other personnel expenses due to; (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Travel and Conferencing Expenses** – The reduction in 2014 projected travel expense and the increase in 2014 projected conferencing expenses are based upon trending of actual expenses in 2013.
- **Consultants and Contracts** – The increase in consultant and contract expense, as explained above, is also set forth in Exhibit C.
- **Office Costs –** The reduction in 2014 projected expense is due to the transfer of costs associated with intelligence reporting services from office costs to consultant and contract costs.

Training, Education, and Operator Certification

Training, Education and Operator Certification (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	8.00	8.16	0.16
Direct Expenses	$ 2,170,906	$ 2,158,199	$ (12,707)
Indirect Expenses	$ 1,383,017	$ 1,534,092	$ 151,075
Other Non-Operating Expenses	$ -	$ -	$ -
Inc(Dec) in Fixed Assets	$ 17,844	$ 45,181	$ 27,337
TOTAL BUDGET	$ 3,571,768	$ 3,737,472	$ 165,705

Background and Scope

NERC's Training and Education Program provides oversight and coordination of the delivery of training programs that support the ERO's statutory responsibilities. This program provides training to NERC and Regional Entity staff members, including compliance auditors, relating to their job responsibilities. It also provides training and education to industry participants on the requirements of reliability standards and the compliance monitoring and enforcement process. Further, this program provides training to industry participants on the reliability standards development process, thereby helping to support the more efficient and effective development of mandatory reliability standards. The Training and Education Program supports NERC's statutory ERO responsibilities to develop, adopt, and obtain approval of reliability standards and to monitor, enforce, and achieve compliance with the mandatory standards. Section 901 of the NERC Rules of Procedure addresses the Training and Education Program's activities in these areas.

The Training and Education Program also supports NERC's System Operator Certification and Continuing Education (SOCCED) programs, which ensure that personnel operating the BPS have the skills, training, and qualifications needed to operate the system reliably. NERC maintains the credentials required to work in system control centers across North America for over 6,000 system operators. NERC's system operator certification exam is designed to test specific knowledge of job skills and reliability standards. It also prepares operators for complying with requirements of reliability standards and to appropriately operate the BPS during normal and emergency operations. Certification exams are created by the Personnel Certification Governance Committee, an industry group of operations experts, trainers, and supervisors. Under the PCGC oversight, the Examination Working Group periodically updates and publishes new exams. Once an operator passes the certification exam, certification is maintained by completing NERC-approved continuing education courses and activities. The Personnel Subcommittee, composed of industry training experts, provides oversight of the Continuing Education program.

2014 Goals and Deliverables

In response to stakeholder and Regional Entity feedback, training and education opportunities will be further expanded and focused for registered entities, NERC, and Regional Entities. For registered entities, this training and education will focus on objectives related to various reliability standards, including standards compliance and emerging cyber-related issues potentially affecting BPS reliability. For NERC and Regional Entity staff, the training and education will focus on consistent audit and investigation techniques and standards compliance reviews, including the RAI, FFT, and other improvements in compliance and enforcement practices. NERC will continue to offer training in auditor skills to promote continued development of auditing expertise. NERC will leverage information technology systems to better deliver and share common training products and information with Regional and registered entities. Other training will focus on knowledge and skills development in a number of key areas, including:

- Critical Infrastructure Protection standards information,
- Development and implementation of clear and technically sound reliability standards,
- Key lessons learned and trends from events,
- Identified themes from trending and common cause analyses,
- Risk-based assessment methods,
- Effective compliance cultures with practices, procedures and controls to address reliability risks,
- Effective root, apparent and common cause analysis methods,
- Quality improvement of registered entity self-reporting and self-certification,
- Currently monitored standards,
- Entity registration process, issues, and alternatives,
- Human performance fundamentals, and
- Systematic approach to training.

NERC will continue to provide learning opportunities through workshops hosted by the Regional Entities. NERC will also host workshops, webinars, and training courses, as well as use vendors to develop training modules and supplement internal training resources. The Training and Education group will also continue to advance and improve the skills of NERC's operating staff. NERC's Human Resources department will continue to budget and manage the delivery of more traditional corporate employee training and continuing education programs.

Resource Requirements

Personnel

No additional personnel are budgeted for 2014. The increase of 0.16 FTEs is due to the transfer of 0.5 FTEs in 2013 from another department and the 4% attrition assumption in all departments.

Contractor Expenses

The total proposed consulting and contractor expenses of approximately $849k in 2014 is virtually the same as the 2013 budget.

Further detail in support of the proposed 2014 contractor and consulting budget to support Training, Education, and Operator Certification is set forth in Exhibit C, which includes a comparison to 2013 budgeted amounts. The primary areas of contractor and consulting support include:

- Testing services to develop, administer, proctor, score, and support system operator certification exams across North America.
- Ongoing hosting and maintenance fees for the SOCCED database.
- Improvements to the SOCCED database described above.
- Supplemental support to Continuing Education Review Panel industry volunteers to review and audit over 2,500 individual learning activities and provider applications received each year.[14]
- Audit team leader soft skills training delivered by certified NERC staff or consultants to support effective dialogue and communications between audit teams and registered entities provided quarterly using vendor-licensed materials.
- Vendor supported BPS technical training for select NERC staff, including auditors, technical and support staff.
- Auditor training by recognized auditing specialists for NERC and Regional Entity staff to promote continued development of compliance staff.
- Web-based training development for ERO staff and industry, including standards applications, risk assessment training, industry human performance fundamentals, and BPS events lessons learned.

[14] Review and approval of learning activity applications results in over 400,000 hours of continuing education per year for the industry's certified system operators.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
TRAINING, EDUCATION and OPERATOR CERTIFICATION

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ 1,449,793	$ 1,449,793	$ -	$ 1,665,959	$ 216,166
Penalty Sanctions	93,484	93,484	$ -	12,008	(81,476)
Total NERC Funding	**$ 1,543,277**	**$ 1,543,277**	**$ -**	**$ 1,677,968**	**$ 134,691**
Membership Dues	-	-	-	-	-
Testing Fees	1,680,000	1,680,000	-	1,620,000	(60,000)
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	1,199	1,250	51	1,252	53
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 3,224,476**	**$ 3,224,527**	**$ 51**	**$ 3,299,220**	**$ 74,744**
Expenses					
Personnel Expenses					
Salaries	$ 837,645	$ 810,923	$ (26,722)	$ 806,116	$ (31,529)
Payroll Taxes	54,087	56,906	2,819	56,919	2,832
Benefits	112,397	116,999	4,602	143,194	30,797
Retirement Costs	94,203	74,618	(19,585)	91,840	(2,363)
Total Personnel Expenses	**$ 1,098,332**	**$ 1,059,446**	**$ (38,886)**	**$ 1,098,069**	**$ (263)**
Meeting Expenses					
Meetings	$ 30,000	$ 30,000	$ -	$ 36,000	$ 6,000
Travel	70,000	51,000	(19,000)	51,000	(19,000)
Conference Calls	27,000	27,500	500	25,500	(1,500)
Total Meeting Expenses	**$ 127,000**	**$ 108,500**	**$ (18,500)**	**$ 112,500**	**$ (14,500)**
Operating Expenses					
Consultants & Contracts	$ 848,574	$ 735,844	$ (112,730)	$ 848,830	$ 256
Office Rent	-	-	-	-	-
Office Costs	96,500	88,800	(7,700)	98,300	1,800
Professional Services	-	432	432	-	-
Miscellaneous	500	150	(350)	500	-
Depreciation	-	-	-	-	-
Total Operating Expenses	**$ 945,574**	**$ 825,226**	**$ (120,348)**	**$ 947,630**	**$ 2,056**
Total Direct Expenses	**$ 2,170,906**	**$ 1,993,172**	**$ (177,734)**	**$ 2,158,199**	**$ (12,707)**
Indirect Expenses	**$ 1,383,017**	**$ 1,500,722**	**$ 117,705**	**$ 1,534,092**	**$ 151,075**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 3,553,922**	**$ 3,493,894**	**$ (60,029)**	**$ 3,692,291**	**$ 138,368**
Change in Assets	**$ (329,446)**	**$ (269,366)**	**$ 60,081**	**$ (393,072)**	**$ (63,625)**
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	25,000	25,000	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	$ 17,844	$ 12,802	(5,042)	45,181	$ 27,337
Inc(Dec) in Fixed Assets (C)	**$ 17,844**	**$ 37,802**	**$ 19,958**	**$ 45,181**	**$ 27,337**
TOTAL BUDGET (=B + C)	**$ 3,571,766**	**$ 3,531,696**	**$ (40,071)**	**$ 3,737,472**	**$ 165,705**
FTEs	**8.00**	**7.77**	**(0.23)**	**8.16**	**0.16**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries expense is projected to decrease in 2014 due to a decrease in the average salary expense per FTE in this program. Benefits are projected to increase at a higher rate than other personnel expenses due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Meetings and Travel Expenses** – Meetings expense is projected to increase in 2014 primarily due to additional meeting costs for the Operator Certification program, which is totally funded by fees charged for system operator certification exams and certificate renewals. The reduction in travel expense for 2014 is based upon trending of 2013 actual costs.

Administrative Services

Administrative Services (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	52.75	59.14	6.39
Total Direct Expenses	$ 23,079,081	$ 24,513,515	$ 1,434,434
Inc(Dec) in Fixed Assets	$ 297,774	$ 721,958	$ 424,184
Total Allocation to Statutory Programs as Indirect Expenses	$ 23,376,855	$ 25,235,473	$ 1,858,618

Program Scope and Functional Description

NERC's Administrative Services area includes the budget for all business and administrative functions of the organization, including (1) technical committees and member forums; (2) General and Administrative, which includes Board fees and expenses, the president and chief executive officer and support staff, communications and governmental affairs, and office rent; (3) Legal and Regulatory; (4) Information Technology; (5) Human Resources; (6) Finance and Accounting; and (7) general administrative expenses necessary to support program area activities. These functions are necessary to the existence and functioning of the organization and support the performance of NERC's ERO statutory activities. The costs of the Administrative Services functions are allocated to the five statutory programs as indirect expenses. The resource requirements and comparative budget information for each of these functions is described further below.

Technical Committees and Members' Forum Program

While NERC management and staff will continue to interact with and support numerous reliability-related forums (e.g., the North American Transmission Forum and Generator Forum), NERC's 2014 budget does not contain specific funding for any forum activities.

General and Administrative

General and Administrative (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	8.00	10.56	2.56
Total Direct Expenses	$ 7,325,556	$ 8,171,736	$ 846,180
Inc(Dec) in Fixed Assets	$ (350,526)	$ (419,399)	$ (68,873)

Background and Scope

The General and Administrative area is responsible for the administration and general management of the organization. Expenses allocated in this area include office rent; personnel and related costs of the CEO, the COO, the CEO's executive assistant, communications and

public relations staff; and costs related to the Board. No additional personnel are budgeted for 2014. The increase of 2.56 FTEs is due to 2013 additions and transfers from other departments and includes the assumption of 4% attrition.

The following table details the Board costs included in the total costs of the General and Administrative area.

Board of Trustee Expenses	Budget 2013	Projection 2013	Budget 2014	2014 v 2013 Budget	Variance %
Meetings and Travel Expenses					
Quarterly Board Meetings	$ 234,000	$ 284,000	$ 234,000	$ -	
Trustee Travel	155,000	155,000	155,000	-	
Total Board of Trustees Meetings and Travel Expenses	**389,000**	**439,000**	**389,000**	**-**	
Professional Services				-	
Independent Trustee Fees	980,000	980,000	1,000,000	20,000	
Trustee Search Fees	-	-	70,000	70,000	
Total Board of Trustee Professional Services Expenses	**980,000**	**980,000**	**1,070,000**	**90,000**	
Total Board of Trustee Expenses	**$ 1,369,000**	**$ 1,419,000**	**$ 1,459,000**	**$ 90,000**	**6.57%**

The 2014 Miscellaneous Expense budget is $36,500, an increase of $15k from 2013. This budget is intended to cover the cost of (1) token gifts to retiring employees, condolence flowers in the event of a death in the family member of an employee, and similar types of miscellaneous expenses ($6.5k); (2) funds to support Community Responsibility and Employee Engagement Committee activities ($10k); (3) departmental and company team-building activities and employee rewards and recognition expenses that are not otherwise included in personnel expense ($10k); and (4) year-end employee holiday meal expenses ($10k).

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
GENERAL and ADMINISTRATIVE

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ (1,686,309)	$ (1,686,309)	$ -	$ (2,216,461)	$ (530,152)
Penalty Sanctions	-	-		-	-
Total NERC Funding	**$ (1,686,309)**	**$ (1,686,309)**	**$ -**	**$ (2,216,461)**	**$ (530,152)**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	224	224	-	-
Total Funding (A)	**$ (1,686,309)**	**$ (1,686,085)**	**$ 224**	**$ (2,216,461)**	**$ (530,152)**
Expenses					
Personnel Expenses					
Salaries	$ 1,342,080	$ 2,266,210	$ 924,130	$ 2,031,740	$ 689,660
Payroll Taxes	60,640	99,559	38,919	89,250	28,610
Benefits	156,238	260,072	103,834	245,309	89,071
Retirement Costs	175,179	45,248	(129,931)	158,550	(16,629)
Total Personnel Expenses	**$ 1,734,136**	**$ 2,671,089**	**$ 936,952**	**$ 2,524,849**	**$ 790,712**
Meeting Expenses					
Meetings	$ 260,000	$ 366,500	$ 106,500	$ 268,000	$ 8,000
Travel	322,000	421,482	99,482	421,482	99,482
Conference Calls	57,500	24,206	(33,294)	24,206	(33,294)
Total Meeting Expenses	**$ 639,500**	**$ 812,188**	**$ 172,688**	**$ 713,688**	**$ 74,188**
Operating Expenses					
Consultants & Contracts	$ 150,000	$ 39,223	$ (110,777)	$ 75,000	$ (75,000)
Office Rent	2,756,840	2,695,217	(61,623)	2,617,300	(139,540)
Office Costs	507,000	516,228	9,228	502,000	(5,000)
Professional Services	1,132,053	1,154,700	22,647	1,170,000	37,947
Miscellaneous	5,500	5,000	(500)	5,500	-
Depreciation	350,526	418,620	68,094	419,399	68,873
Total Operating Expenses	**$ 4,901,919**	**$ 4,828,988**	**$ (72,931)**	**$ 4,789,199**	**$ (112,720)**
Total Direct Expenses	**$ 7,275,556**	**$ 8,312,265**	**$ 1,036,709**	**$ 8,027,736**	**$ 752,180**
Indirect Expenses	**$ (7,325,556)**	**$ (8,370,037)**	**$ (1,044,481)**	**$ (8,171,736)**	**$ (846,180)**
Other Non-Operating Expenses	**$ 50,000**	**$ 57,995**	**$ 7,995**	**$ 144,000**	**$ 94,000**
Total Expenses (B)	**$ -**	**$ 224**	**$ 224**	**$ -**	**$ 0**
Change in Assets	**$ (1,686,309)**	**$ (1,686,309)**	**$ (0)**	**$ (2,216,461)**	**$ (530,152)**
Fixed Assets					
Depreciation	(350,526)	(418,620)	(68,094)	(419,399)	(68,873)
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	340,788	340,788	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	77,803	77,803	-	-
Allocation of Fixed Assets	$ 350,526	$ (2,169)	(352,695)	419,399	68,873
Inc(Dec) in Fixed Assets (C)	**$ -**	**$ (2,199)**	**$ (2,199)**	**$ -**	**$ -**
TOTAL BUDGET (=B + C)	**$ -**	**$ (1,975)**	**$ (1,975)**	**$ -**	**$ 0**
FTEs	**8.00**	**11.06**	**3.06**	**10.56**	**2.56**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries and payroll tax expenses are projected to increase in 2014 due primarily to the increase in FTEs. Benefits are projected to increase at a higher rate than other personnel expenses due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses. Retirement costs are projected to decrease in 2014 due to the assumed forfeiture of unvested funds related to personnel attrition.
- **Travel and Conferencing Expenses** – The increase in travel expense and the decrease in conferencing expenses for 2014 are based upon trending of 2013 actual costs.
- **Consultants and Contracts** – The decrease in 2014 is due to the reduction in the projected cost of outside consulting to support communications.
- **Professional Services** – The increase is due to a slight increase in Trustee compensation and due to the addition of search fees for replacement of one trustee whose term expires in February 2015.

Legal and Regulatory

Legal and Regulatory (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	14.00	15.15	1.15
Total Direct Expenses	$ 4,045,729	$ 4,298,813	$ 253,084
Inc(Dec) in Fixed Assets	$ -	$ -	$ -

Background and Scope

The Legal and Regulatory department's workload is largely derivative of and supports the work of several key NERC program areas. Increasing demands are being placed on this group from three primary areas: Compliance Operations, Investigations, and Standards. In addition, this department is also responsible for providing a wide range of legal support to the NERC management team regarding antitrust, corporate, commercial, insurance, contract, employment, real estate, copyright, tax, legislation, and other legal matters. This department is also extensively involved with the work required to complete the Five-Year ERO Performance Assessment, as well as legal and regulatory matters that arise in connection with the delegation agreements with the Regional Entities, including proposed amendments to those agreements. The legal and regulatory needs of the ERO are both demanding and increasingly more complex.

Resource Requirements

One FTE will be added to provide additional administrative support for the Legal and Enforcement departments. The increase of 1.15 FTEs includes the one FTE addition planned in 2014, the transfer of one FTE in 2013 from another department, and the assumption of 4% attrition in 2014.

Outside law firms and consultants supporting this area are budgeted and tracked as Professional Services. The Professional Services budget is $760k for 2014, a decrease of $190k from the 2013 budget. The Professional Services budget includes outside legal fees to support the completion of the Five-Year ERO Performance Assessment in 2014.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
LEGAL and REGULATORY

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ -	$ -	$ -	$ -	$ -
Penalty Sanctions	$ -	$ -		-	
Total NERC Funding	**$-**	**$ -**	**$ -**	**$ -**	**$ -**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Expenses					
Personnel Expenses					
Salaries	$ 2,325,293	$ 2,434,723	$ 109,430	$ 2,637,399	$ 312,106
Payroll Taxes	119,177	125,443	6,266	136,718	17,541
Benefits	185,835	231,040	45,205	265,856	80,021
Retirement Costs	261,724	222,205	(39,519)	296,887	35,163
Total Personnel Expenses	**$ 2,892,029**	**$ 3,013,411**	**$ 121,382**	**$ 3,336,860**	**$ 444,831**
Meeting Expenses					
Meetings	$ 5,000	$ 15,000	$ 10,000	$ 5,000	$ -
Travel	144,500	120,000	(24,500)	120,000	(24,500)
Conference Calls	3,200	13,953	10,753	12,953	9,753
Total Meeting Expenses	**$ 152,700**	**$ 148,953**	**$ (3,747)**	**$ 137,953**	**$ (14,747)**
Operating Expenses					
Consultants & Contracts	$ -	$ -	$ -	$ -	$ -
Office Rent	-	-	-	-	-
Office Costs	50,500	64,342	13,842	63,500	13,000
Professional Services	950,000	810,360	(139,640)	760,000	(190,000)
Miscellaneous	500	500	-	500	-
Depreciation	-	3,021	3,021	-	-
Total Operating Expenses	**$ 1,001,000**	**$ 878,223**	**$ (122,777)**	**$ 824,000**	**$ (177,000)**
Total Direct Expenses	**$ 4,045,729**	**$ 4,040,587**	**$ (5,142)**	**$ 4,298,813**	**$ 253,084**
Indirect Expenses	**$ (4,045,729)**	**$ (4,040,587)**	**$ 5,142**	**$ (4,298,813)**	**$ (253,084)**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ -**	**$ -**	**$ (0)**	**$ -**	**$ -**
Change in Assets	**$ -**	**$ -**	**$ 0**	**$ -**	**$ -**
Fixed Assets					
Depreciation	-	(3,021)	(3,021)	-	-
Computer & Software CapEx	-	-		-	-
Furniture & Fixtures CapEx	-	-		-	-
Equipment CapEx	-	-		-	-
Leasehold Improvements	-	-		-	-
Allocation of Fixed Assets	$ -	$ 3,021		-	
Inc(Dec) in Fixed Assets (C)	**$ -**	**$ -**	**$ (3,021)**	**$ -**	**$ -**
TOTAL BUDGET (=B + C)	**$ -**	**$ -**	**$ (3,021)**	**$ -**	**$ -**
FTEs	**14.00**	**13.78**	**(0.22)**	**15.15**	**1.15**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries, payroll tax and retirement expenses are projected to increase in 2014 due primarily to the increase in FTEs. Benefits are projected to increase at a higher rate than other personnel expenses due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Travel and Conferencing Expenses** – The decrease in travel expense and the increase in conferencing expenses for 2014 are based upon trending of 2013 actual costs.
- **Professional Services –** The decrease is due to the reduction in the projected use of outside counsel in 2014.

Information Technology

Information Technology (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	16.75	18.07	1.32
Total Direct Expenses	$ 7,978,705	$ 8,320,845	$ 342,140
Inc(Dec) in Fixed Assets	$ 649,098	$ 1,141,357	$ 492,259

Background and Scope

NERC's information technology (IT) department budget includes the resources necessary to support NERC's internal operations. It builds on the initiatives begun in 2013 to replace several internal, outdated legacy applications (such as the standards balloting system) and numerous registration applications, as well as to improve the NERC website, with a focus on security and disaster recovery. In addition, significant emphasis and resources have been placed on working collaboratively with the Regional Entities to build enterprise applications to replace numerous time-consuming and manual efforts, reduce duplicative input by the registered entities, and build a foundation for business intelligence and analytics regarding reliability risks. This effort will establish ERO resource priorities and allocations, as well as provide information to stakeholders for use in their own reliability risk management planning and resource allocation.

NERC's IT staffing strategy over the last several years has been to use a small, core internal IT staff and leverage expertise of external contractors for specific work areas. External contractors are used for numerous maintenance and development tasks for infrastructure and the various NERC applications. In addition, all major application development during 2013 is being performed with the assistance of external firms. For example, the primary ERO Enterprise application under development in 2013 is the BES application. NERC has teamed with an external vendor to develop this application and will retain their services for maintenance support. As the ERO Enterprise systems grow over time, NERC management will assess the balance of internal and external resources to get the required work completed at an efficient cost and acceptable performance and risk profile.

NERC has divided the IT department contractor and consulting budget into two categories: Ongoing Operations and ERO Enterprise Applications. Ongoing operations describe those applications required to support NERC internal business and statutory activities, along with back office applications such as accounting and finance, office productivity (Email, MS Office, etc.), security, and disaster recovery. ERO Enterprise applications are defined as those applications deemed to have similar business processes and functions across NERC and the Regional Entities.

Resource Requirements

Personnel

A database analyst and webmaster are proposed to be added to this department in 2014. The addition of a dedicated database analyst is necessary to support the significant number of databases that NERC utilizes and manages for ERO operations. The company does not presently have a database analyst on staff. The addition of a webmaster is necessary to support the day-to-day maintenance of NERC's website and associated applications, which are used extensively to support both internal and external knowledge management and communications. The increase of 1.32 FTEs over 2013 includes the hiring of the proposed 2014 additions and the 4% attrition assumption.

Contract and Consulting Resources to Support Ongoing Operations

The following text provides a description of required contractor and consulting support for ongoing operations, followed by a chart containing a three-year projection of costs. The 2014 budgeted amounts are also set forth in Exhibit C, with a comparison to 2013 budgeted amounts.

Security and Vulnerability Testing of NERC Website and Network — Ongoing intrusion detection and vulnerability testing of the NERC public website, NERC network, applications, and systems is an essential requirement of on-going operations. Testing is conducted by an outside vendor using the latest intrusion techniques to test the security of the NERC network. Multiple attempts are made to gain access, and any vulnerability identified is documented and provided to NERC IT for rapid remediation.

Maintenance and Redesign of NERC Legacy Applications — Utilizing resources included to support ongoing operations in 2014, NERC initiated a multiyear effort to replace several legacy applications, some initially coded over a decade ago and lacking many common features of modern, efficient software. Currently, there are over eight registration applications that provide Regional Entities, registered entities, governmental agencies, and general public access to NERC applications and data based on registration, vetting, and, if appropriate, approval to access data and applications. In addition, there are numerous other tools associated with the legacy registration applications that provide connectivity, security parameters, and other pieces of information that are then fed to several applications and databases. Each application and database is heavily used by NERC staff, Regional Entity staff and registered entities to perform various ERO-related business functions. These legacy applications are cumbersome, difficult to administer, require multiple registrations by registered entities, and lack many of the self-service features that are common in modern applications. This causes up to one hundred monthly NERC IT support tickets for assistance with resetting passwords, unknown or forgotten usernames, and a myriad of other technical support issues that would be minimized by contemporary technology.

Funding in this category for ongoing operations includes numerous software applications common to NERC business processes, such as the Standards Balloting System (SBS), ERO Membership, NERC My Account, User Management Profile, and Compliance Reporting and Tracking System (CRATS).

Disaster Recovery Planning – Consultant Services — Initial steps were taken in 2013 to set up, test, and implement applications deemed important for communicating during a disaster scenario. Calendar year 2015 will be used to further improve disaster recovery planning to include setting up those business applications required to be functional at an offsite location in the event access to the primary NERC offices has been impacted by an unforeseen event; IT will also further enhance and test NERC disaster recovery processes.

Security Program – Phased 2014–2016 — As outlined under the paragraph titled "Security and vulnerability testing of NERC website and network," NERC IT performs a number of technology initiatives to ensure the security of the network and infrastructure. However, in order to continually improve security, a more holistic approach is required that implements technology improvements and constructs an overarching security program to ensure all aspects of security have been considered, including information classification, review of retention policies, and enforcement of security guidelines.

NERC Website Phase II and Document Management – Combined Knowledge Management — During 2012 and the first quarter of 2013, IT completed a major initiative to redesign and rewrite the NERC public website using SharePoint 2010. The effort was focused on moving to a much more flexible product that would lay the foundation for future website enhancements, such as an improved document library and navigation, and greatly improved analytics and search capability. IT will focus on two interrelated activities in 2014: NERC Website and Document Management, both of which are designed to improve knowledge management capability and streamline information posted on the public-facing website. NERC is planning to retain the services of an external consultant with expertise in document and content management systems to help assess NERC and stakeholder needs and to assist in redesigning the organization of the massive amount of files and information contained on the NERC website.

Vendor Maintenance/Change Management – ERO Applications — ERO Enterprise applications that were developed in 2013, such as the BES application, along with applications slated for development and implementation in 2014 will require enhancements to functionality as business processes are modified. In some instances, those enhancements may require considerable changes to user screens, workflow, or databases funded by this line item.

Audio Visual Architect (consultant) — NERC has 15 heavily used conference rooms designed to provide audio, visual, and in some instances video conference capability. The rooms were designed in 2011 prior to an in-depth understanding of their use to ensure they were designed for their specific purpose (e.g., NERC, Region, and industry training). In 2016, the audio visual and video conference equipment will be over five years old, and conducting an audiovisual assessment of room usage, along with recommendations for replacement equipment, would be best suited to an outside consulting firm that specializes in audiovisual equipment and installation.

Network Architect (consultant) — Consulting services are required to review, recommend, and implement solutions to re-architect the NERC internal network to align with industry best

practices thereby greatly simplifying the process of implementing applications and services while maintaining an emphasis on robust security.

Standards Issues Database — This database is designed to capture FERC directives and track actions taken by multiple NERC program areas to adhere to the directive by cataloging specific actions taken and tracking ongoing compliance. In addition, the database would be used for internal NERC risk control to ensure risks have been identified and actions taken to address these risks.

The table below summarizes the budgeted costs of ongoing operations.

Ongoing Operations	2014	2015	2016	3-Year Projection
Security vulnerability testing of NERC website and network	$ 150,000	$ 150,000	$ 150,000	$ 450,000
Maintenance and Re-Design of NERC Legacy Applications	$ 554,000	$ 554,000	$ 500,000	$ 1,608,000
Disaster Recovery Planning - Consultant Services	$ -	$ 150,000	$ 150,000	$ 300,000
Security Program - Phased 2014 – 2016	$ 200,000	$ 200,000	$ 200,000	$ 600,000
NERC Website Phase II and Document Management - Combined knowledge management	$ 300,000	$ 250,000	$ 350,000	$ 900,000
Vendor Maintenance / Change Management - ERO Applications	$ 320,000	$ 250,000	$ 250,000	$ 820,000
Audio Visual Architect (consultant)	$ -	$ -	$ 25,000	$ 25,000
Network Architect (consultant)	$ -	$ -	$ 80,000	$ 80,000
Standards Issues Database	$ -	$ -	$ 75,000	$ 75,000
Total Ongoing Operations	**$ 1,524,000**	**$ 1,554,000**	**$ 1,780,000**	**$ 4,858,000**

ERO Enterprise Applications

ERO Enterprise Applications are defined as those applications deemed to have similar business process and functions across NERC and the Regions. They are multi-year initiatives tailored to improve productivity and visibility to data and reduce complexity of managing multiple applications. In late 2012, NERC and the Regional Entities collectively formed an ERO Project

Management Office (ERO PMO) to oversee and manage the implementation of ERO Enterprise Applications. The ERO PMO follows well established project management methodologies to design, build, and implement ERO Enterprise Applications. These methodologies follow the global standards defined by the Project Management Institute (PMI) and encompass rigorous procedures for project planning, communications, contracts, resources, schedules, budgets, and risks. The ERO PMO, which is staffed by NERC personnel, works closely with and is supported by an IT steering group (ITSG) comprised of the senior IT representatives from each Regional Entity and NERC. It is governed by the terms of a charter approved by the ERO EMG. Internally, the ERO PMO reports directly to NERC's chief operating officer.

Each proposed ERO Enterprise Application goes through a multistep process to define the application's purpose and parameters, obtain executive sponsorship and funding approval, define business and functional requirements, and manage vendor selection. The ERO PMO processes also include well-defined tollgates and status reporting to ensure the project is meeting objectives during the execution. Each tollgate requires review and approval by the executive sponsor (typically an ERO EMG executive or executive designee), NERC program area officer for the lead program area the application is intended to support, and ITSG. At any point in the tollgate process, the project can be stopped for further review and remediation of issues.

The ERO Enterprise Applications outlined below have been determined to be strategic by ERO EMG over the 2014–2016 planning period, and each approved project is required to follow the ERO PMO process. Each project is closely monitored and managed by the assigned project manager, ensuring all processes are followed and required checkpoints and approvals are obtained from all project stakeholders.

During 2013, NERC and the Regional Entities worked collaboratively under the ERO PMO framework described above to design, build, and implement the BES enterprise application. Centrally located in a dedicated data center, the BES enterprise application will used by NERC, Regional Entities, and registered entities to manage BES exception applications. Three additional ERO Enterprise Applications, the Event Information Data System (EIDS), Reliability Assessment Data Store (RADS), and Compliance and Registration applications, have been selected by the ERO EMG for development and implementation over the 2013–2016 time frame using the ERO PMO framework discussed above. These applications will be used by both NERC and the Regional Entities to perform required business and statutory functions, thereby reducing multiple disparate applications and databases into single, agreed-upon business applications. These applications will also be designed to provide a more cohesive view of data across applications and databases by NERC and the Regional Entity staffs. They will incorporate design features that allow the registered entities, along with the general public, access to reporting and analytics and will be designed to facilitate dashboards and reporting either with anonymous access, or—to enhance feature functionality—upon proper vetting and approval.

A description of EIDS and the associated development work and budget for 2014 is included in the Event Analysis department since this department has lead responsibility for the development of this tool. Similarly, a description of the RADS is included in the RAPA department, and a description of the Compliance and Registration application that is proposed to be developed in 2015 is included in the Compliance Operation department.

ERO Enterprise Fully Managed Services (dedicated hosting) — ERO Enterprise applications that have been deemed of similar business process and function will be implemented in a dedicated data center with fully outsourced IT services to encompass all infrastructure requirements (e.g., power, cooling, fire protection, security, backup, and recovery). In addition, all IT personnel activities (such as Microsoft Windows system administration, database services, help desk, and security) will be performed by a vendor chosen by NERC and the Regional Entities following the ERO PMO process discussed above. The dedicated hosting environment will be used to run, manage, and ensure that the ERO Enterprise applications used by NERC and the Regional Entities are housed in a common, well-secured, dedicated data center facility. This approach is designed to ensure the overall security, availability, efficiency, and cost-effectiveness of the operation and maintenance of the ERO Enterprise Applications.

Contract Project Management Support — Supplemental project management and business analyst support of the ERO PMO will be required to manage the foregoing ERO Enterprise Applications to ensure that rigorous project methodology is followed before, during, and after implementation. These resources will assist the ERO PMO in gathering the relevant business and functional requirements from NERC and the eight Regions, aggregate this information into a single cohesive requirements document, and then manage the design, build, and implementation process from inception to project closure.

Project Management Applications — Project management tools will be required over the planning period to track and monitor project resources throughout development and implementation to ensure scope is managed appropriately and projects are delivered on time and within budget. The tool would also be used by the Standards Program Area and would replace the existing tool, which lacks core capability and functionality to track activities.

The following table summarizes the projected Enterprise IT application development costs between 2014 and 2016.

Enterprise Applications	2014	2015	2016	3-Year Investment
Reliability Assessment Data Store (RADS) Development and Change Management Total[15] (Budgeted in RAPA)		$700,000	$120,000	$820,000
Enterprise Compliance application[16] Development and Change Management (Budgeted in Compliance Operations)		$1,650,000	$1,000,000	$2,650,000
ERO Enterprise Fully Managed Services (dedicated hosting)	$420,000	$480,000	$540,000	$1,440,000
ERO Enterprise Application Enhancement[17] (Budgeted as fixed asset in IT)	$300,000	$100,000	$100,000	$500,000
Contract Project Management Support[18] (Budgeted as fixed asset in IT)	$410,000	$540,000	$540,000	$1,490,000
Project Management Application (Budgeted as fixed asset in IT)	$60,000	$60,000	$60,000	$180,000
Total	**$1,190,000**	**$3,530,000**	**$1,860,000**	**$6,580,000**

2014 IT Operating and Capital Expense Budget

As indicated above, IT planning has been based on a multiyear strategy and is designed to reduce complexity, improve productivity, and gain a consolidated view of data across the ERO. Several criteria were considered during the planning phase, including the results of an IT architecture study conducted in late 2011, and the need for visibility to aggregate data across the ERO and improve collaboration among NERC and the Regions.

The NERC IT Architecture study determined that many of the ERO applications designed in prior years were shown to be in silos and were not integrate with other applications to obtain an aggregate view of interrelated information events or trending. The implementation of enterprise-class tools such as SharePoint, SQL Server 2008, Virtualization, and centralized data

[15] Development of the RADS application may commence in 2014 and is identified as a known operating reserve contingency. 2014 funding will be subject to the availability of operating reserves to cover debt service (principal and interest cost) associated with financing the development of this application. See Exhibit E.

[16] 2014 funding to define business requirements is included in the Compliance Operations department budget in connection with the Reliability Assurance Initiative.

[17] The cost associated with the development of new software applications is expected to be financed. See Exhibit D for more information.

[18] The cost associated with the contract project management support of the development of new applications is also expected to be financed.

warehouse capability is deemed critical for providing greater productivity and efficiency, enhanced visibility to data, and vastly improved collaboration.

2014 IT Operating Expenses

A summary of the major categories of IT Operating Expenses are set forth in the following table.

Office Costs	Budget 2013	Budget 2014	Variance
Telephone	$ 175,000	$ 225,000	
Internet	335,000	275,000	
Computer Supplies and Maintenance			
Computers	3,000	4,500	
Computer Supplies	116,900	95,400	
Maintenance & Service Agreements	1,226,325	1,539,370	
Software	37,500	140,500	
Total Office Costs	**$ 1,893,725**	**$ 2,279,770**	**$ 386,045**

Telephone Expenses

Office telephone costs are items associated with cellular phone, mobile laptop cellular air card, bonded T1 Voice over Internet Protocol (VoIP) data circuits, and conference calling expenses.

- NERC-issued cell phones are provided to employees to ensure access and productivity before, during, and after business hours, and cost is minimized by leveraging pooled minutes. Individual NERC employees are provided with a basic pooled cell phone plan of 450 minutes, including a basic level subscription for texting and data. This plan is designed to ensure persons who travel frequently have additional cell phone minutes by taking advantage of limited usage by employees who travel less frequently. In addition, employees are encouraged to connect via wireless whenever possible to reduce cellular charges for data usage. The basic texting plan is provided for those instances when calling or email is not optimal. Cellular calling costs are included in the telephone expense item.
- Mobile laptop cellular air cards are provided to ensure connectivity while traveling or in locations where wireless connectivity is unavailable. Wireless or cellular connectivity to the NERC network is enabled using virtual private network technology to ensure maximum security, logging, and encryption.
- IT support persons are required to be available for support 24x7x365. That in almost all instances requires them to have access to systems and network via secure internet connectivity. Included in the line item “telephone” are those monthly costs associated with internet access for systems, application, network, and security to enable IT resources to provide support and conduct emergency and non-emergency patching of systems, routers, firewalls, etc., as required to ensure the stability of the NERC technology environment.
- Conference calling is conducted via an external service provider in order to minimize internal hardware, IT support, and internal conference lines capable of providing access

to an external audience. Information Technology conference calling, webinars, recorded events, etc., are included in the telephone cost line item.

- Bonded T1 circuits provide access for VoIP service for NERC desk phones in lieu of having a very expensive, support-intensive in-house phone switch (e.g., Private Branch Exchange) that requires senior-level telecommunication resources to support and manage.

Internet Expense

Internet expense is comprised of data circuits, Plain old Telephone Service (POTS), and redundant capability in the event of primary service provider failure.

Computers

Computers are items that do not meet the criteria to be considered a capital expense, such as desktop computers or iPads. Desktop computers enable conference webinars, internet access, training room functionality, etc., for those instances when a presenter does not have a computer device available to conduct presentations. In addition, on a case-by-case basis and as justified by extensive travel or consistent out of office meetings, NERC will provide an iPad with cellular data access for persons who require functionality but are unable to use a laptop for computing needs.

Computer Supplies

Computer supplies are expense items required for infrastructure support to include computer monitors, mice, keyboard, cell phones, cables, encrypted hard drives, encrypted thumb drives, encryption keys, uninterruptible power supplies (UPS), privacy screens, phone headsets, docking stations, computer memory, and any other computer supplies or components required to support the technology infrastructure.

Maintenance and Service Agreements

Maintenance and Service Agreements comprise those items required to support internal and external access to routers, switches, firewalls, intrusion protection, 100-fileservers, audiovisual, storage area network, data backup services, network and security monitoring, co-location data center services, video conferencing, digital certificates, and development and virtualization software. Service agreements related to the co-location data center, offsite backup of over one hundred terabytes of data, conference calling, and network and security monitoring consume a large portion of the maintenance and service agreements budget.

Software

Tools such as SharePoint Designer, Microsoft Visio, and Crystal Reports Developer are included under this line item. The tools are primarily used for NERC infrastructure purposes to develop SharePoint workflow, to create development process flows, and for reporting.

2014 IT Fixed Asset (Capital) Expenses

The following table presents a summary of NERC's 2014 fixed asset budget.

Fixed Assets	Budget 2013	Budget 2014	Variance
Computer & Software CapEx	**$ 1,556,100**	**$ 2,258,800**	
Equipment CapEx	**$ 216,000**	**$ 213,000**	
	$ 1,772,100	**$ 2,471,800**	**$ 699,700**

Providing access, visibility, and analysis of data from many different sources across the ERO will require significant investment in hardware, software, and associated tools and technology. The overarching theme is to gain a holistic view of data across the enterprise to support reliability and accountability of the BPS. Adding capability to centralize and mine data, in addition to foundational elements such as disaster recovery and application development, set the stage for vastly improved reporting, business intelligence and capability for collaboration, and sharing of information vital to the ERO's mission.

In addition to the investments described above to support efficiency and consistency across the enterprise, the 2014 budget also includes the cost of software, servers, laptops, and other hardware to support daily operations.

As further described in Exhibit D, NERC plans to finance a portion of these capital assets consisting primarily of software development costs and hardware.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
INFORMATION TECHNOLOGY

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ -	$ -	$ -	$ -	$ -
Penalty Sanctions		-		-	
Total NERC Funding	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Expenses					
Personnel Expenses					
Salaries	$ 1,651,076	$ 1,821,378	$ 170,302	$ 2,013,859	$ 362,783
Payroll Taxes	114,954	115,399	445	136,366	21,412
Benefits	224,184	230,278	6,094	317,097	92,913
Retirement Costs	178,464	177,072	(1,392)	229,767	51,303
Total Personnel Expenses	**$ 2,168,678**	**$ 2,344,127**	**$ 175,449**	**$ 2,697,089**	**$ 528,411**
Meeting Expenses					
Meetings	$ 5,000	$ 7,231	$ 2,231	$ 5,000	$ -
Travel	62,000	59,243	(2,757)	59,243	(2,757)
Conference Calls	4,800	4,800	-	4,800	-
Total Meeting Expenses	**$ 71,800**	**$ 71,273**	**$ (527)**	**$ 69,043**	**$ (2,757)**
Operating Expenses					
Consultants & Contracts	$ 2,721,000	$ 1,715,846	$ (1,005,154)	$ 1,944,000	$ (777,000)
Office Rent	-	-	-	-	-
Office Costs	1,893,725	2,249,955	356,230	2,279,770	386,045
Professional Services	-	2,500	2,500	-	-
Miscellaneous	500	100	(400)	500	-
Depreciation	1,123,002	1,179,176	56,174	1,330,443	207,441
Total Operating Expenses	**$ 5,738,227**	**$ 5,147,577**	**$ (590,650)**	**$ 5,554,713**	**$ (183,514)**
Total Direct Expenses	**$ 7,978,705**	**$ 7,562,978**	**$ (415,727)**	**$ 8,320,845**	**$ 342,140**
Indirect Expenses	**(7,978,705)**	**$ (7,618,324)**	**$ 360,381**	**$ (8,320,845)**	**$ (342,140)**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ -**	**$ (55,346)**	**$ (55,346)**	**$ -**	**$ (0)**
Change in Assets	**$ -**	**$ 55,346**	**$ 55,346**	**$ -**	**$ 0**
Fixed Assets					
Depreciation	(1,123,002)	(1,179,176)	(56,174)	(1,330,443)	(207,441)
Computer & Software CapEx	1,556,100	873,864	(682,236)	2,258,800	702,700
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	216,000	514,531	298,531	213,000	(3,000)
Leasehold Improvements	-	-		-	-
Allocation of Fixed Assets	$ (649,098)	$ (209,219)	439,879	$ (1,141,357)	$ (492,259)
Inc(Dec) in Fixed Assets (C)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL BUDGET (=B + C)	**$ -**	**$ (55,346)**	**$ (55,346)**	**$ -**	**$ (0)**
FTEs	**16.75**	**15.88**	**(0.87)**	**18.07**	**1.32**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries, payroll tax and retirement expenses are projected to increase in 2014 due primarily to the increase in FTEs. Benefits are projected to increase at a higher rate than other personnel expenses due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Consultants and Contracts** – The decrease is primarily due to a reclassification of consulting services that support the development of enterprise applications to fixed assets as a capitalized cost of the project.
- **Office Costs –** The increase is primarily related to software and hardware annual maintenance agreements and data center hosting expense.

Human Resources

Human Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	3.00	2.88	(0.12)
Total Direct Expenses	$ 1,527,797	$ 1,104,974	$ (422,823)
Inc(Dec) in Fixed Assets	$ -	$ -	$ -

Background and Scope

Human Resources (HR) manages all of NERC's human resources functions, including new hires, benefits, and employee functions. This area also oversees NERC's employee performance appraisal and incentive structure process. Management has implemented a robust, objective, and auditable performance management system to track corporate, departmental, and individual performance against pre-established goals, objectives, and measures. Each year NERC continues to refine and improve this system. In 2012 NERC implemented a new time accounting system to facilitate tracking of time by functional activities or, where appropriate, specific projects.

2014 Goals and Objectives

Executive Training and Development

As the risk-based methodology to improve reliability is further developed and deployed, NERC will use experienced consultants to provide strategic guidance and training for the executive team to frame problems according to highest potential risk factors and prioritize them to solve big issues. The executive leadership team may also receive additional training and development initiatives geared toward promoting collaboration and consensus building to improve knowledge sharing.

Staff Development

Management believes that access to knowledge is a key differentiator for NERC and that it ensures retention and high performance. Therefore, NERC will invest in learning opportunities for staff in several areas. First, HR will continue to host and optimize an e-leaning platform, SkillSoft, to provide staff resources for improving soft and technical skills. Second, HR will provide staff development training though real-world access via tours of and training on control centers, electric substations, and power plants. Finally, staff will have access to additional education, including but not limited to degree-oriented university education, pursuit of specialized certifications, and other in-house and external training that provides essential knowledge and skills development that will lead to improved staff performance.

Compensation Consulting

HR will continue to rely on market data to drive its attraction, engagement, and retention model. Periodically, HR will have a compensation consultant examine the current market data to ensure that decisions affecting compensation are made in light of the current market climate

and that qualified employees are attracted and retained within a defined total remuneration range. To protect NERC's substantial investment in human capital, HR will also engage consultants to consider compensation models and practices prevalent within the market that have been successful in attracting, engaging, and retaining talent. Similarly, HR may partner with compensation subject matter experts to perform periodic assessments of the BOT compensation model to ensure alignment with market practices. NERC's compensation policy and analysis of market data will be based on total remuneration, taking into account base and incentive compensation, as well as benefits.

Surveys

HR will retain a vendor to conduct periodic Board of Trustees and committee effectiveness surveys to identify improvement opportunities. HR will also launch additional surveys as appropriate, based on business needs.

Succession Planning

Minimizing disruption of knowledge/skill/experience bases of key staff is critical to continued success toward ensuring the reliability of the BPS. HR will work with senior management to identify essential roles and develop strategies to build pipelines and contingency plans for any loss of staff.

HR Products and Services Automation

Paramount to an effective and efficient HR department is the use of electronic and automated products and services. HR will continue to operate, maintain, and investigate investment in additional electronic platforms for HR support services.

Resource Requirements

Personnel

No additional personnel are proposed to be added in 2014. The 0.12 decrease in FTEs over 2013 is due to the assumption of 4% attrition in all departments.

Contractor Expenses

Contractor and consultant expenses are $31k below 2013 budgeted amounts and are set forth in additional detail in Exhibit C.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
HUMAN RESOURCES

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ -	$ -	$ -	$ -	$ -
Penalty Sanctions		-		-	
Total NERC Funding	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Expenses					
Personnel Expenses					
Salaries	$ 498,724	$ 482,804	$ (15,920)	$ 595,009	$ 96,285
Payroll Taxes	22,610	23,574	964	23,428	818
Benefits	573,737	189,635	(384,102)	50,539	(523,198)
Retirement Costs	41,348	43,454	2,106	42,721	1,373
Total Personnel Expenses	**$ 1,136,419**	**$ 739,467**	**$ (396,952)**	**$ 711,697**	**$ (424,722)**
Meeting Expenses					
Meetings	$ 5,000	$ 1,500	$ (3,500)	$ 2,000	$ (3,000)
Travel	21,000	10,897	(10,103)	10,897	(10,103)
Conference Calls	600	600	-	600	-
Total Meeting Expenses	**$ 26,600**	**$ 12,997**	**$ (13,603)**	**$ 13,497**	**$ (13,103)**
Operating Expenses					
Consultants & Contracts	$ 288,500	$ 353,175	$ 64,675	$ 257,500	$ (31,000)
Office Rent	-	-	-	-	-
Office Costs	42,500	16,838	(25,662)	16,500	(26,000)
Professional Services	23,278	64,449	41,171	80,280	57,002
Miscellaneous	10,500	10,500	-	25,500	15,000
Depreciation	-	3,867	3,867	-	-
Total Operating Expenses	**$ 364,778**	**$ 448,829**	**$ 84,051**	**$ 379,780**	**$ 15,002**
Total Direct Expenses	**$ 1,527,797**	**$ 1,201,293**	**$ (326,504)**	**$ 1,104,974**	**$ (422,823)**
Indirect Expenses	**$ (1,527,797)**	**$ (1,201,293)**	**$ 326,504**	**$ (1,104,974)**	**$ 422,823**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ -**	**$ -**	**$ 0**	**$ -**	**$ (0)**
Change in Assets	**$ -**	**$ -**	**$ (0)**	**$ -**	**$ 0**
Fixed Assets					
Depreciation	-	(3,867)	(3,867)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-		-	-
Equipment CapEx	-	-		-	-
Leasehold Improvements	-	-		-	-
Allocation of Fixed Assets	$ -	$ 3,867	$ 3,867	-	-
Inc(Dec) in Fixed Assets (C)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL BUDGET (=B + C)	**$ -**	**$ -**	**$ 0**	**$ -**	**$ (0)**
FTEs	**3.00**	**3.00**	**-**	**2.88**	**(0.12)**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries expense includes a total corporate budget for employment agency fees and temporary office services. The budget for these expenses was increased $43.5k in 2014 based upon 2013 actual trends. Salaries expense also increased due to an increase in the average salary expense per FTE offset by the 4% attrition rate applied to all departments. Benefits are projected to decrease due to the allocation of benefit expenses, including education, training and relocation expenses, across all departments rather than being budgeted solely in Human Resources as in prior years.
- **Travel** – The decrease is based upon 2013 actual trending.
- **Consultants and Contracts** – The decrease is primarily due to a reduction in consultant and contract support for staff training and development.
- **Office Costs –** The decrease is primarily related to the reclassification of monthly fees for performance management software to professional services.
- **Professional Services** – The increase is due to the reclassification of performance management software from office costs, as described above, and additional services related to automated benefits enrollment and management of benefits under the Family Medical Leave Act.
- **Miscellaneous** – The increase is for year-end holiday catering expenses and an increase in costs to support employee community responsibility and engagement activities.

Finance and Accounting

Accounting and Finance (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	11.00	12.48	1.48
Total Direct Expenses	$ 2,201,294	$ 2,617,147	$ 415,853
Inc(Dec) in Fixed Assets	$ (798)	$ -	$ 798

Background and Scope

NERC's Finance and Accounting department manages all finance and accounting functions, including employee payroll, 401(k) and 457(b) plans, travel and expense reporting, monthly financial reporting, sales and use tax, meeting and events planning and services, insurance, internal auditing, and facilities management. This area also holds primary responsibility for the development of the annual business plan and budget, as well as NERC's proposed ERO risk management framework. Over the past several years, NERC's Finance and Accounting department implemented additional policies, procedures, and controls governing day-to-day practices including contract and personnel procurements, meeting, conference planning and travel, expense reimbursement, and back office systems and procedures. The department will continue to refine, improve, and where necessary implement additional procedures and controls.

Resource Requirements

Personnel

With the exception of converting a contractor who is currently providing office support services into a full-time employee, no new FTE additions are planned for 2014. The increase of 1.48 FTEs reflects 2013 additions and the assuption of 4% attrition.

Contractor Expenses

A total of $400k is budgeted for outside contractor and consulting support, representing an increase of $75k over the 2013 budget. These costs are primarily for outside professional support for auditors to support various risk management and internal control intiatives, as well as to provide finance and accounting support.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2013 Budget & Projection, and 2014 Budget
FINANCE and ACCOUNTING

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	$ -	$ -	$ -	$ -	$ -
Penalty Sanctions		-		-	
Total NERC Funding	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Expenses					
Personnel Expenses					
Salaries	$ 1,230,355	$ 1,347,398	$ 117,043	$ 1,379,476	$ 149,121
Payroll Taxes	70,460	72,958	2,498	81,128	10,668
Benefits	149,964	148,755	(1,209)	219,002	69,038
Retirement Costs	140,368	132,326	(8,042)	155,391	15,023
Total Personnel Expenses	**$ 1,591,146**	**$ 1,701,437**	**$ 110,290**	**$ 1,834,997**	**$ 243,850**
Meeting Expenses					
Meetings	$ 5,000	$ 5,000	$ -	$ 5,650	$ 650
Travel	62,500	62,500	-	62,500	-
Conference Calls	1,850	5,000	3,150	4,000	2,150
Total Meeting Expenses	**$ 69,350**	**$ 72,500**	**$ 3,150**	**$ 72,150**	**$ 2,800**
Operating Expenses					
Consultants & Contracts	$ 325,000	$ 642,822	$ 317,822	$ 400,000	$ 75,000
Office Rent	-	-	-	-	-
Office Costs	28,500	30,330	1,830	29,500	1,000
Professional Services	186,000	327,662	141,662	280,000	94,000
Miscellaneous	500	500	-	500	-
Depreciation	798	2,196	1,398	-	(798)
Total Operating Expenses	**$ 540,798**	**$ 1,003,510**	**$ 462,712**	**$ 710,000**	**$ 169,202**
Total Direct Expenses	**$ 2,201,294**	**$ 2,777,447**	**$ 576,152**	**$ 2,617,147**	**$ 415,852**
Indirect Expenses	**$ (2,201,294)**	**$ (2,777,447)**	**$ (576,153)**	**$ (2,617,147)**	**$ (415,853)**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ -**	**$ -**	**$ (2)**	**$ -**	**$ (2)**
Change in Assets	**$ -**	**$ -**	**$ 2**	**$ -**	**$ 2**
Fixed Assets					
Depreciation	(798)	(2,196)	(1,398)	-	798
Computer & Software CapEx	-	2,495		-	-
Furniture & Fixtures CapEx	-	-		-	-
Equipment CapEx	-	-		-	-
Leasehold Improvements	-	-		-	-
Allocation of Fixed Assets	$ 798	$ (299)	$ (1,097)	-	(798)
Inc(Dec) in Fixed Assets (C)	**$ -**	**$ -**	**$ (2,495)**	**$ -**	**$ -**
TOTAL BUDGET (=B + C)	**$ -**	**$ -**	**$ (2,497)**	**$ -**	**$ (2)**
FTEs	**11.00**	**11.02**	**0.02**	**12.48**	**1.48**

Summary of Variances by Category – 2014 Budget Compared to the 2013 Budget

- **Personnel** – Salaries, payroll tax and retirement expenses are projected to increase in 2014 due primarily to the increase in FTEs. Benefits are projected to increase at a higher rate than other personnel expenses due to: (i) the higher cost per employee of employee benefits plans and, (ii) the allocation of benefit expenses that were budgeted in Human Resources in prior years, including education, training and relocation expenses.
- **Consultants and Contracts** - Primarily for outside professional support for auditors to support various risk management and internal control intiatives, as well as to provide finance and accounting support.
- **Professional Services** – The increase is due to implementation of new systems to improve efficiency and controls in processing expenses.

Section B — Supplemental Financial Information

Reserve Balance

Table B-1

Working Capital and Operating Reserve Analysis

Statutory

		Total Reserves	Working Capital[1]	Known Contingencies	Unknown Contingencies	Operator Certification
Beginning Balance						
Balance as of 12/31/12 - per audit		8,167,396	3,667,844	1,000,000	1,933,590	1,565,962
Release of penalty funding from restriction		2,512,500			2,512,500	
Less: Adjustment for future liabilities		(3,667,844)	(3,667,844)			
Available Working Capital and Operating Reserves		**7,012,052**	**-**	**1,000,000**	**4,446,090**	**1,565,962**
Generation or (Use) from 2013 Operations						
From budgeted operations		6,212			6,212	
From Known and Unknown Contingency Reserves	[2]	(3,311,246)		(836,706)	(2,115,324)	(359,216)
Proceeds from financing activities (non-current portion only)		843,000			843,000	
Amortize adjustment for future liabilities		(120,801)			(120,801)	
Projected Working Capital and Operating Reserves - 12/31/13		**4,429,217**	**-**	**163,294**	**3,059,177**	**1,206,746**
Required Working Capital and Operating Reserves - 12/31/13	[3]	**6,635,548**	**3,867,055**	**1,000,000**	**1,000,000**	**768,493**
Adjustment to achieve required reserve balance		(1,660,724)		836,706	(2,059,177)	(438,253)
		-		-		
ıcrease(decrease) in funding requirement to adjust reserve balance		**(1,660,724)**	**-**	**836,706**	**(2,059,177)**	**(438,253)**
2014 Expenses and Capital Expenditures		56,390,096			54,931,402	1,458,695
Less: Penalty Sanctions received 7/1/12 - 6/30/13		(290,000)			(290,000)	
Less: Other Funding Sources		(2,044,000)			(1,023,558)	(1,020,442)
Adjustment to achieve desired reserve balance		(1,660,724)	-	836,706	(2,059,177)	(438,253)
Less: Proceeds from financing activities		(1,415,990)				
Plus: Amortization of Debt		422,000				
2014 NERC Assessment		**51,401,382**				

[1] As further explained in the discussion of the Working Capital Reserve amount in Exhibit E, funds classified as Working Capital offset future, non-current liabilities and are restricted from use for current operations. The $3,867,055 required balance as of 12/31/13 is $199,211 higher than the $3,667,844 balance as of 12/31/12, and represents additional funds received in connection with the expansion of the Atlanta offices.

[2] The use of Unknown Contingency reserves includes the $2,033,600 budgeted reduction in reserves in 2013.

[3] On August 15, 2013, the NERC Board of Trustees approved the Working Capital and Operating Reserve Policy at 12/31/13.

Breakdown by Statement of Activity Sections

The following detailed schedules support the consolidated Statement of Activities. All significant variances were disclosed by program area in the preceding pages.

Penalty Sanctions

Penalty monies received prior to June 30, 2013 are to be used to offset assessments in the 2014 Budget, as documented in *NERC Policy – Accounting, Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standard*, as well as Section 1107 of the Rules of Procedure. Penalty monies received from July 1, 2013 through June 30, 2014 will be used to offset assessments in the 2015 budget.

All penalties received prior to June 30, 2013 are detailed below, including the amount and date received.

Allocation Method

Penalty sanctions received have been allocated to the following statutory programs to reduce assessments: Reliability Standards, Compliance Operations and Organization Registration and Certification, Compliance Enforcement, Reliability Assessments and Performance Analysis, Training and Education, Situational Awareness, Events Analysis and Investigations, and the Critical Infrastructure Department. Penalty sanctions are allocated based upon the number of FTEs in the Program divided by the aggregate total FTEs in the Programs receiving the allocation.

Table B-2

Penalty Sanctions Received On or Prior to June 30, 2013	Date Received	Amount Received
	2/7/2013	$ 250,000
	5/28/2013	40,000
Total Penalties Received		$ 290,000

Supplemental Funding

Table B-3

Outside Funding Breakdown By Program (Excluding Penalty Sanction)	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget
Reliability Standards				
Workshops	$ 104,000	$ 104,000	$ 104,000	$ -
Interest Allocation	3,970	4,224	3,976	6
Total	$ 107,970	$ 108,224	$ 107,976	$ 6
Compliance Operations, Investigations and Enforcement				
Workshops	$ 40,000	$ 20,000	$ 40,000	$ -
Interest Allocation	6,742	6,471	6,332	(410)
Total	$ 46,742	$ 26,471	$ 46,332	$ (410)
Reliability Assessments and Performance Analysis				
pc_GAR Software	$ -	$ 50,000	$ 50,000	$ 50,000
GADS Services	-			-
Workshops	40,000	40,000	40,000	-
Interest Allocation	2,809	2,780	2,913	104
Total	$ 42,809	$ 92,780	$ 92,913	$ 50,104
Training and Education				
Testing Fees and Certificate Renewals	$ 1,080,000	$ 1,080,000	$ 1,020,000	$ (60,000)
CEH Fees	600,000	600,000	600,000	-
Workshops	-	-	-	-
Interest Allocation	1,199	1,250	1,252	53
Total	$ 1,681,199	$ 1,681,250	$ 1,621,252	$ (59,947)
Event Analysis				
Workshops	$ 52,000	$ 38,100	$ 50,000	$ (2,000)
Interest Allocation	1,423	1,522	1,473	49
Total	$ 53,423	$ 39,622	$ 51,473	$ (1,951)
Situation Awareness				
Workshops	$ 105,000	$ 75,850	$ 75,000	$ (30,000)
FIST Royalties		7,000		-
Interest Allocation	974	835	957	(17)
Total	$ 105,974	$ 83,685	$ 75,957	$ (30,017)
Critical Infrastructure Protection				
Workshops	$ 95,000	$ 95,000	$ 45,000	$ (50,000)
Interest Allocation	2,884	2,917	3,098	215
Total	$ 97,884	$ 97,917	$ 48,098	$ (49,785)
General and Administrative				
Miscellaneous Income	$ -	$ 224	$ -	$ -
				-
Total	$ -	$ 224	$ -	$ -
Total Outside Funding	$ 2,136,000	$ 2,130,174	$ 2,044,000	$ (92,000)

Explanation of Significant Variances – 2014 Budget Compared to the 2013 Budget

- Reliability Assessments and Performance Analysis – pc-GAR Historically, NERC charged nominal license fees to help defray a portion of the costs of operating, maintaining, and administering pc-GAR, a complex legacy software application used to provide industry with access to certain generator and transmission data. In response to its 2013 business plan and budget (in which NERC indicated it would discontinue the licensing of this software and data availability and therefore excluded any projection of licensing fees in its 2013 budget), NERC received additional feedback from industry expressing a strong desire for continuing to provide access. Upon further view and consideration, NERC management felt that it was important to retain control of the licensing in order to ensure the protection of confidential information and that the assessment activities performed by RAPA would also benefit from the continued industry utilization of pc-GAR. As previously described under the RAPA section of this business plan and budget, NERC expects to commence development of a replacement software application for pc-GAR in Q4 2013 and no specific funding is included in the 2014 business plan and budget for this activity. However, given that this work has not yet been completed, the possibility exists that funding from reserves may be required in 2014, subject to the availability of reserves and other funding priorities. The pc-GAR 2014 projected fees will be used to offset development costs of the replacement application, as well operation and maintenance costs or the existing and replacement applications.
- Training and Education – The PCGC estimates a few number of certificate renewals will be processed in 2014.
- Situation Awareness – Reduced number of workshops due to the transition of the synchrophasor technology (NASPI) to the private sector.
- Critical Infrastructure Protection – Workshop fees associated with the Grid Security Conference are budgeted to be lower in 2014.

Personnel Expenses

Table B-4

Personnel Expenses	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Total Salaries	$ 24,056,165	$ 24,965,038	$ 26,218,572	$ 2,162,407	9.0%
Total Payroll Taxes	1,459,710	1,473,809	1,570,954	111,244	7.6%
Total Benefits	3,079,941	2,917,558	3,385,917	305,976	9.9%
Total Retirement	2,702,588	2,264,996	2,884,211	181,623	6.7%
Total Personnel Costs	$ 31,298,404	$ 31,621,401	$ 34,059,654	$ 2,761,250	8.8%
FTEs	186.25	176.12	189.53	3.28	1.8%
Cost per FTE					
Salaries	$ 129,161	$ 141,750	$ 138,335	9,174	7.1%
Payroll Taxes	7,837	8,368	8,289	451	5.8%
Benefits	16,537	16,566	17,865	1,328	8.0%
Retirement	14,511	12,861	15,218	707	4.9%
Total Cost per FTE	**$ 168,045**	**$ 179,545**	**$ 179,706**	**$ 11,661**	**6.9%**

Explanation of Significant Variances – 2014 Budget Compared to the 2013 Budget

The increase in salaries, payroll taxes and retirement expenses is due to additional FTEs and salary increases, which is budgeted at 2.5% over 2013, the addition of more senior staff in 2013, and the need to pay higher compensation than previously budgeted to attract employees to fill vacant positions. The average cost per FTE is also affected by the 4% attrition rate assumption, which reduced the total number of FTEs budgeted in all departments. The assumed attrition factor for 2013, which was 3%, reduced the budgeted expense but not the number of FTEs. In addition to the increase in the number of FTEs on staff, benefits are budgeted to increase 9% in 2014 over 2013.

Consultants and Contracts

Table B-5

NOTE: This table has been replaced by Exhibit C

Office Rent

Table B-6

Rent	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Office Rent	$ 2,756,840	$ 2,695,217	$ 2,617,300	$ (139,540)	-5.06%
Total Office Rent	**$ 2,756,840**	**$ 2,695,217**	**$ 2,617,300**	**$ (139,540)**	**-5.06%**

The decrease in rent expense is due to a change in accounting related to refunds of excess tenant improvement allowances in the Atlanta and Washington, DC offices.

Office Costs

Table B-7

Office Costs	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Telephone	$ 527,000	$ 605,852	$ 628,000	$ 101,000	19.17%
Telephone Answering Srv	-	2,609	-	-	
Internet	354,000	562,549	310,000	(44,000)	-12.43%
Office Supplies	172,500	208,240	199,300	26,800	15.54%
Computer Supplies and Maintenance	-	-	-	-	
Computers	3,000	8,423	4,500	1,500	50.00%
Computer Supplies	116,900	127,031	95,400	(21,500)	-18.39%
Maintenance & Service Agreements	1,404,265	1,457,919	1,701,029	296,764	21.13%
Software	38,500	9,036	141,500	103,000	267.53%
Network Supplies	-	10,471	-	-	
Publications & Subscriptions	73,000	75,002	32,995	(40,005)	-54.80%
Dues	42,750	40,006	41,750	(1,000)	-2.34%
Postage	20,100	16,841	19,600	(500)	-2.49%
Express Shipping	64,500	35,553	34,000	(30,500)	-47.29%
Copying	135,000	104,415	115,000	(20,000)	-14.81%
Reports	8,000	8,000	8,000	-	0.00%
Stationary/Forms	15,000	100	10,000	(5,000)	-33.33%
Equipment Repair/Service Contracts	30,000	72,405	70,000	40,000	133.33%
Bank Charges	25,000	60,000	20,000	(5,000)	-20.00%
Taxes	50,000	7,565	15,000	(35,000)	-70.00%
Merchant Card Fees	102,000	76,161	85,000	(17,000)	-16.67%
Total Office Costs	**$ 3,181,515**	**$ 3,488,178**	**$ 3,531,074**	**$ 349,559**	**10.99%**

Explanation of Significant Variances – 2014 Budget Compared to the 2013 Budget

- The increase in Office Costs is primarily due to increased cellular and air card expenses and due to higher costs for annual maintenance and service costs, which are primarily related to software and hardware annual maintenance agreements and data center hosting expense.
- The increase in Maintenance and Service Agreements is primarily due to increases in maintenance agreements associated with the use of numerous software products.
- The increase in Software is for increased license fees for new and existing products, such as Adobe and Microsoft Project.
- The decrease in Publications and Subscriptions is due to the reclassification of costs associated with intelligence reporting services from office costs to consultant and contract costs.
- The increase in Equipment Repair/Service Contracts and the decreases in Express Shipping, Copying, Stationary, Bank Charges, Taxes and Merchant Card Fees are based on 2013 projected costs.

Professional Services

The Professional Services budget includes a projected increase in trustee fees.[19] $70k has also been budgeted for a search fee for a new Trustee to fill the vacancy of an existing Trustee whose term limit expires in February 2015. The projected increase in outside services costs is primarily related to consulting costs to implement accounting system improvements and support. These increases are offset by a reduction in projected outside counsel expenses.

Table B-8

Professional Services	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Independent Trustee Fees	$ 980,000	$ 980,000	$ 1,000,000	$ 20,000	2.04%
Trustee Search Fee	-	-	70,000	70,000	
Outside Legal	900,000	900,000	740,000	(160,000)	-17.78%
Lobbying Fees	50,000	50,000	50,000	-	0.00%
Accounting & Auditing Fees	242,278	242,278	150,000	(92,278)	-38.09%
Insurance Commercial	110,000	110,000	100,000	(10,000)	-9.09%
Outside Services		56,815	180,280	180,280	
Total Services	**$ 2,282,278**	**$ 2,339,093**	**$ 2,290,280**	**$ 8,002**	**0.35%**

Miscellaneous

Table B-9

Miscellaneous Expenses	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Miscellaneous Expense	$ 6,500	$ 5,405	$ 6,500	$ -	
Employee Rewards and Recognition	$ 10,000	10,000	10,000	-	0.00%
Community Resp & Employee Engagement	5,000	5,000	10,000	5,000	100.00%
Year-end Holiday Catering			10,000	10,000	
Total Miscellaneous Expenses	**$ 21,500**	**$ 20,405**	**$ 36,500**	**$ 15,000**	**69.77%**

A further discussion of these expenses may be found in Section A under the General and Administrative department.

[19] For further information regarding the increase in Trustee fees may be found in the background materials to Agenda Item 2 on the August 14, 2013 Corporate Governance and Human Resources Committee agenda.

Other Non-Operating Expenses

Table B-10

Other Non-Operating Expenses	2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Gain/Loss from Sale of Assets	$ -	$ -	$ -	$ -	
Property Tax Expense	$ 50,000	50,000	$ 50,000	-	
Office Relocation	-		-	-	
Interest			94,000	94,000	
Total Other Non-Operating Expenses	**$ 50,000**	**$ 50,000**	**$ 144,000**	**$ 94,000**	**188.00%**

The budgeted interest expense is detailed in the Capital Financing program, Exhibit D.

Section C — Non-Statutory Activity

NERC has no non-statutory activities.

Section D — Supplemental Financial Statements

NORTH AMERICAN ELECTRIC RELIABILITY COPORATION

STATEMENT OF FINANCIAL POSITION

	12/31/2012 - per Audit	12/31/2013 - Projection	12/31/2014 - Projection	12/31/2015 - Projection	12/31/2016 - Projection
ASSETS					
Cash	27,936,696	17,881,732	16,108,351	15,477,700	14,848,610
Trade Accounts receivable, net of allowance for uncollectible accounts of 62,573 and 179,565 in 2012 and 2011	4,281,602	4,281,602	4,281,602	4,281,602	4,281,602
Other Receivables		-	-	-	-
Prepaid expenses and other current assets	888,087	888,087	888,087	888,087	888,087
Security deposit	114,903	99,136	99,136	99,136	99,136
Cash value of insurance policies	337,414	337,414	337,414	337,414	337,414
Employee Fiduciary - 457b	118,243	118,243	118,243	118,243	118,243
Property and equipment	5,220,210	6,548,907	7,333,691	10,771,485	11,723,280
Total Assets	**38,897,155**	**30,155,121**	**29,166,524**	**31,973,668**	**32,296,372**
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses (incl, vacation accrual)	2,959,896	2,959,896	2,959,896	2,959,896	2,959,896
Accrued Incentive Comp	2,911,359	3,780,127	3,792,317	3,792,317	3,792,317
Deferred income	5,177,751	5,177,751	5,177,751	5,177,751	5,177,751
Regional assessments	9,614,829	-	-	-	-
Deferred rent-current	120,801	182,421	259,950	329,605	395,953
Deferred compensation (Def. comp; 457b; retiree medical)	736,019	736,019	736,019	736,019	736,019
Accrued retirement liabilities	1,410,466	1,575,000	1,640,591	1,640,591	1,640,591
Capital lease obligations - current	65,928	65,928	65,928	65,928	65,928
Capital Project Financing - Current Portion		422,000	894,000	1,910,000	1,889,000
Deferred rent - non-current	3,620,736	3,819,947	3,553,110	3,233,179	2,846,900
Capital lease obligations - non-current	47,108	47,108	47,108	47,108	47,108
Capital Project Financing - non-current		843,000	1,364,990	2,504,990	1,815,990
Total Liabilities	26,664,893	19,609,197	20,491,660	22,397,384	21,367,453
Net Assets - unrestricted	9,719,762	10,255,924	8,674,864	9,576,284	10,928,920
Net Assets - restricted	2,512,500	290,000	-	-	
Total Liabilities and Net Assets	**38,897,155**	**30,155,121**	**29,166,524**	**31,973,668**	**32,296,373**

Statement of Activities

Next page.

NORTH AMERICAN ELECTRIC RELIABILITY COPRORATION

Statement of Activities, Fixed Asset Expenditures and Change in Working Capital by Program 2014 Budget	Statutory Total	Reliability Standards (Section 300)	Compliance Operations, Investigations and Organization Registration and Certification	Compliance Enforcement	Reliability Assessment and Performance Analysis	Operator Certification	Training and Continuing Education	Event Analysis	Situation Awareness and Infrastructure Security	Critical Infrastructure Protection	General and Administrative (Includes Executive and Gov't Relations)	Legal and Regulatory	Information Technology	Human Resources	Accounting and Finance
	Statutory Activities														
Funding															
ERO Funding															
NERC Assessments	51,401,382	10,000,443	9,400,511	6,350,810	8,214,496		1,665,959	3,975,065	4,493,115	9,517,444	(2,216,461)	-	-	-	-
Penalty Sanctions	290,000	58,951	52,401	41,484	43,190		12,008	21,834	14,192	45,941			-		
Total NERC Funding	**51,691,382**	**10,059,394**	**9,452,912**	**6,392,293**	**8,257,686**		**1,677,968**	**3,996,898**	**4,507,307**	**9,563,386**	**(2,216,461)**	**-**	**-**	**-**	**-**
Membership Dues	-														
Testing Fees	1,620,000					1,020,000	600,000								
Services & Software	50,000				50,000										
Workshops	354,000	104,000	40,000		40,000			50,000	75,000	45,000					
Interest	20,000	3,976	3,534	2,798	2,913	442	810	1,473	957	3,098					
Miscellaneous	-														
Total Funding (A)	**53,735,382**	**10,167,369**	**9,496,446**	**6,395,091**	**8,350,598**	**1,020,442**	**2,278,778**	**4,048,371**	**4,583,264**	**9,611,484**	**(2,216,461)**	**-**	**-**	**-**	**-**
Expenses															
Personnel Expenses															
Salaries	26,218,572	3,308,688	3,192,809	2,043,427	2,604,058	243,369	562,747	1,470,290	915,216	3,220,485	2,031,740	2,637,399	2,013,859	595,009	1,379,476
Payroll Taxes	1,570,954	210,130	202,068	132,855	159,156	17,411	39,508	91,480	60,207	191,249	89,250	136,718	136,366	23,428	81,128
Benefits	3,385,917	454,850	404,311	320,080	333,241	50,539	92,655	168,463	109,501	354,474	245,309	265,856	317,097	50,539	219,002
Retirement Costs	2,884,211	377,588	364,901	234,210	294,179	28,185	63,655	167,286	104,293	366,598	158,550	296,887	229,767	42,721	155,391
Total Personnel Expenses	34,059,654	4,351,256	4,164,089	2,730,572	3,390,634	339,504	758,565	1,897,519	1,189,217	4,132,806	2,524,849	3,336,860	2,697,089	711,697	1,834,997
Meeting Expenses															
Meetings	1,052,150	185,000	70,000	2,500	90,000	21,000	15,000	67,000	171,000	145,000	268,000	5,000	5,000	2,000	5,650
Travel	2,419,525	400,000	312,657	85,298	385,000	20,000	31,000	155,000	28,020	328,428	421,482	120,000	59,243	10,897	62,500
Conference Calls	317,851	123,748	16,574	5,081	31,950	500	25,000	31,864	4,000	32,574	24,206	12,953	4,800	600	4,000
Total Meeting Expenses	3,789,525	708,748	399,232	92,879	506,950	41,500	71,000	253,864	203,020	506,003	713,688	137,953	69,043	13,497	72,150
Operating Expenses															
Consultants & Contracts	6,828,973		400,000		638,085	473,000	375,830	-	1,289,108	976,450	75,000		1,944,000	257,500	400,000
Office Rent	2,617,300										2,617,300				
Office Costs	3,506,074	90,350	73,500	41,000	139,135	47,300	51,000	38,519	47,750	86,250	502,000	63,500	2,279,770	16,500	29,500
Professional Services	2,290,280										1,170,000	760,000		80,280	280,000
Miscellaneous	36,500	500	500	500	500		500	500	500	500	5,500	500	500	25,500	500
Depreciation	2,333,006				228,000			193,667	161,498		419,399		1,330,443		
Total Operating Expenses	17,612,133	90,850	474,000	41,500	1,005,720	520,300	427,330	232,686	1,498,856	1,063,200	4,789,199	824,000	5,554,713	379,780	710,000
Total Direct Expenses	**55,461,313**	**5,150,854**	**5,037,321**	**2,864,951**	**4,903,304**	**901,304**	**1,256,895**	**2,384,069**	**2,891,092**	**5,702,009**	**8,027,736**	**4,298,813**	**8,320,845**	**1,104,974**	**2,617,147**
Indirect Expenses	0	4,872,999	4,331,554	3,429,147	3,570,148	541,444	992,648	1,804,814	1,173,129	3,797,630	(8,171,736)	(4,298,813)	(8,320,845)	(1,104,974)	(2,617,147)
Other Non-Operating Expenses	**144,000**	-	-	-	-	-	-	-	-	-	144,000				
Total Expenses (B)	**55,605,313**	**10,023,853**	**9,368,875**	**6,294,098**	**8,473,452**	**1,442,748**	**2,249,543**	**4,188,883**	**4,064,222**	**9,499,639**	-	**-**	**-**	**-**	**-**
Change in Assets	**(1,869,930)**	**143,517**	**127,570**	**100,993**	**(122,854)**	**(422,307)**	**29,235**	**(140,512)**	**519,043**	**111,846**	**(2,216,461)**	**-**	**-**	**-**	**-**
Fixed Assets															
Depreciation	(2,333,006)	-	-	-	(228,000)	-	-	(193,667)	(161,498)	-	(419,399)	-	(1,330,443)	-	-
Computer & Software CapEx	2,904,790								645,990				2,258,800		
Furniture & Fixtures CapEx	-														
Equipment CapEx	213,000												213,000		
Leasehold Improvements	-														
Allocation of Fixed Assets	-	143,517	127,570	100,993	105,146	15,946	29,235	53,154	34,550	111,846	419,399	-	(1,141,357)	-	-
Inc(Dec) in Fixed Assets (C)	**784,784**	**143,517**	**127,570**	**100,993**	**(122,854)**	**15,946**	**29,235**	**(140,512)**	**519,043**	**111,846**	-	**-**	**-**	**-**	**-**
TOTAL BUDGET (=B + C)	**56,390,096**	**10,167,369**	**9,496,446**	**6,395,091**	**8,350,598**	**1,458,695**	**2,278,778**	**4,048,371**	**4,583,264**	**9,611,484**	-	**-**	**-**	**-**	**-**
FTEs	**189.53**	**25.92**	**23.04**	**18.24**	**18.99**	**2.88**	**5.28**	**9.60**	**6.24**	**20.20**	**10.56**	**15.15**	**18.07**	**2.88**	**12.48**

Exhibit A – Common Assumptions

Shared Business Plan and Budget Assumptions

NERC and the Regional Entities
2014-2016 Planning Period

As part of the implementation of the Strategic Plan (ERO 2013-2016 Strategic Plan), NERC and the Regional Entities developed a set of common assumptions to help guide resource projections over the planning period for each entity and the ERO overall, recognizing there are often unique factors that drive differences in each organization's final determination of its resource needs and budget. The specific resource needs and budget of NERC and each Regional Entity will continue to be publicly posted for review and approved in open session by NERC's Finance and Audit Committee as part of the annual business plan and budget process.

It continues to be the objective of NERC and the Regional Entities to identify and implement process and other improvements to increase the overall efficiency and effectiveness of the ERO, with due recognition and sensitivity to the cost of compliance by industry and the critical nature of industry support and participation to the success of the ERO regulatory model as contemplated by the Energy Policy Act of 2005. In addition, NERC and the Regional Entities have reviewed the existing scope of the program areas and reprioritized current resources as appropriate. Efforts have been made to focus on assumptions that affect resource requirements instead of specific program area goals, objectives, and actions, which are incorporated in the Strategic Plan and each Regional Entity's business plan and budget.

Legal and Operating Framework

NERC and the Regional Entities are expected to continue to work under the existing regulatory framework governing the establishment and enforcement of reliability standards for the BPS by applicable governmental authorities in the United States and Canada, as well as the authorizations contained in FERC's order approving NERC as the ERO. No significant changes to this framework are assumed to occur over the planning period.

The terms of the existing delegation agreements between NERC and the Regional Entities are also assumed to continue to apply over the planning period. With respect to the performance of delegated functions, the Regional Entities are expected to have primary responsibility for interactions with registered entities. NERC will provide oversight of the Regional Entities and otherwise ensure that its responsibilities as the ERO are fulfilled. Over the planning period, NERC and the Regional Entities are also expected to refine and revise procedures to eliminate duplication, increase operational efficiencies, enhance ERO-wide consistency, and achieve measureable reliability outcomes consistent with their respective roles and responsibilities.

NERC will evaluate the scope of its activities in relation to the FERC-approved Section 215 guidelines in connection with the development of its annual business plan and budget. NERC will also evaluate the extent to which it will undertake activities within these guidelines and may voluntarily defer or elect to not undertake certain activities in light of resource limitations and priorities. NERC may also voluntarily consider funding alternatives for certain Section 215 activities.

Business Environment

NERC and the Regional Entities will work collaboratively to identify additional ways to improve efficiency and leverage overall ERO resources, as well as to gather and evaluate information regarding the impact of ERO activities on registered entities. Industry concerns relative to the overall cost of compliance with ERO requirements will remain an area of focus.

Cost pressures may affect the number of stakeholder resources available to participate in NERC and Regional Entity activities. NERC and Regional Entity business plans, budgets, and resource requirements will continue to be established based upon the assumption of continued industry participation in support of key program areas, including but not limited to event analysis, reliability assessments, and standards development. Any significant change in the quality or availability of industry resources will likely affect ERO resource requirements.

General

External factors will continue to affect both resource needs and allocation. These factors will likely include, but not be limited to:

- FERC orders, directives, notices of proposed rulemaking, audits, and performance assessment
- Availability of experienced workforce
- The timing and scope of BES exception implementation
- Number and severity of violations and system events
- Assessment of the impact of new technologies
- Proposed and actual changes in applicable laws and regulations, including environmental and others
- Transformation of NERC's standards to a high-quality, results-based steady state
- Resources required to complete and implement any recommendations included in or FERC directives issued in connection with the Five-Year ERO Performance Assessment

Leveraging the activities of the transmission, generator, and other forums is expected to increasingly complement ERO activities and place downward pressure on the need to add incremental resources that might otherwise be required in the absence of these forums.

NERC and the Regional Entities expect annual gains in efficiency as programs and initiatives mature, experience is gained, standard development and execution is improved and internal process and performance improvements are achieved.

Key Assumptions by Program Area

Reliability Standards Program

1. With the filing of the Critical Infrastructure Protection (CIP) Version 5 standards and the need for a smooth transition from Version 3 to Version 5, additional resources may be required to provide industry and Regional guidance. These commitments are expected to be largely offset by increased efficiencies and effectiveness of the standards development process.
2. For planning purposes, given the current industry-approved implementation plan, NERC and the Regional Entities are assuming an implementation start date of January 2016 for CIP Version 5. If directed to accelerate the implementation date, NERC and the Regions will direct appropriate resources from existing staff.
3. Staffing resources required for standards activities at NERC are expected to be flat during the planning period; if minor resource additions are required, they will be offset by operating efficiencies in other areas.
4. Experience has shown that project management discipline is necessary to satisfy standards development project goals and priorities, including the assurance of a requisite level of quality. This includes recruiting standard developers with the appropriate skill set needed to bring that discipline. Examples of efforts to increase project management discipline during the planning period include but are not limited to:
    a. Specific time frames for standards development and process milestones;
    b. Increased industry resource dedication over shorter periods; and
    c. Clear criteria for cancellation of projects not yielding timely and high-quality results.
5. NERC will need to allocate additional resources to support (1) the transformation of standards to a steady state, (2) improvements in the quality of standards development, and (3) industry guidance, including related technical conference and training activities.
6. Expected significant increases in standards development and processing may create additional resources to review and comment on proposed standards, support regulatory filings, and oversee new standards as they become effective. However, incremental resources are expected to be offset by improvements in the efficiency of the standards development process.
7. Implementing a cost-effectiveness analysis or assessment of proposed standards is likely to impact resource requirements, but the extent of the impact both at the ERO and Regions cannot be fully assessed at this time.

8. The number of interpretation and guidance requests is expected to decrease over time, reflecting the initiative to transform the current standards to a body of high-quality, results-based standards and improve the execution of the standards development process.
9. The number of projects contained in the Reliability Standards Development Plan is expected to increase over the planning period, reflecting the transformation of standards to a steady state. However, the scope of these projects is expected to be somewhat narrower than would otherwise exist in the absence of the results-based standards initiative.
10. With NERC's improved execution and focus on results-based standards, the need for activity associated with regional standards development is expected to decrease, together with staffing resources supporting this area. The Regions and ERO plan to work closely to support the development of continent-wide standards.
11. Improvements in the quality of standards drafting and implementation will result in improvements in the efficiency and effectiveness of auditing and enforcement activities toward the end of the planning period.
12. NERC will increase the quality and effectiveness of regulatory filings. Efforts will include, but not be limited to:
    a. Greater use of pre-filing meetings, which will include opportunities for regional and stakeholder participation;
    b. Increased dialogue with regulatory authorities regarding the form and requirements for regulatory filings, including reducing the requirement for exhibits by instead relying on publicly available documentation on NERC's website;
    c. Seeking engagement with regulatory authorities to obtain formal regulatory authority input during standards development; and
    d. With the support from the Regions, more developed technical justifications to support filings.

Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Compliance and Enforcement

1. NERC and Regional Entities will have sufficient staff, supervision, and technical specialists with adequate collective professional competence and other resources, as needed, to perform the compliance work and to meet expected timeframes for completing the work.
2. Resources required for compliance and enforcement activities at NERC are expected to increase slightly in support of the Reliability Assurance Initiative. When the initiative has matured, these resources will either be reduced or redirected to facilitate a more rigorous oversight and quality assurance model.

3. Staffing resources required for compliance and enforcement activities at the Regional Entities over the planning period will vary based on regional needs and circumstances, with any increases generally expected to be mitigated through operating efficiencies in other areas. The Reliability Assurance Initiative may create short-term incremental resource needs at both NERC and some Regional Entities as new procedures and tools are developed to implement revised compliance enforcement processes.
4. Results of implementing the Find, Fix, Track and Report ("FFT") process over the planning period will lead to continued refinement, improvement, and prioritization of risk-based compliance monitoring efforts and a reduction in registered entity resources focusing on lower level potential violations.
5. Changes in TFE processing, including equipment class-based exceptions, audit sampling, and elimination of much of the reporting and review burden, have been implemented to improve efficiency.
6. Improvements in consistency among the Regional Entities may facilitate more efficient resource allocation within the compliance and enforcement areas at NERC, as well as potentially reduce compliance costs for some registered entities.
7. Improvements in audit guidance may increase ERO efficiency, support improvements to resource allocation, and help mitigate overall compliance costs.
8. Improvements in consistency among Regional Entities and registered entities are expected from an improved centralized compliance, registration, analysis, and tracking system. A significant multiyear investment will be required to develop and implement the system.
9. As risk-based monitoring activities increase, consideration will be given to modifying the current three- and six-year audit cycles for registered entities. As an outgrowth of RAI, the rigor, scope, depth, and recurrence of audits and spot checks are expected to be driven by reliability risk, rather than a predetermined schedule. As standards are improved, the need for clarifying documents such as interpretations is expected to decrease. As a result of the foregoing, audit resource needs may vary year to year.
10. Consideration of existing registered entity management practices (i.e., internal controls) around Reliability Standards in the scope of the compliance monitoring program will allow NERC and the Regional Entities to further prioritize activities.
11. Further auditing efficiencies can be achieved by continued refinement of auditing procedures focused on the purpose and intent of the requirements related to reliability risk. This will require a change in approach by the Regional Entities and NERC staff.

Organization Registration and Certification

1. Implementation of the BES definition may place additional resource demands in the Registration area but the significance cannot be fully assessed at this time. If a high number of BES exceptions are requested, the potential for a backlog situation in the first years of implementation is possible.

2. Identification of "gaps" in registration and corrections in registration.
3. The certification process will be revised to emphasize the technical capabilities of those conducting a certification evaluation.

Reliability Assessment and Performance Analysis Program

1. Implementation of a BES exception process will impact resource requirements in this program area, but the significance of the impact cannot be fully assessed at this time, as resource requirements will be driven by the number and type of exception requests received. It's also expected that there will be resource impacts at the Regional Entity level.
2. ERO investments in new software applications and IT infrastructure will be needed to develop and implement improved data collection and analysis systems and capabilities and should improve overall ERO resource allocation and efficiency in the long term. (See Information Technology for assumptions regarding the role of NERC and the Regional Entities with respect to funding.)
3. Resource impacts associated with the ERO's reliability assessments of new technologies within the industry and environmental regulations are uncertain at this point.
4. Implementation of an outcome-based approach to achieving measureable improvements in reliability will likely require allocating resources to this program area, the significance of which from an overall budget perspective cannot be determined at this time.

Training, Education, and System Operator Certification Program

1. Both NERC and the Regional Entities agree that there are opportunities for improvements in the coordination, content, and manner of internal training programs.
2. While additional or different resources will be required for certain training initiatives, it is not clear at this time whether these needs will translate into a significant increase in NERC's or any of the Regional Entities' budgets. The general sense at this point is that improvements with minimal budgetary impact can be achieved through better coordination, planning, and management of training programs. The possible exception is in the area of additional resources needed to support CEA staff auditor training, as further discussed below.
3. Implementation of auditor training associated with the Reliability Assurance Initiative process improvements may result in resource impacts; the timeframe required to train auditors will depend on regional audit work plans and schedules.

Situation Awareness and Event Analysis

1. NERC will continue to review the appropriateness of continued funding of existing reliability tools, with any proposed changes thereto subject to review and input from the

Regional Entities, appropriate NERC committees and working groups, and other affected parties.

2. SAFNR will provide additional situational awareness capabilities at both NERC and Regional Entity levels. Significant additional resource investments are not anticipated to be necessary for the Regional Entities to utilize SAFNR. NERC will continue to budget and incur costs to operate and maintain SAFNR.
3. The number of "qualified system events,"[20] as defined in the NERC Events Analysis Process, is expected to remain steady with an average of 10 per month. Greater collaboration with the Region and the registered entity is leading to more detailed analysis and support of the identification of reliability issues and lessons learned. The number of "system occurrences" relates to events and disturbances that fall below the threshold of the categorized definitions in the NERC Events Analysis Process document and is expected to remain steady at approximately 25 per month.

Critical Infrastructure Protection

1. NERC will continue to fund the ES-ISAC.
2. On an annual basis, NERC will conduct the annual Grid Security Conference and rotate conference locations throughout the eight Regions.
3. The Sufficiency Review Program (SRP) will expand to include transition issues associated with CIP-002-4 and CIP Version 5. In addition, each year, NERC will increase the number of SRPs conducted.
4. NERC will continue to conduct and budget grid security exercises.
5. To address the changing policy environment, NERC will continue to manage policy development and partnership activities with industry and the government.
6. NERC will need to allocate additional resources to support improvements in the quality of cybersecurity audit and guidance, including related training activities.
7. NERC will revise CIP RSAWS to provide greater flexibility and clarity on how to evaluate compliance with cybersecurity controls.
8. To improve the auditor's ability to assess for compliance to CIP standards, NERC will evaluate and/or procure cybersecurity auditing tools.

Information Technology and Enterprise Applications

1. Significant investments will be required over the planning period to develop and implement program area and enterprise-wide processes, procedures, and applications to support business needs. These business needs include auditing, compliance,

[20] The phrase "qualified system events" refers to the ERO event analysis process categorization criteria (Category 1-5). Occurrences also include copper theft, substation intrusions and other occurrences on the bulk electric system which may be reported. The phrase "qualified system events" means events affecting the Bulk Electric System, which meet the ERO event analysis process categorization criteria (Category 1-5).

registration, and tracking systems and other project, data management, and analysis tools to provide greater cost efficiency and uniformity across the ERO.

2. NERC and the Regional Entities will establish procedures to ensure that the ERO EMG considers the potential enterprise-wide applicability of new applications to support delegated functions prior to making decisions on investments in applications designed to support one entity's operations.
3. Ongoing investments will be required to develop, implement, and maintain enhancements to the NERC and Regional Entity websites.
4. In accordance with its approved annual budgets, NERC will provide the funding for the development and maintenance of ERO Enterprise applications.

Finance and Administrative

1. Potential additional resource requirements may be required in connection with implementation of the ERO Risk Management framework. NERC will include funding for consultants in its 2014 budget to support this initiative.
2. NERC and the Regional Entities will work cooperatively to continue focusing on opportunities to improve the efficiency of travel, meeting, conference call, and other operating expenses.
3. NERC and the Regional Entities will work to improve budgeting and forecasting capabilities.
4. NERC and the Regional Entities will work cooperatively to establish a common set of principles regarding the determination of working capital and contingency reserve requirements.

Exhibit B – Application of NERC Section 215 Criteria

DISCUSSION OF HOW THE NERC MAJOR ACTIVITIES IN THE 2014 BUSINESS PLAN AND BUDGET MEET THE NERC WRITTEN CRITERIA FOR DETERMINING WHETHER A RELIABILITY ACTIVITY IS ELIGIBLE TO BE FUNDED UNDER FEDERAL POWER ACT SECTION 215

I. Introduction

This Exhibit discusses how the major activities in NERC's 2014 Business Plan and Budget meet the NERC written criteria for determining whether a reliability activity is eligible to be funded under §215 of the Federal Power Act ("FPA §215). This Exhibit is intended to satisfy Recommendation No. 38 resulting from the financial performance of NERC conducted by the Commission's Division of Audits ("DA") in 2012-2013 and adopted by the Commission in its November 2, 2012 order on NERC's 2013 Business Plan and Budget.[1] NERC submitted the written criteria to the Commission in a compliance filing dated February 21, 2013 in Docket No. FA11-21-000.[2] The Commission approved the NERC written criteria, with modifications, in an order issued in that docket on April 18, 2013.[3] The NERC written criteria as used in this Exhibit incorporate the modifications specified in the Compliance Order.[4]

II. Reliability Standards Program 2014 Major Activities

The major activities of the Reliability Standards Program are described at pages 10 and 29-31 of the 2014 Business Plan and Budget. The principal activity areas for the Reliability Standards Program are (1) providing project management, leadership and technical assistance to standard development processes participants to deliver high quality, continent-wide standards; (2) facilitating continent-wide industry engagement in the standard development processes; and (3) conducting industry balloting on standards, disseminating information on standards and the standard development processes, and supporting regulatory filings and proceedings relating to standards. Additionally, the Reliability Standards Program provides technical advice and quality review for Regional Entity Standards development processes, presents proposed Regional standards to the NERC Board, and develops and supports regulatory filings for approval of regional standards.

[1] *North American Electric Reliability Corporation, Order Accepting 2013 Business Plan and Budget of the North American Electric Reliability Corporation and Ordering Compliance Filing*, 141 FERC ¶ 61,086 (2012) ("2013 Budget Order"). Recommendation 38, as adopted in the 2013 Budget Order, is: "In its annual business plan and budget filings, [NERC should] provide an explanation as to why the proposed activities to be undertaken by each program area for the budget year are statutory, including, at a minimum: a description and the purpose of the major activities to be taken by each program area and an explanation for why the activity is a statutory activity." *Id*. at P 16.

[2] *Compliance Filing of the North American Electric Reliability Corporation in response to paragraph 30 of November 2, 2012 Commission Order – NERC Written Criteria for Determining Whether a Reliability Activity is Eligible to be Funded Under Federal Power Act Section 215*, filed February 1, 2013 in Docket No. FA 11-21-000 ("February 1, 2013 Compliance Filing").

[3] *North American Electric Reliability Corporation, Order on Compliance*, 143 FERC ¶ 61,052 (2013) ("Compliance Order").

[4] For ease of reference, the complete NERC written criteria, as modified in accordance with the Compliance Order, are provided at the end of this Exhibit.

For 2014, the Reliability Standards Program will be focused on three areas: (1) transforming the NERC standards to high quality, world-class results-based standards (ensuring that standards are focused on required actions or results and not necessarily on the methods by which to accomplish those actions or results); (2) developing a bulk power system ("BPS") reliability risk profile; and (3) developing methods to assess and manage cost-effectiveness (benefit) of new standards. Specific ongoing and new major activities for the Reliability Standards Program for 2014 include: continuing to address regulatory obligations for standards development and revisions as specified in regulatory directives; completing standards revisions related to the Phase 2, Paragraph 81 requirements; supporting the NERC three-year Reliability Standards Development Plan; integrating the plan from the 2013 Standards Independent Expert Review Panel into the Reliability Standards Development Plan; increasing coordination with the NERC Compliance Monitoring and Enforcement Program in integrating compliance considerations into standards development; accelerating delivery of the number of standards that meet the quality criteria and the results-based construct; developing a BPS reliability risk profile to evaluate existing standards and continuing the prioritized development of risk-based standards focused on key reliability outcomes; facilitating the industry's transition to Version 5 of the Critical Infrastructure Protection ("CIP") standards, including minimizing an unintended surge in violations when the Version 5 CIP standards go into effect; developing methods to assess and manage the cost effectiveness (benefit) of new standards; and continuing to support alignment between standards development and the Reliability Issues Steering Committee ("RISC") priorities.

The major activities of the Reliability Standards Program satisfy the following criteria:

I.A: Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC Rules of Procedure (ROP)?

I.C: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated?

II.F.1: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (ii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as (1) Requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents.

IV: Is the activity one that is required or specified by, or carries out, the provisions of NERC's Rules of Procedure that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The

applicable Rules of Procedure provisions for these major activities are §300 and Appendix 3A.)

III. Compliance Monitoring and Enforcement and Organization Registration and Certification Program 2014 Major Activities

The major activities of the Compliance Monitoring and Enforcement and Organization Registration and Certification Program are described at pages 10-11, 20-21, 35-40 and 44-46 of the 2014 Business Plan and Budget. The Compliance Operations department of this program works with the Regional Entities to ensure consistent and effective implementation of the Compliance Monitoring and Enforcement Program ("CMEP"). This department is responsible for the major activities of consistent implementation of the risk-based compliance monitoring program, including organization registration and certification, for reliability improvements; developing and presenting education programs that support industry compliance and the integration of risk assessment and internal controls; development of minimum baseline monitoring requirements; oversight of the Regional Entities' delegated compliance functions including CMEP planning, implementation and reporting, compliance operations and coordination, and auditor training; development and maintenance of the Reliability Standards Audit Worksheets; and support for the NERC Compliance and Certification Committee. The Compliance Enforcement department of this program is responsible for overseeing enforcement processes, application of penalties or sanctions, and activities to mitigate and prevent recurrence of remediated issues or confirmed violations of reliability standards; the department executes these responsibilities through the following major activities: monitoring Regional Entities' enforcement processes to ensure due process, identify best practices and process efficiency opportunities, and promote consistency among Regional Entities' business practices; collecting and analyzing compliance enforcement and violation data and trends to assist with identification of emerging risks and help inform the development of enforcement policy and processes; filing notices of penalty ("NOPs") and other submittals associated with violations discovered through Regional Entity compliance, monitoring and enforcement activities; processing and filing NOPs and other submittals associated with violations discovered through NERC-led investigations and audits; and docketing possible violations coming into the NERC enforcement program.

The ongoing and new major activities of the Compliance Monitoring and Enforcement and Organization Registration and Certification Program for 2014 include: continuing to improve enforcement processing efficiency, including steps to ensure the sustainability and expandability of the Find, Fix, Track and Report ("FFT") process; finalizing and implementing the Reliability Assurance Initiative ("RAI") enforcement strategy and delivering on its 2014 milestones; focusing on achieving better consistency in regional enforcement outcomes; continuing Registered Entity mapping activities to ensure that registry gaps and duplicative registration and compliance monitoring are avoided; continuing to work to ensure Registered Entities understand their compliance obligations and how compliance will be assessed; completing the functional model review and registration needs assessment, including developing a common and consistent registration approach among Regional Entities and

developing recommendations to modify registration and certification processes based on risks to the BPS; completing implementation of the Bulk Electric System ("BES") definition Phase II exception process; reducing unnecessary compliance documentation while working to ensure Registered Entities are monitored in a cost effective manner; continuously assessing the Actively Monitored [standards] List based on reliability trends, risks and historical information to ensure that the compliance focus remains on the most critical reliability standards; developing highly qualified and trained auditor, investigator and enforcement staffs; developing training resources for the Electric Reliability Organization ("ERO") and industry, including materials relating to the RAI; providing early and ongoing input into the standard development process; providing ongoing oversight of Regional Entity compliance and enforcement activities; developing metrics and incentives to improve trends in the mitigation aging curve; continuing to identify the causes and trends of violations in enforcement cases; and continuing to work to reduce the outstanding violations caseload and increasing processing efficiency for violations.

Major activities for 2014 specifically relating to the RAI will include: identifying and implementing process improvements to the self-reporting process; implementing FFT process enhancements; developing an auditor handbook and checklist for use by compliance auditors; and initiating small prototype and pilot programs focused on developing Registered Entity risk assessments and developing processes for evaluating and testing Registered Entity internal controls. Additionally, the following major activities will be conducted in 2014 to build upon the framework developed through RAI activities in 2013: developing a training program to support implementation of the common audit procedures developed in 2013; assessment of the existing NERC compliance, reporting, analysis tracking system and other compliance tools to support RAI activities; and developing prototypes and pilot programs to support the development of Registered Entity reliability risk assessments and compliance monitoring scoping projects.

The major activities of the Compliance Monitoring and Enforcement and Organization Registration and Certification Program satisfy the following criteria:

I.A: Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC Rules of Procedure?

II.A: Is the activity necessary or appropriate for the identification and registration of users, owners, and operators of the Bulk Power System that are required to comply with Requirements of Reliability Standards applicable to the reliability functions for which they are registered?

II.B: Is the activity necessary or appropriate for the Certification of Reliability Coordinators, Transmission Operators and Balancing Authorities as having the requisite personnel, qualifications and facilities and equipment needed to perform these reliability functions in accordance with the applicable Requirements of Reliability Standards?

II.D: Is the activity necessary or appropriate for conducting, participating in or overseeing compliance monitoring and enforcement activities pursuant to the NERC ROP and (through the Regional Entities) the Commission-approved delegation agreements?

II.E: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information to monitor and enforce compliance with Reliability Standards, including evaluating the effectiveness of current compliance monitoring and enforcement processes, the need for new or revised compliance monitoring and enforcement processes, and the need for new or different means of training and education on compliance with Reliability Standards

II.F: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as: (1) Requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents. (2) Compliance monitoring and enforcement processes, including how to conduct them, how to participate in them, and the expectations for the process? This includes development of guidance documents. (3) Disseminating, through workshops, webinars, Advisories/Recommendations/Essential Actions, and other publications, "lessons learned" information on compliance concerns and reliability risks obtained through compliance monitoring and enforcement activities, monitoring and investigation of Bulk Power System major events, off-normal occurrences and near miss events, and other Bulk Power System monitoring activities? (4) Registered Entity internal processes for compliance with Reliability Standards, such as development, implementation and maintenance of internal reliability compliance programs?

IV: Is the activity one that was required or directed by a Commission order issued pursuant to FPA §215? (FERC orders directed NERC to develop and submit a revised definition of "Bulk Electric System" and a procedure for requesting and receiving exceptions from the BES definition, and subsequently approved (with some changes) NERC's proposed revised definition and its proposed BES exception procedure.)

V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's Rules of Procedure that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable Rules of Procedure provisions for these major activities are §400 and 500 and Appendices 4B, 4C, 5A, 5B and 5C.)

VI: Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance

with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and applicable provisions of Commission orders?

X: Is the activity necessary or appropriate for the analysis and evaluation of activities encompassed by one or more of the other criteria for the purpose of identifying means of performing the activities more effectively and efficiently?

IV. Reliability Assessment and Performance Analysis Program 2014 Major Activities

The major activities of the Reliability Assessment and Performance Analysis ("RAPA") Program are described at pages 11-12, 18-20 and 50-59 of the 2014 Business Plan and Budget. The principal activity areas of the RAPA program include: (1) conducting and publishing reliability assessments, including the annual long-term, summer, and winter reliability assessments and special and scenario reliability assessments; (2) conducting performance analysis to identify and track key reliability risk indicators as a means of benchmarking reliability performance and measuring reliability improvements in order to provide a framework for insights and guidance about emerging trends and associated actions that may be warranted; (3) reliability risk analysis and control activities; and (4) reliability initiatives and system analysis activities, involving comprehensive evaluation and testing of system behavior through forensic analysis during system disturbances and through analytic simulations of that performance.

The ongoing and new major activities of the RAPA Program for 2014 include: issuing reliability reports, guidelines, recommendations and alerts as needed; preparing the long-term and seasonal reliability assessments; conducting special assessments addressing key reliability issues; preparing an annual State of Reliability Report that analyzes BPS performance trends and provides insight and guidance to address key reliability aspects; continuing to work to address high impact, low frequency type issues, including geo-magnetic disturbance ("GMD") BES effects and vulnerability assessments; providing oversight, analysis and review of the Generating Availability System, Transmission Data Availability System and Demand Response Availability System, along with the Spare Equipment Database; strengthening data collection and validation processes by designing, creating, testing and implementing data systems and management for reliability assessment and risk analysis; providing quarterly updates on trends and measures of BES reliability; developing risk registry and a systematic prioritization process with the RISC; developing control strategies and plans to address the highest priority existing or emerging risks to BES reliability; developing a risk registry to support BPS risk profile measurement and assessment of standards; supporting the development of ERO enterprise software applications critical to advancing the quality and usefulness of reliability assessments; and developing a structured approach to evaluate and improve system models, analysis and assessments. The RAPA Program will also provide support and leadership to the NERC Planning Committee, the subcommittees of NERC standing committees, and task forces serving the standing committees. During 2014, the RAPA Program will be responsible for conducting/supporting research to expand the technical foundation for understanding the potential impact of GMD, through continuation of the GMD Task Force and GMD research

through the Electric Power Research Institute; and, depending on funding availability, will conduct/support research to validate the technical foundation supporting the inclusion within the Gallet Equation in Reliability Standard FAC-003 of factors for the Minimum Vegetation Clearance Distance and research relating to vegetation management on public lands (FAC-003). Additionally, during 2014 the RAPA Program will continue to work with the Regional Entities to implement the revised BES definition and the BES exception process.

The major activities of the RAPA Program satisfy the following criteria:

I.A: is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC Rules of Procedure?

I.C.1: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as: (1) Measuring reliability performance – past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the Bulk Power System based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?

III.A: Is the activity necessary or appropriate for the preparation or dissemination of long-term, seasonal, and special assessments of the reliability and adequacy of the Bulk Power System?

III.B: Is the activity necessary or appropriate for measuring reliability performance – past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the Bulk Power System based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?

III.F: Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the Bulk Power System?

IV: Is the activity one that was required or directed by a Commission order issued pursuant to §215? (FERC Order No. 777, 142 FERC ¶ 61,208 (2013), directing NERC to conduct research regarding the vegetation management topics described above.)

V. Is the activity one that is required or specified by, or carries out, the provisions of NERC's Rules of Procedure that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The

applicable Rules of Procedure provisions for this major activity are §801-806 and 809-811.)

IX: Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?

X: Is the activity necessary or appropriate for the analysis and evaluation of activities encompassed by one or more of the other criteria for the purpose of identifying means of performing the activities more effectively and efficiently?

V. Reliability Risk Management (Situation Awareness and Event Analysis) 2014 Major Activities

The major activities of the Reliability Risk Management Program, which is comprised of the Situation Awareness Department and the Event Analysis Department, are described at pages 12, 62-64 and 67-69 of the 2014 Business Plan and Budget. The major activities of this program are real-time or near-real-time BPS awareness; event analysis and determination of root or contributing causes; assessment of human performance challenges affecting BPS reliability and identification of improvement opportunities; and support of the NERC Operating Committee. These activities are carried out to analyze events and address significant risks to the reliability of the BPS and to insure the industry is well informed of system events, emerging trends, risk analysis, lessons learned and actions. These activities may also identify areas in which new or enhanced compliance monitoring and enforcement initiatives are warranted.

The ongoing and new major activities of the Reliability Risk Management Program for 2014 include: conducting major event investigations, analysis and reporting of major findings and recommendations that will improve reliability; supporting the development and implementation of ERO enterprise applications critical to advancing the quality and usefulness of event analysis data; and continuing to work with Regional Entities to obtain and review information from Registered Entities regarding qualifying events and disturbances in order to advance awareness of events above a threshold level, facilitate analysis of root causes, risks to reliability, Wide-Area assessments, mitigation, and timely dissemination of information regarding events. The major activities of the Situation Awareness Department include the ongoing maintenance and support of a number of tools used to support the ERO's operations, including automated reliability reports, the resource adequacy (ACE frequency) tool, the inadvertent interchange tool, the AIE monitoring tool, the frequency monitoring and analysis tool, the intelligent alarms tool, and the Secure Alerts system. The Events Analysis Department will continue to work with the Regional Entities to develop the Events Information Data System, a new software application whose purpose is to provide an ERO-wide robust tool to collect, analyze and report detailed information regarding events which impact the reliability of the BPS.

The major activities of the Situation Awareness Department and Event Analysis Department satisfy the following criteria:

I.C.2: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as: (2) Monitoring, event analysis and investigations of Bulk Power System major events, off-normal occurrences and near-miss events?

II.E.2: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information to monitor and enforce compliance with Reliability Standards, including evaluating the effectiveness of current compliance monitoring and enforcement processes, the need for new or revised compliance monitoring and enforcement processes, and the need for new or different means of training and education on compliance with Reliability Standards, such as: (2) Monitoring, event analysis and investigation of Bulk Power System major events, off-normal occurrences, and near miss events?

II.F.3: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as: (3) Disseminating, through workshops, webinars, Advisories/Recommendations/Essential Actions, and other publications, "lessons learned" information on compliance concerns and reliability risks obtained through compliance monitoring and enforcement activities, monitoring and investigation of Bulk Power System major events, off-normal occurrences and near miss events, and other Bulk Power System monitoring activities?

III.C: Is the activity necessary or appropriate for investigating, analyzing, evaluating, and disseminating information concerning, the causes of major events and off-normal occurrences, and/or providing coordination assistance, technical expertise and other assistance to users, owners, and operators of the Bulk Power System in connection with Bulk Power System major events and off-normal occurrences, but not real-time operational control of the Bulk Power System?

III.D: Is the activity necessary or appropriate for awareness of circumstances on the Bulk Power System and to contribute to understanding risks to reliability?

III.F: Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the Bulk Power System?

II.G: Is the activity necessary or appropriate for the development and provision of tools and services that are useful for the provision of adequate reliability, because they relate

specifically to compliance with existing Reliability Standards and they proactively help avert Reliability Standard violations and Bulk Power System disturbances?

V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's Rules of Procedure that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable Rules of Procedure provisions for these major activities are §807, 808, 810 and 1001 and Appendix 8.)

IX. Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?

VI. Critical Infrastructure Protection Program 2014 Major Activities

The major activities of the Critical Infrastructure Protection Program are described at pages 12, 22-23 and 72-78 of the 2014 Business Plan and Budget. The major activities of the CIP Program include supporting the development and administration of the CIP standards; oversight of CMEP activities related to CIP standards; critical infrastructure and cyber security information sharing; cyber security incident analysis; risk assessment; coordination between industry and governmental entities on cyber-security issues; and support for the NERC Critical Infrastructure Protection Committee and the Electricity Sub-sector Coordinating Council ("ESSC"). The CIP Program is responsible for the operation of the Electricity Sector Information Sharing and Analysis Center ("ES-ISAC"), the primary activity of which is the rapid and secure sharing of information with the electric industry and government entities regarding real and potential cyber related threats to the electricity sector as well as methods and tools to avoid or mitigate potential impacts from these threats.

The ongoing and new major activities of the CIP Program, including the ES-ISAC, for 2014 include: delivering important information to Registered Entities on CIP security threats, vulnerabilities, and lessons learned from subject matter experts, senior industry and governmental representatives; through security best-practice discussion forums, educating industry about reliability concerns and risk mitigation associated with emerging physical and cyber security threats; continuing to collaborate with government agencies in the U.S. and Canada to develop more timely dissemination of classified information regarding threats to the BPS, including dissemination of information from classified sources in a form that can be provided to and used by the industry; conducting security incident analysis and working with industry experts to evaluate, track, and identify lessons learned and security metrics that enhance the electricity sector's security posture; conducting cyber risk preparedness assessments, which assess the cyber security capabilities of Registered Entities through facilitated table top exercises, as well as developing a cybersecurity maturity model toolkit for industry to conduct cybersecurity self-assessments; and improving the functionality and usability of the ES-ISAC portal for Registered Entities. In 2014 this program also plans to

increase analytic capabilities, portal monitoring and information sharing and shift staffing in its position at the National Cybersecurity and Communications Integration Center.

The major activities of the CIP Program satisfy the following criteria:

I.C.1: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as: (1) Measuring reliability performance – past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the Bulk Power System based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?

II.D: Is the activity necessary or appropriate for conducting, participating in or overseeing compliance monitoring and enforcement activities pursuant to the NERC ROP and (through the Regional Entities) the Commission-approved delegation agreements?

III.B: Is the activity necessary or appropriate for measuring reliability performance – past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the Bulk Power System based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?

III.D: Is the activity necessary or appropriate for awareness of circumstances on the Bulk Power System and to contribute to understanding risks to reliability?

III.E: Is the activity necessary or appropriate for gathering, analyzing and sharing with and among industry and government participants, information regarding the physical or cyber security of the Bulk Power System?

III.F: Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the Bulk Power System?

V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's Rules of Procedure that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable Rules of Procedure provisions for these major activities are §810 and 1003.)

VI: Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement

between NERC and the Regional Entity, the NERC ROP, and the applicable provisions of Commission orders.

IX. Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?

VII. Training, Education, and Operator Certification Program 2014 Major Activities

The major activities of the Training, Education, and Operator Certification Program are described at pages 12 and 81-82 of the 2014 Business Plan and Budget. The major activities of this program include oversight and coordination of the delivery of training programs to NERC and Regional Entity staff and industry participants that support the ERO's responsibilities; and supporting NERC's System Operator Certification and Continuing Education ("SOCCED") Programs, which ensure that personnel operating the BPS have the skills, training and qualifications needed to operate the BPS reliably.

The major activities of the Training, Education, and Operator Certification Program for 2014 include: continuing to support the SOCCED programs; and providing or facilitating the provision of training to support knowledge and skills development in the standards, compliance, registration, event analysis and other key areas.

The major activities of the Training, Education, and Operator Certification Program satisfy the following criteria:

I.D: Is the activity necessary or appropriate for the provision of training and education concerning Reliability Standards development processes, procedures and topics for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel?

II.C: Is the activity necessary or appropriate for the Certification of system operating personnel as qualified to carry out the duties and responsibilities of their positions in accordance with the Requirements of applicable Reliability Standards?

II.F: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as: (1) Requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents. (2) Compliance monitoring and enforcement processes, including how to conduct them, how to participate in them, and the expectations for the processes? This includes development of guidance documents.

(3) Disseminating, through workshops, webinars, Advisories/Recommendations/ Essential Actions, and other publications, "lessons learned" information on compliance concerns and reliability risks obtained through compliance monitoring and enforcement activities, monitoring and investigation of Bulk Power System major events, off-normal occurrences and near miss events, and other Bulk Power System monitoring activities? (4) Registered Entity internal processes for compliance with Reliability Standards, such as development, implementation and maintenance of internal reliability compliance programs?

V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's Rules of Procedure that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable Rules of Procedure provision for these major activities are §600 and 900.)

VIII. Administrative Services 2014 Major Activities

NERC's Administrative Services Departments are Technical Committees and Member Forums (for which no activities are budgeted for 2014), General and Administrative, Legal and Regulatory, Information Technology ("IT"), Human Resources, and Accounting and Finance. The major activities of these departments are described at pages 13, 86-87, 90, 93-102, 105-106 and 109 of the 2014 Business Plan and Budget. General and Administrative includes the administration and general management of the organization, Board of Trustees fees and expenses, communications and governmental affairs, and office rent. Legal and Regulatory provides legal support to the organization, including to the Board, executive management, and the Reliability Standards and Compliance Programs, as well as general corporate legal support. IT supports NERC's computing, Internet, database and electronic data storage and maintenance, and telecommunications needs, programs, applications and infrastructure, including management of the development and implementation of new applications and infrastructure. Human Resources manages all of NERC's human resources functions, including new hires, benefits, employee functions, and the performance appraisal and incentive structure processes. Accounting and Finance manages all finance and accounting functions of NERC, including payroll, 401(k) and 457(b) plans, travel and expense reporting, monthly financial reporting, sales and use tax, meetings and events planning and services, insurance, internal audit, facilities management, development of the annual business plan and budget, and the ERO risk management framework.

Major activities for the NERC Administrative Services departments in 2014 include: continuing to provide resources to support the Board and Board committees, Member Representatives Committee, Standards Committee, Compliance and Certification Committee, Planning Committee, Operating Committee, CIP Committee, ESSC, RISC, and numerous ERO subcommittees and working groups; continuing to implement procedures, controls, processes, documentation and systems to improve the efficiency of operations and control costs; continuing to work with the Regional Entities to improve oversight and collaboration; continuing to enhance ERO risk management tools and procedures; developing a

comprehensive technology roadmap for applications and infrastructure supporting ERO operations, including Regional Entity components; reviewing and where applicable making recommendations for improvements in NERC and Regional Entity operating and working capital reserve policies and forecasting, including policies applicable to tracking and use of excess operating reserves; financial reporting and practices; and evaluating and implementing mechanisms to improve talent acquisition and employee retention.

Major activities for 2014 relating to development and enhancement of NERC and ERO enterprise software applications and infrastructure include: continuing to develop ERO enterprise-wide applications for common business processes and functions of NERC and the Regional Entities; continuing to work collaboratively with the Regional Entities to advance the design and implementation of strategic ERO Enterprise IT applications and supporting infrastructure, leading to development of a centrally-managed, dedicated hosting and data center facility for NERC and the Regional Entities; maintenance and re-design of NERC legacy applications; ensuring recoverability of the NERC technology footprint (disaster recovery); enhancing knowledge management through implementation of document and information management systems; continuing emphasis on security and vulnerability testing; and developing and commencing implementation of ERO enterprise applications to support reliability assessments and event analysis data management needs. ERO Enterprise applications development activities in 2014 will include the Event Analysis Information Data System and the Reliability Assessment Data System.

The major activities of NERC's Administrative Services Departments satisfy the following criteria:

I.A: Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC Rules of Procedure (ROP)?

II.A: Is the activity necessary or appropriate for the identification and registration of users, owners, and operators of the Bulk Power System that are required to comply with Requirements of Reliability Standards applicable to the reliability functions for which they are registered?

II.D: Is the activity necessary or appropriate for conducting, participating in or overseeing compliance monitoring and enforcement activities pursuant to the NERC ROP and (through the Regional Entities) the Commission-approved delegation agreements?

III.C: Is the activity necessary or appropriate for investigating, analyzing, evaluating, and disseminating information concerning, the causes of major events and off-normal occurrences, and/or providing coordination assistance, technical expertise and other assistance to users, owners, and operators of the Bulk Power System in connection with Bulk Power System major events and off-normal occurrences, but not real-time operational control of the Bulk Power System?

V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's Rules of Procedure that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable Rules of Procedure provision for this major activity is §1100.)

VI: Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and the applicable provisions of Commission orders.

IX. Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?

X. Is the activity necessary or appropriate for the analysis and evaluation of activities encompassed by one or more of the other criteria for the purpose of identifying means of performing the activities more effectively and efficiently?

XI: Is the activity a governance or administrative/overhead function, activity or service necessary or appropriate for the activities encompassed by the other criteria and, in general, necessary and appropriate to operate a functioning organization?

NERC WRITTEN CRITERIA FOR DETERMINING
WHETHER AN ACTIVITY IS ELIGIBLE TO BE FUNDED
UNDER SECTION 215 OF THE FEDERAL POWER ACT

For purposes of internal management approval of a proposed new activity or group of related activities ("major activity"), the proposed activity or major activity must be shown to fall within at least one of the criteria listed below. When sub-criteria are listed below a roman numeral numbered major criterion, the proposed activity should be a positive answer to at least one of the sub-criteria. Conversely, an activity that falls under a sub-criterion should pertain to the subject matter of the major criterion.

NERC's annual business plan and budget will describe how each major activity falls within one or more of the criteria listed below. If the major activity is substantially the same as a major activity that was shown to fall within the criteria in a previous year's business plan and budget, the current year's business plan and budget can refer to the prior year business plan and budget.

A determination that an activity falls within FPA §215 does not necessarily mean that NERC will propose or undertake such activity. The determination of whether an activity falling under FPA §215 should or will be undertaken in a given budget year will be addressed in the context of the applicable business plan and budget and will include opportunities for stakeholder input.

The criteria listed below are not necessarily each distinct from the others. An activity or major activity may fall within more than one of the criteria listed below.

I. Is the activity necessary or appropriate for the development of Reliability Standards?

A. Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC Rules of Procedure (ROP)?

B. Is the activity necessary or appropriate for providing guidance and assistance to Regional Entities in carrying out Regional Reliability Standards development activities?

C. Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as:

1. Measuring reliability performance – past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the

Bulk Power System[25] based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?

2. Monitoring, event analysis and investigation of Bulk Power System major events, off-normal occurrences and near miss events?

D. Is the activity necessary or appropriate for the provision of training and education concerning Reliability Standards development processes, procedures and topics for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel?

II. Is the activity necessary or appropriate for the monitoring and enforcement of compliance with Reliability Standards?

A. Is the activity necessary or appropriate for the identification and registration of users, owners, and operators of the Bulk Power System that are required to comply with Requirements of Reliability Standards applicable to the reliability functions for which they are registered?

B. Is the activity necessary or appropriate for the Certification of Reliability Coordinators, Transmission Operators and Balancing Authorities as having the requisite personnel, qualifications and facilities and equipment needed to perform these reliability functions in accordance with the applicable Requirements of Reliability Standards?

C. Is the activity necessary or appropriate for the Certification of system operating personnel as qualified to carry out the duties and responsibilities of their positions in accordance with the Requirements of applicable Reliability Standards?[26]

D. Is the activity necessary or appropriate for conducting, participating in or overseeing compliance monitoring and enforcement activities pursuant to the NERC ROP and (through the Regional Entities) the Commission-approved delegation agreements?

E. Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information to monitor and enforce compliance with Reliability Standards, including evaluating the effectiveness of current compliance monitoring and enforcement processes, the need for new or revised compliance monitoring and enforcement processes, and the need for new or

[25] This document uses the term "Bulk Power System" because that is the term defined and used in FPA §215. NERC recognizes that a different term, "Bulk Electric System," is used to define the current reach of Reliability Standards.

[26] Although certification of system operating personnel is an activity falling within the scope of, and eligible to be funded pursuant to, FPA §215, NERC strives to fully fund the costs of this activity through fees charged to participants.

different means of training and education on compliance with Reliability Standards, such as:

1. Measuring reliability performance – past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the Bulk Power System based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?

2. Monitoring, event analysis and investigation of Bulk Power System major events, off-normal occurrences, and near miss events?

F. Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as:

1. Requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents.

2. Compliance monitoring and enforcement processes, including how to conduct them, how to participate in them, and the expectations for the processes? This includes development of guidance documents.

3. Disseminating, through workshops, webinars, Advisories/ Recommendations/Essential Actions, and other publications, "lessons learned" information on compliance concerns and reliability risks obtained through compliance monitoring and enforcement activities, monitoring and investigation of Bulk Power System major events, off-normal occurrences and near miss events, and other Bulk Power System monitoring activities?

4. Registered Entity internal processes for compliance with Reliability Standards, such as development, implementation and maintenance of internal reliability compliance programs?

G. Is the activity necessary or appropriate for the development and provision of tools and services that are useful for the provision of adequate reliability, because they relate specifically to compliance with existing Reliability Standards and they proactively help avert Reliability Standard violations and Bulk Power System disturbances?

III. Is the activity necessary or appropriate for conducting and disseminating periodic assessments of the reliability of the Bulk Power System or monitoring the reliability of the Bulk Power System?

A. Is the activity necessary or appropriate for the preparation or dissemination of long-term, seasonal, and special assessments of the reliability and adequacy of the Bulk Power System?

B. Is the activity necessary or appropriate for measuring reliability performance – past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the Bulk Power System based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?

C. Is the activity necessary or appropriate for investigating, analyzing, evaluating, and disseminating information concerning, the causes of major events and off-normal occurrences, and/or providing coordination assistance, technical expertise and other assistance to users, owners, and operators of the Bulk Power System in connection with Bulk Power System major events and off-normal occurrences, but not real-time operational control of the Bulk Power System?

D. Is the activity necessary or appropriate for awareness of circumstances on the Bulk Power System and to contribute to understanding risks to reliability?

E. Is the activity necessary or appropriate for gathering, analyzing and sharing with and among industry and government participants, information regarding the physical or cyber security of the Bulk Power System?

F. Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the Bulk Power System?

G. Is the activity necessary or appropriate for data collection and analysis of information regarding Bulk Power System reliability matters mandated by the Commission?

IV. Is the activity one that was required or directed by a Commission order issued pursuant to FPA §215? Justification of an activity as a FPA §215 activity based on this category must reference the particular Commission order and directive.

V. Is the activity one that is required or specified by, or carries out, the provisions of NERC's Rules of Procedure that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)?

VI. Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and applicable provisions of Commission orders?

VII. Is the activity necessary or appropriate to maintain NERC's certification as the Electric Reliability Organization? This Criterion includes conducting periodic assessments of NERC's and the Regional Entities' performance as the Electric Reliability Organization as required by 18 C.F.R. §39.3(c).

VIII. Does the activity respond to or is it necessary or appropriate for audits of NERC and the Regional Entities conducted by the Commission?

IX. Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?

X. Is the activity necessary or appropriate for the analysis and evaluation of activities encompassed by one or more of the other criteria for the purpose of identifying means of performing the activities more effectively and efficiently?

XI. Is the activity a governance or administrative/overhead function, activity or service necessary or appropriate for the activities encompassed by the other criteria and, in general, necessary and appropriate to operate a functioning organization? (Should NERC perform any non-FPA §215 activities, the costs of governance and administrative/overhead functions must be appropriately allocated.)

NERC's current governance and administrative/overhead functions are carried out in the following program areas:

A. Technical Committees and Members' Forum Programs

B. General and administrative (includes, but is not limited to, executive, board of trustees, communications, government affairs, and facilities and related services).

C. Legal and Regulatory.

D. Information Technology

E. Human Resources

F. Accounting and Finance.

The following matters are excluded from the scope of FPA §215 activities. While a list of non-FPA §215 activities would be infinite, the following excluded matters are listed here because they are expressly referred to in FPA §215, the Commission's ERO regulations and/or a Commission order issued pursuant to FPA §215:

A. Developing or enforcing requirements to enlarge Bulk Power System facilities, or to construct new transmission capacity or generation capacity, or requirements for adequacy or safety of electric facilities or services.

B. Activities entailing Real-time operational control of the Bulk Power System.

C. Activities pertaining to facilities used in the local distribution of electric

Exhibit C – Contractor and Consulting Costs

Program	Consultants & Contracts	2013 BUDGET	2014 BUDGET	INC (DEC) OVER 2013	2015	2016
Reliability Standards	Standards Restructuring Project	150,000		(150,000)	-	-
	Total Reliability Standards	**150,000**	**-**	**(150,000)**	**-**	**-**
				-		
Compliance Operations				-		
	Reliability Assurance Initiative		400,000	400,000	400,000	
	Compliance Database - (Maintenance beginning 2016)					500,000
	Total Compliance Operations	**-**	**400,000**	**400,000**	**400,000**	**500,000**
				-		
Reliability Risk Mgmt	Subject Matter Experts - Events Analysis	120,000	-	(120,000)	-	-
	Reliability Risk Management	**120,000**	**-**	**(120,000)**	**-**	**-**
				-		
Reliability Assessments, GADS, TADS, DADS & Spare Equipment Database						
RAPA	Reliability affects of GMD	250,000	250,000	-	100,000	100,000
	Vegetation Research (FAC 3)			-	250,000	250,000
	Federal Right-of-Way Monitoring			-		
	Metrics - Centralized data collection-Change Orders	50,000	50,000	-	-	-
	RADS Assessment Database -(Maintenance beginning 2016)	100,000		(100,000)		120,000
	Scenario Consultant	70,000	70,000	-	70,000	70,000
GADS/TADS/DADS/SED	Database Consulting Support	80,000	50,000	(30,000)	50,000	50,000
	Monthly Maintenance	135,000	218,085	83,085	224,627	231,366
	Replacement for pc_GAR			-	-	-
	Total Reliability Assessments and Performance Analysis	**685,000**	**638,085**	**(46,915)**	**694,627**	**821,366**
Situation Awareness	Synchro Phasor (NASPI)	810,000		(810,000)		
	Automated Reliability Reports		100,000	100,000	100,000	100,000
	Resource Adequacy (ACE Frequency) Tool	80,000	80,000	-	80,000	80,000
	Inadvertent Interchange (Srv. Agreement)	35,000	35,000	-	35,000	35,000
	AIE Monitoring (Srv. Agreement)	35,000	35,000	-	35,000	35,000
	Frequency Monitoring and Analysis Tool (FMA)	45,000	45,000	-	45,000	45,000
	Intelligent Alarms/DARA (Srv. Agreement)	55,000	55,000	-	55,000	55,000
	NERC Access to IDC		27,816	27,816	27,816	27,816
	Secure Alerting System	200,000	79,373	(120,627)	107,200	107,200
	SAFNR - Phase II	725,500	531,825	(193,675)	502,824	522,937
	IDC Contract	**457,586**	**-**	**(457,586)**	**-**	**-**
	Frame Relay-RC's	300,094	300,094		400,000	400,000
	NERCnet (Frame Relay) Contract	**300,094**	**300,094**	**-**	**400,000**	**400,000**
	Total Situation Awareness	**2,743,180**	**1,289,108**	**(1,454,072)**	**1,387,840**	**1,407,953**

Program	Consultants & Contracts	2013 BUDGET	2014 BUDGET	INC (DEC) OVER 2013	2015	2016
Critical Infrastructure	ESCC Support	130,000	190,000	60,000	200,000	200,000
	GridEx Support	200,000		(200,000)	250,000	
	Subtotal - ESCC and GridEx	**330,000**	**190,000**	**(140,000)**	**450,000**	**200,000**
	ES-ISAC					
	Portal Enhancement	90,000	250,000	160,000	250,000	250,000
	Intelligence Reporting Services		42,000	42,000	44,100	46,305
	Cyber Risk Preparedness Assessment	150,000	200,000	50,000	150,000	150,000
	Aurora Webinars and Technical Support	15,000	30,000	15,000	15,000	15,000
	ES-ISAC Members Conference	30,000	-	(30,000)		
	Secure bi-directional communications	25,000	20,000	(5,000)	20,000	20,000
	Cyber Awareness Monitoring	60,000	152,700	92,700	152,700	152,700
	Software Integration Support Services	55,000	61,750	6,750	61,750	61,750
	Analyst Workbench	30,000	30,000	-	30,000	30,000
	Subtotal - ES-ISAC	**455,000**	**786,450**	**331,450**	**723,550**	**725,755**
	Total Critical Infrastructure Department	**785,000**	**976,450**	**191,450**	**1,173,550**	**925,755**
Operator Certification	System Operator Testing Expenses 2011 1,025 @ $70)	63,124	100,000	36,876	61,193	59,089
	System Operator Examination Development	113,690	100,000	(13,690)	117,101	120,614
	Examination Analysis (750 exams@$17 per exam)	13,600	14,000	400	12,800	12,000
	System Operator Certification and Continuiing Education Database					
	Database Development	20,000	35,000	15,000	25,000	30,000
	Database Maintenance	12,330	24,000	11,670	24,099	26,065
	SOCCED Database Improvement Project (funded from Working Capital generated from fees in excess of expenses)	250,000	200,000	(50,000)	100,000	
	Total System Operator Certification	**472,744**	**473,000**	**256**	**340,193**	**247,768**
Training & Education	**Continuing Education Program**					
	IndividualLearningActivity Reviewers	120,000	120,000	-	120,000	120,000
	Database Development	20,000	20,000	-	20,000	20,000
	Database Maintenance	12,330	12,330	-	12,330	12,330
	Web-based course hosting (Learning Management System)	26,500	26,500	-	26,500	26,500
	Web-based course development			-	75,000	75,000
	standards applications for industry, CEA staff	43,750	43,750	-		
	risk assessment training for CEA staff, industry	20,000	20,000	-		
	human performance fundamentals for staff, industry	43,750	43,750	-		
	BPS events lessons learned for industry	12,500	12,500	-		
	Training Services-NERC and Regional Entities					
	Regional Entity and NERC Auditor training	47,000	47,000	-	47,000	47,000
	NERC Staff Technical Training	30,000	30,000	-	30,000	30,000
	Total CE, Training & Education	**375,830**	**375,830**	**-**	**330,830**	**330,830**
	Total Training, Education and Operator Certification	**848,574**	**848,830**	**256**	**671,023**	**578,598**
Government Relations	External Affairs	150,000	75,000	(75,000)	75,000	75,000
	Total Government Relations	**150,000**	**75,000**	**(75,000)**	**75,000**	**75,000**

Program	Consultants & Contracts	2013 BUDGET	2014 BUDGET	INC (DEC) OVER 2013	2015	2016
Information Technology						
	Ongoing Operations	1,371,000	1,524,000	153,000	1,554,000	1,780,000
	Enterprise Applications Consulting Services	1,350,000	420,000	(930,000)	480,000	540,000
	Information Technology	**2,721,000**	**1,944,000**	**(777,000)**	**2,034,000**	**2,320,000**
Human Resources	Executive Training and Development	90,000	90,000	-	90,000	90,000
	Staff Training and Development	106,000	65,000	(41,000)	65,000	65,000
	Compensation Consulting	30,000	30,000	-	30,000	30,000
	Employee, industry and Board Surveys, succession planning	35,000	45,000	10,000	45,000	45,000
	HR Process Improvements	27,500	27,500	-	27,500	27,500
	HR Consulting Services				50,000	50,000
	Human Resources	**288,500**	**257,500**	**(31,000)**	**307,500**	**307,500**
Finance and Accounting	Internal Controls and Outside Auditor Consulting Support	205,000	300,000	95,000	300,000	300,000
	Assessment of CIP Auditing Practices and reports	60,000	-	(60,000)	-	-
	Audit procedures, practices, tools and reports consulting support	60,000	50,000	(10,000)	50,000	50,000
	Finance and Accounting Support		50,000	50,000	50,000	50,000
	Finance and Accounting	**325,000**	**400,000**	**75,000**	**400,000**	**400,000**
	TOTAL CONSULTANTS AND CONTRACTS	**8,816,254**	**6,828,973**	**(1,987,281)**	**7,143,540**	**7,336,172**

Exhibit D – Capital Project Financing - Overview

Management has been exploring ways to mitigate the impact on assessments and operating reserves associated with funding the development and cost of large software development projects whose costs are capitalized and spread over a number years. As further described in the text of NERC's proposed 2014 business plan and budget, management has been developing and proposes to continue to develop software applications that support critical ERO operations and initiatives. Management has been working with its lender to structure a financing program for the development of these applications. Based on these discussions, it appears that the company will be capable of structuring a multiyear credit facility at favorable interest rates that will allow the cost of the development of these applications and supporting infrastructure to be spread over three or more years. The terms of the credit facility are also expected to provide the company with the flexibility to prepay outstanding loans without penalty. Working with information provided by its lender, management has developed a preliminary projection of the annual principal and interest repayment costs associated with financing the applications that are currently under development or planned for development in 2013. Those applications include the BES and EIDS applications, the development of a new alerts application in 2014, and the development of the RADS application and a replacement compliance information systems application in 2015, together with the cost of financing portions of the company's IT hardware budget. This projection is detailed on the chart on the following page. While in-house resources will also be involved in the development of these applications, it is not expected that these costs will be capitalized and financed. An activity code will be created in the workforce management system to track in-house time on these projects.

The capital financing program and associated loan documentation will be subject to (1) management's receipt of all necessary corporate authorizations, including approval by the Board of Trustees and (2) FERC approval of the company's final 2014 business plan and budget reflecting the company's projected repayment obligations under the credit facility.

Capital Project Financing Program
Projected Principal and Interest Repayment Schedule

The table below sets forth the total amount of capital assets that the company projects to finance over the next three years. As further described under the Reliability Assessment and Performance Analysis department and Event Analysis department sections of this 2014 business plan and budget, in Q4 2013 the company proposes to finance approximately $1.27M in development costs for the BES and EIDS applications. This is reflected as Tranche A in the table, with interest only payments in 2013 and a three-year principal repayment schedule commencing in 2014. In 2014, the company is proposing to finance approximately $1.42M in software development costs and hardware. This is reflected as Tranche B in the table and reflects interest only payments in 2014 and a three-year principal repayment schedule commencing in 2015. A 3.5% interest rate was assumed. The actual interest rate and interest rate expense will be reflected in the quarterly budget to actual variance reports the company posts on its website, reviews in open session with the NERC Finance and Audit Committee and files with FERC. Any savings in interest expense will be captured and reported as a contribution to the company operating reserves, the expenditures of which are subject to the terms of the company's Working Capital and Operating Reserve Policy.

(Amounts in the table are in thousands)

(000's)	Tranche A 2013	Tranche B 2014	Tranche C 2015	Tranche D 2016	Total
Enterprise Applications	1265	1416	3050	1200	6931
Total Needs	1265	1416	3050	1200	6931

3.50%	2013	2014	2015	2016	2017	2018	2019
Debt Balance Tranche A	1265	1265	843	422	0	0	0
Amortization of Tranche A		422	422	422			
Interest	44	44	30	15			
Total Annual Payment	44	466	451	436			
Debt Balance Tranche B	0	1416	1416	944	472	0	0
Amortization of Tranche B		0	472	472	472		
Interest	0	50	50	33	17		
Total Annual Payment	0	50	522	505	489		
Debt Balance Tranche C	0	0	3050	3050	2033	1017	0
Amortization of Tranche C		0	0	1017	1017	1017	
Interest	0	0	107	107	71	36	
Total Annual Payment	0	0	107	1123	1088	1052	
Debt Balance Tranche D	0	0	0	1200	1200	800	400
Amortization of Tranche D		0	0	0	400	400	400
Interest	0	0	0	42	42	28	14
Total Annual Payment	0	0	0	42	442	428	414
Funded Debt Balance	1265	2681	5309	5616	3705	1817	400
Amortization of Debt	0	422	894	1910	1889	1417	400
Interest Due	44	94	186	197	130	64	14
TOTAL ANNUAL PAYMENTS	**44**	**516**	**1079**	**2107**	**2018**	**1480**	**414**

Exhibit E - Working Capital and Operating Reserve Amounts

Working Capital – $3.6M

Based on its 2013 cash flow projection and taking into account the historic manner in which NERC's assessments have been billed and paid (including the fact that WECC collects and pays its entire annual allocated share of the NERC assessments during the first quarter of the year), NERC does not anticipate needing access to working capital in 2013 to meet monthly cash flow needs. In the unlikely event NERC experiences a temporary cash flow shortage, it has the ability to either request authorization from the Finance and Audit Committee and Board of Trustees to temporarily access operating reserve funds, or draw on its $4M line of credit, as long as NERC is in compliance with the covenants under its bank credit agreement.

Per its credit agreement, NERC must maintain a minimum of $1.250M in net assets (total assets minus intangible assets minus total liabilities). As of December 31, 2012, NERC's unrestricted net assets were $9.7M. (Refer to Section D, Supplemental Financial Statements.)

NERC has also posted letters of credit totaling approximately $101,236 in lieu of cash security deposits in connection with its offices leases. In the event these lines of credit are drawn upon, NERC is required to reimburse the draws in full. Management does not recommend at this time that working capital be maintained as security for this reimbursement obligation, as cash flows are projected to be sufficient in 2013–2014 to support timely payment of office rent without the letters of credit being drawn on.

NERC has collected funding to offset future liabilities under lease agreements for the Atlanta and Washington, DC offices. The projected $3.6M yearend balance of these funds is being held as a restricted working capital reserve to offset these future liabilities.

Operating Reserves – $2.8M Total (Known Contingency Category ($1.M) + Unforeseen Contingency Category ($1M) + Personnel Certification and Operating Training Excess Revenues ($767k))

Operating reserve amounts are divided into three categories: (1) known contingencies, (2) unknown contingencies, and (3) excess revenues from the Personnel Certification and Operator Training Programs. Management's proposal with respect to the amount of 2013 reserves for each of these categories is set forth below.

(1) Known Contingencies where timing and amount uncertain — $1M

a. 2014 known contingencies include (i) funding of outside consultants in connection with FAC 3 vegetation research, (ii) higher than projected data base support and maintenance expenses, (iii) additional costs to develop a replacement PC-GAR applications (iv) financing expense associated with the higher than projected software development and hardware costs and acceleration of the development of the RADS application to 2014 from 2015 and (v) funding of the cost of additional CONRAD devices to support ES-ISAC bi-directional communications.

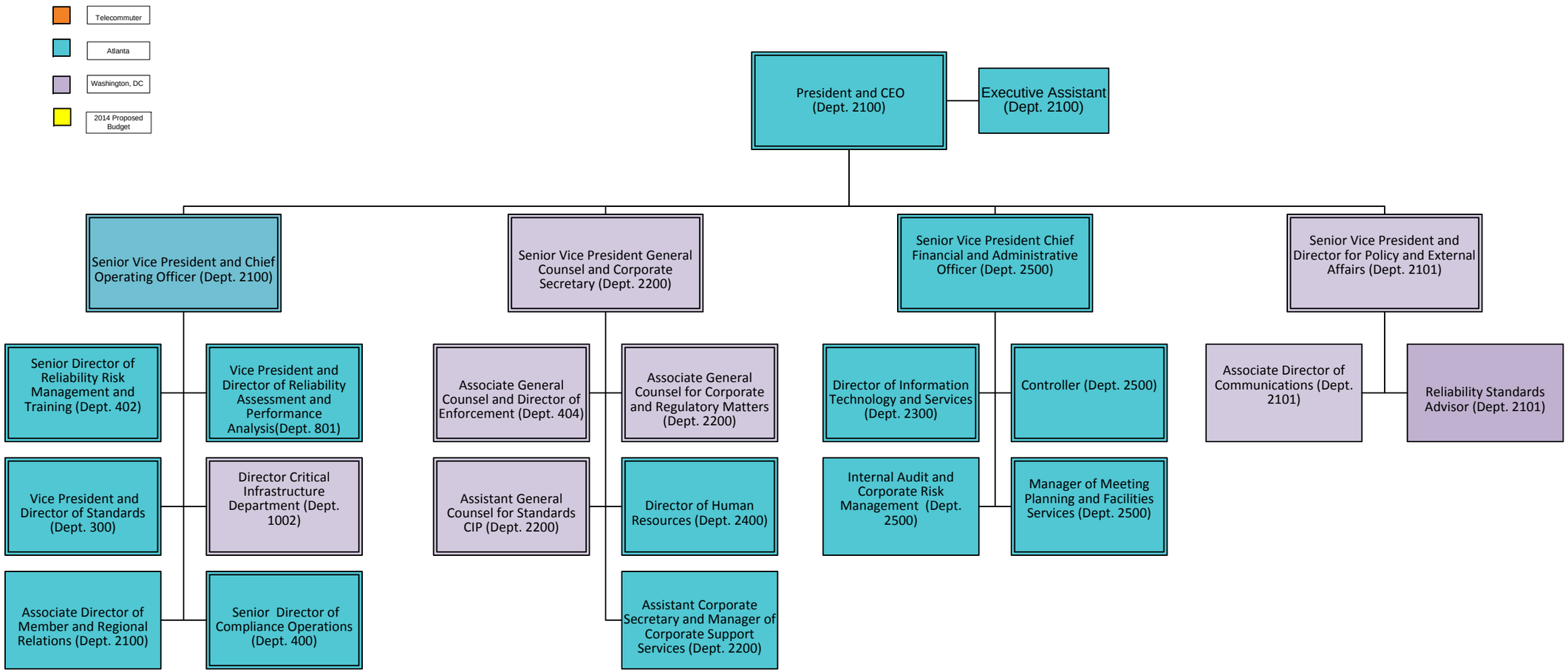
(2) Unforeseen Contingencies — $1M

a. Represents a contingency for unknowns, including significant litigation, compliance with new governmental or regulatory mandates, consulting expense for experts in connection with review of significant system events and investigations, etc.

(3) System Operator Certification Program — $767k - The projected 12/31/13 reserve balance of the System Operator Certification Program is $1,206,746. The 2014 budget for expenses is $438,253 higher than anticipated funding from testing fees and certificate renewals, leaving a budgeted balance of $767,363 as of 12/31/14.

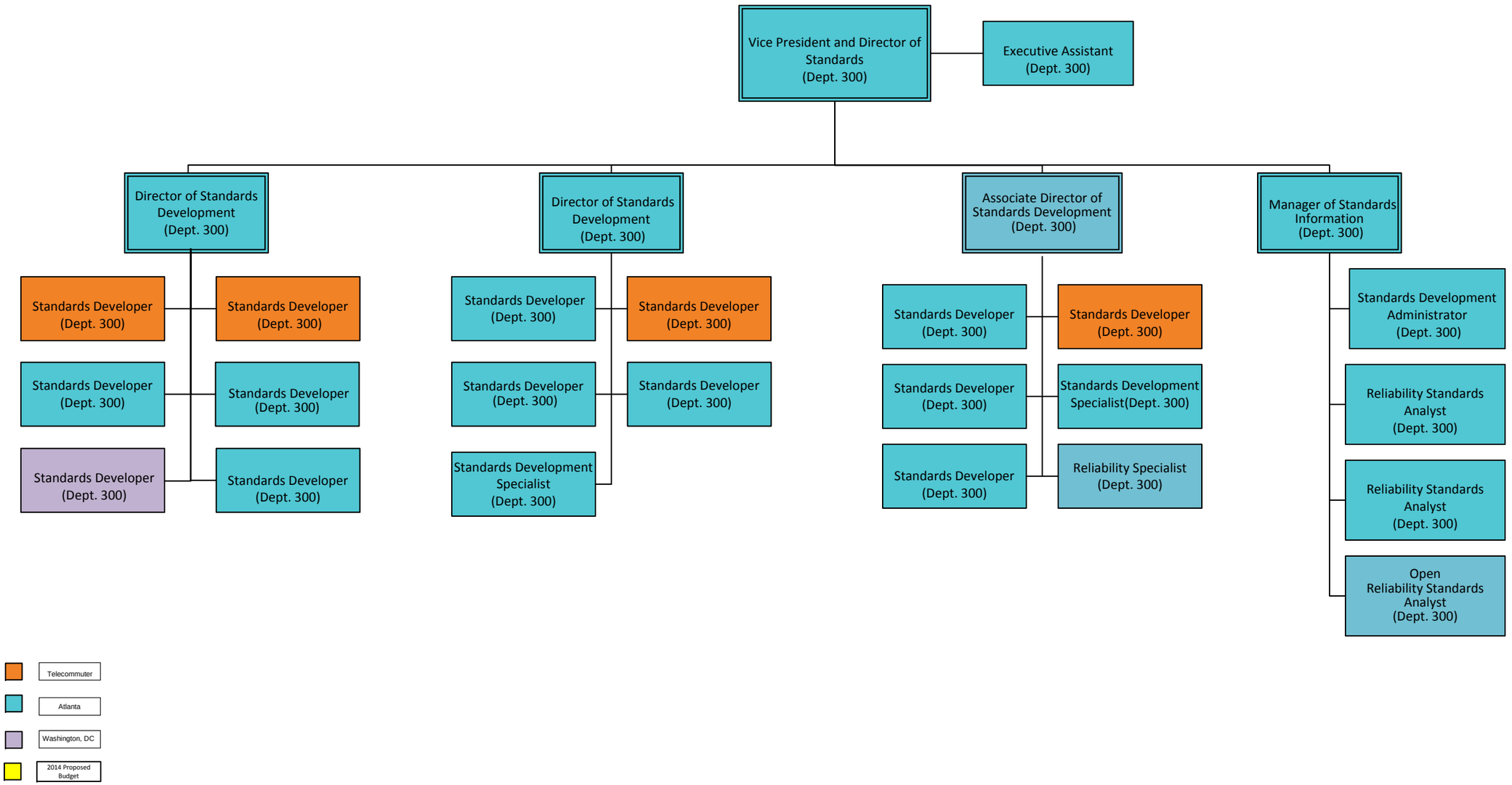
Total Working Capital + Operating Reserves – $6.4M

NERC Staff Organization Chart 2013-2014 Budget

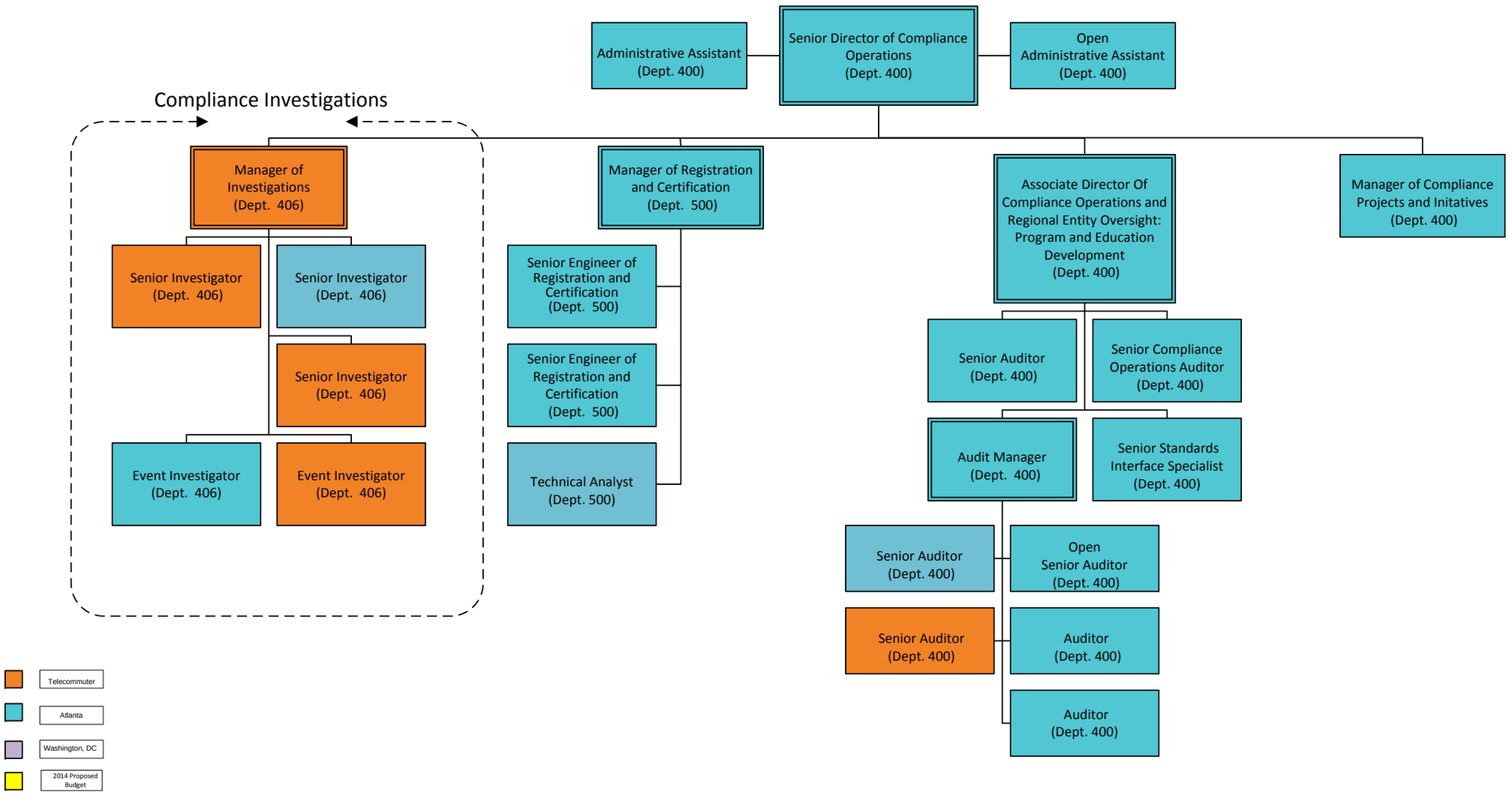


NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

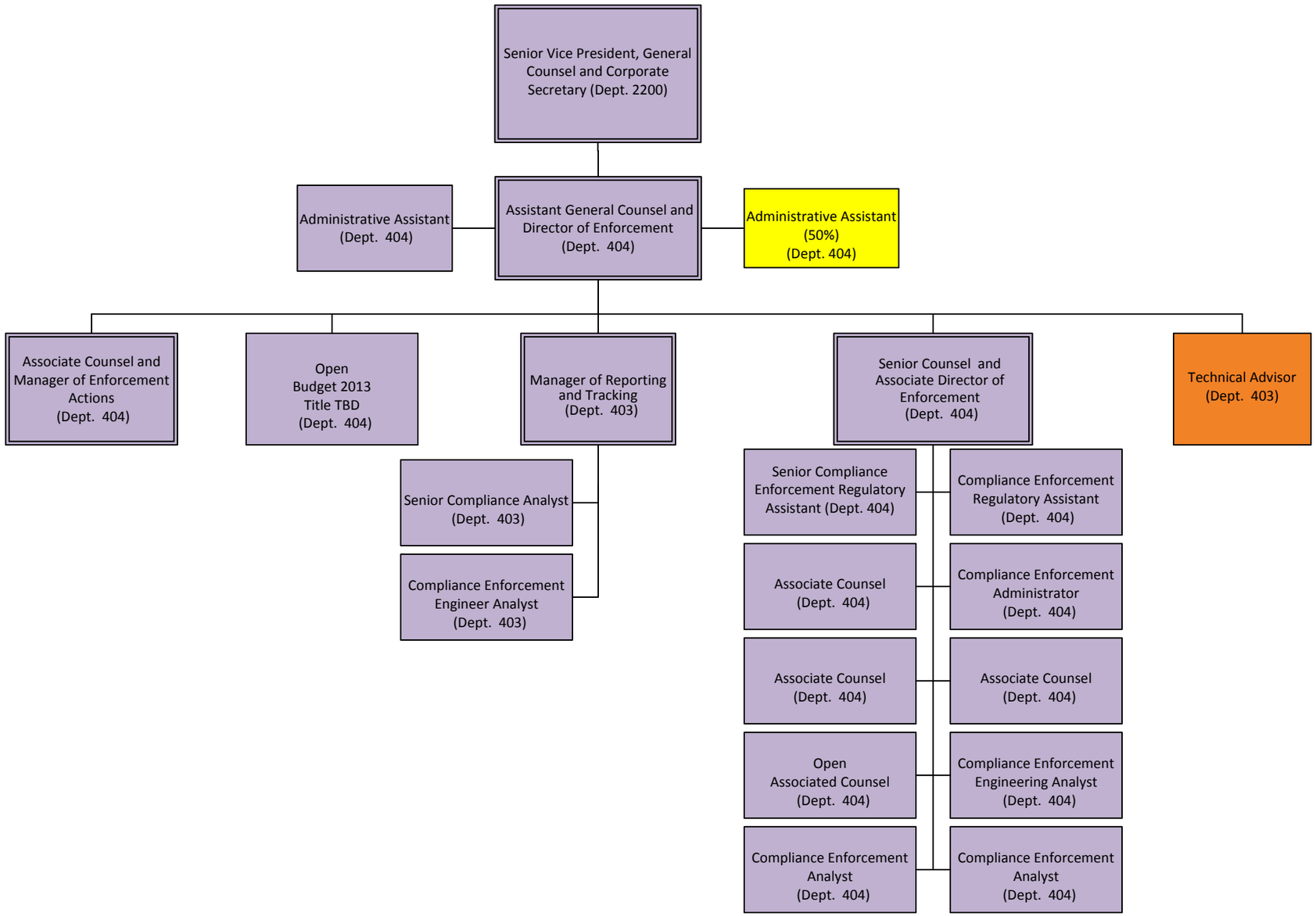
Reliability Standards 2013-2014 (Dept. 300)



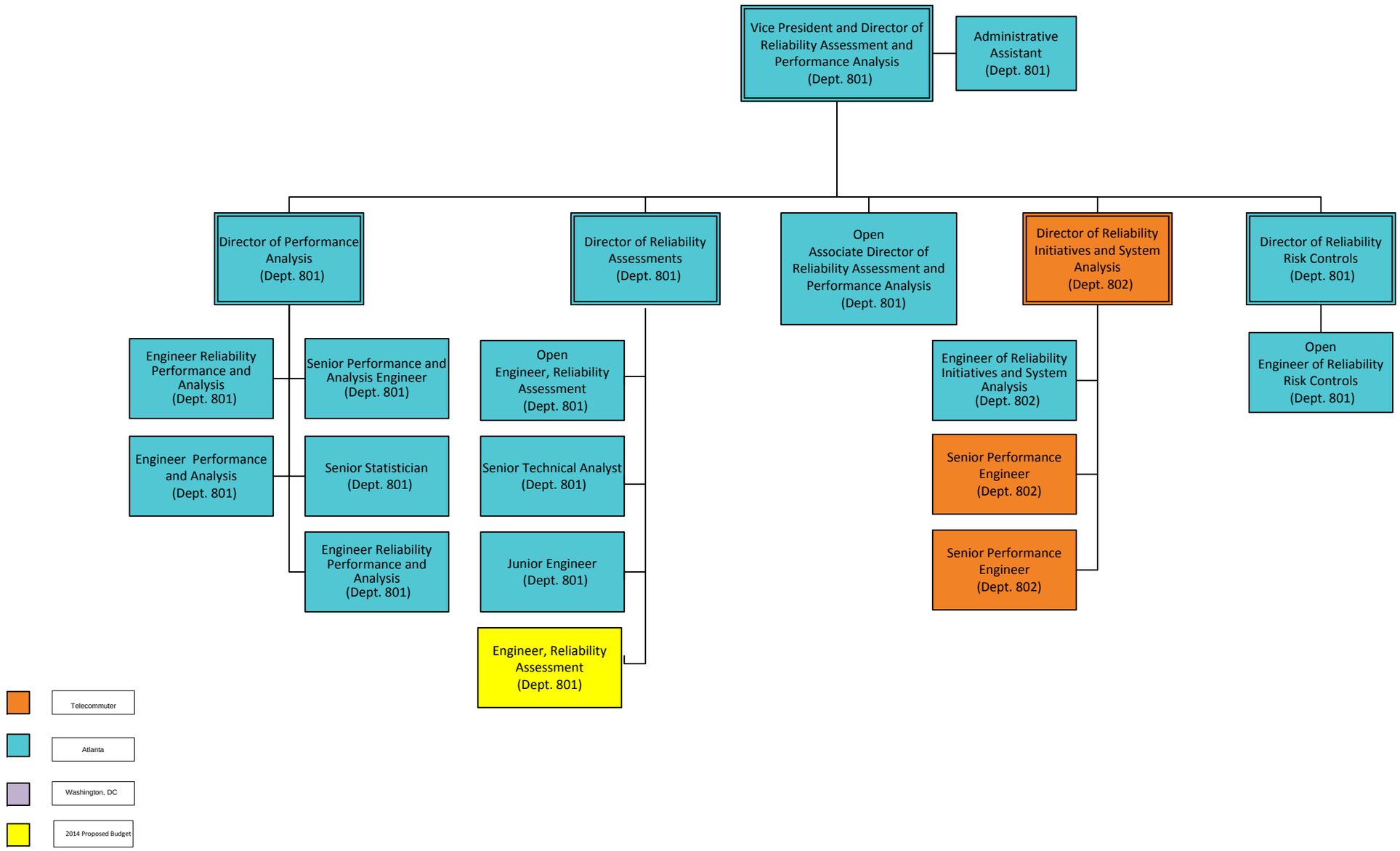
Compliance Operations 2013-2014 (Dept. 400, 406, 500)



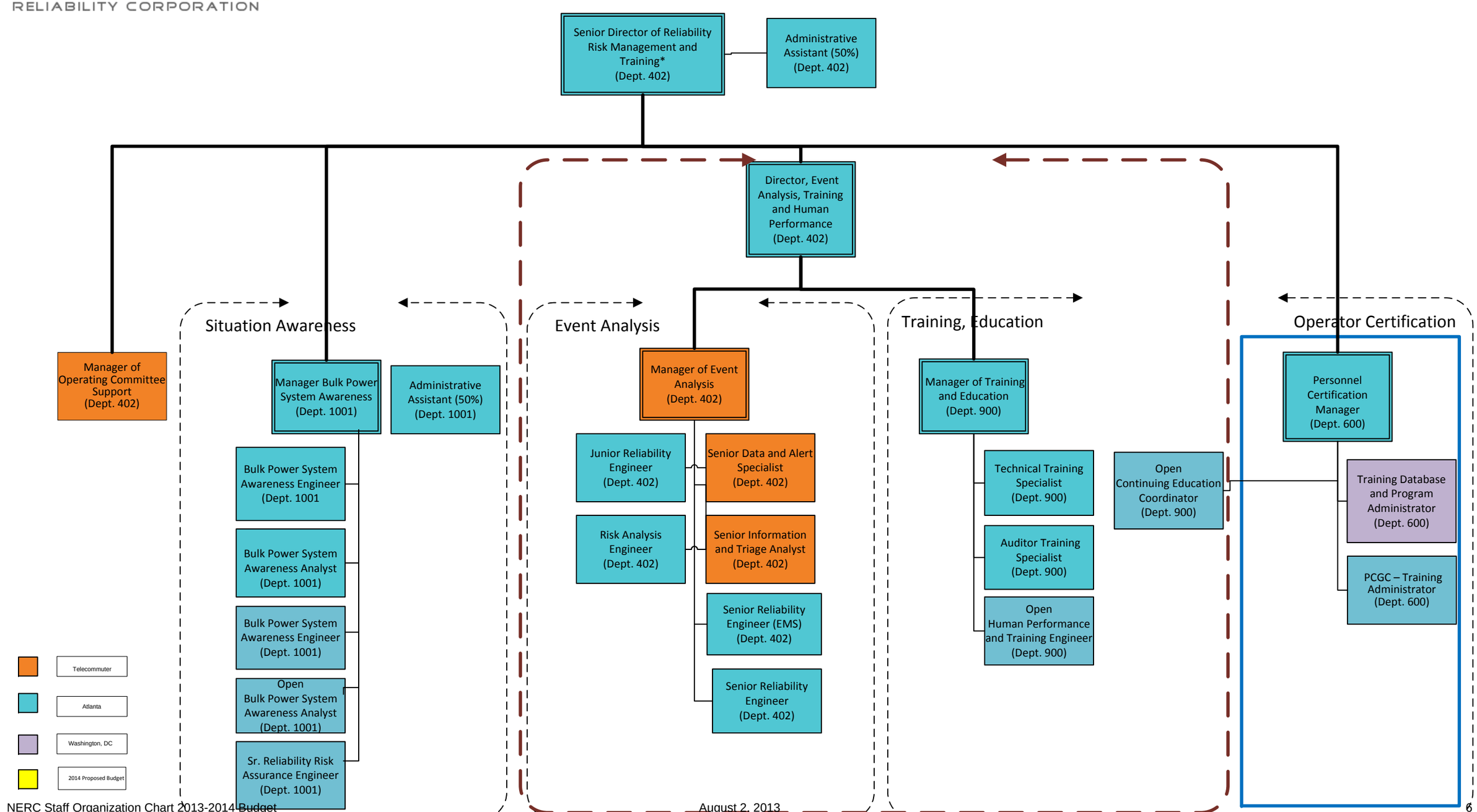
Compliance Enforcement 2013-2014 (Dept. 403, 404)



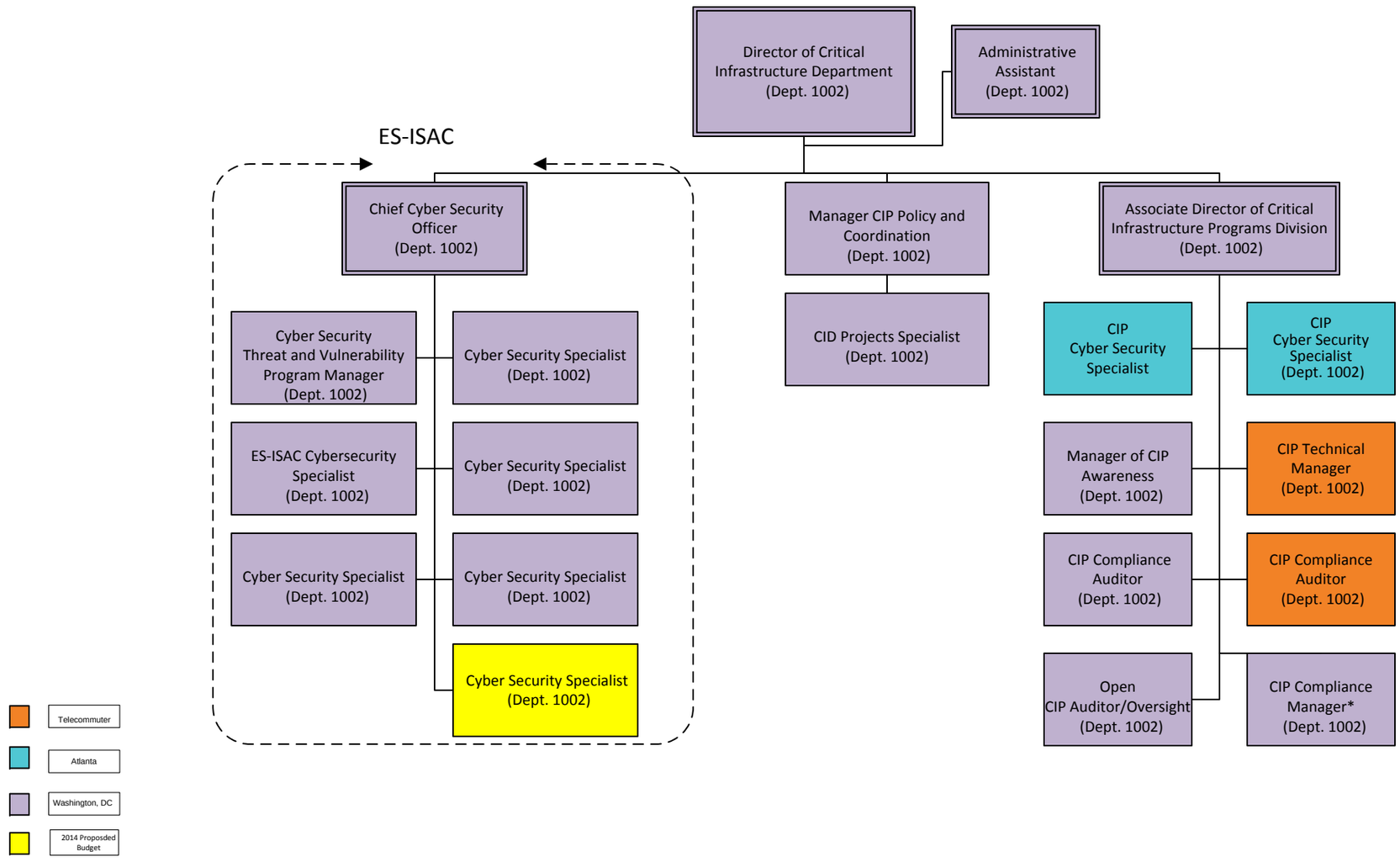
Reliability Assessment and Performance Analysis 2013-2014 (Dept. 801, 802)



Reliability Risk Management 2013-2014 (Dept. 402, 600, 900, 1001)

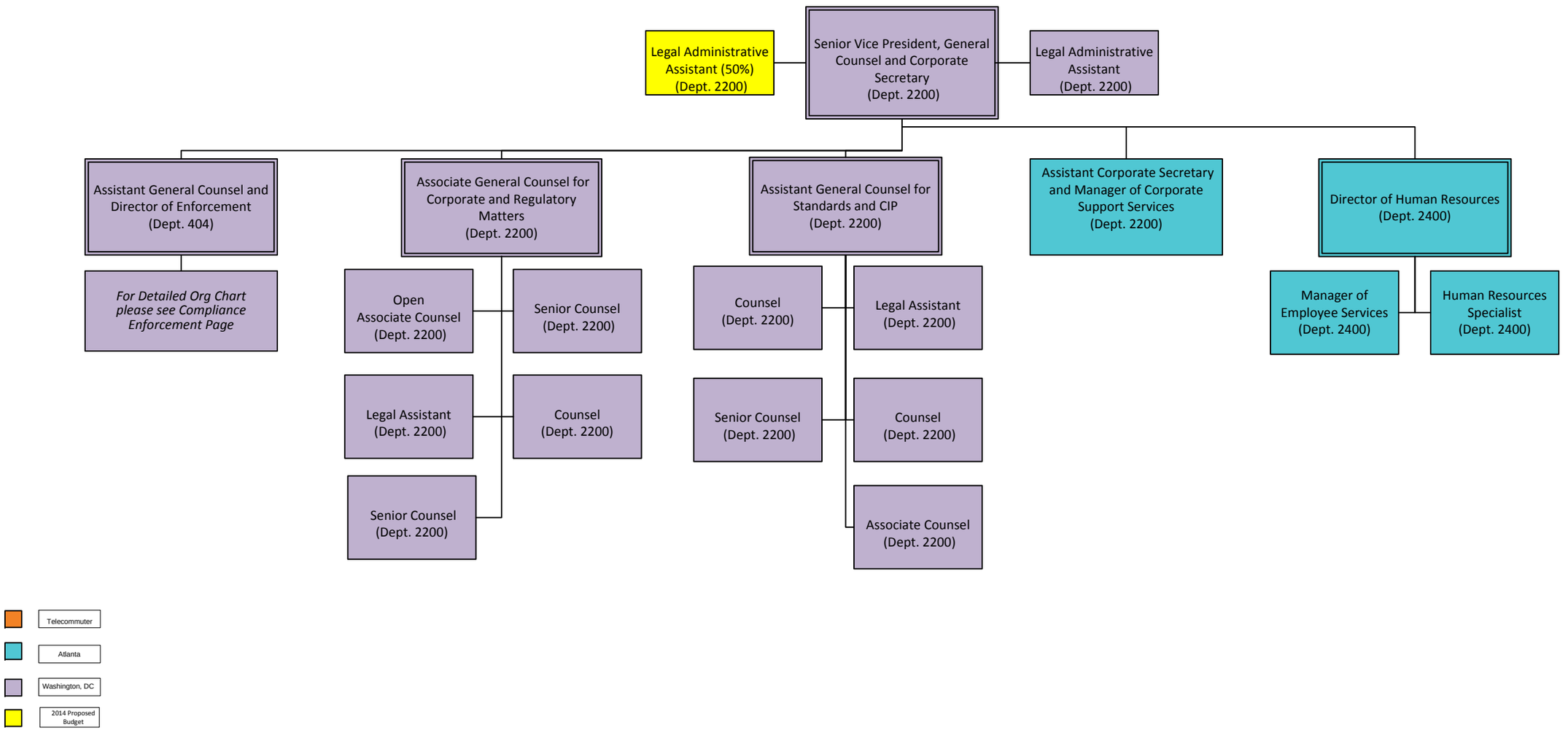


Critical Infrastructure Department 2013-2014 (Dept. 1002)

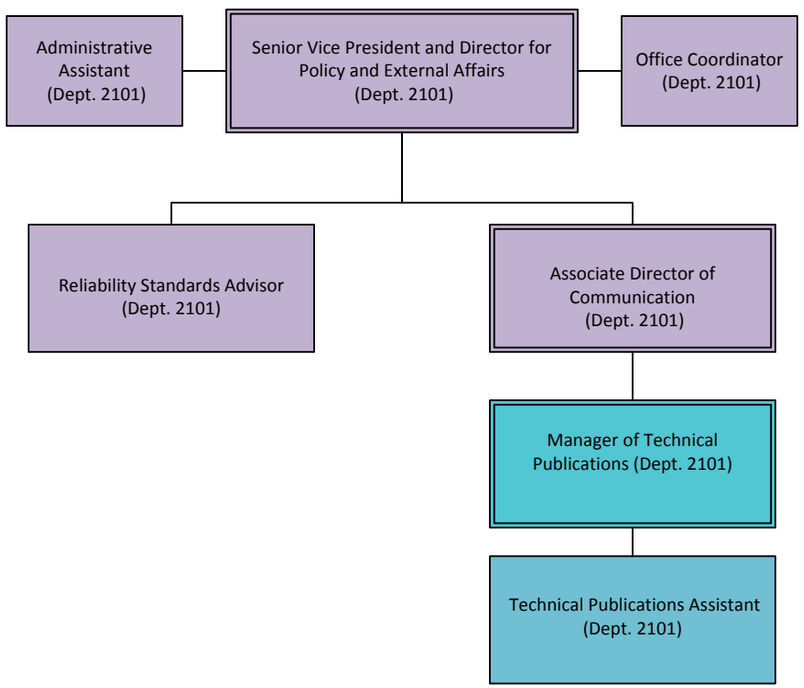


* Also performs CIP Compliance Audit Function

Legal and Regulatory 2013-2014 (Dept. 2200)
Human Resources 2013-2014 (Dept. 2400)
Compliance Enforcement 2013-2014 (Dept. 403, 404)



Governmental Relations 2013-2014 (Dept. 2101)



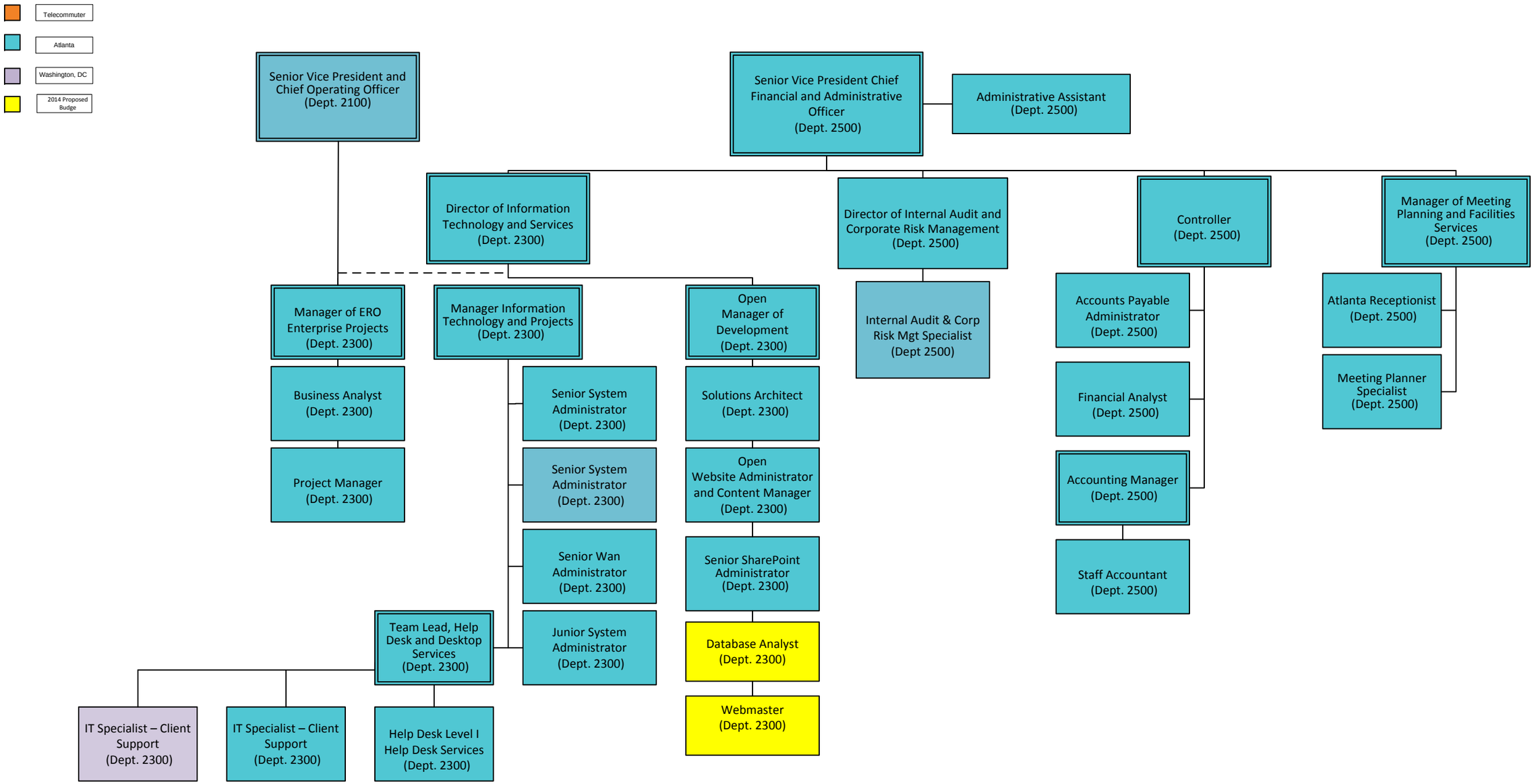
Telecommuter

Atlanta

Washington, DC

2014 Proposed Budget

Accounting & Finance and Information Technology 2013-2014
(Dept. 2300, 2500)



2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	FRCC	1074	Alachua, City of	U.S.	122,506	122,506			0.056%	0.056%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	FRCC	1075	Bartow, City of	U.S.	274,400	274,400			0.124%	0.124%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	FRCC	1076	Chattahoochee, City of	U.S.	38,200	38,200			0.017%	0.017%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	FRCC	1077	Florida Keys Electric Cooperative Assn	U.S.	682,000	682,000			0.309%	0.309%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2012	FRCC	1078	Florida Power & Light Co.	U.S.	108,634,700	108,634,700			49.226%	49.226%	0.000%	0.000%	2.427%	2.427%	0.000%	0.000%	2.750%
2012	FRCC	1079	Florida Public Utilities Company	U.S.	374,500	374,500			0.170%	0.170%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2012	FRCC	1080	Gainesville Regional Utilities	U.S.	1,773,553	1,773,553			0.804%	0.804%	0.000%	0.000%	0.040%	0.040%	0.000%	0.000%	0.045%
2012	FRCC	1081	Homestead, City of	U.S.	512,000	512,000			0.232%	0.232%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.013%
2012	FRCC	1082	JEA	U.S.	12,034,800	12,034,800			5.453%	5.453%	0.000%	0.000%	0.269%	0.269%	0.000%	0.000%	0.305%
2012	FRCC	1083	Lakeland Electric	U.S.	2,873,000	2,873,000			1.302%	1.302%	0.000%	0.000%	0.064%	0.064%	0.000%	0.000%	0.073%
2012	FRCC	1626	Lee County Electric Cooperative, Inc	U.S.	3,651,400	3,651,400			1.655%	1.655%	0.000%	0.000%	0.082%	0.082%	0.000%	0.000%	0.092%
2012	FRCC	1661	City of Lake Worth	U.S.	422,843	422,843			0.192%	0.192%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.011%
2012	FRCC	1084	Mount Dora, City of	U.S.	89,333	89,333			0.040%	0.040%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	FRCC	1085	New Smyrna Beach, Utilities Commission of	U.S.	379,000	379,000			0.172%	0.172%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.010%
2012	FRCC	1086	Orlando Utilities Commission	U.S.	5,690,600	5,690,600			2.579%	2.579%	0.000%	0.000%	0.127%	0.127%	0.000%	0.000%	0.144%
2012	FRCC	1087	Progress Energy Florida	U.S.	39,415,600	39,415,600			17.861%	17.861%	0.000%	0.000%	0.880%	0.880%	0.000%	0.000%	0.998%
2012	FRCC	1088	Quincy, City of	U.S.	131,779	131,779			0.060%	0.060%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	FRCC	1089	Reedy Creek Improvement District	U.S.	1,207,000	1,207,000			0.547%	0.547%	0.000%	0.000%	0.027%	0.027%	0.000%	0.000%	0.031%
2012	FRCC	1090	St. Cloud, City of (OUC)	U.S.	592,000	592,000			0.268%	0.268%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2012	FRCC	1091	Tallahassee, City of	U.S.	2,710,000	2,710,000			1.228%	1.228%	0.000%	0.000%	0.061%	0.061%	0.000%	0.000%	0.069%
2012	FRCC	1092	Tampa Electric Company	U.S.	19,248,000	19,248,000			8.722%	8.722%	0.000%	0.000%	0.430%	0.430%	0.000%	0.000%	0.487%
2012	FRCC	1603	City of Vero Beach	U.S.	734,000	734,000			0.333%	0.333%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.019%
2012	FRCC	1093	Wauchula, City of	U.S.	61,650	61,650			0.028%	0.028%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2012	FRCC	1094	Williston, City of	U.S.	33,247	33,247			0.015%	0.015%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	FRCC	1095	Winter Park, City of	U.S.	438,300	438,300			0.199%	0.199%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2012	FRCC	1072	Florida Municipal Power Agency	U.S.	5,540,493	5,540,493			2.511%	2.511%	0.000%	0.000%	0.124%	0.124%	0.000%	0.000%	0.140%
2012	FRCC	1073	Seminole Electric Cooperative	U.S.	13,019,200	13,019,200			5.899%	5.899%	0.000%	0.000%	0.291%	0.291%	0.000%	0.000%	0.330%
			TOTAL FRCC		220,684,104	220,684,104	-	-	100.000%	100.000%	0.000%	0.000%	4.930%	4.930%	0.000%	0.000%	5.587%
2012	MRO	1199	Basin Electric Power Cooperative	U.S.	12,813,996	12,813,996	-		4.504%	4.504%	0.000%	0.000%	0.286%	0.286%	0.000%	0.000%	0.324%
2012	MRO	1201	Central Iowa Power Cooperative (CIPCO)	U.S.	2,758,277	2,758,277	-		0.969%	0.969%	0.000%	0.000%	0.062%	0.062%	0.000%	0.000%	0.070%
2012	MRO	1204	Corn Belt Power Cooperative	U.S.	1,757,413	1,757,413	-		0.618%	0.618%	0.000%	0.000%	0.039%	0.039%	0.000%	0.000%	0.044%
2012	MRO	1207	Dairyland Power Cooperative	U.S.	5,240,400	5,240,400	-		1.842%	1.842%	0.000%	0.000%	0.117%	0.117%	0.000%	0.000%	0.133%
2012	MRO	1210	Great River Energy	U.S.	13,499,508	13,499,508	-		4.745%	4.745%	0.000%	0.000%	0.302%	0.302%	0.000%	0.000%	0.342%
2012	MRO	1222	Minnkota Power Cooperative, Inc.	U.S.	4,027,905	4,027,905	-		1.416%	1.416%	0.000%	0.000%	0.090%	0.090%	0.000%	0.000%	0.102%
2012	MRO	1230	Nebraska Public Power District	U.S.	13,555,787	13,555,787	-		4.764%	4.764%	0.000%	0.000%	0.303%	0.303%	0.000%	0.000%	0.343%
2012	MRO	1232	Omaha Public Power District	U.S.	11,390,373	11,390,373	-		4.003%	4.003%	0.000%	0.000%	0.254%	0.254%	0.000%	0.000%	0.288%
2012	MRO	1237	Southern Montana Generation and Transmission	U.S.	5,280	5,280	-		0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	MRO	1240	Western Area Power Administration (UM)	U.S.	9,586,410	9,586,410	-		3.369%	3.369%	0.000%	0.000%	0.214%	0.214%	0.000%	0.000%	0.243%
2012	MRO	1239	Western Area Power Administration (LM)	U.S.	126,885	126,885	-		0.045%	0.045%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	MRO	1217	Manitoba Hydro	CAN	22,804,674		22,804,674		8.015%	0.000%	8.015%	0.000%	0.509%	0.000%	0.509%	0.000%	0.000%
2012	MRO	1235	SaskPower	CAN	22,129,000		22,129,000		7.778%	0.000%	7.778%	0.000%	0.494%	0.000%	0.494%	0.000%	0.000%
2012	MRO	1195	Alliant Energy (Alliant East - WPL & Alliant West IPL)	U.S.	28,822,833	28,822,833	-		10.130%	10.130%	0.000%	0.000%	0.644%	0.644%	0.000%	0.000%	0.730%
2012	MRO	1216	Madison, Gas and Electric	U.S.	3,471,982	3,471,982	-		1.220%	1.220%	0.000%	0.000%	0.078%	0.078%	0.000%	0.000%	0.088%
2012	MRO	1220	MidAmerican Energy Company	U.S.	27,740,040	27,740,040	-		9.750%	9.750%	0.000%	0.000%	0.620%	0.620%	0.000%	0.000%	0.702%
2012	MRO	1221	Minnesota Power	U.S.	13,181,722	13,181,722	-		4.633%	4.633%	0.000%	0.000%	0.294%	0.294%	0.000%	0.000%	0.334%
2012	MRO	1226	Montana-Dakota Utilities Co.	U.S.	2,919,752	2,919,752	-		1.026%	1.026%	0.000%	0.000%	0.065%	0.065%	0.000%	0.000%	0.074%
2012	MRO	1231	NorthWestern Energy	U.S.	1,501,454	1,501,454	-		0.528%	0.528%	0.000%	0.000%	0.034%	0.034%	0.000%	0.000%	0.038%
2012	MRO	1233	Otter Tail Power Company	U.S.	4,304,889	4,304,889	-		1.513%	1.513%	0.000%	0.000%	0.096%	0.096%	0.000%	0.000%	0.109%
2012	MRO	1243	Integrys Energy Group (WPS and UPPCO)	U.S.	13,476,219	13,476,219	-		4.736%	4.736%	0.000%	0.000%	0.301%	0.301%	0.000%	0.000%	0.341%
2012	MRO	1244	Xcel Energy Company (NSP)	U.S.	45,549,414	45,549,414	-		16.009%	16.009%	0.000%	0.000%	1.017%	1.017%	0.000%	0.000%	1.153%
2012	MRO	1196	Ames Municipal Electric System	U.S.	763,473	763,473	-		0.268%	0.268%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%
2012	MRO	1604	Atlantic Municipal Utilities	U.S.	74,892	74,892			0.026%	0.026%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	MRO	1476	Badger Power Marketing Authority of Wisconsin, Inc.	U.S.	410,469	410,469	-		0.144%	0.144%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	MRO	1200	Cedar Falls Municipal Utilities	U.S.	522,020	522,020	-		0.183%	0.183%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.013%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	MRO	1477	Central Minnesota Municipal Power Agency (CMMPA)	U.S.	473,293	473,293	-		0.166%	0.166%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.012%
2012	MRO	1203	Escanaba Municipal Electric Utility	U.S.	148,283	148,283	-		0.052%	0.052%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2012	MRO	1205	Falls City Water & Light Department	U.S.	56,341	56,341	-		0.020%	0.020%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	MRO	1206	Fremont Department of Utilities	U.S.	442,533	442,533	-		0.156%	0.156%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2012	MRO	1208	Geneseo Municipal Utilities	U.S.	66,582	66,582	-		0.023%	0.023%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2012	MRO	1209	Grand Island Utilities Department	U.S.	763,967	763,967	-		0.269%	0.269%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%
2012	MRO	1606	Harlan Municipal Utilities	U.S.	25,428	25,428			0.009%	0.009%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	MRO	1211	Hastings Utilities	U.S.	424,638	424,638	-		0.149%	0.149%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.011%
2012	MRO	1212	Heartland Consumers Power District	U.S.	850,082	850,082	-		0.299%	0.299%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.022%
2012	MRO	1213	Hutchinson Utilities Commission	U.S.	292,815	292,815	-		0.103%	0.103%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.007%
2012	MRO	1215	Lincoln Electric System	U.S.	3,242,212	3,242,212	-		1.140%	1.140%	0.000%	0.000%	0.072%	0.072%	0.000%	0.000%	0.082%
2012	MRO	1218	Manitowoc Public Utilities	U.S.	539,052	539,052	-		0.189%	0.189%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.014%
2012	MRO	1223	Missouri River Energy Services	U.S.	2,303,805	2,303,805	-		0.810%	0.810%	0.000%	0.000%	0.051%	0.051%	0.000%	0.000%	0.058%
2012	MRO	1224	MN Municipal Power Agency (MMPA)	U.S.	1,518,670	1,518,670	-		0.534%	0.534%	0.000%	0.000%	0.034%	0.034%	0.000%	0.000%	0.038%
2012	MRO	1607	Montezuma Municipal Light & Power	U.S.	32,779	32,779			0.012%	0.012%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	MRO	1227	Municipal Energy Agency of Nebraska	U.S.	1,165,080	1,165,080	-		0.409%	0.409%	0.000%	0.000%	0.026%	0.026%	0.000%	0.000%	0.029%
2012	MRO	1228	Muscatine Power and Water	U.S.	866,487	866,487	-		0.305%	0.305%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.022%
2012	MRO	1229	Nebraska City Utilities	U.S.	174,149	174,149	-		0.061%	0.061%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	MRO	1234	Rochester Public Utilities	U.S.	10,000	10,000	-		0.004%	0.004%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	MRO	1236	Southern Minnesota Municipal Power Agency	U.S.	2,947,896	2,947,896	-		1.036%	1.036%	0.000%	0.000%	0.066%	0.066%	0.000%	0.000%	0.075%
2012	MRO	1241	Willmar Municipal Utilities	U.S.	261,951	261,951	-		0.092%	0.092%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	MRO	1242	Wisconsin Public Power, Inc. (East and West regions)	U.S.	5,477,966	5,477,966	-		1.925%	1.925%	0.000%	0.000%	0.122%	0.122%	0.000%	0.000%	0.139%
			TOTAL MRO		284,519,075	239,585,401	44,933,674	-	100.00%	84.207%	15.793%	0.000%	6.356%	5.352%	1.004%	0.000%	6.066%
2012	NPCC	1336	New England	U.S.	128,081,000	128,081,000			19.970%	19.970%	0.000%	0.000%	2.861%	2.861%	0.000%	0.000%	3.243%
2012	NPCC	1339	New York	U.S.	162,842,000	162,842,000			25.389%	25.389%	0.000%	0.000%	3.638%	3.638%	0.000%	0.000%	4.123%
2012	NPCC	1337	Ontario	Canada	141,287,000		141,287,000		22.029%	0.000%	22.029%	0.000%	3.156%	0.000%	3.156%	0.000%	
2012	NPCC	1341	Quebec	Canada	184,822,000		184,822,000		28.816%	0.000%	28.816%	0.000%	4.129%	0.000%	4.129%	0.000%	
2012	NPCC	1338	New Brunswick	Canada	13,906,000		13,906,000		2.168%	0.000%	2.168%	0.000%	0.311%	0.000%	0.311%	0.000%	
2012	NPCC	1340	Nova Scotia	Canada	10,444,000		10,444,000		1.628%	0.000%	1.628%	0.000%	0.233%	0.000%	0.233%	0.000%	
			TOTAL NPCC		641,382,000	290,923,000	350,459,000	-	100.000%	45.359%	54.641%	0.000%	14.327%	6.499%	7.829%	0.000%	7.366%
2012	RFC	1104	Bay City	U.S.	334,465	334,465			0.037%	0.037%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	RFC	1102	Cannelton Utilities	U.S.	15,656	15,656			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	RFC	1105	City of Chelsea	U.S.	101,400	101,400			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2012	RFC	1106	City of Croswell	U.S.	42,103	42,103			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	RFC	1108	City of Eaton Rapids	U.S.	98,372	98,372			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	RFC	1111	City of Hart	U.S.	46,421	46,421			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	RFC	1490	City of Lansing	U.S.	2,279,706	2,279,706			0.253%	0.253%	0.000%	0.000%	0.051%	0.051%	0.000%	0.000%	0.058%
2012	RFC	1112	City of Marquette Board of Light & Power	U.S.	325,870	325,870			0.036%	0.036%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	RFC	1114	City of Portland	U.S.	37,089	37,089			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	RFC	1116	City of St. Louis	U.S.	39,700	39,700			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	RFC	1118	City of Wyandotte	U.S.	215,374	215,374			0.024%	0.024%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2012	RFC	1120	Cloverland Electric Cooperative	U.S.	875,650	875,650			0.097%	0.097%	0.000%	0.000%	0.020%	0.020%	0.000%	0.000%	0.022%
2012	RFC	1122	CMS ERM Michigan LLC	U.S.	180,553	180,553			0.020%	0.020%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	RFC	1124	Constellation New Energy (MECS-CONS)	U.S.	1,099,317	1,099,317			0.122%	0.122%	0.000%	0.000%	0.025%	0.025%	0.000%	0.000%	0.028%
2012	RFC	1123	Constellation New Energy (MECS-DET)	U.S.	1,120,458	1,120,458			0.124%	0.124%	0.000%	0.000%	0.025%	0.025%	0.000%	0.000%	0.028%
2012	RFC	1126	Consumers Energy Company	U.S.	33,756,264	33,756,264			3.742%	3.742%	0.000%	0.000%	0.754%	0.754%	0.000%	0.000%	0.855%
2012	RFC	1128	Detroit Edison Company	U.S.	46,541,661	46,541,661			5.159%	5.159%	0.000%	0.000%	1.040%	1.040%	0.000%	0.000%	1.178%
2012	RFC	1166	Duke Energy Indiana	U.S.	30,297,309	30,297,309			3.358%	3.358%	0.000%	0.000%	0.677%	0.677%	0.000%	0.000%	0.767%
2012	RFC	1135	Ferdinand Municipal Light & Water	U.S.	45,590	45,590			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	RFC	1646	FirstEnergy Solutions (MECS-CONS)	U.S.	173,025	173,025			0.019%	0.019%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	RFC	1549	FirstEnergy Solutions (MECS-DET)	U.S.	2,252,597	2,252,597			0.250%	0.250%	0.000%	0.000%	0.050%	0.050%	0.000%	0.000%	0.057%
2012	RFC	1612	Glacial Energy (MECS-DET)	U.S.	284,554	284,554			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	RFC	1144	Holland Board of Public Works	U.S.	960,951	960,951			0.107%	0.107%	0.000%	0.000%	0.021%	0.021%	0.000%	0.000%	0.024%
2012	RFC	1145	Hoosier Energy	U.S.	7,194,744	7,194,744			0.798%	0.798%	0.000%	0.000%	0.161%	0.161%	0.000%	0.000%	0.182%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	RFC	1148	Indiana Municipal Power Agency (DUKE CIN)	U.S.	3,036,013	3,036,013			0.337%	0.337%	0.000%	0.000%	0.068%	0.068%	0.000%	0.000%	0.077%
2012	RFC	1485	Indiana Municipal Power Agency (NIPSCO)	U.S.	427,538	427,538			0.047%	0.047%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2012	RFC	1486	Indiana Municipal Power Agency (SIGE)	U.S.	592,263	592,263			0.066%	0.066%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2012	RFC	1149	Indianapolis Power & Light Co.	U.S.	14,889,914	14,889,914			1.651%	1.651%	0.000%	0.000%	0.333%	0.333%	0.000%	0.000%	0.377%
2012	RFC	1553	Integrys Energy Services (MECS-CONS)	U.S.	682,398	682,398			0.076%	0.076%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2012	RFC	1554	Integrys Energy Services (MECS-DET)	U.S.	449,324	449,324			0.050%	0.050%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2012	RFC	1614	Just Energy (MECS-DET)	U.S.	15,186	15,186			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	RFC	1154	Michigan Public Power Agency	U.S.	1,264,999	1,264,999			0.140%	0.140%	0.000%	0.000%	0.028%	0.028%	0.000%	0.000%	0.032%
2012	RFC	1155	Michigan South Central Power Agency	U.S.	609,623	609,623			0.068%	0.068%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.015%
2012	RFC	1158	MidAmerican Energy Company Retail	U.S.	96,326	96,326			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	RFC	1163	Northern Indiana Public Service Co.	U.S.	17,583,131	17,583,131			1.949%	1.949%	0.000%	0.000%	0.393%	0.393%	0.000%	0.000%	0.445%
2012	RFC	1164	Ontonagon County Rural Electrification Assoc.	U.S.	28,624	28,624			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	RFC	1265	PJM Interconnnection, LLC	U.S.	687,961,090	687,961,090			76.259%	76.259%	0.000%	0.000%	15.368%	15.368%	0.000%	0.000%	17.418%
2012	RFC	1172	Sempra Energy Solutions (MECS-CONS)	U.S.	1,030,064	1,030,064			0.114%	0.114%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2012	RFC	1171	Sempra Energy Solutions (MECS-DET)	U.S.	848,402	848,402			0.094%	0.094%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.021%
2012	RFC	1176	Direct Energy (fka:Strategic Energy,LLC) (MECS-CONS)	U.S.	11,206	11,206			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	RFC	1174	Direct Energy (fka:Strategic Energy,LLC) (MECS-DET)	U.S.	317,504	317,504			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	RFC	1581	Spartan Renewable Energy	U.S.	69,497	69,497			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	RFC	1180	Thumb Electric Cooperative	U.S.	170,909	170,909			0.019%	0.019%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	RFC	1662	Ohio Valley Electric Corporation	U.S.	576,571	576,571			0.064%	0.064%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2012	RFC	1181	Vectren Energy Delivery of IN	U.S.	5,785,541	5,785,541			0.641%	0.641%	0.000%	0.000%	0.129%	0.129%	0.000%	0.000%	0.146%
2012	RFC	1183	Village of Sebewaing	U.S.	41,077	41,077			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	RFC	1184	Wabash Valley Power Association Inc. (DUKE CIN)	U.S.	2,684,539	2,684,539			0.298%	0.298%	0.000%	0.000%	0.060%	0.060%	0.000%	0.000%	0.068%
2012	RFC	1488	Wabash Valley Power Association Inc.(NIPSCO)	U.S.	1,664,923	1,664,923			0.185%	0.185%	0.000%	0.000%	0.037%	0.037%	0.000%	0.000%	0.042%
2012	RFC	1185	Wisconsin Electric Power Co.	U.S.	29,181,177	29,181,177			3.235%	3.235%	0.000%	0.000%	0.652%	0.652%	0.000%	0.000%	0.739%
2012	RFC	1189	Wolverine Power Marketing Cooperative	U.S.	1,063,960	1,063,960			0.118%	0.118%	0.000%	0.000%	0.024%	0.024%	0.000%	0.000%	0.027%
2012	RFC	1191	Wolverine Power Supply Cooperative	U.S.	2,593,555	2,593,555			0.287%	0.287%	0.000%	0.000%	0.058%	0.058%	0.000%	0.000%	0.066%
2012	RFC	1190	Wolverine Power Marketing Cooperative	U.S.	137,933	137,933			0.015%	0.015%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
			TOTAL RELIABILITYFIRST		902,132,116	902,132,116	-	-	100.000%	100.000%	0.000%	0.000%	20.152%	20.152%	0.000%	0.000%	22.841%
2012	SERC	1267	Alabama Municipal Electric Authority	U.S.	3,432,938	3,432,938	-		0.337%	0.337%	0.000%	0.000%	0.077%	0.077%	0.000%	0.000%	0.087%
2012	SERC	1268	Alabama Power Company	U.S.	56,754,262	56,754,262	-		5.571%	5.571%	0.000%	0.000%	1.268%	1.268%	0.000%	0.000%	1.437%
2012	SERC	1269	Ameren - Illinois	U.S.	43,298,000	43,298,000	-		4.250%	4.250%	0.000%	0.000%	0.967%	0.967%	0.000%	0.000%	1.096%
2012	SERC	1271	Ameren - Missouri	U.S.	41,618,000	41,618,000	-		4.085%	4.085%	0.000%	0.000%	0.930%	0.930%	0.000%	0.000%	1.054%
2012	SERC	1272	APGI - Yadkin Division	U.S.	22,992	22,992	-		0.002%	0.002%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1660	APGI - Tapoco Division (ALCOA)	U.S.	335	335	-		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	SERC	1273	Associated Electric Cooperative Inc.	U.S.	19,075,704	19,075,704			1.873%	1.873%	0.000%	0.000%	0.426%	0.426%	0.000%	0.000%	0.483%
2012	SERC	1582	Beauregard Electric Cooperative, Inc.	U.S.	1,077,094	1,077,094			0.106%	0.106%	0.000%	0.000%	0.024%	0.024%	0.000%	0.000%	0.027%
2012	SERC	1462	Benton Utility District	U.S.	288,130	288,130	-		0.028%	0.028%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	SERC	1274	Big Rivers Electric Corporation	U.S.	11,267,634	11,267,634	-		1.106%	1.106%	0.000%	0.000%	0.252%	0.252%	0.000%	0.000%	0.285%
2012	SERC	1275	Black Warrior EMC	U.S.	414,169	414,169	-		0.041%	0.041%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	SERC	1276	Blue Ridge EMC	U.S.	1,358,180	1,358,180	-		0.133%	0.133%	0.000%	0.000%	0.030%	0.030%	0.000%	0.000%	0.034%
2012	SERC	1628	Brazos Electric Power Cooperative, Inc.	U.S.	402,877	402,877			0.040%	0.040%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	SERC	1463	Canton, MS	U.S.	127,061	127,061	-		0.012%	0.012%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	SERC	1277	Central Electric Power Cooperative Inc.	U.S.	15,447,228	15,447,228	-		1.516%	1.516%	0.000%	0.000%	0.345%	0.345%	0.000%	0.000%	0.391%
2012	SERC	1278	City of Blountstown FL	U.S.	38,700	38,700			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1279	City of Camden SC	U.S.	188,060	188,060	-		0.018%	0.018%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	SERC	1280	City of Collins MS	U.S.	44,400	44,400	-		0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1281	City of Columbia MO	U.S.	1,193,949	1,193,949	-		0.117%	0.117%	0.000%	0.000%	0.027%	0.027%	0.000%	0.000%	0.030%
2012	SERC	1282	City of Conway AR (Conway Corporation)	U.S.	1,056,279	1,056,279	-		0.104%	0.104%	0.000%	0.000%	0.024%	0.024%	0.000%	0.000%	0.027%
2012	SERC	1284	City of Evergreen AL	U.S.	55,801	55,801	-		0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1285	City of Hampton GA	U.S.	29,782	29,782	-		0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1286	City of Hartford AL	U.S.	32,131	32,131	-		0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1287	City of Henderson (KY) Municipal Power & Light	U.S.	622,254	622,254	-		0.061%	0.061%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2012	SERC	1288	City of North Little Rock AR (DENL)	U.S.	989,107	989,107	-		0.097%	0.097%	0.000%	0.000%	0.022%	0.022%	0.000%	0.000%	0.025%
2012	SERC	1289	City of Orangeburg SC Department of Public Utilities	U.S.	742,662	742,662	-		0.073%	0.073%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	SERC	1290	City of Robertsdale AL	U.S.	81,679	81,679	-		0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	SERC	1291	City of Ruston LA (DERS)	U.S.	282,068	282,068	-		0.028%	0.028%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	SERC	1292	City of Seneca SC	U.S.	152,201	152,201	-		0.015%	0.015%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2012	SERC	1115	City of Springfield (CWLP)	U.S.	1,835,972	1,835,972	-		0.180%	0.180%	0.000%	0.000%	0.041%	0.041%	0.000%	0.000%	0.046%
2012	SERC	1465	City of Thayer, MO	U.S.	19,756	19,756	-		0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2012	SERC	1293	City of Troy AL	U.S.	404,574	404,574	-		0.040%	0.040%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	SERC	1294	City of West Memphis AR (West Memphis Utilities)	U.S.	410,470	410,470	-		0.040%	0.040%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	SERC	1583	Claiborne Electric Cooperative, Inc.	U.S.	658,265	658,265			0.065%	0.065%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2012	SERC	1584	Concordia Electric Cooperative, Inc.	U.S.	264,973	264,973			0.026%	0.026%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	SERC	1283	Dalton Utilities	U.S.	1,450,704	1,450,704	-		0.142%	0.142%	0.000%	0.000%	0.032%	0.032%	0.000%	0.000%	0.037%
2012	SERC	1585	Dixie Electric Membership Corporation	U.S.	2,249,802	2,249,802			0.221%	0.221%	0.000%	0.000%	0.050%	0.050%	0.000%	0.000%	0.057%
2012	SERC	1295	Dominion Virginia Power	U.S.	83,465,181	83,465,181	-		8.193%	8.193%	0.000%	0.000%	1.864%	1.864%	0.000%	0.000%	2.113%
2012	SERC	1296	Duke Energy Carolinas, LLC	U.S.	81,855,671	81,855,671	-		8.035%	8.035%	0.000%	0.000%	1.828%	1.828%	0.000%	0.000%	2.072%
2012	SERC	1466	Durant, MS	U.S.	28,096	28,096	-		0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1478	E.ON U.S. Services Inc.	U.S.	34,727,869	34,727,869	-		3.409%	3.409%	0.000%	0.000%	0.776%	0.776%	0.000%	0.000%	0.879%
2012	SERC	1297	East Kentucky Power Cooperative	U.S.	12,174,586	12,174,586	-		1.195%	1.195%	0.000%	0.000%	0.272%	0.272%	0.000%	0.000%	0.308%
2012	SERC	1298	East Mississippi Electric Power Association	U.S.	433,973	433,973	-		0.043%	0.043%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2012	SERC	1629	East Texas Electric Cooperative Inc	U.S.	1,956,083	1,956,083			0.192%	0.192%	0.000%	0.000%	0.044%	0.044%	0.000%	0.000%	0.050%
2012	SERC	1299	Electric Energy Inc.	U.S.	25,264	25,264	-		0.002%	0.002%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1300	EnergyUnited EMC	U.S.	2,508,650	2,508,650	-		0.246%	0.246%	0.000%	0.000%	0.056%	0.056%	0.000%	0.000%	0.064%
2012	SERC	1301	Entergy	U.S.	115,147,950	115,147,950			11.303%	11.303%	0.000%	0.000%	2.572%	2.572%	0.000%	0.000%	2.915%
2012	SERC	1302	Fayetteville (NC) Public Works Commission	U.S.	2,133,504	2,133,504	-		0.209%	0.209%	0.000%	0.000%	0.048%	0.048%	0.000%	0.000%	0.054%
2012	SERC	1303	Florida Public Utilities (FL Panhandle Load)	U.S.	323,555	323,555	-		0.032%	0.032%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	SERC	1304	French Broad EMC	U.S.	522,617	522,617	-		0.051%	0.051%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.013%
2012	SERC	1305	Georgia Power Company	U.S.	85,358,103	85,358,103	-		8.379%	8.379%	0.000%	0.000%	1.907%	1.907%	0.000%	0.000%	2.161%
2012	SERC	1306	Georgia System Optns Corporation	U.S.	37,575,498	37,575,498	-		3.689%	3.689%	0.000%	0.000%	0.839%	0.839%	0.000%	0.000%	0.951%
2012	SERC	1479	Greenwood (MS) Utilities Commission	U.S.	285,456	285,456	-		0.028%	0.028%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	SERC	1307	Greenwood (SC) Commissioners of Public Works	U.S.	270,177	270,177	-		0.027%	0.027%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	SERC	1308	Gulf Power Company	U.S.	11,247,370	11,247,370	-		1.104%	1.104%	0.000%	0.000%	0.251%	0.251%	0.000%	0.000%	0.285%
2012	SERC	1586	Haywood EMC	U.S.	291,408	291,408			0.029%	0.029%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.007%
2012	SERC	1309	Illinois Municipal Electric Agency	U.S.	1,928,200	1,928,200	-		0.189%	0.189%	0.000%	0.000%	0.043%	0.043%	0.000%	0.000%	0.049%
2012	SERC	1480	Itta Bena, MS	U.S.	16,005	16,005	-		0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	SERC	1587	Jefferson Davis Electric Cooperative, Inc.	U.S.	272,018	272,018	-		0.027%	0.027%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	SERC	1617	Kentucky Municipal Power	U.S.	746,400	746,400	-		0.073%	0.073%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%
2012	SERC	1481	Kosciusko, MS	U.S.	75,299	75,299	-		0.007%	0.007%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	SERC	1482	Leland, MS	U.S.	33,307	33,307	-		0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1313	McCormick Commission of Public Works	U.S.	20,396	20,396	-		0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2012	SERC	1314	Mississippi Power Company	U.S.	13,141,121	13,141,121	-		1.290%	1.290%	0.000%	0.000%	0.294%	0.294%	0.000%	0.000%	0.333%
2012	SERC	1630	Mt. Carmel Public Utility	U.S.	110,658	110,658			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2012	SERC	1315	Municipal Electric Authority of Georgia	U.S.	10,828,000	10,828,000	-		1.063%	1.063%	0.000%	0.000%	0.242%	0.242%	0.000%	0.000%	0.274%
2012	SERC	1316	N.C. Electric Membership Corp.	U.S.	12,036,315	12,036,315	-		1.182%	1.182%	0.000%	0.000%	0.269%	0.269%	0.000%	0.000%	0.305%
2012	SERC	1317	North Carolina Eastern Municipal Power Agency	U.S.	7,391,632	7,391,632	-		0.726%	0.726%	0.000%	0.000%	0.165%	0.165%	0.000%	0.000%	0.187%
2012	SERC	1318	North Carolina Municipal Power Agency #1	U.S.	4,706,985	4,706,985	-		0.462%	0.462%	0.000%	0.000%	0.105%	0.105%	0.000%	0.000%	0.119%
2012	SERC	1588	Northeast Louisiana Power Cooperative, Inc.	U.S.	324,623	324,623			0.032%	0.032%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	SERC	1574	Northern Virginia Electric Cooperative	U.S.	3,901,978	3,901,978			0.383%	0.383%	0.000%	0.000%	0.087%	0.087%	0.000%	0.000%	0.099%
2012	SERC	1319	Old Dominion Electric Cooperative	U.S.	5,866,764	5,866,764	-		0.576%	0.576%	0.000%	0.000%	0.131%	0.131%	0.000%	0.000%	0.149%
2012	SERC	1618	Osceola (Arkansas) Municipal Light and Power	U.S.	179,492	179,492			0.018%	0.018%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	SERC	1320	Owensboro (KY) Municipal Utilities	U.S.	923,939	923,939	-		0.091%	0.091%	0.000%	0.000%	0.021%	0.021%	0.000%	0.000%	0.023%
2012	SERC	1322	Piedmont EMC in Duke and Progress Areas	U.S.	490,669	490,669	-		0.048%	0.048%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.012%
2012	SERC	1323	Piedmont Municipal Power Agency (PMPA)	U.S.	2,284,154	2,284,154	-		0.224%	0.224%	0.000%	0.000%	0.051%	0.051%	0.000%	0.000%	0.058%
2012	SERC	1589	Pointe Coupee Electric Memb. Corp.	U.S.	266,612	266,612			0.026%	0.026%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	SERC	1266	PowerSouth Energy	U.S.	7,974,945	7,974,945	-		0.783%	0.783%	0.000%	0.000%	0.178%	0.178%	0.000%	0.000%	0.202%
2012	SERC	1330	Prairie Power, Inc.	U.S.	1,541,020	1,541,020	-		0.151%	0.151%	0.000%	0.000%	0.034%	0.034%	0.000%	0.000%	0.039%
2012	SERC	1324	Progress Energy Carolinas	U.S.	45,149,000	45,149,000	-		4.432%	4.432%	0.000%	0.000%	1.009%	1.009%	0.000%	0.000%	1.143%
2012	SERC	1325	Rutherford EMC	U.S.	1,262,364	1,262,364	-		0.124%	0.124%	0.000%	0.000%	0.028%	0.028%	0.000%	0.000%	0.032%
2012	SERC	1631	Sam Rayburn G&T Electric Cooperative Inc.	U.S.	1,767,702	1,767,702			0.174%	0.174%	0.000%	0.000%	0.039%	0.039%	0.000%	0.000%	0.045%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	SERC	1326	South Carolina Electric & Gas Company	U.S.	22,422,685	22,422,685	-		2.201%	2.201%	0.000%	0.000%	0.501%	0.501%	0.000%	0.000%	0.568%
2012	SERC	1327	South Carolina Public Service Authority	U.S.	11,194,217	11,194,217	-		1.099%	1.099%	0.000%	0.000%	0.250%	0.250%	0.000%	0.000%	0.283%
2012	SERC	1590	South Louisiana Electric Cooperative Association	U.S.	628,512	628,512			0.062%	0.062%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2012	SERC	1328	South Mississippi Electric Power Association	U.S.	10,013,355	10,013,355	-		0.983%	0.983%	0.000%	0.000%	0.224%	0.224%	0.000%	0.000%	0.254%
2012	SERC	1329	Southern Illinois Power Cooperative	U.S.	1,508,565	1,508,565	-		0.148%	0.148%	0.000%	0.000%	0.034%	0.034%	0.000%	0.000%	0.038%
2012	SERC	1591	Southwest Louisiana Electric Membership Corporation	U.S.	2,528,565	2,528,565			0.248%	0.248%	0.000%	0.000%	0.056%	0.056%	0.000%	0.000%	0.064%
2012	SERC	1619	Southwestern Electric Cooperative, Inc.	U.S.	452,166	452,166			0.044%	0.044%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2012	SERC	1331	Tennessee Valley Authority	U.S.	167,357,652	167,357,652	-		16.429%	16.429%	0.000%	0.000%	3.738%	3.738%	0.000%	0.000%	4.237%
2012	SERC	1632	Tex-La Electric Cooperative of Texas, Inc	U.S.	188,395	188,395			0.018%	0.018%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	SERC	1332	Tombigbee Electric Cooperative Inc.	U.S.	125,830	125,830	-		0.012%	0.012%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	SERC	1592	Town of Black Creek, N.C.	U.S.	12,922	12,922			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	SERC	1593	Town of Lucama, N.C.	U.S.	20,716	20,716			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2012	SERC	1594	Town of Sharpsburg, N.C.	U.S.	19,341	19,341			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	SERC	1595	Town of Stantonsburg, N.C.	U.S.	23,009	23,009			0.002%	0.002%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1333	Town of Waynesville NC	U.S.	94,354	94,354	-		0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	SERC	1334	Town of Winnsboro SC	U.S.	49,635	49,635	-		0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1335	Town of Winterville NC	U.S.	51,718	51,718	-		0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SERC	1597	Washington-St.Tammany Electric Cooperative, Inc.	U.S.	1,049,536	1,049,536			0.103%	0.103%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.027%
			TOTAL SERC		1,018,699,975	1,018,699,975	-	-	100.000%	100.000%	0.000%	0.000%	22.756%	22.756%	0.000%	0.000%	25.792%
2012	SPP	1246	American Electric Power	U.S.	37,266,144	37,266,144			17.119%	17.119%	0.000%	0.000%	0.832%	0.832%	0.000%	0.000%	0.944%
2012	SPP	1435	Arkansas Electric Cooperative Corporation (AEP)	U.S.	4,977,234	4,977,234			2.286%	2.286%	0.000%	0.000%	0.111%	0.111%	0.000%	0.000%	0.126%
2012	SPP	1247	Board of Public Utilities (Kansas City KS)	U.S.	2,425,044	2,425,044			1.114%	1.114%	0.000%	0.000%	0.054%	0.054%	0.000%	0.000%	0.061%
2012	SPP	1620	Board of Public Utilities, City of McPherson, Kansas	U.S.	932,343	932,343			0.428%	0.428%	0.000%	0.000%	0.021%	0.021%	0.000%	0.000%	0.024%
2012	SPP	1647	Carthage City Water & Light	U.S.	305,090	305,090			0.140%	0.140%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	SPP	1469	Central Valley Electric Cooperative	U.S.	829,791	829,791			0.381%	0.381%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.021%
2012	SPP	1556	City of Bentonville	U.S.	642,163	642,163			0.295%	0.295%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2012	SPP	1557	City of Clarksdale, Mississippi	U.S.	173,533	173,533			0.080%	0.080%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	SPP	1558	Hope Water & Light (HWL)	U.S.	296,744	296,744			0.136%	0.136%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	SPP	1559	City of Minden	U.S.	165,975	165,975			0.076%	0.076%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	SPP	1634	City of Mulvane	U.S.	44,856	44,856			0.021%	0.021%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SPP	1635	The City of Osage City	U.S.	37,046	37,046			0.017%	0.017%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SPP	1636	City of Prescott	U.S.	89,582	89,582			0.041%	0.041%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	SPP	1248	Independence Power & Light (Independence, MO)	U.S.	1,114,342	1,114,342			0.512%	0.512%	0.000%	0.000%	0.025%	0.025%	0.000%	0.000%	0.028%
2012	SPP	1436	City Utilities of Springfield, MO	U.S.	3,221,416	3,221,416			1.480%	1.480%	0.000%	0.000%	0.072%	0.072%	0.000%	0.000%	0.082%
2012	SPP	1249	Cleco Power LLC	U.S.	11,526,241	11,526,241			5.295%	5.295%	0.000%	0.000%	0.257%	0.257%	0.000%	0.000%	0.292%
2012	SPP	1437	East Texas Electric Coop, Inc.	U.S.	407,040	407,040			0.187%	0.187%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	SPP	1250	The Empire District Electric Company	U.S.	5,233,311	5,233,311			2.404%	2.404%	0.000%	0.000%	0.117%	0.117%	0.000%	0.000%	0.133%
2012	SPP	1470	Farmers' Electric Coop	U.S.	464,274	464,274			0.213%	0.213%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.012%
2012	SPP	1438	Golden Spread Electric Coop	U.S.	5,624,630	5,624,630			2.584%	2.584%	0.000%	0.000%	0.126%	0.126%	0.000%	0.000%	0.142%
2012	SPP	1251	Grand River Dam Authority	U.S.	4,823,328	4,823,328			2.216%	2.216%	0.000%	0.000%	0.108%	0.108%	0.000%	0.000%	0.122%
2012	SPP	1648	Jonesboro City Water & Light	U.S.	1,389,577	1,389,577			0.638%	0.638%	0.000%	0.000%	0.031%	0.031%	0.000%	0.000%	0.035%
2012	SPP	1252	Kansas City Power & Light (KCPL)	U.S.	15,922,093	15,922,093			7.314%	7.314%	0.000%	0.000%	0.356%	0.356%	0.000%	0.000%	0.403%
2012	SPP	1439	Kansas Electric Power Coop., Inc	U.S.	2,178,636	2,178,636			1.001%	1.001%	0.000%	0.000%	0.049%	0.049%	0.000%	0.000%	0.055%
2012	SPP	1440	Kansas Municipal Energy Agency (KCPL)	U.S.	780,265	780,265			0.358%	0.358%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.020%
2012	SPP	1637	Kansas Power Pool	U.S.	1,638,972	1,638,972			0.753%	0.753%	0.000%	0.000%	0.037%	0.037%	0.000%	0.000%	0.041%
2012	SPP	1560	Kaw Valley Electric Cooperative, Inc.	U.S.	163,532	163,532			0.075%	0.075%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	SPP	1649	Kennett Board of Public Works	U.S.	161,109	161,109			0.074%	0.074%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	SPP	1598	KCP&L GMOC (Greater Missouri Operations Company)	U.S.	8,732,076	8,732,076			4.011%	4.011%	0.000%	0.000%	0.195%	0.195%	0.000%	0.000%	0.221%
2012	SPP	1471	Lafayette Utilities System	U.S.	2,099,839	2,099,839			0.965%	0.965%	0.000%	0.000%	0.047%	0.047%	0.000%	0.000%	0.053%
2012	SPP	1472	Lea County Electric Coop	U.S.	1,321,716	1,321,716			0.607%	0.607%	0.000%	0.000%	0.030%	0.030%	0.000%	0.000%	0.033%
2012	SPP	1253	Louisiana Energy & Power Authority (LEPA)	U.S.	1,011,614	1,011,614			0.465%	0.465%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2012	SPP	1650	Malden Board of Public Works	U.S.	54,484	54,484			0.025%	0.025%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SPP	1441	Midwest Energy Inc.	U.S.	1,854,127	1,854,127			0.852%	0.852%	0.000%	0.000%	0.041%	0.041%	0.000%	0.000%	0.047%
2012	SPP	1443	Missouri Joint Municipal Electric Utility Commission	U.S.	2,546,624	2,546,624			1.170%	1.170%	0.000%	0.000%	0.057%	0.057%	0.000%	0.000%	0.064%
2012	SPP	1638	Nemaha Marshall Electric Cooperative (NMEC)	U.S.	59,704	59,704			0.027%	0.027%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	SPP	1442	Northeast Texas Electric Cooperative, Inc.	U.S.	3,147,468	3,147,468			1.446%	1.446%	0.000%	0.000%	0.070%	0.070%	0.000%	0.000%	0.080%
2012	SPP	1255	Oklahoma Gas and Electric Co.	U.S.	28,891,516	28,891,516			13.272%	13.272%	0.000%	0.000%	0.645%	0.645%	0.000%	0.000%	0.731%
2012	SPP	1444	Oklahoma Municipal Power Auth	U.S.	2,851,888	2,851,888			1.310%	1.310%	0.000%	0.000%	0.064%	0.064%	0.000%	0.000%	0.072%
2012	SPP	1639	OzMo Ozark Missouri, West Plains MO	U.S.	208,924	208,924			0.096%	0.096%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2012	SPP	1651	Paragould Light, Water & Cable	U.S.	611,508	611,508			0.281%	0.281%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.015%
2012	SPP	1652	Piggott Municipal Light, Water & Sewer	U.S.	43,481	43,481			0.020%	0.020%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	SPP	1653	Poplar Bluff Municipal Utilities	U.S.	400,589	400,589			0.184%	0.184%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	SPP	1561	Public Service Commission of Yazoo City of Mississippi	U.S.	124,330	124,330			0.057%	0.057%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	SPP	1473	Roosevelt County Electric Coop	U.S.	213,830	213,830			0.098%	0.098%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2012	SPP	1468	Sharyland Utilities, LP	U.S.	1,107,771	1,107,771			0.509%	0.509%	0.000%	0.000%	0.025%	0.025%	0.000%	0.000%	0.028%
2012	SPP	1654	Sikeston Board of Municipal Utilities	U.S.	384,123	384,123			0.176%	0.176%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	SPP	1257	Southwestern Public Service Co. (SPS-XCEL)	U.S.	19,801,433	19,801,433			9.096%	9.096%	0.000%	0.000%	0.442%	0.442%	0.000%	0.000%	0.501%
2012	SPP	1256	Sunflower Electric Power Cooperative	U.S.	5,787,968	5,787,968			2.659%	2.659%	0.000%	0.000%	0.129%	0.129%	0.000%	0.000%	0.147%
2012	SPP	1445	Tex - La Electric Cooperative of Texas	U.S.	499,279	499,279			0.229%	0.229%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.013%
2012	SPP	1475	Tri County Electric Coop	U.S.	409,922	409,922			0.188%	0.188%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	SPP	1260	Westar Energy, Inc.	U.S.	21,785,015	21,785,015			10.007%	10.007%	0.000%	0.000%	0.487%	0.487%	0.000%	0.000%	0.552%
2012	SPP	1259	Western Farmers Electric Cooperative	U.S.	8,010,559	8,010,559			3.680%	3.680%	0.000%	0.000%	0.179%	0.179%	0.000%	0.000%	0.203%
2012	SPP	1501	West Texas Municipal Power Agency	U.S.	2,894,611	2,894,611			1.330%	1.330%	0.000%	0.000%	0.065%	0.065%	0.000%	0.000%	0.073%
			TOTAL SPP		217,688,710	217,688,710	-	-	100.000%	100.000%	0.000%	0.000%	4.863%	4.863%	0.000%	0.000%	5.512%
2011	TRE	1019	ERCOT	U.S.	324,859,701	324,859,701			100.000%	100.000%	0.000%	0.000%	7.257%	7.257%	0.000%	0.000%	8.225%
					324,859,701	324,859,701	-	-	100.000%	100.000%	0.000%	0.000%	7.257%	7.257%	0.000%	0.000%	8.225%
2012	WECC		Alberta Electric System Operator	Canada	59,238,767	0	59,238,767		6.835%	0.000%	6.835%	0.000%	1.323%	0.000%	1.323%	0.000%	0.000%
2012	WECC		British Columbia Hydro & Power Authority	Canada	60,775,320	0	60,775,320		7.012%	0.000%	7.012%	0.000%	1.358%	0.000%	1.358%	0.000%	0.000%
2012	WECC		Comision Federal de Electricidad	Mexico	11,606,918	0		11,606,918	1.339%	0.000%	0.000%	1.339%	0.259%	0.000%	0.000%	0.259%	0.000%
2012	WECC		Aguila Irrigation District - APS	U.S.	43,546	43,546			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Aha Macav Power Service	U.S.	27,451	27,451			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Ajo Improvement District	U.S.	13,708	13,708			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Ak-Chin	U.S.	35,880	35,880			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Alcoa Inc	U.S.	3,396,749	3,396,749			0.392%	0.392%	0.000%	0.000%	0.076%	0.076%	0.000%	0.000%	0.086%
2012	WECC		Arizona Public Service Company	U.S.	30,130,819	30,130,819			3.476%	3.476%	0.000%	0.000%	0.673%	0.673%	0.000%	0.000%	0.763%
2012	WECC		Arkansas River Power Authority (ARPA)	U.S.	302,804	302,804			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		Avista Corporation	U.S.	65,181	65,181			0.008%	0.008%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2012	WECC		Avista Corporation	U.S.	9,309,092	9,309,092			1.074%	1.074%	0.000%	0.000%	0.208%	0.208%	0.000%	0.000%	0.236%
2012	WECC		Barrick Goldstrike Mines Inc.	U.S.	1,232,684	1,232,684			0.142%	0.142%	0.000%	0.000%	0.028%	0.028%	0.000%	0.000%	0.031%
2012	WECC		Basin Electric Power Cooperative	U.S.	62,100	62,100			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2012	WECC		Basin Electric Power Cooperative	U.S.	3,196,806	3,196,806			0.369%	0.369%	0.000%	0.000%	0.071%	0.071%	0.000%	0.000%	0.081%
2012	WECC		Benton REA	U.S.	543,689	543,689			0.063%	0.063%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.014%
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	134,046	134,046			0.015%	0.015%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	138,903	138,903			0.016%	0.016%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	349,832	349,832			0.040%	0.040%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2012	WECC		Blachly-Lane Electric Cooperative	U.S.	165,608	165,608			0.019%	0.019%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	WECC		Black Hills Power	U.S.	1,927,772	1,927,772			0.222%	0.222%	0.000%	0.000%	0.043%	0.043%	0.000%	0.000%	0.049%
2012	WECC		Black Hills Power/Cheyenne Light Fuel & Power	U.S.	3,727,062	3,727,062			0.430%	0.430%	0.000%	0.000%	0.083%	0.083%	0.000%	0.000%	0.094%
2012	WECC		Black Hills State University South Dakota	U.S.	19,604	19,604			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Bonneville Power Administration	U.S.	6,678	6,678			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Bonneville Power Administration	U.S.	18,644	18,644			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Bonneville Power Administration	U.S.	767,035	767,035			0.089%	0.089%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%
2012	WECC		Bonneville Power Administration	U.S.	1,791,914	1,791,914			0.207%	0.207%	0.000%	0.000%	0.040%	0.040%	0.000%	0.000%	0.045%
2012	WECC		Bonneville Power Administration	U.S.	4,628,633	4,628,633			0.534%	0.534%	0.000%	0.000%	0.103%	0.103%	0.000%	0.000%	0.117%
2012	WECC		BPA - Big Bend/Schrag Load	U.S.	38,074	38,074			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		BPA - USBR Load	U.S.	7,293	7,293			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Buckeye Water Conservation and Drainage District - APS	U.S.	20,484	20,484			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2012	WECC		Bureau of Reclamation (Desalter) - c/o DSW EMMO	U.S.	794	794			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Bureau of Reclamation (Wellfield) - c/o DSW EMMO	U.S.	5,111	5,111			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	WECC		Burlington	U.S.	32,911	32,911			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		California Independent System Operator	U.S.	234,650,307	234,650,307			27.074%	27.074%	0.000%	0.000%	5.242%	5.242%	0.000%	0.000%	5.941%
2012	WECC		Canby Public Utility Board	U.S.	177,351	177,351			0.020%	0.020%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	WECC		Central Arizona Water Conservation District	U.S.	4,968,360	4,968,360			0.573%	0.573%	0.000%	0.000%	0.111%	0.111%	0.000%	0.000%	0.126%
2012	WECC		Central Electric Cooperative	U.S.	499,899	499,899			0.058%	0.058%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.013%
2012	WECC		Central Lincoln PUD	U.S.	1,345,266	1,345,266			0.155%	0.155%	0.000%	0.000%	0.030%	0.030%	0.000%	0.000%	0.034%
2012	WECC		Central Montana Electric Power Cooperative	U.S.	354,818	354,818			0.041%	0.041%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2012	WECC		City of Aztec Electric Dept	U.S.	37,611	37,611			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		City of Bandon	U.S.	67,840	67,840			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		City of Blaine	U.S.	77,768	77,768			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		City of Bonners Ferry	U.S.	69,429	69,429			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		City of Boulder City	U.S.	167,400	167,400			0.019%	0.019%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	WECC		City of Cascade Locks	U.S.	18,979	18,979			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		City of Centralia	U.S.	271,211	271,211			0.031%	0.031%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	WECC		City of Cheney	U.S.	143,828	143,828			0.017%	0.017%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2012	WECC		City of Chewelah	U.S.	23,814	23,814			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		City of Drain	U.S.	16,486	16,486			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		City of Ellensburg	U.S.	208,566	208,566			0.024%	0.024%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2012	WECC		City of Fallon	U.S.	122,771	122,771			0.014%	0.014%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	WECC		City of Farmington	U.S.	276,194	276,194			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	WECC		City of Forest Grove	U.S.	241,716	241,716			0.028%	0.028%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2012	WECC		City of Gallup	U.S.	197,998	197,998			0.023%	0.023%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	WECC		City of Henderson	U.S.	42,415	42,415			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		City of Hermiston, DBA Hermiston Energy Services	U.S.	106,437	106,437			0.012%	0.012%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2012	WECC		City of Las Vegas	U.S.	42,877	42,877			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		City of McCleary	U.S.	31,289	31,289			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		City of McMinnville	U.S.	732,458	732,458			0.085%	0.085%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.019%
2012	WECC		City of Mesa	U.S.	264,058	264,058			0.030%	0.030%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	WECC		City of Milton	U.S.	61,358	61,358			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2012	WECC		City of Milton-Freewater	U.S.	108,291	108,291			0.012%	0.012%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2012	WECC		City of Monmouth	U.S.	71,410	71,410			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		City of Needles	U.S.	31,485	31,485			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		City of Plummer	U.S.	35,562	35,562			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		City of Port Angeles	U.S.	730,656	730,656			0.084%	0.084%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.018%
2012	WECC		City of Redding	U.S.	816,310	816,310			0.094%	0.094%	0.000%	0.000%	0.018%	0.018%	0.000%	0.000%	0.021%
2012	WECC		City of Richland	U.S.	863,345	863,345			0.100%	0.100%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.022%
2012	WECC		City of Roseville	U.S.	1,240,960	1,240,960			0.143%	0.143%	0.000%	0.000%	0.028%	0.028%	0.000%	0.000%	0.031%
2012	WECC		City of Shasta Lake	U.S.	186,609	186,609			0.022%	0.022%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	WECC		City of Sumas	U.S.	29,499	29,499			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		City of Tacoma DBA Tacoma Power	U.S.	4,974,262	4,974,262			0.574%	0.574%	0.000%	0.000%	0.111%	0.111%	0.000%	0.000%	0.126%
2012	WECC		City of Troy	U.S.	17,288	17,288			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		City of Williams	U.S.	40,144	40,144			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Clark County Water Resources	U.S.	78,024	78,024			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Clark Public Utilities	U.S.	4,404,221	4,404,221			0.508%	0.508%	0.000%	0.000%	0.098%	0.098%	0.000%	0.000%	0.112%
2012	WECC		Clatskanie PUD	U.S.	977,748	977,748			0.113%	0.113%	0.000%	0.000%	0.022%	0.022%	0.000%	0.000%	0.025%
2012	WECC		Clearwater Cooperative, Inc	U.S.	163,452	163,452			0.019%	0.019%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	WECC		Colorado River Commission of Nevada	U.S.	835,200	835,200			0.096%	0.096%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.021%
2012	WECC		Colorado Springs Utilities	U.S.	94,659	94,659			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Colorado Springs Utilities	U.S.	4,582,253	4,582,253			0.529%	0.529%	0.000%	0.000%	0.102%	0.102%	0.000%	0.000%	0.116%
2012	WECC		Columbia Basin Electric Cooperative, Inc.	U.S.	110,678	110,678			0.013%	0.013%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2012	WECC		Columbia Falls Aluminum Company	U.S.	4,067	4,067			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Columbia Power Cooperative Association	U.S.	23,981	23,981			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Columbia River PUD	U.S.	303,997	303,997			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		Columbia Rural Electric Association (REA)	U.S.	302,941	302,941			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		Consolidated Irrigation District No. 19	U.S.	6,020	6,020			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	WECC		Constellation New Energy, Inc.	U.S.	70,269	70,269			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Consumers Power, Inc.	U.S.	419,431	419,431			0.048%	0.048%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.011%
2012	WECC		Deseret Generation & Transmission Cooperative	U.S.	69,219	69,219			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Deseret Generation & Transmission Cooperative	U.S.	74,391	74,391			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Douglas Electric Cooperative, Inc.	U.S.	93,789	93,789			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Douglas Palisades	U.S.	18,373	18,373			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		El Paso Electric Company	U.S.	8,397,918	8,397,918			0.969%	0.969%	0.000%	0.000%	0.188%	0.188%	0.000%	0.000%	0.213%
2012	WECC		Electrical District #2	U.S.	195,842	195,842			0.023%	0.023%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	WECC		Electrical District #2 - Coolidge Generating Station	U.S.	8,672	8,672			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Electrical District No. 6 of Pinal County - APS	U.S.	3,135	3,135			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Electrical District No. 7 of Maricopa County - APS	U.S.	55,320	55,320			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Electrical District No. 8 of Maricopa County - APS	U.S.	294,857	294,857			0.034%	0.034%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.007%
2012	WECC		Electrical Districts 1 & 3	U.S.	642,964	642,964			0.074%	0.074%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2012	WECC		Elmhurst Mutual Power & Light Company	U.S.	273,161	273,161			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	WECC		Emerald PUD	U.S.	508,954	508,954			0.059%	0.059%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.013%
2012	WECC		Energy Northwest	U.S.	31,529	31,529			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Eugene Water & Electric Board	U.S.	2,469,521	2,469,521			0.285%	0.285%	0.000%	0.000%	0.055%	0.055%	0.000%	0.000%	0.063%
2012	WECC		Fall River Rural Electric Cooperative, Inc.	U.S.	51	51			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Farmington Electric Utility System	U.S.	1,381,121	1,381,121			0.159%	0.159%	0.000%	0.000%	0.031%	0.031%	0.000%	0.000%	0.035%
2012	WECC		Flathead Electric Cooperative, Inc	U.S.	1,452,590	1,452,590			0.168%	0.168%	0.000%	0.000%	0.032%	0.032%	0.000%	0.000%	0.037%
2012	WECC		Frederickson Power LP	U.S.	5,315	5,315			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Grand Valley Power	U.S.	232,224	232,224			0.027%	0.027%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2012	WECC		Harney Electric Cooperative, Inc.	U.S.	96,729	96,729			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Harney Electric Cooperative, Inc.	U.S.	124,379	124,379			0.014%	0.014%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	WECC		Harquahala Valley Power Districts - APS	U.S.	82,214	82,214			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Hermiston Power LLC	U.S.	4,831	4,831			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Hood River Electric Cooperative	U.S.	39,730	39,730			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Idaho County Light and Power Cooperative Association, Inc.	U.S.	56,349	56,349			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Idaho Power Company	U.S.	14,845,770	14,845,770			1.713%	1.713%	0.000%	0.000%	0.332%	0.332%	0.000%	0.000%	0.376%
2012	WECC		Imperial Irrigation District	U.S.	3,720,853	3,720,853			0.429%	0.429%	0.000%	0.000%	0.083%	0.083%	0.000%	0.000%	0.094%
2012	WECC		Inland Power and Light Company	U.S.	463,321	463,321			0.053%	0.053%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.012%
2012	WECC		Inland Power and Light Company	U.S.	478,629	478,629			0.055%	0.055%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.012%
2012	WECC		Intermountain Rural Electric Association	U.S.	896,045	896,045			0.103%	0.103%	0.000%	0.000%	0.020%	0.020%	0.000%	0.000%	0.023%
2012	WECC		Kaiser Aluminum Fabricated Products LLC	U.S.	324,656	324,656			0.037%	0.037%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		Lakeview Light & Power	U.S.	272,994	272,994			0.031%	0.031%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	WECC		Lane Electric Cooperative, Inc.	U.S.	221,792	221,792			0.026%	0.026%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2012	WECC		Las Vegas Valley Water District	U.S.	218,806	218,806			0.025%	0.025%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2012	WECC		Lincoln Electric Cooperative, Inc.	U.S.	117,576	117,576			0.014%	0.014%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	WECC		Los Angeles Department of Water and Power	U.S.	29,495,538	29,495,538			3.403%	3.403%	0.000%	0.000%	0.659%	0.659%	0.000%	0.000%	0.747%
2012	WECC		Lost River Electric Cooperative, Inc.	U.S.	40	40			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Lower Valley Energy, Inc.	U.S.	161	161			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Maricopa County Municipal Water Conservation Dist No. 1 - /	U.S.	56,505	56,505			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		McMullen Valley Water Conservation & Drainage District - AF	U.S.	73,296	73,296			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Merced Irrigation District	U.S.	459,261	459,261			0.053%	0.053%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.012%
2012	WECC		Midstate Electric Cooperative, Inc.	U.S.	400,286	400,286			0.046%	0.046%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	WECC		Mission Valley Power	U.S.	391,829	391,829			0.045%	0.045%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	WECC		Modern Electric Water Company	U.S.	229,219	229,219			0.026%	0.026%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2012	WECC		Modesto Irrigation District	U.S.	2,564,677	2,564,677			0.296%	0.296%	0.000%	0.000%	0.057%	0.057%	0.000%	0.000%	0.065%
2012	WECC		Montana-Dakota Utilities Co.	U.S.	13,754	13,754			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Mt. Wheeler Power	U.S.	558,374	558,374			0.064%	0.064%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.014%
2012	WECC		Municipal Energy Agency of Nebraska	U.S.	195,844	195,844			0.023%	0.023%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	WECC		Municipal Energy Agency of Nebraska	U.S.	648,687	648,687			0.075%	0.075%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2012	WECC		Navajo Agricultural Products Industry (NAPI)	U.S.	3,893	3,893			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Navajo Tribal Utility Authority	U.S.	42,282	42,282			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Navajo Tribal Utility Authority	U.S.	305,478	305,478			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		Navopache Electric Cooperative, Inc.	U.S.	405,902	405,902			0.047%	0.047%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	WECC		Nebraska Public Power Marketing	U.S.	3,752	3,752			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Nespelem Valley Electric Cooperative, Inc.	U.S.	53,266	53,266			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Nevada Power Company dba NV Energy	U.S.	22,288,258	22,288,258			2.572%	2.572%	0.000%	0.000%	0.498%	0.498%	0.000%	0.000%	0.564%
2012	WECC		Noble Americas Energy Solutions, LLC	U.S.	1,203,124	1,203,124			0.139%	0.139%	0.000%	0.000%	0.027%	0.027%	0.000%	0.000%	0.030%
2012	WECC		Northern Lights, Inc.	U.S.	33,899	33,899			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Northern Wasco County PUD	U.S.	558,178	558,178			0.064%	0.064%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.014%
2012	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	302,519	302,519			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	9,104,734	9,104,734			1.051%	1.051%	0.000%	0.000%	0.203%	0.203%	0.000%	0.000%	0.231%
2012	WECC		Ohop Mutual Light Company	U.S.	83,823	83,823			0.010%	0.010%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Orcas Power and Light Cooperative	U.S.	215,495	215,495			0.025%	0.025%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2012	WECC		Oregon Trail Electric Consumers Cooperative, Inc.	U.S.	320,693	320,693			0.037%	0.037%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		Overton Power District No. 5	U.S.	378,930	378,930			0.044%	0.044%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.010%
2012	WECC		PacifiCorp	U.S.	1,973	1,973			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		PacifiCorp	U.S.	2,731	2,731			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		PacifiCorp	U.S.	60,340	60,340			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2012	WECC		PacifiCorp	U.S.	116,987	116,987			0.013%	0.013%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	WECC		PacifiCorp	U.S.	49,465,347	49,465,347			5.707%	5.707%	0.000%	0.000%	1.105%	1.105%	0.000%	0.000%	1.252%
2012	WECC		PacifiCorp West (PACW)	U.S.	20,941,681	20,941,681			2.416%	2.416%	0.000%	0.000%	0.468%	0.468%	0.000%	0.000%	0.530%
2012	WECC		Page Electric Utility	U.S.	10,986	10,986			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Parkland Light and Water Company	U.S.	120,353	120,353			0.014%	0.014%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	WECC		Pend Oreille County PUD No. 1	U.S.	1,040,915	1,040,915			0.120%	0.120%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2012	WECC		Peninsula Light Company, Inc.	U.S.	607,163	607,163			0.070%	0.070%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.015%
2012	WECC		Platte River Power Authority	U.S.	3,244,772	3,244,772			0.374%	0.374%	0.000%	0.000%	0.072%	0.072%	0.000%	0.000%	0.082%
2012	WECC		Port of Seattle - Seattle-Tacoma International Airport	U.S.	144,541	144,541			0.017%	0.017%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2012	WECC		Port Townsend Paper Corporation	U.S.	205,020	205,020			0.024%	0.024%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2012	WECC		Portland General Electric Company	U.S.	45,375	45,375			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Portland General Electric Company	U.S.	18,694,794	18,694,794			2.157%	2.157%	0.000%	0.000%	0.418%	0.418%	0.000%	0.000%	0.473%
2012	WECC		Public Service Company of Colorado (Xcel)	U.S.	35,278	35,278			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Public Service Company of Colorado (Xcel)	U.S.	31,152,666	31,152,666			3.594%	3.594%	0.000%	0.000%	0.696%	0.696%	0.000%	0.000%	0.789%
2012	WECC		Public Service Company of New Mexico	U.S.	10,775,114	10,775,114			1.243%	1.243%	0.000%	0.000%	0.241%	0.241%	0.000%	0.000%	0.273%
2012	WECC		Public Utility District No. 1 of Chelan County	U.S.	3,976,046	3,976,046			0.459%	0.459%	0.000%	0.000%	0.089%	0.089%	0.000%	0.000%	0.101%
2012	WECC		PUD No. 1 of Asotin County	U.S.	308	308			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		PUD No. 1 of Asotin County	U.S.	4,867	4,867			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		PUD No. 1 of Benton County	U.S.	1,696,614	1,696,614			0.196%	0.196%	0.000%	0.000%	0.038%	0.038%	0.000%	0.000%	0.043%
2012	WECC		PUD No. 1 of Clallam County	U.S.	683,391	683,391			0.079%	0.079%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2012	WECC		PUD No. 1 of Cowlitz County	U.S.	5,189,414	5,189,414			0.599%	0.599%	0.000%	0.000%	0.116%	0.116%	0.000%	0.000%	0.131%
2012	WECC		PUD No. 1 of Douglas County	U.S.	7,610	7,610			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		PUD No. 1 of Douglas County	U.S.	1,433,750	1,433,750			0.165%	0.165%	0.000%	0.000%	0.032%	0.032%	0.000%	0.000%	0.036%
2012	WECC		PUD No. 1 of Ferry County	U.S.	106,187	106,187			0.012%	0.012%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2012	WECC		PUD No. 1 of Franklin County	U.S.	1,017,782	1,017,782			0.117%	0.117%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2012	WECC		PUD No. 1 of Grays Harbor	U.S.	1,215,161	1,215,161			0.140%	0.140%	0.000%	0.000%	0.027%	0.027%	0.000%	0.000%	0.031%
2012	WECC		PUD No. 1 of Kittitas County	U.S.	16,386	16,386			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		PUD No. 1 of Kittitas County	U.S.	72,707	72,707			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		PUD No. 1 of Klickitat County	U.S.	281,076	281,076			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	WECC		PUD No. 1 of Lewis County	U.S.	932,733	932,733			0.108%	0.108%	0.000%	0.000%	0.021%	0.021%	0.000%	0.000%	0.024%
2012	WECC		PUD No. 1 of Mason County	U.S.	78,858	78,858			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		PUD No. 1 of Skamania County	U.S.	132,923	132,923			0.015%	0.015%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2012	WECC		PUD No. 1 of Snohomish County	U.S.	6,807,290	6,807,290			0.785%	0.785%	0.000%	0.000%	0.152%	0.152%	0.000%	0.000%	0.172%
2012	WECC		PUD No. 1 of Wahkiakum County	U.S.	44,119	44,119			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		PUD No. 1 of Whatcom County	U.S.	5,326	5,326			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		PUD No. 1 of Whatcom County	U.S.	199,266	199,266			0.023%	0.023%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	WECC		PUD No. 2 of Grant County	U.S.	48,354	48,354			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		PUD No. 2 of Grant County	U.S.	90,549	90,549			0.010%	0.010%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		PUD No. 2 of Grant County	U.S.	3,840,259	3,840,259			0.443%	0.443%	0.000%	0.000%	0.086%	0.086%	0.000%	0.000%	0.097%
2012	WECC		PUD No. 2 of Pacific County	U.S.	303,584	303,584			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		PUD No. 3 of Mason County	U.S.	699,975	699,975			0.081%	0.081%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.018%

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	WECC		Puget Sound Energy, Inc.	U.S.	24,346,006	24,346,006			2.809%	2.809%	0.000%	0.000%	0.544%	0.544%	0.000%	0.000%	0.616%
2012	WECC		Raft River Electric Cooperative	U.S.	85	85			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Roosevelt Irrigation District - APS	U.S.	41,177	41,177			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Sacramento Municipal Utility District	U.S.	11,239,860	11,239,860			1.297%	0.000%	1.297%	0.000%	0.251%	0.251%	0.000%	0.000%	0.285%
2012	WECC		Salem Electric	U.S.	323,230	323,230			0.037%	0.037%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2012	WECC		Salt River Project	U.S.	28,531,895	28,531,895			3.292%	0.000%	0.000%	3.292%	0.637%	0.637%	0.000%	0.000%	0.722%
2012	WECC		San Carlos Indian Irrigation Project	U.S.	59	59			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Seattle City Light	U.S.	10,068,899	10,068,899			1.162%	1.162%	0.000%	0.000%	0.225%	0.225%	0.000%	0.000%	0.255%
2012	WECC		Sierra Pacific Power Company dba NV Energy	U.S.	9,038,551	9,038,551			1.043%	1.043%	0.000%	0.000%	0.202%	0.202%	0.000%	0.000%	0.229%
2012	WECC		Southern Montana Electric Generation & Transmission	U.S.	628,240	628,240			0.072%	0.072%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2012	WECC		Southern Nevada Water Authority	U.S.	679,028	679,028			0.078%	0.078%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2012	WECC		Southwest Transmission Cooperative, Inc.	U.S.	2,624,888	2,624,888			0.303%	0.000%	0.303%	0.000%	0.059%	0.000%	0.059%	0.000%	0.066%
2012	WECC		Springfield Utility Board	U.S.	840,678	840,678			0.097%	0.097%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.021%
2012	WECC		Surprise Valley Electrification Corporation	U.S.	38,293	38,293			0.004%	0.000%	0.000%	0.004%	0.001%	0.000%	0.000%	0.001%	0.001%
2012	WECC		Tanner Electric Cooperative	U.S.	95,182	95,182			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		The Incorporated County of Los Alamos	U.S.	383,796	383,796			0.044%	0.044%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2012	WECC		Tillamook People's Utility District	U.S.	372,060	372,060			0.043%	0.043%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2012	WECC		Tohono O'Odham Utility Authority	U.S.	67,825	67,825			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Tonopah Irrigation District - APS	U.S.	26,197	26,197			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Town of Fredonia	U.S.	776	776			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Town of Steilacoom	U.S.	41,343	41,343			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Town of Wickenburg	U.S.	27,250	27,250			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	21,787	21,787			0.003%	0.003%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	2,118,103	2,118,103			0.244%	0.244%	0.000%	0.000%	0.047%	0.047%	0.000%	0.000%	0.054%
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	7,531,559	7,531,559			0.869%	0.869%	0.000%	0.000%	0.168%	0.168%	0.000%	0.000%	0.191%
2012	WECC		Tri-State Generation & Transmission Association, Inc.	U.S.	2,774,540	2,774,540			0.320%	0.320%	0.000%	0.000%	0.062%	0.062%	0.000%	0.000%	0.070%
2012	WECC		Truckee Donner Public Utility District	U.S.	148,646	148,646			0.017%	0.017%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2012	WECC		Tucson Electric Power Company	U.S.	14,155,948	14,155,948			1.633%	1.633%	0.000%	0.000%	0.316%	0.316%	0.000%	0.000%	0.358%
2012	WECC		Turlock Irrigation District	U.S.	2,112,514	2,112,514			0.244%	0.244%	0.000%	0.000%	0.047%	0.047%	0.000%	0.000%	0.053%
2012	WECC		U.S. Army Yuma Proving Ground	U.S.	20,743	20,743			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2012	WECC		U.S. BOR Columbia Basin	U.S.	30,459	30,459			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		U.S. BOR East Greenacres (Rathdrum)	U.S.	3,306	3,306			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		U.S. Bor Spokane Indian Development`	U.S.	3,126	3,126			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		U.S. BOR The Dalles Project	U.S.	18,193	18,193			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		U.S. DOE National Energy Technology Laboratory	U.S.	4,555	4,555			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Umatilla Electric Cooperative Association	U.S.	1,021,091	1,021,091			0.118%	0.118%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2012	WECC		Unit B Irrigation District	U.S.	23	23			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		US Air Force Base, Fairchild	U.S.	50,233	50,233			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2012	WECC		US Dept of Energy - Kirtland AFB	U.S.	425,159	425,159			0.049%	0.049%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.011%
2012	WECC		USDOE Richland	U.S.	182,352	182,352			0.021%	0.021%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2012	WECC		USN Naval Station, Bremerton	U.S.	274,291	274,291			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2012	WECC		USN Naval Station, Everett	U.S.	10,447	10,447			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		USN Submarine Base, Bangor	U.S.	174,768	174,768			0.020%	0.020%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2012	WECC		Valley Electric Association, Inc.	U.S.	473,273	473,273			0.055%	0.055%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.012%
2012	WECC		Vera Water and Power	U.S.	230,012	230,012			0.027%	0.027%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2012	WECC		Vigilante Electric Cooperative, Inc.	U.S.	15,801	15,801			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Wasco Electric Cooperative	U.S.	94,790	94,790			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2012	WECC		Wells Rural Electric Cooperative	U.S.	667,128	667,128			0.077%	0.077%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2012	WECC		Wellton-Mohawk Irrigation & Drainage District	U.S.	7,129	7,129			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		West Oregon Electric Cooperative, Inc.	U.S.	12,706	12,706			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Western Area Power - Loveland, CO	U.S.	239,860	239,860			0.028%	0.028%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2012	WECC		Western Area Power - Loveland, CO	U.S.	1,590,635	1,590,635			0.184%	0.184%	0.000%	0.000%	0.036%	0.036%	0.000%	0.000%	0.040%
2012	WECC		Western Area Power Administration - CRSP	U.S.	1,367,212	1,367,212			0.158%	0.158%	0.000%	0.000%	0.031%	0.031%	0.000%	0.000%	0.035%
2012	WECC		Western Area Power Administration - Sierra Nevada Region	U.S.	1,557,395	1,557,395			0.180%	0.180%	0.000%	0.000%	0.035%	0.035%	0.000%	0.000%	0.039%
2012	WECC		Western Area Power Administration-Desert Southwest Regio	U.S.	2,159,853	2,159,853			0.249%	0.249%	0.000%	0.000%	0.048%	0.048%	0.000%	0.000%	0.055%
2012	WECC		Western Area Power Administration-Upper Great Plains Regi	U.S.	7,448	7,448			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL	% of RE total	US Total	Canada Total	Mexico Total	% of ERO Total	US Total	Canada Total	Mexico Total	% of ERO - US Only
2012	WECC		Western Area Power Administration-Upper Great Plains Regi	U.S.	231,184	231,184			0.027%	0.027%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2012	WECC		Yakama Power	U.S.	21,869	21,869			0.003%	0.003%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2012	WECC		Yampa Valley Electric Association	U.S.	578,293	578,293			0.067%	0.067%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2012	WECC		Yuma Irrigation District	U.S.	3,246	3,246			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2012	WECC		Yuma-Mesa Irrigation District	U.S.	178	178			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
			TOTAL WECC		866,703,757	735,082,752	120,014,087	11,606,918	100.000%	79.917%	15.447%	4.636%	19.360%	16.361%	2.740%	0.260%	18.611%
	TOTAL ERO				4,476,669,439	3,949,655,760	515,406,761	11,606,918	800.000%	709.483%	85.881%	4.636%	100.000%	88.168%	11.572%	0.260%	100.000%

Summary by Regional Entity		Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL									
2012	FRCC	220,684,104	220,684,104	-	-	100.000%	100.000%	0.000%	0.000%	4.930%	4.930%	0.000%	0.000%	5.587%
2012	MRO	284,519,075	239,585,401	44,933,674	-	100.000%	84.207%	15.793%	0.000%	6.356%	5.352%	1.004%	0.000%	6.066%
2012	NPCC	641,382,000	290,923,000	350,459,000	-	100.000%	45.359%	54.641%	0.000%	14.327%	6.499%	7.829%	0.000%	7.366%
2012	RFC	902,132,116	902,132,116	-	-	100.000%	100.000%	0.000%	0.000%	20.152%	20.152%	0.000%	0.000%	22.841%
2012	SERC	1,018,699,975	1,018,699,975	-	-	100.000%	100.000%	0.000%	0.000%	22.756%	22.756%	0.000%	0.000%	25.792%
2012	SPP	217,688,710	217,688,710	-	-	100.000%	100.000%	0.000%	0.000%	4.863%	4.863%	0.000%	0.000%	5.512%
2012	TRE	324,859,701	324,859,701	-	-	100.000%	100.000%	0.000%	0.000%	7.257%	7.257%	0.000%	0.000%	8.225%
2012	WECC	866,703,757	735,082,752	120,014,087	11,606,918	100.000%	79.917%	15.447%	4.636%	19.360%	16.361%	2.740%	0.260%	18.611%
Total		4,476,669,439	3,949,655,760	515,406,761	11,606,918	800.000%	709.483%	85.881%	4.636%	100.000%	88.168%	11.572%	0.260%	100.000%

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	FRCC	1074	Alachua, City of	U.S.	4,495	4,495	-	-	1,449	1,449	-	-	3,047	3,047	-	-
2012	FRCC	1075	Bartow, City of	U.S.	10,069	10,069	-	-	3,245	3,245	-	-	6,824	6,824	-	-
2012	FRCC	1076	Chattahoochee, City of	U.S.	1,402	1,402	-	-	452	452	-	-	950	950	-	-
2012	FRCC	1077	Florida Keys Electric Cooperative Assn	U.S.	25,026	25,026	-	-	8,065	8,065	-	-	16,960	16,960	-	-
2012	FRCC	1078	Florida Power & Light Co.	U.S.	3,986,285	3,986,285	-	-	1,284,716	1,284,716	-	-	2,701,569	2,701,569	-	-
2012	FRCC	1079	Florida Public Utilities Company	U.S.	13,742	13,742	-	-	4,429	4,429	-	-	9,313	9,313	-	-
2012	FRCC	1080	Gainesville Regional Utilities	U.S.	65,079	65,079	-	-	20,974	20,974	-	-	44,105	44,105	-	-
2012	FRCC	1081	Homestead, City of	U.S.	18,788	18,788	-	-	6,055	6,055	-	-	12,733	12,733	-	-
2012	FRCC	1082	JEA	U.S.	441,610	441,610	-	-	142,324	142,324	-	-	299,286	299,286	-	-
2012	FRCC	1083	Lakeland Electric	U.S.	105,423	105,423	-	-	33,976	33,976	-	-	71,447	71,447	-	-
2012	FRCC	1626	Lee County Electric Cooperative, Inc	U.S.	133,986	133,986	-	-	43,182	43,182	-	-	90,804	90,804	-	-
2012	FRCC	1661	City of Lake Worth	U.S.	15,516	15,516	-	-	5,001	5,001	-	-	10,515	10,515	-	-
2012	FRCC	1084	Mount Dora, City of	U.S.	3,278	3,278	-	-	1,056	1,056	-	-	2,222	2,222	-	-
2012	FRCC	1085	New Smyrna Beach, Utilities Commission of	U.S.	13,907	13,907	-	-	4,482	4,482	-	-	9,425	9,425	-	-
2012	FRCC	1086	Orlando Utilities Commission	U.S.	208,813	208,813	-	-	67,297	67,297	-	-	141,516	141,516	-	-
2012	FRCC	1087	Progress Energy Florida	U.S.	1,446,332	1,446,332	-	-	466,130	466,130	-	-	980,202	980,202	-	-
2012	FRCC	1088	Quincy, City of	U.S.	4,836	4,836	-	-	1,558	1,558	-	-	3,277	3,277	-	-
2012	FRCC	1089	Reedy Creek Improvement District	U.S.	44,290	44,290	-	-	14,274	14,274	-	-	30,016	30,016	-	-
2012	FRCC	1090	St. Cloud, City of (OUC)	U.S.	21,723	21,723	-	-	7,001	7,001	-	-	14,722	14,722	-	-
2012	FRCC	1091	Tallahassee, City of	U.S.	99,442	99,442	-	-	32,049	32,049	-	-	67,393	67,393	-	-
2012	FRCC	1092	Tampa Electric Company	U.S.	706,294	706,294	-	-	227,627	227,627	-	-	478,667	478,667	-	-
2012	FRCC	1603	City of Vero Beach	U.S.	26,934	26,934	-	-	8,680	8,680	-	-	18,253	18,253	-	-
2012	FRCC	1093	Wauchula, City of	U.S.	2,262	2,262	-	-	729	729	-	-	1,533	1,533	-	-
2012	FRCC	1094	Williston, City of	U.S.	1,220	1,220	-	-	393	393	-	-	827	827	-	-
2012	FRCC	1095	Winter Park, City of	U.S.	16,083	16,083	-	-	5,183	5,183	-	-	10,900	10,900	-	-
2012	FRCC	1072	Florida Municipal Power Agency	U.S.	203,305	203,305	-	-	65,522	65,522	-	-	137,783	137,783	-	-
2012	FRCC	1073	Seminole Electric Cooperative	U.S.	477,732	477,732	-	-	153,965	153,965	-	-	323,766	323,766	-	-
			TOTAL FRCC		8,097,871	8,097,871	-	-	2,609,814	2,609,814	-	-	5,488,057	5,488,057	-	-
									-							
2012	MRO	1199	Basin Electric Power Cooperative	U.S.	544,077	544,077	-	-	151,539	151,539	-	-	392,539	392,539	-	-
2012	MRO	1201	Central Iowa Power Cooperative (CIPCO)	U.S.	117,115	117,115	-	-	32,619	32,619	-	-	84,496	84,496	-	-
2012	MRO	1204	Corn Belt Power Cooperative	U.S.	74,619	74,619	-	-	20,783	20,783	-	-	53,836	53,836	-	-
2012	MRO	1207	Dairyland Power Cooperative	U.S.	222,505	222,505	-	-	61,973	61,973	-	-	160,532	160,532	-	-
2012	MRO	1210	Great River Energy	U.S.	573,184	573,184	-	-	159,645	159,645	-	-	413,539	413,539	-	-
2012	MRO	1222	Minnkota Power Cooperative, Inc.	U.S.	171,023	171,023	-	-	47,634	47,634	-	-	123,389	123,389	-	-
2012	MRO	1230	Nebraska Public Power District	U.S.	575,574	575,574	-	-	160,311	160,311	-	-	415,263	415,263	-	-
2012	MRO	1232	Omaha Public Power District	U.S.	483,631	483,631	-	-	134,703	134,703	-	-	348,928	348,928	-	-
2012	MRO	1237	Southern Montana Generation and Transmission	U.S.	224	224	-	-	62	62	-	-	162	162	-	-
2012	MRO	1240	Western Area Power Administration (UM)	U.S.	407,035	407,035	-	-	113,369	113,369	-	-	293,666	293,666	-	-
2012	MRO	1239	Western Area Power Administration (LM)	U.S.	5,387	5,387	-	-	1,501	1,501	-	-	3,887	3,887	-	-
2012	MRO	1217	Manitoba Hydro	CAN	982,945	-	982,945	-	271,363	-	271,363	-	711,582	-	711,582	-
2012	MRO	1235	SaskPower	CAN	953,821	-	953,821	-	263,323	-	263,323	-	690,499	-	690,499	-
2012	MRO	1195	Alliant Energy (Alliant East - WPL & Alliant West IPL)	U.S.	1,223,806	1,223,806	-	-	340,859	340,859	-	-	882,947	882,947	-	-
2012	MRO	1216	Madison, Gas and Electric	U.S.	147,419	147,419	-	-	41,060	41,060	-	-	106,359	106,359	-	-
2012	MRO	1220	MidAmerican Energy Company	U.S.	1,177,832	1,177,832	-	-	328,054	328,054	-	-	849,777	849,777	-	-
2012	MRO	1221	Minnesota Power	U.S.	559,691	559,691	-	-	155,887	155,887	-	-	403,804	403,804	-	-
2012	MRO	1226	Montana-Dakota Utilities Co.	U.S.	123,972	123,972	-	-	34,529	34,529	-	-	89,443	89,443	-	-
2012	MRO	1231	NorthWestern Energy	U.S.	63,751	63,751	-	-	17,756	17,756	-	-	45,995	45,995	-	-
2012	MRO	1233	Otter Tail Power Company	U.S.	182,784	182,784	-	-	50,910	50,910	-	-	131,874	131,874	-	-
2012	MRO	1243	Integrys Energy Group (WPS and UPPCO)	U.S.	572,195	572,195	-	-	159,370	159,370	-	-	412,825	412,825	-	-
2012	MRO	1244	Xcel Energy Company (NSP)	U.S.	1,934,011	1,934,011	-	-	538,668	538,668	-	-	1,395,343	1,395,343	-	-
2012	MRO	1196	Ames Municipal Electric System	U.S.	32,417	32,417	-	-	9,029	9,029	-	-	23,388	23,388	-	-
2012	MRO	1604	Atlantic Municipal Utilities	U.S.	3,180	3,180	-	-	886	886	-	-	2,294	2,294	-	-
2012	MRO	1476	Badger Power Marketing Authority of Wisconsin, Inc.	U.S.	17,428	17,428	-	-	4,854	4,854	-	-	12,574	12,574	-	-
2012	MRO	1200	Cedar Falls Municipal Utilities	U.S.	22,165	22,165	-	-	6,173	6,173	-	-	15,991	15,991	-	-
2012	MRO	1477	Central Minnesota Municipal Power Agency (CMMPA)	U.S.	20,096	20,096	-	-	5,597	5,597	-	-	14,499	14,499	-	-
2012	MRO	1203	Escanaba Municipal Electric Utility	U.S.	6,296	6,296	-	-	1,754	1,754	-	-	4,542	4,542	-	-
2012	MRO	1205	Falls City Water & Light Department	U.S.	2,392	2,392	-	-	666	666	-	-	1,726	1,726	-	-
2012	MRO	1206	Fremont Department of Utilities	U.S.	18,790	18,790	-	-	5,233	5,233	-	-	13,556	13,556	-	-
2012	MRO	1208	Geneseo Municipal Utilities	U.S.	2,827	2,827	-	-	787	787	-	-	2,040	2,040	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	MRO	1209	Grand Island Utilities Department	U.S.	32,438	32,438	-	-	9,035	9,035	-	-	23,403	23,403	-	-
2012	MRO	1606	Harlan Municipal Utilities	U.S.	1,080	1,080	-	-	301	301	-	-	779	779	-	-
2012	MRO	1211	Hastings Utilities	U.S.	18,030	18,030	-	-	5,022	5,022	-	-	13,008	13,008	-	-
2012	MRO	1212	Heartland Consumers Power District	U.S.	36,094	36,094	-	-	10,053	10,053	-	-	26,041	26,041	-	-
2012	MRO	1213	Hutchinson Utilities Commission	U.S.	12,433	12,433	-	-	3,463	3,463	-	-	8,970	8,970	-	-
2012	MRO	1215	Lincoln Electric System	U.S.	137,663	137,663	-	-	38,342	38,342	-	-	99,321	99,321	-	-
2012	MRO	1218	Manitowoc Public Utilities	U.S.	22,888	22,888	-	-	6,375	6,375	-	-	16,513	16,513	-	-
2012	MRO	1223	Missouri River Energy Services	U.S.	97,819	97,819	-	-	27,245	27,245	-	-	70,574	70,574	-	-
2012	MRO	1224	MN Municipal Power Agency (MMPA)	U.S.	64,482	64,482	-	-	17,960	17,960	-	-	46,522	46,522	-	-
2012	MRO	1607	Montezuma Municipal Light & Power	U.S.	1,392	1,392	-	-	388	388	-	-	1,004	1,004	-	-
2012	MRO	1227	Municipal Energy Agency of Nebraska	U.S.	49,469	49,469	-	-	13,778	13,778	-	-	35,691	35,691	-	-
2012	MRO	1228	Muscatine Power and Water	U.S.	36,791	36,791	-	-	10,247	10,247	-	-	26,544	26,544	-	-
2012	MRO	1229	Nebraska City Utilities	U.S.	7,394	7,394	-	-	2,059	2,059	-	-	5,335	5,335	-	-
2012	MRO	1234	Rochester Public Utilities	U.S.	425	425	-	-	118	118	-	-	306	306	-	-
2012	MRO	1236	Southern Minnesota Municipal Power Agency	U.S.	125,167	125,167	-	-	34,862	34,862	-	-	90,305	90,305	-	-
2012	MRO	1241	Willmar Municipal Utilities	U.S.	11,122	11,122	-	-	3,098	3,098	-	-	8,024	8,024	-	-
2012	MRO	1242	Wisconsin Public Power, Inc. (East and West regions)	U.S.	232,592	232,592	-	-	64,783	64,783	-	-	167,810	167,810	-	-
			TOTAL MRO		12,109,471	10,172,705	1,936,766	-	3,368,027	2,833,341	534,686	-	8,741,444	7,339,364	1,402,080	-
									-							
2012	NPCC	1336	New England	U.S.	5,124,983	5,124,983	-	-	1,514,688	1,514,688	-	-	3,610,295	3,610,295	-	-
2012	NPCC	1339	New York	U.S.	6,763,398	6,763,398	-	-	1,925,772	1,925,772	-	-	4,837,626	4,837,626	-	-
2012	NPCC	1337	Ontario	Canada	3,112,929	-	3,112,929	-	1,084,277	-	1,084,277	-	2,028,651	-	2,028,651	-
2012	NPCC	1341	Quebec	Canada	4,068,944	-	4,068,944	-	1,539,741	-	1,539,741	-	2,529,203	-	2,529,203	-
2012	NPCC	1338	New Brunswick	Canada	485,103	-	485,103	-	105,191	-	105,191	-	379,911	-	379,911	-
2012	NPCC	1340	Nova Scotia	Canada	350,472	-	350,472	-	124,278	-	124,278	-	226,194	-	226,194	-
			TOTAL NPCC		19,905,829	11,888,382	8,017,447	-	6,293,948	3,440,461	2,853,487	-	13,611,881	8,447,921	5,163,960	-
									-							
2012	RFC	1104	Bay City	U.S.	9,576	9,576	-	-	3,955	3,955	-	-	5,620	5,620	-	-
2012	RFC	1102	Cannelton Utilities	U.S.	448	448	-	-	185	185	-	-	263	263	-	-
2012	RFC	1105	City of Chelsea	U.S.	2,903	2,903	-	-	1,199	1,199	-	-	1,704	1,704	-	-
2012	RFC	1106	City of Croswell	U.S.	1,205	1,205	-	-	498	498	-	-	708	708	-	-
2012	RFC	1108	City of Eaton Rapids	U.S.	2,816	2,816	-	-	1,163	1,163	-	-	1,653	1,653	-	-
2012	RFC	1111	City of Hart	U.S.	1,329	1,329	-	-	549	549	-	-	780	780	-	-
2012	RFC	1490	City of Lansing	U.S.	65,269	65,269	-	-	26,960	26,960	-	-	38,309	38,309	-	-
2012	RFC	1112	City of Marquette Board of Light & Power	U.S.	9,330	9,330	-	-	3,854	3,854	-	-	5,476	5,476	-	-
2012	RFC	1114	City of Portland	U.S.	1,062	1,062	-	-	439	439	-	-	623	623	-	-
2012	RFC	1116	City of St. Louis	U.S.	1,137	1,137	-	-	469	469	-	-	667	667	-	-
2012	RFC	1118	City of Wyandotte	U.S.	6,166	6,166	-	-	2,547	2,547	-	-	3,619	3,619	-	-
2012	RFC	1120	Cloverland Electric Cooperative	U.S.	25,070	25,070	-	-	10,355	10,355	-	-	14,715	14,715	-	-
2012	RFC	1122	CMS ERM Michigan LLC	U.S.	5,169	5,169	-	-	2,135	2,135	-	-	3,034	3,034	-	-
2012	RFC	1124	Constellation New Energy (MECS-CONS)	U.S.	31,474	31,474	-	-	13,001	13,001	-	-	18,473	18,473	-	-
2012	RFC	1123	Constellation New Energy (MECS-DET)	U.S.	32,079	32,079	-	-	13,251	13,251	-	-	18,829	18,829	-	-
2012	RFC	1126	Consumers Energy Company	U.S.	966,456	966,456	-	-	399,202	399,202	-	-	567,254	567,254	-	-
2012	RFC	1128	Detroit Edison Company	U.S.	1,332,507	1,332,507	-	-	550,403	550,403	-	-	782,104	782,104	-	-
2012	RFC	1166	Duke Energy Indiana	U.S.	867,424	867,424	-	-	358,297	358,297	-	-	509,128	509,128	-	-
2012	RFC	1135	Ferdinand Municipal Light & Water	U.S.	1,305	1,305	-	-	539	539	-	-	766	766	-	-
2012	RFC	1646	FirstEnergy Solutions (MECS-CONS)	U.S.	4,954	4,954	-	-	2,046	2,046	-	-	2,908	2,908	-	-
2012	RFC	1549	FirstEnergy Solutions (MECS-DET)	U.S.	64,493	64,493	-	-	26,639	26,639	-	-	37,854	37,854	-	-
2012	RFC	1612	Glacial Energy (MECS-DET)	U.S.	8,147	8,147	-	-	3,365	3,365	-	-	4,782	4,782	-	-
2012	RFC	1144	Holland Board of Public Works	U.S.	27,512	27,512	-	-	11,364	11,364	-	-	16,148	16,148	-	-
2012	RFC	1145	Hoosier Energy	U.S.	205,988	205,988	-	-	85,085	85,085	-	-	120,903	120,903	-	-
2012	RFC	1148	Indiana Municipal Power Agency (DUKE CIN)	U.S.	86,922	86,922	-	-	35,904	35,904	-	-	51,018	51,018	-	-
2012	RFC	1485	Indiana Municipal Power Agency (NIPSCO)	U.S.	12,241	12,241	-	-	5,056	5,056	-	-	7,185	7,185	-	-
2012	RFC	1486	Indiana Municipal Power Agency (SIGE)	U.S.	16,957	16,957	-	-	7,004	7,004	-	-	9,953	9,953	-	-
2012	RFC	1149	Indianapolis Power & Light Co.	U.S.	426,304	426,304	-	-	176,088	176,088	-	-	250,216	250,216	-	-
2012	RFC	1553	Integrys Energy Services (MECS-CONS)	U.S.	19,537	19,537	-	-	8,070	8,070	-	-	11,467	11,467	-	-
2012	RFC	1554	Integrys Energy Services (MECS-DET)	U.S.	12,864	12,864	-	-	5,314	5,314	-	-	7,551	7,551	-	-
2012	RFC	1614	Just Energy (MECS-DET)	U.S.	435	435	-	-	180	180	-	-	255	255	-	-
2012	RFC	1154	Michigan Public Power Agency	U.S.	36,217	36,217	-	-	14,960	14,960	-	-	21,258	21,258	-	-
2012	RFC	1155	Michigan South Central Power Agency	U.S.	17,454	17,454	-	-	7,209	7,209	-	-	10,244	10,244	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	RFC	1158	MidAmerican Energy Company Retail	U.S.	2,758	2,758	-	-	1,139	1,139	-	-	1,619	1,619	-	-
2012	RFC	1163	Northern Indiana Public Service Co.	U.S.	503,412	503,412	-	-	207,938	207,938	-	-	295,474	295,474	-	-
2012	RFC	1164	Ontonagon County Rural Electrification Assoc.	U.S.	820	820	-	-	339	339	-	-	481	481	-	-
2012	RFC	1265	PJM Interconnnection, LLC	U.S.	19,696,610	19,696,610	-	-	8,135,840	8,135,840	-	-	11,560,770	11,560,770	-	-
2012	RFC	1172	Sempra Energy Solutions (MECS-CONS)	U.S.	29,491	29,491	-	-	12,182	12,182	-	-	17,310	17,310	-	-
2012	RFC	1171	Sempra Energy Solutions (MECS-DET)	U.S.	24,290	24,290	-	-	10,033	10,033	-	-	14,257	14,257	-	-
2012	RFC	1176	Direct Energy (fka:Strategic Energy,LLC) (MECS-CONS)	U.S.	321	321	-	-	133	133	-	-	188	188	-	-
2012	RFC	1174	Direct Energy (fka:Strategic Energy,LLC) (MECS-DET)	U.S.	9,090	9,090	-	-	3,755	3,755	-	-	5,335	5,335	-	-
2012	RFC	1581	Spartan Renewable Energy	U.S.	1,990	1,990	-	-	822	822	-	-	1,168	1,168	-	-
2012	RFC	1180	Thumb Electric Cooperative	U.S.	4,893	4,893	-	-	2,021	2,021	-	-	2,872	2,872	-	-
2012	RFC	1662	Ohio Valley Electric Corporation	U.S.	16,507	16,507	-	-	6,819	6,819	-	-	9,689	9,689	-	-
2012	RFC	1181	Vectren Energy Delivery of IN	U.S.	165,642	165,642	-	-	68,420	68,420	-	-	97,223	97,223	-	-
2012	RFC	1183	Village of Sebewaing	U.S.	1,176	1,176	-	-	486	486	-	-	690	690	-	-
2012	RFC	1184	Wabash Valley Power Association Inc. (DUKE CIN)	U.S.	76,859	76,859	-	-	31,747	31,747	-	-	45,112	45,112	-	-
2012	RFC	1488	Wabash Valley Power Association Inc.(NIPSCO)	U.S.	47,667	47,667	-	-	19,689	19,689	-	-	27,978	27,978	-	-
2012	RFC	1185	Wisconsin Electric Power Co.	U.S.	835,469	835,469	-	-	345,097	345,097	-	-	490,372	490,372	-	-
2012	RFC	1189	Wolverine Power Marketing Cooperative	U.S.	30,462	30,462	-	-	12,582	12,582	-	-	17,879	17,879	-	-
2012	RFC	1191	Wolverine Power Supply Cooperative	U.S.	74,255	74,255	-	-	30,671	30,671	-	-	43,583	43,583	-	-
2012	RFC	1190	Wolverine Power Marketing Cooperative	U.S.	3,949	3,949	-	-	1,631	1,631	-	-	2,318	2,318	-	-
			TOTAL RELIABILITYFIRST		25,828,414	25,828,414	-	-	10,668,630	10,668,630	-	-	15,159,784	15,159,784	-	-
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2012	SERC	1267	Alabama Municipal Electric Authority	U.S.	86,882	86,882	-	-	40,598	40,598	-	-	46,284	46,284	-	-
2012	SERC	1268	Alabama Power Company	U.S.	1,436,359	1,436,359	-	-	671,177	671,177	-	-	765,182	765,182	-	-
2012	SERC	1269	Ameren - Illinois	U.S.	1,095,803	1,095,803	-	-	512,043	512,043	-	-	583,760	583,760	-	-
2012	SERC	1271	Ameren - Missouri	U.S.	1,053,285	1,053,285	-	-	492,175	492,175	-	-	561,110	561,110	-	-
2012	SERC	1272	APGI - Yadkin Division	U.S.	582	582	-	-	272	272	-	-	310	310	-	-
2012	SERC	1660	APGI - Tapoco Division (ALCOA)	U.S.	8	8	-	-	4	4	-	-	5	5	-	-
2012	SERC	1273	Associated Electric Cooperative Inc.	U.S.	482,775	482,775	-	-	225,590	225,590	-	-	257,186	257,186	-	-
2012	SERC	1582	Beauregard Electric Cooperative, Inc.	U.S.	27,260	27,260	-	-	12,738	12,738	-	-	14,522	14,522	-	-
2012	SERC	1462	Benton Utility District	U.S.	7,292	7,292	-	-	3,407	3,407	-	-	3,885	3,885	-	-
2012	SERC	1274	Big Rivers Electric Corporation	U.S.	285,166	285,166	-	-	133,251	133,251	-	-	151,915	151,915	-	-
2012	SERC	1275	Black Warrior EMC	U.S.	10,482	10,482	-	-	4,898	4,898	-	-	5,584	5,584	-	-
2012	SERC	1276	Blue Ridge EMC	U.S.	34,373	34,373	-	-	16,062	16,062	-	-	18,311	18,311	-	-
2012	SERC	1628	Brazos Electric Power Cooperative, Inc.	U.S.	10,196	10,196	-	-	4,764	4,764	-	-	5,432	5,432	-	-
2012	SERC	1463	Canton, MS	U.S.	3,216	3,216	-	-	1,503	1,503	-	-	1,713	1,713	-	-
2012	SERC	1277	Central Electric Power Cooperative Inc.	U.S.	390,945	390,945	-	-	182,679	182,679	-	-	208,265	208,265	-	-
2012	SERC	1278	City of Blountstown FL	U.S.	979	979	-	-	458	458	-	-	522	522	-	-
2012	SERC	1279	City of Camden SC	U.S.	4,759	4,759	-	-	2,224	2,224	-	-	2,535	2,535	-	-
2012	SERC	1280	City of Collins MS	U.S.	1,124	1,124	-	-	525	525	-	-	599	599	-	-
2012	SERC	1281	City of Columbia MO	U.S.	30,217	30,217	-	-	14,120	14,120	-	-	16,097	16,097	-	-
2012	SERC	1282	City of Conway AR (Conway Corporation)	U.S.	26,733	26,733	-	-	12,492	12,492	-	-	14,241	14,241	-	-
2012	SERC	1284	City of Evergreen AL	U.S.	1,412	1,412	-	-	660	660	-	-	752	752	-	-
2012	SERC	1285	City of Hampton GA	U.S.	754	754	-	-	352	352	-	-	402	402	-	-
2012	SERC	1286	City of Hartford AL	U.S.	813	813	-	-	380	380	-	-	433	433	-	-
2012	SERC	1287	City of Henderson (KY) Municipal Power & Light	U.S.	15,748	15,748	-	-	7,359	7,359	-	-	8,389	8,389	-	-
2012	SERC	1288	City of North Little Rock AR (DENL)	U.S.	25,033	25,033	-	-	11,697	11,697	-	-	13,336	13,336	-	-
2012	SERC	1289	City of Orangeburg SC Department of Public Utilities	U.S.	18,796	18,796	-	-	8,783	8,783	-	-	10,013	10,013	-	-
2012	SERC	1290	City of Robertsdale AL	U.S.	2,067	2,067	-	-	966	966	-	-	1,101	1,101	-	-
2012	SERC	1291	City of Ruston LA (DERS)	U.S.	7,139	7,139	-	-	3,336	3,336	-	-	3,803	3,803	-	-
2012	SERC	1292	City of Seneca SC	U.S.	3,852	3,852	-	-	1,800	1,800	-	-	2,052	2,052	-	-
2012	SERC	1115	City of Springfield (CWLP)	U.S.	46,466	46,466	-	-	21,712	21,712	-	-	24,753	24,753	-	-
2012	SERC	1465	City of Thayer, MO	U.S.	500	500	-	-	234	234	-	-	266	266	-	-
2012	SERC	1293	City of Troy AL	U.S.	10,239	10,239	-	-	4,784	4,784	-	-	5,455	5,455	-	-
2012	SERC	1294	City of West Memphis AR (West Memphis Utilities)	U.S.	10,388	10,388	-	-	4,854	4,854	-	-	5,534	5,534	-	-
2012	SERC	1583	Claiborne Electric Cooperative, Inc.	U.S.	16,660	16,660	-	-	7,785	7,785	-	-	8,875	8,875	-	-
2012	SERC	1584	Concordia Electric Cooperative, Inc.	U.S.	6,706	6,706	-	-	3,134	3,134	-	-	3,572	3,572	-	-
2012	SERC	1283	Dalton Utilities	U.S.	36,715	36,715	-	-	17,156	17,156	-	-	19,559	19,559	-	-
2012	SERC	1585	Dixie Electric Membership Corporation	U.S.	56,939	56,939	-	-	26,606	26,606	-	-	30,333	30,333	-	-
2012	SERC	1295	Dominion Virginia Power	U.S.	2,112,370	2,112,370	-	-	987,061	987,061	-	-	1,125,309	1,125,309	-	-
2012	SERC	1296	Duke Energy Carolinas, LLC	U.S.	2,071,636	2,071,636	-	-	968,027	968,027	-	-	1,103,609	1,103,609	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	SERC	1466	Durant, MS	U.S.	711	711	-	-	332	332	-	-	379	379	-	-
2012	SERC	1478	E.ON U.S. Services Inc.	U.S.	878,907	878,907	-	-	410,692	410,692	-	-	468,214	468,214	-	-
2012	SERC	1297	East Kentucky Power Cooperative	U.S.	308,119	308,119	-	-	143,977	143,977	-	-	164,142	164,142	-	-
2012	SERC	1298	East Mississippi Electric Power Association	U.S.	10,983	10,983	-	-	5,132	5,132	-	-	5,851	5,851	-	-
2012	SERC	1629	East Texas Electric Cooperative Inc	U.S.	49,505	49,505	-	-	23,133	23,133	-	-	26,373	26,373	-	-
2012	SERC	1299	Electric Energy Inc.	U.S.	639	639	-	-	299	299	-	-	341	341	-	-
2012	SERC	1300	EnergyUnited EMC	U.S.	63,490	63,490	-	-	29,667	29,667	-	-	33,823	33,823	-	-
2012	SERC	1301	Entergy	U.S.	2,914,210	2,914,210	-	-	1,361,742	1,361,742	-	-	1,552,468	1,552,468	-	-
2012	SERC	1302	Fayetteville (NC) Public Works Commission	U.S.	53,996	53,996	-	-	25,231	25,231	-	-	28,765	28,765	-	-
2012	SERC	1303	Florida Public Utilities (FL Panhandle Load)	U.S.	8,189	8,189	-	-	3,826	3,826	-	-	4,362	4,362	-	-
2012	SERC	1304	French Broad EMC	U.S.	13,227	13,227	-	-	6,180	6,180	-	-	7,046	7,046	-	-
2012	SERC	1305	Georgia Power Company	U.S.	2,160,277	2,160,277	-	-	1,009,446	1,009,446	-	-	1,150,830	1,150,830	-	-
2012	SERC	1306	Georgia System Optns Corporation	U.S.	950,976	950,976	-	-	444,369	444,369	-	-	506,607	506,607	-	-
2012	SERC	1479	Greenwood (MS) Utilities Commission	U.S.	7,224	7,224	-	-	3,376	3,376	-	-	3,849	3,849	-	-
2012	SERC	1307	Greenwood (SC) Commissioners of Public Works	U.S.	6,838	6,838	-	-	3,195	3,195	-	-	3,643	3,643	-	-
2012	SERC	1308	Gulf Power Company	U.S.	284,653	284,653	-	-	133,012	133,012	-	-	151,641	151,641	-	-
2012	SERC	1586	Haywood EMC	U.S.	7,375	7,375	-	-	3,446	3,446	-	-	3,929	3,929	-	-
2012	SERC	1309	Illinois Municipal Electric Agency	U.S.	48,800	48,800	-	-	22,803	22,803	-	-	25,997	25,997	-	-
2012	SERC	1480	Itta Bena, MS	U.S.	405	405	-	-	189	189	-	-	216	216	-	-
2012	SERC	1587	Jefferson Davis Electric Cooperative, Inc.	U.S.	6,884	6,884	-	-	3,217	3,217	-	-	3,667	3,667	-	-
2012	SERC	1617	Kentucky Municipal Power	U.S.	18,890	18,890	-	-	8,827	8,827	-	-	10,063	10,063	-	-
2012	SERC	1481	Kosciusko, MS	U.S.	1,906	1,906	-	-	890	890	-	-	1,015	1,015	-	-
2012	SERC	1482	Leland, MS	U.S.	843	843	-	-	394	394	-	-	449	449	-	-
2012	SERC	1313	McCormick Commission of Public Works	U.S.	516	516	-	-	241	241	-	-	275	275	-	-
2012	SERC	1314	Mississippi Power Company	U.S.	332,581	332,581	-	-	155,407	155,407	-	-	177,174	177,174	-	-
2012	SERC	1630	Mt. Carmel Public Utility	U.S.	2,801	2,801	-	-	1,309	1,309	-	-	1,492	1,492	-	-
2012	SERC	1315	Municipal Electric Authority of Georgia	U.S.	274,039	274,039	-	-	128,052	128,052	-	-	145,987	145,987	-	-
2012	SERC	1316	N.C. Electric Membership Corp.	U.S.	304,620	304,620	-	-	142,342	142,342	-	-	162,278	162,278	-	-
2012	SERC	1317	North Carolina Eastern Municipal Power Agency	U.S.	187,070	187,070	-	-	87,414	87,414	-	-	99,657	99,657	-	-
2012	SERC	1318	North Carolina Municipal Power Agency #1	U.S.	119,126	119,126	-	-	55,665	55,665	-	-	63,461	63,461	-	-
2012	SERC	1588	Northeast Louisiana Power Cooperative, Inc.	U.S.	8,216	8,216	-	-	3,839	3,839	-	-	4,377	4,377	-	-
2012	SERC	1574	Northern Virginia Electric Cooperative	U.S.	98,753	98,753	-	-	46,145	46,145	-	-	52,608	52,608	-	-
2012	SERC	1319	Old Dominion Electric Cooperative	U.S.	148,478	148,478	-	-	69,380	69,380	-	-	79,098	79,098	-	-
2012	SERC	1618	Osceola (Arkansas) Municipal Light and Power	U.S.	4,543	4,543	-	-	2,123	2,123	-	-	2,420	2,420	-	-
2012	SERC	1320	Owensboro (KY) Municipal Utilities	U.S.	23,383	23,383	-	-	10,927	10,927	-	-	12,457	12,457	-	-
2012	SERC	1322	Piedmont EMC in Duke and Progress Areas	U.S.	12,418	12,418	-	-	5,803	5,803	-	-	6,615	6,615	-	-
2012	SERC	1323	Piedmont Municipal Power Agency (PMPA)	U.S.	57,808	57,808	-	-	27,012	27,012	-	-	30,796	30,796	-	-
2012	SERC	1589	Pointe Coupee Electric Memb. Corp.	U.S.	6,748	6,748	-	-	3,153	3,153	-	-	3,595	3,595	-	-
2012	SERC	1266	PowerSouth Energy	U.S.	201,833	201,833	-	-	94,312	94,312	-	-	107,521	107,521	-	-
2012	SERC	1330	Prairie Power, Inc.	U.S.	39,001	39,001	-	-	18,224	18,224	-	-	20,777	20,777	-	-
2012	SERC	1324	Progress Energy Carolinas	U.S.	1,142,649	1,142,649	-	-	533,933	533,933	-	-	608,716	608,716	-	-
2012	SERC	1325	Rutherford EMC	U.S.	31,948	31,948	-	-	14,929	14,929	-	-	17,020	17,020	-	-
2012	SERC	1631	Sam Rayburn G&T Electric Cooperative Inc.	U.S.	44,738	44,738	-	-	20,905	20,905	-	-	23,833	23,833	-	-
2012	SERC	1326	South Carolina Electric & Gas Company	U.S.	567,482	567,482	-	-	265,171	265,171	-	-	302,311	302,311	-	-
2012	SERC	1327	South Carolina Public Service Authority	U.S.	283,308	283,308	-	-	132,383	132,383	-	-	150,925	150,925	-	-
2012	SERC	1590	South Louisiana Electric Cooperative Association	U.S.	15,907	15,907	-	-	7,433	7,433	-	-	8,474	8,474	-	-
2012	SERC	1328	South Mississippi Electric Power Association	U.S.	253,422	253,422	-	-	118,418	118,418	-	-	135,004	135,004	-	-
2012	SERC	1329	Southern Illinois Power Cooperative	U.S.	38,179	38,179	-	-	17,840	17,840	-	-	20,339	20,339	-	-
2012	SERC	1591	Southwest Louisiana Electric Membership Corporation	U.S.	63,994	63,994	-	-	29,903	29,903	-	-	34,091	34,091	-	-
2012	SERC	1619	Southwestern Electric Cooperative, Inc.	U.S.	11,444	11,444	-	-	5,347	5,347	-	-	6,096	6,096	-	-
2012	SERC	1331	Tennessee Valley Authority	U.S.	4,235,554	4,235,554	-	-	1,979,175	1,979,175	-	-	2,256,379	2,256,379	-	-
2012	SERC	1632	Tex-La Electric Cooperative of Texas, Inc	U.S.	4,768	4,768	-	-	2,228	2,228	-	-	2,540	2,540	-	-
2012	SERC	1332	Tombigbee Electric Cooperative Inc.	U.S.	3,185	3,185	-	-	1,488	1,488	-	-	1,696	1,696	-	-
2012	SERC	1592	Town of Black Creek, N.C.	U.S.	327	327	-	-	153	153	-	-	174	174	-	-
2012	SERC	1593	Town of Lucama, N.C.	U.S.	524	524	-	-	245	245	-	-	279	279	-	-
2012	SERC	1594	Town of Sharpsburg, N.C.	U.S.	489	489	-	-	229	229	-	-	261	261	-	-
2012	SERC	1595	Town of Stantonsburg, N.C.	U.S.	582	582	-	-	272	272	-	-	310	310	-	-
2012	SERC	1333	Town of Waynesville NC	U.S.	2,388	2,388	-	-	1,116	1,116	-	-	1,272	1,272	-	-
2012	SERC	1334	Town of Winnsboro SC	U.S.	1,256	1,256	-	-	587	587	-	-	669	669	-	-
2012	SERC	1335	Town of Winterville NC	U.S.	1,309	1,309	-	-	612	612	-	-	697	697	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	SERC	1597	Washington-St.Tammany Electric Cooperative, Inc.	U.S.	26,562	26,562	-	-	12,412	12,412	-	-	14,150	14,150	-	-
			TOTAL SERC		25,781,663	25,781,663	-	-	12,047,164	12,047,164	-	-	13,734,499	13,734,499	-	-
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2012	SPP	1246	American Electric Power	U.S.	2,018,932	2,018,932	-	-	440,710	440,710	-	-	1,578,222	1,578,222	-	-
2012	SPP	1435	Arkansas Electric Cooperative Corporation (AEP)	U.S.	269,647	269,647	-	-	58,861	58,861	-	-	210,786	210,786	-	-
2012	SPP	1247	Board of Public Utilities (Kansas City KS)	U.S.	131,379	131,379	-	-	28,679	28,679	-	-	102,701	102,701	-	-
2012	SPP	1620	Board of Public Utilities, City of McPherson, Kansas	U.S.	50,511	50,511	-	-	11,026	11,026	-	-	39,485	39,485	-	-
2012	SPP	1647	Carthage City Water & Light	U.S.	16,529	16,529	-	-	3,608	3,608	-	-	12,921	12,921	-	-
2012	SPP	1469	Central Valley Electric Cooperative	U.S.	44,955	44,955	-	-	9,813	9,813	-	-	35,142	35,142	-	-
2012	SPP	1556	City of Bentonville	U.S.	34,790	34,790	-	-	7,594	7,594	-	-	27,196	27,196	-	-
2012	SPP	1557	City of Clarksdale, Mississippi	U.S.	9,401	9,401	-	-	2,052	2,052	-	-	7,349	7,349	-	-
2012	SPP	1558	Hope Water & Light (HWL)	U.S.	16,076	16,076	-	-	3,509	3,509	-	-	12,567	12,567	-	-
2012	SPP	1559	City of Minden	U.S.	8,992	8,992	-	-	1,963	1,963	-	-	7,029	7,029	-	-
2012	SPP	1634	City of Mulvane	U.S.	2,430	2,430	-	-	530	530	-	-	1,900	1,900	-	-
2012	SPP	1635	The City of Osage City	U.S.	2,007	2,007	-	-	438	438	-	-	1,569	1,569	-	-
2012	SPP	1636	City of Prescott	U.S.	4,853	4,853	-	-	1,059	1,059	-	-	3,794	3,794	-	-
2012	SPP	1248	Independence Power & Light (Independence, MO)	U.S.	60,371	60,371	-	-	13,178	13,178	-	-	47,192	47,192	-	-
2012	SPP	1436	City Utilities of Springfield, MO	U.S.	174,524	174,524	-	-	38,097	38,097	-	-	136,427	136,427	-	-
2012	SPP	1249	Cleco Power LLC	U.S.	624,446	624,446	-	-	136,310	136,310	-	-	488,137	488,137	-	-
2012	SPP	1437	East Texas Electric Coop, Inc.	U.S.	22,052	22,052	-	-	4,814	4,814	-	-	17,238	17,238	-	-
2012	SPP	1250	The Empire District Electric Company	U.S.	283,520	283,520	-	-	61,889	61,889	-	-	221,631	221,631	-	-
2012	SPP	1470	Farmers' Electric Coop	U.S.	25,153	25,153	-	-	5,491	5,491	-	-	19,662	19,662	-	-
2012	SPP	1438	Golden Spread Electric Coop	U.S.	304,720	304,720	-	-	66,517	66,517	-	-	238,203	238,203	-	-
2012	SPP	1251	Grand River Dam Authority	U.S.	261,309	261,309	-	-	57,041	57,041	-	-	204,268	204,268	-	-
2012	SPP	1648	Jonesboro City Water & Light	U.S.	75,282	75,282	-	-	16,433	16,433	-	-	58,849	58,849	-	-
2012	SPP	1252	Kansas City Power & Light (KCPL)	U.S.	862,596	862,596	-	-	188,295	188,295	-	-	674,301	674,301	-	-
2012	SPP	1439	Kansas Electric Power Coop., Inc	U.S.	118,030	118,030	-	-	25,765	25,765	-	-	92,265	92,265	-	-
2012	SPP	1440	Kansas Municipal Energy Agency (KCPL)	U.S.	42,272	42,272	-	-	9,227	9,227	-	-	33,044	33,044	-	-
2012	SPP	1637	Kansas Power Pool	U.S.	88,793	88,793	-	-	19,383	19,383	-	-	69,411	69,411	-	-
2012	SPP	1560	Kaw Valley Electric Cooperative, Inc.	U.S.	8,860	8,860	-	-	1,934	1,934	-	-	6,926	6,926	-	-
2012	SPP	1649	Kennett Board of Public Works	U.S.	8,728	8,728	-	-	1,905	1,905	-	-	6,823	6,823	-	-
2012	SPP	1598	KCP&L GMOC (Greater Missouri Operations Company)	U.S.	473,069	473,069	-	-	103,266	103,266	-	-	369,804	369,804	-	-
2012	SPP	1471	Lafayette Utilities System	U.S.	113,761	113,761	-	-	24,833	24,833	-	-	88,928	88,928	-	-
2012	SPP	1472	Lea County Electric Coop	U.S.	71,605	71,605	-	-	15,631	15,631	-	-	55,975	55,975	-	-
2012	SPP	1253	Louisiana Energy & Power Authority (LEPA)	U.S.	54,805	54,805	-	-	11,963	11,963	-	-	42,842	42,842	-	-
2012	SPP	1650	Malden Board of Public Works	U.S.	2,952	2,952	-	-	644	644	-	-	2,307	2,307	-	-
2012	SPP	1441	Midwest Energy Inc.	U.S.	100,449	100,449	-	-	21,927	21,927	-	-	78,522	78,522	-	-
2012	SPP	1443	Missouri Joint Municipal Electric Utility Commission	U.S.	137,966	137,966	-	-	30,116	30,116	-	-	107,850	107,850	-	-
2012	SPP	1638	Nemaha Marshall Electric Cooperative (NMEC)	U.S.	3,235	3,235	-	-	706	706	-	-	2,528	2,528	-	-
2012	SPP	1442	Northeast Texas Electric Cooperative, Inc.	U.S.	170,517	170,517	-	-	37,222	37,222	-	-	133,295	133,295	-	-
2012	SPP	1255	Oklahoma Gas and Electric Co.	U.S.	1,565,228	1,565,228	-	-	341,672	341,672	-	-	1,223,557	1,223,557	-	-
2012	SPP	1444	Oklahoma Municipal Power Auth	U.S.	154,504	154,504	-	-	33,726	33,726	-	-	120,778	120,778	-	-
2012	SPP	1639	OzMo Ozark Missouri, West Plains MO	U.S.	11,319	11,319	-	-	2,471	2,471	-	-	8,848	8,848	-	-
2012	SPP	1651	Paragould Light, Water & Cable	U.S.	33,129	33,129	-	-	7,232	7,232	-	-	25,897	25,897	-	-
2012	SPP	1652	Piggott Municipal Light, Water & Sewer	U.S.	2,356	2,356	-	-	514	514	-	-	1,841	1,841	-	-
2012	SPP	1653	Poplar Bluff Municipal Utilities	U.S.	21,702	21,702	-	-	4,737	4,737	-	-	16,965	16,965	-	-
2012	SPP	1561	Public Service Commission of Yazoo City of Mississippi	U.S.	6,736	6,736	-	-	1,470	1,470	-	-	5,265	5,265	-	-
2012	SPP	1473	Roosevelt County Electric Coop	U.S.	11,584	11,584	-	-	2,529	2,529	-	-	9,056	9,056	-	-
2012	SPP	1468	Sharyland Utilities, LP	U.S.	60,015	60,015	-	-	13,101	13,101	-	-	46,914	46,914	-	-
2012	SPP	1654	Sikeston Board of Municipal Utilities	U.S.	20,810	20,810	-	-	4,543	4,543	-	-	16,268	16,268	-	-
2012	SPP	1257	Southwestern Public Service Co. (SPS-XCEL)	U.S.	1,072,763	1,072,763	-	-	234,172	234,172	-	-	838,591	838,591	-	-
2012	SPP	1256	Sunflower Electric Power Cooperative	U.S.	313,569	313,569	-	-	68,449	68,449	-	-	245,121	245,121	-	-
2012	SPP	1445	Tex - La Electric Cooperative of Texas	U.S.	27,049	27,049	-	-	5,904	5,904	-	-	21,144	21,144	-	-
2012	SPP	1475	Tri County Electric Coop	U.S.	22,208	22,208	-	-	4,848	4,848	-	-	17,360	17,360	-	-
2012	SPP	1260	Westar Energy, Inc.	U.S.	1,180,226	1,180,226	-	-	257,630	257,630	-	-	922,596	922,596	-	-
2012	SPP	1259	Western Farmers Electric Cooperative	U.S.	433,980	433,980	-	-	94,733	94,733	-	-	339,247	339,247	-	-
2012	SPP	1501	West Texas Municipal Power Agency	U.S.	156,819	156,819	-	-	34,232	34,232	-	-	122,587	122,587	-	-
			TOTAL SPP		11,793,514	11,793,514	-	-	2,574,391	2,574,391	-	-	9,219,123	9,219,123	-	-
									-							
2011	TRE	1019	ERCOT	U.S.	14,351,105	14,351,105	-	-	3,841,797	3,841,797	-	-	10,509,308	10,509,308	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
					14,351,105	14,351,105	-	-	3,841,797	3,841,797	-	-	10,509,308	10,509,308	-	-
2012	WECC		Alberta Electric System Operator	Canada	2,938,257	-	2,938,257	-	443,202	-	443,202	-	2,495,056	-	2,495,056	-
2012	WECC		British Columbia Hydro & Power Authority	Canada	4,202,422	-	4,202,422	-	723,192	-	723,192	-	3,479,230	-	3,479,230	-
2012	WECC		Comision Federal de Electricidad	Mexico	802,582	-	-	802,582	138,116	-	-	138,116	664,466	-	-	664,466
2012	WECC		Aguila Irrigation District - APS	U.S.	2,834	2,834	-	-	515	515	-	-	2,319	2,319	-	-
2012	WECC		Aha Macav Power Service	U.S.	1,787	1,787	-	-	325	325	-	-	1,462	1,462	-	-
2012	WECC		Ajo Improvement District	U.S.	892	892	-	-	162	162	-	-	730	730	-	-
2012	WECC		Ak-Chin	U.S.	2,335	2,335	-	-	424	424	-	-	1,911	1,911	-	-
2012	WECC		Alcoa Inc	U.S.	221,072	221,072	-	-	40,170	40,170	-	-	180,902	180,902	-	-
2012	WECC		Arizona Public Service Company	U.S.	1,961,014	1,961,014	-	-	356,328	356,328	-	-	1,604,687	1,604,687	-	-
2012	WECC		Arkansas River Power Authority (ARPA)	U.S.	19,707	19,707	-	-	3,581	3,581	-	-	16,127	16,127	-	-
2012	WECC		Avista Corporation	U.S.	4,242	4,242	-	-	771	771	-	-	3,471	3,471	-	-
2012	WECC		Avista Corporation	U.S.	605,867	605,867	-	-	110,089	110,089	-	-	495,777	495,777	-	-
2012	WECC		Barrick Goldstrike Mines Inc.	U.S.	80,227	80,227	-	-	14,578	14,578	-	-	65,649	65,649	-	-
2012	WECC		Basin Electric Power Cooperative	U.S.	4,042	4,042	-	-	734	734	-	-	3,307	3,307	-	-
2012	WECC		Basin Electric Power Cooperative	U.S.	208,059	208,059	-	-	37,805	37,805	-	-	170,253	170,253	-	-
2012	WECC		Benton REA	U.S.	35,385	35,385	-	-	6,430	6,430	-	-	28,955	28,955	-	-
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	8,724	8,724	-	-	1,585	1,585	-	-	7,139	7,139	-	-
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	9,040	9,040	-	-	1,643	1,643	-	-	7,398	7,398	-	-
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	22,768	22,768	-	-	4,137	4,137	-	-	18,631	18,631	-	-
2012	WECC		Blachly-Lane Electric Cooperative	U.S.	10,778	10,778	-	-	1,958	1,958	-	-	8,820	8,820	-	-
2012	WECC		Black Hills Power	U.S.	125,466	125,466	-	-	22,798	22,798	-	-	102,668	102,668	-	-
2012	WECC		Black Hills Power/Cheyenne Light Fuel & Power	U.S.	242,570	242,570	-	-	44,076	44,076	-	-	198,493	198,493	-	-
2012	WECC		Black Hills State University South Dakota	U.S.	1,276	1,276	-	-	232	232	-	-	1,044	1,044	-	-
2012	WECC		Bonneville Power Administration	U.S.	435	435	-	-	79	79	-	-	356	356	-	-
2012	WECC		Bonneville Power Administration	U.S.	1,213	1,213	-	-	220	220	-	-	993	993	-	-
2012	WECC		Bonneville Power Administration	U.S.	49,921	49,921	-	-	9,071	9,071	-	-	40,850	40,850	-	-
2012	WECC		Bonneville Power Administration	U.S.	116,624	116,624	-	-	21,191	21,191	-	-	95,433	95,433	-	-
2012	WECC		Bonneville Power Administration	U.S.	301,247	301,247	-	-	54,738	54,738	-	-	246,509	246,509	-	-
2012	WECC		BPA - Big Bend/Schrag Load	U.S.	2,478	2,478	-	-	450	450	-	-	2,028	2,028	-	-
2012	WECC		BPA - USBR Load	U.S.	475	475	-	-	86	86	-	-	388	388	-	-
2012	WECC		Buckeye Water Conservation and Drainage District - APS	U.S.	1,333	1,333	-	-	242	242	-	-	1,091	1,091	-	-
2012	WECC		Bureau of Reclamation (Desalter) - c/o DSW EMMO	U.S.	52	52	-	-	9	9	-	-	42	42	-	-
2012	WECC		Bureau of Reclamation (Wellfield) - c/o DSW EMMO	U.S.	333	333	-	-	60	60	-	-	272	272	-	-
2012	WECC		Burlington	U.S.	2,142	2,142	-	-	389	389	-	-	1,753	1,753	-	-
2012	WECC		California Independent System Operator	U.S.	15,271,826	15,271,826	-	-	2,774,979	2,774,979	-	-	12,496,847	12,496,847	-	-
2012	WECC		Canby Public Utility Board	U.S.	11,543	11,543	-	-	2,097	2,097	-	-	9,445	9,445	-	-
2012	WECC		Central Arizona Water Conservation District	U.S.	323,357	323,357	-	-	58,756	58,756	-	-	264,602	264,602	-	-
2012	WECC		Central Electric Cooperative	U.S.	32,535	32,535	-	-	5,912	5,912	-	-	26,623	26,623	-	-
2012	WECC		Central Lincoln PUD	U.S.	87,554	87,554	-	-	15,909	15,909	-	-	71,645	71,645	-	-
2012	WECC		Central Montana Electric Power Cooperative	U.S.	23,093	23,093	-	-	4,196	4,196	-	-	18,897	18,897	-	-
2012	WECC		City of Aztec Electric Dept	U.S.	2,448	2,448	-	-	445	445	-	-	2,003	2,003	-	-
2012	WECC		City of Bandon	U.S.	4,415	4,415	-	-	802	802	-	-	3,613	3,613	-	-
2012	WECC		City of Blaine	U.S.	5,061	5,061	-	-	920	920	-	-	4,142	4,142	-	-
2012	WECC		City of Bonners Ferry	U.S.	4,519	4,519	-	-	821	821	-	-	3,698	3,698	-	-
2012	WECC		City of Boulder City	U.S.	10,895	10,895	-	-	1,980	1,980	-	-	8,915	8,915	-	-
2012	WECC		City of Cascade Locks	U.S.	1,235	1,235	-	-	224	224	-	-	1,011	1,011	-	-
2012	WECC		City of Centralia	U.S.	17,651	17,651	-	-	3,207	3,207	-	-	14,444	14,444	-	-
2012	WECC		City of Cheney	U.S.	9,361	9,361	-	-	1,701	1,701	-	-	7,660	7,660	-	-
2012	WECC		City of Chewelah	U.S.	1,550	1,550	-	-	282	282	-	-	1,268	1,268	-	-
2012	WECC		City of Drain	U.S.	1,073	1,073	-	-	195	195	-	-	878	878	-	-
2012	WECC		City of Ellensburg	U.S.	13,574	13,574	-	-	2,467	2,467	-	-	11,108	11,108	-	-
2012	WECC		City of Fallon	U.S.	7,990	7,990	-	-	1,452	1,452	-	-	6,538	6,538	-	-
2012	WECC		City of Farmington	U.S.	17,976	17,976	-	-	3,266	3,266	-	-	14,709	14,709	-	-
2012	WECC		City of Forest Grove	U.S.	15,732	15,732	-	-	2,859	2,859	-	-	12,873	12,873	-	-
2012	WECC		City of Gallup	U.S.	12,886	12,886	-	-	2,342	2,342	-	-	10,545	10,545	-	-
2012	WECC		City of Henderson	U.S.	2,761	2,761	-	-	502	502	-	-	2,259	2,259	-	-
2012	WECC		City of Hermiston, DBA Hermiston Energy Services	U.S.	6,927	6,927	-	-	1,259	1,259	-	-	5,669	5,669	-	-
2012	WECC		City of Las Vegas	U.S.	2,791	2,791	-	-	507	507	-	-	2,284	2,284	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		City of McCleary	U.S.	2,036	2,036	-	-	370	370	-	-	1,666	1,666	-	-
2012	WECC		City of McMinnville	U.S.	47,671	47,671	-	-	8,662	8,662	-	-	39,009	39,009	-	-
2012	WECC		City of Mesa	U.S.	17,186	17,186	-	-	3,123	3,123	-	-	14,063	14,063	-	-
2012	WECC		City of Milton	U.S.	3,993	3,993	-	-	726	726	-	-	3,268	3,268	-	-
2012	WECC		City of Milton-Freewater	U.S.	7,048	7,048	-	-	1,281	1,281	-	-	5,767	5,767	-	-
2012	WECC		City of Monmouth	U.S.	4,648	4,648	-	-	844	844	-	-	3,803	3,803	-	-
2012	WECC		City of Needles	U.S.	2,049	2,049	-	-	372	372	-	-	1,677	1,677	-	-
2012	WECC		City of Plummer	U.S.	2,314	2,314	-	-	421	421	-	-	1,894	1,894	-	-
2012	WECC		City of Port Angeles	U.S.	47,554	47,554	-	-	8,641	8,641	-	-	38,913	38,913	-	-
2012	WECC		City of Redding	U.S.	53,128	53,128	-	-	9,654	9,654	-	-	43,474	43,474	-	-
2012	WECC		City of Richland	U.S.	56,189	56,189	-	-	10,210	10,210	-	-	45,979	45,979	-	-
2012	WECC		City of Roseville	U.S.	80,766	80,766	-	-	14,676	14,676	-	-	66,090	66,090	-	-
2012	WECC		City of Shasta Lake	U.S.	12,145	12,145	-	-	2,207	2,207	-	-	9,938	9,938	-	-
2012	WECC		City of Sumas	U.S.	1,920	1,920	-	-	349	349	-	-	1,571	1,571	-	-
2012	WECC		City of Tacoma DBA Tacoma Power	U.S.	323,742	323,742	-	-	58,826	58,826	-	-	264,916	264,916	-	-
2012	WECC		City of Troy	U.S.	1,125	1,125	-	-	204	204	-	-	921	921	-	-
2012	WECC		City of Williams	U.S.	2,613	2,613	-	-	475	475	-	-	2,138	2,138	-	-
2012	WECC		Clark County Water Resources	U.S.	5,078	5,078	-	-	923	923	-	-	4,155	4,155	-	-
2012	WECC		Clark Public Utilities	U.S.	286,641	286,641	-	-	52,084	52,084	-	-	234,557	234,557	-	-
2012	WECC		Clatskanie PUD	U.S.	63,635	63,635	-	-	11,563	11,563	-	-	52,072	52,072	-	-
2012	WECC		Clearwater Cooperative, Inc	U.S.	10,638	10,638	-	-	1,933	1,933	-	-	8,705	8,705	-	-
2012	WECC		Colorado River Commission of Nevada	U.S.	54,358	54,358	-	-	9,877	9,877	-	-	44,481	44,481	-	-
2012	WECC		Colorado Springs Utilities	U.S.	6,161	6,161	-	-	1,119	1,119	-	-	5,041	5,041	-	-
2012	WECC		Colorado Springs Utilities	U.S.	298,228	298,228	-	-	54,190	54,190	-	-	244,039	244,039	-	-
2012	WECC		Columbia Basin Electric Cooperative, Inc.	U.S.	7,203	7,203	-	-	1,309	1,309	-	-	5,894	5,894	-	-
2012	WECC		Columbia Falls Aluminum Company	U.S.	265	265	-	-	48	48	-	-	217	217	-	-
2012	WECC		Columbia Power Cooperative Association	U.S.	1,561	1,561	-	-	284	284	-	-	1,277	1,277	-	-
2012	WECC		Columbia River PUD	U.S.	19,785	19,785	-	-	3,595	3,595	-	-	16,190	16,190	-	-
2012	WECC		Columbia Rural Electric Association (REA)	U.S.	19,716	19,716	-	-	3,583	3,583	-	-	16,134	16,134	-	-
2012	WECC		Consolidated Irrigation District No. 19	U.S.	392	392	-	-	71	71	-	-	321	321	-	-
2012	WECC		Constellation New Energy, Inc.	U.S.	4,573	4,573	-	-	831	831	-	-	3,742	3,742	-	-
2012	WECC		Consumers Power, Inc.	U.S.	27,298	27,298	-	-	4,960	4,960	-	-	22,338	22,338	-	-
2012	WECC		Deseret Generation & Transmission Cooperative	U.S.	4,505	4,505	-	-	819	819	-	-	3,686	3,686	-	-
2012	WECC		Deseret Generation & Transmission Cooperative	U.S.	4,842	4,842	-	-	880	880	-	-	3,962	3,962	-	-
2012	WECC		Douglas Electric Cooperative, Inc.	U.S.	6,104	6,104	-	-	1,109	1,109	-	-	4,995	4,995	-	-
2012	WECC		Douglas Palisades	U.S.	1,196	1,196	-	-	217	217	-	-	978	978	-	-
2012	WECC		El Paso Electric Company	U.S.	546,565	546,565	-	-	99,314	99,314	-	-	447,251	447,251	-	-
2012	WECC		Electrical District #2	U.S.	12,746	12,746	-	-	2,316	2,316	-	-	10,430	10,430	-	-
2012	WECC		Electrical District #2 - Coolidge Generating Station	U.S.	564	564	-	-	103	103	-	-	462	462	-	-
2012	WECC		Electrical District No. 6 of Pinal County - APS	U.S.	204	204	-	-	37	37	-	-	167	167	-	-
2012	WECC		Electrical District No. 7 of Maricopa County - APS	U.S.	3,600	3,600	-	-	654	654	-	-	2,946	2,946	-	-
2012	WECC		Electrical District No. 8 of Maricopa County - APS	U.S.	19,190	19,190	-	-	3,487	3,487	-	-	15,703	15,703	-	-
2012	WECC		Electrical Districts 1 & 3	U.S.	41,846	41,846	-	-	7,604	7,604	-	-	34,243	34,243	-	-
2012	WECC		Elmhurst Mutual Power & Light Company	U.S.	17,778	17,778	-	-	3,230	3,230	-	-	14,548	14,548	-	-
2012	WECC		Emerald PUD	U.S.	33,124	33,124	-	-	6,019	6,019	-	-	27,106	27,106	-	-
2012	WECC		Energy Northwest	U.S.	2,052	2,052	-	-	373	373	-	-	1,679	1,679	-	-
2012	WECC		Eugene Water & Electric Board	U.S.	160,725	160,725	-	-	29,205	29,205	-	-	131,520	131,520	-	-
2012	WECC		Fall River Rural Electric Cooperative, Inc.	U.S.	3	3	-	-	1	1	-	-	3	3	-	-
2012	WECC		Farmington Electric Utility System	U.S.	89,888	89,888	-	-	16,333	16,333	-	-	73,555	73,555	-	-
2012	WECC		Flathead Electric Cooperative, Inc	U.S.	94,539	94,539	-	-	17,178	17,178	-	-	77,361	77,361	-	-
2012	WECC		Frederickson Power LP	U.S.	346	346	-	-	63	63	-	-	283	283	-	-
2012	WECC		Grand Valley Power	U.S.	15,114	15,114	-	-	2,746	2,746	-	-	12,368	12,368	-	-
2012	WECC		Harney Electric Cooperative, Inc.	U.S.	6,295	6,295	-	-	1,144	1,144	-	-	5,152	5,152	-	-
2012	WECC		Harney Electric Cooperative, Inc.	U.S.	8,095	8,095	-	-	1,471	1,471	-	-	6,624	6,624	-	-
2012	WECC		Harquahala Valley Power Districts - APS	U.S.	5,351	5,351	-	-	972	972	-	-	4,378	4,378	-	-
2012	WECC		Hermiston Power LLC	U.S.	314	314	-	-	57	57	-	-	257	257	-	-
2012	WECC		Hood River Electric Cooperative	U.S.	2,586	2,586	-	-	470	470	-	-	2,116	2,116	-	-
2012	WECC		Idaho County Light and Power Cooperative Association, Inc	U.S.	3,667	3,667	-	-	666	666	-	-	3,001	3,001	-	-
2012	WECC		Idaho Power Company	U.S.	966,212	966,212	-	-	175,566	175,566	-	-	790,646	790,646	-	-
2012	WECC		Imperial Irrigation District	U.S.	242,166	242,166	-	-	44,003	44,003	-	-	198,163	198,163	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		Inland Power and Light Company	U.S.	30,154	30,154	-	-	5,479	5,479	-	-	24,675	24,675	-	-
2012	WECC		Inland Power and Light Company	U.S.	31,151	31,151	-	-	5,660	5,660	-	-	25,490	25,490	-	-
2012	WECC		Intermountain Rural Electric Association	U.S.	58,318	58,318	-	-	10,597	10,597	-	-	47,721	47,721	-	-
2012	WECC		Kaiser Aluminum Fabricated Products LLC	U.S.	21,130	21,130	-	-	3,839	3,839	-	-	17,290	17,290	-	-
2012	WECC		Lakeview Light & Power	U.S.	17,767	17,767	-	-	3,228	3,228	-	-	14,539	14,539	-	-
2012	WECC		Lane Electric Cooperative, Inc.	U.S.	14,435	14,435	-	-	2,623	2,623	-	-	11,812	11,812	-	-
2012	WECC		Las Vegas Valley Water District	U.S.	14,241	14,241	-	-	2,588	2,588	-	-	11,653	11,653	-	-
2012	WECC		Lincoln Electric Cooperative, Inc.	U.S.	7,652	7,652	-	-	1,390	1,390	-	-	6,262	6,262	-	-
2012	WECC		Los Angeles Department of Water and Power	U.S.	1,919,668	1,919,668	-	-	348,815	348,815	-	-	1,570,853	1,570,853	-	-
2012	WECC		Lost River Electric Cooperative, Inc.	U.S.	3	3	-	-	0	0	-	-	2	2	-	-
2012	WECC		Lower Valley Energy, Inc.	U.S.	10	10	-	-	2	2	-	-	9	9	-	-
2012	WECC		Maricopa County Municipal Water Conservation Dist No. 1	U.S.	3,678	3,678	-	-	668	668	-	-	3,009	3,009	-	-
2012	WECC		McMullen Valley Water Conservation & Drainage District -	U.S.	4,770	4,770	-	-	867	867	-	-	3,904	3,904	-	-
2012	WECC		Merced Irrigation District	U.S.	29,890	29,890	-	-	5,431	5,431	-	-	24,459	24,459	-	-
2012	WECC		Midstate Electric Cooperative, Inc.	U.S.	26,052	26,052	-	-	4,734	4,734	-	-	21,318	21,318	-	-
2012	WECC		Mission Valley Power	U.S.	25,502	25,502	-	-	4,634	4,634	-	-	20,868	20,868	-	-
2012	WECC		Modern Electric Water Company	U.S.	14,918	14,918	-	-	2,711	2,711	-	-	12,208	12,208	-	-
2012	WECC		Modesto Irrigation District	U.S.	166,918	166,918	-	-	30,330	30,330	-	-	136,588	136,588	-	-
2012	WECC		Montana-Dakota Utilities Co.	U.S.	895	895	-	-	163	163	-	-	733	733	-	-
2012	WECC		Mt. Wheeler Power	U.S.	36,341	36,341	-	-	6,603	6,603	-	-	29,738	29,738	-	-
2012	WECC		Municipal Energy Agency of Nebraska	U.S.	12,746	12,746	-	-	2,316	2,316	-	-	10,430	10,430	-	-
2012	WECC		Municipal Energy Agency of Nebraska	U.S.	42,219	42,219	-	-	7,671	7,671	-	-	34,547	34,547	-	-
2012	WECC		Navajo Agricultural Products Industry (NAPI)	U.S.	253	253	-	-	46	46	-	-	207	207	-	-
2012	WECC		Navajo Tribal Utility Authority	U.S.	2,752	2,752	-	-	500	500	-	-	2,252	2,252	-	-
2012	WECC		Navajo Tribal Utility Authority	U.S.	19,882	19,882	-	-	3,613	3,613	-	-	16,269	16,269	-	-
2012	WECC		Navopache Electric Cooperative, Inc.	U.S.	26,417	26,417	-	-	4,800	4,800	-	-	21,617	21,617	-	-
2012	WECC		Nebraska Public Power Marketing	U.S.	244	244	-	-	44	44	-	-	200	200	-	-
2012	WECC		Nespelem Valley Electric Cooperative, Inc.	U.S.	3,467	3,467	-	-	630	630	-	-	2,837	2,837	-	-
2012	WECC		Nevada Power Company dba NV Energy	U.S.	1,450,594	1,450,594	-	-	263,581	263,581	-	-	1,187,013	1,187,013	-	-
2012	WECC		Noble Americas Energy Solutions, LLC	U.S.	78,303	78,303	-	-	14,228	14,228	-	-	64,075	64,075	-	-
2012	WECC		Northern Lights, Inc.	U.S.	2,206	2,206	-	-	401	401	-	-	1,805	1,805	-	-
2012	WECC		Northern Wasco County PUD	U.S.	36,328	36,328	-	-	6,601	6,601	-	-	29,727	29,727	-	-
2012	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	19,689	19,689	-	-	3,578	3,578	-	-	16,111	16,111	-	-
2012	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	592,566	592,566	-	-	107,673	107,673	-	-	484,894	484,894	-	-
2012	WECC		Ohop Mutual Light Company	U.S.	5,455	5,455	-	-	991	991	-	-	4,464	4,464	-	-
2012	WECC		Orcas Power and Light Cooperative	U.S.	14,025	14,025	-	-	2,548	2,548	-	-	11,477	11,477	-	-
2012	WECC		Oregon Trail Electric Consumers Cooperative, Inc.	U.S.	20,872	20,872	-	-	3,793	3,793	-	-	17,079	17,079	-	-
2012	WECC		Overton Power District No. 5	U.S.	24,662	24,662	-	-	4,481	4,481	-	-	20,181	20,181	-	-
2012	WECC		PacifiCorp	U.S.	128	128	-	-	23	23	-	-	105	105	-	-
2012	WECC		PacifiCorp	U.S.	178	178	-	-	32	32	-	-	145	145	-	-
2012	WECC		PacifiCorp	U.S.	3,927	3,927	-	-	714	714	-	-	3,214	3,214	-	-
2012	WECC		PacifiCorp	U.S.	7,614	7,614	-	-	1,383	1,383	-	-	6,230	6,230	-	-
2012	WECC		PacifiCorp	U.S.	3,219,370	3,219,370	-	-	584,978	584,978	-	-	2,634,392	2,634,392	-	-
2012	WECC		PacifiCorp West (PACW)	U.S.	1,362,955	1,362,955	-	-	247,657	247,657	-	-	1,115,298	1,115,298	-	-
2012	WECC		Page Electric Utility	U.S.	715	715	-	-	130	130	-	-	585	585	-	-
2012	WECC		Parkland Light and Water Company	U.S.	7,833	7,833	-	-	1,423	1,423	-	-	6,410	6,410	-	-
2012	WECC		Pend Oreille County PUD No. 1	U.S.	67,746	67,746	-	-	12,310	12,310	-	-	55,436	55,436	-	-
2012	WECC		Peninsula Light Company, Inc.	U.S.	39,516	39,516	-	-	7,180	7,180	-	-	32,336	32,336	-	-
2012	WECC		Platte River Power Authority	U.S.	211,181	211,181	-	-	38,373	38,373	-	-	172,808	172,808	-	-
2012	WECC		Port of Seattle - Seattle-Tacoma International Airport	U.S.	9,407	9,407	-	-	1,709	1,709	-	-	7,698	7,698	-	-
2012	WECC		Port Townsend Paper Corporation	U.S.	13,343	13,343	-	-	2,425	2,425	-	-	10,919	10,919	-	-
2012	WECC		Portland General Electric Company	U.S.	2,953	2,953	-	-	537	537	-	-	2,417	2,417	-	-
2012	WECC		Portland General Electric Company	U.S.	1,216,720	1,216,720	-	-	221,085	221,085	-	-	995,635	995,635	-	-
2012	WECC		Public Service Company of Colorado (Xcel)	U.S.	2,296	2,296	-	-	417	417	-	-	1,879	1,879	-	-
2012	WECC		Public Service Company of Colorado (Xcel)	U.S.	2,027,520	2,027,520	-	-	368,412	368,412	-	-	1,659,108	1,659,108	-	-
2012	WECC		Public Service Company of New Mexico	U.S.	701,280	701,280	-	-	127,427	127,427	-	-	573,854	573,854	-	-
2012	WECC		Public Utility District No. 1 of Chelan County	U.S.	258,774	258,774	-	-	47,021	47,021	-	-	211,754	211,754	-	-
2012	WECC		PUD No. 1 of Asotin County	U.S.	20	20	-	-	4	4	-	-	16	16	-	-
2012	WECC		PUD No. 1 of Asotin County	U.S.	317	317	-	-	58	58	-	-	259	259	-	-
2012	WECC		PUD No. 1 of Benton County	U.S.	110,421	110,421	-	-	20,064	20,064	-	-	90,357	90,357	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		PUD No. 1 of Clallam County	U.S.	44,477	44,477	-	-	8,082	8,082	-	-	36,396	36,396	-	-
2012	WECC		PUD No. 1 of Cowlitz County	U.S.	337,744	337,744	-	-	61,370	61,370	-	-	276,374	276,374	-	-
2012	WECC		PUD No. 1 of Douglas County	U.S.	495	495	-	-	90	90	-	-	405	405	-	-
2012	WECC		PUD No. 1 of Douglas County	U.S.	93,313	93,313	-	-	16,956	16,956	-	-	76,358	76,358	-	-
2012	WECC		PUD No. 1 of Ferry County	U.S.	6,911	6,911	-	-	1,256	1,256	-	-	5,655	5,655	-	-
2012	WECC		PUD No. 1 of Franklin County	U.S.	66,241	66,241	-	-	12,036	12,036	-	-	54,204	54,204	-	-
2012	WECC		PUD No. 1 of Grays Harbor	U.S.	79,087	79,087	-	-	14,371	14,371	-	-	64,716	64,716	-	-
2012	WECC		PUD No. 1 of Kittitas County	U.S.	1,066	1,066	-	-	194	194	-	-	873	873	-	-
2012	WECC		PUD No. 1 of Kittitas County	U.S.	4,732	4,732	-	-	860	860	-	-	3,872	3,872	-	-
2012	WECC		PUD No. 1 of Klickitat County	U.S.	18,293	18,293	-	-	3,324	3,324	-	-	14,969	14,969	-	-
2012	WECC		PUD No. 1 of Lewis County	U.S.	60,705	60,705	-	-	11,031	11,031	-	-	49,675	49,675	-	-
2012	WECC		PUD No. 1 of Mason County	U.S.	5,132	5,132	-	-	933	933	-	-	4,200	4,200	-	-
2012	WECC		PUD No. 1 of Skamania County	U.S.	8,651	8,651	-	-	1,572	1,572	-	-	7,079	7,079	-	-
2012	WECC		PUD No. 1 of Snohomish County	U.S.	443,041	443,041	-	-	80,503	80,503	-	-	362,538	362,538	-	-
2012	WECC		PUD No. 1 of Wahkiakum County	U.S.	2,871	2,871	-	-	522	522	-	-	2,350	2,350	-	-
2012	WECC		PUD No. 1 of Whatcom County	U.S.	347	347	-	-	63	63	-	-	284	284	-	-
2012	WECC		PUD No. 1 of Whatcom County	U.S.	12,969	12,969	-	-	2,357	2,357	-	-	10,612	10,612	-	-
2012	WECC		PUD No. 2 of Grant County	U.S.	3,147	3,147	-	-	572	572	-	-	2,575	2,575	-	-
2012	WECC		PUD No. 2 of Grant County	U.S.	5,893	5,893	-	-	1,071	1,071	-	-	4,822	4,822	-	-
2012	WECC		PUD No. 2 of Grant County	U.S.	249,937	249,937	-	-	45,415	45,415	-	-	204,522	204,522	-	-
2012	WECC		PUD No. 2 of Pacific County	U.S.	19,758	19,758	-	-	3,590	3,590	-	-	16,168	16,168	-	-
2012	WECC		PUD No. 3 of Mason County	U.S.	45,557	45,557	-	-	8,278	8,278	-	-	37,279	37,279	-	-
2012	WECC		Puget Sound Energy, Inc.	U.S.	1,584,519	1,584,519	-	-	287,916	287,916	-	-	1,296,603	1,296,603	-	-
2012	WECC		Raft River Electric Cooperative	U.S.	6	6	-	-	1	1	-	-	5	5	-	-
2012	WECC		Roosevelt Irrigation District - APS	U.S.	2,680	2,680	-	-	487	487	-	-	2,193	2,193	-	-
2012	WECC		Sacramento Municipal Utility District	U.S.	731,528	731,528	-	-	132,923	132,923	-	-	598,605	598,605	-	-
2012	WECC		Salem Electric	U.S.	21,037	21,037	-	-	3,823	3,823	-	-	17,214	17,214	-	-
2012	WECC		Salt River Project	U.S.	1,856,951	1,856,951	-	-	337,419	337,419	-	-	1,519,532	1,519,532	-	-
2012	WECC		San Carlos Indian Irrigation Project	U.S.	4	4	-	-	1	1	-	-	3	3	-	-
2012	WECC		Seattle City Light	U.S.	655,318	655,318	-	-	119,075	119,075	-	-	536,243	536,243	-	-
2012	WECC		Sierra Pacific Power Company dba NV Energy	U.S.	588,259	588,259	-	-	106,890	106,890	-	-	481,369	481,369	-	-
2012	WECC		Southern Montana Electric Generation & Transmission	U.S.	40,888	40,888	-	-	7,430	7,430	-	-	33,458	33,458	-	-
2012	WECC		Southern Nevada Water Authority	U.S.	44,193	44,193	-	-	8,030	8,030	-	-	36,163	36,163	-	-
2012	WECC		Southwest Transmission Cooperative, Inc.	U.S.	170,836	170,836	-	-	31,042	31,042	-	-	139,795	139,795	-	-
2012	WECC		Springfield Utility Board	U.S.	54,714	54,714	-	-	9,942	9,942	-	-	44,772	44,772	-	-
2012	WECC		Surprise Valley Electrification Corporation	U.S.	2,492	2,492	-	-	453	453	-	-	2,039	2,039	-	-
2012	WECC		Tanner Electric Cooperative	U.S.	6,195	6,195	-	-	1,126	1,126	-	-	5,069	5,069	-	-
2012	WECC		The Incorporated County of Los Alamos	U.S.	24,979	24,979	-	-	4,539	4,539	-	-	20,440	20,440	-	-
2012	WECC		Tillamook People's Utility District	U.S.	24,215	24,215	-	-	4,400	4,400	-	-	19,815	19,815	-	-
2012	WECC		Tohono O'Odham Utility Authority	U.S.	4,414	4,414	-	-	802	802	-	-	3,612	3,612	-	-
2012	WECC		Tonopah Irrigation District - APS	U.S.	1,705	1,705	-	-	310	310	-	-	1,395	1,395	-	-
2012	WECC		Town of Fredonia	U.S.	51	51	-	-	9	9	-	-	41	41	-	-
2012	WECC		Town of Steilacoom	U.S.	2,691	2,691	-	-	489	489	-	-	2,202	2,202	-	-
2012	WECC		Town of Wickenburg	U.S.	1,774	1,774	-	-	322	322	-	-	1,451	1,451	-	-
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	1,418	1,418	-	-	258	258	-	-	1,160	1,160	-	-
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	137,853	137,853	-	-	25,049	25,049	-	-	112,804	112,804	-	-
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	490,179	490,179	-	-	89,068	89,068	-	-	401,111	401,111	-	-
2012	WECC		Tri-State Generation & Transmission Association, Inc.	U.S.	180,576	180,576	-	-	32,812	32,812	-	-	147,765	147,765	-	-
2012	WECC		Truckee Donner Public Utility District	U.S.	9,674	9,674	-	-	1,758	1,758	-	-	7,916	7,916	-	-
2012	WECC		Tucson Electric Power Company	U.S.	921,316	921,316	-	-	167,408	167,408	-	-	753,908	753,908	-	-
2012	WECC		Turlock Irrigation District	U.S.	137,489	137,489	-	-	24,983	24,983	-	-	112,507	112,507	-	-
2012	WECC		U.S. Army Yuma Proving Ground	U.S.	1,350	1,350	-	-	245	245	-	-	1,105	1,105	-	-
2012	WECC		U.S. BOR Columbia Basin	U.S.	1,982	1,982	-	-	360	360	-	-	1,622	1,622	-	-
2012	WECC		U.S. BOR East Greenacres (Rathdrum)	U.S.	215	215	-	-	39	39	-	-	176	176	-	-
2012	WECC		U.S. Bor Spokane Indian Development`	U.S.	203	203	-	-	37	37	-	-	166	166	-	-
2012	WECC		U.S. BOR The Dalles Project	U.S.	1,184	1,184	-	-	215	215	-	-	969	969	-	-
2012	WECC		U.S. DOE National Energy Technology Laboratory	U.S.	296	296	-	-	54	54	-	-	243	243	-	-
2012	WECC		Umatilla Electric Cooperative Association	U.S.	66,456	66,456	-	-	12,075	12,075	-	-	54,381	54,381	-	-
2012	WECC		Unit B Irrigation District	U.S.	1	1	-	-	0	0	-	-	1	1	-	-
2012	WECC		US Air Force Base, Fairchild	U.S.	3,269	3,269	-	-	594	594	-	-	2,675	2,675	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-B

					Total ERO Assessments (NERC, RE, RCCo, & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		US Dept of Energy - Kirtland AFB	U.S.	27,671	27,671	-	-	5,028	5,028	-	-	22,643	22,643	-	-
2012	WECC		USDOE Richland	U.S.	11,868	11,868	-	-	2,156	2,156	-	-	9,712	9,712	-	-
2012	WECC		USN Naval Station, Bremerton	U.S.	17,852	17,852	-	-	3,244	3,244	-	-	14,608	14,608	-	-
2012	WECC		USN Naval Station, Everett	U.S.	680	680	-	-	124	124	-	-	556	556	-	-
2012	WECC		USN Submarine Base, Bangor	U.S.	11,374	11,374	-	-	2,067	2,067	-	-	9,308	9,308	-	-
2012	WECC		Valley Electric Association, Inc.	U.S.	30,802	30,802	-	-	5,597	5,597	-	-	25,205	25,205	-	-
2012	WECC		Vera Water and Power	U.S.	14,970	14,970	-	-	2,720	2,720	-	-	12,250	12,250	-	-
2012	WECC		Vigilante Electric Cooperative, Inc.	U.S.	1,028	1,028	-	-	187	187	-	-	842	842	-	-
2012	WECC		Wasco Electric Cooperative	U.S.	6,169	6,169	-	-	1,121	1,121	-	-	5,048	5,048	-	-
2012	WECC		Wells Rural Electric Cooperative	U.S.	43,419	43,419	-	-	7,889	7,889	-	-	35,529	35,529	-	-
2012	WECC		Wellton-Mohawk Irrigation & Drainage District	U.S.	464	464	-	-	84	84	-	-	380	380	-	-
2012	WECC		West Oregon Electric Cooperative, Inc.	U.S.	827	827	-	-	150	150	-	-	677	677	-	-
2012	WECC		Western Area Power - Loveland, CO	U.S.	15,611	15,611	-	-	2,837	2,837	-	-	12,774	12,774	-	-
2012	WECC		Western Area Power - Loveland, CO	U.S.	103,524	103,524	-	-	18,811	18,811	-	-	84,713	84,713	-	-
2012	WECC		Western Area Power Administration - CRSP	U.S.	88,983	88,983	-	-	16,169	16,169	-	-	72,814	72,814	-	-
2012	WECC		Western Area Power Administration - Sierra Nevada Regior	U.S.	101,360	101,360	-	-	18,418	18,418	-	-	82,943	82,943	-	-
2012	WECC		Western Area Power Administration-Desert Southwest Reg	U.S.	140,570	140,570	-	-	25,542	25,542	-	-	115,028	115,028	-	-
2012	WECC		Western Area Power Administration-Upper Great Plains Re	U.S.	485	485	-	-	88	88	-	-	397	397	-	-
2012	WECC		Western Area Power Administration-Upper Great Plains Re	U.S.	15,046	15,046	-	-	2,734	2,734	-	-	12,312	12,312	-	-
2012	WECC		Yakama Power	U.S.	1,423	1,423	-	-	259	259	-	-	1,165	1,165	-	-
2012	WECC		Yampa Valley Electric Association	U.S.	37,637	37,637	-	-	6,839	6,839	-	-	30,798	30,798	-	-
2012	WECC		Yuma Irrigation District	U.S.	211	211	-	-	38	38	-	-	173	173	-	-
2012	WECC		Yuma-Mesa Irrigation District	U.S.	12	12	-	-	2	2	-	-	9	9	-	-
			TOTAL WECC		55,784,902	47,841,641	7,140,680	802,582	9,997,611	8,693,102	1,166,394	138,116	45,787,291	39,148,539	5,974,286	664,466
	TOTAL ERO				173,652,769	155,755,294	17,094,893	802,582	51,401,382	46,708,699	4,554,567	138,116	122,251,387	109,046,595	12,540,326	664,466

Summary by Regional Entity

2012	FRCC	8,097,871	8,097,871	-	-	2,609,814	2,609,814	-	-	5,488,057	5,488,057	-	-
2012	MRO	12,109,471	10,172,705	1,936,766	-	3,368,027	2,833,341	534,686	-	8,741,444	7,339,364	1,402,080	-
2012	NPCC	19,905,829	11,888,382	8,017,447	-	6,293,948	3,440,461	2,853,487	-	13,611,881	8,447,921	5,163,960	-
2012	RFC	25,828,414	25,828,414	-	-	10,668,630	10,668,630	-	-	15,159,784	15,159,784	-	-
2012	SERC	25,781,663	25,781,663	-	-	12,047,164	12,047,164	-	-	13,734,499	13,734,499	-	-
2012	SPP	11,793,514	11,793,514	-	-	2,574,391	2,574,391	-	-	9,219,123	9,219,123	-	-
2012	TRE	14,351,105	14,351,105	-	-	3,841,797	3,841,797	-	-	10,509,308	10,509,308	-	-
2012	WECC	55,784,902	47,841,641	7,140,680	802,582	9,997,611	8,693,102	1,166,394	138,116	45,787,291	39,148,539	5,974,286	664,466
Total		173,652,769	155,755,294	17,094,893	802,582	51,401,382	46,708,699	4,554,567	138,116	122,251,387	109,046,595	12,540,326	664,466

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-C

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	FRCC	1074	Alachua, City of	U.S.	1,449	1,449	-	-	1,415	1,415	-	-	(9)	(9)	43	43	-	-
2012	FRCC	1075	Bartow, City of	U.S.	3,245	3,245	-	-	3,168	3,168	-	-	(20)	(20)	97	97	-	-
2012	FRCC	1076	Chattahoochee, City of	U.S.	452	452	-	-	441	441	-	-	(3)	(3)	13	13	-	-
2012	FRCC	1077	Florida Keys Electric Cooperative Assn	U.S.	8,065	8,065	-	-	7,875	7,875	-	-	(50)	(50)	240	240	-	-
2012	FRCC	1078	Florida Power & Light Co.	U.S.	1,284,716	1,284,716	-	-	1,254,387	1,254,387	-	-	(7,976)	(7,976)	38,305	38,305	-	-
2012	FRCC	1079	Florida Public Utilities Company	U.S.	4,429	4,429	-	-	4,324	4,324	-	-	(27)	(27)	132	132	-	-
2012	FRCC	1080	Gainesville Regional Utilities	U.S.	20,974	20,974	-	-	20,479	20,479	-	-	(130)	(130)	625	625	-	-
2012	FRCC	1081	Homestead, City of	U.S.	6,055	6,055	-	-	5,912	5,912	-	-	(38)	(38)	181	181	-	-
2012	FRCC	1082	JEA	U.S.	142,324	142,324	-	-	138,964	138,964	-	-	(884)	(884)	4,244	4,244	-	-
2012	FRCC	1083	Lakeland Electric	U.S.	33,976	33,976	-	-	33,174	33,174	-	-	(211)	(211)	1,013	1,013	-	-
2012	FRCC	1626	Lee County Electric Cooperative, Inc	U.S.	43,182	43,182	-	-	42,162	42,162	-	-	(268)	(268)	1,287	1,287	-	-
2012	FRCC	1661	City of Lake Worth	U.S.	5,001	5,001	-	-	4,883	4,883	-	-	(31)	(31)	149	149	-	-
2012	FRCC	1084	Mount Dora, City of	U.S.	1,056	1,056	-	-	1,032	1,032	-	-	(7)	(7)	31	31	-	-
2012	FRCC	1085	New Smyrna Beach, Utilities Commission of	U.S.	4,482	4,482	-	-	4,376	4,376	-	-	(28)	(28)	134	134	-	-
2012	FRCC	1086	Orlando Utilities Commission	U.S.	67,297	67,297	-	-	65,708	65,708	-	-	(418)	(418)	2,007	2,007	-	-
2012	FRCC	1087	Progress Energy Florida	U.S.	466,130	466,130	-	-	455,126	455,126	-	-	(2,894)	(2,894)	13,898	13,898	-	-
2012	FRCC	1088	Quincy, City of	U.S.	1,558	1,558	-	-	1,522	1,522	-	-	(10)	(10)	46	46	-	-
2012	FRCC	1089	Reedy Creek Improvement District	U.S.	14,274	14,274	-	-	13,937	13,937	-	-	(89)	(89)	426	426	-	-
2012	FRCC	1090	St. Cloud, City of (OUC)	U.S.	7,001	7,001	-	-	6,836	6,836	-	-	(43)	(43)	209	209	-	-
2012	FRCC	1091	Tallahassee, City of	U.S.	32,049	32,049	-	-	31,292	31,292	-	-	(199)	(199)	956	956	-	-
2012	FRCC	1092	Tampa Electric Company	U.S.	227,627	227,627	-	-	222,254	222,254	-	-	(1,413)	(1,413)	6,787	6,787	-	-
2012	FRCC	1603	City of Vero Beach	U.S.	8,680	8,680	-	-	8,475	8,475	-	-	(54)	(54)	259	259	-	-
2012	FRCC	1093	Wauchula, City of	U.S.	729	729	-	-	712	712	-	-	(5)	(5)	22	22	-	-
2012	FRCC	1094	Williston, City of	U.S.	393	393	-	-	384	384	-	-	(2)	(2)	12	12	-	-
2012	FRCC	1095	Winter Park, City of	U.S.	5,183	5,183	-	-	5,061	5,061	-	-	(32)	(32)	155	155	-	-
2012	FRCC	1072	Florida Municipal Power Agency	U.S.	65,522	65,522	-	-	63,975	63,975	-	-	(407)	(407)	1,954	1,954	-	-
2012	FRCC	1073	Seminole Electric Cooperative	U.S.	153,965	153,965	-	-	150,331	150,331	-	-	(956)	(956)	4,591	4,591	-	-
			TOTAL FRCC		2,609,814	2,609,814	-	-	2,548,204	2,548,204	-	-	(16,204)	(16,204)	77,814	77,814	-	-
					-													
2012	MRO	1199	Basin Electric Power Cooperative	U.S.	151,539	151,539	-	-	147,961	147,961	-	-	(941)	(941)	4,518	4,518	-	-
2012	MRO	1201	Central Iowa Power Cooperative (CIPCO)	U.S.	32,619	32,619	-	-	31,849	31,849	-	-	(203)	(203)	973	973	-	-
2012	MRO	1204	Corn Belt Power Cooperative	U.S.	20,783	20,783	-	-	20,293	20,293	-	-	(129)	(129)	620	620	-	-
2012	MRO	1207	Dairyland Power Cooperative	U.S.	61,973	61,973	-	-	60,510	60,510	-	-	(385)	(385)	1,848	1,848	-	-
2012	MRO	1210	Great River Energy	U.S.	159,645	159,645	-	-	155,877	155,877	-	-	(991)	(991)	4,760	4,760	-	-
2012	MRO	1222	Minnkota Power Cooperative, Inc.	U.S.	47,634	47,634	-	-	46,510	46,510	-	-	(296)	(296)	1,420	1,420	-	-
2012	MRO	1230	Nebraska Public Power District	U.S.	160,311	160,311	-	-	156,526	156,526	-	-	(995)	(995)	4,780	4,780	-	-
2012	MRO	1232	Omaha Public Power District	U.S.	134,703	134,703	-	-	131,523	131,523	-	-	(836)	(836)	4,016	4,016	-	-
2012	MRO	1237	Southern Montana Generation and Transmission	U.S.	62	62	-	-	61	61	-	-	(0)	(0)	2	2	-	-
2012	MRO	1240	Western Area Power Administration (UM)	U.S.	113,369	113,369	-	-	110,693	110,693	-	-	(704)	(704)	3,380	3,380	-	-
2012	MRO	1239	Western Area Power Administration (LM)	U.S.	1,501	1,501	-	-	1,465	1,465	-	-	(9)	(9)	45	45	-	-
2012	MRO	1217	Manitoba Hydro	CAN	271,363	-	271,363	-	263,322	-	263,322	-	-	-	8,041	-	8,041	-
2012	MRO	1235	SaskPower	CAN	263,323	-	263,323	-	255,520	-	255,520	-	-	-	7,803	-	7,803	-
2012	MRO	1195	Alliant Energy (Alliant East - WPL & Alliant West IPL)	U.S.	340,859	340,859	-	-	332,813	332,813	-	-	(2,116)	(2,116)	10,163	10,163	-	-
2012	MRO	1216	Madison, Gas and Electric	U.S.	41,060	41,060	-	-	40,090	40,090	-	-	(255)	(255)	1,224	1,224	-	-
2012	MRO	1220	MidAmerican Energy Company	U.S.	328,054	328,054	-	-	320,310	320,310	-	-	(2,037)	(2,037)	9,781	9,781	-	-
2012	MRO	1221	Minnesota Power	U.S.	155,887	155,887	-	-	152,207	152,207	-	-	(968)	(968)	4,648	4,648	-	-
2012	MRO	1226	Montana-Dakota Utilities Co.	U.S.	34,529	34,529	-	-	33,714	33,714	-	-	(214)	(214)	1,030	1,030	-	-
2012	MRO	1231	NorthWestern Energy	U.S.	17,756	17,756	-	-	17,337	17,337	-	-	(110)	(110)	529	529	-	-
2012	MRO	1233	Otter Tail Power Company	U.S.	50,910	50,910	-	-	49,708	49,708	-	-	(316)	(316)	1,518	1,518	-	-
2012	MRO	1243	Integrys Energy Group (WPS and UPPCO)	U.S.	159,370	159,370	-	-	155,608	155,608	-	-	(989)	(989)	4,752	4,752	-	-
2012	MRO	1244	Xcel Energy Company (NSP)	U.S.	538,668	538,668	-	-	525,952	525,952	-	-	(3,344)	(3,344)	16,061	16,061	-	-
2012	MRO	1196	Ames Municipal Electric System	U.S.	9,029	9,029	-	-	8,816	8,816	-	-	(56)	(56)	269	269	-	-
2012	MRO	1604	Atlantic Municipal Utilities	U.S.	886	886	-	-	865	865	-	-	(5)	(5)	26	26	-	-
2012	MRO	1476	Badger Power Marketing Authority of Wisconsin, Inc.	U.S.	4,854	4,854	-	-	4,740	4,740	-	-	(30)	(30)	145	145	-	-
2012	MRO	1200	Cedar Falls Municipal Utilities	U.S.	6,173	6,173	-	-	6,028	6,028	-	-	(38)	(38)	184	184	-	-
2012	MRO	1477	Central Minnesota Municipal Power Agency (CMMPA)	U.S.	5,597	5,597	-	-	5,465	5,465	-	-	(35)	(35)	167	167	-	-
2012	MRO	1203	Escanaba Municipal Electric Utility	U.S.	1,754	1,754	-	-	1,712	1,712	-	-	(11)	(11)	52	52	-	-
2012	MRO	1205	Falls City Water & Light Department	U.S.	666	666	-	-	651	651	-	-	(4)	(4)	20	20	-	-
2012	MRO	1206	Fremont Department of Utilities	U.S.	5,233	5,233	-	-	5,110	5,110	-	-	(32)	(32)	156	156	-	-
2012	MRO	1208	Geneseo Municipal Utilities	U.S.	787	787	-	-	769	769	-	-	(5)	(5)	23	23	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-C

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	MRO	1209	Grand Island Utilities Department	U.S.	9,035	9,035	-	-	8,821	8,821	-	-	(56)	(56)	269	269	-	-
2012	MRO	1606	Harlan Municipal Utilities	U.S.	301	301	-	-	294	294	-	-	(2)	(2)	9	9	-	-
2012	MRO	1211	Hastings Utilities	U.S.	5,022	5,022	-	-	4,903	4,903	-	-	(31)	(31)	150	150	-	-
2012	MRO	1212	Heartland Consumers Power District	U.S.	10,053	10,053	-	-	9,816	9,816	-	-	(62)	(62)	300	300	-	-
2012	MRO	1213	Hutchinson Utilities Commission	U.S.	3,463	3,463	-	-	3,381	3,381	-	-	(21)	(21)	103	103	-	-
2012	MRO	1215	Lincoln Electric System	U.S.	38,342	38,342	-	-	37,437	37,437	-	-	(238)	(238)	1,143	1,143	-	-
2012	MRO	1218	Manitowoc Public Utilities	U.S.	6,375	6,375	-	-	6,224	6,224	-	-	(40)	(40)	190	190	-	-
2012	MRO	1223	Missouri River Energy Services	U.S.	27,245	27,245	-	-	26,602	26,602	-	-	(169)	(169)	812	812	-	-
2012	MRO	1224	MN Municipal Power Agency (MMPA)	U.S.	17,960	17,960	-	-	17,536	17,536	-	-	(112)	(112)	535	535	-	-
2012	MRO	1607	Montezuma Municipal Light & Power	U.S.	388	388	-	-	378	378	-	-	(2)	(2)	12	12	-	-
2012	MRO	1227	Municipal Energy Agency of Nebraska	U.S.	13,778	13,778	-	-	13,453	13,453	-	-	(86)	(86)	411	411	-	-
2012	MRO	1228	Muscatine Power and Water	U.S.	10,247	10,247	-	-	10,005	10,005	-	-	(64)	(64)	306	306	-	-
2012	MRO	1229	Nebraska City Utilities	U.S.	2,059	2,059	-	-	2,011	2,011	-	-	(13)	(13)	61	61	-	-
2012	MRO	1234	Rochester Public Utilities	U.S.	118	118	-	-	115	115	-	-	(1)	(1)	4	4	-	-
2012	MRO	1236	Southern Minnesota Municipal Power Agency	U.S.	34,862	34,862	-	-	34,039	34,039	-	-	(216)	(216)	1,039	1,039	-	-
2012	MRO	1241	Willmar Municipal Utilities	U.S.	3,098	3,098	-	-	3,025	3,025	-	-	(19)	(19)	92	92	-	-
2012	MRO	1242	Wisconsin Public Power, Inc. (East and West regions)	U.S.	64,783	64,783	-	-	63,253	63,253	-	-	(402)	(402)	1,932	1,932	-	-
			TOTAL MRO		3,368,027	2,833,341	534,686	-	3,285,296	2,766,454	518,842	-	(17,591)	(17,591)	100,322	84,478	15,844	-
					-													
2012	NPCC	1336	New England	U.S.	1,514,688	1,514,688	-	-	1,478,931	1,478,931	-	-	(9,404)	(9,404)	45,162	45,162	-	-
2012	NPCC	1339	New York	U.S.	1,925,772	1,925,772	-	-	1,880,310	1,880,310	-	-	(11,957)	(11,957)	57,419	57,419	-	-
2012	NPCC	1337	Ontario	Canada	1,084,277	-	1,084,277	-	1,631,418	-	1,631,418	-	-	-	(547,141)	-	(547,141)	-
2012	NPCC	1341	Quebec	Canada	1,539,741	-	1,539,741	-	2,134,110	-	2,134,110	-	-	-	(594,369)	-	(594,369)	-
2012	NPCC	1338	New Brunswick	Canada	105,191	-	105,191	-	160,570	-	160,570	-	-	-	(55,379)	-	(55,379)	-
2012	NPCC	1340	Nova Scotia	Canada	124,278	-	124,278	-	120,595	-	120,595	-	-	-	3,683	-	3,683	-
			TOTAL NPCC		6,293,948	3,440,461	2,853,487	-	7,405,935	3,359,241	4,046,694	-	(21,361)	(21,361)	(1,090,626)	102,580	(1,193,206)	-
					-													
2012	RFC	1104	Bay City	U.S.	3,955	3,955	-	-	3,862	3,862	-	-	(25)	(25)	118	118	-	-
2012	RFC	1102	Cannelton Utilities	U.S.	185	185	-	-	181	181	-	-	(1)	(1)	6	6	-	-
2012	RFC	1105	City of Chelsea	U.S.	1,199	1,199	-	-	1,171	1,171	-	-	(7)	(7)	36	36	-	-
2012	RFC	1106	City of Croswell	U.S.	498	498	-	-	486	486	-	-	(3)	(3)	15	15	-	-
2012	RFC	1108	City of Eaton Rapids	U.S.	1,163	1,163	-	-	1,136	1,136	-	-	(7)	(7)	35	35	-	-
2012	RFC	1111	City of Hart	U.S.	549	549	-	-	536	536	-	-	(3)	(3)	16	16	-	-
2012	RFC	1490	City of Lansing	U.S.	26,960	26,960	-	-	26,323	26,323	-	-	(167)	(167)	804	804	-	-
2012	RFC	1112	City of Marquette Board of Light & Power	U.S.	3,854	3,854	-	-	3,763	3,763	-	-	(24)	(24)	115	115	-	-
2012	RFC	1114	City of Portland	U.S.	439	439	-	-	428	428	-	-	(3)	(3)	13	13	-	-
2012	RFC	1116	City of St. Louis	U.S.	469	469	-	-	458	458	-	-	(3)	(3)	14	14	-	-
2012	RFC	1118	City of Wyandotte	U.S.	2,547	2,547	-	-	2,487	2,487	-	-	(16)	(16)	76	76	-	-
2012	RFC	1120	Cloverland Electric Cooperative	U.S.	10,355	10,355	-	-	10,111	10,111	-	-	(64)	(64)	309	309	-	-
2012	RFC	1122	CMS ERM Michigan LLC	U.S.	2,135	2,135	-	-	2,085	2,085	-	-	(13)	(13)	64	64	-	-
2012	RFC	1124	Constellation New Energy (MECS-CONS)	U.S.	13,001	13,001	-	-	12,694	12,694	-	-	(81)	(81)	388	388	-	-
2012	RFC	1123	Constellation New Energy (MECS-DET)	U.S.	13,251	13,251	-	-	12,938	12,938	-	-	(82)	(82)	395	395	-	-
2012	RFC	1126	Consumers Energy Company	U.S.	399,202	399,202	-	-	389,778	389,778	-	-	(2,479)	(2,479)	11,903	11,903	-	-
2012	RFC	1128	Detroit Edison Company	U.S.	550,403	550,403	-	-	537,409	537,409	-	-	(3,417)	(3,417)	16,411	16,411	-	-
2012	RFC	1166	Duke Energy Indiana	U.S.	358,297	358,297	-	-	349,838	349,838	-	-	(2,225)	(2,225)	10,683	10,683	-	-
2012	RFC	1135	Ferdinand Municipal Light & Water	U.S.	539	539	-	-	526	526	-	-	(3)	(3)	16	16	-	-
2012	RFC	1646	FirstEnergy Solutions (MECS-CONS)	U.S.	2,046	2,046	-	-	1,998	1,998	-	-	(13)	(13)	61	61	-	-
2012	RFC	1549	FirstEnergy Solutions (MECS-DET)	U.S.	26,639	26,639	-	-	26,010	26,010	-	-	(165)	(165)	794	794	-	-
2012	RFC	1612	Glacial Energy (MECS-DET)	U.S.	3,365	3,365	-	-	3,286	3,286	-	-	(21)	(21)	100	100	-	-
2012	RFC	1144	Holland Board of Public Works	U.S.	11,364	11,364	-	-	11,096	11,096	-	-	(71)	(71)	339	339	-	-
2012	RFC	1145	Hoosier Energy	U.S.	85,085	85,085	-	-	83,077	83,077	-	-	(528)	(528)	2,537	2,537	-	-
2012	RFC	1148	Indiana Municipal Power Agency (DUKE CIN)	U.S.	35,904	35,904	-	-	35,056	35,056	-	-	(223)	(223)	1,071	1,071	-	-
2012	RFC	1485	Indiana Municipal Power Agency (NIPSCO)	U.S.	5,056	5,056	-	-	4,937	4,937	-	-	(31)	(31)	151	151	-	-
2012	RFC	1486	Indiana Municipal Power Agency (SIGE)	U.S.	7,004	7,004	-	-	6,839	6,839	-	-	(43)	(43)	209	209	-	-
2012	RFC	1149	Indianapolis Power & Light Co.	U.S.	176,088	176,088	-	-	171,931	171,931	-	-	(1,093)	(1,093)	5,250	5,250	-	-
2012	RFC	1553	Integrys Energy Services (MECS-CONS)	U.S.	8,070	8,070	-	-	7,880	7,880	-	-	(50)	(50)	241	241	-	-
2012	RFC	1554	Integrys Energy Services (MECS-DET)	U.S.	5,314	5,314	-	-	5,188	5,188	-	-	(33)	(33)	158	158	-	-
2012	RFC	1614	Just Energy (MECS-DET)	U.S.	180	180	-	-	175	175	-	-	(1)	(1)	5	5	-	-
2012	RFC	1154	Michigan Public Power Agency	U.S.	14,960	14,960	-	-	14,607	14,607	-	-	(93)	(93)	446	446	-	-
2012	RFC	1155	Michigan South Central Power Agency	U.S.	7,209	7,209	-	-	7,039	7,039	-	-	(45)	(45)	215	215	-	-
2012	RFC	1158	MidAmerican Energy Company Retail	U.S.	1,139	1,139	-	-	1,112	1,112	-	-	(7)	(7)	34	34	-	-
2012	RFC	1163	Northern Indiana Public Service Co.	U.S.	207,938	207,938	-	-	203,030	203,030	-	-	(1,291)	(1,291)	6,200	6,200	-	-
2012	RFC	1164	Ontonagon County Rural Electrification Assoc.	U.S.	339	339	-	-	331	331	-	-	(2)	(2)	10	10	-	-
2012	RFC	1265	PJM Interconnnection, LLC	U.S.	8,135,840	8,135,840	-	-	7,943,776	7,943,776	-	-	(50,513)	(50,513)	242,577	242,577	-	-
2012	RFC	1172	Sempra Energy Solutions (MECS-CONS)	U.S.	12,182	12,182	-	-	11,894	11,894	-	-	(76)	(76)	363	363	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	RFC	1171	Sempra Energy Solutions (MECS-DET)	U.S.	10,033	10,033	-	-	9,796	9,796	-	-	(62)	(62)	299	299	-	-
2012	RFC	1176	Direct Energy (fka:Strategic Energy,LLC) (MECS-CONS)	U.S.	133	133	-	-	129	129	-	-	(1)	(1)	4	4	-	-
2012	RFC	1174	Direct Energy (fka:Strategic Energy,LLC) (MECS-DET)	U.S.	3,755	3,755	-	-	3,666	3,666	-	-	(23)	(23)	112	112	-	-
2012	RFC	1581	Spartan Renewable Energy	U.S.	822	822	-	-	802	802	-	-	(5)	(5)	25	25	-	-
2012	RFC	1180	Thumb Electric Cooperative	U.S.	2,021	2,021	-	-	1,973	1,973	-	-	(13)	(13)	60	60	-	-
2012	RFC	1662	Ohio Valley Electric Corporation	U.S.	6,819	6,819	-	-	6,658	6,658	-	-	(42)	(42)	203	203	-	-
2012	RFC	1181	Vectren Energy Delivery of IN	U.S.	68,420	68,420	-	-	66,805	66,805	-	-	(425)	(425)	2,040	2,040	-	-
2012	RFC	1183	Village of Sebewaing	U.S.	486	486	-	-	474	474	-	-	(3)	(3)	14	14	-	-
2012	RFC	1184	Wabash Valley Power Association Inc. (DUKE CIN)	U.S.	31,747	31,747	-	-	30,998	30,998	-	-	(197)	(197)	947	947	-	-
2012	RFC	1488	Wabash Valley Power Association Inc.(NIPSCO)	U.S.	19,689	19,689	-	-	19,225	19,225	-	-	(122)	(122)	587	587	-	-
2012	RFC	1185	Wisconsin Electric Power Co.	U.S.	345,097	345,097	-	-	336,950	336,950	-	-	(2,143)	(2,143)	10,289	10,289	-	-
2012	RFC	1189	Wolverine Power Marketing Cooperative	U.S.	12,582	12,582	-	-	12,285	12,285	-	-	(78)	(78)	375	375	-	-
2012	RFC	1191	Wolverine Power Supply Cooperative	U.S.	30,671	30,671	-	-	29,947	29,947	-	-	(190)	(190)	914	914	-	-
2012	RFC	1190	Wolverine Power Marketing Cooperative	U.S.	1,631	1,631	-	-	1,593	1,593	-	-	(10)	(10)	49	49	-	-
			TOTAL RELIABILITYFIRST		10,668,630	10,668,630	-	-	10,416,774	10,416,774	-	-	(66,238)	(66,238)	318,094	318,094	-	-
					-													
2012	SERC	1267	Alabama Municipal Electric Authority	U.S.	40,598	40,598	-	-	39,640	39,640	-	-	(252)	(252)	1,210	1,210	-	-
2012	SERC	1268	Alabama Power Company	U.S.	671,177	671,177	-	-	655,332	655,332	-	-	(4,167)	(4,167)	20,012	20,012	-	-
2012	SERC	1269	Ameren - Illinois	U.S.	512,043	512,043	-	-	499,955	499,955	-	-	(3,179)	(3,179)	15,267	15,267	-	-
2012	SERC	1271	Ameren - Missouri	U.S.	492,175	492,175	-	-	480,556	480,556	-	-	(3,056)	(3,056)	14,675	14,675	-	-
2012	SERC	1272	APGI - Yadkin Division	U.S.	272	272	-	-	265	265	-	-	(2)	(2)	8	8	-	-
2012	SERC	1660	APGI - Tapoco Division (ALCOA)	U.S.	4	4	-	-	4	4	-	-	(0)	(0)	0	0	-	-
2012	SERC	1273	Associated Electric Cooperative Inc.	U.S.	225,590	225,590	-	-	220,264	220,264	-	-	(1,401)	(1,401)	6,726	6,726		
2012	SERC	1582	Beauregard Electric Cooperative, Inc.	U.S.	12,738	12,738	-	-	12,437	12,437	-	-	(79)	(79)	380	380		
2012	SERC	1462	Benton Utility District	U.S.	3,407	3,407	-	-	3,327	3,327	-	-	(21)	(21)	102	102		
2012	SERC	1274	Big Rivers Electric Corporation	U.S.	133,251	133,251	-	-	130,106	130,106	-	-	(827)	(827)	3,973	3,973		
2012	SERC	1275	Black Warrior EMC	U.S.	4,898	4,898	-	-	4,782	4,782	-	-	(30)	(30)	146	146		
2012	SERC	1276	Blue Ridge EMC	U.S.	16,062	16,062	-	-	15,683	15,683	-	-	(100)	(100)	479	479		
2012	SERC	1628	Brazos Electric Power Cooperative, Inc.	U.S.	4,764	4,764	-	-	4,652	4,652	-	-	(30)	(30)	142	142		
2012	SERC	1463	Canton, MS	U.S.	1,503	1,503	-	-	1,467	1,467	-	-	(9)	(9)	45	45		
2012	SERC	1277	Central Electric Power Cooperative Inc.	U.S.	182,679	182,679	-	-	178,367	178,367	-	-	(1,134)	(1,134)	5,447	5,447		
2012	SERC	1278	City of Blountstown FL	U.S.	458	458	-	-	447	447	-	-	(3)	(3)	14	14		
2012	SERC	1279	City of Camden SC	U.S.	2,224	2,224	-	-	2,171	2,171	-	-	(14)	(14)	66	66		
2012	SERC	1280	City of Collins MS	U.S.	525	525	-	-	513	513	-	-	(3)	(3)	16	16		
2012	SERC	1281	City of Columbia MO	U.S.	14,120	14,120	-	-	13,786	13,786	-	-	(88)	(88)	421	421		
2012	SERC	1282	City of Conway AR (Conway Corporation)	U.S.	12,492	12,492	-	-	12,197	12,197	-	-	(78)	(78)	372	372		
2012	SERC	1284	City of Evergreen AL	U.S.	660	660	-	-	644	644	-	-	(4)	(4)	20	20		
2012	SERC	1285	City of Hampton GA	U.S.	352	352	-	-	344	344	-	-	(2)	(2)	11	11		
2012	SERC	1286	City of Hartford AL	U.S.	380	380	-	-	371	371	-	-	(2)	(2)	11	11		
2012	SERC	1287	City of Henderson (KY) Municipal Power & Light	U.S.	7,359	7,359	-	-	7,185	7,185	-	-	(46)	(46)	219	219		
2012	SERC	1288	City of North Little Rock AR (DENL)	U.S.	11,697	11,697	-	-	11,421	11,421	-	-	(73)	(73)	349	349		
2012	SERC	1289	City of Orangeburg SC Department of Public Utilities	U.S.	8,783	8,783	-	-	8,575	8,575	-	-	(55)	(55)	262	262		
2012	SERC	1290	City of Robertsdale AL	U.S.	966	966	-	-	943	943	-	-	(6)	(6)	29	29		
2012	SERC	1291	City of Ruston LA (DERS)	U.S.	3,336	3,336	-	-	3,257	3,257	-	-	(21)	(21)	99	99		
2012	SERC	1292	City of Seneca SC	U.S.	1,800	1,800	-	-	1,757	1,757	-	-	(11)	(11)	54	54		
2012	SERC	1115	City of Springfield (CWLP)	U.S.	21,712	21,712	-	-	21,200	21,200	-	-	(135)	(135)	647	647		
2012	SERC	1465	City of Thayer, MO	U.S.	234	234	-	-	228	228	-	-	(1)	(1)	7	7		
2012	SERC	1293	City of Troy AL	U.S.	4,784	4,784	-	-	4,672	4,672	-	-	(30)	(30)	143	143		
2012	SERC	1294	City of West Memphis AR (West Memphis Utilities)	U.S.	4,854	4,854	-	-	4,740	4,740	-	-	(30)	(30)	145	145		
2012	SERC	1583	Claiborne Electric Cooperative, Inc.	U.S.	7,785	7,785	-	-	7,601	7,601	-	-	(48)	(48)	232	232		
2012	SERC	1584	Concordia Electric Cooperative, Inc.	U.S.	3,134	3,134	-	-	3,060	3,060	-	-	(19)	(19)	93	93		
2012	SERC	1283	Dalton Utilities	U.S.	17,156	17,156	-	-	16,751	16,751	-	-	(107)	(107)	512	512		
2012	SERC	1585	Dixie Electric Membership Corporation	U.S.	26,606	26,606	-	-	25,978	25,978	-	-	(165)	(165)	793	793		
2012	SERC	1295	Dominion Virginia Power	U.S.	987,061	987,061	-	-	963,759	963,759	-	-	(6,128)	(6,128)	29,430	29,430		
2012	SERC	1296	Duke Energy Carolinas, LLC	U.S.	968,027	968,027	-	-	945,174	945,174	-	-	(6,010)	(6,010)	28,863	28,863		
2012	SERC	1466	Durant, MS	U.S.	332	332	-	-	324	324	-	-	(2)	(2)	10	10		
2012	SERC	1478	E.ON U.S. Services Inc.	U.S.	410,692	410,692	-	-	400,997	400,997	-	-	(2,550)	(2,550)	12,245	12,245		
2012	SERC	1297	East Kentucky Power Cooperative	U.S.	143,977	143,977	-	-	140,578	140,578	-	-	(894)	(894)	4,293	4,293		
2012	SERC	1298	East Mississippi Electric Power Association	U.S.	5,132	5,132	-	-	5,011	5,011	-	-	(32)	(32)	153	153		
2012	SERC	1629	East Texas Electric Cooperative Inc	U.S.	23,133	23,133	-	-	22,587	22,587	-	-	(144)	(144)	690	690		
2012	SERC	1299	Electric Energy Inc.	U.S.	299	299	-	-	292	292	-	-	(2)	(2)	9	9		
2012	SERC	1300	EnergyUnited EMC	U.S.	29,667	29,667	-	-	28,967	28,967	-	-	(184)	(184)	885	885		
2012	SERC	1301	Entergy	U.S.	1,361,742	1,361,742	-	-	1,329,595	1,329,595	-	-	(8,455)	(8,455)	40,601	40,601		
2012	SERC	1302	Fayetteville (NC) Public Works Commission	U.S.	25,231	25,231	-	-	24,635	24,635	-	-	(157)	(157)	752	752		
2012	SERC	1303	Florida Public Utilities (FL Panhandle Load)	U.S.	3,826	3,826	-	-	3,736	3,736	-	-	(24)	(24)	114	114		

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-C

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	SERC	1304	French Broad EMC	U.S.	6,180	6,180	-	-	6,035	6,035	-	-	(38)	(38)	184	184		
2012	SERC	1305	Georgia Power Company	U.S.	1,009,446	1,009,446	-	-	985,616	985,616	-	-	(6,267)	(6,267)	30,098	30,098		
2012	SERC	1306	Georgia System Optns Corporation	U.S.	444,369	444,369	-	-	433,878	433,878	-	-	(2,759)	(2,759)	13,249	13,249		
2012	SERC	1479	Greenwood (MS) Utilities Commission	U.S.	3,376	3,376	-	-	3,296	3,296	-	-	(21)	(21)	101	101		
2012	SERC	1307	Greenwood (SC) Commissioners of Public Works	U.S.	3,195	3,195	-	-	3,120	3,120	-	-	(20)	(20)	95	95		
2012	SERC	1308	Gulf Power Company	U.S.	133,012	133,012	-	-	129,872	129,872	-	-	(826)	(826)	3,966	3,966		
2012	SERC	1586	Haywood EMC	U.S.	3,446	3,446	-	-	3,365	3,365	-	-	(21)	(21)	103	103		
2012	SERC	1309	Illinois Municipal Electric Agency	U.S.	22,803	22,803	-	-	22,265	22,265	-	-	(142)	(142)	680	680		
2012	SERC	1480	Itta Bena, MS	U.S.	189	189	-	-	185	185	-	-	(1)	(1)	6	6		
2012	SERC	1587	Jefferson Davis Electric Cooperative, Inc.	U.S.	3,217	3,217	-	-	3,141	3,141	-	-	(20)	(20)	96	96		
2012	SERC	1617	Kentucky Municipal Power	U.S.	8,827	8,827	-	-	8,619	8,619	-	-	(55)	(55)	263	263		
2012	SERC	1481	Kosciusko, MS	U.S.	890	890	-	-	869	869	-	-	(6)	(6)	27	27		
2012	SERC	1482	Leland, MS	U.S.	394	394	-	-	385	385	-	-	(2)	(2)	12	12		
2012	SERC	1313	McCormick Commission of Public Works	U.S.	241	241	-	-	236	236	-	-	(1)	(1)	7	7		
2012	SERC	1314	Mississippi Power Company	U.S.	155,407	155,407	-	-	151,738	151,738	-	-	(965)	(965)	4,634	4,634		
2012	SERC	1630	Mt. Carmel Public Utility	U.S.	1,309	1,309	-	-	1,278	1,278	-	-	(8)	(8)	39	39		
2012	SERC	1315	Municipal Electric Authority of Georgia	U.S.	128,052	128,052	-	-	125,029	125,029	-	-	(795)	(795)	3,818	3,818		
2012	SERC	1316	N.C. Electric Membership Corp.	U.S.	142,342	142,342	-	-	138,981	138,981	-	-	(884)	(884)	4,244	4,244		
2012	SERC	1317	North Carolina Eastern Municipal Power Agency	U.S.	87,414	87,414	-	-	85,350	85,350	-	-	(543)	(543)	2,606	2,606		
2012	SERC	1318	North Carolina Municipal Power Agency #1	U.S.	55,665	55,665	-	-	54,351	54,351	-	-	(346)	(346)	1,660	1,660		
2012	SERC	1588	Northeast Louisiana Power Cooperative, Inc.	U.S.	3,839	3,839	-	-	3,748	3,748	-	-	(24)	(24)	114	114		
2012	SERC	1574	Northern Virginia Electric Cooperative	U.S.	46,145	46,145	-	-	45,056	45,056	-	-	(286)	(286)	1,376	1,376		
2012	SERC	1319	Old Dominion Electric Cooperative	U.S.	69,380	69,380	-	-	67,743	67,743	-	-	(431)	(431)	2,069	2,069		
2012	SERC	1618	Osceola (Arkansas) Municipal Light and Power	U.S.	2,123	2,123	-	-	2,073	2,073	-	-	(13)	(13)	63	63		
2012	SERC	1320	Owensboro (KY) Municipal Utilities	U.S.	10,927	10,927	-	-	10,669	10,669	-	-	(68)	(68)	326	326		
2012	SERC	1322	Piedmont EMC in Duke and Progress Areas	U.S.	5,803	5,803	-	-	5,666	5,666	-	-	(36)	(36)	173	173		
2012	SERC	1323	Piedmont Municipal Power Agency (PMPA)	U.S.	27,012	27,012	-	-	26,375	26,375	-	-	(168)	(168)	805	805		
2012	SERC	1589	Pointe Coupee Electric Memb. Corp.	U.S.	3,153	3,153	-	-	3,079	3,079	-	-	(20)	(20)	94	94		
2012	SERC	1266	PowerSouth Energy	U.S.	94,312	94,312	-	-	92,085	92,085	-	-	(586)	(586)	2,812	2,812		
2012	SERC	1330	Prairie Power, Inc.	U.S.	18,224	18,224	-	-	17,794	17,794	-	-	(113)	(113)	543	543		
2012	SERC	1324	Progress Energy Carolinas	U.S.	533,933	533,933	-	-	521,328	521,328	-	-	(3,315)	(3,315)	15,920	15,920		
2012	SERC	1325	Rutherford EMC	U.S.	14,929	14,929	-	-	14,576	14,576	-	-	(93)	(93)	445	445		
2012	SERC	1631	Sam Rayburn G&T Electric Cooperative Inc.	U.S.	20,905	20,905	-	-	20,411	20,411	-	-	(130)	(130)	623	623		
2012	SERC	1326	South Carolina Electric & Gas Company	U.S.	265,171	265,171	-	-	258,911	258,911	-	-	(1,646)	(1,646)	7,906	7,906		
2012	SERC	1327	South Carolina Public Service Authority	U.S.	132,383	132,383	-	-	129,258	129,258	-	-	(822)	(822)	3,947	3,947		
2012	SERC	1590	South Louisiana Electric Cooperative Association	U.S.	7,433	7,433	-	-	7,257	7,257	-	-	(46)	(46)	222	222		
2012	SERC	1328	South Mississippi Electric Power Association	U.S.	118,418	118,418	-	-	115,623	115,623	-	-	(735)	(735)	3,531	3,531		
2012	SERC	1329	Southern Illinois Power Cooperative	U.S.	17,840	17,840	-	-	17,419	17,419	-	-	(111)	(111)	532	532		
2012	SERC	1591	Southwest Louisiana Electric Membership Corporation	U.S.	29,903	29,903	-	-	29,197	29,197	-	-	(186)	(186)	892	892		
2012	SERC	1619	Southwestern Electric Cooperative, Inc.	U.S.	5,347	5,347	-	-	5,221	5,221	-	-	(33)	(33)	159	159		
2012	SERC	1331	Tennessee Valley Authority	U.S.	1,979,175	1,979,175	-	-	1,932,452	1,932,452	-	-	(12,288)	(12,288)	59,011	59,011		
2012	SERC	1632	Tex-La Electric Cooperative of Texas, Inc	U.S.	2,228	2,228	-	-	2,175	2,175	-	-	(14)	(14)	66	66		
2012	SERC	1332	Tombigbee Electric Cooperative Inc.	U.S.	1,488	1,488	-	-	1,453	1,453	-	-	(9)	(9)	44	44		
2012	SERC	1592	Town of Black Creek, N.C.	U.S.	153	153	-	-	149	149	-	-	(1)	(1)	5	5		
2012	SERC	1593	Town of Lucama, N.C.	U.S.	245	245	-	-	239	239	-	-	(2)	(2)	7	7		
2012	SERC	1594	Town of Sharpsburg, N.C.	U.S.	229	229	-	-	223	223	-	-	(1)	(1)	7	7		
2012	SERC	1595	Town of Stantonsburg, N.C.	U.S.	272	272	-	-	266	266	-	-	(2)	(2)	8	8		
2012	SERC	1333	Town of Waynesville NC	U.S.	1,116	1,116	-	-	1,089	1,089	-	-	(7)	(7)	33	33		
2012	SERC	1334	Town of Winnsboro SC	U.S.	587	587	-	-	573	573	-	-	(4)	(4)	18	18		
2012	SERC	1335	Town of Winterville NC	U.S.	612	612	-	-	597	597	-	-	(4)	(4)	18	18		

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-C

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	SERC	1597	Washington-St.Tammany Electric Cooperative, Inc.	U.S.	12,412	12,412	-	-	12,119	12,119	-	-	(77)	(77)	370	370		
			TOTAL SERC		12,047,164	12,047,164	-	-	11,762,765	11,762,765	-	-	(74,797)	(74,797)	359,196	359,196	-	-
					-													
2012	SPP	1246	American Electric Power	U.S.	440,710	440,710	-	-	430,306	430,306	-	-	(2,736)	(2,736)	13,140	13,140	-	-
2012	SPP	1435	Arkansas Electric Cooperative Corporation (AEP)	U.S.	58,861	58,861	-	-	57,471	57,471	-	-	(365)	(365)	1,755	1,755	-	-
2012	SPP	1247	Board of Public Utilities (Kansas City KS)	U.S.	28,679	28,679	-	-	28,002	28,002	-	-	(178)	(178)	855	855	-	-
2012	SPP	1620	Board of Public Utilities, City of McPherson, Kansas	U.S.	11,026	11,026	-	-	10,766	10,766	-	-	(68)	(68)	329	329	-	-
2012	SPP	1647	Carthage City Water & Light	U.S.	3,608	3,608	-	-	3,523	3,523	-	-	(22)	(22)	108	108	-	-
2012	SPP	1469	Central Valley Electric Cooperative	U.S.	9,813	9,813	-	-	9,581	9,581	-	-	(61)	(61)	293	293	-	-
2012	SPP	1556	City of Bentonville	U.S.	7,594	7,594	-	-	7,415	7,415	-	-	(47)	(47)	226	226	-	-
2012	SPP	1557	City of Clarksdale, Mississippi	U.S.	2,052	2,052	-	-	2,004	2,004	-	-	(13)	(13)	61	61	-	-
2012	SPP	1558	Hope Water & Light (HWL)	U.S.	3,509	3,509	-	-	3,426	3,426	-	-	(22)	(22)	105	105	-	-
2012	SPP	1559	City of Minden	U.S.	1,963	1,963	-	-	1,916	1,916	-	-	(12)	(12)	59	59	-	-
2012	SPP	1634	City of Mulvane	U.S.	530	530	-	-	518	518	-	-	(3)	(3)	16	16	-	-
2012	SPP	1635	The City of Osage City	U.S.	438	438	-	-	428	428	-	-	(3)	(3)	13	13	-	-
2012	SPP	1636	City of Prescott	U.S.	1,059	1,059	-	-	1,034	1,034	-	-	(7)	(7)	32	32	-	-
2012	SPP	1248	Independence Power & Light (Independence, MO)	U.S.	13,178	13,178	-	-	12,867	12,867	-	-	(82)	(82)	393	393	-	-
2012	SPP	1436	City Utilities of Springfield, MO	U.S.	38,097	38,097	-	-	37,197	37,197	-	-	(237)	(237)	1,136	1,136	-	-
2012	SPP	1249	Cleco Power LLC	U.S.	136,310	136,310	-	-	133,092	133,092	-	-	(846)	(846)	4,064	4,064	-	-
2012	SPP	1437	East Texas Electric Coop, Inc.	U.S.	4,814	4,814	-	-	4,700	4,700	-	-	(30)	(30)	144	144	-	-
2012	SPP	1250	The Empire District Electric Company	U.S.	61,889	61,889	-	-	60,428	60,428	-	-	(384)	(384)	1,845	1,845	-	-
2012	SPP	1470	Farmers' Electric Coop	U.S.	5,491	5,491	-	-	5,361	5,361	-	-	(34)	(34)	164	164	-	-
2012	SPP	1438	Golden Spread Electric Coop	U.S.	66,517	66,517	-	-	64,947	64,947	-	-	(413)	(413)	1,983	1,983	-	-
2012	SPP	1251	Grand River Dam Authority	U.S.	57,041	57,041	-	-	55,694	55,694	-	-	(354)	(354)	1,701	1,701	-	-
2012	SPP	1648	Jonesboro City Water & Light	U.S.	16,433	16,433	-	-	16,045	16,045	-	-	(102)	(102)	490	490	-	-
2012	SPP	1252	Kansas City Power & Light (KCPL)	U.S.	188,295	188,295	-	-	183,850	183,850	-	-	(1,169)	(1,169)	5,614	5,614	-	-
2012	SPP	1439	Kansas Electric Power Coop., Inc	U.S.	25,765	25,765	-	-	25,156	25,156	-	-	(160)	(160)	768	768	-	-
2012	SPP	1440	Kansas Municipal Energy Agency (KCPL)	U.S.	9,227	9,227	-	-	9,010	9,010	-	-	(57)	(57)	275	275	-	-
2012	SPP	1637	Kansas Power Pool	U.S.	19,383	19,383	-	-	18,925	18,925	-	-	(120)	(120)	578	578	-	-
2012	SPP	1560	Kaw Valley Electric Cooperative, Inc.	U.S.	1,934	1,934	-	-	1,888	1,888	-	-	(12)	(12)	58	58	-	-
2012	SPP	1649	Kennett Board of Public Works	U.S.	1,905	1,905	-	-	1,860	1,860	-	-	(12)	(12)	57	57	-	-
2012	SPP	1598	KCP&L GMOC (Greater Missouri Operations Company)	U.S.	103,266	103,266	-	-	100,828	100,828	-	-	(641)	(641)	3,079	3,079	-	-
2012	SPP	1471	Lafayette Utilities System	U.S.	24,833	24,833	-	-	24,247	24,247	-	-	(154)	(154)	740	740	-	-
2012	SPP	1472	Lea County Electric Coop	U.S.	15,631	15,631	-	-	15,262	15,262	-	-	(97)	(97)	466	466	-	-
2012	SPP	1253	Louisiana Energy & Power Authority (LEPA)	U.S.	11,963	11,963	-	-	11,681	11,681	-	-	(74)	(74)	357	357	-	-
2012	SPP	1650	Malden Board of Public Works	U.S.	644	644	-	-	629	629	-	-	(4)	(4)	19	19	-	-
2012	SPP	1441	Midwest Energy Inc.	U.S.	21,927	21,927	-	-	21,409	21,409	-	-	(136)	(136)	654	654	-	-
2012	SPP	1443	Missouri Joint Municipal Electric Utility Commission	U.S.	30,116	30,116	-	-	29,405	29,405	-	-	(187)	(187)	898	898	-	-
2012	SPP	1638	Nemaha Marshall Electric Cooperative (NMEC)	U.S.	706	706	-	-	689	689	-	-	(4)	(4)	21	21	-	-
2012	SPP	1442	Northeast Texas Electric Cooperative, Inc.	U.S.	37,222	37,222	-	-	36,343	36,343	-	-	(231)	(231)	1,110	1,110	-	-
2012	SPP	1255	Oklahoma Gas and Electric Co.	U.S.	341,672	341,672	-	-	333,606	333,606	-	-	(2,121)	(2,121)	10,187	10,187	-	-
2012	SPP	1444	Oklahoma Municipal Power Auth	U.S.	33,726	33,726	-	-	32,930	32,930	-	-	(209)	(209)	1,006	1,006	-	-
2012	SPP	1639	OzMo Ozark Missouri, West Plains MO	U.S.	2,471	2,471	-	-	2,412	2,412	-	-	(15)	(15)	74	74	-	-
2012	SPP	1651	Paragould Light, Water & Cable	U.S.	7,232	7,232	-	-	7,061	7,061	-	-	(45)	(45)	216	216	-	-
2012	SPP	1652	Piggott Municipal Light, Water & Sewer	U.S.	514	514	-	-	502	502	-	-	(3)	(3)	15	15	-	-
2012	SPP	1653	Poplar Bluff Municipal Utilities	U.S.	4,737	4,737	-	-	4,626	4,626	-	-	(29)	(29)	141	141	-	-
2012	SPP	1561	Public Service Commission of Yazoo City of Mississippi	U.S.	1,470	1,470	-	-	1,436	1,436	-	-	(9)	(9)	44	44	-	-
2012	SPP	1473	Roosevelt County Electric Coop	U.S.	2,529	2,529	-	-	2,469	2,469	-	-	(16)	(16)	75	75	-	-
2012	SPP	1468	Sharyland Utilities, LP	U.S.	13,101	13,101	-	-	12,791	12,791	-	-	(81)	(81)	391	391	-	-
2012	SPP	1654	Sikeston Board of Municipal Utilities	U.S.	4,543	4,543	-	-	4,435	4,435	-	-	(28)	(28)	135	135	-	-
2012	SPP	1257	Southwestern Public Service Co. (SPS-XCEL)	U.S.	234,172	234,172	-	-	228,644	228,644	-	-	(1,454)	(1,454)	6,982	6,982	-	-
2012	SPP	1256	Sunflower Electric Power Cooperative	U.S.	68,449	68,449	-	-	66,833	66,833	-	-	(425)	(425)	2,041	2,041	-	-
2012	SPP	1445	Tex - La Electric Cooperative of Texas	U.S.	5,904	5,904	-	-	5,765	5,765	-	-	(37)	(37)	176	176	-	-
2012	SPP	1475	Tri County Electric Coop	U.S.	4,848	4,848	-	-	4,733	4,733	-	-	(30)	(30)	145	145	-	-
2012	SPP	1260	Westar Energy, Inc.	U.S.	257,630	257,630	-	-	251,548	251,548	-	-	(1,600)	(1,600)	7,681	7,681	-	-
2012	SPP	1259	Western Farmers Electric Cooperative	U.S.	94,733	94,733	-	-	92,497	92,497	-	-	(588)	(588)	2,825	2,825	-	-
2012	SPP	1501	West Texas Municipal Power Agency	U.S.	34,232	34,232	-	-	33,424	33,424	-	-	(213)	(213)	1,021	1,021	-	-
			TOTAL SPP		2,574,391	2,574,391	-	-	2,513,617	2,513,617	-	-	(15,984)	(15,984)	76,758	76,758	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-C

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2011	TRE	1019	ERCOT	U.S.	3,841,797	3,841,797	-	-	3,751,103	3,751,103	-	-	(23,853)	(23,853)	114,546	114,546	-	-
					3,841,797	3,841,797	-	-	3,751,103	3,751,103	-	-	(23,853)	(23,853)	114,546	114,546	-	-
2012	WECC		Alberta Electric System Operator	Canada	443,202	-	443,202	-	684,021	-	684,021	-	-	-	(240,819)	-	(240,819)	-
2012	WECC		British Columbia Hydro & Power Authority	Canada	723,192	-	723,192	-	701,763	-	701,763	-	-	-	21,430		21,430	
2012	WECC		Comision Federal de Electricidad	Mexico	138,116	-	-	138,116	134,023	-	-	134,023	-	-	4,093	-	-	4,093
2012	WECC		Aguila Irrigation District - APS	U.S.	515	515	-	-	503	503	-	-	(3)	(3)	15	15	-	-
2012	WECC		Aha Macav Power Service	U.S.	325	325	-	-	317	317	-	-	(2)	(2)	10	10	-	-
2012	WECC		Ajo Improvement District	U.S.	162	162	-	-	158	158	-	-	(1)	(1)	5	5	-	-
2012	WECC		Ak-Chin	U.S.	424	424	-	-	414	414	-	-	(3)	(3)	13	13	-	-
2012	WECC		Alcoa Inc	U.S.	40,170	40,170	-	-	39,222	39,222	-	-	(249)	(249)	1,198	1,198	-	-
2012	WECC		Arizona Public Service Company	U.S.	356,328	356,328	-	-	347,916	347,916	-	-	(2,212)	(2,212)	10,624	10,624	-	-
2012	WECC		Arkansas River Power Authority (ARPA)	U.S.	3,581	3,581	-	-	3,496	3,496	-	-	(22)	(22)	107	107	-	-
2012	WECC		Avista Corporation	U.S.	771	771	-	-	753	753	-	-	(5)	(5)	23	23	-	-
2012	WECC		Avista Corporation	U.S.	110,089	110,089	-	-	107,491	107,491	-	-	(684)	(684)	3,282	3,282	-	-
2012	WECC		Barrick Goldstrike Mines Inc.	U.S.	14,578	14,578	-	-	14,234	14,234	-	-	(91)	(91)	435	435	-	-
2012	WECC		Basin Electric Power Cooperative	U.S.	734	734	-	-	717	717	-	-	(5)	(5)	22	22	-	-
2012	WECC		Basin Electric Power Cooperative	U.S.	37,805	37,805	-	-	36,913	36,913	-	-	(235)	(235)	1,127	1,127	-	-
2012	WECC		Benton REA	U.S.	6,430	6,430	-	-	6,278	6,278	-	-	(40)	(40)	192	192	-	-
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	1,585	1,585	-	-	1,548	1,548	-	-	(10)	(10)	47	47	-	-
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	1,643	1,643	-	-	1,604	1,604	-	-	(10)	(10)	49	49	-	-
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	4,137	4,137	-	-	4,039	4,039	-	-	(26)	(26)	123	123	-	-
2012	WECC		Blachly-Lane Electric Cooperative	U.S.	1,958	1,958	-	-	1,912	1,912	-	-	(12)	(12)	58	58	-	-
2012	WECC		Black Hills Power	U.S.	22,798	22,798	-	-	22,260	22,260	-	-	(142)	(142)	680	680	-	-
2012	WECC		Black Hills Power/Cheyenne Light Fuel & Power	U.S.	44,076	44,076	-	-	43,036	43,036	-	-	(274)	(274)	1,314	1,314	-	-
2012	WECC		Black Hills State University South Dakota	U.S.	232	232	-	-	226	226	-	-	(1)	(1)	7	7	-	-
2012	WECC		Bonneville Power Administration	U.S.	79	79	-	-	77	77	-	-	(0)	(0)	2	2	-	-
2012	WECC		Bonneville Power Administration	U.S.	220	220	-	-	215	215	-	-	(1)	(1)	7	7	-	-
2012	WECC		Bonneville Power Administration	U.S.	9,071	9,071	-	-	8,857	8,857	-	-	(56)	(56)	270	270	-	-
2012	WECC		Bonneville Power Administration	U.S.	21,191	21,191	-	-	20,691	20,691	-	-	(132)	(132)	632	632	-	-
2012	WECC		Bonneville Power Administration	U.S.	54,738	54,738	-	-	53,446	53,446	-	-	(340)	(340)	1,632	1,632	-	-
2012	WECC		BPA - Big Bend/Schrag Load	U.S.	450	450	-	-	440	440	-	-	(3)	(3)	13	13	-	-
2012	WECC		BPA - USBR Load	U.S.	86	86	-	-	84	84	-	-	(1)	(1)	3	3	-	-
2012	WECC		Buckeye Water Conservation and Drainage District - APS	U.S.	242	242	-	-	237	237	-	-	(2)	(2)	7	7	-	-
2012	WECC		Bureau of Reclamation (Desalter) - c/o DSW EMMO	U.S.	9	9	-	-	9	9	-	-	(0)	(0)	0	0	-	-
2012	WECC		Bureau of Reclamation (Wellfield) - c/o DSW EMMO	U.S.	60	60	-	-	59	59	-	-	(0)	(0)	2	2	-	-
2012	WECC		Burlington	U.S.	389	389	-	-	380	380	-	-	(2)	(2)	12	12	-	-
2012	WECC		California Independent System Operator	U.S.	2,774,979	2,774,979	-	-	2,709,469	2,709,469	-	-	(17,229)	(17,229)	82,738	82,738	-	-
2012	WECC		Canby Public Utility Board	U.S.	2,097	2,097	-	-	2,048	2,048	-	-	(13)	(13)	63	63	-	-
2012	WECC		Central Arizona Water Conservation District	U.S.	58,756	58,756	-	-	57,369	57,369	-	-	(365)	(365)	1,752	1,752	-	-
2012	WECC		Central Electric Cooperative	U.S.	5,912	5,912	-	-	5,772	5,772	-	-	(37)	(37)	176	176	-	-
2012	WECC		Central Lincoln PUD	U.S.	15,909	15,909	-	-	15,534	15,534	-	-	(99)	(99)	474	474	-	-
2012	WECC		Central Montana Electric Power Cooperative	U.S.	4,196	4,196	-	-	4,097	4,097	-	-	(26)	(26)	125	125	-	-
2012	WECC		City of Aztec Electric Dept	U.S.	445	445	-	-	434	434	-	-	(3)	(3)	13	13	-	-
2012	WECC		City of Bandon	U.S.	802	802	-	-	783	783	-	-	(5)	(5)	24	24	-	-
2012	WECC		City of Blaine	U.S.	920	920	-	-	898	898	-	-	(6)	(6)	27	27	-	-
2012	WECC		City of Bonners Ferry	U.S.	821	821	-	-	802	802	-	-	(5)	(5)	24	24	-	-
2012	WECC		City of Boulder City	U.S.	1,980	1,980	-	-	1,933	1,933	-	-	(12)	(12)	59	59	-	-
2012	WECC		City of Cascade Locks	U.S.	224	224	-	-	219	219	-	-	(1)	(1)	7	7	-	-
2012	WECC		City of Centralia	U.S.	3,207	3,207	-	-	3,132	3,132	-	-	(20)	(20)	96	96	-	-
2012	WECC		City of Cheney	U.S.	1,701	1,701	-	-	1,661	1,661	-	-	(11)	(11)	51	51	-	-
2012	WECC		City of Chewelah	U.S.	282	282	-	-	275	275	-	-	(2)	(2)	8	8	-	-
2012	WECC		City of Drain	U.S.	195	195	-	-	190	190	-	-	(1)	(1)	6	6	-	-
2012	WECC		City of Ellensburg	U.S.	2,467	2,467	-	-	2,408	2,408	-	-	(15)	(15)	74	74	-	-
2012	WECC		City of Fallon	U.S.	1,452	1,452	-	-	1,418	1,418	-	-	(9)	(9)	43	43	-	-
2012	WECC		City of Farmington	U.S.	3,266	3,266	-	-	3,189	3,189	-	-	(20)	(20)	97	97	-	-
2012	WECC		City of Forest Grove	U.S.	2,859	2,859	-	-	2,791	2,791	-	-	(18)	(18)	85	85	-	-
2012	WECC		City of Gallup	U.S.	2,342	2,342	-	-	2,286	2,286	-	-	(15)	(15)	70	70	-	-
2012	WECC		City of Henderson	U.S.	502	502	-	-	490	490	-	-	(3)	(3)	15	15	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-C

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		City of Hermiston, DBA Hermiston Energy Services	U.S.	1,259	1,259	-	-	1,229	1,229	-	-	(8)	(8)	38	38	-	-
2012	WECC		City of Las Vegas	U.S.	507	507	-	-	495	495	-	-	(3)	(3)	15	15	-	-
2012	WECC		City of McCleary	U.S.	370	370	-	-	361	361	-	-	(2)	(2)	11	11	-	-
2012	WECC		City of McMinnville	U.S.	8,662	8,662	-	-	8,458	8,458	-	-	(54)	(54)	258	258	-	-
2012	WECC		City of Mesa	U.S.	3,123	3,123	-	-	3,049	3,049	-	-	(19)	(19)	93	93	-	-
2012	WECC		City of Milton	U.S.	726	726	-	-	708	708	-	-	(5)	(5)	22	22	-	-
2012	WECC		City of Milton-Freewater	U.S.	1,281	1,281	-	-	1,250	1,250	-	-	(8)	(8)	38	38	-	-
2012	WECC		City of Monmouth	U.S.	844	844	-	-	825	825	-	-	(5)	(5)	25	25	-	-
2012	WECC		City of Needles	U.S.	372	372	-	-	364	364	-	-	(2)	(2)	11	11	-	-
2012	WECC		City of Plummer	U.S.	421	421	-	-	411	411	-	-	(3)	(3)	13	13	-	-
2012	WECC		City of Port Angeles	U.S.	8,641	8,641	-	-	8,437	8,437	-	-	(54)	(54)	258	258	-	-
2012	WECC		City of Redding	U.S.	9,654	9,654	-	-	9,426	9,426	-	-	(60)	(60)	288	288	-	-
2012	WECC		City of Richland	U.S.	10,210	10,210	-	-	9,969	9,969	-	-	(63)	(63)	304	304	-	-
2012	WECC		City of Roseville	U.S.	14,676	14,676	-	-	14,329	14,329	-	-	(91)	(91)	438	438	-	-
2012	WECC		City of Shasta Lake	U.S.	2,207	2,207	-	-	2,155	2,155	-	-	(14)	(14)	66	66	-	-
2012	WECC		City of Sumas	U.S.	349	349	-	-	341	341	-	-	(2)	(2)	10	10	-	-
2012	WECC		City of Tacoma DBA Tacoma Power	U.S.	58,826	58,826	-	-	57,437	57,437	-	-	(365)	(365)	1,754	1,754	-	-
2012	WECC		City of Troy	U.S.	204	204	-	-	200	200	-	-	(1)	(1)	6	6	-	-
2012	WECC		City of Williams	U.S.	475	475	-	-	464	464	-	-	(3)	(3)	14	14	-	-
2012	WECC		Clark County Water Resources	U.S.	923	923	-	-	901	901	-	-	(6)	(6)	28	28	-	-
2012	WECC		Clark Public Utilities	U.S.	52,084	52,084	-	-	50,855	50,855	-	-	(323)	(323)	1,553	1,553	-	-
2012	WECC		Clatskanie PUD	U.S.	11,563	11,563	-	-	11,290	11,290	-	-	(72)	(72)	345	345	-	-
2012	WECC		Clearwater Cooperative, Inc	U.S.	1,933	1,933	-	-	1,887	1,887	-	-	(12)	(12)	58	58	-	-
2012	WECC		Colorado River Commission of Nevada	U.S.	9,877	9,877	-	-	9,644	9,644	-	-	(61)	(61)	294	294	-	-
2012	WECC		Colorado Springs Utilities	U.S.	1,119	1,119	-	-	1,093	1,093	-	-	(7)	(7)	33	33	-	-
2012	WECC		Colorado Springs Utilities	U.S.	54,190	54,190	-	-	52,911	52,911	-	-	(336)	(336)	1,616	1,616	-	-
2012	WECC		Columbia Basin Electric Cooperative, Inc.	U.S.	1,309	1,309	-	-	1,278	1,278	-	-	(8)	(8)	39	39	-	-
2012	WECC		Columbia Falls Aluminum Company	U.S.	48	48	-	-	47	47	-	-	(0)	(0)	1	1	-	-
2012	WECC		Columbia Power Cooperative Association	U.S.	284	284	-	-	277	277	-	-	(2)	(2)	8	8	-	-
2012	WECC		Columbia River PUD	U.S.	3,595	3,595	-	-	3,510	3,510	-	-	(22)	(22)	107	107	-	-
2012	WECC		Columbia Rural Electric Association (REA)	U.S.	3,583	3,583	-	-	3,498	3,498	-	-	(22)	(22)	107	107	-	-
2012	WECC		Consolidated Irrigation District No. 19	U.S.	71	71	-	-	70	70	-	-	(0)	(0)	2	2	-	-
2012	WECC		Constellation New Energy, Inc.	U.S.	831	831	-	-	811	811	-	-	(5)	(5)	25	25	-	-
2012	WECC		Consumers Power, Inc.	U.S.	4,960	4,960	-	-	4,843	4,843	-	-	(31)	(31)	148	148	-	-
2012	WECC		Deseret Generation & Transmission Cooperative	U.S.	819	819	-	-	799	799	-	-	(5)	(5)	24	24	-	-
2012	WECC		Deseret Generation & Transmission Cooperative	U.S.	880	880	-	-	859	859	-	-	(5)	(5)	26	26	-	-
2012	WECC		Douglas Electric Cooperative, Inc.	U.S.	1,109	1,109	-	-	1,083	1,083	-	-	(7)	(7)	33	33	-	-
2012	WECC		Douglas Palisades	U.S.	217	217	-	-	212	212	-	-	(1)	(1)	6	6	-	-
2012	WECC		El Paso Electric Company	U.S.	99,314	99,314	-	-	96,969	96,969	-	-	(617)	(617)	2,961	2,961	-	-
2012	WECC		Electrical District #2	U.S.	2,316	2,316	-	-	2,261	2,261	-	-	(14)	(14)	69	69	-	-
2012	WECC		Electrical District #2 - Coolidge Generating Station	U.S.	103	103	-	-	100	100	-	-	(1)	(1)	3	3	-	-
2012	WECC		Electrical District No. 6 of Pinal County - APS	U.S.	37	37	-	-	36	36	-	-	(0)	(0)	1	1	-	-
2012	WECC		Electrical District No. 7 of Maricopa County - APS	U.S.	654	654	-	-	639	639	-	-	(4)	(4)	20	20	-	-
2012	WECC		Electrical District No. 8 of Maricopa County - APS	U.S.	3,487	3,487	-	-	3,405	3,405	-	-	(22)	(22)	104	104	-	-
2012	WECC		Electrical Districts 1 & 3	U.S.	7,604	7,604	-	-	7,424	7,424	-	-	(47)	(47)	227	227	-	-
2012	WECC		Elmhurst Mutual Power & Light Company	U.S.	3,230	3,230	-	-	3,154	3,154	-	-	(20)	(20)	96	96	-	-
2012	WECC		Emerald PUD	U.S.	6,019	6,019	-	-	5,877	5,877	-	-	(37)	(37)	179	179	-	-
2012	WECC		Energy Northwest	U.S.	373	373	-	-	364	364	-	-	(2)	(2)	11	11	-	-
2012	WECC		Eugene Water & Electric Board	U.S.	29,205	29,205	-	-	28,515	28,515	-	-	(181)	(181)	871	871	-	-
2012	WECC		Fall River Rural Electric Cooperative, Inc.	U.S.	1	1	-	-	1	1	-	-	(0)	(0)	0	0	-	-
2012	WECC		Farmington Electric Utility System	U.S.	16,333	16,333	-	-	15,948	15,948	-	-	(101)	(101)	487	487	-	-
2012	WECC		Flathead Electric Cooperative, Inc	U.S.	17,178	17,178	-	-	16,773	16,773	-	-	(107)	(107)	512	512	-	-
2012	WECC		Frederickson Power LP	U.S.	63	63	-	-	61	61	-	-	(0)	(0)	2	2	-	-
2012	WECC		Grand Valley Power	U.S.	2,746	2,746	-	-	2,681	2,681	-	-	(17)	(17)	82	82	-	-
2012	WECC		Harney Electric Cooperative, Inc.	U.S.	1,144	1,144	-	-	1,117	1,117	-	-	(7)	(7)	34	34	-	-
2012	WECC		Harney Electric Cooperative, Inc.	U.S.	1,471	1,471	-	-	1,436	1,436	-	-	(9)	(9)	44	44	-	-
2012	WECC		Harquahala Valley Power Districts - APS	U.S.	972	972	-	-	949	949	-	-	(6)	(6)	29	29	-	-
2012	WECC		Hermiston Power LLC	U.S.	57	57	-	-	56	56	-	-	(0)	(0)	2	2	-	-
2012	WECC		Hood River Electric Cooperative	U.S.	470	470	-	-	459	459	-	-	(3)	(3)	14	14	-	-
2012	WECC		Idaho County Light and Power Cooperative Association, Inc.	U.S.	666	666	-	-	651	651	-	-	(4)	(4)	20	20	-	-

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APPENDIX 2-C

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		Idaho Power Company	U.S.	175,566	175,566	-	-	171,422	171,422	-	-	(1,090)	(1,090)	5,235	5,235	-	-
2012	WECC		Imperial Irrigation District	U.S.	44,003	44,003	-	-	42,964	42,964	-	-	(273)	(273)	1,312	1,312	-	-
2012	WECC		Inland Power and Light Company	U.S.	5,479	5,479	-	-	5,350	5,350	-	-	(34)	(34)	163	163	-	-
2012	WECC		Inland Power and Light Company	U.S.	5,660	5,660	-	-	5,527	5,527	-	-	(35)	(35)	169	169	-	-
2012	WECC		Intermountain Rural Electric Association	U.S.	10,597	10,597	-	-	10,346	10,346	-	-	(66)	(66)	316	316	-	-
2012	WECC		Kaiser Aluminum Fabricated Products LLC	U.S.	3,839	3,839	-	-	3,749	3,749	-	-	(24)	(24)	114	114	-	-
2012	WECC		Lakeview Light & Power	U.S.	3,228	3,228	-	-	3,152	3,152	-	-	(20)	(20)	96	96	-	-
2012	WECC		Lane Electric Cooperative, Inc.	U.S.	2,623	2,623	-	-	2,561	2,561	-	-	(16)	(16)	78	78	-	-
2012	WECC		Las Vegas Valley Water District	U.S.	2,588	2,588	-	-	2,527	2,527	-	-	(16)	(16)	77	77	-	-
2012	WECC		Lincoln Electric Cooperative, Inc.	U.S.	1,390	1,390	-	-	1,358	1,358	-	-	(9)	(9)	41	41	-	-
2012	WECC		Los Angeles Department of Water and Power	U.S.	348,815	348,815	-	-	340,580	340,580	-	-	(2,166)	(2,166)	10,400	10,400	-	-
2012	WECC		Lost River Electric Cooperative, Inc.	U.S.	0	0	-	-	0	0	-	-	(0)	(0)	0	0	-	-
2012	WECC		Lower Valley Energy, Inc.	U.S.	2	2	-	-	2	2	-	-	(0)	(0)	0	0	-	-
2012	WECC		Maricopa County Municipal Water Conservation Dist No. 1 - A	U.S.	668	668	-	-	652	652	-	-	(4)	(4)	20	20	-	-
2012	WECC		McMullen Valley Water Conservation & Drainage District - AP	U.S.	867	867	-	-	846	846	-	-	(5)	(5)	26	26	-	-
2012	WECC		Merced Irrigation District	U.S.	5,431	5,431	-	-	5,303	5,303	-	-	(34)	(34)	162	162	-	-
2012	WECC		Midstate Electric Cooperative, Inc.	U.S.	4,734	4,734	-	-	4,622	4,622	-	-	(29)	(29)	141	141	-	-
2012	WECC		Mission Valley Power	U.S.	4,634	4,634	-	-	4,524	4,524	-	-	(29)	(29)	138	138	-	-
2012	WECC		Modern Electric Water Company	U.S.	2,711	2,711	-	-	2,647	2,647	-	-	(17)	(17)	81	81	-	-
2012	WECC		Modesto Irrigation District	U.S.	30,330	30,330	-	-	29,614	29,614	-	-	(188)	(188)	904	904	-	-
2012	WECC		Montana-Dakota Utilities Co.	U.S.	163	163	-	-	159	159	-	-	(1)	(1)	5	5	-	-
2012	WECC		Mt. Wheeler Power	U.S.	6,603	6,603	-	-	6,447	6,447	-	-	(41)	(41)	197	197	-	-
2012	WECC		Municipal Energy Agency of Nebraska	U.S.	2,316	2,316	-	-	2,261	2,261	-	-	(14)	(14)	69	69	-	-
2012	WECC		Municipal Energy Agency of Nebraska	U.S.	7,671	7,671	-	-	7,490	7,490	-	-	(48)	(48)	229	229	-	-
2012	WECC		Navajo Agricultural Products Industry (NAPI)	U.S.	46	46	-	-	45	45	-	-	(0)	(0)	1	1	-	-
2012	WECC		Navajo Tribal Utility Authority	U.S.	500	500	-	-	488	488	-	-	(3)	(3)	15	15	-	-
2012	WECC		Navajo Tribal Utility Authority	U.S.	3,613	3,613	-	-	3,527	3,527	-	-	(22)	(22)	108	108	-	-
2012	WECC		Navopache Electric Cooperative, Inc.	U.S.	4,800	4,800	-	-	4,687	4,687	-	-	(30)	(30)	143	143	-	-
2012	WECC		Nebraska Public Power Marketing	U.S.	44	44	-	-	43	43	-	-	(0)	(0)	1	1	-	-
2012	WECC		Nespelem Valley Electric Cooperative, Inc.	U.S.	630	630	-	-	615	615	-	-	(4)	(4)	19	19	-	-
2012	WECC		Nevada Power Company dba NV Energy	U.S.	263,581	263,581	-	-	257,359	257,359	-	-	(1,636)	(1,636)	7,859	7,859	-	-
2012	WECC		Noble Americas Energy Solutions, LLC	U.S.	14,228	14,228	-	-	13,892	13,892	-	-	(88)	(88)	424	424	-	-
2012	WECC		Northern Lights, Inc.	U.S.	401	401	-	-	391	391	-	-	(2)	(2)	12	12	-	-
2012	WECC		Northern Wasco County PUD	U.S.	6,601	6,601	-	-	6,445	6,445	-	-	(41)	(41)	197	197	-	-
2012	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	3,578	3,578	-	-	3,493	3,493	-	-	(22)	(22)	107	107	-	-
2012	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	107,673	107,673	-	-	105,131	105,131	-	-	(669)	(669)	3,210	3,210	-	-
2012	WECC		Ohop Mutual Light Company	U.S.	991	991	-	-	968	968	-	-	(6)	(6)	30	30	-	-
2012	WECC		Orcas Power and Light Cooperative	U.S.	2,548	2,548	-	-	2,488	2,488	-	-	(16)	(16)	76	76	-	-
2012	WECC		Oregon Trail Electric Consumers Cooperative, Inc.	U.S.	3,793	3,793	-	-	3,703	3,703	-	-	(24)	(24)	113	113	-	-
2012	WECC		Overton Power District No. 5	U.S.	4,481	4,481	-	-	4,375	4,375	-	-	(28)	(28)	134	134	-	-
2012	WECC		PacifiCorp	U.S.	23	23	-	-	23	23	-	-	(0)	(0)	1	1	-	-
2012	WECC		PacifiCorp	U.S.	32	32	-	-	32	32	-	-	(0)	(0)	1	1	-	-
2012	WECC		PacifiCorp	U.S.	714	714	-	-	697	697	-	-	(4)	(4)	21	21	-	-
2012	WECC		PacifiCorp	U.S.	1,383	1,383	-	-	1,351	1,351	-	-	(9)	(9)	41	41	-	-
2012	WECC		PacifiCorp	U.S.	584,978	584,978	-	-	571,168	571,168	-	-	(3,632)	(3,632)	17,442	17,442	-	-
2012	WECC		PacifiCorp West (PACW)	U.S.	247,657	247,657	-	-	241,810	241,810	-	-	(1,538)	(1,538)	7,384	7,384	-	-
2012	WECC		Page Electric Utility	U.S.	130	130	-	-	127	127	-	-	(1)	(1)	4	4	-	-
2012	WECC		Parkland Light and Water Company	U.S.	1,423	1,423	-	-	1,390	1,390	-	-	(9)	(9)	42	42	-	-
2012	WECC		Pend Oreille County PUD No. 1	U.S.	12,310	12,310	-	-	12,019	12,019	-	-	(76)	(76)	367	367	-	-
2012	WECC		Peninsula Light Company, Inc.	U.S.	7,180	7,180	-	-	7,011	7,011	-	-	(45)	(45)	214	214	-	-
2012	WECC		Platte River Power Authority	U.S.	38,373	38,373	-	-	37,467	37,467	-	-	(238)	(238)	1,144	1,144	-	-
2012	WECC		Port of Seattle - Seattle-Tacoma International Airport	U.S.	1,709	1,709	-	-	1,669	1,669	-	-	(11)	(11)	51	51	-	-
2012	WECC		Port Townsend Paper Corporation	U.S.	2,425	2,425	-	-	2,367	2,367	-	-	(15)	(15)	72	72	-	-
2012	WECC		Portland General Electric Company	U.S.	537	537	-	-	524	524	-	-	(3)	(3)	16	16	-	-
2012	WECC		Portland General Electric Company	U.S.	221,085	221,085	-	-	215,866	215,866	-	-	(1,373)	(1,373)	6,592	6,592	-	-
2012	WECC		Public Service Company of Colorado (Xcel)	U.S.	417	417	-	-	407	407	-	-	(3)	(3)	12	12	-	-
2012	WECC		Public Service Company of Colorado (Xcel)	U.S.	368,412	368,412	-	-	359,715	359,715	-	-	(2,287)	(2,287)	10,985	10,985	-	-
2012	WECC		Public Service Company of New Mexico	U.S.	127,427	127,427	-	-	124,419	124,419	-	-	(791)	(791)	3,799	3,799	-	-
2012	WECC		Public Utility District No. 1 of Chelan County	U.S.	47,021	47,021	-	-	45,911	45,911	-	-	(292)	(292)	1,402	1,402	-	-
2012	WECC		PUD No. 1 of Asotin County	U.S.	4	4	-	-	4	4	-	-	(0)	(0)	0	0	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

					Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		PUD No. 1 of Asotin County	U.S.	58	58	-	-	56	56	-	-	(0)	(0)	2	2	-	-
2012	WECC		PUD No. 1 of Benton County	U.S.	20,064	20,064	-	-	19,591	19,591	-	-	(125)	(125)	598	598	-	-
2012	WECC		PUD No. 1 of Clallam County	U.S.	8,082	8,082	-	-	7,891	7,891	-	-	(50)	(50)	241	241	-	-
2012	WECC		PUD No. 1 of Cowlitz County	U.S.	61,370	61,370	-	-	59,921	59,921	-	-	(381)	(381)	1,830	1,830	-	-
2012	WECC		PUD No. 1 of Douglas County	U.S.	90	90	-	-	88	88	-	-	(1)	(1)	3	3	-	-
2012	WECC		PUD No. 1 of Douglas County	U.S.	16,956	16,956	-	-	16,555	16,555	-	-	(105)	(105)	506	506	-	-
2012	WECC		PUD No. 1 of Ferry County	U.S.	1,256	1,256	-	-	1,226	1,226	-	-	(8)	(8)	37	37	-	-
2012	WECC		PUD No. 1 of Franklin County	U.S.	12,036	12,036	-	-	11,752	11,752	-	-	(75)	(75)	359	359	-	-
2012	WECC		PUD No. 1 of Grays Harbor	U.S.	14,371	14,371	-	-	14,031	14,031	-	-	(89)	(89)	428	428	-	-
2012	WECC		PUD No. 1 of Kittitas County	U.S.	194	194	-	-	189	189	-	-	(1)	(1)	6	6	-	-
2012	WECC		PUD No. 1 of Kittitas County	U.S.	860	860	-	-	840	840	-	-	(5)	(5)	26	26	-	-
2012	WECC		PUD No. 1 of Klickitat County	U.S.	3,324	3,324	-	-	3,246	3,246	-	-	(21)	(21)	99	99	-	-
2012	WECC		PUD No. 1 of Lewis County	U.S.	11,031	11,031	-	-	10,770	10,770	-	-	(68)	(68)	329	329	-	-
2012	WECC		PUD No. 1 of Mason County	U.S.	933	933	-	-	911	911	-	-	(6)	(6)	28	28	-	-
2012	WECC		PUD No. 1 of Skamania County	U.S.	1,572	1,572	-	-	1,535	1,535	-	-	(10)	(10)	47	47	-	-
2012	WECC		PUD No. 1 of Snohomish County	U.S.	80,503	80,503	-	-	78,603	78,603	-	-	(500)	(500)	2,400	2,400	-	-
2012	WECC		PUD No. 1 of Wahkiakum County	U.S.	522	522	-	-	509	509	-	-	(3)	(3)	16	16	-	-
2012	WECC		PUD No. 1 of Whatcom County	U.S.	63	63	-	-	61	61	-	-	(0)	(0)	2	2	-	-
2012	WECC		PUD No. 1 of Whatcom County	U.S.	2,357	2,357	-	-	2,301	2,301	-	-	(15)	(15)	70	70	-	-
2012	WECC		PUD No. 2 of Grant County	U.S.	572	572	-	-	558	558	-	-	(4)	(4)	17	17	-	-
2012	WECC		PUD No. 2 of Grant County	U.S.	1,071	1,071	-	-	1,046	1,046	-	-	(7)	(7)	32	32	-	-
2012	WECC		PUD No. 2 of Grant County	U.S.	45,415	45,415	-	-	44,343	44,343	-	-	(282)	(282)	1,354	1,354	-	-
2012	WECC		PUD No. 2 of Pacific County	U.S.	3,590	3,590	-	-	3,505	3,505	-	-	(22)	(22)	107	107	-	-
2012	WECC		PUD No. 3 of Mason County	U.S.	8,278	8,278	-	-	8,082	8,082	-	-	(51)	(51)	247	247	-	-
2012	WECC		Puget Sound Energy, Inc.	U.S.	287,916	287,916	-	-	281,119	281,119	-	-	(1,788)	(1,788)	8,584	8,584	-	-
2012	WECC		Raft River Electric Cooperative	U.S.	1	1	-	-	1	1	-	-	(0)	(0)	0	0	-	-
2012	WECC		Roosevelt Irrigation District - APS	U.S.	487	487	-	-	475	475	-	-	(3)	(3)	15	15	-	-
2012	WECC		Sacramento Municipal Utility District	U.S.	132,923	132,923	-	-	129,785	129,785	-	-	(825)	(825)	3,963	3,963	-	-
2012	WECC		Salem Electric	U.S.	3,823	3,823	-	-	3,732	3,732	-	-	(24)	(24)	114	114	-	-
2012	WECC		Salt River Project	U.S.	337,419	337,419	-	-	329,453	329,453	-	-	(2,095)	(2,095)	10,060	10,060	-	-
2012	WECC		San Carlos Indian Irrigation Project	U.S.	1	1	-	-	1	1	-	-	(0)	(0)	0	0	-	-
2012	WECC		Seattle City Light	U.S.	119,075	119,075	-	-	116,264	116,264	-	-	(739)	(739)	3,550	3,550	-	-
2012	WECC		Sierra Pacific Power Company dba NV Energy	U.S.	106,890	106,890	-	-	104,367	104,367	-	-	(664)	(664)	3,187	3,187	-	-
2012	WECC		Southern Montana Electric Generation & Transmission	U.S.	7,430	7,430	-	-	7,254	7,254	-	-	(46)	(46)	222	222	-	-
2012	WECC		Southern Nevada Water Authority	U.S.	8,030	8,030	-	-	7,841	7,841	-	-	(50)	(50)	239	239	-	-
2012	WECC		Southwest Transmission Cooperative, Inc.	U.S.	31,042	31,042	-	-	30,309	30,309	-	-	(193)	(193)	926	926	-	-
2012	WECC		Springfield Utility Board	U.S.	9,942	9,942	-	-	9,707	9,707	-	-	(62)	(62)	296	296	-	-
2012	WECC		Surprise Valley Electrification Corporation	U.S.	453	453	-	-	442	442	-	-	(3)	(3)	14	14	-	-
2012	WECC		Tanner Electric Cooperative	U.S.	1,126	1,126	-	-	1,099	1,099	-	-	(7)	(7)	34	34	-	-
2012	WECC		The Incorporated County of Los Alamos	U.S.	4,539	4,539	-	-	4,432	4,432	-	-	(28)	(28)	135	135	-	-
2012	WECC		Tillamook People's Utility District	U.S.	4,400	4,400	-	-	4,296	4,296	-	-	(27)	(27)	131	131	-	-
2012	WECC		Tohono O'Odham Utility Authority	U.S.	802	802	-	-	783	783	-	-	(5)	(5)	24	24	-	-
2012	WECC		Tonopah Irrigation District - APS	U.S.	310	310	-	-	302	302	-	-	(2)	(2)	9	9	-	-
2012	WECC		Town of Fredonia	U.S.	9	9	-	-	9	9	-	-	(0)	(0)	0	0	-	-
2012	WECC		Town of Steilacoom	U.S.	489	489	-	-	477	477	-	-	(3)	(3)	15	15	-	-
2012	WECC		Town of Wickenburg	U.S.	322	322	-	-	315	315	-	-	(2)	(2)	10	10	-	-
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	258	258	-	-	252	252	-	-	(2)	(2)	8	8	-	-
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	25,049	25,049	-	-	24,457	24,457	-	-	(156)	(156)	747	747	-	-
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	89,068	89,068	-	-	86,966	86,966	-	-	(553)	(553)	2,656	2,656	-	-
2012	WECC		Tri-State Generation & Transmission Association, Inc.	U.S.	32,812	32,812	-	-	32,037	32,037	-	-	(204)	(204)	978	978	-	-
2012	WECC		Truckee Donner Public Utility District	U.S.	1,758	1,758	-	-	1,716	1,716	-	-	(11)	(11)	52	52	-	-
2012	WECC		Tucson Electric Power Company	U.S.	167,408	167,408	-	-	163,456	163,456	-	-	(1,039)	(1,039)	4,991	4,991	-	-
2012	WECC		Turlock Irrigation District	U.S.	24,983	24,983	-	-	24,393	24,393	-	-	(155)	(155)	745	745	-	-
2012	WECC		U.S. Army Yuma Proving Ground	U.S.	245	245	-	-	240	240	-	-	(2)	(2)	7	7	-	-
2012	WECC		U.S. BOR Columbia Basin	U.S.	360	360	-	-	352	352	-	-	(2)	(2)	11	11	-	-
2012	WECC		U.S. BOR East Greenacres (Rathdrum)	U.S.	39	39	-	-	38	38	-	-	(0)	(0)	1	1	-	-
2012	WECC		U.S. Bor Spokane Indian Development`	U.S.	37	37	-	-	36	36	-	-	(0)	(0)	1	1	-	-
2012	WECC		U.S. BOR The Dalles Project	U.S.	215	215	-	-	210	210	-	-	(1)	(1)	6	6	-	-
2012	WECC		U.S. DOE National Energy Technology Laboratory	U.S.	54	54	-	-	53	53	-	-	(0)	(0)	2	2	-	-
2012	WECC		Umatilla Electric Cooperative Association	U.S.	12,075	12,075	-	-	11,790	11,790	-	-	(75)	(75)	360	360	-	-
2012	WECC		Unit B Irrigation District	U.S.	0	0	-	-	0	0	-	-	(0)	(0)	0	0	-	-
2012	WECC		US Air Force Base, Fairchild	U.S.	594	594	-	-	580	580	-	-	(4)	(4)	18	18	-	-
2012	WECC		US Dept of Energy - Kirtland AFB	U.S.	5,028	5,028	-	-	4,909	4,909	-	-	(31)	(31)	150	150	-	-
2012	WECC		USDOE Richland	U.S.	2,156	2,156	-	-	2,106	2,106	-	-	(13)	(13)	64	64	-	-
2012	WECC		USN Naval Station, Bremerton	U.S.	3,244	3,244	-	-	3,167	3,167	-	-	(20)	(20)	97	97	-	-

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

APPENDIX 2-C

Data Year	Regional Entity	ID	Entity	Country	Total NERC Assessments				NERC NEL Assessments				Penalty Sanctions		NERC Compliance Credits			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		USN Naval Station, Everett	U.S.	124	124	-	-	121	121	-	-	(1)	(1)	4	4	-	-
2012	WECC		USN Submarine Base, Bangor	U.S.	2,067	2,067	-	-	2,018	2,018	-	-	(13)	(13)	62	62	-	-
2012	WECC		Valley Electric Association, Inc.	U.S.	5,597	5,597	-	-	5,465	5,465	-	-	(35)	(35)	167	167	-	-
2012	WECC		Vera Water and Power	U.S.	2,720	2,720	-	-	2,656	2,656	-	-	(17)	(17)	81	81	-	-
2012	WECC		Vigilante Electric Cooperative, Inc.	U.S.	187	187	-	-	182	182	-	-	(1)	(1)	6	6	-	-
2012	WECC		Wasco Electric Cooperative	U.S.	1,121	1,121	-	-	1,095	1,095	-	-	(7)	(7)	33	33	-	-
2012	WECC		Wells Rural Electric Cooperative	U.S.	7,889	7,889	-	-	7,703	7,703	-	-	(49)	(49)	235	235	-	-
2012	WECC		Wellton-Mohawk Irrigation & Drainage District	U.S.	84	84	-	-	82	82	-	-	(1)	(1)	3	3	-	-
2012	WECC		West Oregon Electric Cooperative, Inc.	U.S.	150	150	-	-	147	147	-	-	(1)	(1)	4	4	-	-
2012	WECC		Western Area Power - Loveland, CO	U.S.	2,837	2,837	-	-	2,770	2,770	-	-	(18)	(18)	85	85	-	-
2012	WECC		Western Area Power - Loveland, CO	U.S.	18,811	18,811	-	-	18,367	18,367	-	-	(117)	(117)	561	561	-	-
2012	WECC		Western Area Power Administration - CRSP	U.S.	16,169	16,169	-	-	15,787	15,787	-	-	(100)	(100)	482	482	-	-
2012	WECC		Western Area Power Administration - Sierra Nevada Region	U.S.	18,418	18,418	-	-	17,983	17,983	-	-	(114)	(114)	549	549	-	-
2012	WECC		Western Area Power Administration-Desert Southwest Regio	U.S.	25,542	25,542	-	-	24,939	24,939	-	-	(159)	(159)	762	762	-	-
2012	WECC		Western Area Power Administration-Upper Great Plains Regi	U.S.	88	88	-	-	86	86	-	-	(1)	(1)	3	3	-	-
2012	WECC		Western Area Power Administration-Upper Great Plains Regi	U.S.	2,734	2,734	-	-	2,669	2,669	-	-	(17)	(17)	82	82	-	-
2012	WECC		Yakama Power	U.S.	259	259	-	-	253	253	-	-	(2)	(2)	8	8	-	-
2012	WECC		Yampa Valley Electric Association	U.S.	6,839	6,839	-	-	6,677	6,677	-	-	(42)	(42)	204	204	-	-
2012	WECC		Yuma Irrigation District	U.S.	38	38	-	-	37	37	-	-	(0)	(0)	1	1	-	-
2012	WECC		Yuma-Mesa Irrigation District	U.S.	2	2	-	-	2	2	-	-	(0)	(0)	0	0	-	-
			TOTAL WECC		9,997,611	8,693,102	1,166,394	138,116	10,007,689	8,487,882	1,385,783	134,023	(53,973)	(53,973)	43,895	259,192	(219,389)	4,093
	TOTAL ERO				51,401,382	46,708,699	4,554,567	138,116	51,691,382	45,606,040	5,951,319	134,023	(290,000)	(290,000)	0	1,392,660	(1,396,752)	4,093

Summary by Regional Entity

2012	FRCC				2,609,814	2,609,814	-	-	2,548,204	2,548,204	-	-	(16,204)	(16,204)	77,814	77,814	-	-
2012	MRO				3,368,027	2,833,341	534,686	-	3,285,296	2,766,454	518,842	-	(17,591)	(17,591)	100,322	84,478	15,844	-
2012	NPCC				6,293,948	3,440,461	2,853,487	-	7,405,935	3,359,241	4,046,694	-	(21,361)	(21,361)	(1,090,626)	102,580	(1,193,206)	-
2012	RFC				10,668,630	10,668,630	-	-	10,416,774	10,416,774	-	-	(66,238)	(66,238)	318,094	318,094	-	-
2012	SERC				12,047,164	12,047,164	-	-	11,762,765	11,762,765	-	-	(74,797)	(74,797)	359,196	359,196	-	-
2012	SPP				2,574,391	2,574,391	-	-	2,513,617	2,513,617	-	-	(15,984)	(15,984)	76,758	76,758	-	-
2012	TRE				3,841,797	3,841,797	-	-	3,751,103	3,751,103	-	-	(23,853)	(23,853)	114,546	114,546	-	-
2012	WECC				9,997,611	8,693,102	1,166,394	138,116	10,007,689	8,487,882	1,385,783	134,023	(53,973)	(53,973)	43,895	259,192	(219,389)	4,093
Total					51,401,382	46,708,699	4,554,567	138,116	51,691,382	45,606,040	5,951,319	134,023	(290,000)	(290,000)	0	1,392,660	(1,396,752)	4,093

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

					Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)				Regional Entity NEL Assessments				Penalty Sanctions - US Only		NPCC True Up of 2012 and 2013 Assessments			NPCC CORC Program			WECC Compliance Assessments (ex.AESO)				WIRAB Assessments				RCCo Assessments			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	FRCC	1074	Alachua, City of	U.S.	3,047	3,047	-	-	3,237	3,237	-	-	(190)	(190)																		
2012	FRCC	1075	Bartow, City of	U.S.	6,824	6,824	-	-	7,250	7,250	-	-	(426)	(426)																		
2012	FRCC	1076	Chattahoochee, City of	U.S.	950	950	-	-	1,009	1,009	-	-	(59)	(59)																		
2012	FRCC	1077	Florida Keys Electric Cooperative Assn	U.S.	16,960	16,960	-	-	18,020	18,020	-	-	(1,060)	(1,060)																		
2012	FRCC	1078	Florida Power & Light Co.	U.S.	2,701,569	2,701,569	-	-	2,870,416	2,870,416	-	-	(168,846)	(168,846)																		
2012	FRCC	1079	Florida Public Utilities Company	U.S.	9,313	9,313	-	-	9,895	9,895	-	-	(582)	(582)																		
2012	FRCC	1080	Gainesville Regional Utilities	U.S.	44,105	44,105	-	-	46,862	46,862	-	-	(2,757)	(2,757)																		
2012	FRCC	1081	Homestead, City of	U.S.	12,733	12,733	-	-	13,528	13,528	-	-	(796)	(796)																		
2012	FRCC	1082	JEA	U.S.	299,286	299,286	-	-	317,991	317,991	-	-	(18,705)	(18,705)																		
2012	FRCC	1083	Lakeland Electric	U.S.	71,447	71,447	-	-	75,912	75,912	-	-	(4,465)	(4,465)																		
2012	FRCC	1626	Lee County Electric Cooperative, Inc	U.S.	90,804	90,804	-	-	96,480	96,480	-	-	(5,675)	(5,675)																		
2012	FRCC	1661	City of Lake Worth	U.S.	10,515	10,515	-	-	11,173	11,173	-	-	(657)	(657)																		
2012	FRCC	1084	Mount Dora, City of	U.S.	2,222	2,222	-	-	2,360	2,360	-	-	(139)	(139)																		
2012	FRCC	1085	New Smyrna Beach, Utilities Commission of	U.S.	9,425	9,425	-	-	10,014	10,014	-	-	(589)	(589)																		
2012	FRCC	1086	Orlando Utilities Commission	U.S.	141,516	141,516	-	-	150,361	150,361	-	-	(8,845)	(8,845)																		
2012	FRCC	1087	Progress Energy Florida	U.S.	980,202	980,202	-	-	1,041,464	1,041,464	-	-	(61,262)	(61,262)																		
2012	FRCC	1088	Quincy, City of	U.S.	3,277	3,277	-	-	3,482	3,482	-	-	(205)	(205)																		
2012	FRCC	1089	Reedy Creek Improvement District	U.S.	30,016	30,016	-	-	31,892	31,892	-	-	(1,876)	(1,876)																		
2012	FRCC	1090	St. Cloud, City of (OUC)	U.S.	14,722	14,722	-	-	15,642	15,642	-	-	(920)	(920)																		
2012	FRCC	1091	Tallahassee, City of	U.S.	67,393	67,393	-	-	71,605	71,605	-	-	(4,212)	(4,212)																		
2012	FRCC	1092	Tampa Electric Company	U.S.	478,667	478,667	-	-	508,583	508,583	-	-	(29,916)	(29,916)																		
2012	FRCC	1603	City of Vero Beach	U.S.	18,253	18,253	-	-	19,394	19,394	-	-	(1,141)	(1,141)																		
2012	FRCC	1093	Wauchula, City of	U.S.	1,533	1,533	-	-	1,629	1,629	-	-	(96)	(96)																		
2012	FRCC	1094	Williston, City of	U.S.	827	827	-	-	878	878	-	-	(52)	(52)																		
2012	FRCC	1095	Winter Park, City of	U.S.	10,900	10,900	-	-	11,581	11,581	-	-	(681)	(681)																		
2012	FRCC	1072	Florida Municipal Power Agency	U.S.	137,783	137,783	-	-	146,394	146,394	-	-	(8,611)	(8,611)																		
2012	FRCC	1073	Seminole Electric Cooperative	U.S.	323,766	323,766	-	-	344,002	344,002	-	-	(20,235)	(20,235)																		
			TOTAL FRCC		5,488,057	5,488,057	-	-	5,831,057	5,831,057	-	-	(343,000)	(343,000)																		
2012	MRO	1199	Basin Electric Power Cooperative	U.S.	392,539	392,539	-	-	399,839	399,839	-	-	(7,301)	(7,301)																		
2012	MRO	1201	Central Iowa Power Cooperative (CIPCO)	U.S.	84,496	84,496	-	-	86,067	86,067	-	-	(1,571)	(1,571)																		
2012	MRO	1204	Corn Belt Power Cooperative	U.S.	53,836	53,836	-	-	54,837	54,837	-	-	(1,001)	(1,001)																		
2012	MRO	1207	Dairyland Power Cooperative	U.S.	160,532	160,532	-	-	163,518	163,518	-	-	(2,986)	(2,986)																		
2012	MRO	1210	Great River Energy	U.S.	413,539	413,539	-	-	421,230	421,230	-	-	(7,691)	(7,691)																		
2012	MRO	1222	Minnkota Power Cooperative, Inc.	U.S.	123,389	123,389	-	-	125,684	125,684	-	-	(2,295)	(2,295)																		
2012	MRO	1230	Nebraska Public Power District	U.S.	415,263	415,263	-	-	422,986	422,986	-	-	(7,723)	(7,723)																		
2012	MRO	1232	Omaha Public Power District	U.S.	348,928	348,928	-	-	355,418	355,418	-	-	(6,489)	(6,489)																		
2012	MRO	1237	Southern Montana Generation and Transmission	U.S.	162	162	-	-	165	165	-	-	(3)	(3)																		
2012	MRO	1240	Western Area Power Administration (UM)	U.S.	293,666	293,666	-	-	299,128	299,128	-	-	(5,462)	(5,462)																		
2012	MRO	1239	Western Area Power Administration (LM)	U.S.	3,887	3,887	-	-	3,959	3,959	-	-	(72)	(72)																		
2012	MRO	1217	Manitoba Hydro	CAN	711,582	-	711,582	-	711,582	-	711,582	-	-	-																		
2012	MRO	1235	SaskPower	CAN	690,499	-	690,499	-	690,499	-	690,499	-	-	-																		
2012	MRO	1195	Alliant Energy (Alliant East - WPL & Alliant West IPL)	U.S.	882,947	882,947	-	-	899,369	899,369	-	-	(16,421)	(16,421)																		
2012	MRO	1216	Madison, Gas and Electric	U.S.	106,359	106,359	-	-	108,337	108,337	-	-	(1,978)	(1,978)																		
2012	MRO	1220	MidAmerican Energy Company	U.S.	849,777	849,777	-	-	865,582	865,582	-	-	(15,804)	(15,804)																		
2012	MRO	1221	Minnesota Power	U.S.	403,804	403,804	-	-	411,314	411,314	-	-	(7,510)	(7,510)																		
2012	MRO	1226	Montana-Dakota Utilities Co.	U.S.	89,443	89,443	-	-	91,106	91,106	-	-	(1,663)	(1,663)																		
2012	MRO	1231	NorthWestern Energy	U.S.	45,995	45,995	-	-	46,850	46,850	-	-	(855)	(855)																		
2012	MRO	1233	Otter Tail Power Company	U.S.	131,874	131,874	-	-	134,327	134,327	-	-	(2,453)	(2,453)																		
2012	MRO	1243	Integrys Energy Group (WPS and UPPCO)	U.S.	412,825	412,825	-	-	420,503	420,503	-	-	(7,678)	(7,678)																		
2012	MRO	1244	Xcel Energy Company (NSP)	U.S.	1,395,343	1,395,343	-	-	1,421,294	1,421,294	-	-	(25,951)	(25,951)																		
2012	MRO	1196	Ames Municipal Electric System	U.S.	23,388	23,388	-	-	23,823	23,823	-	-	(435)	(435)																		
2012	MRO	1604	Atlantic Municipal Utilities	U.S.	2,294	2,294	-	-	2,337	2,337	-	-	(43)	(43)																		
2012	MRO	1476	Badger Power Marketing Authority of Wisconsin, Inc.	U.S.	12,574	12,574	-	-	12,808	12,808	-	-	(234)	(234)																		
2012	MRO	1200	Cedar Falls Municipal Utilities	U.S.	15,991	15,991	-	-	16,289	16,289	-	-	(297)	(297)																		
2012	MRO	1477	Central Minnesota Municipal Power Agency (CMMPA)	U.S.	14,499	14,499	-	-	14,768	14,768	-	-	(270)	(270)																		
2012	MRO	1203	Escanaba Municipal Electric Utility	U.S.	4,542	4,542	-	-	4,627	4,627	-	-	(84)	(84)																		
2012	MRO	1205	Falls City Water & Light Department	U.S.	1,726	1,726	-	-	1,758	1,758	-	-	(32)	(32)																		
2012	MRO	1206	Fremont Department of Utilities	U.S.	13,556	13,556	-	-	13,808	13,808	-	-	(252)	(252)																		
2012	MRO	1208	Geneseo Municipal Utilities	U.S.	2,040	2,040	-	-	2,078	2,078	-	-	(38)	(38)																		
2012	MRO	1209	Grand Island Utilities Department	U.S.	23,403	23,403	-	-	23,838	23,838	-	-	(435)	(435)																		
2012	MRO	1606	Harlan Municipal Utilities	U.S.	779	779	-	-	793	793	-	-	(14)	(14)																		
2012	MRO	1211	Hastings Utilities	U.S.	13,008	13,008	-	-	13,250	13,250	-	-	(242)	(242)																		
2012	MRO	1212	Heartland Consumers Power District	U.S.	26,041	26,041	-	-	26,525	26,525	-	-	(484)	(484)																		
2012	MRO	1213	Hutchinson Utilities Commission	U.S.	8,970	8,970	-	-	9,137	9,137	-	-	(167)	(167)																		
2012	MRO	1215	Lincoln Electric System	U.S.	99,321	99,321	-	-	101,168	101,168	-	-	(1,847)	(1,847)																		
2012	MRO	1218	Manitowoc Public Utilities	U.S.	16,513	16,513	-	-	16,820	16,820	-	-	(307)	(307)																		
2012	MRO	1223	Missouri River Energy Services	U.S.	70,574	70,574	-	-	71,886	71,886	-	-	(1,313)	(1,313)																		
2012	MRO	1224	MN Municipal Power Agency (MMPA)	U.S.	46,522	46,522	-	-	47,388	47,388	-	-	(865)	(865)																		
2012	MRO	1607	Montezuma Municipal Light & Power	U.S.	1,004	1,004	-	-	1,023	1,023	-	-	(19)	(19)																		
2012	MRO	1227	Municipal Energy Agency of Nebraska	U.S.	35,691	35,691	-	-	36,354	36,354	-	-	(664)	(664)																		
2012	MRO	1228	Muscatine Power and Water	U.S.	26,544	26,544	-	-	27,037	27,037	-	-	(494)	(494)																		
2012	MRO	1229	Nebraska City Utilities	U.S.	5,335	5,335	-	-	5,434	5,434	-	-	(99)	(99)																		
2012	MRO	1234	Rochester Public Utilities	U.S.	306	306	-	-	312	312	-	-	(6)	(6)																		
2012	MRO	1236	Southern Minnesota Municipal Power Agency	U.S.	90,305	90,305	-	-	91,984	91,984	-	-	(1,680)	(1,680)																		
2012	MRO	1241	Willmar Municipal Utilities	U.S.	8,024	8,024	-	-	8,174	8,174	-	-	(149)	(149)																		
2012	MRO	1242	Wisconsin Public Power, Inc. (East and West regions)	U.S.	167,810	167,810	-	-	170,931	170,931	-	-	(3,121)	(3,121)																		
			TOTAL MRO		8,741,444	7,339,364	1,402,080	-	8,877,944	7,475,864	1,402,080	-	(136,500)	(136,500)																		
2012	NPCC	1336	New England	U.S.	3,610,295	3,610,295	-	-	1,135,370	1,135,370	-	-	(67,359)	(67,359)	(183,138)	(183,138)	-	2,725,423	2,725,423	-												
2012	NPCC	1339	New York	U.S.	4,837,626	4,837,626	-	-	1,443,507	1,443,507	-	-	(85,641)	(85,641)	14,660	14,660	-	3,465,099	3,465,099	-												
2012	NPCC	1337	Ontario	Canada	2,028,651	-	2,028,651	-	1,252,434	-	1,252,434	-			69,625	-	69,625	706,593	-	706,593												
2012	NPCC	1341	Quebec	Canada	2,529,203	-	2,529,203	-	1,638,348	-	1,638,348	-			21,446	-	21,446	869,409	-	869,409												
2012	NPCC	1338	New Brunswick	Canada	379,911	-	379,911	-	123,269	-	123,269	-			80,225	-	80,225	176,417	-	176,417												
2012	NPCC	1340	Nova Scotia	Canada	226,194	-	226,194	-	92,580	-	92,580	-			(2,818)	-	(2,818)	136,431	-	136,431												
			TOTAL NPCC		13,611,881	8,447,921	5,163,960	-	5,685,509	2,578,877	3,106,632	-	(153,000)	(153,000)	-	(168,478)	168,478	8,079,372	6,190,522	1,888,850	-	-	-	-	-	-	-	-	-	-	-	-
2012	RFC	1104	Bay City	U.S.	5,620	5,620	-	-	6,124	6,124	-	-	(504)	(504)																		
2012	RFC	1102	Cannelton Utilities	U.S.	263	263	-	-	287	287	-	-	(24)	(24)																		
2012	RFC	1105	City of Chelsea	U.S.	1,704	1,704	-	-	1,857	1,857	-	-	(153)	(153)																		
2012	RFC	1106	City of Croswell	U.S.	708	708	-	-	771	771	-	-	(63)	(63)																		
2012	RFC	1108	City of Eaton Rapids	U.S.	1,653	1,653	-	-	1,801	1,801	-	-	(148)	(148)																		
2012	RFC	1111	City of Hart	U.S.	780	780	-	-	850	850	-	-	(70)	(70)																		
2012	RFC	1490	City of Lansing	U.S.	38,309	38,309	-	-	41,741	41,741	-	-	(3,432)	(3,432)																		
2012	RFC	1112	City of Marquette Board of Light & Power	U.S.	5,476	5,476	-	-	5,967	5,967	-	-	(491)	(491)																		
2012	RFC	1114	City of Portland	U.S.	623	623	-	-	679	679	-	-	(56)	(56)																		
2012	RFC	1116	City of St. Louis	U.S.	667	667	-	-	727	727	-	-	(60)	(60)																		
2012	RFC	1118	City of Wyandotte	U.S.	3,619	3,619	-	-	3,943	3,943	-	-	(324)	(324)																		
2012	RFC	1120	Cloverland Electric Cooperative	U.S.	14,715	14,715	-	-	16,033	16,033	-	-	(1,318)	(1,318)																		
2012	RFC	1122	CMS ERM Michigan LLC	U.S.	3,034	3,034	-	-	3,306	3,306	-	-	(272)	(272)																		

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

					Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)				Regional Entity NEL Assessments				Penalty Sanctions - US Only		NPCC True Up of 2012 and 2013 Assessments			NPCC CORC Program			WECC Compliance Assessments (ex.AESO)				WIRAB Assessments				RCCo Assessments			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	RFC	1124	Constellation New Energy (MECS-CONS)	U.S.	18,473	18,473	-	-	20,128	20,128	-	-	(1,655)	(1,655)																		
2012	RFC	1123	Constellation New Energy (MECS-DET)	U.S.	18,829	18,829	-	-	20,515	20,515	-	-	(1,687)	(1,687)																		
2012	RFC	1126	Consumers Energy Company	U.S.	567,254	567,254	-	-	618,073	618,073	-	-	(50,819)	(50,819)																		
2012	RFC	1128	Detroit Edison Company	U.S.	782,104	782,104	-	-	852,172	852,172	-	-	(70,067)	(70,067)																		
2012	RFC	1166	Duke Energy Indiana	U.S.	509,128	509,128	-	-	554,740	554,740	-	-	(45,612)	(45,612)																		
2012	RFC	1135	Ferdinand Municipal Light & Water	U.S.	766	766	-	-	835	835	-	-	(69)	(69)																		
2012	RFC	1646	FirstEnergy Solutions (MECS-CONS)	U.S.	2,908	2,908	-	-	3,168	3,168	-	-	(260)	(260)																		
2012	RFC	1549	FirstEnergy Solutions (MECS-DET)	U.S.	37,854	37,854	-	-	41,245	41,245	-	-	(3,391)	(3,391)																		
2012	RFC	1612	Glacial Energy (MECS-DET)	U.S.	4,782	4,782	-	-	5,210	5,210	-	-	(428)	(428)																		
2012	RFC	1144	Holland Board of Public Works	U.S.	16,148	16,148	-	-	17,595	17,595	-	-	(1,447)	(1,447)																		
2012	RFC	1145	Hoosier Energy	U.S.	120,903	120,903	-	-	131,735	131,735	-	-	(10,831)	(10,831)																		
2012	RFC	1148	Indiana Municipal Power Agency (DUKE CIN)	U.S.	51,018	51,018	-	-	55,589	55,589	-	-	(4,571)	(4,571)																		
2012	RFC	1485	Indiana Municipal Power Agency (NIPSCO)	U.S.	7,185	7,185	-	-	7,828	7,828	-	-	(644)	(644)																		
2012	RFC	1486	Indiana Municipal Power Agency (SIGE)	U.S.	9,953	9,953	-	-	10,844	10,844	-	-	(892)	(892)																		
2012	RFC	1149	Indianapolis Power & Light Co.	U.S.	250,216	250,216	-	-	272,632	272,632	-	-	(22,416)	(22,416)																		
2012	RFC	1553	Integrys Energy Services (MECS-CONS)	U.S.	11,467	11,467	-	-	12,495	12,495	-	-	(1,027)	(1,027)																		
2012	RFC	1554	Integrys Energy Services (MECS-DET)	U.S.	7,551	7,551	-	-	8,227	8,227	-	-	(676)	(676)																		
2012	RFC	1614	Just Energy (MECS-DET)	U.S.	255	255	-	-	278	278	-	-	(23)	(23)																		
2012	RFC	1154	Michigan Public Power Agency	U.S.	21,258	21,258	-	-	23,162	23,162	-	-	(1,904)	(1,904)																		
2012	RFC	1155	Michigan South Central Power Agency	U.S.	10,244	10,244	-	-	11,162	11,162	-	-	(918)	(918)																		
2012	RFC	1158	MidAmerican Energy Company Retail	U.S.	1,619	1,619	-	-	1,764	1,764	-	-	(145)	(145)																		
2012	RFC	1163	Northern Indiana Public Service Co.	U.S.	295,474	295,474	-	-	321,945	321,945	-	-	(26,471)	(26,471)																		
2012	RFC	1164	Ontonagon County Rural Electrification Assoc.	U.S.	481	481	-	-	524	524	-	-	(43)	(43)																		
2012	RFC	1265	PJM Interconnnection, LLC	U.S.	11,560,770	11,560,770	-	-	12,596,474	12,596,474	-	-	(1,035,705)	(1,035,705)																		
2012	RFC	1172	Sempra Energy Solutions (MECS-CONS)	U.S.	17,310	17,310	-	-	18,860	18,860	-	-	(1,551)	(1,551)																		
2012	RFC	1171	Sempra Energy Solutions (MECS-DET)	U.S.	14,257	14,257	-	-	15,534	15,534	-	-	(1,277)	(1,277)																		
2012	RFC	1176	Direct Energy (fka:Strategic Energy,LLC) (MECS-CONS)	U.S.	188	188	-	-	205	205	-	-	(17)	(17)																		
2012	RFC	1174	Direct Energy (fka:Strategic Energy,LLC) (MECS-DET)	U.S.	5,335	5,335	-	-	5,813	5,813	-	-	(478)	(478)																		
2012	RFC	1581	Spartan Renewable Energy	U.S.	1,168	1,168	-	-	1,272	1,272	-	-	(105)	(105)																		
2012	RFC	1180	Thumb Electric Cooperative	U.S.	2,872	2,872	-	-	3,129	3,129	-	-	(257)	(257)																		
2012	RFC	1662	Ohio Valley Electric Corporation	U.S.	9,689	9,689	-	-	10,557	10,557	-	-	(868)	(868)																		
2012	RFC	1181	Vectren Energy Delivery of IN	U.S.	97,223	97,223	-	-	105,932	105,932	-	-	(8,710)	(8,710)																		
2012	RFC	1183	Village of Sebewaing	U.S.	690	690	-	-	752	752	-	-	(62)	(62)																		
2012	RFC	1184	Wabash Valley Power Association Inc. (DUKE CIN)	U.S.	45,112	45,112	-	-	49,154	49,154	-	-	(4,041)	(4,041)																		
2012	RFC	1488	Wabash Valley Power Association Inc.(NIPSCO)	U.S.	27,978	27,978	-	-	30,485	30,485	-	-	(2,506)	(2,506)																		
2012	RFC	1185	Wisconsin Electric Power Co.	U.S.	490,372	490,372	-	-	534,303	534,303	-	-	(43,931)	(43,931)																		
2012	RFC	1189	Wolverine Power Marketing Cooperative	U.S.	17,879	17,879	-	-	19,481	19,481	-	-	(1,602)	(1,602)																		
2012	RFC	1191	Wolverine Power Supply Cooperative	U.S.	43,583	43,583	-	-	47,488	47,488	-	-	(3,905)	(3,905)																		
2012	RFC	1190	Wolverine Power Marketing Cooperative	U.S.	2,318	2,318	-	-	2,526	2,526	-	-	(208)	(208)																		
			TOTAL RELIABILITYFIRST		15,159,784	15,159,784	-	-	16,517,917	16,517,917	-	-	(1,358,133)	(1,358,133)																		
2012	SERC	1267	Alabama Municipal Electric Authority	U.S.	46,284	46,284	-	-	48,153	48,153	-	-	(1,869)	(1,869)																		
2012	SERC	1268	Alabama Power Company	U.S.	765,182	765,182	-	-	796,075	796,075	-	-	(30,893)	(30,893)																		
2012	SERC	1269	Ameren - Illinois	U.S.	583,760	583,760	-	-	607,328	607,328	-	-	(23,568)	(23,568)																		
2012	SERC	1271	Ameren - Missouri	U.S.	561,110	561,110	-	-	583,763	583,763	-	-	(22,654)	(22,654)																		
2012	SERC	1272	APGI - Yadkin Division	U.S.	310	310	-	-	323	323	-	-	(13)	(13)																		
2012	SERC	1660	APGI - Tapoco Division (ALCOA)	U.S.	5	5	-	-	5	5	-	-	(0)	(0)																		
2012	SERC	1273	Associated Electric Cooperative Inc.	U.S.	257,186	257,186	-	-	267,569	267,569	-	-	(10,383)	(10,383)																		
2012	SERC	1582	Beauregard Electric Cooperative, Inc.	U.S.	14,522	14,522	-	-	15,108	15,108			(586)	(586)																		
2012	SERC	1462	Benton Utility District	U.S.	3,885	3,885	-	-	4,042	4,042	-	-	(157)	(157)																		
2012	SERC	1274	Big Rivers Electric Corporation	U.S.	151,915	151,915	-	-	158,048	158,048	-	-	(6,133)	(6,133)																		
2012	SERC	1275	Black Warrior EMC	U.S.	5,584	5,584	-	-	5,809	5,809	-	-	(225)	(225)																		
2012	SERC	1276	Blue Ridge EMC	U.S.	18,311	18,311	-	-	19,051	19,051	-	-	(739)	(739)																		
2012	SERC	1628	Brazos Electric Power Cooperative, Inc.	U.S.	5,432	5,432	-	-	5,651	5,651	-	-	(219)	(219)																		
2012	SERC	1463	Canton, MS	U.S.	1,713	1,713	-	-	1,782	1,782	-	-	(69)	(69)																		
2012	SERC	1277	Central Electric Power Cooperative Inc.	U.S.	208,265	208,265	-	-	216,674	216,674	-	-	(8,408)	(8,408)																		
2012	SERC	1278	City of Blountstown FL	U.S.	522	522	-	-	543	543	-	-	(21)	(21)																		
2012	SERC	1279	City of Camden SC	U.S.	2,535	2,535	-	-	2,638	2,638	-	-	(102)	(102)																		
2012	SERC	1280	City of Collins MS	U.S.	599	599	-	-	623	623	-	-	(24)	(24)																		
2012	SERC	1281	City of Columbia MO	U.S.	16,097	16,097	-	-	16,747	16,747	-	-	(650)	(650)																		
2012	SERC	1282	City of Conway AR (Conway Corporation)	U.S.	14,241	14,241	-	-	14,816	14,816	-	-	(575)	(575)																		
2012	SERC	1284	City of Evergreen AL	U.S.	752	752	-	-	783	783	-	-	(30)	(30)																		
2012	SERC	1285	City of Hampton GA	U.S.	402	402	-	-	418	418	-	-	(16)	(16)																		
2012	SERC	1286	City of Hartford AL	U.S.	433	433	-	-	451	451	-	-	(17)	(17)																		
2012	SERC	1287	City of Henderson (KY) Municipal Power & Light	U.S.	8,389	8,389	-	-	8,728	8,728	-	-	(339)	(339)																		
2012	SERC	1288	City of North Little Rock AR (DENL)	U.S.	13,336	13,336	-	-	13,874	13,874	-	-	(538)	(538)																		
2012	SERC	1289	City of Orangeburg SC Department of Public Utilities	U.S.	10,013	10,013	-	-	10,417	10,417	-	-	(404)	(404)																		
2012	SERC	1290	City of Robertsdale AL	U.S.	1,101	1,101	-	-	1,146	1,146	-	-	(44)	(44)																		
2012	SERC	1291	City of Ruston LA (DERS)	U.S.	3,803	3,803	-	-	3,956	3,956	-	-	(154)	(154)																		
2012	SERC	1292	City of Seneca SC	U.S.	2,052	2,052	-	-	2,135	2,135	-	-	(83)	(83)																		
2012	SERC	1115	City of Springfield (CWLP)	U.S.	24,753	24,753	-	-	25,753	25,753	-	-	(999)	(999)																		
2012	SERC	1465	City of Thayer, MO	U.S.	266	266	-	-	277	277	-	-	(11)	(11)																		
2012	SERC	1293	City of Troy AL	U.S.	5,455	5,455	-	-	5,675	5,675	-	-	(220)	(220)																		
2012	SERC	1294	City of West Memphis AR (West Memphis Utilities)	U.S.	5,534	5,534	-	-	5,758	5,758	-	-	(223)	(223)																		
2012	SERC	1583	Claiborne Electric Cooperative, Inc.	U.S.	8,875	8,875	-	-	9,233	9,233			(358)	(358)																		
2012	SERC	1584	Concordia Electric Cooperative, Inc.	U.S.	3,572	3,572	-	-	3,717	3,717			(144)	(144)																		
2012	SERC	1283	Dalton Utilities	U.S.	19,559	19,559	-	-	20,349	20,349	-	-	(790)	(790)																		
2012	SERC	1585	Dixie Electric Membership Corporation	U.S.	30,333	30,333	-	-	31,557	31,557			(1,225)	(1,225)																		
2012	SERC	1295	Dominion Virginia Power	U.S.	1,125,309	1,125,309	-	-	1,170,741	1,170,741	-	-	(45,432)	(45,432)																		
2012	SERC	1296	Duke Energy Carolinas, LLC	U.S.	1,103,609	1,103,609	-	-	1,148,165	1,148,165	-	-	(44,556)	(44,556)																		
2012	SERC	1466	Durant, MS	U.S.	379	379	-	-	394	394	-	-	(15)	(15)																		
2012	SERC	1478	E.ON U.S. Services Inc.	U.S.	468,214	468,214	-	-	487,117	487,117	-	-	(18,903)	(18,903)																		
2012	SERC	1297	East Kentucky Power Cooperative	U.S.	164,142	164,142	-	-	170,769	170,769	-	-	(6,627)	(6,627)																		
2012	SERC	1298	East Mississippi Electric Power Association	U.S.	5,851	5,851	-	-	6,087	6,087	-	-	(236)	(236)																		
2012	SERC	1629	East Texas Electric Cooperative Inc	U.S.	26,373	26,373	-	-	27,437	27,437	-	-	(1,065)	(1,065)																		
2012	SERC	1299	Electric Energy Inc.	U.S.	341	341	-	-	354	354	-	-	(14)	(14)																		
2012	SERC	1300	EnergyUnited EMC	U.S.	33,823	33,823	-	-	35,188	35,188	-	-	(1,366)	(1,366)																		
2012	SERC	1301	Entergy	U.S.	1,552,468	1,552,468	-	-	1,615,146	1,615,146	-	-	(62,677)	(62,677)																		
2012	SERC	1302	Fayetteville (NC) Public Works Commission	U.S.	28,765	28,765	-	-	29,926	29,926	-	-	(1,161)	(1,161)																		
2012	SERC	1303	Florida Public Utilities (FL Panhandle Load)	U.S.	4,362	4,362	-	-	4,538	4,538	-	-	(176)	(176)																		
2012	SERC	1304	French Broad EMC	U.S.	7,046	7,046	-	-	7,331	7,331	-	-	(284)	(284)																		
2012	SERC	1305	Georgia Power Company	U.S.	1,150,830	1,150,830	-	-	1,197,293	1,197,293	-	-	(46,462)	(46,462)																		
2012	SERC	1306	Georgia System Optns Corporation	U.S.	506,607	506,607	-	-	527,060	527,060	-	-	(20,453)	(20,453)																		
2012	SERC	1479	Greenwood (MS) Utilities Commission	U.S.	3,849	3,849	-	-	4,004	4,004	-	-	(155)	(155)																		
2012	SERC	1307	Greenwood (SC) Commissioners of Public Works	U.S.	3,643	3,643	-	-	3,790	3,790	-	-	(147)	(147)																		
2012	SERC	1308	Gulf Power Company	U.S.	151,641	151,641	-	-	157,763	157,763	-	-	(6,122)	(6,122)																		
2012	SERC	1586	Haywood EMC	U.S.	3,929	3,929	-	-	4,087	4,087			(159)	(159)																		
2012	SERC	1309	Illinois Municipal Electric Agency	U.S.	25,997	25,997	-	-	27,046	27,046	-	-	(1,050)	(1,050)																		
2012	SERC	1480	Itta Bena, MS	U.S.	216	216	-	-	224	224	-	-	(9)	(9)																		
2012	SERC	1587	Jefferson Davis Electric Cooperative, Inc.	U.S.	3,667	3,667	-	-	3,816	3,816	-	-	(148)	(148)																		

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

					Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)				Regional Entity NEL Assessments				Penalty Sanctions - US Only		NPCC True Up of 2012 and 2013 Assessments			NPCC CORC Program			WECC Compliance Assessments (ex.AESO)				WIRAB Assessments				RCCo Assessments			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	SERC	1617	Kentucky Municipal Power	U.S.	10,063	10,063	-	-	10,470	10,470	-	-	(406)	(406)																		
2012	SERC	1481	Kosciusko, MS	U.S.	1,015	1,015	-	-	1,056	1,056	-	-	(41)	(41)																		
2012	SERC	1482	Leland, MS	U.S.	449	449	-	-	467	467	-	-	(18)	(18)																		
2012	SERC	1313	McCormick Commission of Public Works	U.S.	275	275	-	-	286	286	-	-	(11)	(11)																		
2012	SERC	1314	Mississippi Power Company	U.S.	177,174	177,174	-	-	184,327	184,327	-	-	(7,153)	(7,153)																		
2012	SERC	1630	Mt. Carmel Public Utility	U.S.	1,492	1,492	-	-	1,552	1,552	-	-	(60)	(60)																		
2012	SERC	1315	Municipal Electric Authority of Georgia	U.S.	145,987	145,987	-	-	151,881	151,881	-	-	(5,894)	(5,894)																		
2012	SERC	1316	N.C. Electric Membership Corp.	U.S.	162,278	162,278	-	-	168,830	168,830	-	-	(6,552)	(6,552)																		
2012	SERC	1317	North Carolina Eastern Municipal Power Agency	U.S.	99,657	99,657	-	-	103,680	103,680	-	-	(4,023)	(4,023)																		
2012	SERC	1318	North Carolina Municipal Power Agency #1	U.S.	63,461	63,461	-	-	66,023	66,023	-	-	(2,562)	(2,562)																		
2012	SERC	1588	Northeast Louisiana Power Cooperative, Inc.	U.S.	4,377	4,377	-	-	4,553	4,553			(177)	(177)																		
2012	SERC	1574	Northern Virginia Electric Cooperative	U.S.	52,608	52,608	-	-	54,732	54,732			(2,124)	(2,124)																		
2012	SERC	1319	Old Dominion Electric Cooperative	U.S.	79,098	79,098	-	-	82,291	82,291	-	-	(3,193)	(3,193)																		
2012	SERC	1618	Osceola (Arkansas) Municipal Light and Power	U.S.	2,420	2,420	-	-	2,518	2,518	-	-	(98)	(98)																		
2012	SERC	1320	Owensboro (KY) Municipal Utilities	U.S.	12,457	12,457	-	-	12,960	12,960	-	-	(503)	(503)																		
2012	SERC	1322	Piedmont EMC in Duke and Progress Areas	U.S.	6,615	6,615	-	-	6,882	6,882	-	-	(267)	(267)																		
2012	SERC	1323	Piedmont Municipal Power Agency (PMPA)	U.S.	30,796	30,796	-	-	32,039	32,039	-	-	(1,243)	(1,243)																		
2012	SERC	1589	Pointe Coupee Electric Memb. Corp.	U.S.	3,595	3,595	-	-	3,740	3,740	-	-	(145)	(145)																		
2012	SERC	1266	PowerSouth Energy	U.S.	107,521	107,521	-	-	111,862	111,862	-	-	(4,341)	(4,341)																		
2012	SERC	1330	Prairie Power, Inc.	U.S.	20,777	20,777	-	-	21,615	21,615	-	-	(839)	(839)																		
2012	SERC	1324	Progress Energy Carolinas	U.S.	608,716	608,716	-	-	633,291	633,291	-	-	(24,576)	(24,576)																		
2012	SERC	1325	Rutherford EMC	U.S.	17,020	17,020	-	-	17,707	17,707	-	-	(687)	(687)																		
2012	SERC	1631	Sam Rayburn G&T Electric Cooperative Inc.	U.S.	23,833	23,833	-	-	24,795	24,795	-	-	(962)	(962)																		
2012	SERC	1326	South Carolina Electric & Gas Company	U.S.	302,311	302,311	-	-	314,516	314,516	-	-	(12,205)	(12,205)																		
2012	SERC	1327	South Carolina Public Service Authority	U.S.	150,925	150,925	-	-	157,018	157,018	-	-	(6,093)	(6,093)																		
2012	SERC	1590	South Louisiana Electric Cooperative Association	U.S.	8,474	8,474	-	-	8,816	8,816	-	-	(342)	(342)																		
2012	SERC	1328	South Mississippi Electric Power Association	U.S.	135,004	135,004	-	-	140,454	140,454	-	-	(5,450)	(5,450)																		
2012	SERC	1329	Southern Illinois Power Cooperative	U.S.	20,339	20,339	-	-	21,160	21,160	-	-	(821)	(821)																		
2012	SERC	1591	Southwest Louisiana Electric Membership Corporation	U.S.	34,091	34,091	-	-	35,467	35,467	-	-	(1,376)	(1,376)																		
2012	SERC	1619	Southwestern Electric Cooperative, Inc.	U.S.	6,096	6,096	-	-	6,342	6,342	-	-	(246)	(246)																		
2012	SERC	1331	Tennessee Valley Authority	U.S.	2,256,379	2,256,379	-	-	2,347,476	2,347,476	-	-	(91,096)	(91,096)																		
2012	SERC	1632	Tex-La Electric Cooperative of Texas, Inc	U.S.	2,540	2,540	-	-	2,643	2,643	-	-	(103)	(103)																		
2012	SERC	1332	Tombigbee Electric Cooperative Inc.	U.S.	1,696	1,696	-	-	1,765	1,765	-	-	(68)	(68)																		
2012	SERC	1592	Town of Black Creek, N.C.	U.S.	174	174	-	-	181	181	-	-	(7)	(7)																		
2012	SERC	1593	Town of Lucama, N.C.	U.S.	279	279	-	-	291	291	-	-	(11)	(11)																		
2012	SERC	1594	Town of Sharpsburg, N.C.	U.S.	261	261	-	-	271	271	-	-	(11)	(11)																		
2012	SERC	1595	Town of Stantonsburg, N.C.	U.S.	310	310	-	-	323	323	-	-	(13)	(13)																		
2012	SERC	1333	Town of Waynesville NC	U.S.	1,272	1,272	-	-	1,323	1,323	-	-	(51)	(51)																		
2012	SERC	1334	Town of Winnsboro SC	U.S.	669	669	-	-	696	696	-	-	(27)	(27)																		
2012	SERC	1335	Town of Winterville NC	U.S.	697	697	-	-	725	725	-	-	(28)	(28)																		
2012	SERC	1597	Washington-St.Tammany Electric Cooperative, Inc.	U.S.	14,150	14,150	-	-	14,722	14,722	-	-	(571)	(571)																		
			TOTAL SERC		13,734,499	13,734,499	-	-	14,288,999	14,288,999	-	-	(554,500)	(554,500)																		
2012	SPP	1246	American Electric Power	U.S.	1,578,222	1,578,222	-	-	1,665,244	1,665,244	-	-	(87,022)	(87,022)																		
2012	SPP	1435	Arkansas Electric Cooperative Corporation (AEP)	U.S.	210,786	210,786	-	-	222,409	222,409	-	-	(11,623)	(11,623)																		
2012	SPP	1247	Board of Public Utilities (Kansas City KS)	U.S.	102,701	102,701	-	-	108,363	108,363	-	-	(5,663)	(5,663)																		
2012	SPP	1620	Board of Public Utilities, City of McPherson, Kansas	U.S.	39,485	39,485	-	-	41,662	41,662	-	-	(2,177)	(2,177)																		
2012	SPP	1647	Carthage City Water & Light	U.S.	12,921	12,921	-	-	13,633	13,633	-	-	(712)	(712)																		
2012	SPP	1469	Central Valley Electric Cooperative	U.S.	35,142	35,142	-	-	37,079	37,079	-	-	(1,938)	(1,938)																		
2012	SPP	1556	City of Bentonville	U.S.	27,196	27,196	-	-	28,695	28,695	-	-	(1,500)	(1,500)																		
2012	SPP	1557	City of Clarksdale, Mississippi	U.S.	7,349	7,349	-	-	7,754	7,754	-	-	(405)	(405)																		
2012	SPP	1558	Hope Water & Light (HWL)	U.S.	12,567	12,567	-	-	13,260	13,260	-	-	(693)	(693)																		
2012	SPP	1559	City of Minden	U.S.	7,029	7,029	-	-	7,417	7,417	-	-	(388)	(388)																		
2012	SPP	1634	City of Mulvane	U.S.	1,900	1,900	-	-	2,004	2,004	-	-	(105)	(105)																		
2012	SPP	1635	The City of Osage City	U.S.	1,569	1,569	-	-	1,655	1,655	-	-	(87)	(87)																		
2012	SPP	1636	City of Prescott	U.S.	3,794	3,794	-	-	4,003	4,003	-	-	(209)	(209)																		
2012	SPP	1248	Independence Power & Light (Independence, MO)	U.S.	47,192	47,192	-	-	49,795	49,795	-	-	(2,602)	(2,602)																		
2012	SPP	1436	City Utilities of Springfield, MO	U.S.	136,427	136,427	-	-	143,950	143,950	-	-	(7,522)	(7,522)																		
2012	SPP	1249	Cleco Power LLC	U.S.	488,137	488,137	-	-	515,052	515,052	-	-	(26,915)	(26,915)																		
2012	SPP	1437	East Texas Electric Coop, Inc.	U.S.	17,238	17,238	-	-	18,189	18,189	-	-	(950)	(950)																		
2012	SPP	1250	The Empire District Electric Company	U.S.	221,631	221,631	-	-	233,851	233,851	-	-	(12,220)	(12,220)																		
2012	SPP	1470	Farmers' Electric Coop	U.S.	19,662	19,662	-	-	20,746	20,746	-	-	(1,084)	(1,084)																		
2012	SPP	1438	Golden Spread Electric Coop	U.S.	238,203	238,203	-	-	251,338	251,338	-	-	(13,134)	(13,134)																		
2012	SPP	1251	Grand River Dam Authority	U.S.	204,268	204,268	-	-	215,531	215,531	-	-	(11,263)	(11,263)																		
2012	SPP	1648	Jonesboro City Water & Light	U.S.	58,849	58,849	-	-	62,093	62,093	-	-	(3,245)	(3,245)																		
2012	SPP	1252	Kansas City Power & Light (KCPL)	U.S.	674,301	674,301	-	-	711,481	711,481	-	-	(37,180)	(37,180)																		
2012	SPP	1439	Kansas Electric Power Coop., Inc	U.S.	92,265	92,265	-	-	97,353	97,353	-	-	(5,087)	(5,087)																		
2012	SPP	1440	Kansas Municipal Energy Agency (KCPL)	U.S.	33,044	33,044	-	-	34,866	34,866	-	-	(1,822)	(1,822)																		
2012	SPP	1637	Kansas Power Pool	U.S.	69,411	69,411	-	-	73,238	73,238	-	-	(3,827)	(3,827)																		
2012	SPP	1560	Kaw Valley Electric Cooperative, Inc.	U.S.	6,926	6,926	-	-	7,307	7,307	-	-	(382)	(382)																		
2012	SPP	1649	Kennett Board of Public Works	U.S.	6,823	6,823	-	-	7,199	7,199	-	-	(376)	(376)																		
2012	SPP	1598	KCP&L GMOC (Greater Missouri Operations Company)	U.S.	369,804	369,804	-	-	390,194	390,194	-	-	(20,391)	(20,391)																		
2012	SPP	1471	Lafayette Utilities System	U.S.	88,928	88,928	-	-	93,832	93,832	-	-	(4,903)	(4,903)																		
2012	SPP	1472	Lea County Electric Coop	U.S.	55,975	55,975	-	-	59,061	59,061	-	-	(3,086)	(3,086)																		
2012	SPP	1253	Louisiana Energy & Power Authority (LEPA)	U.S.	42,842	42,842	-	-	45,204	45,204	-	-	(2,362)	(2,362)																		
2012	SPP	1650	Malden Board of Public Works	U.S.	2,307	2,307	-	-	2,435	2,435	-	-	(127)	(127)																		
2012	SPP	1441	Midwest Energy Inc.	U.S.	78,522	78,522	-	-	82,852	82,852	-	-	(4,330)	(4,330)																		
2012	SPP	1443	Missouri Joint Municipal Electric Utility Commission	U.S.	107,850	107,850	-	-	113,796	113,796	-	-	(5,947)	(5,947)																		
2012	SPP	1638	Nemaha Marshall Electric Cooperative (NMEC)	U.S.	2,528	2,528	-	-	2,668	2,668	-	-	(139)	(139)																		
2012	SPP	1442	Northeast Texas Electric Cooperative, Inc.	U.S.	133,295	133,295	-	-	140,645	140,645	-	-	(7,350)	(7,350)																		
2012	SPP	1255	Oklahoma Gas and Electric Co.	U.S.	1,223,557	1,223,557	-	-	1,291,022	1,291,022	-	-	(67,466)	(67,466)																		
2012	SPP	1444	Oklahoma Municipal Power Auth	U.S.	120,778	120,778	-	-	127,437	127,437	-	-	(6,660)	(6,660)																		
2012	SPP	1639	OzMo Ozark Missouri, West Plains MO	U.S.	8,848	8,848	-	-	9,336	9,336	-	-	(488)	(488)																		
2012	SPP	1651	Paragould Light, Water & Cable	U.S.	25,897	25,897	-	-	27,325	27,325	-	-	(1,428)	(1,428)																		
2012	SPP	1652	Piggott Municipal Light, Water & Sewer	U.S.	1,841	1,841	-	-	1,943	1,943	-	-	(102)	(102)																		
2012	SPP	1653	Poplar Bluff Municipal Utilities	U.S.	16,965	16,965	-	-	17,900	17,900	-	-	(935)	(935)																		
2012	SPP	1561	Public Service Commission of Yazoo City of Mississippi	U.S.	5,265	5,265	-	-	5,556	5,556	-	-	(290)	(290)																		
2012	SPP	1473	Roosevelt County Electric Coop	U.S.	9,056	9,056	-	-	9,555	9,555	-	-	(499)	(499)																		
2012	SPP	1468	Sharyland Utilities, LP	U.S.	46,914	46,914	-	-	49,501	49,501	-	-	(2,587)	(2,587)																		
2012	SPP	1654	Sikeston Board of Municipal Utilities	U.S.	16,268	16,268	-	-	17,165	17,165	-	-	(897)	(897)																		
2012	SPP	1257	Southwestern Public Service Co. (SPS-XCEL)	U.S.	838,591	838,591	-	-	884,830	884,830	-	-	(46,239)	(46,239)																		
2012	SPP	1256	Sunflower Electric Power Cooperative	U.S.	245,121	245,121	-	-	258,636	258,636	-	-	(13,516)	(13,516)																		
2012	SPP	1445	Tex - La Electric Cooperative of Texas	U.S.	21,144	21,144	-	-	22,310	22,310	-	-	(1,166)	(1,166)																		
2012	SPP	1475	Tri County Electric Coop	U.S.	17,360	17,360	-	-	18,317	18,317	-	-	(957)	(957)																		
2012	SPP	1260	Westar Energy, Inc.	U.S.	922,596	922,596	-	-	973,467	973,467	-	-	(50,871)	(50,871)																		
2012	SPP	1259	Western Farmers Electric Cooperative	U.S.	339,247	339,247	-	-	357,953	357,953	-	-	(18,706)	(18,706)																		
2012	SPP	1501	West Texas Municipal Power Agency	U.S.	122,587	122,587	-	-	129,346	129,346	-	-	(6,759)	(6,759)																		
			TOTAL SPP		9,219,123	9,219,123	-	-	9,727,456	9,727,456	-	-	(508,333)	(508,333)																		
2011	TRE	1019	ERCOT	U.S.	10,509,308	10,509,308	-	-	10,912,141	10,912,141	-	-	(402,833)	(402,833)																		

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)				Regional Entity NEL Assessments				Penalty Sanctions - US Only		NPCC True Up of 2012 and 2013 Assessments			NPCC CORC Program			WECC Compliance Assessments (ex.AESO)				WIRAB Assessments				RCCo Assessments			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
					10,509,308	10,509,308	-	-	10,912,141	10,912,141	-	-	(402,833)	(402,833)																		
2012	WECC		Alberta Electric System Operator	Canada	2,495,056	-	2,495,056	-	1,268,833	-	1,268,833	-	-	-							(834,955)		(834,955)		40,217		40,217		2,020,960		2,020,960	
2012	WECC		British Columbia Hydro & Power Authority	Canada	3,479,230	-	3,479,230	-	1,301,745	-	1,301,745	-	-	-							62,844		62,844		41,261		41,261		2,073,380		2,073,380	
2012	WECC		Comision Federal de Electricidad	Mexico	664,466	-	-	664,466	248,608	-	-	248,608	-	-							12,002	-	-	12,002	7,880	-	-	7,880	395,976	-	-	395,976
2012	WECC		Aguila Irrigation District - APS	U.S.	2,319	2,319	-	-	933	933	-	-	(174)	(174)							45	45			30	30			1,486	1,486		
2012	WECC		Aha Macav Power Service	U.S.	1,462	1,462	-	-	588	588	-	-	(110)	(110)							28	28			19	19			937	937		
2012	WECC		Ajo Improvement District	U.S.	730	730	-	-	294	294	-	-	(55)	(55)							14	14			9	9			468	468		
2012	WECC		Ak-Chin	U.S.	1,911	1,911	-	-	769	769	-	-	(143)	(143)							37	37			24	24			1,224	1,224		
2012	WECC		Alcoa Inc	U.S.	180,902	180,902	-	-	72,755	72,755	-	-	(13,553)	(13,553)							3,512	3,512			2,306	2,306			115,882	115,882		
2012	WECC		Arizona Public Service Company	U.S.	1,604,687	1,604,687	-	-	645,371	645,371	-	-	(120,225)	(120,225)							31,157	31,157			20,456	20,456			1,027,928	1,027,928		
2012	WECC		Arkansas River Power Authority (ARPA)	U.S.	16,127	16,127	-	-	6,486	6,486	-	-	(1,208)	(1,208)							313	313			206	206			10,330	10,330		
2012	WECC		Avista Corporation	U.S.	3,471	3,471	-	-	1,396	1,396	-	-	(260)	(260)							67	67			44	44			2,224	2,224		
2012	WECC		Avista Corporation	U.S.	495,777	495,777	-	-	199,391	199,391	-	-	(37,144)	(37,144)							9,626	9,626			6,320	6,320			317,584	317,584		
2012	WECC		Barrick Goldstrike Mines Inc.	U.S.	65,649	65,649	-	-	26,403	26,403	-	-	(4,919)	(4,919)							1,275	1,275			837	837			42,054	42,054		
2012	WECC		Basin Electric Power Cooperative	U.S.	3,307	3,307	-	-	1,330	1,330	-	-	(248)	(248)							64	64			42	42			2,119	2,119		
2012	WECC		Basin Electric Power Cooperative	U.S.	170,253	170,253	-	-	68,472	68,472	-	-	(12,756)	(12,756)							3,306	3,306			2,170	2,170			109,061	109,061		
2012	WECC		Benton REA	U.S.	28,955	28,955	-	-	11,645	11,645	-	-	(2,169)	(2,169)							562	562			369	369			18,548	18,548		
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	7,139	7,139	-	-	2,871	2,871	-	-	(535)	(535)							139	139			91	91			4,573	4,573		
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	7,398	7,398	-	-	2,975	2,975	-	-	(554)	(554)							144	144			94	94			4,739	4,739		
2012	WECC		Big Bend Electric Cooperative, Inc.	U.S.	18,631	18,631	-	-	7,493	7,493	-	-	(1,396)	(1,396)							362	362			238	238			11,935	11,935		
2012	WECC		Blachly-Lane Electric Cooperative	U.S.	8,820	8,820	-	-	3,547	3,547	-	-	(661)	(661)							171	171			112	112			5,650	5,650		
2012	WECC		Black Hills Power	U.S.	102,668	102,668	-	-	41,291	41,291	-	-	(7,692)	(7,692)							1,993	1,993			1,309	1,309			65,767	65,767		
2012	WECC		Black Hills Power/Cheyenne Light Fuel & Power	U.S.	198,493	198,493	-	-	79,830	79,830	-	-	(14,871)	(14,871)							3,854	3,854			2,530	2,530			127,151	127,151		
2012	WECC		Black Hills State University South Dakota	U.S.	1,044	1,044	-	-	420	420	-	-	(78)	(78)							20	20			13	13			669	669		
2012	WECC		Bonneville Power Administration	U.S.	356	356	-	-	143	143	-	-	(27)	(27)							7	7			5	5			228	228		
2012	WECC		Bonneville Power Administration	U.S.	993	993	-	-	399	399	-	-	(74)	(74)							19	19			13	13			636	636		
2012	WECC		Bonneville Power Administration	U.S.	40,850	40,850	-	-	16,429	16,429	-	-	(3,061)	(3,061)							793	793			521	521			26,168	26,168		
2012	WECC		Bonneville Power Administration	U.S.	95,433	95,433	-	-	38,381	38,381	-	-	(7,150)	(7,150)							1,853	1,853			1,217	1,217			61,132	61,132		
2012	WECC		Bonneville Power Administration	U.S.	246,509	246,509	-	-	99,141	99,141	-	-	(18,469)	(18,469)							4,786	4,786			3,142	3,142			157,908	157,908		
2012	WECC		BPA - Big Bend/Schrag Load	U.S.	2,028	2,028	-	-	816	816	-	-	(152)	(152)							39	39			26	26			1,299	1,299		
2012	WECC		BPA - USBR Load	U.S.	388	388	-	-	156	156	-	-	(29)	(29)							8	8			5	5			249	249		
2012	WECC		Buckeye Water Conservation and Drainage District - APS	U.S.	1,091	1,091	-	-	439	439	-	-	(82)	(82)							21	21			14	14			699	699		
2012	WECC		Bureau of Reclamation (Desalter) - c/o DSW EMMO	U.S.	42	42	-	-	17	17	-	-	(3)	(3)							1	1			1	1			27	27		
2012	WECC		Bureau of Reclamation (Wellfield) - c/o DSW EMMO	U.S.	272	272	-	-	109	109	-	-	(20)	(20)							5	5			3	3			174	174		
2012	WECC		Burlington	U.S.	1,753	1,753	-	-	705	705	-	-	(131)	(131)							34	34			22	22			1,123	1,123		
2012	WECC		California Independent System Operator	U.S.	12,496,847	12,496,847	-	-	5,025,968	5,025,968	-	-	(936,277)	(936,277)							242,639	242,639			159,305	159,305			8,005,212	8,005,212		
2012	WECC		Canby Public Utility Board	U.S.	9,445	9,445	-	-	3,799	3,799	-	-	(708)	(708)							183	183			120	120			6,050	6,050		
2012	WECC		Central Arizona Water Conservation District	U.S.	264,602	264,602	-	-	106,417	106,417	-	-	(19,824)	(19,824)							5,138	5,138			3,373	3,373			169,498	169,498		
2012	WECC		Central Electric Cooperative	U.S.	26,623	26,623	-	-	10,707	10,707	-	-	(1,995)	(1,995)							517	517			339	339			17,054	17,054		
2012	WECC		Central Lincoln PUD	U.S.	71,645	71,645	-	-	28,814	28,814	-	-	(5,368)	(5,368)							1,391	1,391			913	913			45,894	45,894		
2012	WECC		Central Montana Electric Power Cooperative	U.S.	18,897	18,897	-	-	7,600	7,600	-	-	(1,416)	(1,416)							367	367			241	241			12,105	12,105		
2012	WECC		City of Aztec Electric Dept	U.S.	2,003	2,003	-	-	806	806	-	-	(150)	(150)							39	39			26	26			1,283	1,283		
2012	WECC		City of Bandon	U.S.	3,613	3,613	-	-	1,453	1,453	-	-	(271)	(271)							70	70			46	46			2,314	2,314		
2012	WECC		City of Blaine	U.S.	4,142	4,142	-	-	1,666	1,666	-	-	(310)	(310)							80	80			53	53			2,653	2,653		
2012	WECC		City of Bonners Ferry	U.S.	3,698	3,698	-	-	1,487	1,487	-	-	(277)	(277)							72	72			47	47			2,369	2,369		
2012	WECC		City of Boulder City	U.S.	8,915	8,915	-	-	3,586	3,586	-	-	(668)	(668)							173	173			114	114			5,711	5,711		
2012	WECC		City of Cascade Locks	U.S.	1,011	1,011	-	-	407	407	-	-	(76)	(76)							20	20			13	13			647	647		
2012	WECC		City of Centralia	U.S.	14,444	14,444	-	-	5,809	5,809	-	-	(1,082)	(1,082)							280	280			184	184			9,252	9,252		
2012	WECC		City of Cheney	U.S.	7,660	7,660	-	-	3,081	3,081	-	-	(574)	(574)							149	149			98	98			4,907	4,907		
2012	WECC		City of Chewelah	U.S.	1,268	1,268	-	-	510	510	-	-	(95)	(95)							25	25			16	16			812	812		
2012	WECC		City of Drain	U.S.	878	878	-	-	353	353	-	-	(66)	(66)							17	17			11	11			562	562		
2012	WECC		City of Ellensburg	U.S.	11,108	11,108	-	-	4,467	4,467	-	-	(832)	(832)							216	216			142	142			7,115	7,115		
2012	WECC		City of Fallon	U.S.	6,538	6,538	-	-	2,630	2,630	-	-	(490)	(490)							127	127			83	83			4,188	4,188		
2012	WECC		City of Farmington	U.S.	14,709	14,709	-	-	5,916	5,916	-	-	(1,102)	(1,102)							286	286			188	188			9,422	9,422		
2012	WECC		City of Forest Grove	U.S.	12,873	12,873	-	-	5,177	5,177	-	-	(964)	(964)							250	250			164	164			8,246	8,246		
2012	WECC		City of Gallup	U.S.	10,545	10,545	-	-	4,241	4,241	-	-	(790)	(790)							205	205			134	134			6,755	6,755		
2012	WECC		City of Henderson	U.S.	2,259	2,259	-	-	908	908	-	-	(169)	(169)							44	44			29	29			1,447	1,447		
2012	WECC		City of Hermiston, DBA Hermiston Energy Services	U.S.	5,669	5,669	-	-	2,280	2,280	-	-	(425)	(425)							110	110			72	72			3,631	3,631		
2012	WECC		City of Las Vegas	U.S.	2,284	2,284	-	-	918	918	-	-	(171)	(171)							44	44			29	29			1,463	1,463		
2012	WECC		City of McCleary	U.S.	1,666	1,666	-	-	670	670	-	-	(125)	(125)							32	32			21	21			1,067	1,067		
2012	WECC		City of McMinnville	U.S.	39,009	39,009	-	-	15,688	15,688	-	-	(2,923)	(2,923)							757	757			497	497			24,988	24,988		
2012	WECC		City of Mesa	U.S.	14,063	14,063	-	-	5,656	5,656	-	-	(1,054)	(1,054)							273	273			179	179			9,008	9,008		
2012	WECC		City of Milton	U.S.	3,268	3,268	-	-	1,314	1,314	-	-	(245)	(245)							63	63			42	42			2,093	2,093		
2012	WECC		City of Milton-Freewater	U.S.	5,767	5,767	-	-	2,319	2,319	-	-	(432)	(432)							112	112			74	74			3,694	3,694		
2012	WECC		City of Monmouth	U.S.	3,803	3,803	-	-	1,530	1,530	-	-	(285)	(285)							74	74			48	48			2,436	2,436		
2012	WECC		City of Needles	U.S.	1,677	1,677	-	-	674	674	-	-	(126)	(126)							33	33			21	21			1,074	1,074		
2012	WECC		City of Plummer	U.S.	1,894	1,894	-	-	762	762	-	-	(142)	(142)							37	37			24	24			1,213	1,213		
2012	WECC		City of Port Angeles	U.S.	38,913	38,913	-	-	15,650	15,650	-	-	(2,915)	(2,915)							756	756			496	496			24,927	24,927		
2012	WECC		City of Redding	U.S.	43,474	43,474	-	-	17,485	17,485	-	-	(3,257)	(3,257)							844	844			554	554			27,849	27,849		
2012	WECC		City of Richland	U.S.	45,979	45,979	-	-	18,492	18,492	-	-	(3,445)	(3,445)							893	893			586	586			29,453	29,453		
2012	WECC		City of Roseville	U.S.	66,090	66,090	-	-	26,580	26,580	-	-	(4,952)	(4,952)							1,283	1,283			842	842			42,336	42,336		
2012	WECC		City of Shasta Lake	U.S.	9,938	9,938	-	-	3,997	3,997	-	-	(745)	(745)							193	193			127	127			6,366	6,366		
2012	WECC		City of Sumas	U.S.	1,571	1,571	-	-	632	632	-	-	(118)	(118)							31	31			20	20			1,006	1,006		
2012	WECC		City of Tacoma DBA Tacoma Power	U.S.	264,916	264,916	-	-	106,544	106,544	-	-	(19,848)	(19,848)							5,144	5,144			3,377	3,377			169,699	169,699		
2012	WECC		City of Troy	U.S.	921	921	-	-	370	370	-	-	(69)	(69)							18	18			12	12			590	590		
2012	WECC		City of Williams	U.S.	2,138	2,138	-	-	860	860	-	-	(160)	(160)							42	42			27	27			1,370	1,370		
2012	WECC		Clark County Water Resources	U.S.	4,155	4,155	-	-	1,671	1,671	-	-	(311)	(311)							81	81			53	53			2,662	2,662		
2012	WECC		Clark Public Utilities	U.S.	234,557	234,557	-	-	94,334	94,334	-	-	(17,573)	(17,573)							4,554	4,554			2,990	2,990			150,252	150,252		
2012	WECC		Clatskanie PUD	U.S.	52,072	52,072	-	-	20,942	20,942	-	-	(3,901)	(3,901)							1,011	1,011			664	664			33,356	33,356		
2012	WECC		Clearwater Cooperative, Inc	U.S.	8,705	8,705	-	-	3,501	3,501	-	-	(652)	(652)							169	169			111	111			5,576	5,576		
2012	WECC		Colorado River Commission of Nevada	U.S.	44,481	44,481	-	-	17,889	17,889	-	-	(3,333)	(3,333)							864	864			567	567			28,493	28,493		
2012	WECC		Colorado Springs Utilities	U.S.	5,041	5,041	-	-	2,027	2,027	-	-	(378)	(378)							98	98			64	64			3,229	3,229		
2012	WECC		Colorado Springs Utilities	U.S.	244,039	244,039	-	-	98,147	98,147	-	-	(18,284)	(18,284)							4,738	4,738			3,111	3,111			156,326	156,326		
2012	WECC		Columbia Basin Electric Cooperative, Inc.	U.S.	5,894	5,894	-	-	2,371	2,371	-	-	(442)	(442)							114	114			75	75			3,776	3,776		
2012	WECC		Columbia Falls Aluminum Company	U.S.	217	217	-	-	87	87	-	-	(16)	(16)							4	4			3	3			139	139		
2012	WECC		Columbia Power Cooperative Association	U.S.	1,277	1,277	-	-	514	514	-	-	(96)	(96)							25	25			16	16			818	818		
2012	WECC		Columbia River PUD	U.S.	16,190	16,190	-	-	6,511	6,511	-	-	(1,213)	(1,213)							314	314			206	206			10,371	10,371		
2012	WECC		Columbia Rural Electric Association (REA)	U.S.	16,134	16,134	-	-	6,489	6,489	-	-	(1,209)	(1,209)							313	313			206	206			10,335	10,335		
2012	WECC		Consolidated Irrigation District No. 19	U.S.	321	321	-	-	129	129	-	-	(24)	(24)							6	6			4	4			205	205		
2012	WECC		Constellation New Energy, Inc.	U.S.	3,742	3,742	-	-	1,505	1,505	-	-	(280)	(280)							73	73			48	48			2,397	2,397		
2012	WECC		Consumers Power, Inc.	U.S.	22,338	22,338	-	-	8,984	8,984	-	-	(1,674)	(1,674)							434	434			285	285			14,309	14,309		
2012	WECC		Deseret Generation & Transmission Cooperative	U.S.	3,686	3,686	-	-	1,483	1,483	-	-	(276)	(276)							72	72			47	47			2,361	2,361		
2012	WECC		Deseret Generation & Transmission Cooperative	U.S.	3,962	3,962	-	-	1,593	1,593	-	-	(297)	(297)							77	77			51	51			2,538	2,538		
2012	WECC		Douglas Electric Cooperative, Inc.	U.S.	4,995	4,995	-	-	2,009	2,009	-	-	(374)	(374)							97	97			64	64			3,200	3,200		
2012	WECC		Douglas Palisades	U.S.	978	978	-	-	394	394	-	-	(73)	(73)							19	19			12	12			627	627		
2012	WECC		El Paso Electric Company	U.S.	447,251	447,251	-	-	179,875	179,875	-	-	(33,508)	(33,508)							8,684	8,684			5,701	5,701			286,499	286,499		
2012	WECC		Electrical District #2	U.S.	10,430	10,430	-	-	4,195	4,195	-	-	(781)	(781)							203	203			133	133			6,681	6,681		
2012	WECC		Electrical District #2 - Coolidge Generating Station	U.S.	462	462	-	-	186	186	-	-	(35)	(35)							9	9			6	6			296	296		
2012	WECC		Electrical District No. 6 of Pinal County - APS	U.S.	167	167	-	-	67	67	-	-	(13)	(13)							3	3			2	2			107	107		

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

					Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)				Regional Entity NEL Assessments				Penalty Sanctions - US Only		NPCC True Up of 2012 and 2013 Assessments			NPCC CORC Program			WECC Compliance Assessments (ex.AESO)				WIRAB Assessments				RCCo Assessments			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		Electrical District No. 7 of Maricopa County - APS	U.S.	2,946	2,946	-	-	1,185	1,185	-	-	(221)	(221)							57	57			38	38			1,887	1,887		
2012	WECC		Electrical District No. 8 of Maricopa County - APS	U.S.	15,703	15,703	-	-	6,316	6,316	-	-	(1,177)	(1,177)							305	305			200	200			10,059	10,059		
2012	WECC		Electrical Districts 1 & 3	U.S.	34,243	34,243	-	-	13,772	13,772	-	-	(2,565)	(2,565)							665	665			437	437			21,935	21,935		
2012	WECC		Elmhurst Mutual Power & Light Company	U.S.	14,548	14,548	-	-	5,851	5,851	-	-	(1,090)	(1,090)							282	282			185	185			9,319	9,319		
2012	WECC		Emerald PUD	U.S.	27,106	27,106	-	-	10,901	10,901	-	-	(2,031)	(2,031)							526	526			346	346			17,363	17,363		
2012	WECC		Energy Northwest	U.S.	1,679	1,679	-	-	675	675	-	-	(126)	(126)							33	33			21	21			1,076	1,076		
2012	WECC		Eugene Water & Electric Board	U.S.	131,520	131,520	-	-	52,895	52,895	-	-	(9,854)	(9,854)							2,554	2,554			1,677	1,677			84,249	84,249		
2012	WECC		Fall River Rural Electric Cooperative, Inc.	U.S.	3	3	-	-	1	1	-	-	(0)	(0)							0	0			0	0			2	2		
2012	WECC		Farmington Electric Utility System	U.S.	73,555	73,555	-	-	29,582	29,582	-	-	(5,511)	(5,511)							1,428	1,428			938	938			47,118	47,118		
2012	WECC		Flathead Electric Cooperative, Inc	U.S.	77,361	77,361	-	-	31,113	31,113	-	-	(5,796)	(5,796)							1,502	1,502			986	986			49,556	49,556		
2012	WECC		Frederickson Power LP	U.S.	283	283	-	-	114	114	-	-	(21)	(21)							5	5			4	4			181	181		
2012	WECC		Grand Valley Power	U.S.	12,368	12,368	-	-	4,974	4,974	-	-	(927)	(927)							240	240			158	158			7,922	7,922		
2012	WECC		Harney Electric Cooperative, Inc.	U.S.	5,152	5,152	-	-	2,072	2,072	-	-	(386)	(386)							100	100			66	66			3,300	3,300		
2012	WECC		Harney Electric Cooperative, Inc.	U.S.	6,624	6,624	-	-	2,664	2,664	-	-	(496)	(496)							129	129			84	84			4,243	4,243		
2012	WECC		Harquahala Valley Power Districts - APS	U.S.	4,378	4,378	-	-	1,761	1,761	-	-	(328)	(328)							85	85			56	56			2,805	2,805		
2012	WECC		Hermiston Power LLC	U.S.	257	257	-	-	103	103	-	-	(19)	(19)							5	5			3	3			165	165		
2012	WECC		Hood River Electric Cooperative	U.S.	2,116	2,116	-	-	851	851	-	-	(159)	(159)							41	41			27	27			1,355	1,355		
2012	WECC		Idaho County Light and Power Cooperative Association, Inc.	U.S.	3,001	3,001	-	-	1,207	1,207	-	-	(225)	(225)							58	58			38	38			1,922	1,922		
2012	WECC		Idaho Power Company	U.S.	790,646	790,646	-	-	317,981	317,981	-	-	(59,236)	(59,236)							15,351	15,351			10,079	10,079			506,471	506,471		
2012	WECC		Imperial Irrigation District	U.S.	198,163	198,163	-	-	79,697	79,697	-	-	(14,847)	(14,847)							3,848	3,848			2,526	2,526			126,939	126,939		
2012	WECC		Inland Power and Light Company	U.S.	24,675	24,675	-	-	9,924	9,924	-	-	(1,849)	(1,849)							479	479			315	315			15,806	15,806		
2012	WECC		Inland Power and Light Company	U.S.	25,490	25,490	-	-	10,252	10,252	-	-	(1,910)	(1,910)							495	495			325	325			16,329	16,329		
2012	WECC		Intermountain Rural Electric Association	U.S.	47,721	47,721	-	-	19,192	19,192	-	-	(3,575)	(3,575)							927	927			608	608			30,569	30,569		
2012	WECC		Kaiser Aluminum Fabricated Products LLC	U.S.	17,290	17,290	-	-	6,954	6,954	-	-	(1,295)	(1,295)							336	336			220	220			11,076	11,076		
2012	WECC		Lakeview Light & Power	U.S.	14,539	14,539	-	-	5,847	5,847	-	-	(1,089)	(1,089)							282	282			185	185			9,313	9,313		
2012	WECC		Lane Electric Cooperative, Inc.	U.S.	11,812	11,812	-	-	4,751	4,751	-	-	(885)	(885)							229	229			151	151			7,567	7,567		
2012	WECC		Las Vegas Valley Water District	U.S.	11,653	11,653	-	-	4,687	4,687	-	-	(873)	(873)							226	226			149	149			7,465	7,465		
2012	WECC		Lincoln Electric Cooperative, Inc.	U.S.	6,262	6,262	-	-	2,518	2,518	-	-	(469)	(469)							122	122			80	80			4,011	4,011		
2012	WECC		Los Angeles Department of Water and Power	U.S.	1,570,853	1,570,853	-	-	631,764	631,764	-	-	(117,690)	(117,690)							30,500	30,500			20,025	20,025			1,006,255	1,006,255		
2012	WECC		Lost River Electric Cooperative, Inc.	U.S.	2	2	-	-	1	1	-	-	(0)	(0)							0	0			0	0			1	1		
2012	WECC		Lower Valley Energy, Inc.	U.S.	9	9	-	-	3	3	-	-	(1)	(1)							0	0			0	0			5	5		
2012	WECC		Maricopa County Municipal Water Conservation Dist No. 1 -	U.S.	3,009	3,009	-	-	1,210	1,210	-	-	(225)	(225)							58	58			38	38			1,928	1,928		
2012	WECC		McMullen Valley Water Conservation & Drainage District - Al	U.S.	3,904	3,904	-	-	1,570	1,570	-	-	(292)	(292)							76	76			50	50			2,501	2,501		
2012	WECC		Merced Irrigation District	U.S.	24,459	24,459	-	-	9,837	9,837	-	-	(1,832)	(1,832)							475	475			312	312			15,668	15,668		
2012	WECC		Midstate Electric Cooperative, Inc.	U.S.	21,318	21,318	-	-	8,574	8,574	-	-	(1,597)	(1,597)							414	414			272	272			13,656	13,656		
2012	WECC		Mission Valley Power	U.S.	20,868	20,868	-	-	8,393	8,393	-	-	(1,563)	(1,563)							405	405			266	266			13,367	13,367		
2012	WECC		Modern Electric Water Company	U.S.	12,208	12,208	-	-	4,910	4,910	-	-	(915)	(915)							237	237			156	156			7,820	7,820		
2012	WECC		Modesto Irrigation District	U.S.	136,588	136,588	-	-	54,933	54,933	-	-	(10,233)	(10,233)							2,652	2,652			1,741	1,741			87,495	87,495		
2012	WECC		Montana-Dakota Utilities Co.	U.S.	733	733	-	-	295	295	-	-	(55)	(55)							14	14			9	9			469	469		
2012	WECC		Mt. Wheeler Power	U.S.	29,738	29,738	-	-	11,960	11,960	-	-	(2,228)	(2,228)							577	577			379	379			19,049	19,049		
2012	WECC		Municipal Energy Agency of Nebraska	U.S.	10,430	10,430	-	-	4,195	4,195	-	-	(781)	(781)							203	203			133	133			6,681	6,681		
2012	WECC		Municipal Energy Agency of Nebraska	U.S.	34,547	34,547	-	-	13,894	13,894	-	-	(2,588)	(2,588)							671	671			440	440			22,130	22,130		
2012	WECC		Navajo Agricultural Products Industry (NAPI)	U.S.	207	207	-	-	83	83	-	-	(16)	(16)							4	4			3	3			133	133		
2012	WECC		Navajo Tribal Utility Authority	U.S.	2,252	2,252	-	-	906	906	-	-	(169)	(169)							44	44			29	29			1,442	1,442		
2012	WECC		Navajo Tribal Utility Authority	U.S.	16,269	16,269	-	-	6,543	6,543	-	-	(1,219)	(1,219)							316	316			207	207			10,422	10,422		
2012	WECC		Navopache Electric Cooperative, Inc.	U.S.	21,617	21,617	-	-	8,694	8,694	-	-	(1,620)	(1,620)							420	420			276	276			13,848	13,848		
2012	WECC		Nebraska Public Power Marketing	U.S.	200	200	-	-	80	80	-	-	(15)	(15)							4	4			3	3			128	128		
2012	WECC		Nespelem Valley Electric Cooperative, Inc.	U.S.	2,837	2,837	-	-	1,141	1,141	-	-	(213)	(213)							55	55			36	36			1,817	1,817		
2012	WECC		Nevada Power Company dba NV Energy	U.S.	1,187,013	1,187,013	-	-	477,392	477,392	-	-	(88,932)	(88,932)							23,047	23,047			15,132	15,132			760,375	760,375		
2012	WECC		Noble Americas Energy Solutions, LLC	U.S.	64,075	64,075	-	-	25,770	25,770	-	-	(4,801)	(4,801)							1,244	1,244			817	817			41,045	41,045		
2012	WECC		Northern Lights, Inc.	U.S.	1,805	1,805	-	-	726	726	-	-	(135)	(135)							35	35			23	23			1,156	1,156		
2012	WECC		Northern Wasco County PUD	U.S.	29,727	29,727	-	-	11,956	11,956	-	-	(2,227)	(2,227)							577	577			379	379			19,043	19,043		
2012	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	16,111	16,111	-	-	6,480	6,480	-	-	(1,207)	(1,207)							313	313			205	205			10,321	10,321		
2012	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	484,894	484,894	-	-	195,014	195,014	-	-	(36,329)	(36,329)							9,415	9,415			6,181	6,181			310,613	310,613		
2012	WECC		Ohop Mutual Light Company	U.S.	4,464	4,464	-	-	1,795	1,795	-	-	(334)	(334)							87	87			57	57			2,860	2,860		
2012	WECC		Orcas Power and Light Cooperative	U.S.	11,477	11,477	-	-	4,616	4,616	-	-	(860)	(860)							223	223			146	146			7,352	7,352		
2012	WECC		Oregon Trail Electric Consumers Cooperative, Inc.	U.S.	17,079	17,079	-	-	6,869	6,869	-	-	(1,280)	(1,280)							332	332			218	218			10,941	10,941		
2012	WECC		Overton Power District No. 5	U.S.	20,181	20,181	-	-	8,116	8,116	-	-	(1,512)	(1,512)							392	392			257	257			12,927	12,927		
2012	WECC		PacifiCorp	U.S.	105	105	-	-	42	42	-	-	(8)	(8)							2	2			1	1			67	67		
2012	WECC		PacifiCorp	U.S.	145	145	-	-	58	58	-	-	(11)	(11)							3	3			2	2			93	93		
2012	WECC		PacifiCorp	U.S.	3,214	3,214	-	-	1,292	1,292	-	-	(241)	(241)							62	62			41	41			2,059	2,059		
2012	WECC		PacifiCorp	U.S.	6,230	6,230	-	-	2,506	2,506	-	-	(467)	(467)							121	121			79	79			3,991	3,991		
2012	WECC		PacifiCorp	U.S.	2,634,392	2,634,392	-	-	1,059,497	1,059,497	-	-	(197,371)	(197,371)							51,149	51,149	-	-	33,582	33,582	-	-	1,687,535	1,687,535	-	-
2012	WECC		PacifiCorp West (PACW)	U.S.	1,115,298	1,115,298	-	-	448,549	448,549	-	-	(83,559)	(83,559)							21,655	21,655			14,217	14,217			714,436	714,436		
2012	WECC		Page Electric Utility	U.S.	585	585	-	-	235	235	-	-	(44)	(44)							11	11			7	7			375	375		
2012	WECC		Parkland Light and Water Company	U.S.	6,410	6,410	-	-	2,578	2,578	-	-	(480)	(480)							124	124			82	82			4,106	4,106		
2012	WECC		Pend Oreille County PUD No. 1	U.S.	55,436	55,436	-	-	22,295	22,295	-	-	(4,153)	(4,153)							1,076	1,076			707	707			35,511	35,511		
2012	WECC		Peninsula Light Company, Inc.	U.S.	32,336	32,336	-	-	13,005	13,005	-	-	(2,423)	(2,423)							628	628			412	412			20,714	20,714		
2012	WECC		Platte River Power Authority	U.S.	172,808	172,808	-	-	69,500	69,500	-	-	(12,947)	(12,947)							3,355	3,355			2,203	2,203			110,697	110,697		
2012	WECC		Port of Seattle - Seattle-Tacoma International Airport	U.S.	7,698	7,698	-	-	3,096	3,096	-	-	(577)	(577)							149	149			98	98			4,931	4,931		
2012	WECC		Port Townsend Paper Corporation	U.S.	10,919	10,919	-	-	4,391	4,391	-	-	(818)	(818)							212	212			139	139			6,994	6,994		
2012	WECC		Portland General Electric Company	U.S.	2,417	2,417	-	-	972	972	-	-	(181)	(181)							47	47			31	31			1,548	1,548		
2012	WECC		Portland General Electric Company	U.S.	995,635	995,635	-	-	400,423	400,423	-	-	(74,594)	(74,594)							19,331	19,331			12,692	12,692			637,782	637,782		
2012	WECC		Public Service Company of Colorado (Xcel)	U.S.	1,879	1,879	-	-	756	756	-	-	(141)	(141)							36	36			24	24			1,204	1,204		
2012	WECC		Public Service Company of Colorado (Xcel)	U.S.	1,659,108	1,659,108	-	-	667,258	667,258	-	-	(124,302)	(124,302)							32,213	32,213			21,150	21,150			1,062,789	1,062,789		
2012	WECC		Public Service Company of New Mexico	U.S.	573,854	573,854	-	-	230,792	230,792	-	-	(42,994)	(42,994)							11,142	11,142			7,315	7,315			367,598	367,598		
2012	WECC		Public Utility District No. 1 of Chelan County	U.S.	211,754	211,754	-	-	85,163	85,163	-	-	(15,865)	(15,865)							4,111	4,111			2,699	2,699			135,645	135,645		
2012	WECC		PUD No. 1 of Asotin County	U.S.	16	16	-	-	7	7	-	-	(1)	(1)							0	0			0	0			11	11		
2012	WECC		PUD No. 1 of Asotin County	U.S.	259	259	-	-	104	104	-	-	(19)	(19)							5	5			3	3			166	166		
2012	WECC		PUD No. 1 of Benton County	U.S.	90,357	90,357	-	-	36,340	36,340	-	-	(6,770)	(6,770)							1,754	1,754			1,152	1,152			57,881	57,881		
2012	WECC		PUD No. 1 of Clallam County	U.S.	36,396	36,396	-	-	14,638	14,638	-	-	(2,727)	(2,727)							707	707			464	464			23,314	23,314		
2012	WECC		PUD No. 1 of Cowlitz County	U.S.	276,374	276,374	-	-	111,152	111,152	-	-	(20,706)	(20,706)							5,366	5,366			3,523	3,523			177,039	177,039		
2012	WECC		PUD No. 1 of Douglas County	U.S.	405	405	-	-	163	163	-	-	(30)	(30)							8	8			5	5			260	260		
2012	WECC		PUD No. 1 of Douglas County	U.S.	76,358	76,358	-	-	30,709	30,709	-	-	(5,721)	(5,721)							1,483	1,483			973	973			48,913	48,913		
2012	WECC		PUD No. 1 of Ferry County	U.S.	5,655	5,655	-	-	2,274	2,274	-	-	(424)	(424)							110	110			72	72			3,623	3,623		
2012	WECC		PUD No. 1 of Franklin County	U.S.	54,204	54,204	-	-	21,800	21,800	-	-	(4,061)	(4,061)							1,052	1,052			691	691			34,722	34,722		
2012	WECC		PUD No. 1 of Grays Harbor	U.S.	64,716	64,716	-	-	26,027	26,027	-	-	(4,849)	(4,849)							1,257	1,257			825	825			41,456	41,456		
2012	WECC		PUD No. 1 of Kittitas County	U.S.	873	873	-	-	351	351	-	-	(65)	(65)							17	17			11	11			559	559		
2012	WECC		PUD No. 1 of Kittitas County	U.S.	3,872	3,872	-	-	1,557	1,557	-	-	(290)	(290)							75	75			49	49			2,480	2,480		
2012	WECC		PUD No. 1 of Klickitat County	U.S.	14,969	14,969	-	-	6,020	6,020	-	-	(1,122)	(1,122)							291	291			191	191			9,589	9,589		
2012	WECC		PUD No. 1 of Lewis County	U.S.	49,675	49,675	-	-	19,978	19,978	-	-	(3,722)	(3,722)							964	964			633	633			31,821	31,821		
2012	WECC		PUD No. 1 of Mason County	U.S.	4,200	4,200	-	-	1,689	1,689	-	-	(315)	(315)							82	82			54	54			2,690	2,690		
2012	WECC		PUD No. 1 of Skamania County	U.S.	7,079	7,079	-	-	2,847	2,847	-	-	(530)	(530)							137	137			90	90			4,535	4,535		
2012	WECC		PUD No. 1 of Snohomish County	U.S.	362,538	362,538	-	-	145,805	145,805	-	-	(27,162)	(27,162)							7,039	7,039			4,621	4,621			232,234	232,234		
2012	WECC		PUD No. 1 of Wahkiakum County	U.S.	2,350	2,350	-	-	945	945	-	-	(176)	(176)							46	46			30	30			1,505	1,505		
2012	WECC		PUD No. 1 of Whatcom County	U.S.	284	284	-	-	114	114	-	-	(21)	(21)							6	6			4	4			182	182		
2012	WECC		PUD No. 1 of Whatcom County	U.S.	10,612	10,612	-	-	4,268	4,268	-	-	(795)	(795)							206	206			135	135			6,798	6,798		
2012	WECC		PUD No. 2 of Grant County	U.S.	2,575	2,575	-	-	1,036	1,036	-	-	(193)	(193)							50	50			33	33			1,650	1,650		
2012	WECC		PUD No. 2 of Grant County	U.S.	4,822	4,822	-	-	1,939	1,939	-	-	(361)	(361)							94	94			61	61			3,089	3,089		

2012 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2014 NERC and RE Assessments

					Total Regional Entity Assessments (Including WIRAB & RCCo Assessments)				Regional Entity NEL Assessments				Penalty Sanctions - US Only		NPCC True Up of 2012 and 2013 Assessments			NPCC CORC Program			WECC Compliance Assessments (ex.AESO)				WIRAB Assessments				RCCo Assessments			
Data Year	Regional Entity	ID	Entity	Country	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2012	WECC		PUD No. 2 of Grant County	U.S.	204,522	204,522	-	-	82,254	82,254	-	-	(15,323)	(15,323)							3,971	3,971			2,607	2,607			131,012	131,012		
2012	WECC		PUD No. 2 of Pacific County	U.S.	16,168	16,168	-	-	6,502	6,502	-	-	(1,211)	(1,211)							314	314			206	206			10,357	10,357		
2012	WECC		PUD No. 3 of Mason County	U.S.	37,279	37,279	-	-	14,993	14,993	-	-	(2,793)	(2,793)							724	724			475	475			23,880	23,880		
2012	WECC		Puget Sound Energy, Inc.	U.S.	1,296,603	1,296,603	-	-	521,466	521,466	-	-	(97,143)	(97,143)							25,175	25,175			16,529	16,529			830,576	830,576		
2012	WECC		Raft River Electric Cooperative	U.S.	5	5	-	-	2	2	-	-	(0)	(0)							0	0			0	0			3	3		
2012	WECC		Roosevelt Irrigation District - APS	U.S.	2,193	2,193	-	-	882	882	-	-	(164)	(164)							43	43			28	28			1,405	1,405		
2012	WECC		Sacramento Municipal Utility District	U.S.	598,605	598,605	-	-	240,746	240,746	-	-	(44,848)	(44,848)							11,623	11,623			7,631	7,631			383,453	383,453		
2012	WECC		Salem Electric	U.S.	17,214	17,214	-	-	6,923	6,923	-	-	(1,290)	(1,290)							334	334			219	219			11,027	11,027		
2012	WECC		Salt River Project	U.S.	1,519,532	1,519,532	-	-	611,124	611,124	-	-	(113,845)	(113,845)							29,503	29,503			19,370	19,370			973,380	973,380		
2012	WECC		San Carlos Indian Irrigation Project	U.S.	3	3	-	-	1	1	-	-	(0)	(0)							0	0			0	0			2	2		
2012	WECC		Seattle City Light	U.S.	536,243	536,243	-	-	215,665	215,665	-	-	(40,176)	(40,176)							10,412	10,412			6,836	6,836			343,506	343,506		
2012	WECC		Sierra Pacific Power Company dba NV Energy	U.S.	481,369	481,369	-	-	193,596	193,596	-	-	(36,065)	(36,065)							9,346	9,346			6,136	6,136			308,355	308,355		
2012	WECC		Southern Montana Electric Generation & Transmission	U.S.	33,458	33,458	-	-	13,456	13,456	-	-	(2,507)	(2,507)							650	650			427	427			21,433	21,433		
2012	WECC		Southern Nevada Water Authority	U.S.	36,163	36,163	-	-	14,544	14,544	-	-	(2,709)	(2,709)							702	702			461	461			23,165	23,165		
2012	WECC		Southwest Transmission Cooperative, Inc.	U.S.	139,795	139,795	-	-	56,222	56,222	-	-	(10,474)	(10,474)							2,714	2,714			1,782	1,782			89,549	89,549		
2012	WECC		Springfield Utility Board	U.S.	44,772	44,772	-	-	18,006	18,006	-	-	(3,354)	(3,354)							869	869			571	571			28,680	28,680		
2012	WECC		Surprise Valley Electrification Corporation	U.S.	2,039	2,039	-	-	820	820	-	-	(153)	(153)							40	40			26	26			1,306	1,306		
2012	WECC		Tanner Electric Cooperative	U.S.	5,069	5,069	-	-	2,039	2,039	-	-	(380)	(380)							98	98			65	65			3,247	3,247		
2012	WECC		The Incorporated County of Los Alamos	U.S.	20,440	20,440	-	-	8,221	8,221	-	-	(1,531)	(1,531)							397	397			261	261			13,093	13,093		
2012	WECC		Tillamook People's Utility District	U.S.	19,815	19,815	-	-	7,969	7,969	-	-	(1,485)	(1,485)							385	385			253	253			12,693	12,693		
2012	WECC		Tohono O'Odham Utility Authority	U.S.	3,612	3,612	-	-	1,453	1,453	-	-	(271)	(271)							70	70			46	46			2,314	2,314		
2012	WECC		Tonopah Irrigation District - APS	U.S.	1,395	1,395	-	-	561	561	-	-	(105)	(105)							27	27			18	18			894	894		
2012	WECC		Town of Fredonia	U.S.	41	41	-	-	17	17	-	-	(3)	(3)							1	1			1	1			26	26		
2012	WECC		Town of Stellacoom	U.S.	2,202	2,202	-	-	886	886	-	-	(165)	(165)							43	43			28	28			1,410	1,410		
2012	WECC		Town of Wickenburg	U.S.	1,451	1,451	-	-	584	584	-	-	(109)	(109)							28	28			19	19			930	930		
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	1,160	1,160	-	-	467	467	-	-	(87)	(87)							23	23			15	15			743	743		
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	112,804	112,804	-	-	45,368	45,368	-	-	(8,451)	(8,451)							2,190	2,190			1,438	1,438			72,260	72,260		
2012	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	401,111	401,111	-	-	161,318	161,318	-	-	(30,052)	(30,052)							7,788	7,788			5,113	5,113			256,943	256,943		
2012	WECC		Tri-State Generation & Transmission Association, Inc.	U.S.	147,765	147,765	-	-	59,428	59,428	-	-	(11,071)	(11,071)							2,869	2,869			1,884	1,884			94,655	94,655		
2012	WECC		Truckee Donner Public Utility District	U.S.	7,916	7,916	-	-	3,184	3,184	-	-	(593)	(593)							154	154			101	101			5,071	5,071		
2012	WECC		Tucson Electric Power Company	U.S.	753,908	753,908	-	-	303,206	303,206	-	-	(56,484)	(56,484)							14,638	14,638			9,611	9,611			482,937	482,937		
2012	WECC		Turlock Irrigation District	U.S.	112,507	112,507	-	-	45,248	45,248	-	-	(8,429)	(8,429)							2,184	2,184			1,434	1,434			72,069	72,069		
2012	WECC		U.S. Army Yuma Proving Ground	U.S.	1,105	1,105	-	-	444	444	-	-	(83)	(83)							21	21			14	14			708	708		
2012	WECC		U.S. BOR Columbia Basin	U.S.	1,622	1,622	-	-	652	652	-	-	(122)	(122)							31	31			21	21			1,039	1,039		
2012	WECC		U.S. BOR East Greenacres (Rathdrum)	U.S.	176	176	-	-	71	71	-	-	(13)	(13)							3	3			2	2			113	113		
2012	WECC		U.S. Bor Spokane Indian Development`	U.S.	166	166	-	-	67	67	-	-	(12)	(12)							3	3			2	2			107	107		
2012	WECC		U.S. BOR The Dalles Project	U.S.	969	969	-	-	390	390	-	-	(73)	(73)							19	19			12	12			621	621		
2012	WECC		U.S. DOE National Energy Technology Laboratory	U.S.	243	243	-	-	98	98	-	-	(18)	(18)							5	5			3	3			155	155		
2012	WECC		Umatilla Electric Cooperative Association	U.S.	54,381	54,381	-	-	21,871	21,871	-	-	(4,074)	(4,074)							1,056	1,056			693	693			34,835	34,835		
2012	WECC		Unit B Irrigation District	U.S.	1	1	-	-	0	0	-	-	(0)	(0)							0	0			0	0			1	1		
2012	WECC		US Air Force Base, Fairchild	U.S.	2,675	2,675	-	-	1,076	1,076	-	-	(200)	(200)							52	52			34	34			1,714	1,714		
2012	WECC		US Dept of Energy - Kirtland AFB	U.S.	22,643	22,643	-	-	9,106	9,106	-	-	(1,696)	(1,696)							440	440			289	289			14,505	14,505		
2012	WECC		USDOE Richland	U.S.	9,712	9,712	-	-	3,906	3,906	-	-	(728)	(728)							189	189			124	124			6,221	6,221		
2012	WECC		USN Naval Station, Bremerton	U.S.	14,608	14,608	-	-	5,875	5,875	-	-	(1,094)	(1,094)							284	284			186	186			9,358	9,358		
2012	WECC		USN Naval Station, Everett	U.S.	556	556	-	-	224	224	-	-	(42)	(42)							11	11			7	7			356	356		
2012	WECC		USN Submarine Base, Bangor	U.S.	9,308	9,308	-	-	3,743	3,743	-	-	(697)	(697)							181	181			119	119			5,962	5,962		
2012	WECC		Valley Electric Association, Inc.	U.S.	25,205	25,205	-	-	10,137	10,137	-	-	(1,888)	(1,888)							489	489			321	321			16,146	16,146		
2012	WECC		Vera Water and Power	U.S.	12,250	12,250	-	-	4,927	4,927	-	-	(918)	(918)							238	238			156	156			7,847	7,847		
2012	WECC		Vigilante Electric Cooperative, Inc.	U.S.	842	842	-	-	338	338	-	-	(63)	(63)							16	16			11	11			539	539		
2012	WECC		Wasco Electric Cooperative	U.S.	5,048	5,048	-	-	2,030	2,030	-	-	(378)	(378)							98	98			64	64			3,234	3,234		
2012	WECC		Wells Rural Electric Cooperative	U.S.	35,529	35,529	-	-	14,289	14,289	-	-	(2,662)	(2,662)							690	690			453	453			22,759	22,759		
2012	WECC		Wellton-Mohawk Irrigation & Drainage District	U.S.	380	380	-	-	153	153	-	-	(28)	(28)							7	7			5	5			243	243		
2012	WECC		West Oregon Electric Cooperative, Inc.	U.S.	677	677	-	-	272	272	-	-	(51)	(51)							13	13			9	9			433	433		
2012	WECC		Western Area Power - Loveland, CO	U.S.	12,774	12,774	-	-	5,138	5,138	-	-	(957)	(957)							248	248			163	163			8,183	8,183		
2012	WECC		Western Area Power - Loveland, CO	U.S.	84,713	84,713	-	-	34,070	34,070	-	-	(6,347)	(6,347)							1,645	1,645			1,080	1,080			54,265	54,265		
2012	WECC		Western Area Power Administration - CRSP	U.S.	72,814	72,814	-	-	29,284	29,284	-	-	(5,455)	(5,455)							1,414	1,414			928	928			46,643	46,643		
2012	WECC		Western Area Power Administration - Sierra Nevada Region	U.S.	82,943	82,943	-	-	33,358	33,358	-	-	(6,214)	(6,214)							1,610	1,610			1,057	1,057			53,131	53,131		
2012	WECC		Western Area Power Administration-Desert Southwest Regic	U.S.	115,028	115,028	-	-	46,262	46,262	-	-	(8,618)	(8,618)							2,233	2,233			1,466	1,466			73,684	73,684		
2012	WECC		Western Area Power Administration-Upper Great Plains Regi	U.S.	397	397	-	-	160	160	-	-	(30)	(30)							8	8			5	5			254	254		
2012	WECC		Western Area Power Administration-Upper Great Plains Regi	U.S.	12,312	12,312	-	-	4,952	4,952	-	-	(922)	(922)							239	239			157	157			7,887	7,887		
2012	WECC		Yakama Power	U.S.	1,165	1,165	-	-	468	468	-	-	(87)	(87)							23	23			15	15			746	746		
2012	WECC		Yampa Valley Electric Association	U.S.	30,798	30,798	-	-	12,386	12,386	-	-	(2,307)	(2,307)							598	598			393	393			19,729	19,729		
2012	WECC		Yuma Irrigation District	U.S.	173	173	-	-	70	70	-	-	(13)	(13)							3	3			2	2			111	111		
2012	WECC		Yuma-Mesa Irrigation District	U.S.	9	9	-	-	4	4	-	-	(1)	(1)							0	0			0	0			6	6		
			TOTAL WECC		45,787,291	39,148,539	5,974,286	664,466	18,563,902	15,744,716	2,570,578	248,608	(2,933,050)	(2,933,050)							(0)	760,109	(772,111)	12,002	588,408	499,050	81,478	7,880	29,568,031	25,077,715	4,094,340	395,976
	TOTAL ERO				122,251,387	109,046,595	12,540,326	664,466	90,404,925	83,077,026	7,079,291	248,608	(6,389,349)	(6,389,349)	-	(168,478)	168,478	8,079,372	6,190,522	1,888,850	(0)	760,109	(772,111)	12,002	588,408	499,050	81,478	7,880	29,568,031	25,077,715	4,094,340	395,976

Summary by Regional Entity

2012	FRCC	5,488,057	5,488,057	-	-	5,831,057	5,831,057	-	-	(343,000)	(343,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	MRO	8,741,444	7,339,364	1,402,080	-	8,877,944	7,475,864	1,402,080	-	(136,500)	(136,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	NPCC	13,611,881	8,447,921	5,163,960	-	5,685,509	2,578,877	3,106,632	-	(153,000)	(153,000)	-	(168,478)	168,478	8,079,372	6,190,522	1,888,850	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	RFC	15,159,784	15,159,784	-	-	16,517,917	16,517,917	-	-	(1,358,133)	(1,358,133)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	SERC	13,734,499	13,734,499	-	-	14,288,999	14,288,999	-	-	(554,500)	(554,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	SPP	9,219,123	9,219,123	-	-	9,727,456	9,727,456	-	-	(508,333)	(508,333)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	TRE	10,509,308	10,509,308	-	-	10,912,141	10,912,141	-	-	(402,833)	(402,833)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	WECC	45,787,291	39,148,539	5,974,286	664,466	18,563,902	15,744,716	2,570,578	248,608	(2,933,050)	(2,933,050)	-	-	-	-	-	-	(0)	760,109	(772,111)	12,002	588,408	499,050	81,478	7,880	29,568,031	25,077,715	4,094,340	395,976
Total		122,251,387	109,046,595	12,540,326	664,466	90,404,925	83,077,026	7,079,291	248,608	(6,389,349)	(6,389,349)	-	(168,478)	168,478	8,079,372	6,190,522	1,888,850	(0)	760,109	(772,111)	12,002	588,408	499,050	81,478	7,880	29,568,031	25,077,715	4,094,340	395,976		

DOCKET NO. RR13-__-000

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

2014 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 3

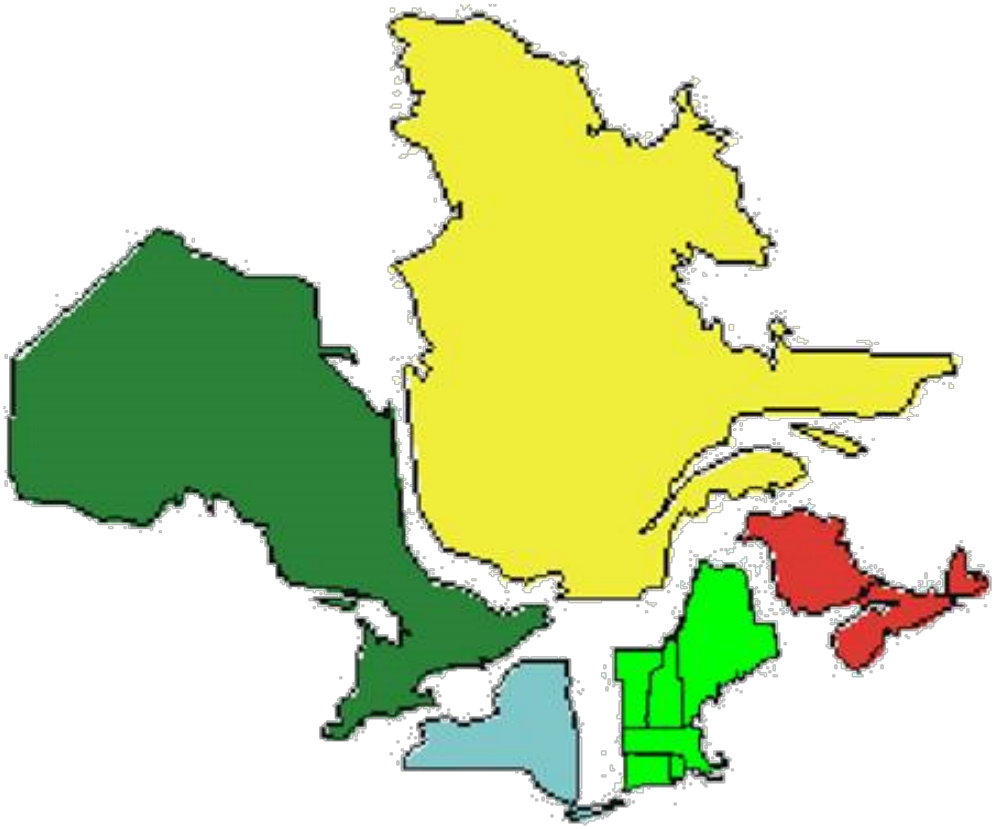
NORTHEAST POWER COORDINATING COUNCIL, INC.

PROPOSED 2014 BUSINESS PLAN AND BUDGET

NORTHEAST POWER COORDINATING COUNCIL, INC.
1040 AVE. OF THE AMERICAS, NEW YORK, NY 10018 (212) 840-1070 FAX (212) 302-2782

Northeast Power Coordinating Council, Inc. (NPCC)

2014 Business Plan and Budget



Approved by
NPCC Board of Directors
June 25, 2013
Resubmitted to NERC August 6, 2013

Table of Contents

Introduction

Total NPCC Resources (in whole dollars)	2014 Budget	U.S.	Canada	Mexico
Regional Entity Division FTEs	36.86			
Criteria Services Division FTEs	2.14			
Total FTEs	**39.0**			
Regional Entity Division Expenses	$14,271,006			
Criteria Services Division Expenses	$1,089,100			
Total Expenses	**$15,360,106**			
Regional Entity Division Inc(Dec) in Fixed Assets	**($142,000)**			
Criteria Services Division Inc(Dec) in Fixed Assets	**($24,000)**			
Total Inc(Dec) in Fixed Assets	**($166,000)**			
Regional Entity Division Working Capital Requirement**	**($300,126)**			
Criteria Services Division Working Capital Requirement***	**($75,391)**			
Total Working Capital Requirement	**($375,517)**			
Total Regional Entity Division Funding Requirement	$13,828,880			
Total Criteria Services Division Funding Requirement	$989,708			
Total Funding Requirement	**$14,818,588**			
Regional Entity Division Assessments	**$13,611,880**	**$8,616,399**	**$4,995,482**	
Regional Entity Division Assessments Percentage	**100.0%**	**63.3%**	**36.7%**	
Criteria Services Division Membership Fees	**$989,708**	**$448,919**	**$540,789**	
Total NPCC Assessments & Membership Fees	**$14,601,588**	**$9,065,318**	**$5,536,270**	
NEL	641,382,000	290,923,000	350,459,000	
NEL %	100%	45.36%	54.64%	

** Refer to Table B-1 on page 75 in Section B.
*** Refer to the Reserve Analysis on page 95 in Section C.

2014 Overview of Total NPCC Resource Requirements

Due to the international nature of NPCC, the total resource requirements including both Regional Entity division and Criteria Services division are identified above. The individual divisional explanations are contained in subsequent sections.

NPCC proposes to increase its total funding requirement from $13,903,753 to $14,818,588 in 2014, an increase of $914,835 or 6.6%. The proposed 2014 funding requirements will be satisfied by a Regional Entity division assessment of $13,611,880 and Criteria Services division fees of $989,708 an overall increase of 8.22% compared to the 2013 total funding requirement of $13,491,954. NPCC believes that the Region remains an effective provider of Regional Entity and Criteria Services division functions. NPCC's corporate culture centers on consistent delivery of excellent results at a cost that is considerate of the longstanding tradition in the Northeast of affordable and reliable electricity.

Organizational Overview

Northeast Power Coordinating Council, Inc. (NPCC) is a 501(c)(6) not-for-profit corporation in the state of New York responsible for promoting and improving the reliability of the international, interconnected bulk power systems in Northeastern North America through (i) the development of Regional Reliability Standards and compliance assessment and enforcement of continent-wide and Regional Reliability Standards, coordination of system planning, design and

operations, and assessment of reliability (collectively, Regional Entity activities), and (ii) the establishment of Regionally-specific criteria, and monitoring and enforcement of compliance with such criteria (collectively, criteria services activities). NPCC provides the functions and services for Northeastern North America of a cross-border Regional Entity through a Regional Entity division, as well as Regionally-specific criteria services for Northeastern North America through a criteria services division. NPCC's website is www.npcc.org.

The NPCC Region covers nearly 1.2 million square miles and is populated by more than 56 million people. NPCC U.S. includes the six New England states and the state of New York. NPCC Canada includes the provinces of Ontario, Québec and the Maritime provinces of New Brunswick and Nova Scotia. In total, from a net energy for load perspective, NPCC is approximately 46% U.S. and 54% Canadian. With regard to Canada, approximately 70% of Canadian net energy for load is within the NPCC Region.

Effective January 1, 2012, NPCC executed an Amended and Restated Regional Delegation Agreement with the North American Electric Reliability Corporation (NERC) that delegates to NPCC certain responsibilities and authorities of a cross-border Regional Entity as defined by *Section 215* of the Federal Power Act in the U.S. In addition, NPCC has executed Memoranda of Understanding with Canadian provincial regulatory and/or governmental authorities in Ontario, Québec, New Brunswick and Nova Scotia.

In this 2014 business plan, NPCC has not included discretionary programs and has balanced the limited availability of funds with international reliability interests. The NPCC Board of Directors in its approval of the 2013 NPCC Business Plan and Budget tasked NPCC with establishing a base operating budget for 2014 reflecting the costs of efficient execution of existing operations and, in conjunction with NERC and other Regional Entities, developing justification for any necessary increases in resources to address identified additional requirements and proposing a long term strategy showing a measured growth approach in NPCC's Regional Entity division operations.

It is imperative that NPCC maintain its ability to carry out delegated authorities and responsibilities. NPCC has a 2014 targeted staffing level of 39 power industry professionals and support personnel. Details of the 2014 business plans and budget for each program area are included in Section A for the Regional Entity division. The 2014 Regional Entity division schedules are shown in Section B. Section C details the 2014 criteria services division business plan and budget.

Membership and Governance

NPCC monitors approximately 292 registered entities and some 577 functions in the Region for compliance with mandatory Reliability Standards. NPCC currently has approximately 79 members. There are two categories of membership, General and Full. The two categories distinguish between Regional Entity delegated services that are provided in support of the U.S. FERC and Canadian provincial MOUs or Agreements with regulatory and/or governmental authorities, and Criteria Services which FERC references as U.S. non-delegated activities.

General Membership is voluntary and is open to any person or entity, including any entity participating in the Registered Ballot Body of the Electric Reliability Organization (ERO) that has an interest in the reliable operation of the Northeastern North American bulk power system. General Members which are also registered entities within the NPCC Region are subject to

compliance with Reliability Standards, consistent with their registration, and also receive additional services from the Regional Entity division of NPCC.

Full Membership is available to Members which are already General Members and participate in electricity markets in the Northeast. Independent system operators (ISOs), Regional transmission organizations (RTOs), Transcos and other organizations or entities that perform the Balancing Authority function operating in Northeastern North America are expected to be Full Members of NPCC. The New York State Reliability Council and any other sub-regional reliability councils which may be formed are also expected to be Full Members. Full Members are subject to compliance with Regionally-specific more stringent reliability criteria for their generation and transmission facilities on which faults or disturbances can have a significant adverse impact outside of the local area and which are identified utilizing a reliability impact-based methodology, in addition to Reliability Standards, and receive additional services from the Criteria Services division of NPCC, which is not funded through the ERO.

Since January 1, 2012 NPCC is governed by a Board of Directors consisting of seven stakeholder voting sectors consisting of a maximum of two directors per sector, an independent sector consisting of two independent directors, an independent Board Chair with voting rights to preclude board deadlocks, and the President and CEO. Within NPCC, no two sectors can control and no one sector can block action. The voting sectors include:

Sector 1) Transmission Owners
Sector 2) Reliability Coordinators
Sector 3) Transmission Dependent Utilities, Distribution Companies, Load Serving Entities
Sector 4) Generator Owners
Sector 5) Marketers, Brokers and Aggregators
Sector 6) Regulators
Sector 7) Sub-Regional Reliability Councils, Customers, other Regional Entities and Interested Entities
Sector 8) Independent

A Finance and Audit Committee (FAC), a Pension Committee, a Corporate Governance and Nominating Committee (CGNC), and a Management Development and Compensation Committee (MDCC) advise the Board on finance, governance, compensation and human resource matters. The Board endorses a non-employee, Certified Public Accountant for election by the NPCC Members as Treasurer of the corporation. The Treasurer chairs the FAC and works with the Chief Operating Officer who provides oversight of the finances of the corporation. The Treasurer reports to the Board on the corporation's financial position, on FAC activities, on tax code requirements, and on independent annual audit results and accounting practices.

The Regional Standards Committee (RSC), the Compliance Committee (CC), the Reliability Coordinating Committee (RCC), and the Public Information Committee, consistent with their approved scopes, are responsible for various reliability issues. The RSC, CC and RCC also provide technical policy recommendations to the Board. All General and Full Members are eligible for representation on the technical committees.

Industry technical experts from within the membership provide valuable input to the Board through various working groups and task forces as well as the committees. The *Amended and Restated Bylaws* will continue to establish NPCC's independence from users, owners and

operators of the bulk power system through the enhanced governance structure while providing fair stakeholder representation in the selection of officers. The members, from each of the seven stakeholder voting sectors, vote to elect directors in their respective sector. The Amended and Restated Bylaws establish criteria for board service for both stakeholder and independent directors. Independent Directors will be drawn from diverse backgrounds and will possess a broad range of industry expertise, perspectives, experiences, skill sets and knowledge to contribute to the effective functioning of a hybrid board structure.

Compliance and enforcement activities are carried out by the NPCC compliance staff and are independent of all users, owners and operators of the international bulk power system and from the Hearing Officer. Compliance activities are governed in the United States by the *Amended and Restated Regional Delegation Agreement* between NERC and NPCC, delegating portions of NERC's authority as the ERO to NPCC. NPCC compliance activities in Canada are governed by an individual provincial Memorandum of Understanding (MOU) for each province providing the unique parameters for compliance and enforcement activities for each of the provinces. A MOU between the Independent Electricity System Operator in Ontario (IESO), NERC and NPCC establishes roles and responsibilities with regard to that province. NPCC, NERC and the New Brunswick System Operator are parties to a MOU that sets forth reliability activities for New Brunswick. The Régie de l'énergie, NERC and NPCC executed a MOU regarding the development of electric power transmission Reliability Standards and a program for the monitoring of the application of these standards for Québec. NPCC, NERC and Nova Scotia executed a MOU that sets forth the mutual understanding of the parties in relation to the approval and implementation of NERC Reliability Standards and NPCC Regional reliability criteria for the province of Nova Scotia.

International Foundation

The Regional Entity functions and services differ according to particular regulatory backstop:

a) U.S. Foundation

The Federal Energy Regulatory Commission (FERC) certified NERC as the Electric Reliability Organization (ERO) on July 20, 2006. The ERO is responsible for developing and enforcing reliability standards within the United States. In executing part of its responsibilities, NERC delegates authority to the Regional Entities to perform certain functions through delegation agreements. Ensuring the reliability of the bulk power system in the state of New York and the six New England States was delegated from NERC to NPCC through the Amended and Restated Regional Delegation Agreement.

b) Ontario

On February 5, 2010, NERC, NPCC and the IESO amended and restated their earlier MOU, dated November 29, 2006, setting forth their mutual understanding as regards NERC's and NPCC's status in Ontario with respect to standard and criteria development, compliance enforcement, and other related matters. The IESO, whose statutory responsibilities include making and enforcing reliability standards, and making and enforcing Ontario market rules that govern the IESO-controlled grid and the wholesale electricity market, was established April 1, 1999 as the Independent Electricity Market Operator in Ontario under the *Electricity Act, 1998* (Ontario). The IESO is subject to the regulatory oversight of the Ontario Energy Board (OEB).

Among other things, the MOU recognizes that NERC and NPCC are standards authorities under the *Electricity Act, 1998* (Ontario). Additionally, under the authority of that same legislation, and as memorialized in the MOU, the NERC reliability standards and NPCC reliability criteria

have effect in Ontario. However a 2008 amendment to the Electricity Act, 1998 (Ontario) allows the OEB to review these standards and criteria and issue orders preventing their implementation and remanding them back to NERC and NPCC.

The IESO is subject to compliance monitoring and enforcement by NPCC. The IESO is also subject to compliance monitoring and enforcement of the Ontario market rules by the IESO's Market Assessment and Compliance Division (MACD) that operates at arm's length from the IESO's business units. The MOU notes that where MACD, NERC, and NPCC engage in investigations pursuant to their respective mandates regarding compliance, MACD can request to take the lead. Moreover, of the three, MACD is the only entity that can assess financial penalties for any Ontario market participant's or the IESO's non-compliance with Ontario market rules, which includes non-compliance with NERC standards and NPCC criteria.

The MOU provides for a peer review process to promote the common compliance and enforcement objectives of NERC/NPCC and MACD. From the perspective of NPCC and NERC, this process, in part, is meant to assure registered entities outside of Ontario that the MACD program is rigorous, thorough and reliable.

The IESO is subject to NPCC assessments of compliance, including audits, as well as NPCC remedial action directives to correct non-compliance. In the event that the IESO disagrees with NPCC's finding of a violation or associated assessment of sanctions in connection with standards and criteria, the IESO has a right to a compliance hearing with NPCC.

c) Québec

The Régie de l'énergie, NERC and NPCC are parties to the May 8, 2009 *Agreement on the Development of Electric Power Transmission Reliability Standards and of Procedures and a Program for the Monitoring of the Application of These Standards for Québec* (the Agreement). Under the terms of the Agreement, the Régie de l'énergie , which is charged with ensuring the reliability of the electric transmission in Québec, retained NPCC and NERC as experts to develop reliability standards and monitoring program procedures for the province. The Agreement contemplates the execution of a second agreement at a later date that will detail the mandates granted to NPCC and NERC by the Régie de l'énergie.

The Régie de l'énergie is a public body established by the *Act respecting the Régie de l'énergie* (the Act). Pursuant to its authority under the Act, the Régie de l'énergie issued its Decision D-2007- 95 of August 14, 2007, designating the Direction – Contrôle des mouvements d'énergie (System Control unit) of Hydro-Québec TransÉnergie (HQTE) as the Reliability Coordinator for Québec. In accordance with its mandate and as recognized in the Agreement, it is this entity that filed the application for approval of reliability standards and monitoring program procedures developed by NERC and NPCC for approval by the Régie de l'énergie.

At this time, while final regulatory approval of the implementing agreements is pending, NPCC is proceeding with its reliability assurance activities within Québec, including but not limited to events analysis, compliance audits and compliance investigations, consistent with the NPCC Amended and Restated Bylaws. The Régie de l'énergie, NERC and NPCC will execute a second agreement, which is currently being negotiated, to provide that NERC and NPCC will perform various processes including investigative functions and report their findings and any recommendations to the Régie de l'énergie. The investigative functions include, among other things, performing audits to determine if there is any basis for a violation of reliability standards.

The Régie de l'énergie will handle reliability enforcement, including imposing any sanctions and penalties.

d) New Brunswick

The New Brunswick System Operator (NBSO), NPCC and NERC are parties to a November 19, 2008 MOU. The NBSO is a not-for-profit corporation which was established on October 1, 2004 under the Electricity Act (NB) and charged with developing and administering the wholesale electricity market and maintaining reliability of the integrated power system in New Brunswick. The Electricity Act (NB) also introduced mandatory reliability requirements for the bulk power system in the province. The NBSO is responsible under the Electricity Act (NB) to make and enforce the New Brunswick Electricity Market Rules ("Market Rules"), including developing, adopting and enforcing mandatory reliability requirements.

The MOU recognizes that both NERC and NPCC are "standards authorities" within the context of the Electricity Act (NB) and as defined in the Market Rules. Indeed, NERC and NPCC reliability standards are adopted under the Market Rules and are, therefore, currently in effect in New Brunswick.

The MOU provides that NPCC has responsibilities regarding compliance assessment and enforcement of NERC reliability standards that are applicable in New Brunswick. NPCC will monitor and assess NBSO compliance with standards and criteria that are applicable to the NBSO for its registered functions. NPCC will make recommendations to the New Brunswick Energy and Utilities Board regarding sanctions and penalties for any non-compliance as the MOU does not provide NPCC with that authority. The NBSO will be responsible for registering, monitoring, assessing and enforcing compliance for New Brunswick entities. To the extent that the NBSO imposes penalties on market participants for non-compliance, those monies will be dispensed in accordance with the provisions of the Market Rules.
Throughout the term of the MOU, NBSO and NPCC will work cooperatively in identifying ongoing opportunities to enhance NBSO's compliance program applicable to New Brunswick entities which may include periodic reviews by NPCC and the sharing of best practices.

e) Nova Scotia

Nova Scotia Power Incorporated (NSPI), NPCC and NERC are parties to a May 11, 2010 Memorandum of Understanding regarding the approval and implementation of mandatory NERC reliability standards and NPCC Regional reliability criteria. Pursuant to the MOU's terms, NERC and NPCC filed standards and criteria with the Nova Scotia Utility and Review Board (NSUARB) for approval on June 30, 2010 and June 29, 2010, respectively. A decision from the NSUARB on both NERC and NPCC filings was rendered on July 20, 2011. Hence, the standards and criteria are mandatory in Nova Scotia and NSPI will be subject to the NERC compliance monitoring and enforcement program, as implemented by NPCC.

NPCC will conduct compliance activities with respect to the standards and then forward any non-compliance information and recommendations to the NSUARB for use in enforcement proceedings. Enforcement will be administered by the NSUARB which will, among other things, determine whether a violation has occurred and, if so, what remedial measures or non-monetary penalties should be imposed.

Regional Entity Division Functional Scope

NPCC's Regional Entity division functions in support of the ERO include:

- Active participation in the development of North American Reliability Standards for the bulk power system, and as needed development of Reliability Standards applicable within the NPCC cross-border Regional Entity
- Monitoring and enforcement of approved Reliability Standards, including the registration of responsible entities, and as needed certification of such entities
- Assessment of the present and future reliability of the bulk power system
- Operational coordination and situation awareness support
- Event analysis and identifying lessons learned to improve reliability
- Effective training and education of reliability personnel
- Promoting the protection of critical electric infrastructure

In recognition of the delegated compliance role of Regional Entities as an important means to enhancing reliability, NPCC has designated a significant percentage of its staff resources to compliance monitoring and enforcement. NPCC has also developed and deployed a robust set of online tools for gathering data, analysis, and tracking of compliance information to support its ability to carry out its responsibilities in a cost effective manner.

NPCC has organized the remaining staff into program areas consistent with EPAct 2005 to address the other functions listed above. These experts in operations, planning and reliability analysis assist registered entities in assessing and improving reliability. It is in support of these areas that NPCC engages the majority of industry experts on its technical committees.

2014 Key Assumptions and 2014 Goals and Key Deliverables

NERC and the eight Regional Entities collaborated in the development of a common set of business planning assumptions, goals and key deliverables for the 2014 through 2016 period. The results from that collaboration are included as a set of common assumptions in Exhibit A to the NERC 2014 Business Plan and Budget and may be referenced by the users of this document.

2014 Overview of Regional Entity Division Cost Impacts

NPCC proposes to increase its Regional Entity division funding requirement from $12,764,064 to $13,828,880 in 2014, an increase of $1,064,817 or 8.3%. The proposed Regional Entity division assessment of $13,611,880 to support the budget is an increase of 10.2% compared to the 2013 assessment of $12,352,264.

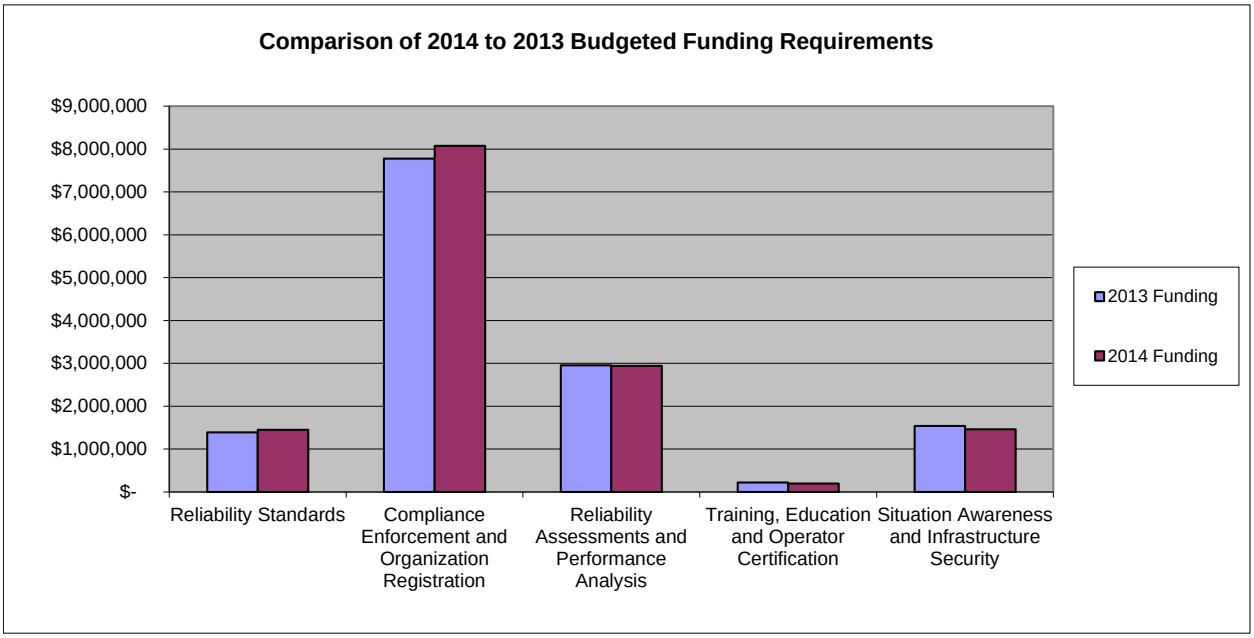
2013 Projections

Current year projections are taken into consideration in development of the budget. Expenses are currently projected to be on budget or slightly under budget in all areas. Professional fees are expected to be slightly lower than budget due to lower legal fees resulting from the retention of in-house counsel in 2012. 2013 Projections reflect expectations based on the first quarter statement of activities. It is anticipated that projections could change throughout 2013 and would be reflected in each subsequent quarter's statement of activities.

Summary by Program

Program	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Reliability Standards	$ 1,390,980	$ 1,390,980	$ 1,447,330	$ 56,350	4.1%
Compliance Enforcement and Organization Registration	$ 7,777,333	$ 7,777,333	$ 8,079,371	$ 302,039	3.9%
Reliability Assessments and Performance Analysis	$ 2,956,639	$ 2,956,639	$ 2,942,339	$ (14,300)	-0.5%
Training, Education and Operator Certification	$ 217,617	$ 217,617	$ 195,855	$ (21,761)	-10.0%
Situation Awareness and Infrastructure Security	$ 1,536,658	$ 1,536,658	$ 1,464,111	$ (72,547)	-4.7%
Total	$ 13,879,226	$ 13,879,226	$ 14,129,006	$ 249,780	1.8%

This chart does not include allocation of working capital requirements among the Program Areas.



This chart does not include allocation of working capital requirements among the Program Areas.

Personnel Analysis

Total FTE's by Program Area	Budget 2013	Projection 2013	Direct FTEs 2014 Budget	Shared FTEs[1] 2014 Budget	Total FTEs 2014 Budget	Change from 2013 Budget
REGIONAL ENTITY DIVISION						
Operational Programs						
Reliability Standards	2.93	2.93	2.00	0.93	2.93	0.00
Compliance Monitoring and Enforcement and Organization Registration and Certification	15.00	15.00	16.00	0.00	16.00	1.00
Training, Education, and Operator Certification	0.10	0.10	0.10	0.00	0.10	0.00
Reliability Assessment and Performance Analysis	5.83	5.83	4.90	0.93	5.83	0.00
Situation Awareness and Infrastructure Security	3.00	3.00	3.00	0.00	3.00	0.00
Total FTEs Operational Programs	**26.86**	**26.86**	**26.00**	**1.86**	**27.86**	**1.00**
Administrative Programs						
Technical Committees and Member Forums	0.50	0.50	0.50	0.00	0.50	0.00
General and Administrative	2.50	2.50	2.50	0.00	2.50	0.00
Information Technology	3.00	3.00	3.00	0.00	3.00	0.00
Legal and Regulatory	1.00	1.00	1.00	0.00	1.00	0.00
Human Resources	1.00	1.00	1.00	0.00	1.00	0.00
Accounting and Finance	1.00	1.00	1.00	0.00	1.00	0.00
Total FTEs Administrative Programs	**9.00**	**9.00**	**9.00**	**0.00**	**9.00**	**0.00**
Total FTEs	**35.86**	**35.86**	**35.00**	**1.86**	**36.86**	**1.00**

[1]A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.

2013 Budget and Projection and 2014 Budget Comparisons

Statement of Activities and Capital Expenditures
2013 Budget & Projection, and 2014 Budget

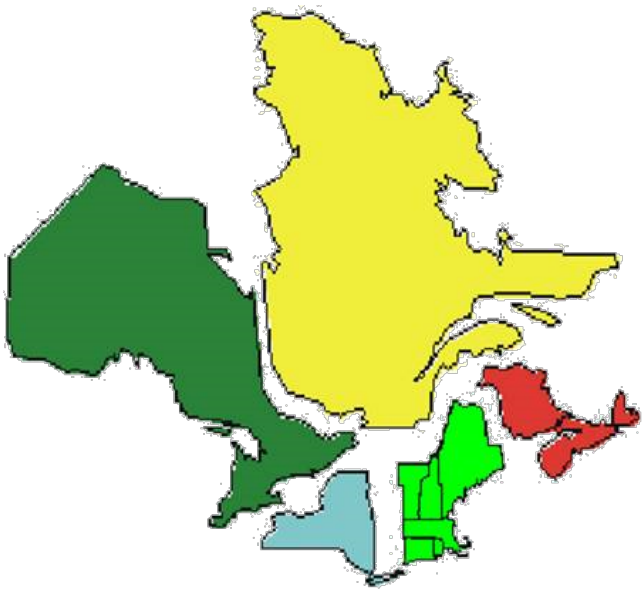
REGIONAL ENTITY DIVISION

		2013 Budget	2013 Projection	Variance[2] 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding						
ERO Funding						
	ERO Assessments	$ 12,352,264	$ 12,352,264	$ -	$ 13,611,880	$ 1,259,617
	Penalty Sanctions[1]	297,300	297,300	-	153,000	(144,300)
Total ERO Funding		**$ 12,649,564**	**$ 12,649,564**	**$ -**	**$ 13,764,880**	**$ 1,115,317**
	Membership Dues	-	-	-	-	-
	Testing Fees	-	-	-	-	-
	Services & Software	-	-	-	-	-
	Workshops	80,000	80,000	-	64,000	(16,000)
	Interest	-	-	-	-	-
	Miscellaneous	34,500	34,500	-	-	(34,500)
Total Funding (A)		**$ 12,764,064**	**$ 12,764,064**	**$ -**	**$ 13,828,880**	**$ 1,064,817**
Expenses						
Personnel Expenses						
	Salaries	$ 5,677,141	$ 5,677,141	$ -	$ 5,911,227	$ 234,086
	Payroll Taxes	377,689	377,689	-	384,311	6,622
	Benefits	1,331,302	1,331,302	-	1,430,261	98,959
	Retirement Costs	1,092,565	1,092,565	-	1,124,361	31,796
Total Personnel Expenses		**$ 8,478,697**	**$ 8,478,697**	**$ -**	**$ 8,850,160**	**$ 371,463**
Meeting Expenses						
	Meetings	$ 377,000	$ 377,000	$ -	$ 365,000	$ (12,000)
	Travel	855,000	855,000	-	890,000	35,000
	Conference Calls	87,000	87,000	-	77,000	(10,000)
Total Meeting Expenses		**$ 1,319,000**	**$ 1,319,000**	**$ -**	**$ 1,332,000**	**$ 13,000**
Operating Expenses						
	Consultants & Contracts	$ 2,113,000	$ 2,113,000	$ -	$ 1,924,433	$ (188,567)
	Office Rent	706,500	706,500	-	737,272	30,772
	Office Costs	468,500	468,500	-	536,500	68,000
	Professional Services	1,120,000	1,060,000	(60,000)	966,500	(153,500)
	Computer & Equipment Leases	-	-	-	-	-
	Miscellaneous	80,000	80,000	-	80,000	-
	Depreciation	192,510	192,510	-	250,000	57,490
Total Operating Expenses		**$ 4,680,510**	**$ 4,620,510**	**$ (60,000)**	**$ 4,494,705**	**$ (185,805)**
	Total Direct Expenses	**$ 14,478,207**	**$ 14,418,207**	**$ (60,000)**	**$ 14,676,865**	**$ 198,658**
Indirect Expenses		**$ (406,471)**	**$ (406,471)**	**$ -**	**$ (405,859)**	**$ 612**
Other Non-Operating Expenses		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)		**$ 14,071,736**	**$ 14,011,736**	**$ (60,000)**	**$ 14,271,006**	**$ 199,270**
Change in Assets		**$ (1,307,673)**	**$ (1,247,673)**	**$ 60,000**	**$ (442,126)**	**$ 865,547**
Fixed Assets						
	Depreciation	$ (192,510)	$ (192,510)	$ -	$ (250,000)	$ (57,490)
	Computer & Software CapEx	-	-	-	108,000	108,000
	Furniture & Fixtures CapEx	-	-	-	-	-
	Equipment CapEx	-	-	-	-	-
	Leasehold Improvements	-	-	-	-	-
	Allocation of Fixed Assets	(0)	(0)	-	(0)	-
Inc(Dec) in Fixed Assets (C)		**(192,510)**	**(192,510)**	**-**	**(142,000)**	**50,510**
TOTAL BUDGET (=B+C)		**$ 13,879,226**	**$ 13,819,226**	**$ (60,000)**	**$ 14,129,006**	**$ 249,780**
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)		**$ (1,115,163)**	**$ (1,055,163)**	**$ 60,000**	**$ (300,126)**	**$ 815,037**

(1) $153,000 of penalty sanctions collected to date and prior to June 30, 2012.

(2) 2013 Projections reflect expectations based on the 1st quarter statement of activities. It is anticipated that projections could change throughout 2013 and would be reflected in each subsequent quarter's statement of activities.

Section A – Regional Entity Division
2014 Business Plan and Budget



Section A — 2014 Business Plan

Reliability Standards Program

Reliability Standards Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	2.93	2.93	0.00
Direct Expenses	$855,456	$917,936	$62,480
Indirect Expenses	$556,523	$555,686	($837)
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	($21,000)	($26,292)	($5,292)
Total Funding Requirement	$1,390,980	$1,447,330	$56,350

Program Scope and Functional Description

The NPCC Reliability Standards program operates in accordance with NPCC's filed and approved Delegation Agreement "Exhibit C", and NERC Rules of Procedure Section 300. The program supports the ERO standards program area goal by providing supporting activities for the development of clear, reasonable and technically sound mandatory "results based" reliability standards in a timely and efficient manner. The primary objective of NPCC's program area is to support the development of standards which establish threshold requirements for ensuring the bulk power system is planned, operated, and maintained in a manner that minimizes risks of cascading failures, avoids damage to major equipment, is responsive to risks, or limits interruptions of bulk power supply. At a Regional level, the program develops Regional Reliability Standards and ensures that Regional reliability criteria, contained in the form of Directories, are not inconsistent with any applicable NERC and Regional Reliability Standards. The NPCC Reliability Standards program also supports and participates in the development, revision, and maintenance of NERC Reliability Standards, initiates new regional or continent wide reliability standards when necessary, and provides a forum for the comprehensive review and improvement of existing and developing standards. The NPCC Reliability Standards program supports the reliability of the bulk power system by:

- Facilitating active participation of NPCC regional industry stakeholders in all NERC Reliability Standards activities to promote the development of quality standards in a timely and efficient manner.
- Development and maintenance of Regional Standards as necessary to address regional reliability related issues or risks and ensure those standards are not inconsistent with the NERC continent wide standards. These regional standards contain requirements that are more stringent, add specificity to or augment the NERC Continent-wide standards.
- Maintaining technical reference documents as required

Funding Drivers and Reliability Benefits

- Expanded Scope of Standards activities
  - Responding to increasing amount of FERC Rulings, NOPRs, preliminary staff assessments, and FERC issued Directives[1]
  - Providing support for increased standard development activities as outlined in the 2013-2015 Reliability Standards Development Plan and assuming an active role in the newly formed NERC Project Management Oversight Subcommittee ("PMOS") [2]
  - Participating in other Regional Entities' standards development processes through review, comment and active participation on drafting teams and activities[3]
  - Participating in informal activities of standards development to promote consensus early in project development and provide technical guidance[4]
  - Providing a forum for all NPCC representatives on the NERC and neighboring Regional Entities' drafting teams[5]
  - Promote and assist with the Cost Effective Analysis Process ("CEAP") to ensure standards have the most cost effective requirements which meet the reliability objectives of standards under development[6]
  - Actively coordinating and reviewing Compliance Application Notices ("CANs") to ensure no reliability requirements have been changed as a result.
  - Provide NPCC Regional point of contact for the new Reliability Issues Steering Committee ("RISC") to provide emerging and existing BES reliability related risks and potential gaps in the existing NERC standards[7]
- Increased Number of Standards Projects
  - In 2014 NERC is envisioned to have a revised Standards Development Process in place and standards productivity will rise, requiring additional resources to respond to this increase in through-put.
  - Active NERC Projects in the standards area are also expected to increase to address FERC outstanding directives from Order 693 as well as other orders.
  - The concept of informal development was introduced in 2013 and will be expanded to include more standards development projects in 2014 requiring more technical support, participation, and facilitation.
  - NERC has developed a rapid revision procedure to allow it to revise standards in a more expeditious manner that may need clarification or address some deficiency.

[1] ERO Goal 1.a. Address all new FERC directives within one year or two years if technical study is required; close existing directives by 2015 (by filing or negotiated resolution)

[2] ERO Goal 1.a Standards are timely, clear and responsive to reliability and security risk

[3] ERO Goal 1.a. Standards are timely, clear and responsive to reliability and security risks, and
ERO Goal 1.b. Consolidate to a common set of application guides or RSAWs for all standard

[4] ERO Goal 1.a. Complete standards development governance and process reforms as identified in 2012 resolutions by the NERC Board of Trustees.

[5] ERO Goal 1.a. Standards are timely, clear and responsive to reliability and security risks.

[6] ERO Goal 1.b. Explore options for assessing the cost effectiveness of appropriate reliability standards

[7] ERO Goal 1. b. Facilitate smooth transition of new standards (e.g., CIP Version 5)

  - NPCC is assisting with the Project Management Oversight Subcommittee (PMOS) which is responsible for managing the development of NERC standards projects and tracking Paragraph 81 Phase 2 retirement candidates[8]

- Cost Effectiveness Analysis Process or CEAP is being piloted in 2013 and expected to be broadly implemented at NERC in 2014. Further resources required to evaluate the standards from a "cost benefit" and also a "cost effectiveness" perspective will be required. [9]
- NERC Reliability Standards will continue to require Violation Risk Factors (VRFs) to be developed and NERC is reviewing additional levels of VRF and development of a Sanction Matrix which is envisioned to replace the Violation Severity Levels (VSLs).
- Expanded efforts to educate and inform stakeholders in the areas of NERC and NPCC Regional Standards with anticipated additional forums such as increases in the amount of Internet based meetings and technical conferences.[10]
- Revision of the Bulk Electric System definition and associated exception processes being developed by NERC may create the need for potential revisions to ERO standards, Regional differences or variances and revisions to developing Regional Standards requirements.
- NERC remains committed to a five year review of approved standards. 2013 marked the sixth year since NERC's first set of standards became mandatory and enforceable in the United States in Order 693. Many of those standards, which have not yet been revised as a result of Directives or other need, are now due for that five-year review and substantial resources will be required to meet this regulatory obligation. There now is a strategic effort to address all directives and standards due for their 5 year review.[11]

2014 Key Assumptions

- Facilitate stakeholder review, comment on, and develop ballot recommendations or list of Regional issues, for all NERC Reliability Standards Projects under informal or formal development or revision
  - NERC and NPCC benefit from NPCC's regional coordination consisting of a broad stakeholder review process and development of consensus recommendations to assure proposed standards will support international reliability and provide appropriate reliability objectives for the Continent-wide standards
  - Coordinate a comprehensive review of the results based standards initiative processes and standards being implemented
  - Participate in training programs to train the trainer and develop and convey this results-based standard development methodology to the Regional Standard drafting teams.
  - Conduct and obtain training for Quality Review of standards at both the Regional level and to assist the ERO with analysis of the continent wide standards.

[8] ERO Goal 1.b. Identify and file requirements to be retired (Paragraph 81 Phase 2)

[9] ERO Goal 1.b. Explore options for assessing the cost effectiveness of appropriate reliability standards

[10] ERO Goal 1. b. Facilitate smooth transition of new standards (e.g., CIP Version 5)

[11] ERO Goal 1.a. Address all new FERC directives within one year or two years if technical study is required; close existing directives by 2015 (by filing or negotiated resolution)

  - Coordinate the review of all Reliability Standards Audit Worksheets during their postings for comment for potential expansion of their associated standard's requirements
  - Implement triage process to assess posted standards and related material to ensure it is properly routed to and addressed by the appropriate NPCC technical or process resources.
- Participate in the stakeholder efforts to develop Standards Authorization Requests (SARs) and Regional SARs to further improve standards
- Monitor and participate in the drafting of key NERC Reliability Standards-Communications, Protections Systems, Balancing Control Performance, and Frequency Response, etc.
  - The NPCC monitoring of the development of standards helps to ensure reliability requirements that are clear, measureable, and enforceable and support international reliability in the Northeast
- Continue with the development and maintenance of a set of NPCC Phase II Directories not inconsistent with the NERC Reliability Standards which clearly delineate the more stringent NPCC criteria requirements
  - The combination of North American and Regional Reliability Standards with the more-stringent NPCC Regional criteria provides for consistency and operational clarity while providing robust defense in–depth, results based, standards to ensure BES reliability
  - Ensure no redundancies exist between the criteria found in the NPCC Directories and the ERO standards
- Monitor the Regional Standards development activities of the Midwest Reliability Organization (MRO), Reliability First Corporation (RFC), SERC Reliability Corporation, and Florida Reliability Coordinating Council (FRCC) to achieve consistency within the Eastern Interconnection
  - The Northeast's reliability is enhanced by strengthening Eastern Interconnection Regional Entities' Reliability Standards and ensuring that no cross border adverse impacts are introduced
  - Participate in any Eastern Interconnection initiatives which may have a potential for interconnection wide standards in the East and what processes might need to be in place to develop them.
- Review reliability requirements of ERO and NPCC Regional Standards, NPCC Criteria and ensure consistency, remove redundancies, adopt Functional Model language and ensure requirements are "results based"
  - The unambiguous assignment of reliability requirements to specific functional entities benefits international reliability
  - Participate in the continuing refinement of the Functional Model to capture evolving issues essential to reliability and new objectives in the industry, i.e. demand resource operator, planning functions, new activities yet to be identified such as those associated with Smart Grid, "Synchro-Phasor" technology, etc.
  - Participate in the continual improvement of the NERC standards development processes and initiatives such as the CEAP, PMOS and Single Portal Project.
  - Contribute to the improvement of process related to NERC providing interpretations.
- Review all FERC orders and Provincial regulations as they relate to the standards, their revision and adoption

  - Northeast reliability benefits from careful analyses of governmental orders or actions adopting standards to assure consistency in interpretation
  - Review rulings that are issued and all FERC Directives for potential reliability related issues
  - Conduct and support Regulatory Provincial filings on a periodic basis based on individual Provincial Laws and requirements outlined in the Memorandum of Understandings for each Province.
- Enhance NPCC standards website pages to provide uniform and clear information to the stakeholders while also providing the historical and archived information to support NERC and FERC approvals and expanding requirements

2014 Goals and Key Deliverables

The Reliability Standards program goals and objectives for 2014 are grouped into seven categories:

- Participate in North American ERO results-based standards development, to develop clear, reasonable and technically sound, results based mandatory reliability standards in a timely and efficient manner.
- Provide continual support for Cost Effectiveness Analysis for standards and promote a broad implementation of the CEAP across all standards projects within NERC
- Develop Regional Reliability Standards and potential revisions as required by the ERO or on an "as needed" basis.
- Develop a revision to the NPCC Regional Standards Process Manual based on improvements suggested by stakeholders and those being incorporated into the NERC process
- Review and develop recommendations or issues for all posted ERO ballots.
- Coordination of the review of posted RSAWs process improvement; and communications.

1) <u>Participate in the ERO Results-Based Standards Development</u>

- Participate in the development and revision of the NERC three year work plan through review, commenting and drafting activities
- Participate in the Standards Committee Strategic initiatives to develop results based standards that will provide a defense in depth, complete the standards due for 5 year review, and address all existing and outstanding FERC Directives.
- Support the implementation of the NERC Board of Trustees ("BOT") resolutions specifically supporting the timeliness, cost effectiveness, timely development, and quality of new standards
- Coordinate the development of ERO Reliability Standards within NERC's three-year standards work plan with the emphasis placed on reducing the amount of new FERC Directives issues by closer coordination with the Commission staff
- Conduct thorough reviews of all NERC standards being developed or revised and coordinate comments for Northeastern North America driving consensus to the extent possible
- Facilitate the NERC Cost Effective Analysis Procedure both within NPCC throughout the industry
- Conduct thorough reviews of all Industry requested NERC Formal Interpretations of standards and develop and promote the NERC Informal Guidance Process, a comprehensive process to deal with all standards related questions

- NPCC staff along with NPCC solicited Regional drafting team volunteers, will participate in the drafting of all ERO standards affecting or potentially affecting reliability in the Eastern Interconnection and provide geographic support for review and development of comments and propose improvements with specific emphasis on CIP
- NPCC and its members will review and coordinate potential comment on FERC preliminary staff assessments as appropriate
- Participate in ballots for ERO standards and provide consensus recommendations to the NPCC Members of the NERC Registered Ballot Body or provide a list of issues to allow the Members to cast a ballot based on Regional concerns
- Review and develop comments on FERC Notice of Proposed Rulemakings for any and all standards related issues as appropriate
- Coordinate and evaluate proposed standards utilizing Regional technical task forces, working groups and committees
- Educate and notify stakeholders and regulators about issues related to standards development
- Provide outreach to industry trade groups to educate and drive consensus
- Provide a forum for NPCC review of proposed and posted documents from the NERC Critical Infrastructure Protection Committee (CIPC) and NPCC Task Force on Infrastructure Security and Technology (TFIST)
- Provide support to NERC's strategy in the prioritization, identification, scheduling and development of NERC directed Regional Reliability Standards
- Participate in NERC's Standards Committee standards prioritization tool and process, to identify immediate standards needs and prioritization based on those needs
- Participate in the NERC RISC by providing a regional point of contact for all potential reliability related risks and gaps within the Northeast or as noted by NPCC stakeholders
- Participate in and provide support to critical upcoming new Blackout related standards, UVLS, Voltage and Reactive Control, Real Time Tools, Frequency Response, etc
- Identify and initiate Regional Variances to the NERC Reliability Standards as soon as possible, allowing incorporation into the continent wide standard at its inception
- Identify potential drivers for standards revisions based on revisions to the BES to a bright line criteria and any document revisions required as a result of consideration of the developing "Exception Process".
- Support additional standards workload from further economic stimulus, i.e. standards on integrating variable generation resources or EHV backbone, Smart Grid, Electric Vehicles or "Synchro-Phasor" projects as necessary
- Provide continued input and leadership to NERC, based on NPCC experiences, regarding strategy for developing cost effectiveness analysis for standards
- Provide support and assistance to the ERO for conducting Quality Reviews on NERC continent wide standards as possible
- Continually file the NPCC Directories with the Canadian Provincial Regulatory Authorities within the NPCC "footprint", on an as needed basis, as the directories are developed and revised and as the Provinces establish procedures and agreements with NPCC.
- Develop new and innovative processes to better utilize the limited internal and external resources in the Region to enable sufficient technical review of posted standards and related materials

- Support the ERO and the relationships with FERC and the provincial governmental authorities for standards development activities as necessary to accomplish the ERO goals and objectives
- Support the development of system protection and control, communication, transmission operation standards and other critical standards efforts.

2) Regional Standards Development

- NPCC anticipates to complete the review for potential revision of one Regional Standard utilizing the existing NPCC Regional Reliability Standard Development Procedure and submit the potential revision to the standard to NERC for approval of the NERC BOT (on a schedule, and as required by NERC or Regional reliability need). NPCC remains committed to being flexible and will respond to any new mandates and changes to the standards development schedules to be responsive to NERC and FERC reliability needs and best utilize staff and industry resources available.
- Draft additional Regional Standards,(on a schedule, and as needed by NERC) utilizing Regional technical committees and working groups in an forum that is open and inclusive to all stakeholders within and outside of the Region.
- Draft any additional standard NERC directs NPCC to develop to meet an urgent reliability related needs, i.e. solar magnetic disturbance system hardening
- Actively monitor and participate in the standards development activities of the other Regional Entities in the Eastern Interconnection: the MRO, RFC, SERC, and FRCC to assure consistency within the Eastern Interconnection
- Accomplish all directives of ERO and governmental and/or regulatory authorities with regard to Regional Standards development and procedures
- Adhere to and surpass, where practical, the 2013-2015 NERC Work plan milestones as they pertain to targets for the Regional Standards
- Respond to any FERC Directives that may arise as a result of the filing of NPCC's Regional Standards with the FERC or any Provincial "directives" that may be issued by the Canadian Regulatory Authorities
- Develop or coordinate a process to obtain a Regional standard interpretation

3) Standards Improvement

- Achieve NPCC reliability goals and objectives by initiating, participating in, and efficiently completing standards related activities
- Leverage internet and web based tools functionality to ensure inter-regional consistency and quality of Regional Reliability Standards
- Establish long-term strategy for standards improvement and initiate implementation
- Continually identify additional future Regional Standard opportunities
- Ensure the topics addressed by the Reliability Standards parallel changing industry needs
- Participate in reliability metrics activities to identify potential measures for benchmarking of reliability to determine if an adequate level of reliability is being achieved
- Support and develop cost-benefit analysis activities to determine if any potential incremental increases in costs of implementing a standard have sufficient enough reliability benefit to implement that standard

4) Coordination of review of RSAWs

- Develop a process to review the RSAWs consisting of subject matter experts to determine if the RSAWs are technically representative of the standard's requirements and

also to review the evidence suggested in the RSAW for satisfactory compliance assessment
- The Regional Standards Committee ("RSC") will oversee and provide the results of the coordination to the appropriate NERC SDT charged with development of the RSAW

5) Business Practices Interface
- Coordinate the review of standards through NPCC RSC, staff, and other members participating in activities of the North American Electric Standards Review Board (NAESB)
- Identify potential market related issues for Regional Standards through NPCC RSC coordination and reviews

6) Process Improvement
- Identify efficiencies for a coordinated NERC standards development process and NPCC Regional Standards Development Procedure and recommend revisions as applicable to either process
- Refine the NERC and NPCC CEAP s to evaluate the costs and effectiveness of proposed new and revised reliability standards to achieve an adequate level of reliability
- Participate in the revision and redrafting of the NERC Standards Development Process to consider expedited standards development and cost effectiveness analysis and maintaining the positive attributes of the ANSI standards development process
- Identify potential future processes to obtain expedited interpretations
- Identify expedited processes for adjusting NERC glossary terms
- Identify refinements for credentialing standard drafting team members to ensure the correct subject matter experts are developing the standards at both the Regional level and the ERO level.
- Establish targets for NERC and NPCC standards procedure improvement and initiate implementation of the strategy
- Streamline and improve the Regional Standards process and enhance program tools and IT based solutions
- Refine the records retention programs to ensure sufficient documentation exists for regulatory approvals
- Identify improvements in process for feedback loops to ensure that event analysis and investigation lessons learned and compliance issues involving violations are fed into the standards program area, as appropriate for review and potential consideration when revising standards
- Support the creation of an ERO standards database, available to industry and online, to identify and review issues related to all approved and developing standards
- Participate in the Functional Model Working Group activities to refine functions, tasks and responsibilities of applicable entities
- Solicit and provide outreach to FERC in the Regional Standards Development Processes

7) Communications
- Improve automated notifications process to assure awareness of dates and proceedings of all standard development activities
- Strengthen the relationship with the industry's technical committees to ensure adequate input to standards development, such as the North American Generator Forum.

- Participate in NPCC and NERC workshops as necessary, to promote awareness and educate the industry
- Develop and institute a consensus building and notification process(es) for engaging stakeholders and providing immediate notification for the need to review standards. Provide the associated coordination for this review utilizing subject matter experts, both internal and external to the Regional Entity staff
- Promote the reliability objectives of the NERC standards as appropriate to the NPCC members of the NERC Registered Ballot Body in order to achieve consensus and support of beneficial standards and to promote the "One-Enterprise" model.

Technically excellent, results based standards that enhance reliability and are developed in a timely and efficient fashion, require the full participation of the right industry experts from all Regional Entities when developing Reliability Standards. The NPCC RSC promotes the drafting team process and solicits drafting team members from appropriate NPCC technical bodies and others in the industry and adjoining Regional Entities.

NPCC RSC will also assist in providing notifications and announcements to NPCC participants in the Northeastern North America NERC Registered Ballot Body of important applicable deadlines for ballot pool registration and for casting ballots thereby enhancing participation, promulgation of important information and increasing awareness. This support will enhance efficiency of the NERC procedure and help to ensure the necessary quorums are present at ballot. NPCC will also, when practical, promote important standards and the requirements of those standards through various communications and webinars.

NPCC will also participate in the development and revision of standards as directed by FERC, Canadian provincial and other regulatory and/or governmental authorities. FERC to date has identified numerous NERC Reliability Standards needing further work and has issued numerous Directives appearing in FERC Orders. These standards needing revision are delineated in the 2012 – 2014 NERC Reliability Standards Development Plan, and will be ready to be reviewed and revised throughout 2014.

NPCC will provide support and coordination of NERC standards development activities as outlined in the 2013-2015 Reliability Standards Development Plan and the Standards Committee Strategic Initiatives.

Regional Standards Development

The NPCC currently has two FERC approved regional standards, Disturbance Monitoring and Underfrequency Load Shedding. Upon approval of the revised BES definition, NPCC has undertaken the review of the Disturbance Monitoring standard for adequacy from the perspective of a "bright line" BES definition. This review of the standard and proposed revision to the standard will be performed in the 2013-2014 timeframe. In addition there are two other regional standards that NPCC will be reviewing to determine if they should move forward into active formal development. These Regional Standards will include, but not be restricted to the following:

- Special Protection Systems (SPS) scheduled to begin development

- Balancing Authority Controls (BA - Reserve Sharing) scheduled to be completed and balloted within the Region

Whether NPCC pursues these regional standard will depend in large part to how comprehensive their associated continent-wide standards are. NPCC will review the continent wide standards as they are develop, participating in those activities and providing supporting subject matter expertise as it is available.

Improvement in the quality of a standard can be quantified in a number of ways. The standards should identify an achievable, technically excellent reliability goal performance or objective. This goal should be measurable and have specific and concise requirements associated with it. How the reliability goal or objective is achieved will not be the focus of the process. Full participation from industry experts to provide proper technical guidance during drafting as well as multiple segments to provide diverse viewpoints during the comment process is critical to the quality of the resultant standard. These attributes, along with open postings and notifications to allow the industry opportunities to participate are the key components to a successful process and achieving quality standards.

On an ongoing basis, NPCC will achieve consistency with NERC ERO continent wide standards, as outlined in the NERC Rules of Procedure, by maintaining reliability directories that incorporate NPCC's more stringent Regionally-specific criteria and Regional Standards into a single document with the links to the applicable NERC Reliability Standards. This demonstrates cognizance of the requirements in the ERO standards and demonstrates that NPCC strives and continues to strive to ensure that the Regional criteria is not inconsistent with any ERO standard.

NPCC RSC and staff regularly participate in the NERC Standards Committee and Standards Committee Process Subcommittee activities and contribute to development and initiation of revisions of the standards procedure manual and various NERC standards related processes as well as develop and promote new initiatives such as the NERC CEAP and Single Portal. The RSC also contributes in the Regional Standards procedure and utilizes and refines web based tools for easier user interface and to provide effective and timely notifications of standards activities.

Funding Sources and Requirements — Explanation of Increase (Decrease)

2014 Reliability Standards program funding is driven by the need for additional activities of NPCC standards drafting teams, ramped up NERC standards activity, FERC activity and increased number of rulings and directives anticipated as a result of the NERC three year work plan. NPCC anticipates greatly expanded activity and plans to prioritize the efforts of existing resources to meet this expanded workload.

NPCC will continue to rely on contractors for subject matter expertise on an as-needed basis throughout 2014. The amount of Regional documents being converted into Directories and the maintenance of the Directories require subject matter expert input. In addition significant changes will be necessary to bring the Phase II Directory project to completion. This project will require significant resources to translate the existing criteria language into "requirements" that are clear and measurable. Also a standards template will be applied to the existing Directories to make them more consistent with the look of the standards. In addition, as standards reviews

increase in number, there may be a need to have contractors assist due to constrained resources of NPCC Staff and members.

Based on the portion of professional/technical staff time and other resources devoted to Reliability Standards development, NPCC estimates that it will expend 10 percent of its resources on this activity.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- U.S. Penalty Sanctions remitted from 7/1/12 through 6/30/13 reduce U.S. LSE designee assessments for 2014.

Personnel Expenses

NPCC anticipates no additional need to hire personnel for the NPCC Reliability Standards program area in 2014.

Meeting and Travel Expenses

- Meeting expenses will be minimized due to a continued effort to keep costs down by holding more meetings via WebEx and teleconferences, at the NPCC offices or member facilities when possible, as well as lower meeting space rental rates through negotiations. However, meeting volume is expected to increase significantly in 2014. Travel expenses due to continued practice of advance bookings, adjustments to class of hotel used, increased meetings at NPCC's offices, and meetings conducted via teleconference will be held to a minimum. Conference calls and Internet meetings will be conducted for business when practical.

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

Reliability Standards Program

Funding sources and related expenses for the Reliability Standards section of the 2014 business plan are shown in the table below.

Statement of Activities and Capital Expenditures
2013 Budget & Projection, and 2014 Budget

Reliability Standards

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	$ 1,358,549	$ 1,358,549	$ -	$ 1,431,239	$ 72,690
Penalty Sanctions	32,431	32,431	-	16,091	(16,340)
Total ERO Funding	**$ 1,390,980**	**$ 1,390,980**	**$ -**	**$ 1,447,330**	**$ 56,350**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 1,390,980**	**$ 1,390,980**	**$ -**	**$ 1,447,330**	**$ 56,350**
Expenses					
Personnel Expenses					
Salaries	$ 478,983	$ 478,983	$ -	$ 502,840	$ 23,857
Payroll Taxes	31,972	31,972	-	31,305	(667)
Benefits	101,361	101,361	-	131,342	29,982
Retirement Costs	78,141	78,141	-	87,449	9,308
Total Personnel Expenses	**$ 690,456**	**$ 690,456**	**$ -**	**$ 752,936**	**$ 62,480**
Meeting Expenses					
Meetings	$ 30,000	$ 30,000	$ -	$ 25,000	$ (5,000)
Travel	105,000	105,000	-	110,000	5,000
Conference Calls	-	-	-	-	-
Total Meeting Expenses	**$ 135,000**	**$ 135,000**	**$ -**	**$ 135,000**	**$ -**
Operating Expenses					
Consultants & Contracts	$ 30,000	$ 30,000	$ -	$ 30,000	$ -
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	-	-	-	-	-
Computer & Equipment Leases	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	**$ 30,000**	**$ 30,000**	**$ -**	**$ 30,000**	**$ -**
Total Direct Expenses	**$ 855,456**	**$ 855,456**	**$ -**	**$ 917,936**	**$ 62,480**
Indirect Expenses	**$ 556,523**	**$ 556,523**	**$ -**	**$ 555,686**	**$ (837)**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 1,411,980**	**$ 1,411,980**	**$ -**	**$ 1,473,622**	**$ 61,643**
Change in Assets	**$ (21,000)**	**$ (21,000)**	**$ -**	**$ (26,292)**	**$ (5,292)**
Fixed Assets					
Depreciation	$ -	-	$ -	-	$ -
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	(21,000)	(21,000)	-	(26,292)	(5,292)
Inc(Dec) in Fixed Assets (C)	**(21,000)**	**(21,000)**	**-**	**(26,292)**	**(5,292)**
TOTAL BUDGET (=B+C)	**$ 1,390,980**	**$ 1,390,980**	**$ -**	**$ 1,447,330**	**$ 56,350**
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	**$ -**	**$ -**	**$ -**	**$ -**	**$ 0**

Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Compliance Monitoring and Enforcement and Organization Registration and Certification Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	15.00	16.00	1.00
Direct Expenses	$5,035,746	$5,080,485	$44,739
Indirect Expenses	$2,849,094	$3,034,462	$185,368
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	($107,507)	($35,575)	$71,932
Total Funding Requirement	$7,777,333	$8,079,371	$302,039

Program Scope and Functional Description

The Compliance Monitoring and Enforcement and Organization Registration and Certification Program (CORC) Program scope covers: 1) the identification, registration and certification of those entities responsible for meeting the NERC Reliability Standards and any approved Regional Standards; 2) the implementation of the CMEP in the United States, including the compliance monitoring, assessment and enforcement of NERC Reliability Standards and Regional Reliability Standards. and 3) the implementation of compliance monitoring, assessment and enforcement recommendations in accordance with individual executed MOU in the Canadian Provinces of Ontario, Québec, New Brunswick and Nova Scotia.

The Compliance Committee (CC) is charged with providing objective stakeholder policy input to the NPCC CMEP in the U.S. and compliance related activities under the above mentioned MOUs in the NPCC portion of Canada. With regard to NERC Reliability Standards and Regional Reliability Standards, the CC provides an oversight role of the independent NPCC compliance staff's implementation of the CMEP. In this oversight role the CC will review and endorse the processes used by the NPCC compliance staff in the conduct of the CMEP.

The NPCC compliance staff makes the initial and final determination of alleged violations and determines appropriate penalties and sanctions in accordance with the NERC and the ERO *Sanction Guidelines*. To accomplish this objective, NPCC's compliance staff is further divided into four sub- program areas: Compliance Implementation and Registration; Compliance Audit Program; Compliance Enforcement; and Compliance Investigation:

Compliance Implementation and Registration

The Compliance Implementation and Registration sub-program is responsible for:

a) Identifying for registration all entities that are required to meet the NERC and Regional Reliability Standards. During the course of this activity, regular communication with registered entities is promoted through face-to face meetings, compliance workshops, teleconferences and email;
b) Development and maintenance of all NPCC CMEP Compliance Procedures, Compliance Instructions and all other NPCC CMEP related documentation;
c) Development and maintenance of Performance Metrics that are used to measure the quality and effectiveness of NPCC CMEP Implementation and its impact on the reliability of the Bulk Electric System;
d) Coordinating the implementation of NPCC Compliance Staff responsibilities as they pertain to the executed MOU with each of the Canadian Provinces in the NPCC Region.
e) Day-to-day implementation of the CMEP;
f) Development of annual CMEP Implementation Plan;
g) Monitoring and assessment of self-certification, self report, exception reporting, periodic data and complaint submittals;
h) Development and maintenance of CMEP Data Administration Application (CDAA);
i) Development and maintenance of compliance website.
j) Support the anticipated expansion of the number of registered entities in NPCC due to the implementation of the FERC Order related to the definition of Bulk Electric System
k) Conduct Entity Impact Evaluations. Conduct certification(s) of newly identified Transmission Operators (TOPs), as needed.
l) Maintain database of BES assets subject to NERC and NPCC Reliability Standards
m) Participation on various NERC and NPCC working groups to remain apprised of changes to Compliance processes, and commonality of registration, monitoring, auditing, and enforcement approaches.

Compliance Audit Program

The Compliance Audit Program is charged with conducting both on-site and off-site compliance audits, and spot checks, of NERC Reliability Standards in accordance with the NERC Rules of Procedure and associated NPCC procedures developed under the NPCC Compliance Implementation Program. These audits are performed based on a predetermined long range schedule that is consistent with a predefined frequency and are posted annually on NERC and NPCC public websites. Flexibility may be used in the predefined frequency based on risk assessment and performance based assessment of each entity scheduled for an audit, and changes requiring certification. The audits are led by qualified senior NPCC Staff and the audit teams prepare public and non-public audit reports with their findings, including the identification of any possible violations. Contents and processing of the reports are in accordance with NERC directives for audit reporting. Specific lessons learned are factored into the audit program to promote continuous improvement and are presented at workshops in conjunction with the Compliance Implementation Program. The comprehensive spot-check program is established based on the NERC actively monitored list, NPCC's assessment of self-certifications, follow–ups on entities who have previously violated a Reliability Standard, follow-up on entities that have been involved in a significant system event, and other requirements which at the discretion

of NPCC could pose a higher risk to reliability if not followed properly. The schedule for Spot Checks is not public.

Resources from the Compliance Audit Program are also used to implement the Certification process for entities intending to register as new TOPs, BAs or RCs, as well as certification reviews of changes made by existing TOPs, BAs and RCs that meet the threshold requiring same. These actions are performed in support of the Compliance Registration Program which encompasses the Certification process. Resources for this activity, which is independent of the audit process, depend on the scope, function, and location of the entity being certified.

Compliance Investigation

Conduct Compliance Investigation (CI) as required based on Event Analysis reviews and reports. A Compliance Investigation may be initiated at any time by NPCC in response to a system disturbance, complaint, or possible violation of a Reliability Standard identified by any other means and has included entities outside of NPCC's footprint for which NPCC is the Compliance Enforcement Authority.
The CI process requires the establishment of an investigation team that coordinates with NERC and FERC as necessary; and also coordinates with the Situation Awareness Program Area.

Compliance Enforcement

Compliance Enforcement is responsible for:

a) Issuing all Notices as described in the CMEP including the Notice of Possible Violation (NOPV), Notice of Find, Fix and Track (FFT) Treatment; Notice of Alleged Violation (NOAV), and the Notice of Confirmed Violation (NOCV);
b) Conducting comprehensive enforcement investigations based on the facts and circumstances related to all possible violations of Reliability Standards, whether identified in an audit, a self-report, complaint, or other source, and determining whether further action is warranted;
c) Reviewing, approving, submitting to NERC and tracking the progress of all mitigation plans associated with confirmed violations;
d) Coordinating settlement activities once they have been initiated and submitting settlement agreements to NERC for approval;
e) Identifying and processing candidates for the FFT Process.
f) Participating in the Hearing Process by representing NPCC before the Hearing Body. Compliance Hearings would be conducted at NPCC under the supervision of a qualified, independent hearing officer contracted by NPCC.; and
g) Issuing Remedial Action Directives when appropriate.

2014 Key Assumptions and Cost Impacts

2013	Projected 2014
6 Large On-Site Audits	3 Large On-Site Audits
0 Medium On-Site Audits	0 Medium On-Site Audits
0 Small On-Site Audits	3 Small On-Site Audits
12 On-Site CIP Audits	12 On-Site CIP Audits
20 Large Off-Site Audits	20 Large Off-Site Audits
5 Medium Off-Site Audits	7 Medium Off-Site Audits
5 Small Off-Site Audits	7 Small Off-Site Audits
41 Off-Site CIP Audits	22 Off-Site CIP Audits
300 Spot Checks	350 Spot Checks
15 On-site TFE Part B reviews	8 TFE Part B Reviews
200 Violations (Estimated)	200 Violations (Estimated)
Settlements Covering 100 Violations	Settlements Covering 100 Violations
2 Hearings (Unbudgeted)	2 Hearings (Unbudgeted)
1 CI (Estimated)	2 CI (Estimated)
0 Entity Certifications	3 Entity Certifications

- Regarding the Compliance Audit Program, TFE reviews are conducted both on-site at the entity's facility and at the NPCC offices when possible. TFE's continue to be requested as entities replace and install new equipment/devices/components that meet the criteria set forth in Rules of Procedure Appendix 4D. Compliance estimates 8 on-site reviews will be performed in 2014.

- The 2014 Business Plan projects no increases in Enforcement Processing activities over the 2013 Budget.

- The 2014 Business Plan projects 2 Compliance Investigations as a result of the Events Analysis process. These Compliance Investigations are manpower intensive for NPCC staff (requiring allocation of more resources and potentially higher than normal costs) since previous Compliance Investigations have also included entities outside of NPCC's footprint for which NPCC is the Compliance Enforcement Authority.

2014 Goals and Key Deliverables

- Conduct 2014 CMEP consistent with the Reliability Assurance Initiative, incorporating all NERC Reliability Standards contained in the NERC actively-monitored list for 2014 and any approved and applicable Regional Reliability Standards

  - Process identified violations as effectively as possible, including the timely identification of a violation, timely issuance of violation notices including the NOPV; the Notice of Alleged Violation and the NOCV
  - Implement settlement process when applicable and send proper notifications to NERC and FERC
  - Conduct necessary Hearings related to resolution of outstanding disputes regarding violations and/or sanctions. Send results of hearings to NERC and FERC[12];

- Continue to enhance the settlement process by modifying existing practices and adopting new practices to reduce the duration of settlement negotiations without sacrificing the rigor and quality of the negotiated settlements. Develop and analyze appropriate performance metrics that track settlement process duration and utilize results of analysis to further enhance process.
- Implement compliance responsibilities identified in the approved Canadian MOUs[13];
- Review and revise NPCC Compliance Registry based on a risk-based approach[14] ;
- Evaluate CMEP and Canadian entity compliance program implementation with the objective of establishing a long-term strategy for compliance improvement, and initiate the implementation of the long term strategy[15];
- Provide NPCC Regional Entity input, through participation in appropriate NERC compliance committees, on policy and implementation issues related to compliance and enforcement including the development of compliance elements for all new or revised NERC Reliability Standards[16];
- Provide required information to NERC on a timely basis including reporting of alleged violations and confirmed violations[17];
- Track the progress of, report status of, and approve mitigation plans[18];
- Conduct 2014 Compliance Audit Schedule of an estimated total of 55 Compliance Audits based on number of registered entities (Each audit covers a single registered entity that could be audited for multiple Functional Model types that they are registered for and is done in accordance with the 2014 Compliance Audit Program schedule)[19] ; and promote RAI initiatives by:
  - Utilizing the Audit Checklist for all on-site and off-site audits
  - Preparing an Audit Plan for all on-site audits;
- The 2014 Audits will be categorized by the number of requirements associated with the Reliability Standards that will be covered in the Compliance Audit. Six categories have been established based on the number of requirements to be audited and whether the audit is on-site or off-site. In 2014 there are projected to be three large on-site audits; three small on-site audits; 20 large off-site audits; 7 medium off-site audits; and 7 small off-site audits. The estimates for the number of Compliance Audits are also based on the projected total number of registered entities for each type and the established three-

[12] ERO Goal 2. Be a strong enforcement authority that is independent, without conflict of interest, objective and fair.
[13] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry.
[14] ERO Goal 2. Be a strong enforcement authority that is independent, without conflict of interest, objective and fair.
[15] ERO Goal 2. Be a strong enforcement authority that is independent, without conflict of interest, objective and fair.
[16] ERO Goal 6. Promote a culture of reliability excellence.
[17] ERO Goal 2. Be a strong enforcement authority that is independent, without conflict of interest, objective and fair.
[18] ERO Goal 2. Be a strong enforcement authority that is independent, without conflict of interest, objective and fair.; ERO Goal 5. Be accountable for mitigating reliability risks.
[19] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry.

year cycle for RC, BA, and TOP Compliance Audits and the established six-year cycle for all other registered entity types[20];

- In addition, 36 registered entities will be audited for the requirements of the version in place for CIP 002 to CIP 009. These will be separate audits. On-site CIP audits may be combined with the normally scheduled 2014 on-site audits[21];
- Conduct spot check program during the year. A spot check can be viewed as a limited unscheduled small off-site compliance audit that will be utilized to verify self-certification submittals that have been done earlier in the year or other requirements based on factors as described in the Compliance Audits section. In 2014 the number of spot checks to be done is estimated to be 350[22] ;
- Assure that NPCC Staff is trained to conduct Compliance Audits including CIP Compliance Audit training[23];
- Assure that NPCC Staff is trained to conduct Certification of entities intending to Register as BA, RC or TOP for the first time, or Certification Reviews of changes by existing BAs, RCs or TOPs that meet the criteria requiring a Certification Review[24];
- NPCC is working with the other Regions to access, train and perform certifications (and re-certification) in an effort to be consistent across the ERO[25] ;
- Continue to actively perform a risk profile of each entity prior to audit and upon completion of an audit, continue to identify risk and reliability gaps[26] ;
- Develop and implement compliance reform via the Reliability Assurance Initiative (RAI) by being an integral participant in committees and workgroups involved in the RAI[27];
- Promote a culture of compliance that addresses reliability risks of NPCC registered entities by using reliability gap analysis. Assess and evaluate registered entity's Internal Controls as part of the audit and spot check process[28];
- Continue to expand the use of auditor discretion through Find, Fix and Track (FFT) and initiate training for audit staff in FFR principles and implementation [29] ;
- Continue to implement physical security outreach by visiting four registered entity sites to perform an assessment of their physical security and supply recommendations for improvements[30];
- Enhance the CDAA to expand its capabilities from both the registered entity perspective and the NPCC Compliance Staff perspective[31];

[20] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry.
[21] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry.
[22] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry.
[23] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry.
[24] ERO Goal 7. Improve transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost effectiveness. and ERO Goal 2.a. Evaluate certification program for sufficiency and effectiveness, modify as needed.
[25] ERO Goal 7. Improve transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost effectiveness.
[26] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry.
[27] ERO Goal 2. Be a strong enforcement authority that is independent, without conflict of interest, objective and fair." and ERO Goal 2.b. Develop and Implement compliance reform.
[28] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry. and Goal 3.a. Make effective internal controls models and information available to industry.
[29] ERO Goal 2. Be a strong enforcement authority that is independent, without conflict of interest, objective and fair." And Goal 3.b. Continue to expand use of discretion through Find, Fix, and Track .
[30] ERO Goal 3. Promote a culture of compliance that addresses reliability risks across the industry. and Goal 5.b. Implement periodic physical security assessments.

- Conduct 2014 Compliance Workshops and interim information sessions for registered entities as necessary as a part of Training and Education program area[32].

Adopt and promote practices to enhance the benefits of the self-reporting of violations by both the Regional Entity and the registered entity. This would include improvement to the registered entity internal processes used for identifying and submitting self-reports (e.g. adoption of an aggregated approach for submittal of self-reports, etc.), improvement in the way Regional Entities process self-reports and the streamlining and standardizing of the amount and type of data needed to evaluate a self-report.

Based on the portion of professional/technical staff time and other resources devoted to Compliance monitoring and enforcement and organizational registration and certification, NPCC estimates that it will expend 57 percent of its resources on this activity.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- U.S. Penalty Sanctions remitted from 7/1/12 through 6/30/13 reduce U.S. LSE designee assessments for 2014.
- 2014 funding for this program does not include funding from WECC for performing the CEA responsibilities for the WECC Registered Functions as NPCC will no longer have these responsibilities based on the proposed WECC restructuring to be effective, if approved by FERC, January 1, 2014.

Personnel Expenses

- One additional FTE represents the reclassification of an individual from contractor to hourly employee.

Meeting and Travel Expenses

- Meeting expenses will be minimized due to a continued effort to keep costs down by holding more meetings via teleconference, at the NPCC offices or member facilities, combining or appending meetings to other mandatory training/meetings, as well as lower meeting space rental rates through negotiations. Travel expenses due to continued practice of advance bookings, adjustments to class of hotel used, increased meetings at NPCC's offices, and meetings conducted via teleconference will be held to a minimum, however, the amount of activity is expected to increase in 2014. Conference calls and webex will be conducted for business when possible. (Conference calls expense is included under Administrative Services.)

Operating Expenses and Indirect Expenses

- Consultant and contractor costs increased due to increased workload. With a risk and performance based assessment of each registered entity, audits will transition to a periodicity more reflective of the risk profile of the entity such that some audits will be more in-depth while others may have a reduced scope which will require less independent contractor resources.

[31] ERO Goal 7. Improve transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost effectiveness.
[32] ERO Goal 6. Promote a culture of reliability excellence.

- NPCC total overhead expenses, such as office rent and office costs, will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- Software development costs related to CITS enhancements are projected to continue into 2014.

Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Funding sources and related expenses for the compliance enforcement and organization registration and certification section of the 2014 business plan are shown in the table below.

Statement of Activities and Capital Expenditures
2013 Budget & Projection, and 2014 Budget
Compliance Monitoring and Enforcement and Organization Registration and Certification

		2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding						
ERO Funding						
	ERO Assessments	$ 7,576,805	$ 7,576,805	$ -	$ 7,991,503	$ 414,698
	Penalty Sanctions	166,028	166,028	-	87,868	(78,160)
Total ERO Funding		**$ 7,742,833**	**$ 7,742,833**	**$ -**	**$ 8,079,371**	**$ 336,539**
	Membership Dues	-	-	-	-	-
	Testing Fees	-	-	-	-	-
	Services & Software	-	-	-	-	-
	Workshops	-	-	-	-	-
	Interest	-	-	-	-	-
	Miscellaneous	34,500	34,500	-	-	(34,500)
Total Funding (A)		**$ 7,777,333**	**$ 7,777,333**	**$ -**	**$ 8,079,371**	**$ 302,039**
Expenses						
Personnel Expenses						
	Salaries	$ 2,117,561	$ 2,117,561	$ -	$ 2,287,504	$ 169,943
	Payroll Taxes	152,612	152,612	-	162,571	9,959
	Benefits	465,444	465,444	-	537,087	71,643
	Retirement Costs	302,129	302,129	-	298,890	(3,239)
Total Personnel Expenses		**$ 3,037,746**	**$ 3,037,746**	**$ -**	**$ 3,286,052**	**$ 248,306**
Meeting Expenses						
	Meetings	$ 45,000	$ 45,000	$ -	$ 25,000	$ (20,000)
	Travel	375,000	375,000	-	375,000	-
	Conference Calls	-	-	-	-	-
Total Meeting Expenses		**$ 420,000**	**$ 420,000**	**$ -**	**$ 400,000**	**$ (20,000)**
Operating Expenses						
	Consultants & Contracts	$ 1,578,000	$ 1,578,000	$ -	$ 1,394,433	$ (183,567)
	Office Rent	-	-	-	-	-
	Office Costs	-	-	-	-	-
	Professional Services	-	-	-	-	-
	Computer & Equipment Leases	-	-	-	-	-
	Miscellaneous	-	-	-	-	-
	Depreciation	-	-	-	-	-
Total Operating Expenses		**$ 1,578,000**	**$ 1,578,000**	**$ -**	**$ 1,394,433**	**$ (183,567)**
	Total Direct Expenses	**$ 5,035,746**	**$ 5,035,746**	**$ -**	**$ 5,080,485**	**$ 44,739**
Indirect Expenses		**$ 2,849,094**	**$ 2,849,094**	**$ -**	**$ 3,034,462**	**$ 185,368**
Other Non-Operating Expenses		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)		**$ 7,884,840**	**$ 7,884,840**	**$ -**	**$ 8,114,946**	**$ 230,106**
Change in Assets		**$ (107,507)**	**$ (107,507)**	**$ -**	**$ (35,575)**	**$ 71,932**
Fixed Assets						
	Depreciation	$ -	-	$ -	$ -	$ -
	Computer & Software CapEx	-	-	-	108,000	108,000
	Furniture & Fixtures CapEx	-	-	-	-	-
	Equipment CapEx	-	-	-	-	-
	Leasehold Improvements	-	-	-	-	-
	Allocation of Fixed Assets	(107,507)	(107,507)	-	(143,575)	(36,068)
Inc(Dec) in Fixed Assets (C)		**(107,507)**	**(107,507)**	**-**	**(35,575)**	**71,932**
TOTAL BUDGET (=B+C)		**$ 7,777,333**	**$ 7,777,333**	**$ -**	**$ 8,079,371**	**$ 302,039**
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)		**$ (0)**	**$ (0)**	**$ -**	**$ (0)**	**$ 0**

Reliability Assessment and Performance Analysis Program

Reliability Assessment and Performance Analysis Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	5.83	5.83	0.00
Direct Expenses	$1,891,076	$1,888,972	($2,104)
Indirect Expenses	$1,107,348	$1,105,682	($1,666)
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	($41,785)	($52,315)	($10,531)
Total Funding Requirement	$2,956,639	$2,942,339	($14,300)

Program Scope and Functional Description

NPCC, through its top technical committee, the Reliability Coordinating Committee (RCC), integrates the deliverables of its Task Force's and Working Group's Reliability Assessment and Performance Analysis related activities. Consistent with the applicable NERC Reliability Standards, these efforts include:

- Reviewing the adequacy of the NPCC systems to supply load considering forecast demand, installed and planned supply and demand resources and required reserves in accordance with NPCC Reliability Directory No. 1 and other related reliability directories; and,
- Assessing the impact of planned transmission and resource additions or modifications on NPCC system reliability in accordance with NPCC Reliability Directory No. 1 and other related reliability directories.

Seasonal assessments of the overall NPCC resource adequacy assessments are performed and possible actions to mitigate any potential problems are identified. NPCC reviews operations and disturbances both internal and external to the Region in order to identify any lessons to be learned and recommends any necessary follow-up actions.

If appropriate, enhancements to Regional Standards or NPCC's more stringent, Regionally-specific reliability requirements are also recommended. NPCC promotes and conducts both inter-Area and interregional studies to enhance reliability and operational effectiveness, and provides a forum for the discussion and coordination of operating issues within the NPCC Region and with other Regions.

2014 Key Assumptions

Support of identified key NERC Reliability Assessment and Performance Analysis (RAPA) projects; NERC and Regional Entities will gather data or perform analysis in support of U.S. Federal and NERC initiatives, such as:

- Report Recommendation from the "*NERC Special Reliability Assessment Interim Report: Effects of Geomagnetic Disturbances (GMD) on the Bulk Power System*", [33] including:
  i. enhancing system models in support of the study of GMD impacts;
  ii. Enhancing GMD notification procedures; and,
  iii. Determining optimum locations for monitoring capability on transformers, based on studies and operational experience.
- Follow-up study from the recommendations of the "2013 *NERC Special Reliability Assessment: Increasing Dependence on Natural Gas for Electric Power – Phase II: A Vulnerability and Scenario Assessment for the North American Bulk Power System;*" [34]
- System frequency response analysis; and, [35]
- Assessing reliability issues resulting from compliance to final EPA environmental regulations, reliable integration of new technologies as renewable energy, smart grid, energy storage, and/or reliability assessment of increased penetration of electric vehicles. [23]

In response to NERC's 2014 Business Plan and Budget Program Area Services and Activities, NPCC will continue to:

- Vet proposed and future metric development, collection, and analysis with industry stakeholders through the Reliability Metrics Working Group [36] (RMWG) and ERO-RAPA Group, and identify and spotlight trends through assessments of the availability data systems and metrics (e.g., TADS, DADS, GADS, TADS, SED, etc.) [37]
- Conduct post-seasonal assessments (Summer and Winter) and additional scenario and special reliability assessments as required. Specialized contractors may be used to complete detailed analysis to support scenario assessments. Special reliability assessments currently proposed may include: changes in resource mix due to environmental regulations, electric/gas system interdependency, delays in proposed transmission development in the reliable integration of renewable resources. [23]

In addition, NPCC supports:

- NERC's development of a centralized data collection system (Reliability Assessment Data System - RADS), for the reporting and validation of the NERC Reliability Assessment Subcommittee Long-Term Reliability Assessment data requirements, including a common set of probabilistic reliability indices and

[33] ERO Goal 4.a. Continue to mature RISC and develop risk profile to include HILF issues.
[34] ERO Goal 6.a. ERO is a leading resource to industry and policy makers for reliability information.
[35] ERO Goal 6.b. Assess data and modeling needs to ensure quality planning and operating data/models are available to registered entities across each interconnection.
[36] ERO Goal 4.a. Prepare an annual state of reliability report.
[37] ERO Goal 4.a. Risks are identified and prioritized based on reliability impacts, costs/practicality assessments, projected resources and emerging issues.

probabilistic-based work products to supplement future NERC Long-Term Reliability Assessments; [38]

- Coordination with event analysis, lesson learned and model validation activities. Specialized contractors may be used to complete detailed analysis to support model data collection and validation; and, [39]
- Support of NERC PMO IT deployments – RADS and the BES Exception process IT tool. [40]

Definition of the Bulk Electric System (BES) Definition [41]

Implementation of a Bulk Electric System (BES) Exception Process on July 1, 2014 is not expected to significantly impact resources requirements in this program area for 2014. NPCC's 2013 survey of its Registered Entities did not indicate that an overwhelming number of NPCC BES Exception requests would be sought based on the filed BES Definition. While it is recognized that the significance of the impact cannot be fully assessed until the Commission acts on Phase 2 BES definition, anticipated to be approved by the NERC BOT by the end of 2013, based on the NPCC survey results, 2014 RAPA personnel should be sufficient to process any NPCC Exception requests.

NPCC will use the information technology tool and related BES reference and guidance documents to assist industry in the implementation of the BES definition approved by the Federal Energy Regulatory Commission in Order Nos. 773 and 773-A. The BES reference and guidance documents, processes and tool are designed to provide industry with certainty and clarity about the implementation of the revised BES definition, which is anticipated to become effective on July 1, 2013.

Use of the new ERO enterprise processes provides for efficient BES implementation through a common interface between registered entities and their respective Regional Entity in several of the major steps required to implement the revised BES definition. Features of the BES Notification and Exception Processing Tool include:

- A uniform process for the notification of self-determined inclusions or exclusions to the BES;
- A uniform process for industry to submit exception requests; and,
- A consistent method for the Regional Entities and NERC to efficiently process to conclusion requests for exceptions to the application of the BES definition.

The procedure to request an exception from application of the BES definition is set forth in Appendix 5C to the NERC Rules of Procedure, also expected to become effective July 1, 2014.The REMG formed the BES Exception Process Working Group in 2012 – comprised of representations from the eight Regional Entities and NERC staff - to help create an efficient and effective Regional mechanism for processing Entity self-determined BES notifications and BES Exception requests. The activities of the BEPWG are expected to continue in 2014, in order to provide regional expertise to the process as NERC acts on Regional BES Exceptions recommendations.

[38] ERO Goal 6.a. Publish quality reliability assessment reports (LTRA, seasonal, and special reports.
[39] ERO Goal 4.b. Provide lessons learned and recommendations from events and identified risks,
[40] ERO Goal 7.b. Develop, test and deploy ERO enterprise applications, platform and database.
[41] ERO Goal 1. Develop clear, reasonable and technically sound mandatory reliability standards in a timely and efficient manner.

In 2012, the NERC Standards Committee accepted the proposed BES Phase 2 SAR for development and approved the project schedule. The initial project schedule called for the technical justification of various aspects of the filed BES Definition to be completed by end of the year, with six months following thereafter (in 2013) allowing for the Standards process posting and comment period. Any resultant revision to the BES Definition would then be considered in 2013, based on the results of the Phase 2 BES SAR and a ruling by FERC regarding the FERC Order No. 773 rehearing requests. The NPCC 2014 Business Plan and budget is based on the assumption that with NERC BOT approval in November 2013 a Phase 2 BES definition would be filed with the Commission in 2014.

Eastern Interconnection Reliability Assessment Group [42]

The primary function of the Eastern Interconnection Reliability Assessment Group (ERAG) is to augment reliability of the bulk-power system in the Eastern Interconnection through periodic reviews of generation and transmission expansion. These assessments are conducted by the ERAG Steering Committees. In addition, ERAG has the responsibility to develop the annual set of seasonal and future steady state and dynamic simulation base cases for use by the Regional Entities and other industry groups in the Eastern Interconnection. This is done through the ERAG Multi-Regional Modeling Working Group (MMWG). NPCC participates in the ERAG activities as one of the six Eastern Interconnection Regional Entities.

NPCC RAPA staff participates with the ERAG Management Committee and acts as the liaison between the ERAG MMWG and the NPCC SS-37 Working Group; activities include:

Management Committee Activities

- ✓ Oversee the steady state and dynamic simulation base case development;
- ✓ Make necessary changes to the modeling of governor-turbine control systems to achieve frequency response that more closely reflects actual response during system frequency deviation events. Oversee ERAG Multi-Regional Modeling Working Group (MMWG) changes to the dynamics base cases;
- ✓ Continue the review of the NERC governor survey information to assess how to revise the governor-turbine plant control models at most generators;
- ✓ Review the 2013-2014 Winter and 2014 Summer Assessments, including, the SERN (SERC East-Reliability*First*–NPCC) and the MRSwS (Midwest Reliability Organization-ReliabilityFirst-SERC West-Southwest Power Pool) Assessments of anticipated inter-regional, inter-Balancing Authority transfer limit conditions and sensitivities;
- ✓ Participate in discussions with NERC staff, North American Transmission Forum, NERC System Analysis and Modeling Subcommittee, FERC staff and possibly North American Generation Forum representatives regarding base case modeling improvements and future general industry modeling improvements;
- ✓ Develop ERAG Strategic Direction (i.e. anticipated new developments in MMWG process and system assessments); and,
- ✓ Confirm MMWG cases and assessments continue to have sufficient protections in place for use and transmittal of confidential data and information.
- ✓

[42] ERO Goal 6.b. Reliability models and data accurately represent system behavior and are shared among reliability entities.

Multi-Regional Modeling Working Group Items

- ✓ Complete the steady state and dynamic simulation base cases for the 2014 series of cases;
- ✓ Complete necessary changes to the modeling of governor-turbine control systems to achieve frequency response that more closely reflects actual response during system frequency deviation events;
- ✓ Continue the review of the NERC governor survey information to assess how to revise the governor-turbine plant control models at most generators. Recommend the necessary changes in the models for specific generators;
- ✓ Incorporate dispatch information into the future and seasonal ERAG MMWG base cases so that the dispatches are more closely aligned with economic dispatch practices;
- ✓ Determine how the regional MMWG case development processes will change due to the use of the new web-based System Dynamics Data Base program;
- ✓ Develop a procedure to require that the contractor, Powertech, follow all procedures in the MMWG manual in order to avoid minimize future coordination problem;
- ✓ Check and confirm that the dynamic model data passes all applicable checks and acceptance criteria. Include 60 second steady state simulation of each case to detect numerical errors; and,
- ✓ Apply changes to the MMWG dynamics case so they are available for interconnection frequency studies.

System Assessments Items

- ✓ Completion of 2014 Summer and 2014-2015 Winter Assessments, including, the SERN and the MRSwS Assessments of anticipated inter-regional, inter-Balancing Authority transfer limit conditions and sensitivities; and,
- ✓ Take additional steps to achieve consistency among the SERN and the MRSwS study forums assessments and practices. Make additional recommendations to the ERAG Management Committee on how to complete this process.

NERC [43]

NPCC will continue to provide the NPCC Regional perspective with active NPCC RAPA staff participation on the NERC Planning and Operating Committees and key related NERC Subcommittees, Task Forces and Working Groups:

- ✓ Reliability Assessment Data Working Group (RADWG);
- ✓ Protection System Mis-operations Task Force (PSMTF);
- ✓ Spare Equipment Database Task Force (SEDTF);
- ✓ Demand Response Availability Data System Working Group (DADSWG);
- ✓ Generating Availability Data System Working Group (GADSWG);
- ✓ Transmission Availability Data System Working Group (TADSWG);
- ✓ Model Validation Working Group (MVWG);
- ✓ Reliability Assessment Subcommittee (RAS) - Seasonal and Long-Term Reliability Assessments;
- ✓ System Analysis and Modeling Subcommittee (SAMS);
- ✓ Performance Analysis Subcommittee (PAS);
- ✓ Regional support and coordination of the NERC:
  - o Generator Availability Data System (GADS);
  - o Demand Availability Data System (DADS);

[43] ERO Goal 6.a. Promote effective actions as needed to address identified gaps in future reliability.

- Transmission Availability Data System (TADS);
- Spare Equipment Data Base System (SEDS);
- Reliability Assessment Data System (RADS)

✓ Incorporating probabilistic reliability metrics required for the 2014 NERC Long-Term Reliability Assessment through the NPCC 2014 Long Range Adequacy Overview;
✓ Providing analytic support to ERO-RAPA group for the:
- Analysis of Relay mis-operations;
- Regional coordination of data required for the calculation of metrics proposed by the NERC Reliability Metrics Working Group; and,
- Other activities directed by the ERO-Executive Management Group.

As well as:

✓ Updating the NPCC Electric System Map;
✓ Liaison with the New York Defensive Strategies Working Group in coordination and implementation of Synchro-Phasor measurement devices on the NPCC and neighboring systems and monitor related efforts of the NERC North American Synchro-Phasor Initiative; [44]
✓ Review of projects proposed in conjunction with the New York Energy Highway Initiative;
✓ Coordinating the NPCC implementation of the FERC approved NERC BES definition and BES Exception Process;
✓ Participating in on-going NERC analysis of the Eastern Interconnection Frequency Response;
✓ Developing NPCC guidelines for load modeling in system reliability studies;
✓ Conducting NPCC resource adequacy assessments addressing impacts of emerging reliability issues identified by NERC (e.g., environmental requirements, gas-electric system interdependency, delays in transmission plans, etc.);
✓ Coordinating any resulting NPCC inter-Area reliability analyses required to assess the proposed integration of related large-scale renewable resource proposals from Regional activities;
✓ Completing the 2014 NERC Seasonal (and post Seasonal) Reliability Assessments; and,
✓ Completing the 2014 NERC Long-Term Reliability Assessment.

2014 Goals and Key Deliverables

Task Force on Coordination of Planning

The primary mission of the NPCC Task Force on Coordination of Planning (TFCP) is to promote reliability through the coordination of NPCC Area and NERC planning processes and activities. In addition, the TFCP provides technical support regarding operating expertise to the NPCC Regional Standards Committee and the NPCC Compliance Committee as requested.

TFCP activities include, but are not limited to:

- Leading the NPCC Task Force review of the revision of NPCC criteria, guidelines, and procedures related to planning, and of those documents which provide for the uniform implementation, interpretation and monitoring of compliance with criteria, guidelines and procedures related to planning.

[44] ERO Goal 6.b. Evaluate event disturbances using phasor measurements and other methods to assess sufficiency of data and models.

- Supporting the NPCC Directory Project by either drafting, reviewing or approving directories.
- Coordinating, monitoring, reviewing, and making recommendations on proposed or modified Special Protection Systems.
- Facilitating Wide-Area Planning by supporting the Joint ISO/RTO Planning Committee Activities, implementation of the Northeast Planning Protocol, and performing any NPCC interconnection reliability analyses, as required.
- Reviewing the overall reliability of the NPCC Areas and performing multi-Area probabilistic reliability assessments.
- Identifying and assisting in the development of new Regional Reliability Standards.
- Assisting the NPCC Compliance Subcommittee, to monitor and coordinate the compliance efforts of the Areas with NPCC planning documents and registered entities with NERC Reliability Standards.
- Reviewing the Standards Authorization Requests and NERC Reliability Standards as well as participating in the NERC process. Educating and informing NPCC membership and registered entities of developments.
- Ensuring coordination of data and assumptions for conducting NPCC planning studies (i.e. load forecasts, reserve requirements, DOE EIA 411 data, and new facilities)
- Monitoring the activities of other NPCC Task Forces to ensure coordination with planning activities.
- Reviewing the adequacy of the NPCC systems to supply load considering forecast demand, installed and planned supply and demand resources and required reserve margins in accordance with NPCC Directory No. 1 based on a schedule set forth in the Reliability Assessment Program.
- Coordinating the review of the compliance of future Area plans with the Basic Criteria, including an analysis of resource and transmission system additions, and the potential inter-Area effects of special protection systems, in accordance with NPCC Reliability Directory No.1 based on a schedule set forth in the Reliability Assessment Program. (Specific projects, which in the opinion of the task force could have an impact on the reliability of the NPCC Bulk Power System, may be reviewed outside of the set schedule).

Key TFCP Reliability Assessment and Performance Analysis Deliverables

- ✓ Coordinating activities related to reactive power and voltage control practices, which includes Under Voltage Load Shedding (UVLS) with the Task Force on Coordination of Operation and the Task Force on System Studies to ensure that developments in the NERC Planning Committee and its Subcommittees are addressed.
- ✓ Monitoring the actions of the NERC Performance Analysis Subcommittee (PAS).
- ✓ Monitoring the actions of the NERC System Analysis and Modeling Subcommittee (SAMS).
- ✓ Overseeing the A-10 BPS Implementation Plan.
- ✓ Overseeing the summer 2014 and winter 2014-2015 NPCC multi-area probabilistic reliability evaluations.
- ✓ Overseeing the 2014 NPCC Long-Range Adequacy Overview.
- ✓ Evaluating and approving Balancing Authority Area Transmission Reviews.
- ✓ Coordinating, monitoring, reviewing, and making recommendations on the retirement of existing in-service Special Protection Systems (SPS); and the implementation of proposed new or modified Special Protection Systems.
- ✓ Review the NPCC SPS criteria with respect to proposed NERC SPS Standards.

- ✓ Monitoring industry practices and making recommendations to NPCC on transmission adequacy standards related to intermittent generation such as wind or solar-voltaic.
- ✓ Reviewing and giving direction to other task forces on changes required to the Underfrequency Load Shedding (UFLS) program required to take into account increasing amounts of distribution connected generation and/or intermittent generation.
- ✓ Evaluating and recommending approval of NPCC Balancing Authority Area Resource Adequacy Assessments.
- ✓ Monitoring the developments in demand resources, energy efficiency and conservation methods including all intermittent renewable resources.
- ✓ Conducting resource adequacy assessment studies addressing emerging reliability issues as identified by the NERC Planning Committee (e.g., environmental requirements, etc.)
- ✓ Supporting Joint ISO/RTO Planning Committee activities.
- ✓ Facilitating Wide-Area Planning through participation in Regional activities (such as the Eastern Interconnection Planning Collaborative) and coordinating any resulting required inter-Area Reliability Assessment of the proposed integration related large-scale renewable resource proposals.
- ✓ Review of projects proposed in conjunction with the New York Energy Highway Initiative
- ✓ Completion of the NERC 2014 Long-Term Reliability Assessment.

Task Force on System Studies

The primary mission of the NPCC Task Force on System Studies (TFSS) is to provide active overall coordination of system studies of the reliability of the interconnected bulk power systems and for the review of certain NPCC documents. In addition, the TFSS provides technical support regarding operating expertise to the NPCC Regional Standards Committee and the NPCC Compliance Committee as requested.

The activities of the TFSS include, but are not limited to:

- Participating with the Task Force on Coordination of Planning, the Task Force on Coordination of Operation, and the Task Force on System Protection in reviews of the NPCC Reliability Directory No.1 and other NERC Reliability Standards and NPCC criteria, guidelines, procedures and documents which provide for the uniform implementation, interpretation and monitoring of conformance to criteria, guidelines and procedures related to system studies.
- Conducting NPCC Balancing Authority Area Reviews, in accordance with NPCC Reliability Directory No. 1, based on material presented by the Balancing Authority Areas. These reviews will assess the impact of planned transmission and resource additions or modifications on system reliability, and determine the Balancing Authority Area's conformance with the NPCC Basic Criteria.
- Reviewing and approving changes to Balancing Authority Areas' lists of bulk power system elements, in accordance with the *Classification of Bulk Power System Elements* (Document A-10). Annually review and update the NPCC BPS List.
- Reviewing and classifying new and modified Special Protection Systems, in accordance with NPCC Reliability Directory No. 7. Annually reviewing and updating the NPCC Special Protection System List.
- Conducting such load flow, transient stability, and other studies as required analyzing the overall reliability of the planned bulk power transmission systems of NPCC and the interconnections between NPCC and other Regional reliability organizations. As a part of this effort, analyze potential inter-Area effects of Special Protection Systems.

- Conducting analytical studies as appropriate to support the coordination of system planning, system operation and system protection in NPCC.
- Maintaining, through the SS-37 Working Group, a library of load flow base cases and associated dynamics data, for use in and support of Balancing Authority Area Reviews, overall transmission assessments, operational studies, inter-regional studies, etc. Coordinate this effort with the NERC inter-regional base case development process.
- In conjunction with other Task Forces, reviewing major system disturbances to ascertain the adequacy of the interconnected systems. Also, reviewing any associated recommendations for system modifications and considering the need for criteria changes.
- Identifying and recommending improved system study techniques. This includes, but is not limited to, the following:
    - improved techniques and models for power system simulation;
    - improved techniques for power system Reliability Assessment;
- Conducting a periodic review of the adequacy of the NPCC underfrequency load shedding program. Annually reviewing and updating the NPCC underfrequency load shedding database.
- Maintaining a listing and monitoring the status of major transmission and generation projects within NPCC.
- Maintaining liaison with other NPCC Task Forces and report to the Reliability Coordinating Committee as required.
- Monitoring the work of industry research and development organizations such as the IEEE, Canadian Electricity Association, Electric Power Research Institute, CIGRE and other technical organizations.
- Annually developing updates to the NPCC Electric System Map

Key TFSS Reliability Assessment and Performance Analysis Deliverables:

- ✓ Conducting Balancing Authority Area reviews, in accordance with the *Guidelines for NPCC Area Transmission Reviews* (Appendix B of NPCC Reliability Directory No. 1), based on material presented by the Balancing Authority Areas. These reviews assess the impact of planned transmission and resource additions or modifications on system reliability, and determine the Area's conformance with the NPCC Basic Criteria. Through the Area Transmission Reviews, re-evaluate the performance and classification of existing SPSs and Dynamic Control Systems as appropriate.
- ✓ Reviewing and classifying new and modified Special Protection Systems, in accordance with NPCC Reliability Directory No. 7 *Procedure for NPCC Review of New or Modified Bulk Power System Special Protection Systems* as required.
- ✓ Reviewing and approving changes to the Balancing Authority Areas' lists of bulk power system elements, in accordance with the *Classification of Bulk Power System Elements* (Document A-10), as required.
- ✓ Updating the NPCC Bulk Power System List.
- ✓ Through the ad hoc Load Modeling Task Force, address the recommendations from the SS-38 Load Modeling White Paper.
- ✓ Reviewing and updating NPCC Undervoltage Load Shedding Database.
- ✓ NPCC UFLS Adequacy Assessment Study scheduled completion by November 2014.
- ✓ Participation in on-going NERC analysis of the Eastern Interconnection Frequency Response.
- ✓ Through the SS-37 Working Group, develop the annual library of power flow base cases and associated dynamic models for use by NPCC members and input into the

development of the MMWG library of power flow and dynamic cases and databases for the Eastern Interconnection

i. Final development of NPCC power flow models for 2014
ii. Final development of NPCC dynamic models for 2014
iii. Address wind modeling issues including maintaining a database of NPCC wind models for use in the MMWG library of power flow and dynamic cases and databases for the Eastern Interconnection.

- ✓ Annually performing event replication and exercise the procedure. Reviewing existing Regional criteria and procedures for validation of data used in power flow and dynamic simulations by benchmarking against actual system performance. If the existing criteria or procedures are found to be deficient, propose changes to provide for adequate data validation (NERC Blackout Recommendation No. 14)
- ✓ Updating the NPCC SS-37 Working Group Procedure Manual and other related documents including the Master Tie line Data, and Interchange Schedule, as required.
- ✓ Providing mid-term updates to the Library of NPCC/MMWG cases
- ✓ Enhancing the governor modeling on a unit by unit basis suitable for use in the system simulation.
- ✓ Annually reviewing and updating a list of NPCC underfrequency load shedding.
- ✓ Coordinate activities with those of the New York State Defensive Strategies Working Group, regarding the coordination and implementation of Synro-Phasor measurement devices.
- ✓ Incorporate NPCC guidelines for load and power system modeling approved by the RCC in 2013.
- ✓ Classification of Bulk Power System Elements.
- ✓ Participate at Siemens PTI User Group meetings to provide PSSE program enhancements
- ✓ Supporting Regional system studies to integrate large-scale renewable resources.
- ✓ Provide support to NERC Event Analysis process, as needed.
- ✓ Develop updates to the NPCC Electric System Map.
- ✓ Review of projects proposed in conjunction with the New York Energy Highway Initiative
- ✓ Provide support to the NERC Model Validation Working Group (MVWG) as needed.

Task Force on System Protection (TFSP)

The purpose of the NPCC Task Force on System Protection (TFSP) is to promote the reliable and efficient operation of the interconnected bulk power systems in Northeastern North America through the establishment of directories, criteria, guidelines, and procedures and coordination of design, relative to the protection associated with the bulk power systems. In addition, the TFSP provides technical support regarding operating expertise to the NPCC Regional Standards Committee and the NPCC Compliance Committee as requested.

The Reliability Assessment and Performance Analysis activities of the TFSP include, but are not limited to:

- Assessing proposed protection systems and special protection systems in accordance with NPCC Reliability Directory No. 4 and No. 7.
- Reviewing and analyzing the performance of protection systems following selected major power system disturbances and events, inside as well as outside NPCC in accordance with NPCC Reliability Directory No. 4. Issue recommendations for changes to NPCC Documents, as appropriate.

- Providing technical advice on protection issues to NPCC and coordinate with other Task Forces on the application of Intelligent Electronic Devices (IEDs) that include functions related to energy management systems in addition to their protective functions, in order to safeguard the integrity of the protective functions.
- Through the SP-7 Working Group, review, on a quarterly basis all protection system misoperations reported to NPCC.
- Reviewing and assessing significant protection issues of common interest or informational value.
- Reviewing and assessing regulatory and industry based documents as they relate to system protection.
- Maintaining an effective liaison with North America groups working in the protection areas (for example: NERC System Protection & Control Subcommittee.)
- Exchanging information with other power pools, Regional Reliability Councils, Regional Transmission Organizations and other industry groups on matters concerned with system protection.
- Identifying the need for special studies and new documents, recommend action to the Reliability Coordinating Committee.

Key TFSP Reliability Assessment and Performance Analysis Deliverables:

- ✓ Assessing proposed protection systems and special protection systems for compliance with NPCC Directory No. 4 and No. 7 criteria.
- ✓ Reviewing and analyzing the performance of protection systems in power system disturbances and events, brought to the attention of the Task Force, inside as well as outside NPCC in accordance with *Procedures for Task Force on System Protection Review of Disturbances* (Document C-30). Issuing recommendations for changes to NPCC Documents, as appropriate.
- ✓ Participate or serve as lead Task Force in the development and/or implementation of Regional Reliability Standards.
- ✓ Providing support to the NERC Event Analysis process as required.
- ✓ Participate in the ongoing development and submission of NPCC input into the development of related NERC Reliability Standards.
- ✓ Conducting any follow-up to the bulk power system protection risk assessment as directed by the Reliability Coordinating Committee.
- ✓ Through the SP-7 Working Group, monitor the review of protection system mis-operations as they occurred in the NPCC Region and participation in providing the NPCC input for NERC Metric ALR4-1 on Protection Mis-operations.
- ✓ Monitor and review industry activities on the mitigation of the effects of SMD on protection systems. Report to RCC on any significant findings.
- ✓ Review mitigations and/or progress reports for BPS Risk Reduction Implementation at each meeting and annually report to the RCC on the status of this implementation.
- ✓ Participate in the development and submission of NPCC inputs/comments into the development of protection related NERC technical documents.
- ✓ Review best practices from its members and industry to pull together design considerations for the new IEC 61850 protection implementation with the output being possible additions to NPCC Directory No. 4 and Directory No. 7.

Task Force on Coordination of Operation

The NPCC Task Force on Coordination of Operation (TFCO) facilitates the coordination of operations among the NPCC Reliability Coordinator areas and adjacent NERC Regions to

enhance the reliability of the bulk power system. In addition, the TFCO provides technical support regarding operating expertise to the NPCC Regional Standards Committee and the NPCC Compliance Committee as requested.

The activities of the NPCC TFCO include, but are not limited to:

- Conducting seasonal reviews of the overall reliability of the generation and transmission systems in NPCC, and coordinating these efforts with parallel assessments conducted by the NPCC Task Force on Coordination of Planning and by NERC. Reviewing the operational preparedness of NPCC and recommending possible actions to mitigate any potential problems identified for each operating period.
- Reviewing operations and system disturbances and providing any necessary follow-up, including the recommendation of remedial or mitigating actions.
- Facilitating the reliable operational integration of new bulk power system facilities.
- Coordinating the development of operating NPCC requirements and procedures affecting the reliability and operability of the bulk power system in coordination with, and as directed by, NERC and NPCC.
- Promoting and sponsoring inter-Balancing Authority Area and interregional studies to enhance reliability and operational effectiveness of the bulk power system.
- Providing coordination of operating issues with other NPCC Task Forces and other Regions.
- Reviewing, and acting upon, NERC actions, motions and recommendations in relation to the operation of the power system.
- Formulating the position of the TFCO on NERC Standards, and providing this position to the NPCC Regional Standards Committee as appropriate.
- Providing assistance as requested by the NPCC Regional Standards Committee in the development of Regional Standards and Directories.
- Providing assistance as requested by the NPCC Compliance Committee in monitoring and coordinating the compliance efforts of the registered entities of NPCC.

Key TFCO Reliability Assessment and Performance Analysis Deliverables:

- ✓ Develop and implement a wide area restoration exercise including participation by all Reliability Coordinators of NPCC as well as the MISO and PJM.
- ✓ Manage the implementation of action items emanating from the NERC report, "High-Impact, Low-Frequency Event Risk to the North American Bulk Power System-June 2010," and its subsequent reports:
  - Severe Impact Resilience Severe Impact Resilience Task Force
  - Geomagnetic Disturbance Task Force
  - Cyber Attack Task Force
  - Spare Equipment Database Task Force
  - Smart Grid Task Force
- ✓ Monitor the development of the NERC North American Synchro-Phasor Initiative in its effort to establish an effective control monitoring tool.
- ✓ Provide assistance to the NPCC Regional Standards Committee in the second phase of the NPCC directories process, re-drafting NPCC Reliability Directory No. 8 as a template.
- ✓ Review NPCC Reliability Coordinator Area Restoration Plans.
- ✓ Complete the NPCC 2014 summer and winter Operational Reliability Assessments.
- ✓ Completion of the NERC 2014 seasonal assessments.
- ✓ Reliability assessment of increased penetration of electric vehicles

NPCC Regulatory/Governmental Affairs Advisory Group

The purpose of the NPCC Regulatory/Governmental Affairs Advisory Group is to promote NPCC interaction and coordination with Federal/State/Provincial governmental and/or regulatory agencies on a coordinated Regional basis, and identify and develop policy input for NPCC and Northeast Regional governmental and/or regulatory bodies.

The NPCC Governmental/Regulatory Affairs Advisory Group provides a forum where industry and governmental and/or regulatory representatives can exchange views and strive to develop consensus policy recommendations on reliability issues specific to the NPCC Region (Northeastern United States and Eastern Canada) and share actionable information among NPCC, NERC and other related governmental and/or regulatory agencies related to Regional energy and reliability matters.

Based on the portion of professional/technical staff time and other resources devoted to Reliability Assessment and Performance Analysis, NPCC estimates that it will expend 21 percent of its resources on these activities.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- U.S. Penalty Sanctions remitted from 7/1/12 through 6/30/13 reduce U.S. LSE designee assessments for 2014.

Personnel Expenses

- Additional RAPA FTEs are not anticipated to be required to meet the NERC expectation for Regional Entity support of the proposed RAPA activities, as described above.
- Decrease in salaries expense is due to filling the 2013 open position with a qualified yet less seasoned employee.

Meeting and Travel Expenses

- While the amount of activity is expected to significantly increase in 2014, due to the volume of work described above, meeting expenses will be minimized to the extent possible due to continued efforts to keep costs down by holding meetings via teleconference as appropriate, conducting meetings at the NPCC offices or member facilities, as well as negotiating lower meeting space rental rates. The increase in expected Travel expenses due to the significant amount of proposed activity will be mitigated by using advance bookings, adjustments to class of hotel used, increased meetings at NPCC's offices, and meetings conducted via teleconference.

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

Reliability Assessment and Performance Analysis Program

Funding sources and related expenses for the Reliability Assessment and Performance Analysis section of the 2014 business plan are shown in the table below.

Statement of Activities and Capital Expenditures
2013 Budget & Projection, and 2014 Budget
Reliability Assessment and Performance Analysis

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	$ 2,892,110	$ 2,892,110	$ -	$ 2,910,322	$ 18,212
Penalty Sanctions	64,529	64,529	-	32,017	(32,513)
Total ERO Funding	**$ 2,956,639**	**$ 2,956,639**	**$ -**	**$ 2,942,339**	**$ (14,300)**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 2,956,639**	**$ 2,956,639**	**$ -**	**$ 2,942,339**	**$ (14,300)**
Expenses					
Personnel Expenses					
Salaries	$ 938,733	$ 938,733	$ -	$ 904,028	$ (34,705)
Payroll Taxes	63,449	63,449	-	60,329	(3,121)
Benefits	215,362	215,362	-	226,225	10,862
Retirement Costs	183,530	183,530	-	190,390	6,860
Total Personnel Expenses	**$ 1,401,076**	**$ 1,401,076**	**$ -**	**$ 1,380,972**	**$ (20,104)**
Meeting Expenses					
Meetings	$ 45,000	$ 45,000	$ -	$ 45,000	$ -
Travel	160,000	160,000	-	175,000	15,000
Conference Calls	-	-	-	-	-
Total Meeting Expenses	**$ 205,000**	**$ 205,000**	**$ -**	**$ 220,000**	**$ 15,000**
Operating Expenses					
Consultants & Contracts	$ 285,000	$ 285,000	$ -	$ 275,000	$ (10,000)
Office Rent	-	-	-	-	-
Office Costs	-	-	-	13,000	13,000
Professional Services	-	-	-	-	-
Computer & Equipment Leases	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	**$ 285,000**	**$ 285,000**	**$ -**	**$ 288,000**	**$ 3,000**
Total Direct Expenses	**$ 1,891,076**	**$ 1,891,076**	**$ -**	**$ 1,888,972**	**$ (2,104)**
Indirect Expenses	**$ 1,107,348**	**$ 1,107,348**	**$ -**	**$ 1,105,682**	**$ (1,666)**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 2,998,424**	**$ 2,998,424**	**$ -**	**$ 2,994,654**	**$ (3,770)**
Change in Assets	**$ (41,785)**	**$ (41,785)**	**$ -**	**$ (52,315)**	**$ (10,531)**
Fixed Assets					
Depreciation	$ -	-	$ -	$ -	$ -
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	(41,785)	(41,785)	-	(52,315)	(10,531)
Inc(Dec) in Fixed Assets (C)	**(41,785)**	**(41,785)**	**-**	**(52,315)**	**(10,531)**
TOTAL BUDGET (=B+C)	2,956,639	2,956,639	-	2,942,339	(14,300)
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	**$ 0**	**$ 0**	**$ -**	**$ 0**	**$ (0)**

Training, Education, and Operator Certification Program

Training, Education, and Operator Certification Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	0.10	0.10	0.00
Direct Expenses	$199,339	$177,787	($21,552)
Indirect Expenses	$18,994	$18,965	($29)
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	($717)	($897)	($181)
Total Funding Requirement	$217,617	$195,855	($21,761)

Program Scope and Functional Description

The NPCC Training, Education, and Operator Certification program supports NERC Rules of Procedure Section 900. The program provides education and training necessary to understand and operate the bulk electric system. The target audience of the program is bulk power system operating personnel - including system operations personnel, operations support personnel (engineering and information technology), supervisors and managers, and training personnel. The program also supports NPCC staff training and development needs as well as the administration of records necessary to maintain status as a NERC Continuing Education provider.

Training Program Background and Description

NPCC establishes and coordinates programs for system operator training relating to inter-Reliability Coordinator area matters, criteria, terminology, standards and operating procedures and instructions. It develops and conducts training seminars, held twice yearly, at which potential operational problems for the coming season are discussed, the implementation of NPCC standards and procedures are discussed, significant disturbances are reviewed for lessons to be learned and table-top drills and communication and coordination exercises are conducted. The seminars promote camaraderie and better communication among system operators from the NPCC Reliability Coordinator Areas.

NPCC shares, evaluates and proposes new techniques and training aids as they become available; reviews opportunities to consolidate training among the NPCC Reliability Coordinators, which includes opportunities to share training material and training sessions and exchanges information on internal methods of system operator selection and training.

In addition, NPCC participates in the activities of the NERC Training and Education Group (TEG). The main objective of the NERC TEG is to coordinate the development of Regional Entity and NERC staff training and registered entity education materials to support and continually enhance reliability across North America for the benefit of all bulk electric system users, owners, and operators. The initial focus of this group has been on NERC compliance auditor training.

Funding Drivers and Reliability Benefits

- Provide two high-quality continuing education seminars for system operators
    - System operators participating in the Seminars get exposure to NPCC issues and current industry operations topics, review recent NPCC or major external disturbances, discuss projected conditions for the coming summer or winter peak season and participate in hands on exercises "table top exercises" pertaining to system operation practices. PJM operators also attend and participate in these seminars.
    - Seminar attendees also receive Continuing Education (CE) hours and each Balancing Authority Area utilizes the seminar content by including it in their internal training programs to provide CE hours to all system operators
    - The seminars help to improve system operation coordination through better camaraderie among operators
- Review and revise the curriculum of the training seminars to better emphasize NERC standards, Regional Standards and business practices, NPCC wide-area operations and Regionally-specific criteria and procedures.[45]
- Enhance the system operator's awareness and knowledge of the standards, criteria and procedures they apply in real time operation.[46] In 2012 and 2013 Seminars the Table Top Exercises include sessions addressing Simultaneous Activation of Reserve to reinforce the system operators ability to implement this without error.
- Provide more sharing of new training approaches, exchange of information on internal methods of system operator selection, training material and training sessions
    - Enhance efficiency and cost savings in the training programs in the NPCC Balancing Authority Areas
- Provide a forum among NPCC Balancing Authority Areas for sharing of strategies and approaches for enhancing their individual training programs and for meeting the requirements of the NERC PER standards.

2014 Key Assumptions

NPCC will conduct two workshops in 2014, for NPCC Stakeholders, for the express purpose of providing the most current and applicable information related to the development of NERC and Regional Reliability Standards and the implementation of the Compliance Monitoring and Enforcement Program (CMEP). These workshops, attended in the past by up to 250 participants, are specifically designed, primarily through the conduct of targeted breakout class room sessions and presentations on current industry related activities, to provide for the most efficient exchange of information between the NPCC Compliance and Standards Staff and the NPCC Stakeholders. Presentations in the past have been conducted by FERC, NERC and Stakeholder representatives in addition to NPCC Staff members. To supplement these workshops, NPCC is also considering additional methods for the dissemination of timely information, possibly in the form of on-line webinars. These webinars will focus on a specific topic pertinent to developments related to compliance program implementation and/or standards development that may arise in between the two regularly scheduled workshops.

[45] ERO goal 4.b. Provide lessons learned and recommendations from events and identified risks.
[46] ERO goal 4.b. Analyze significant events to identify gaps in standards, compliance effectiveness, registration, and risk controls effectiveness.

NPCC also regularly conducts spring and fall System Operator Seminars. These seminars involve system operators from the NPCC Reliability Coordinator / Balancing Authority Areas and PJM. These will be held in early May and early November.

With the exception of meeting expenses, it is proposed that the NPCC resources to support Training and Education will remain virtually unchanged for the calendar year. In 2014, to be consistent with NERC and other Regional Entities, NPCC will charge for participation in NPCC workshops in an effort to defray some of the costs.

Although NERC anticipates a significant expansion of its training efforts, including the targeting of numerous subject areas in a cooperative effort with the Regions, the details have yet to be fully presented. For this reason, it is proposed that the NPCC resources to support Training and Education remain constant, except in the area of meeting expenses, which are budgeted for an approximate 11% reduction from the 2013 budget.

2014 Goals and Key Deliverables

- Prepare and conduct the spring and autumn NPCC System Operator Seminars
- Review approaches to reliability related-task definition, task instruction, and instruction tracking on an individual basis
- Coordinate the implementation of PER-005 within the NPCC BA Areas and RC Areas.
- Expand the content of the Reliability Coordinator training programs, based on the new requirements generated by PER-005, for training of SCADA and field operators, as necessary, including description of tasks, verification of system operator capability to perform tasks. simulation exercises replicating system operation conditions, tracking of Continuing Education Hours and development of Individual Learning Activities
- Continue collaboration and sharing of the intended Reliability Coordinator/Balancing Authority approaches, experiences and materials to task identification and training development associated with NERC Standard PER-005, “System Personnel Training”
- Expand the NPCC repository of training resources and learning verification activities addressing fundamental power system topics, training methods and operation procedure training exercises, which may be shared as elements of operator training in compliance with NERC Standard PER-005, “System Personnel Training”
- Expand the NPCC repository of training resources and learning verification activities addressing NPCC procedures employed in real-time by RC/BA operators, which may be shared as elements of operator training in compliance with “System Personnel Training”
- Share among the NPCC RCs/BAs experiences on implementation of new NERC standard PER-005. Consider strategies to deal with any implementation difficulties
- Participate in NERC Training and Education Group activities and provide NPCC input to the development of training policies by this group.

Based on the portion of professional/technical staff time and other resources devoted to training, education, and operator certification, NPCC estimates that it will expend 1 percent of its resources on this activity.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- U.S. Penalty Sanctions remitted from 7/1/12 through 6/30/13 reduce U.S. LSE designee assessments for 2014.

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

Training, Education, and Operator Certification Program

Funding sources and related expenses for the training, education, and operator certification section of the 2014 business plan are shown in the table below.

Statement of Activities and Capital Expenditures
2013 Budget & Projection, and 2014 Budget
Training, Education, and Operator Certification

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	$ 136,510	$ 136,510	$ -	$ 131,306	$ (5,204)
Penalty Sanctions	1,107	1,107	-	549	(558)
Total ERO Funding	**$ 137,617**	**$ 137,617**	**$ -**	**$ 131,855**	**$ (5,761)**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	80,000	80,000	-	64,000	(16,000)
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 217,617**	**$ 217,617**	**$ -**	**$ 195,855**	**$ (21,761)**
Expenses					
Personnel Expenses					
Salaries	$ 17,338	$ 17,338	$ -	$ 17,448	$ 110
Payroll Taxes	1,088	1,088	-	1,063	(25)
Benefits	4,129	4,129	-	4,500	371
Retirement Costs	4,785	4,785	-	4,776	(9)
Total Personnel Expenses	**$ 27,339**	**$ 27,339**	**$ -**	**$ 27,787**	**$ 448**
Meeting Expenses					
Meetings	$ 152,000	$ 152,000	$ -	$ 135,000	$ (17,000)
Travel	20,000	20,000	-	15,000	(5,000)
Conference Calls	-	-	-	-	-
Total Meeting Expenses	**$ 172,000**	**$ 172,000**	**$ -**	**$ 150,000**	**$ (22,000)**
Operating Expenses					
Consultants & Contracts	$ -	$ -	$ -	$ -	$ -
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	-	-	-	-	-
Computer & Equipment Leases	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Direct Expenses	**$ 199,339**	**$ 199,339**	**$ -**	**$ 177,787**	**$ (21,552)**
Indirect Expenses	**$ 18,994**	**$ 18,994**	**$ -**	**$ 18,965**	**$ (29)**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 218,333**	**$ 218,333**	**$ -**	**$ 196,753**	**$ (21,581)**
Change in Assets	**$ (717)**	**$ (717)**	**$ -**	**$ (897)**	**$ (181)**
Fixed Assets					
Depreciation	$ -	-	$ -	$ -	$ -
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	(717)	(717)	-	(897)	(181)
Inc(Dec) in Fixed Assets (C)	**(717)**	**(717)**	**-**	**(897)**	**(181)**
TOTAL BUDGET (=B+C)	217,617	217,617	-	195,855	(21,761)
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	**$ 0**	**$ 0**	**$ -**	**$ (0)**	**$ (0)**

Situation Awareness and Infrastructure Security Program

Situation Awareness and Infrastructure Security Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	3.00	3.00	0.00
Direct Expenses	$988,341	$922,070	($66,271)
Indirect Expenses	$569,819	$568,962	($857)
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	($21,501)	($26,920)	($5,419)
Total Funding Requirement	$1,536,658	$1,464,111	($72,547)

Program Scope and Functional Description

The Situation Awareness and Infrastructure Security Program is the combination of near real time awareness of conditions on the bulk power system with the programs necessary to increase the physical and cyber security of the electricity infrastructure, including the operation and maintenance of tools and other support services for the benefit of Reliability Coordinators and the system operators within the registered entities. Maintaining the real-time awareness of conditions on the interconnected bulk power systems by the NPCC Reliability Coordinator is critical to maintaining reliable operation within NPCC, including the communication of information concerning system conditions and abnormal events among the neighboring system operators responsible for the reliable operation of the bulk power systems. When a disturbance does occur, it is necessary to use the event as a learning opportunity and provide a forum for the active coordination of reliability and operation among the NPCC Reliability Coordinator areas and neighboring NERC Regions to enhance the reliability of the interconnected bulk power system through the lessons to be learned which can be gleaned from such an event.

Event Analysis Program

NERC and the industry pursue three avenues in the analysis of a disturbance: the identification of lessons to be learned, a formal cause code analysis and a review of applicable standards.

Following two industry trials beginning in the autumn of 2010, the NERC approved, at its February meeting of the NERC Board of Trustees, an enhanced, industry wide Event Analysis Program. The Event Analysis Program recognizes that many events which occur on the bulk power system beyond the routine reporting requirements previously in place can have varying levels of significance to the electric system, providing otherwise unrealized lessons to be learned from these events and the trending of such events to identify possible reliability concerns. By integrating a “bottom-up” approach to a disturbance review within the framework of the NERC Event Analysis Program, consistency, comparability, flexibility and timeliness in the event analysis process will be promoted by NPCC, the registered entities and NERC in a collaborative initiative. Upon the identification of an event, the goal of the Event Analysis Program is to:

- identify what transpired;
- categorize the event within the NERC Event Analysis Program;
- establish the sequence of events;

- understand the essential root causes of the event;
- identify recommendations or corrective actions; and
- develop, and disseminate to the industry, lessons to be learned so that the operational reliability of the bulk power system can be further enhanced.

In assessing any system event, it is recognized that, if the timely dissemination of lessons learned from an event or disturbance is to be realized, any potential compliance implications associated with an event must be addressed and dismissed[47]. Throughout an event analysis effort, to make this process successful and complete, and to solidify the "bottom-up" approach, registered entities are encouraged to establish a liaison between the event analysis and compliance functions internal to the registered entity during the event analysis process. This serves to facilitate the development of a registered entity compliance self assessment report which will perform a sufficiency review of the reliability standards deemed applicable to the event, assisting in the self-reporting of possible violations should any be discovered.

To complete this effort, the entity, the Region and NERC staff collaborate to assess the NERC Event Analysis Report and perform a formal cause code analysis, identifying a root cause and complementing any lessons learned gathered from the disturbance.

The adoption by NERC of the Event Analysis Program brings clarity and certainty about what system events are relevant to analyze and to what level of detail, targeting potential vulnerabilities to the reliability of the bulk power system for detailed and in depth analysis; only concise and succinct reviews are desired for more minor events. It also delineates the expectations of roles and responsibilities of the registered entities, NPCC and NERC in a uniform review of system disturbances by the industry, and, ultimately, the program promotes the timely development and dissemination of valuable lessons learned to the industry. The identification and tracking of emerging common elements in system events will further distinguish trends which may be of concern to reliability. By rigorously pursuing the lesser events on the system and learning from these disturbances, the larger event can be avoided or mitigated.

NPCC Staff works step-by-step with the registered entity in the total event analysis process, permitting the entity to assume the primary role in the initial analysis, the development of lessons learned which may benefit the industry and the Standards sufficiency review.

NERC Alert Process

NPCC Staff works with the registered entities to appropriately respond to the NERC Alert system, a process through which notifications of potential threats to electric reliability are disseminated to the industry with the expectations placed on the entity proportional to the severity of the Alert being issued.

20142014

NPCC Staff is also working closely with the NERC Staff to incorporate greater efficiencies, industry input and precision into the NERC proposal for a more streamlined NERC Alert process which can disseminate critical information to the appropriate Subject Matter Expert within the organization who can promptly act on the alert.

[47] ERO Goal 4.b. Analyze significant events to identify gaps in standards, compliance effectiveness, registration, and risk controls effectiveness

Operational Status[48]

On an ongoing, but non-real time basis, NPCC monitors the operational status of the bulk power system and coordinates normal and pre-emergency communication, awareness and assistance in addition to the same during an emergency among the Reliability Coordinators within NPCC and its neighboring RCs: the New Brunswick System Operator, Hydro-Québec TransÉnergie, the ISO New England, Inc., the New York ISO and the Independent Electricity System Operator in Ontario. The industry is notified of significant bulk power system events that have occurred in one Reliability Coordinator Area, and which have the potential to impact reliability in other NPCC Reliability Coordinator Areas or Regions external to NPCC. These events include contingencies on the bulk power system, potential shortfalls of operating reserve, operating problems, potential security threats and potential threats or disruptions to the cyber systems.

The "NPCC Emergency Preparedness Conference Call Procedures" provide a mechanism that enables the Reliability Coordinator in NPCC, and, as circumstances may require, their counterparts in neighboring Regions, to rapidly communicate the status of current operating conditions, to facilitate the procurement of assistance during emergency conditions and to identify potential physical or cyber threats to the system.

Items of particular concern that can be discussed during the calls may include, but are not limited to, the following: anticipated weather conditions critical to the system or systems experiencing or projecting resource deficiencies; load forecast; largest first and second contingencies; potential need for emergency transfers; operating reserve requirements and expected available operating reserve capacity deficiencies; potential fuel shortages or potential fuel supply disruptions which could lead to energy shortfalls; identified or projected voltage conditions; status of short term transactions; additional capability available within four hours and additional capability available within twelve hours; generator outages; significant transmission outages; expected transfer limits and limiting elements; anticipated implementation of NERC Transmission Loading Relief (TLR); changes in the status of relay protection systems; arming of special protection systems not normally armed; and/or the application of abnormal operating procedures.

NPCC has also established a daily conference call to serve as a complement to the NPCC Emergency Preparedness Conference Call. The participants of the call are the Reliability Coordinators within NPCC and its neighboring RCs, the Midwest ISO and PJM. The conference call is implemented through a bridge, the initiation of the call quickly ringing all pre-selected telephones simultaneously. The goal of the call is to alert all Reliability Coordinators of emerging problems. If no system difficulties are anticipated for the day, no unnecessary information is to be discussed. Subjects for discussion are limited to credible events which could impact the ability of an entity to serve its load and meet its operating reserve obligations or would impose a burden to the interconnection, including the following: Projected Load; Adverse Weather; Operating Reserve; Generation; Transmission; and Sabotage. If conditions worsen in the course of the day, the NPCC Emergency Preparedness Conference Call will be implemented.

NPCC monitors the status of the bulk power system through the the NERC Situational Awareness-FERC, NERC, Regions (SAFNR) initiative, a near real-time operating display for the United States portion of the Reliability Coordinators footprints of North America.

[48] ERO Goal 5.a.Manage risk control initiatives to be completed by ERO and coordinate other initiatives with industry (e.g., relay misoperations, situational awareness, human error, cyber attack)

Transmission voltage levels of 230 kV and above are displayed, and the tool provides the ability to "drill down" to detailed bus information.

To ensure the capability for continued voice communications among NPCC and its Reliability Coordinators, a satellite telephone network was also established, and it is tested on a monthly basis. This back-up communications system will function in the event of a collapse of the Public Switched Telephone Network (PSTN), and cross-border voice communications can still be maintained among the Canadian Reliability Coordinators of NPCC and the Reliability Coordinators in the United States.

Critical Infrastructure Objectives

NPCC's critical infrastructure objectives are defined within the scope of the NPCC Task Force on Infrastructure Security & Technology, (TFIST) and include, but are not confined to:

- Providing a forum for NPCC review of proposed and posted documents from the NERC Critical Infrastructure Protection Committee (CIPC)
- Representing and advocating NPCC's position in the activities of NERC groups involved in the development and/or implementation of physical and cyber security

NPCC's 2014 critical infrastructure goals and objectives, as identified by the 2013-2014 Work Plan of the Task Force on Infrastructure Security and Technology include, but are not confined to:

- Oversee the implementation of version 5 of the CIP Standards
- Monitor the Homeland Security Information Network (HSIN), ES-ISAC, Critical Information Protection Information Sharing (CIPIS), NERC Alerts and Canadian Information Sharing and share information with CO-8[49]
- Review and submit comments on NERC proposed Reliability Standards, modified Reliability Standards, proposed Guidelines and modified Guidelines related to Infrastructure Security and Technology
- Keep current on all governmental agencies regarding applicable security recommendations and requirements, and other applicable security and reliability recommendations and keep the RCC and its committees appropriately informed, e.g. Sector Specific Plan.
- Develop and maintain levels of expertise in those areas of concern to the task force through activities such as periodic workshop presentations, seminars, and meetings, open to the general NPCC membership[50]..
- Regarding the Cross Border Emergency Telecommunications recommendation
    - Continue to annually report to RCC on this testing
    - Continue to support CO-8's monthly testing
- Assess the telecommunications industry's desire to convert Frame Relay customers to Multiprotocol Label Switching (MPLS) and potentially provide recommendations to RCC

System Operations Security Objectives

NPCC's system operations security objectives are defined within the scope of the NPCC Task Force on Coordination of Operation (TFCO) and include, but are not confined to:

- Coordinating interregional pre-emergency actions in the event of a threat to the security of the Northeastern North American bulk power supply system[51]

[49] ERO Goal 5.b. Issue and track security recommendations to protect the bulk power system (related to 5.a.ii.)
[50] ERO Goal 5.b. Expand the use and value of security threat and vulnerability information sharing, analytics, and analysis
[51] ERO Goal 5.b.Issue and track security recommendations to protect the bulk power system (related to 5.a.ii.)

- Assisting in the development of real time operating tools assuring cyber security concerns are addressed[52]

NPCC's 2014 operational situation awareness goals and objectives, as identified by the 2013-2014 Work Plan of the NPCC Task Force on Coordination of Operation (TFCO) include, but are not confined to:

- Implementation of version 5 of the Cyber Standards.[53]
- Disseminate the Lessons Learned from the NERC Event Analysis Program to the NPCC member entities and track to completion actionable items from these Lessons Learned.[54]
- Identify real time control room applications of the NERC North American Synchro-Phasor Initiative (NASPI) for use within NPCC.[55]

2014 Key Assumptions

- The approved NERC Event Analysis Program will be augmented with a robust program of causal analysis and metrics trending.
- Critical infrastructure protection will fully integrate the requirements of version 5 of the Cyber Standards in 2014.
- The complete Phase II initiative for NERC Situation Awareness-FERC, NERC, Regions (SAFNR) will be integrated into the NERC and Regional Situational Awareness programs.

2014 Goals and Key Deliverables

- In concert with the registered entity in the total event analysis process, develop actionable lessons to be learned.
- Work directly with registered entities and NERC Staff to develop cause codes for all NPCC events analysis reports and industry wide Category 2 and 3 events[56].
- Expand the NPCC Events Data Base to track to Region-wide consideration of Lessons Learned and corrective actions identified in the Event Analysis Reports and report on implementation to RCC[57]
- Contribute to the reduction of Category 3 events and no Category 4 or 5 events in NPCC- by disseminating to the RCC compiled information on NPCC Region specific, as well as industry wide, event related causal analysis and analysis of Lessons Learned.[58]

Based on the portion of professional/technical staff time and other resources devoted to situation awareness and infrastructure security, NPCC estimates that it will expend 11 percent of its resources on this activity.

[52] ERO Goal 5.a. Manage risk control initiatives to be completed by ERO and coordinate other initiatives with industry (e.g., relay misoperations, situational awareness, human error, cyber attack)
[53] ERO Goal 5.a. Manage risk control initiatives to be completed by ERO and coordinate other initiatives with industry (e.g., relay misoperations, situational awareness, human error, cyber attack)
[54] ERO Goal 5.a. Develop and deploy a recommendations tracking system
[55] ERO Goal 6.b. Evaluate event disturbances using phasor measurements and other methods to assess sufficiency of data and models
[56] ERO Goal 4.b. Events and system performance are consistently analyzed for sequence, cause, and remediation to identify reliability risks and trends, and to inform standards, compliance, and other programs. Industry is well informed of system events, emerging trends, risk analysis, lessons learned and expected actions.
[57] ERO Goal 5.a. Develop and deploy a recommendations tracking system
[58] ERO Goal 4.b. Provide lessons learned and recommendations from events and identified risks

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- U.S. Penalty Sanctions remitted from 7/1/12 through 6/30/13 reduce U.S. LSE designee assessments for 2014.

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.
- Meeting and travel expenses are lower than 2013 budget based upon the expectation that 2014 expenses in these areas will be closer to historical actual expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

Situation Awareness and Infrastructure Security Program

Funding sources and related expenses for the situation awareness and infrastructure security section of the 2014 business plan are shown in the table below.

Statement of Activities and Capital Expenditures
2013 Budget & Projection, and 2014 Budget
Situation Awareness and Infrastructure Security

	2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	$ 1,503,453	$ 1,503,453	$ -	$ 1,447,636	$ (55,817)
Penalty Sanctions	33,206	33,206	-	16,475	(16,730)
Total ERO Funding	**$ 1,536,658**	**$ 1,536,658**	**$ -**	**$ 1,464,111**	**$ (72,547)**
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	**$ 1,536,658**	**$ 1,536,658**	**$ -**	**$ 1,464,111**	**$ (72,547)**
Expenses					
Personnel Expenses					
Salaries	$ 519,676	$ 519,676	$ -	$ 522,672	$ 2,996
Payroll Taxes	33,338	33,338	-	32,961	(377)
Benefits	82,596	82,596	-	88,851	6,254
Retirement Costs	117,730	117,730	-	117,586	(144)
Total Personnel Expenses	**$ 753,341**	**$ 753,341**	**$ -**	**$ 762,070**	**$ 8,729**
Meeting Expenses					
Meetings	$ 45,000	$ 45,000	$ -	$ 25,000	$ (20,000)
Travel	90,000	90,000	-	60,000	(30,000)
Conference Calls	-	-	-	-	-
Total Meeting Expenses	**$ 135,000**	**$ 135,000**	**$ -**	**$ 85,000**	**$ (50,000)**
Operating Expenses					
Consultants & Contracts	$ 100,000	$ 100,000	$ -	$ 75,000	$ (25,000)
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	-	-	-	-	-
Computer & Equipment Leases	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	**$ 100,000**	**$ 100,000**	**$ -**	**$ 75,000**	**$ (25,000)**
Total Direct Expenses	**$ 988,341**	**$ 988,341**	**$ -**	**$ 922,070**	**$ (66,271)**
Indirect Expenses	**$ 569,819**	**$ 569,819**	**$ -**	**$ 568,962**	**$ (857)**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)	**$ 1,558,160**	**$ 1,558,160**	**$ -**	**$ 1,491,031**	**$ (67,128)**
Change in Assets	**$ (21,501)**	**$ (21,501)**	**$ -**	**$ (26,920)**	**$ (5,419)**
Fixed Assets					
Depreciation	$ -	-	$ -	$ -	$ -
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	(21,501)	(21,501)	-	(26,920)	(5,419)
Inc(Dec) in Fixed Assets (C)	**(21,501)**	**(21,501)**	**-**	**(26,920)**	**(5,419)**
TOTAL BUDGET (=B+C)	1,536,658	1,536,658	-	1,464,111	(72,547)
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	**$ (0)**	**$ (0)**	**$ -**	**$ (0)**	**$ 0**

Administrative Services

Administrative Services Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	9.00	9.00	0.00
Total Direct Expenses	$5,508,249	$5,689,616	$181,367
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	$0	$0	$0
Less: Other Funding Sources	$0	$0	$0
Total Allocation to Regional Entity Division Programs as Indirect Expenses	($5,101,778)	($5,283,757)	($181,978)
Total Allocation to Criteria Services Division Programs as Indirect Expenses	($406,471)	($405,859)	$612
Funding Requirement for Working Capital	($1,115,163)	($300,126)	$815,037

Program Scope and Functional Description

Administrative services support the previously identified five program areas of: reliability standards; compliance monitoring and enforcement and organization registration and certification; training, education, and operator certification; reliability assessment and performance analysis; and situation awareness and infrastructure security. Administrative services consist of: technical committees and members' forums; general and administrative; legal and regulatory; information technology; human resources; and finance and accounting.

Methodology for Allocation of Administrative Services Expenses to Programs

NPCC total overhead expenses, such as office rent and office costs, will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Administrative Services

Funding sources and related expenses for the Administrative Services section of the 2014 business plan are shown in the table below.

Statement of Activities and Capital Expenditures 2013 Budget & Projection, and 2014 Budget ADMINISTRATIVE SERVICES						
		2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding						
ERO Funding						
	ERO Assessments	$ (1,115,163)	$ (1,115,163)	$ -	$ (300,126)	$ 815,037
	Penalty Sanctions	-	-	-	-	-
Total ERO Funding		**$ (1,115,163)**	**$ (1,115,163)**	**$ -**	**$ (300,126)**	**$ 815,037**
	Membership Dues	-	-	-	-	-
	Testing Fees	-	-	-	-	-
	Services & Software	-	-	-	-	-
	Workshops	-	-	-	-	-
	Interest	-	-	-	-	-
	Miscellaneous	-	-	-	-	-
Total Funding (A)		**$ (1,115,163)**	**$ (1,115,163)**	**$ -**	**$ (300,126)**	**$ 815,037**
Expenses						
Personnel Expenses						
	Salaries	$ 1,604,849	$ 1,604,849	$ -	$ 1,676,735	$ 71,886
	Payroll Taxes	95,230	95,230	-	96,083	853
	Benefits	462,410	462,410	-	442,256	(20,154)
	Retirement Costs	406,249	406,249	-	425,270	19,020
Total Personnel Expenses		**$ 2,568,739**	**$ 2,568,739**	**$ -**	**$ 2,640,344**	**$ 71,605**
Meeting Expenses						
	Meetings	$ 60,000	$ 60,000	$ -	$ 110,000	$ 50,000
	Travel	105,000	105,000	-	155,000	50,000
	Conference Calls	87,000	87,000	-	77,000	(10,000)
Total Meeting Expenses		**$ 252,000**	**$ 252,000**	**$ -**	**$ 342,000**	**$ 90,000**
Operating Expenses						
	Consultants & Contracts	$ 120,000	$ 120,000	$ -	$ 150,000	$ 30,000
	Office Rent	706,500	706,500	-	737,272	30,772
	Office Costs	468,500	468,500	-	523,500	55,000
	Professional Services	1,120,000	1,060,000	(60,000)	966,500	(153,500)
	Computer & Equipment Leases	-	-	-	-	-
	Miscellaneous	80,000	80,000	-	80,000	-
	Depreciation	192,510	192,510	-	250,000	57,490
Total Operating Expenses		**$ 2,687,510**	**$ 2,627,510**	**$ (60,000)**	**$ 2,707,272**	**$ 19,762**
	Total Direct Expenses	**$ 5,508,249**	**$ 5,448,249**	**$ (60,000)**	**$ 5,689,616**	**$ 181,367**
Indirect Expenses		**$ (5,508,249)**	**$ (5,508,249)**	**$ -**	**$ (5,689,616)**	**$ (181,367)**
Other Non-Operating Expenses		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)		**$ -**	**$ (60,000)**	**$ (60,000)**	**$ -**	**$ 102**
Change in Assets		**$ (1,115,163)**	**$ (1,055,163)**	**$ 60,000**	**$ (300,126)**	**$ 814,935**
Fixed Assets						
	Depreciation	(192,510)	(192,510)	$ -	(250,000)	$ (57,490)
	Computer & Software CapEx	-	-	-	-	-
	Furniture & Fixtures CapEx	-	-	-	-	-
	Equipment CapEx	-	-	-	-	-
	Leasehold Improvements	-	-	-	-	-
	Allocation of Fixed Assets	192,510	192,510	-	250,000	57,490
Inc(Dec) in Fixed Assets (C)		**-**	**-**	**-**	**-**	**-**
TOTAL BUDGET (=B+C)		-	(60,000)	(60,000)	-	102
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)		**$ (1,115,163)**	**$ (1,055,163)**	**$ 60,000**	**$ (300,126)**	**$ 814,935**

Technical Committees and Member Forums

Technical Committees and Members Forum Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	0.50	0.50	0.00
Total Direct Expenses	$73,531	$75,711	$2,180
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	$0	$0	$0
Working Capital Requirement	$0	$0	$0

Program Scope and Functional Description

The success of the NPCC programs depends on the active and direct volunteerism and participation of its members. The stakeholders are the source of expertise in the industry. To promote the reliable and efficient operation of the interconnected bulk power systems in Northeastern North America, NPCC invites high level policy makers from Federal, Provincial and State regulatory and/or governmental authorities and senior executives within NPCC and NERC to identify and discuss emerging issues related to the reliability of the NPCC Region.

2014 Key Assumptions

- NPCC's standing committee and subgroup structure for effective stakeholder involvement will continue in 2014
- NPCC will continue to utilize methods to encourage active involvement in its Regional programs that require less stakeholder travel and face-to-face meetings, as the economy improves in 2014
- NPCC will continue to invest in technology and innovation to allow efficient collaboration on technical issues related to reliability

2014 Goals and Key Deliverables

The 2014 NPCC General Meeting provides an opportunity for NPCC Members to meet high level policy makers from Federal, Provincial and State regulatory and/or governmental authorities and senior NERC and NPCC executives to discuss topics related to the reliable planning and operation of the power system, including consideration of emerging reliability, critical infrastructure and environmental issues.

2014 Public Information Committee Goals and Objectives

The objective of the NPCC Public Information Committee is to highlight and summarize NPCC activities and accomplishments in the past year, disseminate and coordinate the appropriate release of information to the media, respond to related requests for information, and coordinate with related NPCC Area, NERC media and public information activities. Activities anticipated for include, but are not limited to:

- Conducting the Media Event – release of the Summer NPCC Reliability Assessment
- Developing the NPCC Summer and Winter Reliability Outlooks
- Participation in NERC Regional communication initiatives:

- Monthly Regional communications teleconferences
- Development of Compliance background information (FAQ) and sample press releases
- Preparation of NERC Standards background information and outreach to registered entities
- Coordination of Emergency or Blackout communications plans
- Coordination with other NERC activities as required (i.e., situation awareness, event analysis, reliability assessments, etc.)

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Not applicable

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

General and Administrative

General and Administrative Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	2.50	2.50	0.00
Total Direct Expenses	$3,138,099	$3,293,356	$155,258
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	$0	$0	$0
Working Capital Requirement	($1,115,163)	($300,126)	$815,037

Program Scope and Functional Description

The NPCC general and administrative function provides executive management of the corporation, management of NPCC office, and other administrative support programs.

NPCC total overhead expenses, such as office rent and office costs, will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Funding Requirements — Explanation of Increase (Decrease)

The negative ERO assessment requirement identified equates to the reduction in assessments necessary to achieve the targeted working capital and operating reserve balance.

Funding Sources (Other than ERO Assessments)

- Not applicable

Personnel Expenses

- Benefits are lower than 2013 budget due to reimbursed education courses being completed in 2013.

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.
- In the areas of meetings, travel, consultants & contracts, office rent and office costs, expenses that were budgeted to various other program areas in 2013 are being budgeted to General and Administrative.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

Legal and Regulatory

Legal and Regulatory Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	1.00	1.00	0.00
Total Direct Expenses	$677,506	$621,004	($56,502)
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	$0	$0	$0
Working Capital Requirement	$0	$0	$0

Program Scope and Functional Description

NPCC's professional legal services provide counsel to the President and CEO, Board of Directors, Vice President and COO, Treasurer and staff on legal and regulatory matters including corporate law, code of conduct, confidentiality, governance, employment law and other areas affecting NPCC. Outside counsel reviews items filed with governmental agencies for legal sufficiency; maintains relationships with U.S. and Canadian jurisdictions, and provides contract review.

Funding Sources (Other than ERO Assessments)

- Not applicable

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

Information Technology

Information Technology Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	3.00	3.00	0.00
Total Direct Expenses	$987,463	$1,037,624	$50,161
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	$0	$0	$0
Working Capital Requirement	$0	$0	$0

Program Scope and Functional Description

NPCC's Information Technology services ensure information assets and the environment in which they operate are secure and in conformance to NPCC IT Policies and Procedures. NPCC maintains an offsite backup server for continuity of essential operations in the event that its primary location is unavailable.

2014 Key Assumptions

- Continue to develop and maintain the compliance portal through collaboration with other Regions and NERC (CUG).
- Achieve greater consistency with the other Regions and NERC by participating in the NERC IT Steering Group (ITSG) and deriving the efficiencies and cost savings which may result from the projects of this group.[59]
    - The ERO EMG identifies and prioritizes ERO-wide applications to be developed under a PMO housed at NERC. The NERC IT budget does not supplant the Regional Entities' need for IT expenditures for specific regional projects, but to the extent that agreed-upon ERO Enterprise applications provide greater efficiencies, there should not be any unnecessary, redundant expenditures at the regional level.
- Support the Event Analysis program through continued participation in the tools used for the tracking and analysis of system events.[60]
- Support the Bulk Electric System Exception Process "BEP" to enable and facilitate tracking and processing of exceptions submitted.[61]

2014 Goals and Key Deliverables

Responsibilities encompass a variety of complex technical, administrative, and supervisory work in the development, installation, and maintenance of information technology systems. IT goals include, but are not limited to:

[59] ERO Goal 7.b. Develop test and deploy ERO enterprise applications, platform and database

[60] ERO Goal 6.b. Evaluate event disturbances using phasor measurements and other methods to assess sufficiency of data and models;
ERO Goal 4.b. Provide lessons learned and recommendations from events and identified risks;
ERO Goal 4.b. Merge event driven databases and cause codes into one (e.g., event analysis, TADS, GADS, relay mis-operations)

[61] ERO Goal 2.a. Develop and implement BES exception process.

- Create an information security program and environment aimed at reducing breach of security risks
- Determine long-term software and systems needs and hardware acquisitions
- Develop and implement information security standards and procedures
- Ensure all information systems are functional and secure, and that all applications running on those systems meet business requirements for performance, availability, and security
- Plan and implement organization-wide information systems, services, and network facilities, including local area networks, wide-area networks, and peripheral systems
- Provide outreach and education to NPCC members in IT best practices
- Coordinate Cyber Protection activities, discussions and hold workshops as may be required to maintain Cyber Security of BES Cyber Assets.[62]
- Provide continued support and participation in NERC's Critical Infrastructure Protection Committee (CIPC)[63]
- Continually improve Disaster Recovery policies and practices to ensure continuity of service

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Not applicable

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

[62] ERO Goal 1. b. Facilitate smooth transition of new standards (e.g., CIP Version 5); and
ERO Goal 3.a. Initiate compliance phase-in learning periods for new standards

[63] ERO Goal 5.a. Manage risk control initiatives to be completed by ERO and coordinate other initiatives with industry (e.g., relay misoperations, situational awareness, human error, cyber attack)

Human Resources

Human Resources Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	1.00	1.00	0.00
Total Direct Expenses	$174,401	$178,931	$4,530
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	$0	$0	$0
Working Capital Requirement	$0	$0	$0

Program Scope and Functional Description

NPCC has assembled an exceptional team of highly qualified employees to carry out the activities of NPCC. The human resources function, in adherence with applicable federal and state laws, designs, plans, and implements human resources policies and procedures, including staffing, compensation, benefits, employee relations, and training and development.

Funding Sources (Other than ERO Assessments)

- Not applicable

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

Accounting and Finance

Accounting and Finance Program Resources (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	1.00	1.00	0.00
Total Direct Expenses	$457,249	$482,991	$25,741
Other Non-Operating Expenses	$0	$0	$0
Inc(Dec) in Fixed Assets	$0	$0	$0
Working Capital Requirement	$0	$0	$0

Program Scope and Functional Description

The accounting and finance function directs the overall financial plans and accounting practices of the organization; oversees treasury, accounting, budget, tax, and audit activities; and oversees financial and accounting system controls and standards. NPCC uses a CPA firm to prepare its unaudited statements of activities and financial statements for quarterly reviews. Independent audits have identified this system as a best practice.

2014 Goals and Key Deliverables

The objectives are to provide or obtain the financial and accounting services for NPCC and coordinate with NERC requirements:

- Utilize the NERC System of Accounts for consistency
- Utilize an accrual method of accounting for consistency with NERC in methodology
- Cash Management
- Budget Development using the NERC budget template formats
- Forecasts and Projections
- Alignment of NPCC Committees, Task Forces and Working Groups with the programs
- Payroll and expense administration
- Preparation of unaudited Quarterly Financial Statements
- IRS Reporting
- Annual Independent Audit initiated by the Regional Entity

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Not applicable

Operating Expenses and Indirect Expenses

- NPCC total overhead expenses, such as office rent and office costs will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

Regional Entity Assessment Analysis

In the area of assessments there are distinct funding mechanisms as outlined in the following table. For the Regional Entity division, the North American Electric Reliability Corporation (NERC) will assess load serving entities (LSEs) or their designees (within NPCC the designees are the Balancing Authority Areas (BAAs) for New York, New England, New Brunswick, Nova Scotia, Ontario and Québec) based upon 2012 proportional Net Energy for Load (NEL) and other specific program area funding arrangements and make quarterly remittances to the Regional Entity on or about the 15th day of January, April, July and October. For funding associated with the criteria services division, the Independent System Operators/Balancing Authority Areas (ISO/BAAs) will be assessed by NPCC for their proportional share of the divisional budget based upon 2012 NEL within the Region. Non ISO/BAA Full Members will be assessed no membership fee.

NPCC Cost Allocation Methodology

The accompanying table provides information regarding cost allocation for both the Regional Entity division and the criteria services division of NPCC, including the details associated with the funding of the Compliance Program within the RE division. For purposes of determining assessments to support NPCC's resource requirements, costs are allocated among the BAAs within NPCC as the designees for the load-serving-entities in New York, New England, Ontario, Québec, New Brunswick and Nova Scotia (Column A-1).

In order to reflect and respect the international membership and nature of NPCC, the compliance responsibilities and authorities within the U.S., and the specific compliance responsibilities within each of the Canadian provinces within NPCC, the attendant costs of portions of the compliance program differ among the areas within the Regional Entity. Within the U.S. portion of NPCC all costs attributable to delegated (statutory) functions performed by NPCC, including all compliance functions, are assessed based on an NEL allocation. Within the Canadian portion of NPCC those costs attributable to compliance functions performed by NPCC on behalf of provincial governmental and/or regulatory authorities are allocated consistent with the unique Memoranda of Understanding or Agreements that have been entered into for those provinces. To address these different compliance regimes, NPCC developed a composite cost allocation methodology that allocates compliance costs on a fair and equitable basis within the Regional Entity.

As an initial step of that methodology, the NEL for each of the BAAs and their relative percentage to the NPCC total NEL is calculated for the most recent year for which data is available, the second previous year (Columns B-1 and C-1, respectively). In order to establish the RE division funding requirements for each balancing authority area on an NEL basis for all programs except for compliance (Column F-1), the proposed expenses and fixed assets of all other programs are calculated (Column D-1) and the adjustment for the RE division cash reserve requirement is identified (Column E-1). Any penalty monies received from NPCC registered entities within the U.S. prior to June 30th of the year preceding the business plan and budget year are then allocated among the NPCC program areas based on their FTE ratio and between the U.S. BAAs based on their relative NELs (Columns B-1a., C-1a. and G-1, respectively). Consistent with each of the Canadian provincial MOUs and agreements, all penalty monies resulting from compliance actions within Canada, if any, would remain within the applicable province. The total budgeted fees for NPCC workshop participation are indicated as a credit

(Column H-1), with the resultant addition being the RE division assessment, without the compliance program costs, calculated on a NEL basis (Column I-1).

In accordance with the *NPCC Amended and Restated Bylaws* the CS division proposed expenses and fixed assets of all programs are calculated (Column J-1) and the adjustment for the CS division cash reserve requirement is identified (Column K-1), with the resultant addition being the CS division funding requirement and assessment, calculated on a NEL basis (Column L-1).

For costs associated with the RE division compliance program, NPCC's allocation methodology allocates 22.43% of the costs for the program, attributed to CORC Fundamentals (CF), between the BAAs in the United States and Canada on a NEL basis (Column B-2).

Audits and Investigations (AI) related costs, representing 51.32% of the costs of the compliance program, are apportioned between U.S. and Canadian BAAs in NPCC, and among the Canadian provinces, using an audit-based methodology (Columns C-2a., C-2c., and D-2b., respectively). The audit-based methodology incorporates relative costs based on categories of compliance audits which are reflective of their size and complexity, as well as the differing compliance program implementation models that are utilized in NPCC due to the international nature of the Regional Entity. The portion allocated to the U.S. BAAs in NPCC is calculated using the audit-based methodology, and this amount is then re-allocated between the New York and New England BAAs based on their relative NEL (Columns C-2b. and D-2a.).

The remaining 26.25% of the costs of the compliance program represent Mitigation and Enforcement (ME) related costs and are allocated between U.S. and Canadian BAAs in NPCC, and among the Canadian provinces, using an enforcement activity based methodology, (Columns E-2a., E-2c., and F-2b., respectively). Based on historical data, NPCC reviewed each BAAs percentage of violations, mitigation plans and settlement agreements to determine each BAAs total average percentage of enforcement activities. The portion allocated to the U.S. BAAs in NPCC is calculated using the enforcement activity based methodology, and this amount is then re-allocated between the New York and New England BAAs based on their relative NEL (Columns E-2b. and F-2a.).

Any penalty monies received from NPCC registered entities within the U.S. by June 30th of the year preceding the business plan and budget year are then allocated among the NPCC program areas based on their FTE ratio and between the U.S. BAAs based on their relative NELs, and then added to the total compliance program expenses and fixed assets to yield a total compliance program assessment (Columns C-1a., H-2, G-2 and I-2, respectively).

Column M-1 reflects a one-time adjustment of 2012 and 2013 assessments. The 2012 and 2013 assessments were calculated based upon estimated 2010 and 2011 NEL data for the NPCC Region available at the time that the respective business plans and budgets were completed. Based on final actual NEL data that is now available for 2010 and 2011and FERC audit recommendations, NPCC is adjusting the Northeast Region Balancing Authorities' 2014 assessments by the respective net amount over or under paid.

Finally, the total RE division funding requirements and assessments by BAA are tabulated and the total funding requirements and assessments for NPCC, both the RE and CS divisions, are combined (Column N-2).

NPCC 2014 Regional Entity (RE) and Criteria Services (CS) Divisional Funding Information

A-1	B-1	B-1a.	C-1	C-1a.	D-1	E-1	F-1	G-1	H-1	I-1	J-1	K-1	L-1	M-1
NPCC Balancing Authorities (LSE Designees)	2012 Net Energy for Load (MWh)	2012 NPCC US NEL (MWh)	2012 NEL % of NPCC Total	2012 NEL % of NPCC U.S.	2014 [1] NPCC RE Division Expenses & Fixed Assets Minus CORC Program	Adjustment to RE Division Cash Reserve Requirement	2014 [1] NPCC RE Division Funding Requirement Minus CORC Program	Penalty Monies Applied to RE Division Minus CORC Program	Budgeted Workshop Fees	2014 [1] NPCC RE Division Assessment Minus CORC Program *(F-1 plus G-1 plus H-1)*	2014 NPCC CS Division Expenses & Fixed Assets	2014 Adjustment to CS Division Cash Reserve Requirement	2014 NPCC CS Division Funding Requirement & Member Fees *(J-1 plus K-1)*	Adjustment Resulting from True Up of 2012 and 2013 Assessments [5]
New England	128,081,000	128,081,000	19.96953%	44.02574%	1,208,084	-59,934	1,148,150	-28,675	-12,781	1,106,695	212,695	-15,055	197,640	-183,138
New York	162,842,000	162,842,000	25.38924%	55.97426%	1,535,956	-76,200	1,459,756	-36,457	-16,249	1,407,050	270,421	-19,141	251,279	14,660
Ontario	141,287,000		22.02853%		1,332,645	-66,113	1,266,532	0	-14,098	1,252,434	234,626	-16,608	218,018	69,625
Québec	184,822,000		28.81621%		1,743,276	-86,485	1,656,791	0	-18,442	1,638,348	306,921	-21,725	285,196	21,446
New Brunswick	13,906,000		2.16813%		131,164	-6,507	124,657	0	-1,388	123,269	23,093	-1,635	21,458	80,225
Nova Scotia	10,444,000		1.62836%		98,510	-4,887	93,623	0	-1,042	92,580	17,344	-1,228	16,116	-2,818
Total	641,382,000	290,923,000	100.00000%	100.00000%	$6,049,635	-$300,126	$5,749,509	-$65,132	-$64,000	$5,620,377	$1,065,100	-$75,391	$989,708	$0

		CORC Audit and Investigation Cost Allocation [3]					CORC Mitigation and Enforcement Cost Allocation [4]											
A-2	B-2	C-2			D-2		E-2			F-2		G-2	H-2	I-2	J-2	K-2	L-2	M-2	N-2
NPCC Balancing Authorities (LSE Designees)	2012 NEL Based Allocation of 22.43% of 2014 CORC Program Fundamentals [2]	2014 Audit and Investigation Allocation Methodology a Total NPCC Audit Based	b U.S. NEL Based	c Canada Audit Based	2014 51.32% of CORC Program a U.S. NEL Based	b Canada Audit Based	2014 Mitigation and Enforcement Allocation Methodology a Enforcement Activity Based	b U.S. NEL Based	c Canada Activity Based	2014 26.25% of CORC Program a U.S. NEL Based	b Canada Activity Based	2014 Total CORC Program Expenses & Fixed Assets	Penalty Monies Applied to CORC Program	2014 Total CORC Program Assessment *(G-2 plus H-2)*	2014 RE Division Total Funding Requirement *(F-1 plus G-2)*	2014 RE Division Total Assesssment *(I-1 plus I-2)*	2014 NPCC Total Funding Requirement *(L-1 plus J-2)*	2014 NPCC Total Assessment & Member Fees *(L-1 plus K-2)*	2014 NPCC Adjusted Total Assessment & Member Fees [5] *(M-1 plus M-2)*
New England	361,888	50.93842%	37.54432%		1,556,713		36.18000%	38.04264%		806,822		2,725,423	-38,684	2,686,738	3,873,573	3,793,433	4,071,213	3,991,073	3,807,935
New York	460,105	34.33970%	47.73380%		1,979,202		50.23000%	48.36736%		1,025,792		3,465,099	-49,183	3,415,915	4,924,855	4,822,965	5,176,135	5,074,245	5,088,905
Ontario	399,202	4.49974%		4.49974%		186,574	5.69667%		5.69667%		120,817	706,593	0	706,593	1,973,125	1,959,027	2,191,143	2,177,045	2,246,669
Québec	522,208	4.91767%		4.91767%		203,903	6.75667%		6.75667%		143,298	869,409	0	869,409	2,526,200	2,507,757	2,811,396	2,792,954	2,814,399
New Brunswick	39,291	2.99685%		2.99685%		124,259	0.60667%		0.60667%		12,866	176,417	0	176,417	301,073	299,686	322,532	321,144	401,369
Nova Scotia	29,509	2.30763%		2.30763%		95,682	0.53000%		0.53000%		11,240	136,431	0	136,431	230,054	229,012	246,170	245,128	242,210
Total	$1,812,203	100.00000%	85.27812%	14.72188%	$3,535,915	$610,418	100.0000%	86.41000%	13.59001%	$1,832,613	$288,222	$8,079,371	-$87,868	$7,991,504	$13,828,880	$13,611,880	$14,818,589	$14,601,589	$14,601,588
					Total =	$4,146,333				Total =	$2,120,835								

1 Consistent with NERC's Policy on Allocation of Certain Compliance and Enforcement Costs, the NPCC Board approved Allocation Methodologies for Certain NPCC Compliance Program Area Costs Assessed to Non-U.S. Entities.

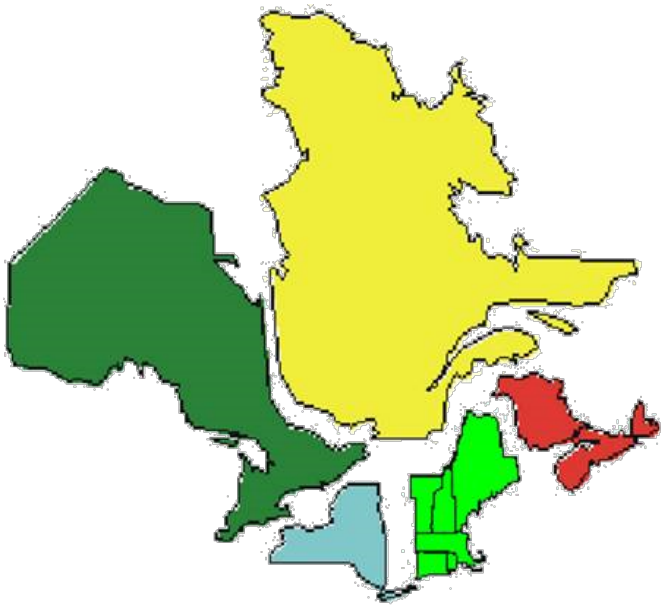
2 CORC Program Fundamentals expenses of $1,812,203 represent 22.43% of the Total CORC Program Costs and are allocated using the Regional NEL based methodology.

3 Audit and Investigation expenses of $4,146,333 represent 45.35% of the Total CORC Program Costs. The Canadian costs are allocated utilizing an audit based methodology. The portion of 85.27812% attributable to U.S. NPCC is allocated between the New York and New England balancing authority areas based on their respective net energy for load (NEL) as shown in Columns B-1a. and C-1a. The ratios in C-1a. are applied to the 85.27812% of U.S. audit costs to obtain the percentages (Column C-2 b) which are then applied to the 45.35% of CORC costs. Audit based allocation uses Compliance Registry Data registrants as of May 1, 2013.

4 Mitigation and Enforcement expenses of $2,120,835 represent 26.25% of the Total CORC Program Costs. The Canadian costs are allocated utilizing an enforcement activity based methodology. The portion of the 86.41000% attributable to U.S. NPCC is allocated between the New York and New England balancing authority areas based on their respective net energy for load (NEL) as shown in Columns B-1a. and C-1a. The ratios in C-1a. are applied to the 86.41000% of U.S. audit costs to obtain the percentages (Column E-2 b) which are then applied to the 23.91% of CORC costs.

5 One-time adjustment of 2012 and 2013 assessments based on final actual NEL data for 2010 and 2011 and FERC audit recommendations. All 2012 NEL data above is final actual data verified by the Balancing Authorities.

Section B – Supplemental Financial Information
2014 Business Plan and Budget



Section B — Supplemental Financial Information

Reserve Balance

Table B-1 – Reserve Balance

Working Capital and Operating Reserve Analysis 2013-2014
REGIONAL ENTITY DIVISION

	Total Reserve	Working Capital	Operating Reserve
Beginning Working Capital, December 31, 2012	**3,675,528**	3,675,528	0
Plus: 2013 ERO Funding (from LSEs or designees)	**12,352,264**	12,352,264	0
Plus: 2013 Other funding sources	**411,800**	411,800	0
Less: 2013 Projected expenses & capital expenditures	**(13,784,726)**	(13,784,726)	0
Projected Working Capital, December 31, 2013	**2,654,866**	**2,654,866**	**0**
Desired Working Capital and Operating Reserve, December 31, 2014 [1]	**2,354,740**	1,177,370	1,177,370
16.66% of Total Regional Entity Budget of $14,129,006.00			
Less: Projected Working Capital and Operating Reserve, December 31, 2013	**(2,654,866)**	(1,477,496)	(1,177,370)
Increase(decrease) in assessments to achieve desired Working Capital Reserve	**(300,126)**	(300,126)	0

2014 Expenses and Capital Expenditures	**14,129,006**
Less: Penalty Sanctions [2]	**(153,000)**
Less: Other Funding Sources	**(64,000)**
Adjustment to achieve desired Working Capital and Operating Reserve balance	**(300,126)**
2014 Assessment	**13,611,880**

[1] On October 1, 2012 NPCC's Finance and Audit Committee approved management's proposed Working Capital and Operating Reserve Policy which reduced the required level of total reserves to 16.66% (from 20%) and segregated funds into Working Capital and Operating Reserves, each with a desired level of 8.33% or 1 month of the annual budget of $14,129,006

[2] Represents collections prior to June 30, 2013

Explanation of Changes in Reserve Policy from Prior Year

On October 1, 2012 NPCC's Finance and Audit Committee approved management's proposed Working Capital and Operating Reserve Policy. The policy calls for a reduction in the required level of total reserves from 20% to 16.66% (representing two months of the annual budget) and segregation of funds into separate Working Capital and Operating Reserves, each with a targeted level of 8.33% (one month) of the annual budget.

Breakdown by Statement of Activity Sections

The following detailed schedules are in support of the Regional Entity division Statement of Activities on page 12 of the 2014 Business Plan and Budget. All significant variances have been disclosed by program area in the preceding pages.

Penalty Sanctions

U.S. penalty monies received prior to June 30, 2013 are to be used to offset assessments in the 2014 Budget, as documented in the NERC Policy – Accounting, Financial Statement, and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standard. Penalty monies received from July 1, 2013 through June 30, 2014 will be used to offset U.S. load serving entity designee assessments in the 2015 Budget.

All penalties received prior to June 30, 2013 are detailed below, including date received and the penalty amount.

Allocation Method: U.S. penalty sanctions received have been allocated to the following Regional Entity division programs to reduce assessments: Reliability Standards; Compliance Monitoring & Enforcement and Organization Registration & Certification; Reliability Assessments and Performance Analysis; Training, Education and Operator Certification; and Situation Awareness and Infrastructure Security. U.S. penalty sanctions are allocated based upon the number of FTEs in the Program divided by the aggregate total FTEs in the Programs receiving the allocation.

Table B-2 – Penalty Sanctions

Penalty Sanctions Received Prior to June 30, 2013	Date Received	Amount Received
Penalty Payment 1	7/3/2012	$ 8,000.00
Penalty Payment 2	7/18/2012	$ 25,000.00
Penalty Payment 3	10/2/2012	$ 15,000.00
Penalty Payment 4	1/3/2013	$ 30,000.00
Penalty Payment 5	1/17/2013	$ 40,000.00
Penalty Payment 6	5/30/2013	$ 6,000.00
Penalty Payment 7	5/30/2013	$ 5,000.00
Penalty Payment 8	5/30/2013	$ 6,000.00
Penalty Payment 9	5/30/2013	$ 6,000.00
Penalty Payment 10	5/30/2013	$ 6,000.00
Penalty Payment 11	5/30/2013	$ 6,000.00
Total Penalties Received		**$ 153,000.00**

Table B-3 – Supplemental Funding

Outside Funding Breakdown By Program (excluding ERO Assessments & Penalty Sanctions)	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget
Reliability Standards				
Total	$ -	$ -	$ -	$ -
Compliance Monitoring, Enforcement & Org. Registration				
	$ -	$ -	$ -	$ -
Miscellaneous - WECC CEA	34,500	34,500	-	(34,500)
Total	$ 34,500	$ 34,500	$ -	$ (34,500)
Reliability Assessment and Performance Analysis				
	$ -	$ -	$ -	$ -
	-	-	-	-
Total	$ -	$ -	$ -	$ -
Training and Education				
Workshops	$ 80,000	$ 80,000	$ 64,000	$ (16,000)
Total	$ 80,000	$ 80,000	$ 64,000	$ (16,000)
Situation Awareness and Infrastructure Security				
	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -
Technical Committees and Member Forums				
	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -
Administrative Services Programs				
	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -
Total Outside Funding	$ 114,500	$ 114,500	$ 64,000	$ (50,500)

Explanation of Significant Variances –2014 Budget versus 2013 Budget

- WECC CEA Funding is not included in 2014 as NPCC will no longer be performing the CEA responsibilities for the WECC Registered Functions, based on the proposed WECC restructuring to be effective, if approved by FERC, January 1, 2014.Workshop fees are based on projected number of attendees and fee per person for two workshops.
- NPCC assumed no interest income because of continuing low market interest rates.

Table B-4 – Personnel Expenses

Personnel Expenses	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Salaries					
Salary	$ 5,652,141	$ 5,652,141	$ 5,886,227	$ 234,086	4.1%
Employment Agency Fees	$ 20,000	$ 20,000	$ 15,000	$ (5,000)	-25.0%
Temporary Office Services	$ 10,000	$ 10,000	$ 10,000	$ -	0.0%
Total Salaries	$ 5,682,141	$ 5,682,141	$ 5,911,227	$ 229,086	4.0%
Total Payroll Taxes	$ 377,689	$ 377,689	$ 384,311	$ 6,622	1.8%
Benefits					
Education Reimbursement	$ 70,000	$ 70,000	$ -	$ (70,000)	-100.0%
Training and Seminars	$ -	$ -	$ 36,123	$ 36,123	-
Medical Insurance	$ 787,727	$ 787,727	$ 915,306	$ 127,579	16.2%
Life-LTD-STD Insurance	$ 62,524	$ 62,524	$ 63,552	$ 1,028	1.6%
Worker's Compensation	$ 15,000	$ 15,000	$ 14,700	$ (300)	-2.0%
Vacation	$ 396,051	$ 396,051	$ 400,580	$ 4,529	1.1%
Relocation	$ -	$ -	$ -	$ -	-
Total Benefits	$ 1,331,302	$ 1,331,302	$ 1,430,261	$ 98,959	7.4%
Retirement					
Pension Contribution	$ 590,911	$ 590,911	$ 590,892	$ (20)	0.0%
Employee Savings Plan	$ 446,653	$ 446,653	$ 478,469	$ 31,816	7.1%
Savings Admin	$ 32,000	$ 32,000	$ 32,000	$ -	0.0%
Deferred Compensation	$ 23,000	$ 23,000	$ 23,000	$ -	0.0%
Total Retirement	$ 1,092,565	$ 1,092,565	$ 1,124,361	$ 31,796	2.9%
Total Personnel Costs	**$ 8,483,697**	**$ 8,483,697**	**$ 8,850,160**	**$ 366,463**	**4.3%**
FTEs	35.86	35.86	36.86	1.00	2.8%
Cost per FTE					
Salaries	$ 158,453	$ 158,453	$ 160,370	$ 1,916	1.2%
Payroll Taxes	$ 10,532	$ 10,532	$ 10,426	$ (106)	-1.0%
Benefits	$ 37,125	$ 37,125	$ 38,803	$ 1,678	4.5%
Retirement	$ 30,468	$ 30,468	$ 30,504	$ 36	0.1%
Total Cost per FTE	**$ 236,578**	**$ 236,578**	**$ 240,102**	**$ 3,524**	**1.5%**

Explanation of Significant Variances –2014 Budget versus 2013 Budget

- The increases in Salaries, Payroll Taxes, all insurances except Medical, and Employee Savings Plan are due primarily to an overall general wage increase of 3% and at risk (variable incentives) compensation at less than 100% of program levels.
- The decrease in Employment Agency Fee is due to no planned staff additions in 2014. Agencies would be used only to fill positions vacated during the year.
- Medical Insurance premium increase is based on discussions with providers. The full impacts of the Affordable Care Act are uncertain at this time.
- Expenses previously budgeted and recorded to Education Reimbursement are now recorded under Training and Seminars.
- A 2% vacancy factor is assumed based on historical vacancy trends.

Table B-5 – Consultants and Contracts

Consultants	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Consultants					
Reliability Standards	$ -	$ -	$ -	$ -	-
Compliance Enforcement and Organization Registration and Certification	$ 20,000	$ 20,000	$ 10,000	$ (10,000)	-50.0%
Reliability Assessment and Performance Analysis	$ 10,000	$ 10,000	$ -	$ (10,000)	-100.0%
Training and Education	$ -	$ -	$ -	$ -	-
Situation Awareness and Infrastructure Security	$ 60,000	$ 60,000	$ -	$ (60,000)	-100.0%
Member Forums	$ -	$ -	$ -	$ -	-
General and Administrative	$ 30,000	$ 30,000	$ 50,000	$ 20,000	66.7%
Legal and Regulatory	$ -	$ -	$ -	$ -	-
Information Technology	$ -	$ -	$ -	$ -	-
Human Resources	$ -	$ -	$ -	$ -	-
Accounting and Finance	$ -	$ -	$ -	$ -	-
Consultants Total	**$ 120,000**	**$ 120,000**	**$ 60,000**	**$ (60,000)**	**-50.0%**

Contracts	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Reliability Standards	$ 30,000	$ 30,000	$ 30,000	$ -	0.0%
Compliance Enforcement and Organization Registration and Certification	$ 1,558,000	$ 1,558,000	$ 1,384,433	$ (173,567)	-11.1%
Reliability Assessment and Performance Analysis	$ 275,000	$ 275,000	$ 275,000	$ -	0.0%
Training and Education	$ -	$ -	$ -	$ -	-
Situation Awareness and Infrastructure Security	$ 40,000	$ 40,000	$ 75,000	$ 35,000	87.5%
Member Forums	$ -	$ -	$ -	$ -	-
General and Administrative	$ 86,000	$ 86,000	$ 90,000	$ 4,000	4.7%
Legal and Regulatory	$ -	$ -	$ -	$ -	-
Information Technology	$ -	$ -	$ -	$ -	-
Human Resources	$ -	$ -	$ -	$ -	-
Accounting and Finance	$ 4,000	$ 4,000	$ 10,000	$ 6,000	150.0%
Contracts Total	**$ 1,993,000**	**$ 1,992,999**	**$ 1,864,433**	**$ (128,567)**	**-6.5%**
Total Consultants and Contracts	**$ 2,113,000**	**$ 2,112,999**	**$ 1,924,433**	**$ (188,567)**	**-8.9%**

Explanation of Significant Variances –2014 Budget versus 2013 Budget

- Several contracts were previously budgeted under consultants but will be budgeted and recorded under contracts going forward.

Table B-6 – Office Rent

Office Rent	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Office Rent	$ 635,000	$ 635,000	$ 654,772	$ 19,772	3.1%
Utilities	$ 29,000	$ 29,000	$ 35,000	$ 6,000	20.7%
Maintenance	$ 20,000	$ 20,000	$ 15,000	$ (5,000)	-25.0%
Security	$ 2,500	$ 2,500	$ 2,500	$ -	0.0%
Real Estate Taxes	$ 20,000	$ 20,000	$ 30,000	$ 10,000	50.0%
Total Office Rent	**$ 706,501**	**$ 706,501**	**$ 737,273**	**$ 30,772**	**4.4%**

Explanation of Significant Variances –2014 Budget versus 2013 Budget

Table B-7 – Office Costs

Office Costs	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Telephone	$ 95,000	$ 95,000	$ 110,000	$ 15,000	15.8%
Internet Expense	$ 80,000	$ 80,000	$ 80,000	$ -	0.0%
Office Supplies	$ 30,000	$ 30,000	$ 35,000	$ 5,000	16.7%
Computer Supplies and Maintenance	$ 175,000	$ 175,000	$ 213,000	$ 38,000	21.7%
Subscriptions & Publications	$ 9,000	$ 9,000	$ 13,000	$ 4,000	44.4%
Dues	$ 3,000	$ 3,000	$ 4,000	$ 1,000	33.3%
Postage	$ 1,500	$ 1,500	$ 1,500	$ -	0.0%
Express Shipping	$ 9,000	$ 9,000	$ 10,000	$ 1,000	11.1%
Copying	$ 20,000	$ 20,000	$ 25,000	$ 5,000	25.0%
Reports	$ 5,000	$ 5,000	$ -	$ (5,000)	-100.0%
Stationary and Office Forms	$ 6,000	$ 6,000	$ 5,000	$ (1,000)	-16.7%
Equipment Repair/Service Contracts	$ 5,000	$ 5,000	$ 10,000	$ 5,000	100.0%
Bank Charges	$ 30,000	$ 30,000	$ 30,000	$ -	0.0%
Sales and Use Tax	$ -	$ -	$ -	$ -	-
Merchant Credit Card Fees	$ -	$ -	$ -	$ -	-
Presentation and Publicity	$ -	$ -	$ -	$ -	-
Total Office Costs	**$ 468,500**	**$ 468,499**	**$ 536,500**	**$ 68,000**	**14.5%**

Explanation of Significant Variances –2014 Budget versus 2013 Budget

- Computer Supplies and Maintenance expense is based on contracts currently in place and historical actual expense.

Table B-8 - Professional Services

Professional Services	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
BOT Fee	$ 300,000	$ 300,000	$ 280,000	$ (20,000)	-6.7%
BOT Search Fee	$ -	$ -	$ -	$ -	-
Legal - Reorganization	$ -	$ -	$ -	$ -	-
Accounting & Auditing Fees	$ 290,000	$ 290,000	$ 300,000	$ 10,000	3.4%
Legal Fees - Other	$ 500,000	$ 500,000	$ 350,000	$ (150,000)	-30.0%
Insurance - Commercial	$ 30,000	$ 30,000	$ 36,500	$ 6,500	21.7%
Total Services	**$ 1,120,000**	**$ 1,120,001**	**$ 966,500**	**$ (153,500)**	**-13.7%**

Explanation of Significant Variances –2014 Budget versus 2013 Budget

- Decrease in BOT Fees is due to new BOT Travel account added in 2013. BOT travel was previously recorded under BOT Fees account. The BOT Travel account is grouped with Meetings and Travel expenses.
- Decrease in Legal Fees is associated with the retention of in-house counsel in 2012.

Table B-9 – Other Non-Operating Expenses

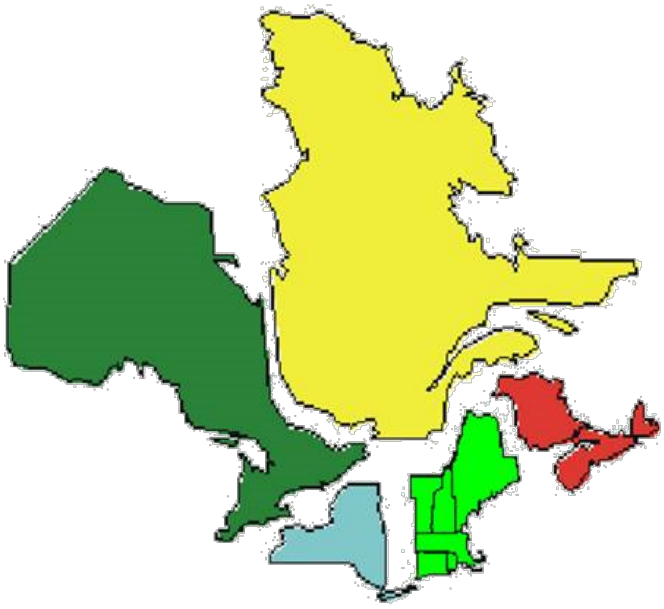
Other Non-Operating Expenses	Budget 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Interest Expense	$ -	$ -	$ -	$ -	-
Office Relocation	$ -	$ -	$ -	$ -	-
Total Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**$ -**	**-**

Table B-10 – 2015 and 2016 Projections

Statement of Activities and Capital Expenditures
2014 Budget & Projected 2015 and 2016 Budgets

	2014 Budget	2015 Projection	$ Change 14 v 15	% Change 14 v 15	2016 Projection	$ Change 15 v 16	% Change 15 v 16
Funding							
ERO Funding							
ERO Assessments	$ 13,611,880	$ 14,556,831	$ 944,951	6.9%	$ 14,995,149	$ 438,318	2.9%
Penalty Sanctions	153,000	-	(153,000)	-100.0%	-	-	
Total ERO Funding	**$ 13,764,880**	**$ 14,556,831**	**$ 791,951**	**5.8%**	**$ 14,995,149**	**$ 438,318**	**2.9%**
Membership Dues	-	-	-		-	-	
Testing Fees	-	-	-		-	-	
Services & Software	-	-	-		-	-	
Workshops	64,000	64,000	-	0.0%	64,000	-	0.0%
Interest	-	-	-		-	-	
Miscellaneous	-	-	-		-	-	
Total Funding (A)	**$ 13,828,880**	**$ 14,620,831**	**$ 791,951**	**5.7%**	**$ 15,059,149**	**$ 438,318**	**3.0%**
Expenses							
Personnel Expenses							
Salaries	$ 5,911,227	$ 6,088,564	$ 177,337	3.0%	$ 6,271,221	$ 182,657	3.0%
Payroll Taxes	384,311	395,841	11,529	3.0%	407,716	11,875	3.0%
Benefits	1,430,261	1,516,076	85,816	6.0%	1,607,041	90,965	6.0%
Retirement Costs	1,124,361	1,158,092	33,731	3.0%	1,192,835	34,743	3.0%
Total Personnel Expenses	**$ 8,850,160**	**$ 9,158,573**	**$ 308,413**	**3.5%**	**$ 9,478,812**	**$ 320,239**	**3.5%**
Meeting Expenses							
Meetings	$ 365,000	$ 372,300	$ 7,300	2.0%	$ 379,746	$ 7,446	2.0%
Travel	890,000	907,800	17,800	2.0%	925,956	18,156	2.0%
Conference Calls	77,000	78,540	1,540	2.0%	80,111	1,571	2.0%
Total Meeting Expenses	**$ 1,332,000**	**$ 1,358,640**	**$ 26,640**	**2.0%**	**$ 1,385,813**	**$ 27,173**	**2.0%**
Operating Expenses							
Consultants & Contracts	$ 1,924,433	$ 1,962,922	38,489	2.0%	$ 2,002,180	$ 39,258	2.0%
Office Rent	737,272	759,390	22,118	3.0%	782,172	22,782	3.0%
Office Costs	536,500	552,595	16,095	3.0%	569,173	16,578	3.0%
Professional Services	966,500	985,830	19,330	2.0%	1,005,547	19,717	2.0%
Miscellaneous	80,000	81,600	1,600	2.0%	83,232	1,632	2.0%
Depreciation	250,000	252,500	2,500	1.0%	255,025	2,525	1.0%
Total Operating Expenses	**$ 4,494,705**	**$ 4,594,837**	**$ 100,132**	**2.2%**	**$ 4,697,328**	**$ 102,492**	**2.2%**
Total Direct Expenses	**$ 14,676,865**	**$ 15,112,050**	**$ 435,184**	**3.0%**	**$ 15,561,954**	**$ 449,904**	**3.0%**
Indirect Expenses	**$ (405,859)**	**$ (418,035)**	**$ (12,176)**	**3.0%**	**$ (430,576)**	**$ (12,541)**	**3.0%**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	
Total Expenses (B)	**$ 14,271,006**	**$ 14,694,015**	**$ 423,009**	**3.0%**	**$ 15,131,377**	**$ 437,363**	**3.0%**
Change in Assets	**$ (442,126)**	**$ (73,183)**	**$ 368,943**	**-83.4%**	**$ (72,228)**	**$ 955**	**-1.3%**
Fixed Assets							
Depreciation	$ (250,000)	$ (252,500)	$ (2,500)	1.0%	$ (255,025)	$ (2,525)	1.0%
Computer & Software CapEx	108,000	109,080	1,080	1.0%	110,171	1,091	1.0%
Furniture & Fixtures CapEx	-	-	-		-	-	
Equipment CapEx	-	-	-		-	-	
Leasehold Improvements	-	-	-		-	-	
(Incr)Dec in Fixed Assets (C)	**$ (142,000)**	**$ (143,420)**	**$ (1,420)**	**1.0%**	**$ (144,854)**	**$ (1,434)**	**1.0%**
TOTAL BUDGET (=B+C)	**$ 14,129,006**	**$ 14,550,595**	**$ 421,589**	**3.0%**	**$ 14,986,523**	**$ 435,929**	**3.0%**
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	**$ (300,126)**	**$ 70,237**	**$ 370,363**	**-123.4%**	**$ 72,626**	**$ 2,389**	**3.4%**
FTEs	36.86	36.86	0	0.0%	36.86	0.00	0.0%

Section C – Criteria Services Division Activities
2014 Business Plan and Budget



Section C —2014 Criteria Services Division Business Plan and Budget

Criteria Services Division (in whole dollars)	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	2.14	2.14	0.00
Total Direct Expenses	$630,191	$683,240	$53,050
Total Indirect Expenses	$406,471	$405,859	($612)
Other Non-Operating Expenses	$0	$0	$0
Working Capital Reserve Requirement	$117,518	($75,391)	($192,910)
Inc(Dec) in Fixed Assets	($14,490)	($24,000)	($9,510)
Funding Requirement for Working Capital	$1,139,690	$989,708	($149,982)

NPCC Regionally-Specific Criteria Services Background

NPCC Criteria Services division activities are in the development, maintenance and promulgation of Regionally-specific more stringent criteria as well as criteria establishing resource adequacy requirements within the Region. These criteria contain requirements which are more stringent and more specific than the existing NERC Reliability Standards requirements.

Membership and Governance

Full members are subject to compliance with Regionally-specific criteria, in addition to continent-wide Reliability Standards, and receive criteria-related services from the Criteria Services division.

Full Members, other than Full Members that perform the Balancing Authority function, are not assessed an annual membership fee. Those that perform Balancing Authority functions are assessed and remit a proportional net energy for load share of expenses for criteria services. NPCC would also directly assign criteria service division costs to a Balancing Authority Area or entity, where significant costs are incurred for that Balancing Authority Area. The funding for NPCC's Criteria Services division is approved by the NPCC Board of Directors.

Criteria Services Division Functional Scope

Through its Criteria Services division, NPCC promotes the reliable and efficient operation of the international, interconnected bulk power systems in Northeastern North America through the establishment of Regionally-specific criteria, and monitoring and enforcement of compliance with such criteria.

NPCC provides Full Members with Regional reliability assurance services, and acts as the vehicle through which States and Provinces can fulfill their political mandates, with respect to resource adequacy, as well as overseeing the Northeastern North American electric infrastructure.

Major 2014 Assumptions and Cost Impacts

The Criteria Services division services are not expected to grow when compared to the Regional Entity division.

- The Criteria Compliance Enforcement Program (CCEP) review and evaluation process has matured and been enhanced after its inception in 2012. Criteria Compliance submittals to the CC are done as necessary.
- Past non-compliances, if any, followed the due process stated in the CCEP-1 process document and proper resolution/enforcement action taken.

2014 Primary Goals and Objectives

- Review,maintain, and revise the NPCC Regional Reliability Directories to facilitate compliance assessments and ensure the Criteria portions of the Directories are "not inconsistent" with nor duplicate with the approved and effective NERC Standards.
- The criteria services division and CCEP Working Group (reporting to the Compliance Committee) will work with the various Task Forces to develop Criteria Compliance Reporting Forms for additional NPCC Directories to ensure that the more stringent or Regionally-specific criteria is being met.
- The criteria services division and CCEP working group will work with TFCO, TFCP, TFSS, and TFSP to review criteria and measures within each specific NPCC Directory to identify and develop them into specific reporting forms for approval.
- Review impact of Bulk Electric System definition on Directory and Criteria content and compliance reporting.
- Review impact of Sector or NPCC organizational changes on the Directory and Criteria review, enforcement and arbitration processes
- Assist Legal with preparation of revised Directories for Regulatory filings with the individual Provinces in accordance with their respective Memorandum of Understandings (MOUs)

NPCC Reliability Directory Maintenance and Development

The NPCC Regional Reliability Directories were developed to demonstrate that the NPCC more stringent criteria are not inconsistent with the NERC Reliability Standards as mandated by the NERC Rules of Procedure. The Directory project was also undertaken to remove any redundancies with the NERC Reliability Standards and to clearly delineate the more stringent NPCC criteria requirements. In 2013 the directories were further reviewed and revised to move the criteria language into a "requirement type" format. This further revision facilitates the NPCC Region's CCEP and ensures the continued delineation of the more stringent and more specific Regional criteria from the latest approved and effective set of NERC ERO standards.

In 2014, work will proceed with maintenance and revision of the Directories to address any future redundancies with NERC or NPCC Reliability Standards as well as the continued need for additional more stringent or specific NPCC Regional criteria requirements as new NERC Reliability Standards are developed and existing standards are revised.

The following Directories will either be under revision or reviewed for further development based on a schedule set forth in the NPCC Reliability Assessment Program:

Operations and Planning Directories

Directory #1, *Basic Criteria for Design and Operation of Interconnected Power Systems*
This directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing NERC TPL, BAL, IRO, INT, MOD, TOP, PRC and VAR standards. The NPCC Task Force on Coordination of Planning will lead a multi-disciplinary working group, consisting of operations and planning subject matter experts to review and revise this directory to reflect the FERC ruling on TPL and other TOP changes.

Directory #2, *Emergency Operations*
This directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing NERC EOP and TOP standards. The NPCC Task Force on Coordination of Operation will lead this review and revision.

Directory # 3, *Maintenance Requirements for BPS Protection*
This Directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with certain applicable NERC PRC standards. The NPCC Task Force on System Protection will lead this review and revision.

Directory # 4, *BPS Protection*
This Directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with certain applicable NERC PRC standards. The NPCC Task Force on System Protection will lead this review and revision.

Directory # 5, *Operating Reserve Requirements*
This directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing applicable NERC BAL, INT, and IRO standards. The NPCC Task Force on Coordination of Operation will lead this review and revision.

Directory # 7, *Special Protection Systems*
This Directory documents NPCC's Regionally-specific, more stringent criteria for application and approval of SPS. The NPCC Task Force on System Protection will lead this review and revision.

Directory # 8 System Restoration
This Directory documents NPCC's Regionally-specific, more stringent criteria with which each applicable entity must plan for and perform power system restoration following a major or a total blackout, and demonstrates coordination and consistency with applicable NERC EOP standards. The NPCC Task Force on Coordination of Operation will lead this review and revision.

Directory # 9, *Verification of Generator Gross and Net Reactive Power Capability*
This Directory documents NPCC's Regionally-specific, more stringent criteria for verifying the Gross Reactive Power
Capability and Net Reactive Power Capability of generators or generating facilities. The NPCC Task Force on Coordination of Operation will lead this review and revision.

Directory # 11, *Disturbance Monitoring*, This directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with certain existing

NERC PRC standards. The NPCC Task Force on System Protection will lead this review and revision until such time as the NPCC PRC-002-01 Disturbance Monitoring Regional Standard is adopted by FERC and the applicable governmental authorities.

Directory # 12, *UFLS Program*, This directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with certain existing NERC and NPCC developing PRC standard(s). The NPCC Task Force on System Studies will lead this review and revision until such time as the NPCC PRC-006-01 UFLS Regional Standard is approved by the NPCC membership, NERC BOT, the FERC and all the applicable governmental authorities in the Provinces of Canada within NPCC's footprint.

NPCC Criteria Compliance Background

The NPCC criteria services division promotes the reliable operation of the bulk power system through implementation of a comprehensive compliance program. The compliance program that includes monitoring, assessing and enforcing compliance with more stringent, Regionally specific NPCC Criteria requirements, is known as the NPCC Criteria Compliance and Enforcement Program (CCEP) described in process document CCEP-1. This program was developed by the criteria services division and the CCEP Working Group under the purview of the NPCC Compliance Committee. The products of this program support the various Task Forces in their assessments of the NPCC Directories in meeting their goals for the Reliability Coordinating Committee as stated in Section A of this Business Plan.

The more stringent, Regionally specific NPCC Criteria requirements reflect the unique operational and planning aspects of the bulk power system within the NPCC Region and are included in the NPCC "A" documents and their successors, the NPCC Directories.

NPCC issues non-monetary sanctions to enforce compliance with NPCC Criteria.

- The CCEP program is described in document CCEP-1, *NPCC Criteria Compliance and Enforcement Program (CCEP) Process Document*
- The implementation plan is described in document CCEP-2, *Implementation Plan for 2011 NPCC Criteria Compliance and Enforcement Program*
- On April 5, 2011, the above became effective upon Full Member approval of CCEP-1, and CCEP-2 and retired the following
    - NPCC Criteria A-8, Reliability Compliance and Enforcement Program (RCEP)
    - NPCC Guide B-22, Guidelines for Implementation of the NPCC Inc. Compliance Program
    - NPCC Procedure C-32, Review Process for NPCC Reliability Compliance Enforcement Program
    - Each of the above have been annotated as "retired effective 4/5/11 upon Full Member approval of CCEP-1… and CCEP-2…" on the NPCC public website

The CCEP-1 document

- recognizes the applicability of NPCC's Regionally-specific, more stringent reliability criteria to the Full Members of NPCC, consistent with the *Amended and Restated ByLaws*, and respects the provisions of the several Canadian Memoranda of Understanding in the execution of the processes described

- provides a comprehensive CCEP Process Diagram showing the process of evaluating and approving Criteria Certification submittals, and additional processes and responsibilities in the event that non-compliances, disputes and sanctions arise
- describes the roles and responsibilities of Reporting Members, CC, RCC and Enforcement Panel in the compliance review and enforcement process
- describes Levels of Non-Compliance, associated non-monetary Sanctions, Lateness Policy and the Arbitration/Dispute Resolution process
- addresses Mitigation Plans for any violations under the enforcement process; and
- lists the mandatory Certification Forms to be submitted for review by the Task Forces to ensure compliance with NPCC Directories are being met

The CCEP currently requires annual submittal of Certification Forms by the Reliability Coordinators and Balancing Authorities to confirm compliance with various NPCC Directories. Currently the required Certification forms are for Directory #1- *Area Transmission Review*, Directory #8 - *Key Facility List*, Directory #9 – *Generator Real Power Verification*, Directory #10 - *Verification of Generator Gross and Net Reactive Power Capability*, and Directory #12 - *UFLS Program Requirements*. In 2014 NPCC anticipates expansion of the CCEP to include compliance assessment activities to all active Directories.

The CCEP identifies those specific NPCC Directories that are subject to monitoring, assessment and enforcement. These Directories also are subject to NPCC Criteria Compliance Audits.

The NPCC Compliance Committee (CC) has final approval of compliance assessments related to CCEP. The CCEP describes the roles and responsibilities of committees and panels used to resolve contested compliance and/or sanction or penalty determinations related to NPCC Directories.

Explanation of Significant Variances – 2014 Budget versus 2013 Budget

- The decrease in Membership Dues is primarily the result of the Working Capital and Operating Reserve adjustment of ($75,391) to maintain the required total reserve level.

2013 Budget and Projection and 2014 Budget Comparisons

Statement of Activities
2013 Budget & Projection, and 2014 Budget
CRITERIA SERVICES DIVISION

		2013 Budget	2013 Projection	Variance 2013 Projection v 2013 Budget Over(Under)	2014 Budget	Variance 2014 Budget v 2013 Budget Over(Under)
Funding						
ERO Funding						
	ERO Assessments	$ -	$ -	$ -	$ -	$ -
	Penalty Sanctions	-	-	-	-	-
Total ERO Funding		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	Membership Dues	1,139,690	1,139,690	-	989,708	(149,982)
	Testing Fees	-	-	-	-	-
	Services & Software	-	-	-	-	-
	Workshops	-	-	-	-	-
	Interest	-	-	-	-	-
	Miscellaneous	-	-	-	-	-
Total Funding (A)		**$ 1,139,690**	**$ 1,139,690**	**$ -**	**$ 989,708**	**$ (149,982)**
Expenses						
Personnel Expenses						
	Salaries	$ 268,881	$ 268,881	$ -	$ 312,166	$ 43,286
	Payroll Taxes	19,614	19,614	-	21,536	1,922
	Benefits	46,561	46,561	-	64,153	17,592
	Retirement Costs	140,645	140,645	-	129,818	(10,826)
Total Personnel Expenses		**$ 475,701**	**$ 475,701**	**$ -**	**$ 527,674**	**$ 51,973**
Meeting Expenses						
	Meetings	$ 20,000	$ 20,000	$ -	$ 10,000	$ (10,000)
	Travel	55,000	55,000	-	63,000	8,000
	Conference Calls	-	-	-	-	-
Total Meeting Expenses		**$ 75,000**	**$ 75,000**	**$ -**	**$ 73,000**	**$ (2,000)**
Operating Expenses						
	Consultants & Contracts	$ 65,000	$ 65,000	$ -	$ 55,000	$ (10,000)
	Office Rent	-	-	-	-	-
	Office Costs	-	-	-	-	-
	Professional Services	-	-	-	-	-
	Computer & Equipment Leases	-	-	-	-	-
	Miscellaneous	-	-	-	3,567	3,567
	Depreciation	14,490	14,490	-	24,000	9,510
Total Operating Expenses		**$ 79,490**	**$ 79,490**	**$ -**	**$ 82,567**	**$ 3,077**
	Total Direct Expenses	**$ 630,191**	**$ 630,191**	**$ -**	**$ 683,240**	**$ 53,050**
Indirect Expenses		**$ 406,471**	**$ -**	**$ -**	**$ 405,859**	**$ (612)**
Other Non-Operating Expenses		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Expenses (B)		**$ 1,036,662**	**$ 1,036,662**	**$ -**	**$ 1,089,100**	**$ 52,438**
Change in Assets		**$ 103,028**	**$ 103,028**	**$ -**	**$ (99,391)**	**$ (202,420)**
Fixed Assets						
	Depreciation	$ (14,490)	(14,490)	$ -	$ (24,000)	$ (9,510)
	Computer & Software CapEx	-	-	-	-	-
	Furniture & Fixtures CapEx	-	-	-	-	-
	Equipment CapEx	-	-	-	-	-
	Leasehold Improvements	-	-	-	-	-
	Allocation of Fixed Assets	-	-	-	-	-
Inc(Dec) in Fixed Assets (C)		**(14,490)**	**(14,490)**	**-**	**(24,000)**	**(9,510)**
TOTAL BUDGET (=B+C)		1,022,172	1,022,172	-	1,065,100	42,928
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)		**$ 117,518**	**$ 117,518**	**$ -**	**$ (75,391)**	**$ (192,910)**

Personnel Analysis

Total FTE's by Program Area	Budget 2013	Projection 2013	Direct FTEs 2014 Budget	Shared FTEs[1] 2014 Budget	Total FTEs 2014 Budget	Change from 2014 Budget
CRITERIA SERVICES DIVISION						
Operational Programs						
Reliability Standards	1.07	1.07	1.00	0.07	1.07	0.00
Compliance Enforcement and Organization Registration and Certification	0.00	0.00	0.00	0.00	0.00	0.00
Training and Education	0.00	0.00	0.00	0.00	0.00	0.00
Reliability Assessment and Performance Analysis	1.07	1.07	1.00	0.07	1.07	0.00
Situation Awareness and Infrastructure Security	0.00	0.00	0.00	0.00	0.00	0.00
Total FTEs Operational Programs	**2.14**	**2.14**	**2.00**	**0.14**	**2.14**	**0.00**
Administrative Programs						
Member Forums	0.00	0.00	0.00	0.00	0.00	0.00
General and Administrative	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	0.00	0.00	0.00	0.00	0.00	0.00
Legal and Regulatory	0.00	0.00	0.00	0.00	0.00	0.00
Human Resources	0.00	0.00	0.00	0.00	0.00	0.00
Accounting and Finance	0.00	0.00	0.00	0.00	0.00	0.00
Total FTEs Administrative Programs	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total FTEs	**2.14**	**2.14**	**2.00**	**0.14**	**2.14**	**0.00**

[1]A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.

Reserve Analysis 2013–2014

Working Capital and Operating Reserve Analysis 2013-2014

CRITERIA SERVICES DIVISION

	Total Reserve	Working Capital	Operating Reserve
Beginning Working Capital, December 31, 2012	135,383	135,383	0
2013 Non-Statutory Funding (from members)	1,139,690	1,139,690	0
2013 Other funding sources	0	0	0
Less: 2013 Projected expenses	(1,036,662)	(1,036,662)	0
Less:2013 Fixed asset additions	14,490	14,490	0
Projected Working Capital, December 31, 2013	**252,901**	**252,901**	**0**
Desired Working Capital and Operating Reserve, December 31, 2014 [1]	177,510	88,755	88,755
Less: Projected Working Capital Reserve Balance December 31, 2013	(252,901)	(164,146)	(88,755)
Increase(decrease) in assessments to achieve desired Working Capital Reserve	(75,391)	(75,391)	0

2014 Funding requirement for expenses and fixed asset additions	1,065,100
Adjustment to achieve desired Working Capital and Operating Reserve balance	(75,391)
2014 Funding and reserve requirement	989,708

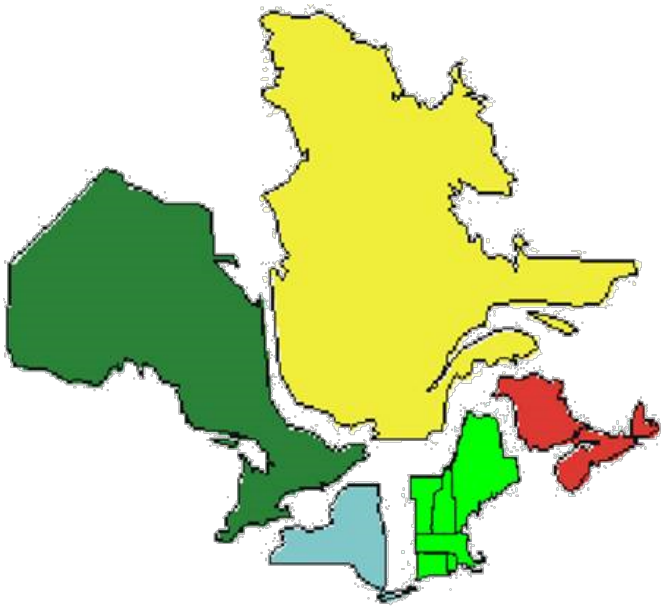
[1] On October 1, 2012 NPCC's Finance and Audit Committee approved management's proposed Working Capital and Operating Reserve Policy which reduced the required level of total reserves to 16.66% (from 20%) and segregated funds into Working Capital and Operating Reserves, each with a desired level of 8.33% or 1 month of the annual budget of $1,065,100

Explanation of Changes in Reserve Policy from Prior Year

On October 1, 2012 NPCC's Finance and Audit Committee approved management's proposed Working Capital and Operating Reserve Policy. The policy calls for a reduction in the required level of total reserves from 20% to 16.66% (representing two months of the annual budget) and segregation of funds into separate Working Capital and Operating Reserves, each with a targeted level of 8.33% (one month) of the annual budget.

Section D – Additional Consolidated Financial Statements

2014 Business Plan and Budget



Section D

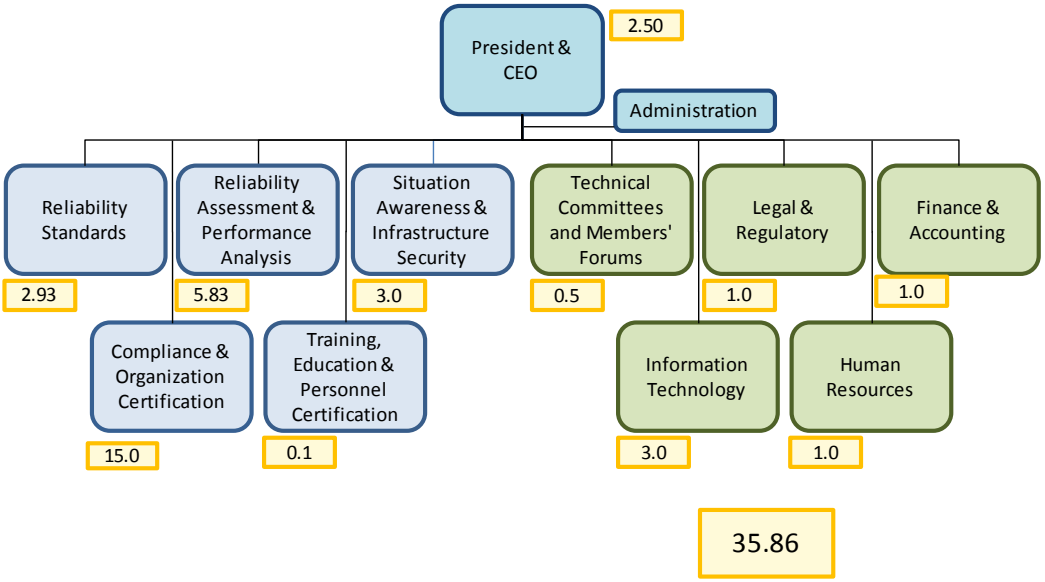
Statement of Financial Position

Statement of Financial Position 2012 Audited, 2013 Projection, and 2014 Budget			
Regional Entity and Criteria Services Division			
	(Per Audit)	**Projected**	**Budget**
	31-Dec-12	**31-Dec-13**	**31-Dec-14**
ASSETS			
Cash and cash equivalents	6,724,986	5,324,000	4,808,000
Restricted cash	649,950	452,000	300,000
Temporary cash investments	2,210,894	2,211,000	2,211,000
Prepaid expenses	271,074	271,000	271,000
Other assets	335,714	21,000	19,000
Equipment and leasehold improvements, net	1,274,059	1,048,000	888,000
Total Assets	**11,466,677**	**9,327,000**	**8,497,000**
LIABILITIES AND NET ASSETS			
Liabilities			
Accrued expenses and other liabilities	1,287,040	1,100,000	1,100,000
Accrued liability for pension	3,676,153	3,500,000	3,500,000
Deferred revenue	235,313	-	-
Deferred rent	767,901	774,000	741,000
Total Liabilities	**5,966,407**	**5,374,000**	**5,341,000**
Net Assets - unrestricted	5,500,270	3,953,000	3,156,000
Total Liabilities and Net Assets	**11,466,677**	**9,327,000**	**8,497,000**

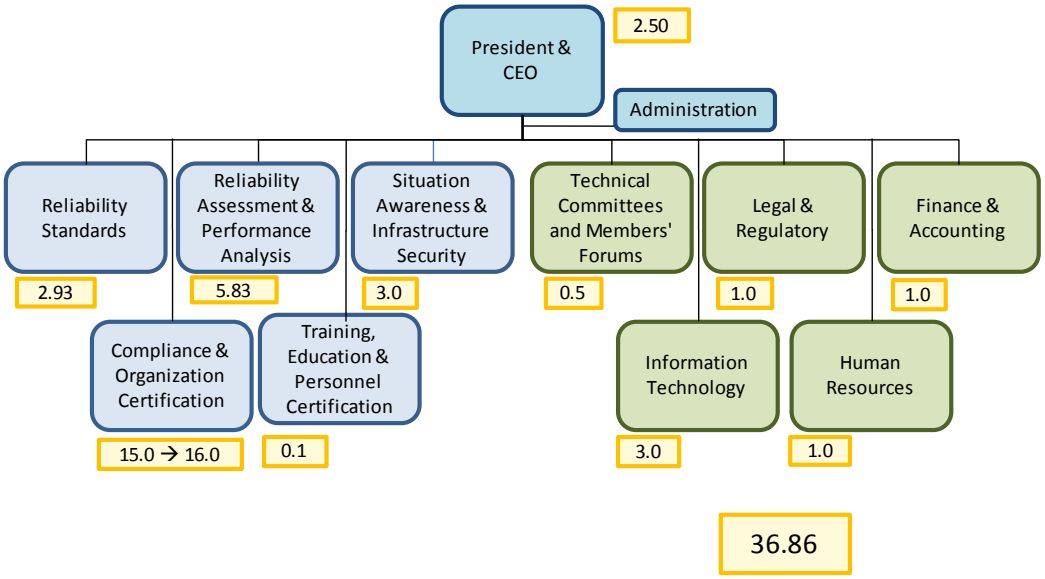
NPCC Statement of Activities 2014 Budget	RE Division Total	Reliability Standards (Section 300)	Compliance Monitoring and Enforcement and Organization Registration and Certification (Section 400 & 500)	Reliability Assessment and Performance Analysis (Section 800)	Training, Education, and Operator Certification (Section 900)	Situation Awareness and Infrastructure Security (Section 1000)	Technical Committees and Member Forums	General and Administrative	Legal and Regulatory	Information Technology	Human Resources	Accounting and Finance
Funding												
ERO Funding												
ERO Assessments	13,611,880	1,431,239	7,991,503	2,910,322	131,306	1,447,636	-	(300,126)	-	-	-	-
Penalty Sanctions	153,000	16,091	87,868	32,017	549	16,475						
Total ERO Funding	**13,764,880**	**1,447,330**	**8,079,371**	**2,942,339**	**131,855**	**1,464,111**	**-**	**(300,126)**	**-**	**-**	**-**	**-**
Membership Dues	-	-	-	-	-	-	-	-	-	-	-	-
Testing Fees	-	-	-	-	-	-	-	-	-	-	-	-
Services & Software	-	-	-	-	-	-	-	-	-	-	-	-
Workshops	64,000	-	-	-	64,000	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-		-									
Total Funding (A)	**13,828,880**	**1,447,330**	**8,079,371**	**2,942,339**	**195,855**	**1,464,111**	**-**	**(300,126)**	**-**	**-**	**-**	**-**
Expenses												
Personnel Expenses												
Salaries	5,911,227	502,840	2,287,504	904,028	17,448	522,672	36,551	866,274	182,843	379,112	94,025	117,930
Payroll Taxes	384,311	31,305	162,571	60,329	1,063	32,961	3,113	33,895	11,100	29,724	8,364	9,887
Benefits	1,430,261	131,342	537,087	226,225	4,500	88,851	18,371	189,221	42,252	126,947	42,003	23,462
Retirement Costs	1,124,361	87,449	298,890	190,390	4,776	117,586	10,676	259,695	22,808	89,842	27,538	14,711
Total Personnel Expenses	8,850,160	752,936	3,286,052	1,380,972	27,787	762,070	68,711	1,349,084	259,004	625,624	171,931	165,991
Meeting Expenses												
Meetings	365,000	25,000	25,000	45,000	135,000	25,000	2,000	100,000	2,000	2,000	2,000	2,000
Travel	890,000	110,000	375,000	175,000	15,000	60,000	5,000	110,000	10,000	20,000	5,000	5,000
Conference Calls	77,000	-	-	-	-	-	-	77,000	-	-	-	-
Total Meeting Expenses	1,332,000	135,000	400,000	220,000	150,000	85,000	7,000	287,000	12,000	22,000	7,000	7,000
Operating Expenses												
Consultants & Contracts	1,924,433	30,000	1,394,433	275,000	-	75,000	-	140,000	-	-	-	10,000
Office Rent	737,272	-	-	-	-	-	-	737,272	-	-	-	-
Office Costs	536,500	-	-	13,000	-	-	-	133,500	-	390,000	-	-
Computer and Equipment Leases	-	-	-	-	-	-	-	-	-	-	-	-
Professional Services	966,500	-	-	-	-	-	-	316,500	350,000	-	-	300,000
Miscellaneous	80,000	-	-	-	-	-	-	80,000	-	-	-	-
Depreciation	250,000	-	-	-	-	-	-	250,000	-	-	-	-
Total Operating Expenses	4,494,705	30,000	1,394,433	288,000	-	75,000	-	1,657,272	350,000	390,000	-	310,000
Total Direct Expenses	**14,676,865**	**917,936**	**5,080,485**	**1,888,972**	**177,787**	**922,070**	**75,711**	**3,293,356**	**621,004**	**1,037,624**	**178,931**	**482,991**
Indirect Expenses	**(405,859)**	555,686	3,034,462	1,105,682	18,965	568,962	(75,711)	(3,293,356)	(621,004)	(1,037,624)	(178,931)	(482,991)
Other Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses (B)	**14,271,006**	**1,473,622**	**8,114,946**	**2,994,654**	**196,753**	**1,491,031**	**-**	**-**	**-**	**-**	**-**	**-**
Change in Assets	**(442,126)**	**(26,292)**	**(35,575)**	**(52,315)**	**(897)**	**(26,920)**	**-**	**(300,126)**	**-**	**-**	**-**	**-**
Fixed Assets												
Depreciation	(250,000)	-	-	-	-	-	-	(250,000)	-	-	-	-
Computer & Software CapEx	108,000	-	108,000	-	-	-	-	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-	-	-	-	-	-	-	-
Equipment CapEx	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of Fixed Assets	**(0)**	**(26,292)**	**(143,575)**	**(52,315)**	**(897)**	**(26,920)**	**-**	**250,000**	**-**	**-**	**-**	**-**
Inc (Dec) in Fixed Assets (C)	**(142,000)**	**(26,292)**	**(35,575)**	**(52,315)**	**(897)**	**(26,920)**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL BUDGET (=B + C)	**14,129,006**	**1,447,330**	**8,079,371**	**2,942,339**	**195,855**	**1,464,111**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	**(300,126)**	**-**	**(0)**	**0**	**(0)**	**(0)**	**-**	**(300,126)**	**-**	**-**	**-**	**-**
FTEs	**36.86**	**2.93**	**16.00**	**5.83**	**0.10**	**3.00**	**0.50**	**2.50**	**1.00**	**3.00**	**1.00**	**1.00**

NPCC Statement of Activities 2014 Budget	Criteria Services Total	Criteria Development	Criteria Assessment	General and Administrative
Funding				
ERO Funding				
ERO Assessments	-			
Penalty Sanctions	-			
Total ERO Funding	**-**	**-**	**-**	**-**
Membership Dues	989,708	582,983	482,116	(75,391)
Testing Fees	-	-	-	-
Services & Software	-	-	-	-
Workshops	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-			
Total Funding (A)	**989,708**	**582,983**	**482,116**	**(75,391)**
Expenses				
Personnel Expenses				
Salaries	312,166	165,002	147,164	-
Payroll Taxes	21,536	10,569	10,967	-
Benefits	64,153	34,882	29,272	-
Retirement Costs	129,818	69,818	60,001	-
Total Personnel Expenses	527,674	280,270	247,404	-
Meeting Expenses				
Meetings	10,000	5,000	5,000	-
Travel	63,000	48,000	15,000	-
Conference Calls	-	-	-	-
Total Meeting Expenses	73,000	53,000	20,000	-
Operating Expenses				
Consultants & Contracts	55,000	45,000	10,000	-
Office Rent	-	-	-	-
Office Costs	-	-	-	-
Computer and Equipment Leases	-	-	-	-
Professional Services	-	-	-	-
Miscellaneous	3,567	1,784	1,783	-
Depreciation	24,000	12,000	12,000	-
Total Operating Expenses	82,567	58,784	23,783	-
Total Direct Expenses	**683,240**	**392,054**	**291,187**	**-**
Indirect Expenses	405,859	202,930	202,930	
Other Non-Operating Expenses	-	-	-	-
Total Expenses (B)	**1,089,100**	**594,983**	**494,116**	**-**
Change in Assets	**(99,391)**	**(12,000)**	**(12,000)**	**(75,391)**
Fixed Assets				
Depreciation	(24,000)	(12,000)	(12,000)	-
Computer & Software CapEx	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-
Equipment CapEx	-	-	-	-
Leasehold Improvements	-	-	-	-
Allocation of Fixed Assets	**-**	**-**	**-**	**-**
Inc (Dec) in Fixed Assets (C)	**(24,000)**	**(12,000)**	**(12,000)**	**-**
TOTAL BUDGET (=B + C)	**1,065,100**	**582,983**	**482,116**	**-**
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	**(75,391)**	**-**	**-**	**(75,391)**
FTEs	**2.14**	**1.07**	**1.07**	**0**

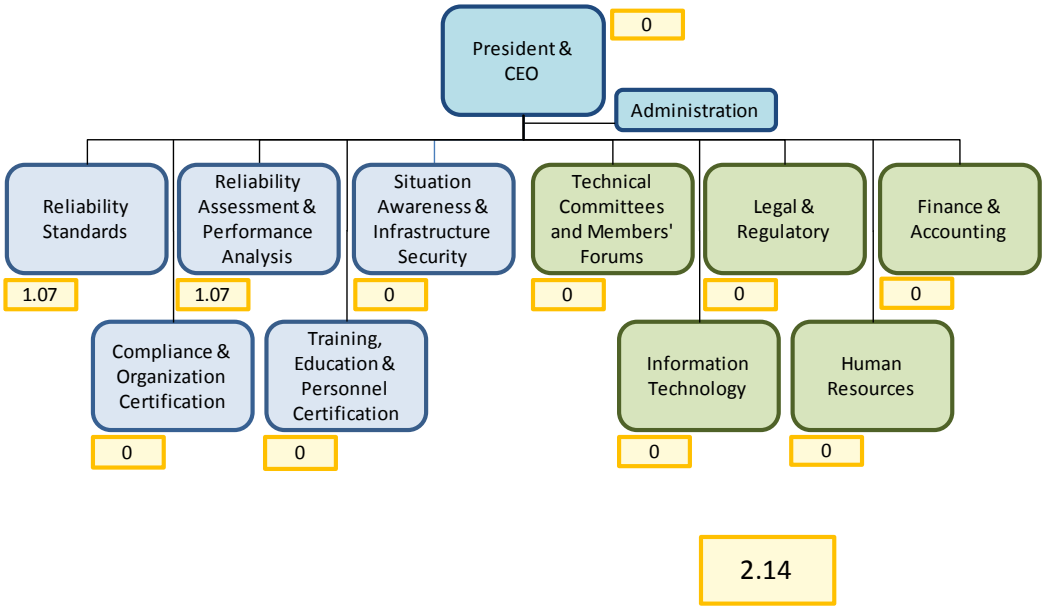
2013 Budget Staff Allocations - RE Division



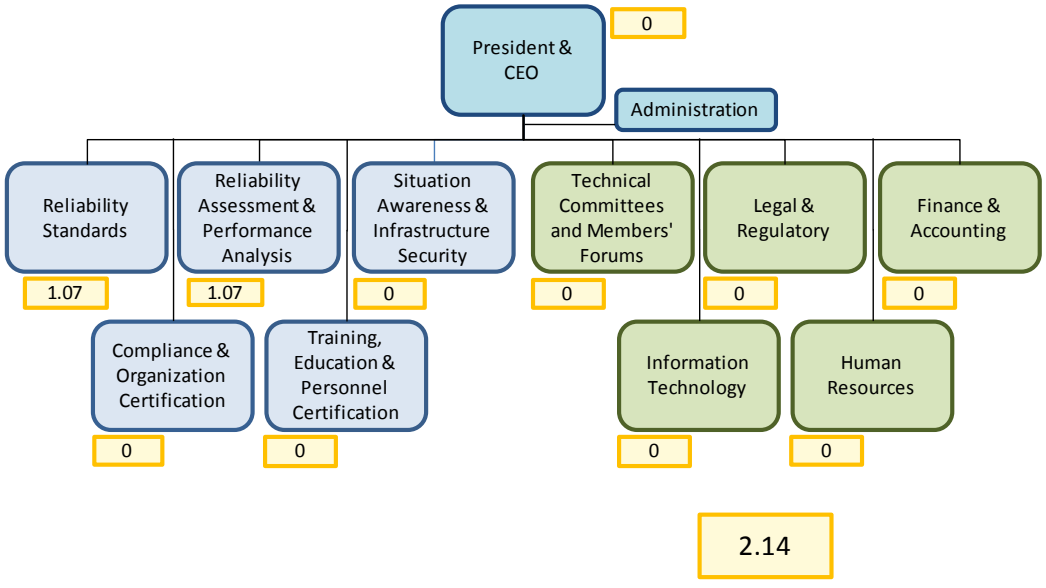
2014 Budget Staff Allocations - RE Division



2013 Budget Staff Allocations - CS Division



2014 Budget Staff Allocations - CS Division



DOCKET NO. RR13-__-000

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

2014 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 4

DISCUSSION OF COMMENTS RECEIVED

DURING DEVELOPMENT OF NERC'S

2014 BUSINESS PLAN AND BUDGET

ATTACHMENT 13

DISCUSSION OF COMMENTS RECEIVED DURING DEVELOPMENT OF NERC'S 2014 BUSINESS PLAN AND BUDGET

During the preparation of its 2014 Business Plan and Budget, NERC posted several drafts (Draft #1, Draft #2 and the Final Draft) on its Website for stakeholder review and comment.[1] In addition, the NERC Board of Trustees invited stakeholders to provide policy input on the 2014 Business Plan and Budget. Copies of the comments and policy input received were posted on NERC's website. (See 2014 NERC Business Plan and Budget and Policy Input)

Comments on Draft #2 of NERC's 2014 Business Plan and Budget were received from the Edison Electric Institute (EEI), the Electric Power Supply Association (EPSA), the Ontario Independent Electricity System Operator (IESO), Tom Gianneschi and Mike Yelland. Policy Input comments regarding NERC's Business Plan and Budget were received from EEI, The Electricity Consumers Resource Council (ELCON) and SERC.

Overview of Comments

EEI. EEI agrees with the finding in the NERC State of Reliability Report that bulk power system reliability is adequate. EEI's comments generally focused on a concern with the percentage increase in NERC's budget and the benefits to reliability associated with the proposed budget increase. EEI recommended that NERC apply stronger budget discipline and consider limiting itself to a flat budget with an inflation adjustment or a two percent increase in overall spending in 2014. While indicating that it is management's responsibility to determine how to achieve this recommended outcome, EEI provided some suggestions for management's consideration to achieve this limitation, including imposing caps on salary increases, reducing its travel and professional services budgets, and eliminating planned research on vegetation management topics and Geo-Magnetic Disturbance (GMD) effects. While supportive of NERC's initiatives in various areas and the potential for efficiency gains and other benefits, EEI also noted the absence of any explicit estimates of cost savings in connection with compliance and enforcement reform initiatives, as well as in connection with NERC's proposed investments in the development of centralized software applications supporting key NERC and Regional Entity business processes. EEI also requested that NERC consider spreading out the development of these centralized software applications over a longer period of time and using reserves as a source of funding. EEI also encouraged expanding NERC's collaboration with the North American Transmission Forum.

In its policy input comments EEI encouraged NERC management to work closely with the Electricity Sub-sector Coordinating Council (ESSC) regarding future ES-ISAC budget development. EEI also supported the maintenance of reserves to potentially fund ES-ISAC tools

[1] Formal comments were solicited on the 1st and 2nd drafts. The final draft was posted as part of the agenda for the open Finance and Audit Committee meeting, during which an opportunity for comments from stakeholders was provided.

such as the Cyber Federated Model (CFM) and the Cybersecurity Risk Information Sharing Program (CRISP).

EPSA. EPSA's comments raised concerns about the number of priorities NERC is undertaking. EPSA supported EEI's comments regarding the rate of increase in NERC's budget since becoming the ERO.

IESO. IESO raised similar concerns with the proposed budget and assessment increases contained in Draft #2 of NERC's 2014 Business Plan and Budget. IESO supported NERC's efforts to control enterprise IT application and development plan costs and, while supporting NERC's proposed capital financing program, encouraged further discussion of quantitative benefits. The IESO also recommended that NERC adopt a standard format to be used for each draft of its business plan and budget, provide its 3 year forecasts earlier in the process, and include its working capital and operating reserve analysis in the first draft of its business plan and budget.

SERC. In its policy input comments SERC recommended that future business plans show evidence of leveraging the prioritization and reliability gap analysis performed by the Reliability Issues Steering Committee. SERC also recommended that given the strong state of bulk electric system reliability and difficult economic times, NERC should leverage prioritization efforts to optimize resource allocation in a constrained budget environment.

Individual commenters. Mike Yelland, a consultant and former employee of the IESO, requested that further rationale be provided for the Personnel Certification and Operator Training operating reserve amount and reiterated a comment of the IESO regarding the NERC 2013 business plan and budget in which the IESO suggested that where possible NERC include costs in program area budgets rather than reserves.

Tom Gianneschi, a Member of the MRC, supported EEI's comments. He also suggested that NERC's budget is largely reactive and that consumers who ultimately provide the funding for NERC's budget should set the threshold for how much additional reliability they are willing to pay for. He also suggested that further details be provided regarding the proposed capital budget and payback on proposed investments.

Response to Comments

Management and the board appreciate the ongoing input of stakeholders in the business plan and budgeting process and are very mindful of the impact of the costs of NERC's operations on industry and consumers. NERC's final recommended 2014 budget was significantly reduced from earlier drafts and reflects the resources required for NERC to perform its statutory responsibilities. NERC made a number of changes in arriving at its final recommended 2014 business plan and budget. The following is a list of the significant changes from Draft #2:

1. Personnel Expense
    a. Eliminated 1 of the 2 proposed ES-ISAC positions
    b. Eliminated a double count of one administrative position

c. Reduced budgeted benefits costs
    i. Medical benefit premium increase reduced from 12% to 9% on assumption NERC will put in place a self-insured plan without impacting current benefit levels, as outlined by our benefits consultant.
    ii. Reduced budgeted cost of employee education and relocation by approximately 10%

2. Travel
    a. Reduced travel budget by approximately $200k
    b. Reduced meeting expenses by approximately $84k
    c. Travel expense is lower in the final 2014 budget than in the 2013 budget, notwithstanding the addition of personnel.

3. Contracts and Consultants
    a. Included potential 2014 funding of a portion of FAC-003 vegetation research as a Known Operating Reserve Contingency and deferred previously budgeted $500k in funding for this research to 2015 and 2016, spread evenly over those two years
    b. Eliminated $50k in right-of-way vegetation research based on assumption that the EEI Vegetation Working Group will assume financial responsibility for this research, per EEI's comments
    c. Reduced Reliability Assessment and Performance Analysis database development costs by $200k, with additional database development costs identified as a potential Known Operating Reserve Contingency
    d. Eliminated $75k budgeted for outside consultants for event analysis
    e. Reduced communications consulting costs by $100k
    f. Reduced Risk Management and Internal Controls outside auditor budget by $75k
    g. Reduced ES-ISAC contractor and consulting budget by $134k

4. Capital Budget and Enterprise Application Development Costs and Financing – Provided additional detail regarding the proposed capital budget, including the plan to finance the development of certain software applications and hardware.

5. Provided further detail regarding working capital and operating reserve requirements.

As a result of these and other changes, the final Board-approved 2014 operating expenses increase is 2.8% and the combined operating and capital budget increase is 3.9%, in each case compared to the 2013 budget. This compares to an operating expense increase of 6.4% and combined operating and capital budget increase of 7.5% in Draft #2. Draft #2 also contained a projected average assessment increase of 11.4% compared to 8% in the final Board-approved budget.

NERC's budget increases have been lower, in both absolute dollars and percentages, over the past 3 years compared to the first 5 years, reflecting the maturation of the organization and its resource capabilities. NERC's assessments were reduced by over $3 million in 2013 from 2012. NERC's total increase in assessments between 2012 and 2014 is approximately $740k. NERC's 2014 assessment is 1.7% lower than was projected for 2014 in NERC's 2013 business plan and

budget. Attracting and retaining qualified personnel is a key challenge at NERC, as well as for a number of the Regional Entities. NERC's salary and benefit levels must remain competitive to do this. This conclusion is supported by market comparisons. Total benefit expense was significantly reduced in 2013 and is within market. The 7.5% increase in average personnel cost per FTE is due to a variety of factors, including higher costs to employ senior staff, as well as to hire experienced personnel to fill budgeted positions and vacancies created by turnover of existing employees. It does not represent the percentage increase in individual management or staff salaries. The 2014 budget includes a projected 2.5% average increase in salary expense, which is below industry average.

Capital investments, including planned investments in enterprise software applications which represent the largest component of NERC's overall capital budget, are essential to improving the efficiency and effectiveness of NERC and Regional Entity operations, as well as reducing unnecessary costs to registered entities. There is no overlapping investment included or contemplated as part of the Regional Entities' business plans and budgets, and the efficiency gains associated with developing a single integrated application was assumed to outweigh the costs to develop, integrate, operate and maintain 9 separate applications. Significant controls have been put in place regarding the review, approval and execution of these projects, including oversight by the Regional Entity Management Group (comprised of the president and chief executive officer of NERC and each chief executive or equivalent person within each Regional Entity), the NERC Standards Oversight and Technology Committee and the NERC Finance and Audit Committee.

NERC plans to continue to take the work and recommendations of the RISC into account in the development of future business plans, budgets and resource allocation decisions. NERC also looks forward to the input of the ESSC regarding ES-ISAC priorities and resource requirements.

DOCKET NO. RR13-__-000

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

2014 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 5

CALCULATION OF ADJUSTMENTS

THE AESO 2014 NERC ASSESSMENT

TO THE IESO 2014 NERC ASSESSMENT,

THE NEW BRUNSWICK 2014 NERC ASSESSMENT,

AND THE QUEBEC 2014 NERC ASSESSMENT

2014 Alberta Electric System Operator Adjustment
Credit for NERC Compliance Costs

		Total NERC Compliance Budget AESO NEL Allocation 2014		Total NERC Compliance Budget AESO NEL Allocation 2013
NERC Compliance Budget				
Compliance Operations, Investigations & Org Registration and Certification	$	9,496,446	$	8,928,994
Event Analysis		4,048,371		6,725,004
Enforcement		6,395,091		3,738,430
Total Compliance Budget, including Fixed Assets	**$**	**19,939,908**	**$**	**19,392,428**
AESO NEL Share (2011)		1.323%		1.298%
AESO Proportional Share of Compliance Costs, including Fixed Assets	**$**	**263,860**	**$**	**251,637**
Net Total Staff		**50.88**		**54.50**
% Credit (45.08 of 50.88 FTEs)		88.60%		66.97%
$ Credit (45.08 of 50.88 FTEs)	$	17,666,884	$	12,987,590
AESO credit for compliance costs	**$**	**233,782**	**$**	**168,528**
Additional Credits for 2014				
Credit for SAFNR	$	531,825	$	725,500
	$	531,825	$	725,500
AESO NEL Share (2011)		1.323%		1.298%
AESO credit for additional costs not allocated	**$**	**7,038**	**$**	**9,414**
Total AESO Credit	**$**	**240,819**	**$**	**177,942**

		2014 FTEs	
		Total	Credit
400	Operations & Investigations	19.20	15.00
500	Org Registration	3.84	3.84
402	Event Analysis	9.60	8.00
404	Enforcement	18.24	18.24
		50.88	45.08
			88.6%

		2013 FTEs	
		Total	Credit
400	Operations	15.00	
500	Org Registration	3.00	3.00
402	Event Anal & Investigation	15.50	13.50
403	Reporting & Tracking	5.00	4.00
404	Enforcement	16.00	16.00
		54.50	36.50
			67.0%

2014 IESO Adjustment
Credit for NERC Compliance Costs

	2014	2013	Change	
NERC Compliance Budget				
Compliance Operations, Investigations & Org Registration and Certification	$ 9,496,446	$ 8,928,994		
Event Analysis	4,048,371	6,725,004		
Enforcement	6,395,091	3,738,430		
Total Compliance Budget, including Fixed Assets	**19,939,908**	**19,392,428**	**547,480**	**2.82%**
IESO NEL Share (2012)	3.156%	3.167%		
IESO Proportional Share of Compliance Costs, including Fixed Assets	**$ 629,303**	**$ 614,094**		
Total Compliance Staff	50.88	54.50		
% Credit (42.88 of 50.88 FTEs)	84.28%	85.32%		
$ Credit (42.88 of 50.88 FTEs)	$ 530,356	$ 523,952	**6,404**	**1.22%**
Additional Credit for SAFNR Contract	531,825	725,500		
IESO NEL Share (2012)	3.156%	3.167%		
Additional Credit for SAFNR Contract	**$ 16,784**	**$ 22,974**	**(6,190)**	**-0.04%**
IESO Credit - NERC Costs, including Fixed Assets	**$ 547,141**	**$ 546,926**	**215**	**0.04%**

2014 New Brunswick Adjustment
Credit for NERC Compliance Costs

	2014	2013	Change	
NERC Compliance Budget				
Compliance Operations, Investigations & Org Registration and Certification	$ 9,496,446	$ 8,928,994		
Event Analysis	4,048,371	6,725,004		
Enforcement	6,395,091	3,738,430		
Total Compliance Budget	**19,939,908**	**19,392,428**	**547,480**	**2.8%**
New Brunswick NEL Share (2012)	0.311%	0.306%		
NB Proportional Share of Compliance Costs, including Fixed Assets	**$ 62,013**	**$ 59,403**	**2,610**	**4.4%**
Total Compliance Staff	50.88	54.50	**(4)**	**-6.6%**
% Credit (44.08 of 50.88 FTEs)	86.64%	85.32%		
$ Credit (44.08 of 50.88 FTEs)	**$ 53,725**	**$ 50,683**	**3,042**	**6.0%**
Additional Credits for 2014 - SAFNR Contract	531,825	725,500		
New Brunswick NEL Share (2012)	0.311%	0.306%		
Additional Credits for SAFNR	**$ 1,654**	**$ 2,222**		
New Brunswick Credit - NERC Costs, including Fixed Assets	**$ 55,379**	**$ 52,906**	**2,473**	**4.7%**

2014 Quebec Adjustment
Credit for NERC Compliance Costs

		Total NERC Compliance Budget Quebec NEL Allocation
NERC Compliance Budget		
Compliance Operations, Investigations & Org Registration and Certification	$	9,496,446
Event Analysis		4,048,371
Enforcement		6,395,091
Total Costs, including Fixed Assets		**19,939,908**
Quebec NEL Share (2012)		4.129%
Quebec Proportional Share of Compliance Costs, including Fixed Assets	**$**	**823,319**
Total Compliance Staff		**50.88**
% Credit (34.88 of 50.88 FTEs)		68.55%
$ Credit (34.88 of 50.88 FTEs)	$	13,669,497
Quebec Credit (Proportional share of all costs x % Credit)	**$**	**564,414**
Proportional Share of NERC Compliance Costs paid by Régie de l'énergie	**$**	**258,905**
Proportional Share of NPCC CORC Program paid by Régie de l'énergie (Refer to Column I-2, page 75, 2014 NPCC Business Plan and Budget)	**$**	**869,409**
2014 Billing to Régie de l'énergie for Compliance Program Costs-NERC and NPCC	**$**	**1,128,314**
Additional Credits for 2014		
Credit for SAFNR	$	725,500
	$	**725,500**
Quebec NEL Share (2012)		4.129%
Quebec credit for additional costs not allocated	**$**	**29,956**
Total Quebec Credit for 2014	**$**	**594,369**

	2014 Compliance FTEs	
	Total	Credit
400 Operations & Investigations	19.20	5.80
500 Org Registration	3.84	2.84
402 Event Analysis	9.60	8.00
404 Enforcement	18.24	18.24
	50.88	34.88

	2013 Compliance FTEs	
	Total	Credit
400 Operations	15.00	
500 Org Registration	3.00	2.00
402 Event Anal & Investigation	15.50	13.50
403 Reporting & Tracking	5.00	4.00
404 Enforcement	16.00	16.00
	54.50	35.50

2013 Quebec Adjustment
Credit for NERC Compliance Costs

		Total NERC Compliance Budget Quebec NEL Allocation
NERC Compliance Budget		
Compliance Operations (includes Organization Registration)	$	6,644,000
Compliance Enforcement		6,725,004
Event Analysis and Investigations		6,023,424
Total Costs, including Fixed Assets		**19,392,428**
Quebec NEL Share (2011)		4.123%
Quebec Proportional Share of Compliance Costs, including Fixed Assets	**$**	**799,467**
Total Compliance Staff		**54.50**
% Credit (35.5 of 54.5 FTEs)		65.14%
$ Credit (35.5 of 54.5 FTEs)	$	12,631,765
Quebec Credit (Proportional share of all costs x % Credit)	**$**	**520,754**
Proportional Share of NERC Compliance Costs paid by Régie de l'énergie	**$**	**278,713**
Proportional Share of NPCC CORC Program paid by Régie de l'énergie (Refer to Column H-2, page 83, 2013 NPCC Business Plan and Budget)	**$**	**1,369,666**
2013 Billing to Régie de l'énergie for Compliance Program Costs-NERC and NPCC	**$**	**1,648,379**
Additional Credits for 2013		
Credit for SAFNR	$	725,500
	$	**725,500**
Quebec NEL Share (2011)		4.123%
Quebec credit for additional costs not allocated	**$**	**29,909**
Total Quebec Credit for 2013	**$**	**550,663**

DOCKET NO. RR13-__-000

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

2014 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 6

STATUS REPORT ON THE ACHIEVEMENT

OF NERC'S 2013 GOALS

ATTACHMENT 15

Status Report on the Achievement of NERC's 2013 Goals and Objectives

This Attachment provides a summary of NERC's 2013 goals and objectives and a status report on their achievement as of June 30, 2013.

During the first two quarters of 2013, NERC and the Regional Entity Executive Management Group continued to improve and refine the ERO business planning and budgeting process through the development and integration of a multi-year strategic plan. The *2012-2015 ERO Enterprise Strategic Plan*[1] is focused on (1) developing clear, reasonable and technically sound mandatory reliability standards in a timely and efficient manner, (2) being a strong enforcement authority that is independent, without conflict of interest, objective and fair, (3) promoting a culture of compliance that addresses reliability risks across the industry, (4) identifying the most significant risks to reliability, (5) being accountable for mitigating reliability risks, (6) promoting a culture of reliability excellence, (7) improving transparency, consistency, quality and timeliness of results, (8) operating as a collaborative enterprise working with industry and the Regional Entities and (9) improving efficiency and cost effectiveness.

Similar to the process undertaken in 2012, a set of specific 2013 objectives and measures was developed, with a threshold and a target for each measure. Progress against these measures is being tracked throughout the year. Exhibit 1 to this Attachment 15 sets forth the specific 2013 objectives, measures, thresholds and targets.

Exhibit 2 to this Attachment 15 is the summary of corporate performance measures as of June 30, 2013 which was presented before stakeholders and NERC's Board of Trustees at the August 14, 2013 open meeting of NERC's Corporate Governance and Human Resources Committee. Similar reports are prepared and presented each quarter at approximately the same time NERC prepares and presents in open session to the NERC's Finance and Audit Committee its quarterly and year to date financial reports comparing budgeted to actual expenditures, together with a rolling year end projection.

[1] https://www.nerc.com/docs/bot/finance/2013%20NERC%20Business%20Plan%20and%20Budget/ERO%20Enterprise%20Strategic%20Plan%202012-2015%20FINAL%20(02%202012)%20(2).pdf

EXHIBIT 1

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

2013 NERC Corporate Performance Metrics

Approved: February 6, 2013 by Corporate Governance and Human Resources Committee

NERC is presenting its 2013 corporate performance metrics using the common strategic planning framework, *Electric Reliability Organization Enterprise Strategic Plan 2012-2015*[1], provided to the board in February 2012. The strategic plan framework was recently updated by NERC and the Regional Entities to include refined goals, objectives and deliverables for 2013-2016 and to formulate business plans and budgets for the upcoming three year cycle. For 2013 and beyond, the ERO Enterprise will work within four recognized goal areas: 1) standards; 2) compliance, registration and certification; 3) risks to reliability; and 4) coordination and collaboration.

As NERC continues to enhance the success of the ERO Enterprise, it improves the measurement of its own individual performance through established goals, objectives and metrics. The overall number of performance metrics for 2013 has been reduced to focus on results that aim to improve reliability. NERC management has worked to define 2013 metrics that are both within NERC's span of influence or control and meaningful to bulk power system reliability performance and effective risk mitigation strategies. Building on 2012, NERC continues a performance metric for 2013 based on overall reliability performance: *at-risk compensation will depend on the number of bulk power system category 3, 4 and 5 events*[2] *(±10 percent at stake depending on the number of category 3, 4 and 5 events)*. All other metrics include Target at 100 percent payout and Threshold at 70 percent, with no credit for less than Threshold achievement.

The specific objectives presented below were derived from the goals and deliverables outlined in the 2013 NERC Business Plan and Budget, which was approved by the NERC Board of Trustees (Board) on August 16, 2012 and accepted by the Federal Energy Regulatory Commission (FERC) in its order issued November 2, 2012.

[1] Enclosed is the updated *ERO Enterprise Strategic Plan 2013-2016*.
[2] Excluding terrestrial weather, however space weather (GMD) is included in the metric.

2013 NERC Corporate Performance Metrics

Approved: February 6, 2013 by Corporate Governance and Human Resources Committee

Standards

Goal 1 - Develop clear, reasonable and technically sound mandatory reliability standards in a timely and efficient manner. These standards establish threshold requirements for ensuring the bulk power system is planned, operated and maintained in a manner that minimizes risks of cascading failures, avoids damage to major equipment and limits interruptions of bulk power supply.

	Objective	Measure	Threshold	Target
1a	**Standards are timely, clear and responsive to reliability and security risks.**	Percent of board-approved standards that meet quality criteria and results-based construct	Complete initial tabletop quality assessment of all standards and 1 new standard meets quality criteria and results-based construct	Complete initial tabletop quality assessment of all standards and 3 new standards meet quality criteria and results-based construct
		CIP V5, BAL-003 frequency response, TPL footnote b, COM-003, and GMD (if ordered) standards filed	Filed by yearend with extensions	All filed within deadlines (COM-003 by yearend)
		Percent reduction in existing FERC standards directives, year beginning to yearend excluding new	33% reduction from December 31, 2012 (filed or otherwise resolved)	50% reduction from December 31, 2012 (filed or otherwise resolved)
		Standards process reforms completed per board 2012 resolutions	All reform resolutions have a solution designed and documented	All reform resolutions operational by yearend
1b	**Standards are practical to implement and cost effective.**	Requirements to be retired (Paragraph 81 – Phase 2)	Assessment complete with summary report	Requirements to retire identified, standards revisions approved and filed
		Model standard application guide/RSAW, consolidating existing documents	Model application guide/RSAW and one sample complete	10% of standards have associated application guide/RSAW completed in new format

Compliance, Registration and Certification

Goal 2 - Be a strong enforcement authority that is independent, without conflict of interest, objective and fair. The ERO retains and refines its ability to use standards enforcement when warranted and impose penalties and sanctions commensurate with risk.

	Objective	Measure	Threshold	Target
2a	**The ERO registers entities commensurate with risk to the bulk power system and ensures all key reliability entities are certified to have essential capabilities.**	Framework and plan to begin in 2014		
2b	**The ERO holds industry accountable for violations that create serious risk to the bulk power system; resulting actions are timely and transparent to industry.**	Aging curve to monitor aging of caseload (2%)	Caseload aging curve developed	Caseload aging curve developed and baseline established for 2013
		Twelve-month rolling average of active violations divided by monthly filings and dismissals (caseload index) (3%)	12 months	10 months
		Number of active possible violations preceding January 1, 2012[3] (3%)	100, excluding those held by appeal, regulator, or court	Zero, excluding those held by appeal, regulator or court
		Mitigation aging curve	Mitigation aging curve developed	Mitigation aging curve developed and baseline established for 2013

[3] Reference date is the discovery date (e.g. by audit, self-report, self-certification, etc.) or, if event-based, the date of the event.

Compliance, Registration and Certification

Goal 3 - Promote a culture of compliance that addresses reliability risks across the industry. The ERO works with industry to identify standards, procedures, practices and controls to address reliability risks.

	Objective	Measure	Threshold	Target
3a	**Industry has effective procedures and programs to monitor, detect, correct, report, and prevent compliance, reliability, and security issues.**	Compliance reform (RAI) plan developed	Developed to include end state description and roadmap	Developed to include end state description, roadmap, and procedures and methods (how documents)
		Percent self identified violations and findings including FFT	Metric developed	Metric developed and baseline established for 2013
3b	**The ERO uses efficient processes and proportional exercise of discretion to verify that compliance objectives are met by industry.**	Percent of findings filed through FFT and spreadsheet without settlement agreements, compared to all violations and findings filed excluding dismissals (3%) Expand FFT to allow determinations to be made by auditors (5%)	35% Expanded program prerequisites completed but not implemented	50% Expanded program available and being used at regions

Risks to Reliability

Goal 4 - Identify the most significant risks to reliability. The ERO identifies and prioritizes reliability risks, facilitates effective solutions and interventions, and monitors results.

	Objective	Measure	Threshold	Target
4a	**Risks are identified and prioritized based on reliability impacts, cost/practicality assessments, projected resources, and emerging issues.**	State of reliability report	Published by June 30	Published by May 15
		Report to Board on priority risks based on industry expert inputs	Risk profile of priority risks	Risk profile with high priority risks scaled for action and assignment
		Risk control initiatives by ERO	One in progress	Three in progress (e.g., relay mis-operations, situation awareness, human error, cyber attack, or other)[4]
4b	**Events and system performance are consistently analyzed for sequence, cause, and remediation to identify reliability risks and trends, and to inform standards, compliance, and other programs. Industry is well informed of system events, emerging trends, risk analysis, lessons learned, and expected actions.**	Event analysis includes identification of standards and compliance gaps, correlated to severity index	All Category 3 and above events analyzed for risks, standards and compliance gaps	All Category 3 and above events analyzed for risks, standards and compliance gaps; documented risk control strategy in place for top three gaps
		Event reports published to industry	For Category 1 and above, 95% of initial reports received within 30 days of event; 95% of reports reviewed for quality within 30 days of receipt	All approved reports are posted to secure portal for industry access subject to release authorization by the entity
		Lessons learned and recommendations published	6	8

[4] Three documented initiatives in addition to those credited in 4b.

Risks to Reliability

Goal 5 - Be accountable for mitigating reliability risks. The ERO works with industry stakeholders and experts to ensure the mitigation of known risks to reliability.

	Objective	Measure	Threshold	Target
5a	**The ERO is tracking industry accountability for critical reliability and security recommendations.**	Number of BPS category 3, 4 and 5 events excluding weather[5], flood, or earthquake	• (+10%): three or less Category 3 events occur and zero Category 4 or 5 events • (0%): Zero Category 5 events, one or zero Category 4, and four or less Category 3 events • (-10%): a Category 5 event occurs or two Category 4 events or five or more Category 3 events	
5b	**Industry is aware of and is effectively addressing security vulnerabilities and threats. Industry security posture is being evaluated and continuously improved. During crisis situations, ERO facilitates sharing of information among industry, regions, and government.**	ES-ISAC fully utilized	60% of RC's and TO/TOPs; 33% of all other registered entities; industry submitting average of three information items per month last six months of 2013	80% of RC's and TO/TOPs; 50% of all other registered entities; industry submitting average of ten information items per month last six months of 2013
		Number of maturity model assessments completed	6	12
		GridEx	GridEx 2013 conducted	Exercise completed with extreme scenario, executive leadership component, and 100 plus entities engaged

[5] Terrestrial weather excluded from metric, however space weather (GMD) is included in metric.

Risks to Reliability

Goal 6 - Promote a culture of reliability excellence. The ERO facilitates a learning environment throughout the industry through event causal analysis, communication of lessons learned, tracking of recommendations, and implementation of best practices.

	Objective	Measure	Threshold	Target
6a	**ERO is a leading resource to industry and policy makers for reliability information.**	Assessment reports	LTRA, two seasonal assessments, one special issues report published; reports are streamlined for board approval (half or less volume)	LTRA (November 20), seasonal assessments (May 15 and November 20), and two special issues report
6b	**Reliability modeling and data accurately represent system behavior and are shared among reliability entities.**	Model and data quality assessments begin in 2014		

Coordination and Collaboration

Goal 7 - Improve transparency, consistency, quality and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost effectiveness. The ERO accomplishes this through effective coordination, collaboration and process improvements. The ERO communicates expectations clearly and fosters collaboration to deliver important results in advancing system reliability. The ERO engages the support and expertise of stakeholders, is an efficient steward of resources, and leverages information systems to create efficiencies and process controls.

	Objective	Measure	Threshold	Target
7a	**The ERO acquires, engages, and retains highly qualified talent suited to the mission.**	Qualifications	ERO qualifications description for ERO Enterprise auditors	ERO qualifications description for two additional common ERO Enterprise positions
		ERO enterprise (NERC and Regional Entity) infrastructure and applications[6]	Secure, backed up infrastructure, database, and communications platform is designed, one ERO application is operational	Secure, backed up infrastructure, database, and communications platform is designed, three ERO PMO applications are operational
7b	**ERO internal risks are understood and managed; ERO processes are effective, efficient, and continuously improved.**	Internal risk management (75% weight)	Total year end operating and fixed asset expenditures do not exceed an amount equivalent to: (a) the 2013 operating expense and fixed asset expense budget plus b) an amount equivalent to the sum of : (i) the 2013 budget for known contingency operating reserves	Total year end operating expense and fixed asset expenditures do not exceed an amount equivalent to the approved operating expense and fixed asset expense budget plus an amount equivalent to the budget for known operating reserve contingencies.

[6] Sample ERO Enterprise applications include: BES Exception, Event Information Data System (EIDS), and Reliability Assessment Database System (RADS).

			and (ii) 25% of the 2013 operating reserve budget for unforeseen contingencies.	
		Budgetary and working capital (25% weight)	Each Regional Entity has a written working capital and operating reserve policy in place that has been approved by its board or a committee of its board if the board has delegated the authority regarding establishment of such policy to a committee of the board (e.g. finance and audit committee).	Common working capital and operating reserve framework in place across NERC and all regions.

EXHIBIT 2

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Agenda Item 7
CGHRC Open Meeting
August 14, 2013

2013 NERC Performance Report

Quarter 2 – Draft for Preliminary Review

Mark Rossi, COO

Corporate Governance and Human Resources Committee Meeting
July 18, 2013

RELIABILITY | ACCOUNTABILITY




Q2 Status Summary

Objective	Q1	Q2	Q3	Q4	Trending	Comments
1a -Timely, clear and responsive to reliability and security risks	●	●			↑	Completed assessment and results-based construct for standards. Reduced 47 directives. Solutions in SC charter agreed upon by SC and SOTC.
1b - Practical to implement and cost effective	●	●			↔	Initiated assessment for Paragraph 81, Phase 2. Continued development of Standards application guide /RSAW.
2a - ERO registers entities commensurate with risk to the BPS	●	●			↔	Framework and plan scheduled to be developed in 2014.
2b - ERO holds industry accountable for violations to the BPS	●	●			↔	On trajectory to hit threshold for reduction of active violations preceding January 1, 2012. Block of historical violations continues taking longer than expected to process.
3a - Industry has effective procedures and programs	●	●			↔	RAI implementation continued identification of "how" documents. Metric showing discovery of violations monitored.
3b - ERO uses efficient processes and proportional exercise of discretion	●	●			↑	80% total filings through FFT and SNOP disposition
4a - Risks are identified and prioritized	●	●			↑	State of Reliability Report completed – met target. Risk projects and control initiatives continue.
4b - Events and system performance are consistently analyzed	●	●			↔	Analyzing Category 3 and above events is becoming resource constrained.

Q2 Status Summary

Objective	Q1	Q2	Q3	Q4	Trending	Comments
5a -ERO is tracking industry accountability for critical reliability and security						(+10%): three or less Category 3 events occur and zero Category 4 or 5 events (-10%): Category 5 event occurs or two Category 4 events or five or more Category 3 events
5b - Industry is aware of and is effectively addressing security vulnerabilities						Only one maturity model assessment completed at then end of Q2. Mitigation plan being developed to address resource constraints and competing priorities.
6a - ERO is a leading resource for reliability information						Published 2 assessment reports and planning another special issues report and LTRA for Q4.
6b - Reliability modeling and data are accurate and shared						Reliability modeling and data to begin in 2014.
7a - ERO acquires, engages, and retains highly qualified talent						Need regional support to integrate common ERO qualifications description for auditors.
7b - ERO internal risks are understood and managed						Projection being finalized. Preliminary estimate shows budget not meeting target. Mitigation plan being developed to achieve or exceed target.

Leading Results at Q2

I. Standards

- Completed quality assessment and results-based construct for standards
- Agreed upon solution by SC and SOTC on reform resolutions

II. Compliance, Registration and Certification

- Developed mitigation aging curve and initiated automated calculation and business rule
- Monitored metric for self-identified violations – 70%
- 80% of filings through FFT and SNOP disposition – original expectation was 73%

Leading Results at Q2

III. Risks to Reliability

- Published State of Reliability, Gas-Electric and summer assessment reports
- Developed high/medium priority risk area gap analysis for RISC
- Initiated risk control initiatives: workforce capability/HP and misops
- Published two lessons learned for six cumulative
- Utilized ES-ISAC – exceeded original expectations for RCs/TOs/TOPs
- Planned GridEx scenario, leadership component and entity engagement

IV. Coordination and Collaboration

- Developed Five-Year ERO Assessment criteria, metrics, survey, and timetable
- Continued audit implementation plan in response to FERC audit
- Completed 46% of risk management action plan

Watch List at Q2

I. Compliance, Registration and Certification

- 12-month rolling average of active violations and caseload aging curve – Block of historical violations continues taking longer than expected to process

II. Risks to Reliability

- Analyze all Cat 3 events and documenting risk control strategy for three gaps – resource constrained
- Number of maturity model assessments completed to inform industry

III. Coordination and Collaboration

- Develop an ERO qualifications description for auditors to improve the acquisition and retention of qualified talent suited to the mission
- Project to exceed budget and known operating reserve by end of year
- Work with Regions and FAC on common working capital and operating reserve framework

DOCKET NO. RR13-__-000

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

2014 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 7

METRICS COMPARING

REGIONAL ENTITY OPERATIONS

BASED ON

THE 2014 BUDGETS

ATTACHMENT 16

METRICS COMPARING REGIONAL ENTITY OPERATIONS BASED ON THE 2014 BUDGETS

Introduction

This Attachment provides metrics on the Regional Entities' operations based on their 2014 Business Plans and Budgets, and analysis of the metrics. Consistent with the similar attachments provided in NERC's 2010, 2011, 2012, and 2013 Business Plan and Budget filings, this Attachment focuses on providing quantitative data and information for the Regional Entities. The metrics focus primarily on the Regional Entities' Compliance Monitoring and Enforcement Programs (Compliance Program). This Attachment contains:

- a table providing the 2014 budget metrics values for each Regional Entity (page 4);
- a series of bar charts comparing the Regional Entities' Compliance Program 2014 budgeted costs (pages 5-7);
- a series of bar charts comparing the Regional Entities' projected costs for 2014 for "small," "medium" and "large" on-site and off-site operational compliance audits[1] and "small" and "large" on-site and off-site CIP compliance audits[2] (pages 8-10);

[1] An "operational" audit as referred to in this Attachment is an audit of the registered entity's compliance with the operations and planning or "Order 693" reliability standards. For purposes of this presentation (and consistent with the definitions used in the 2010, 2011, 2012 and 2013 Business Plan and Budget filings), a "small" operational compliance audit involves 25 or fewer reliability standard requirements to be audited; a "medium" operational compliance audit involves 26 to 75 requirements to be audited; and a "large" operational compliance audit involves more than 75 requirements to be audited. An on-site compliance audit takes place at the registered entity's site, while an off-site compliance audit takes place at another location, typically the Regional Entity's offices. As can be seen from the table on page 4 and from the bar charts on pages 8-10, MRO, Reliability*First*, SPP RE, Texas RE and WECC are not planning any "small" on-site operational compliance audits in 2014, NPCC and WECC are not planning any "medium" on-site operational compliance audits in 2014, and Reliability*First* is not planning any "large" on-site operational audits in 2014. Also, FRCC, Reliability*First*, and SERC are not planning any "medium" off-site operational audits in 2014, and FRCC, MRO, Reliability*First*, SERC, SPP RE and Texas RE are not planning any "large" off-site audits. The latter fact (that six Regional Entities plan no large off-site operational audits) reflects that if the registered entity has more than 75 requirements to be audited, the Regional Entity will likely conclude that an on-site compliance audit should be conducted.

[2] For purposes of this presentation, a "small" CIP compliance audit involves an entity with no critical cyber assets and 5 requirements. (There are requirements of the CIP standards that apply to registered entities with no critical cyber assets, for example, the requirements of CIP-001 concerning sabotage reporting and response; the requirements of CIP-002 which require the registered entity to have a risk-based assessment methodology and to use it annually to identify any critical assets and critical cyber assets, even if the result is "none;" and the requirements of CIP-003 that the registered entity have in place a cyber security policy and a designated, single senior manager with overall responsibility for leading the entity's compliance with the CIP standards.) A "large" CIP compliance audit involves any

- trend line plots of the Regional Entities' 2014 Compliance Program budgets against numbers of registered entities and numbers of registered functions in each Region (page 11);

- bar charts comparing the Regional Entities' numbers of registered entities per Compliance Program FTE[3] and numbers of registered functions per Compliance Program FTE based on their 2014 budgets (page 12);

- bar charts comparing the Regional Entities' numbers of registered entities per Compliance Program FTE and numbers of registered functions per Compliance Program FTE in their 2013 and 2014 Business Plans and Budgets (page 13); and

- discussion and analysis of the metrics (pages 14-19). The discussion and analysis focuses on variations in the Regional Entity metrics based on their 2014 budgets and possible reasons for the variations.

The table on page 4 shows the following quantitative data for each Regional Entity based on its 2014 Business Plan and Budget. This data is used to develop the bar charts and trend line graphs that follow based on the Regional Entities' 2013 budgets.

- Numbers of registered entities
- Numbers of registered functions
- Total NEL (GWh)
- NEL (GWh) per registered entity
- Total ERO funding
- ERO (statutory) funding[4] per registered entity

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entity with critical cyber assets and 5 requirements, auditing 43 requirements or 162 sub-requirements. These definitions are the same as used in Attachment 15 of the 2012 and 2013 Business Plan and Budget filings. As can be seen from the table on page 4 and the bar charts on page 10, only SERC and Texas RE are planning any "small" on-site CIP audits in 2014 and all the Regional Entities are planning only "small" off-site CIP audits in 2014. Similar to the operational audits (note 1 above), this fact reflects that if there is a need to audit the registered entity's compliance with 43 or more requirements or 162 or more sub-requirements of CIP standards, the Regional Entity will likely conclude that an on-site compliance audit should be conducted. The decision to conduct an on-site CIP audit can also be influenced by the need for the Regional Entity's CIP audit staff to review facilities and equipment that are the subject of Technical Feasibility Exception (TFE) requests or audit the registered entity's compliance with the terms of an approved TFE.

[3] FTE = full-time equivalent employee. Each FTE is assumed to work 2,080 hours per year. An employee working less than 2,080 hours per year is counted as a fractional FTE based on number of hours divided by 2,080 hours.

[4] ERO funding is defined as the sum of assessments and penalty sanctions.

- ERO funding per registered function
- Total statutory budget
- Total statutory budget[5] per registered entity
- Total statutory budget per registered function
- Total statutory FTE
- Registered entities per statutory FTE
- Registered functions per statutory FTE
- Total Compliance Program budget
- Compliance Program budget per registered entity
- Compliance Program budget per registered function
- Total Compliance FTE
- Registered entities per Compliance Program FTE
- Registered functions per Compliance Program FTE
- Projected numbers of small, medium and large on-site operational audits in 2014
- Estimated costs for small, medium and large on-site operational audits in 2014
- Projected numbers of small, medium and large off-site operational audits in 2014
- Estimated costs for small, medium and large off-site operational audits in 2014
- Projected numbers of small and large on-site CIP audits in 2014
- Estimated costs for small and large on-site CIP audits in 2014
- Projected numbers of small and large off-site CIP audits in 2014
- Estimated costs of small and large off-site CIP audits in 2014
- Average number of contractors used and projected contractor costs for small, medium and large on-site operational audits
- Average number of contractors used and projected contractor costs for small, medium and large off-site operational audits

[5] Total budget is defined as the sum of total expenses and the total increase in fixed assets.

Metrics for Budget Submissions	FRCC	MRO [7]	NPCC [7]	RFirst	SERC	SPP RE	TRE	WECC [8]
Number of registered entities	**68**	**125**	**293**	**332**	**247**	**140**	**222**	**469**
Number of registered functions	**242**	**502**	**590**	**669**	**694**	**400**	**448**	**1240**
Total NEL (GWh)	**220,684**	**284,519**	**641,382**	**902,132**	**1,018,700**	**217,689**	**324,860**	**866,704**
NEL (GWh) per registered entity	3,245	2,276	2,189	2,717	4,124	1,555	1,463	1,848
Total ERO Funding[1]	**$ 5,831,057**	**$ 8,877,944**	**$ 13,764,880**	**$ 16,517,917**	**$ 15,788,999**	**$ 9,727,456**	**$ 10,912,141**	**$ 18,563,902**
ERO Funding per registered entity	$ 85,751	$ 71,024	$ 46,979	$ 49,753	$ 63,923	$ 69,482	$ 49,154	$ 39,582
ERO Funding per registered function	$ 24,095	$ 17,685	$ 23,330	$ 24,690	$ 22,751	$ 24,319	$ 24,357	$ 14,971
Total Budget[2]	**$ 6,794,932**	**$ 9,744,799**	**$ 14,129,006**	**$ 18,063,201**	**$ 16,877,288**	**$ 11,823,629**	**$ 11,771,248**	**$ 22,009,776**
Total Budget per registered entity	$ 99,925	$ 77,958	$ 48,222	$ 54,407	$ 68,329	$ 84,454	$ 53,024	$ 46,929
Total Budget per registered function	$ 28,078	$ 19,412	$ 23,947	$ 27,000	$ 24,319	$ 29,559	$ 26,275	$ 17,750
Total Statutory FTE[3]	**30.40**	**40.75**	**36.86**	**72.00**	**79.2**	**33.85**	**60.00**	**130.00**
Registered entity per Statutory FTE	2.24	3.07	7.95	4.61	3.12	4.14	3.70	3.61
Registered function per Statutory FTE	7.96	12.32	16.01	9.29	8.76	11.82	7.47	9.54
Total Compliance Budget[4]	**$ 4,702,351**	**$ 6,697,593**	**$ 8,079,371**	**$ 13,584,945**	**$ 11,670,318**	**$ 8,662,902**	**$ 9,336,233**	**$ 14,763,348**
Compliance budget per registered entity	$ 69,152	$ 53,581	$ 27,575	$ 40,919	$ 47,248	$ 61,878	$ 42,055	$ 31,478
Compliance budget per registered function	$ 19,431	$ 13,342	$ 13,694	$ 20,306	$ 16,816	$ 21,657	$ 20,840	$ 11,906
Total Compliance FTE[3]	**19.26**	**21.26**	**16.00**	**43.00**	**42.50**	**22.10**	**40.00**	**58.00**
Registered entity per Compliance FTE	3.53	5.88	18.31	7.72	5.81	6.33	5.55	8.09
Registered function per Compliance FTE	12.56	23.61	36.88	15.56	16.33	18.10	11.20	21.38
Number of Small Operational Audits Onsite[5]	3	0	3	0	10	0	0	0
Estimated Cost per Small Operational Audit Onsite[5]	$ 7,411		$ 13,900		$ 10,550			$ -
Number of Medium Operational Audits Onsite[5]	1	6	0	11	15	1	4	0
Estimated Cost per Medium Operational Audit Onsite[5]	$ 18,527	$ 44,049		$ 40,942	$ 16,392	$ 22,113	$ 34,027	$ -
Number of Large Operational Audits Onsite[5]	4	1	3	0	6	7	6	20
Estimated Cost per Large Operational Audit Onsite[5]	$ 37,054	$ 52,452	$ 61,150		$ 37,605	$ 56,357	$ 51,798	$ 43,567
Number of Small Operational Audits Offsite[5]	8	11	7	52	15	3	18	27
Estimated Cost per Small Operational Audit Offsite[5]	$ 2,685	$ 11,404	$ 11,875	$ 8,560	$ 9,454	$ 5,129	$ 14,447	$ 5,367
Number of Medium Operational Audits Offsite[5]	0	1	7	0	0	16	7	21
Estimated Cost per Medium Operational Audit Offsite[5]		$ 43,083	$ 21,950			$ 10,796	$ 25,328	$ 14,513
Number of Large Operational Audits Offsite[5]	0	0	20	0	0	0	0	8
Estimated Cost per Large Operational Audit Offsite[5]			$ 28,280					$ 34,167
Number of Small CIP Audits Onsite[6]	0	0	0	0	4	0	4	0
Estimated Cost per Small CIP Audit Onsite[6]					$ 10,182		$ 18,797	$ -
Number of Large CIP Audits Onsite[6]	2	5	12	14	6	4	10	19
Estimated Cost per Large CIP Audit Onsite[6]	$ 74,108	$ 57,520	$ 58,150	$ 50,453	$ 38,159	$ 90,638	$ 51,496	$ 47,463
Number of Small CIP Audits Offsite[6]	9	8	22	31	4	16	22	45
Estimated Cost per Small CIP Audit Offsite[6]	$ 2,685	$ 5,702	$ 7,830	$ 3,738	$ 14,194	$ 5,129	$ 14,447	$ 5,367
Number of Large CIP Audits Offsite[6]	0	0	0	0	0	0	0	0
Estimated Cost per Large CIP Audit Offsite[6]								
Avg. Number of Contractors Per Small Audits Onsite			2.0			-		0.0
Avg. Number of Contractors Per Medium Audits Onsite			4.0			2.0		2.0
Avg. Number of Contractors Per Large Audits Onsite			5.0			2.0		2.0
Avg. Number of Contractors Per Small Audits Offsite			1.0			-		0.0
Avg. Number of Contractors Per Medium Audits Offsite			2.0			1.0		2.0
Avg. Number of Contractors Per Large Audits Offsite			2.0					2.0
Cost of Contractors Per Small Audits Onsite			$ 5,740					$ -
Cost of Contractors Per Medium Audits Onsite			$ 19,320			$ 13,600		$ -
Cost of Contractors Per Large Audits Onsite			$ 37,800			$ 34,879		$ 13,000
Cost of Contractors Per Small Audits Offsite			$ 9,940					$ 3,250
Cost of Contractors Per Medium Audits Offsite			$ 19,740			$ 6,600		$ 9,750
Cost of Contractors Per Large Audits Offsite			$ 25,900					$ 13,000

[1] ERO Funding is a sum of Assessments and Penalty Sanctions

[2] Total Budget is a sum of Total Expenses and Capital Expenditures

[3] Each FTE that works 2,080 hours per year is counted as one FTE. An FTE working less than the 2,080 hours per year is counted as a fractional FTE.

[4] Total Compliance Budget is a sum of Direct Expenses, Indirect Expenses and Capital Expenditures

[5] Size of Operational audits are defined by number of requirements:

Small	25 or less
Medium	26 to 75
Large	More than 75

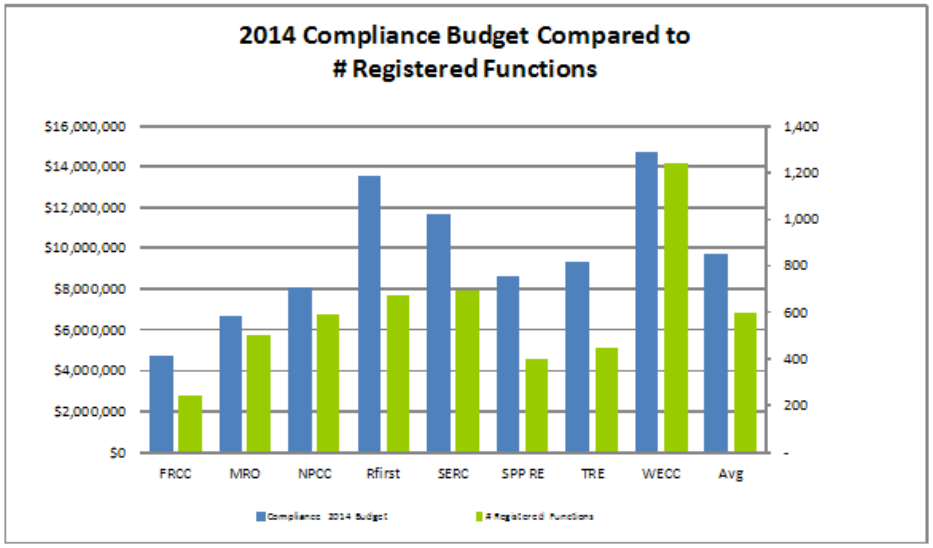
[6] Size of a CIP audit is defined as:

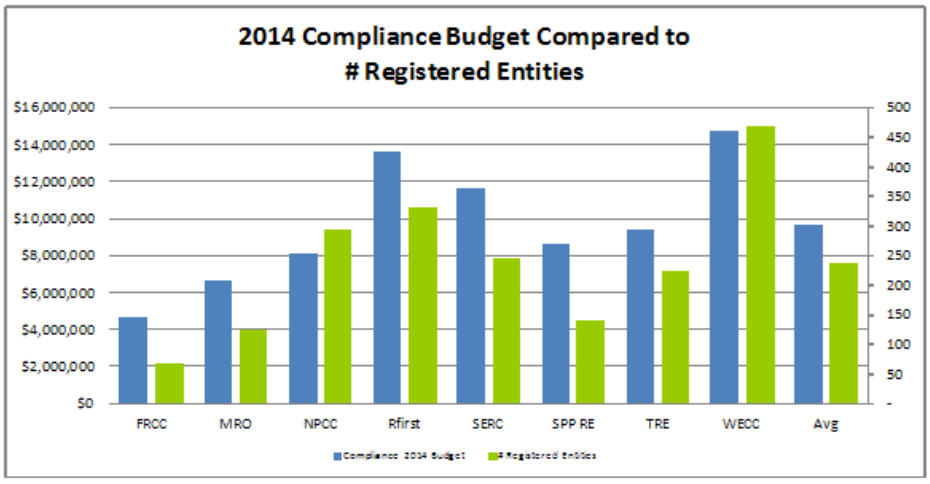
Small	Any entity with no critical cyber assets and 5 requirements
Large	Any enitiy with critical cyber assets and 5 requirements, auditing 43 requirements or 162 sub requirements

[7] Due to the specifics of the compliance program included in the individual provincial MOUs for cross-border regional entities, some of these metrics are not directly comparable.

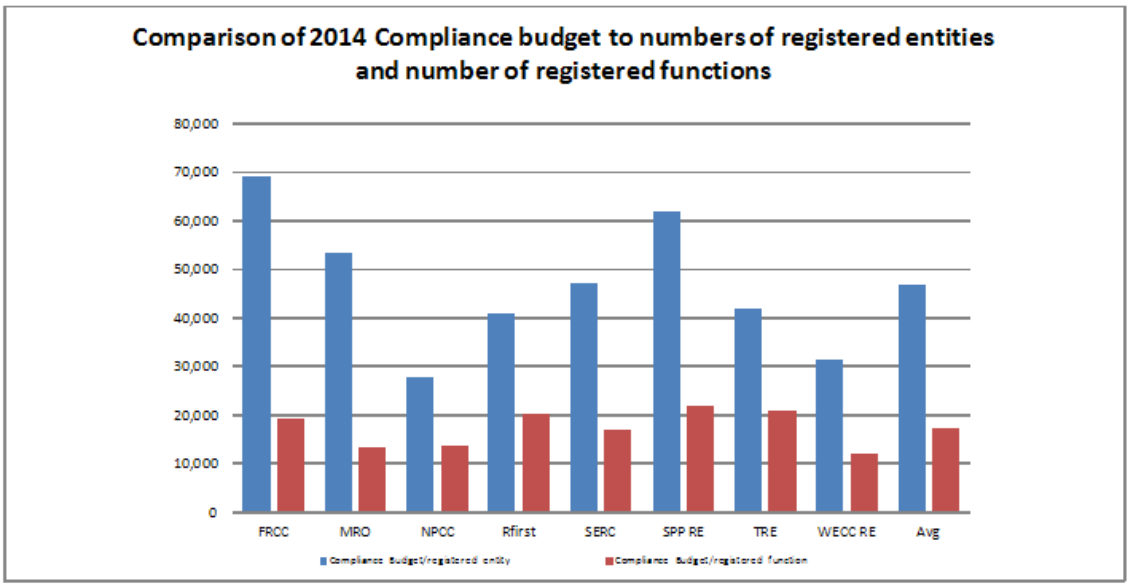
[8] The costs offset by grant funding totalling $3,628,308 have been excluded from the Total Budget and 5.0 FTEs have been excluded from the calculations of registered entity per Statutory FTE and registered function per Statutory FTE.

	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
Compliance 2014 Budget	4,702,351	6,697,593	8,079,371	13,584,945	11,670,318	8,662,902	9,336,233	14,763,348	9,687,133
# Registered Entities	68	125	293	332	247	140	222	469	237
# Registered Functions	242	502	590	669	694	400	448	1,240	598

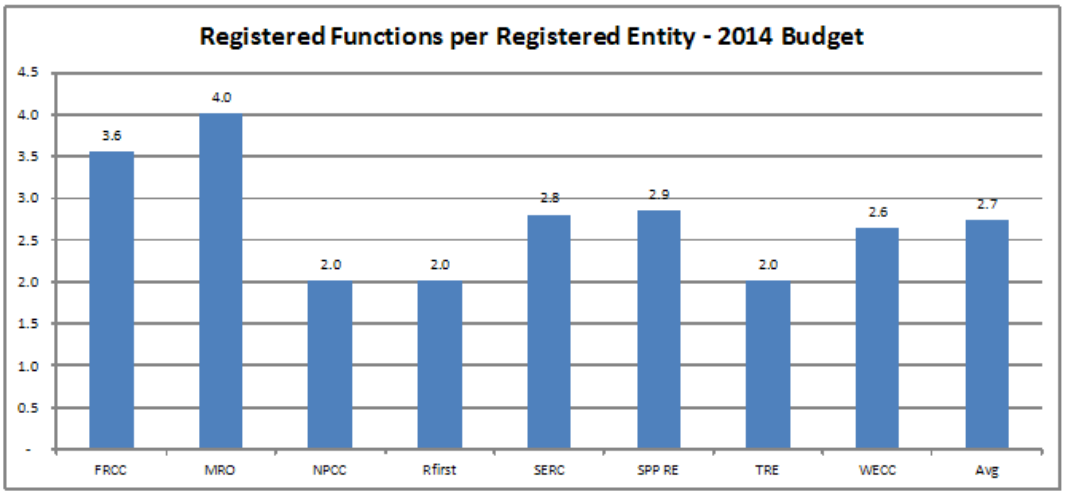




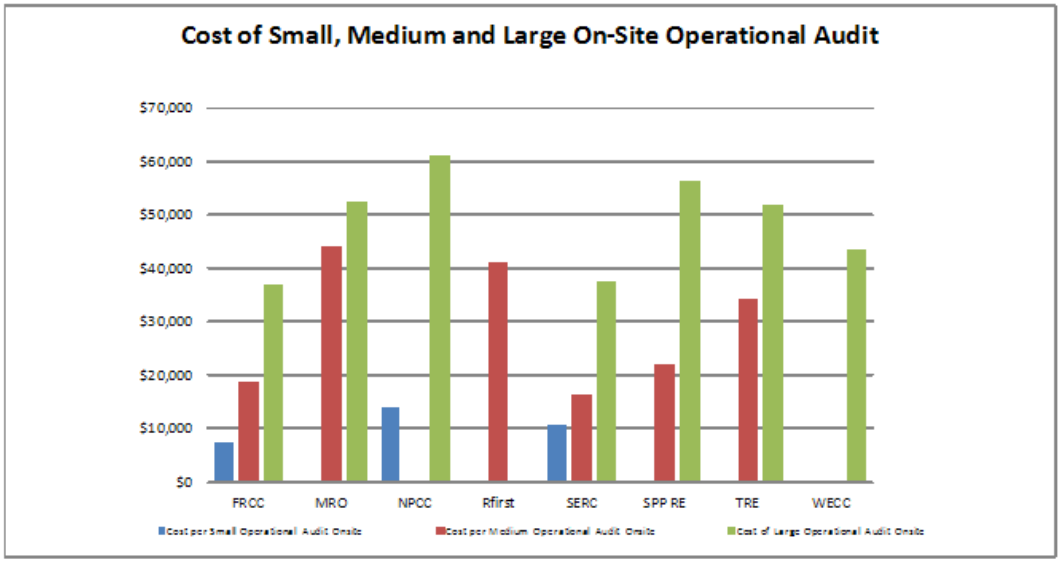
	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC RE	Avg
Compliance Budget/registered entity	69,152	53,581	27,575	40,919	47,248	61,878	42,055	31,478	46,736
Compliance Budget/registered function	19,431	13,342	13,694	20,306	16,816	21,657	20,840	11,906	17,249



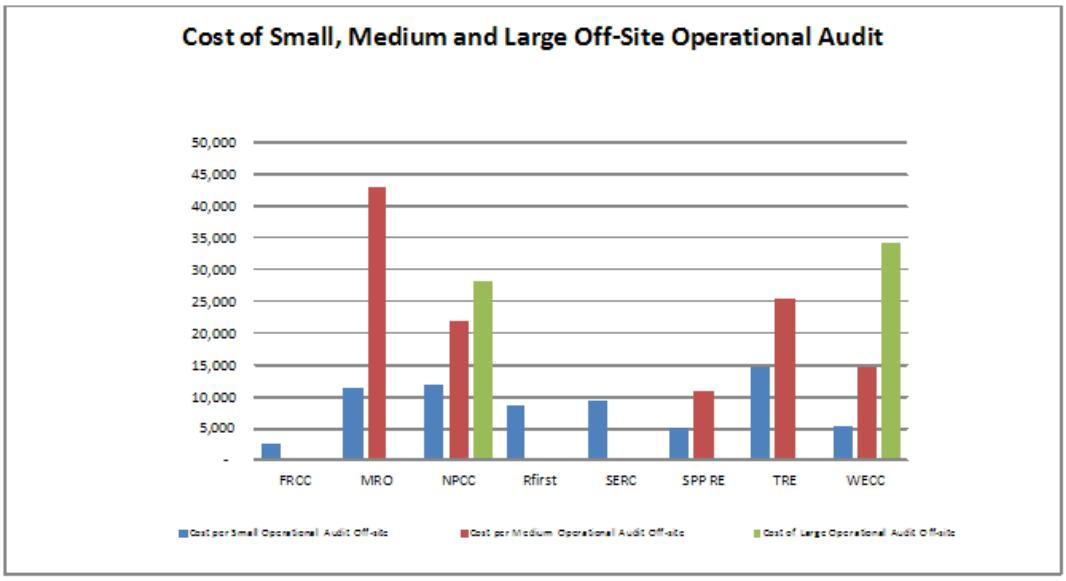
	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
Registered Functions per Registered Entity 2014 Budget	3.6	4.0	2.0	2.0	2.8	2.9	2.0	2.6	2.7



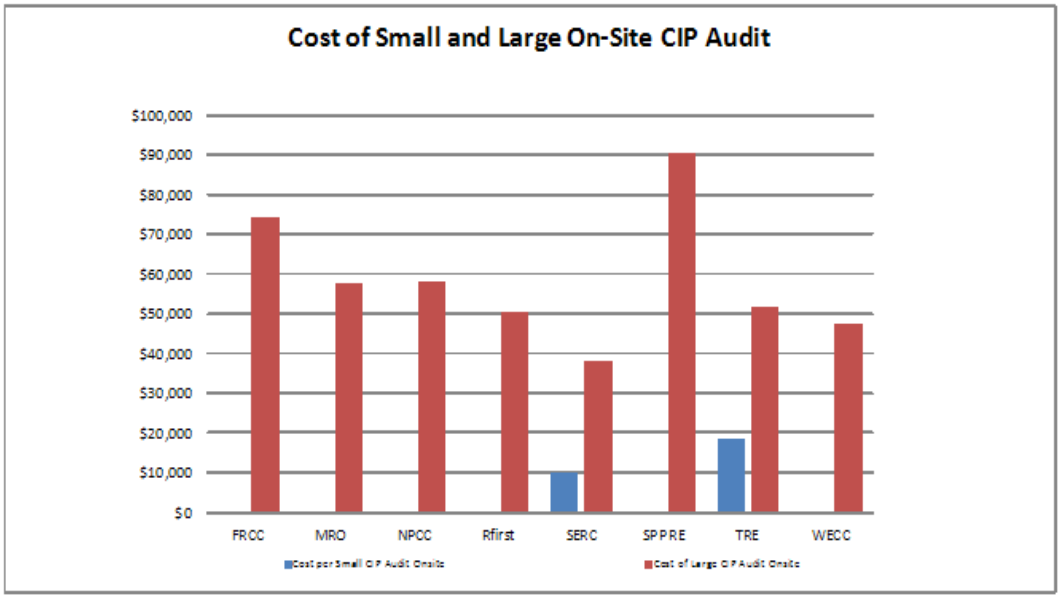
	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
Cost per Small Operational Audit Onsite	7,411		13,900		10,550			-	7,965
Cost per Medium Operational Audit Onsite	18,527	44,049		40,942	16,392	22,113	34,027	-	25,150
Cost of Large Operational Audit Onsite	37,054	52,452	61,150		37,605	56,357	51,798	43,567	48,569



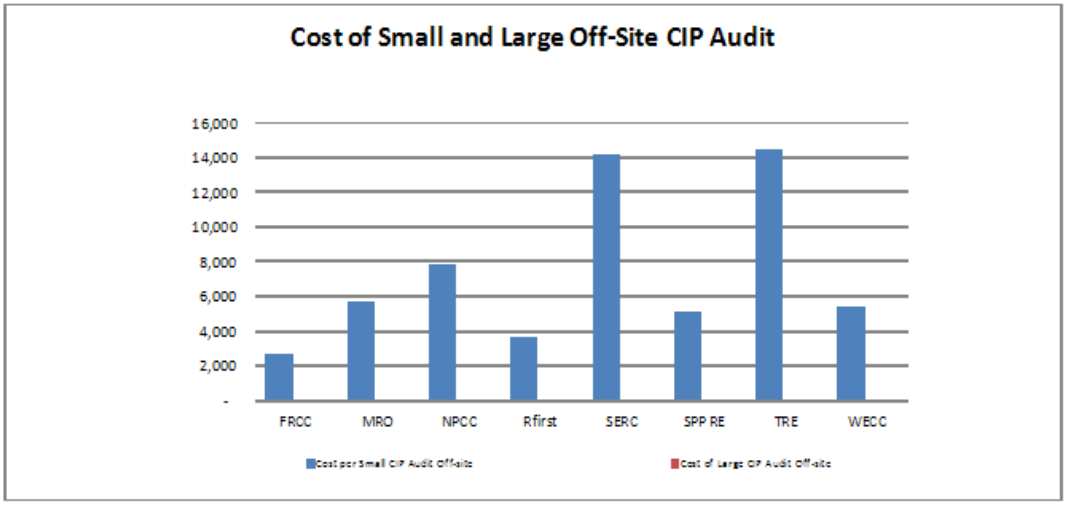
	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
Cost per Small Operational Audit Off-site	2,685	11,404	11,875	8,560	9,454	5,129	14,447	5,367	8,615
Cost per Medium Operational Audit Off-site		43,083	21,950			10,796	25,328	14,513	23,134
Cost of Large Operational Audit Off-site			28,280					34,167	31,224

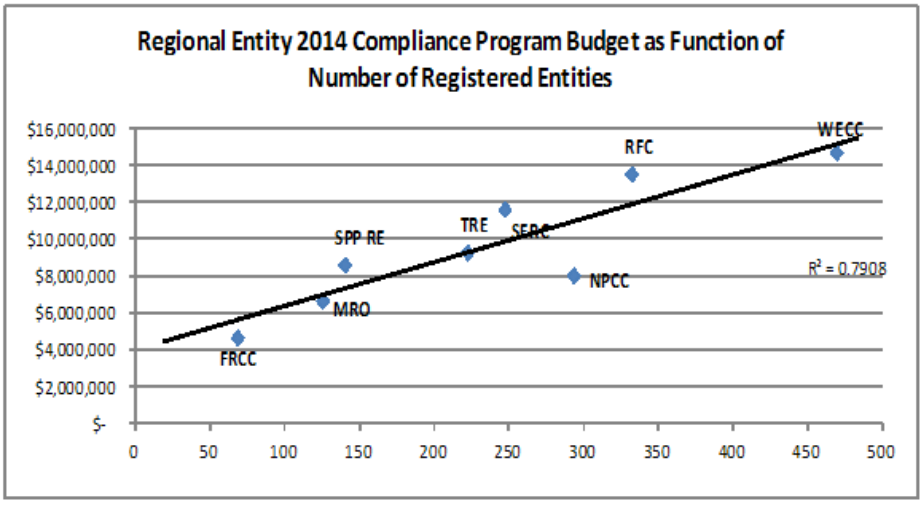


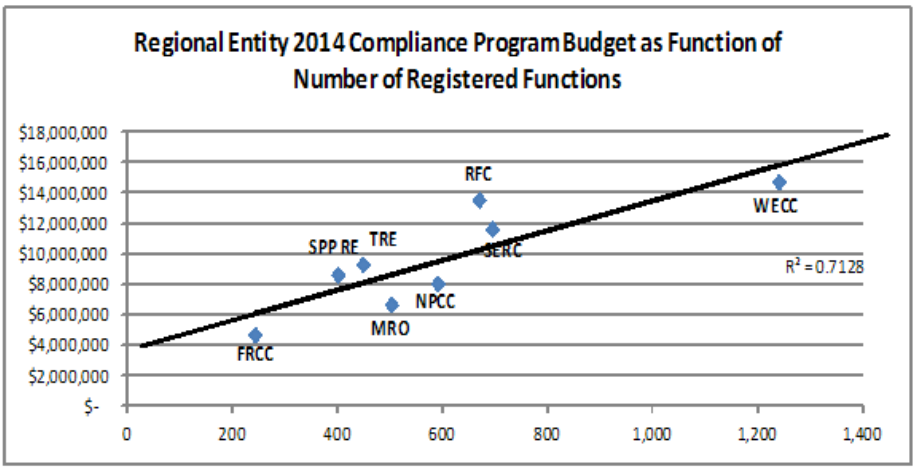
	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
Cost per Small CIP Audit Onsite					10,182		18,797	-	9,660
Cost of Large CIP Audit Onsite	74,108	57,520	58,150	50,453	38,159	90,638	51,496	47,463	58,498



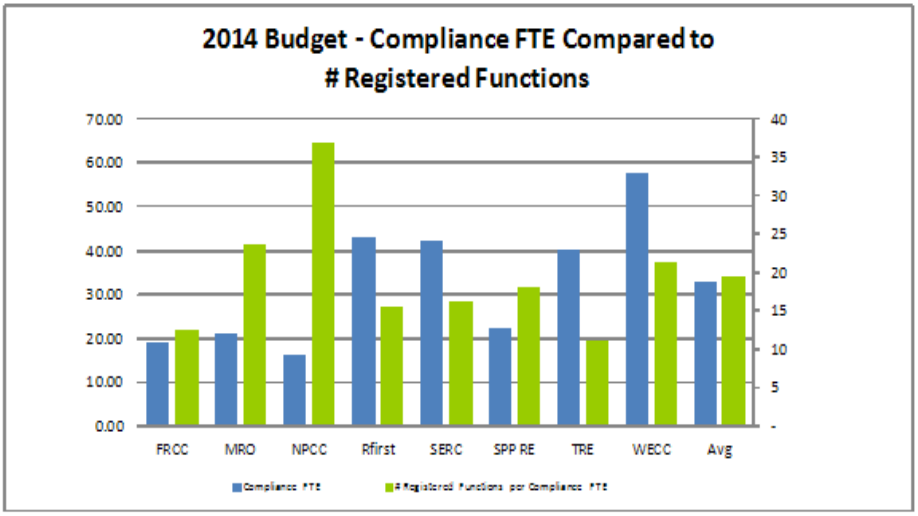
	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
Cost per Small CIP Audit Off-site	2,685	5,702	7,830	3,738	14,194	5,129	14,447	5,367	7,386
Cost of Large CIP Audit Off-site									-

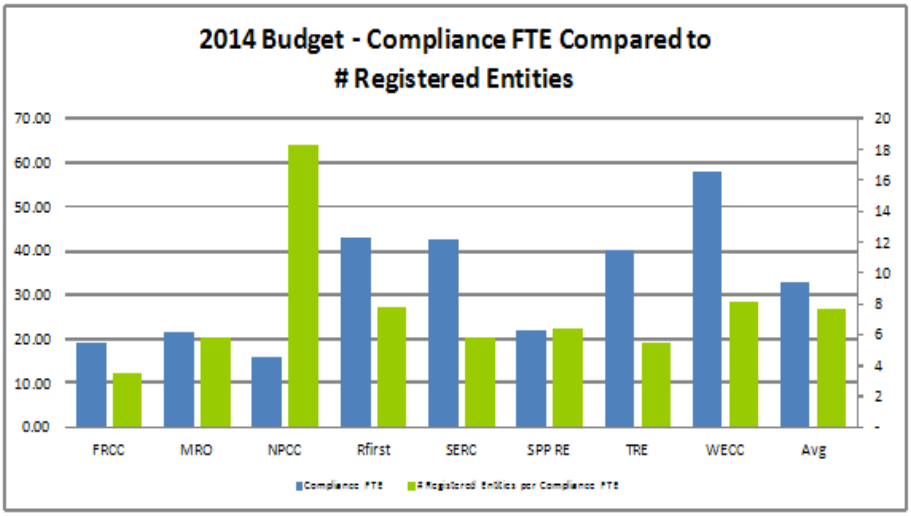



Regional Entity 2014 Compliance Program Budget as Function of Number of Registered Entities
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
0
50
100
150
200
250
300
350
400
450
500
WECC
RFC
TRE
SERC
SPP RE
NPCC
MRO
FRCC
R² = 0.7908

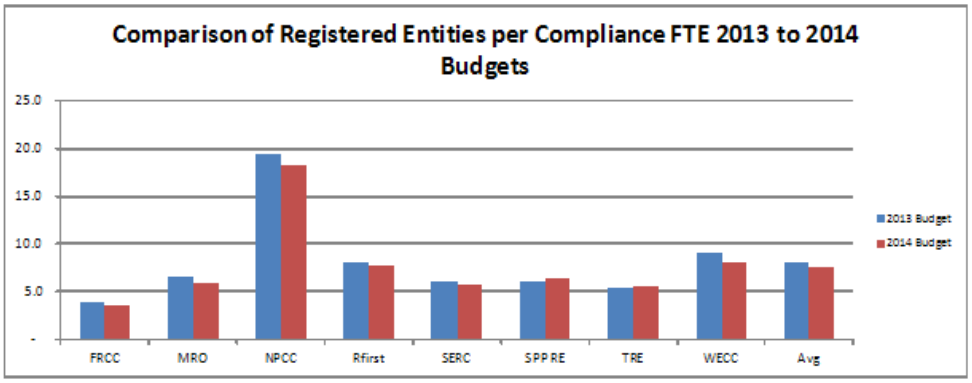

Regional Entity 2014 Compliance Program Budget as Function of Number of Registered Functions
$18,000,000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
0
200
400
600
800
1,000
1,200
1,400
RFC
WECC
SPP RE
TRE
SERC
NPCC
MRO
FRCC
R² = 0.7128

	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
Compliance FTE	19.26	21.26	16.00	43.00	42.50	22.10	40.00	58.00	32.77
# Registered Entities per Compliance FTE	3.5	5.9	18.3	7.7	5.8	6.3	5.6	8.1	7.7
# Registered Functions per Compliance FTE	12.6	23.6	36.9	15.6	16.3	18.1	11.2	21.4	19.5

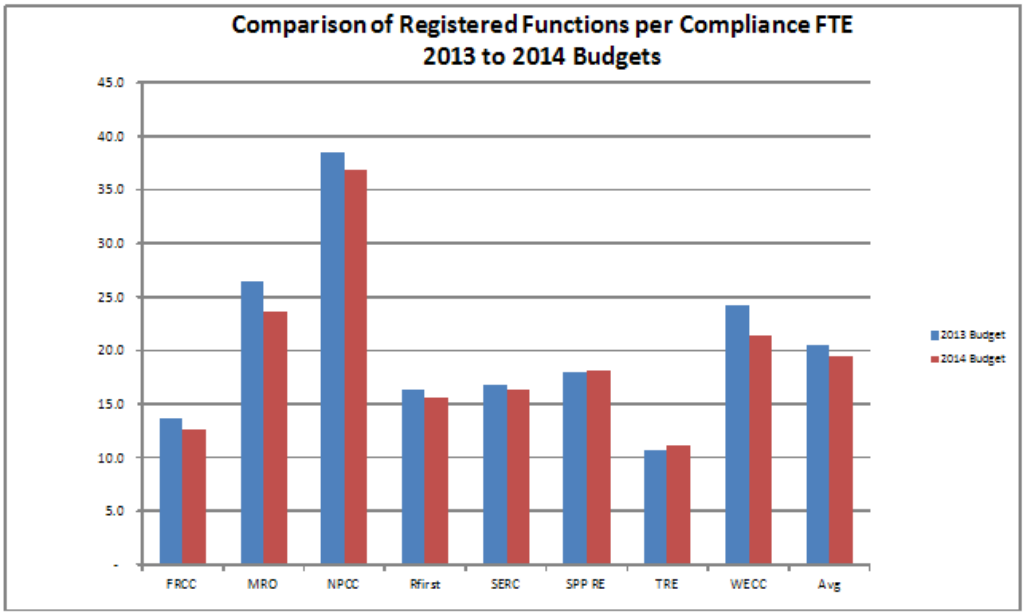




	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
2013 Budget	3.9	6.6	19.5	8.2	6.0	6.1	5.4	9.1	8.1
2014 Budget	3.5	5.9	18.3	7.7	5.8	6.3	5.6	8.1	7.7



	FRCC	MRO	NPCC	Rfirst	SERC	SPP RE	TRE	WECC	Avg
2013 Budget	13.6	26.4	38.5	16.3	16.8	18.0	10.7	24.2	20.6
2014 Budget	12.6	23.6	36.9	15.6	16.3	18.1	11.2	21.4	19.5



Discussion and Analysis

Metrics Based on 2014 Regional Entity Budgets

The development, collection, analysis and comparison of Regional Entity Compliance Program metrics data continues to be a complicated and time-consuming process, requiring careful consideration of many complex factors. In analyzing the Regional Entity metrics based on their 2014 budgets, NERC has in a number of instances looked at the average value among the Regional Entities for the metric, as well as the range of the individual values around the average. This data has been considered as part of the effort to understand and explain the differences among the Regional Entities' budgeted values, and not because NERC believes the deviation from an average, standing alone, is a measure of an individual Regional Entity's efficiency or effectiveness.

The Regional Entity metrics provided in this Attachment, based on the Regional Entities' 2014 Business Plans and Budgets, continue to show, in general, that the Regional Entities with the larger numbers of registered entities and registered functions have the larger Compliance Program budgets. The bar charts and accompanying data on page 5 of this Attachment depict the relative positions of the Regional Entities with respect to (i) total Compliance Program budget for 2014 and (ii) numbers of registered entities and registered functions.[6] Three exceptions to this relationship (*i.e.*, that more registered entities and more registered functions means a larger Compliance Program budget) are (i) NPCC, which has a smaller Compliance Program budget than its rank order position in terms of numbers of registered entities and registered functions would suggest, (ii) SPP RE, which has a larger Compliance Program budget than its rank order position in terms of numbers of registered entities and registered functions would suggest, and (iii) Texas RE, which also has a larger Compliance Program budget than its rank order position in terms of numbers of registered entities and registered functions would suggest. NPCC has the third highest number of registered entities and the fourth highest number of registered functions, but NPCC's Compliance Program budget is the third lowest of the eight Regional Entities. This is due to the reduced scope of compliance activities in the Canadian Provinces that are part of the NPCC Region, as governed by the Memoranda of Understanding between NPCC and the Canadian Provinces within the NPCC Region. SPP RE has the third lowest number of registered entities and second lowest number of registered functions, but the fifth highest Compliance Program budget. Texas RE has the fourth lowest number of registered entities and third lowest number of registered functions, but the fourth highest Compliance Program budget.

The bar chart and accompanying data on page 6 of this Attachment show the 2014 Compliance Program budget per registered entity and per registered function for each Regional Entity. There are variations among the Regional Entities with respect to Compliance Program budget per registered entity and Compliance Program budget per registered function. The average of the Regional Entity values for Compliance Program budget per registered function is

[6] The data on numbers of registered entities and registered functions in each Region used in the 2014 budget metrics are as of March, 2013 for the MRO Region; June 2013 for the FRCC Region; July, 2013 for the Reliability*First*, Texas RE and WECC Regions; and August, 2013 for the NPCC, SERC and SPP RE Regions.

$17,249 (an increase of approximately $1,000 over this average based on the 2013 Budgets); the two highest values (SPP RE - $21,657 and Texas RE - $20,840 and) are approximately 126% and 121% of the average, respectively, while the lowest value (WECC - $11,906) is 69% of the average and the next lowest value is MRO at $13,342 (77% of the average). With respect to Compliance Program budget per registered entity, the average for the Regional Entities is $46,736 (an increase of approximately $3,000 over the average from the 2013 Budgets); the two highest values (FRCC - $69,152 and SPP RE - $61,878) are approximately 148% and 132% of the average, respectively; and the lowest value (NPCC - $27,575) is 59% of the average.[7]

As noted, FRCC and SPP RE have the two highest values for Compliance Program budget per registered entity, and SPP RE and Texas RE have the two highest values for Compliance Program budget per registered function. At the same time, FRCC, SPP RE and Texas RE have three of the four lowest totals of registered entities, and the three lowest totals of registered functions, among the eight Regional Entities. At the other end of the spectrum, WECC has the lowest values among the Regional Entities for Compliance Program budget per registered function and the second lowest value for Compliance Program budget per registered entity (only NPCC has lower value for Compliance Program budget per registered entity), and WECC has (by far) the highest numbers of registered entities and registered functions in its Region of all the Regional Entities. These data indicate, again (as indicated by these metrics as presented in previous years' business plan and budget filings), and in general, that there are economies of scale in Compliance Program operations and costs.

The graphs on page 11 of this Attachment, which display the results of two simple least-squares regression analyses using the Regional Entities' 2014 budgets, help to further illustrate the relationship between numbers of registered entities and registered functions, on the one hand, and total Compliance Program budget, on the other hand. Each Regional Entity's 2014 Compliance Program budget has been plotted against its number of registered entities, and its number of registered functions. On each of these charts, a linear trend line has been drawn based on the data points, and the correlation coefficient (R^2) of the data points is indicated. The disparity between the R^2 value for the plot based on number of registered entities (0.7908) and the R^2 value for the plot based on number of registered functions (0.7128) is similar to this analysis in the previous two years' Business Plan and Budget filings.[8] NERC continues to

[7] There is a variation among the Regional Entities in terms of registered functions per registered entity, ranging from a high value of 4.0 registered functions per registered entity for MRO to a low value of 2.0 registered functions per registered entity for NPCC, Reliability*First* and Texas RE. The overall average is 2.7 registered functions per registered entity. (*See* the data lines on page 8.) The values of this metric for each Regional Entity are generally consistent with the values based on the 2011, 2012 and 2013 Business Plans and Budgets – not surprisingly, neither the average nor the values of this metric for the individual Regional Entities have changed significantly. There is not an obvious reason why some Regional Entities (MRO and FRCC) have 1.8 to 2.0 times more registered functions per registered entity than do other Regional Entities (NPCC, Texas RE and Reliability*First*), and in any event this is a metric that is outside the control of the Regional Entities.

[8] In the regression analysis that was provided in Attachment 15 of the 2012 Business Plan and Budget filing, the R^2 value for the plot based on number of registered functions was 0.7126 while the R^2 value for the plot based on number of registered entities was 0.725. In the regression analysis that was provided in Attachment 15 of the 2013 Business Plan and Budget filing, the R^2 value for the plot based on number of

believe that the regression analyses continue to indicate that neither number of registered entities or number of registered functions is a significantly better predictor of a Regional Entity's total Compliance Program budget than the other number. Further, a visual inspection of the two graphs shows that the data point for each Regional Entity is at approximately the same point relative to the trend line on both graphs. Specifically, the data points for FRCC, MRO, NPCC and WECC are on or below the trend line on both graphs, and the data points for SPP RE, Texas RE, SERC and Reliability*First* are on or above the trend line on both graphs. (These are the same positional relationships for the individual Regional Entities that were shown in the regression plots provided in Attachment 15 of the 2013 Business Plan and Budget filing). Finally, the fact that the y-intercept for each trend line is significantly greater than zero is a further indication that a simple comparison of the individual Regional Entity values to an average is not a strong indicator of relative efficiencies of the Regional Entities in their Compliance Programs.

The bar charts and accompanying data lines on page 12 of this Attachment show the numbers of registered functions per Compliance Program FTE and registered entities per Compliance Program FTE for each Regional Entity, based on the 2014 budgets. The average for the eight Regional Entities for numbers of registered entities per Compliance Program FTE is 7.7, (compared to the average of8.1 based on the 2013 budgets); the lowest value (FRCC – 3.5) is 46% of the average and the highest value (NPCC – 18.3), is 239% of the average. This is about the same range of values around the average than was the case for the 2013 Budget (48% to 241%). The average for numbers of registered functions per Compliance Program FTE is 19.5 (a 5.3% reduction from the average based on the 2013 budgets); the lowest value (Texas RE – 11.2) is 58% of the average and the highest value (NPCC – 36.9), is 190% of the average. This is also a comparable range of values around the average than was the case for the 2013 Budget.

The bar charts and accompanying data lines on page 13 of this Attachment provide a comparison of the metrics for registered entities per Compliance Program FTE and registered functions per Compliance Program FTE, for each Regional Entity, based on the 2014 budgets, to the values of these metrics based on the Regional Entities' 2013 budgets as provided in the 2013 Business Plan and Budget filing. The values of this metric have decreased from the 2013 Budget to the 2014 Budget for FRCC, MRO, NPCC, Reliability*First*, SERC and WECC (*i.e.*, these Regional Entities now have fewer registered entities per Compliance Program FTE than in their 2013 budgets), while the values for this metric have increased from the 2013 budgets for SPP RE and Texas RE (*i.e.*, these Regional Entities now have more registered entities per Compliance Program FTE than in their 2013 budgets). With respect to registered functions per Compliance Program FTE, the 2014 budget values of this metric are lower than the 2013 budget values for FRCC, MRO, NPCC, Reliability*First*, SERC, and WECC (*i.e.*, these Regional Entities each now has fewer registered functions per Compliance Program FTE than its 2013 budget), while the 2014 budget values of this metric are higher than the 2013 budget values for SPP RE and Texas RE (*i.e.*, SPP RE and Texas RE now have more registered functions per Compliance Program FTE than in their 2013 budgets). The change in the value of these metrics for NPCC, Reliability*First*, SERC, SPP RE and Texas RE from their 2013 budgets to their 2014 budgets is

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registered functions was 0.7758 while the R^2 value for the plot based on number of registered entities was 0.6704.

generally 6 percent or less for number of registered entities per Compliance Program FTE and is generally 5 percent or less for number of registered functions per Compliance Program FTE. This observation is consistent with the facts that (1) seven years after NERC was certified as the ERO, the population of registered entities and registered functions is fairly mature (*i.e.*, for the most part, the users, owners, and operators of the bulk power system that should be registered, have been registered, and for the relevant reliability functions[9]), and (2) the Regional Entities have significantly grown their Compliance Program staffs over time and are not planning significant staffing changes for their Compliance Programs in their 2014 budgets as compared to their 2012 budgets. For FRCC, MRO and WECC, the change in the value of these metrics from their 2013 budgets to their 2014 budgets is 9.6, 10.7 and 11.0 percent, respectively for number of registered entities per Compliance Program FTE and is 7.6, 10.6 and 11.7 percent, respectively for the number of registered functions per Compliance Program FTE.[10]

The bar charts and accompanying data lines on pages 8 through 10 of this Attachment provide the Regional Entities' estimated costs for 2014 to perform each type (operational and CIP; on-site and off-site) and size category of compliance audit.[11] The estimated costs to perform a compliance audit include the costs to prepare for the audit (including review of the registered entity's completed pre-audit questionnaire and Reliability Standards Audit Worksheets (RSAWs) and other registered entity-provided documents and information, and any pre-audit meetings), to perform the audit (whether on-site or off-site), and to report the results of the audit. Costs incurred in issuing and processing notices of alleged violations and proposed penalties resulting from the compliance audit are not included in the estimated cost to perform the compliance audit. The costs per audit for each category of audit, shown in the table on page 4 and the bar charts on pages 8 through 10, are based on the Regional Entities' estimates of the man-hours required to complete the preparation, performance and reporting functions for each category of compliance audit in 2014. The costs include the direct Salary expense and related Personnel Expense (Payroll Taxes, Benefits and Retirement Costs) for the man-hours of the Regional Entity personnel involved in preparation, performance and reporting for the audit and/or the costs for consultant/contractor resources used by the Regional Entity to perform the audit, but do not include any allocation of Regional Entity indirect costs. The costs also include Travel Expense for personnel in connection with on-site audits at the registered entity's location.

NERC and the Regional Entities note the following factors, among others, that can contribute to the differences in estimated costs per compliance audit among the Regional Entities for the various compliance audit size and site categories, as reported in the table on page 4 and shown in the bar charts on pages 8 through 10:

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[9] It is possible that implementation of the revised Bulk Electric System definition and exception procedure approved by the Commission in Docket Nos. RM12-6-000 and RM12-7-000, will result in some changes in registrations, at least in some Regions, when it becomes effective in 2014.

[10] These two metrics, however, do not capture other Compliance Program resources, most notably contractor or consultant support, nor support that other departments (such as Legal and Regulatory) may provide to the Regional Entities' Compliance Programs.

[11] Estimated costs of a particular size or type of audit are not provided in the table on page 4 or in the applicable bar chart on pages 9 through 11 if no audits of that size or type are planned.

- Some Regional Entities are using consultants or contractors on their audit teams, which may entail a higher cost per hour than the use of Regional Entity employees.[12] For example, as shown on the table on page 4, NPCC, SPP RE and WECC are planning on the use of contractors in compliance audits in 2014. (In general and over time, as the Regional Entities have continued to build their Compliance Program staffs, they have been able to reduce their use of consultants or contractors in compliance audits. An exception is where very specialized subject matter expertise is required and there may not be cost justification for maintaining that expertise on staff in FTE positions.)

- The Regional Entity's footprint may affect the extent to which travel costs must be incurred in the performance of on-site compliance audits within the Region.

- Although consistent definitions of "large" operational and CIP audits have been used, *i.e.*, an operational audit encompassing more than 75 reliability standards requirements and a CIP audit encompassing more than 43 CIP standards requirements or 162 sub-requirements), some Regional Entities may project a greater number of requirements to be audited in a typical "large" compliance audit than other Regional Entities. A Regional Entity that projects a larger number of requirements to be audited in a "large" audit would, all other things equal, estimate a greater amount of resources to conduct its "large" audit (*e.g.*, more auditors, more days at the registered entity's site and/or more man-hours to review the registered entity's documentation and to prepare the audit report).

- Some Regional Entities may simply be planning more steps, or budgeting higher man-hours, for the preparation, completion and/or reporting phases of their compliance audits. In particular, there may be variations in the levels of activity and man-hours budgeted by the Regional Entities for review of registered entity responses to pre-audit questionnaires and RSAWs, and other registered entity documents and information, prior to the on-site phase of a compliance audit.

- With respect to CIP compliance audits, as noted earlier, the need to examine equipment or facilities that are the subject of one or more TFE Requests or to audit the registered entity's compliance with one or more approved TFEs complicates the difficulty of projecting the resource requirements for a CIP audit.

In addition to these factors, differences in estimated costs per audit among Regional Entities may reflect general differences in the market compensation levels in the different areas of the U.S. in which the various Regional Entities operate, thereby impacting their respective overall Personnel Expenses.

[12] It should be noted that although the cost to use a contractor or consultant on an individual audit assignment may be more costly than using a Regional Entity employee, the annual cost to the Regional Entity of retaining a contractor or consultant for a specific targeted assignment such as participating in certain compliance audits may be less than the cost of maintaining a FTE employee on staff for the year.

In conclusion, NERC reiterates that the development, collection, analysis and comparison of metrics on the Regional Entities' costs, operations and performance is an ongoing process. NERC and the Regional Entities will continue to work collaboratively to refine the metrics and improve their analysis of the reported metrics values and the factors that may cause variations in values among the Regional Entities. In addition, during 2014, NERC and the Regional Entities plan to evaluate whether additional or revised metrics should be developed to better reflect current practices in compliance auditing and other compliance monitoring activities, including the impacts of the ERO's Reliability Assurance Initiative.

DOCKET NO. RR13-__-000

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

2014 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 8

METRICS ON NERC AND REGIONAL ENTITY

ADMINISTRATIVE (INDIRECT) COSTS

BASED ON

THE 2013 AND 2014 BUDGETS

ATTACHMENT 17

Analysis of
NERC and Regional Entity Budgeted Indirect (Administrative Services) Costs
2014 Budgets versus 2013 Budgets

In the preparation of the NERC and Regional Entity 2014 Business Plans and Budgets, indirect expenses have been defined as those expenses which cannot be directly attributed to one of the statutory program functions.[1]

The metrics presented in the tables on the last page of this Attachment are the same metrics presented in Attachment 16 to the 2010, 2011, 2012 and 2013 Business Plan and Budget filings. These tables provide several metrics comparing indirect costs and FTEs[2] in relation to total statutory costs and FTEs and direct statutory costs and FTEs, for NERC and each of the Regional Entities, in their 2014 Business Plans and Budgets and their 2013 Business Plans and Budgets.

Overall, the tables show an increase in the average indirect costs as a percent of total statutory costs and an increase in the average statutory indirect FTEs as a percentage of total statutory FTEs, in the NERC and Regional Entity 2014 budgets as compared to the 2013 budgets. This result is reflective of consistent application of the definition of indirect costs, as described above, in the preparation of the 2014 budgets.

As discussed in greater detail below, the changes in the averages for the three sets of metrics provided in this Attachment from the 2013 budgets to the 2014 budgets are largely a function of the elimination of the Reliability Coordinator and Interchange Authority functions from WECC's direct statutory costs (due to the formation of the RCCo) and the completion of a significant WECC program that has been funded by a U.S. Department of Energy (DOE) grant, the costs of which were budgeted and recorded as direct statutory costs, in 2013 (i.e., these costs were in WECC's 2013 budget but are not in its 2014 budget). The information in the first row of tables shows that, due primarily to these changes, WECC's total statutory budget has decreased from $51,025,093 for 2013 to $25,638,085 for 2014 (49.8% decrease); its total direct statutory budget has decreased from $38,697,715 for 2013 to $16,296,214 for 2014 (57.9% decrease); and its total statutory indirect budget has decreased from $12,327,378 for 2013 to $9,341,871 for 2014 (24.2% increase).[3] As a result, all of WECC's metrics show increases in statutory indirect budget and budgeted statutory indirect FTEs relative to statutory direct and total budget and FTEs. The changes in the metrics for the other Regional Entities and NERC from their 2013 budgets to their 2014 budgets are all much less significant than the changes for WECC.

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[1] NERC and Regional Entity provisions for Working Capital Reserve are not included in the budget data used to calculate these metrics.

[2] FTE = Full-time equivalent employee.

[3] This comparison is not intended to suggest that WECC should be able to reduce its statutory indirect costs by the same percentage as it has reduced its statutory direct costs; to the contrary, such an expectation would be unreasonable, particularly considering the nature of certain of the eliminated direct costs, as discussed below.

Following is discussion of the individual metrics presented in the tables.

Percent of Statutory Indirect Budget to Total Statutory Budget

For NERC and the Regional Entities, the average percent of Statutory Indirect Budget to Total Statutory Budget (top row of tables) in the 2014 budgets is 35.5%, versus 32.3% in the 2013 budgets. For 2014, NPCC, Reliability*First*, SERC, Texas RE and WECC show percentages below or only slightly above the overall average. NERC's and MRO's 2014 values for this metric are slightly higher than the values for the entities just listed, but are not significantly above the overall average.

FRCC's percentages for this metric calculated from both its 2013 budget and its 2014 budget are considerably lower than the overall average, which is reflective of the methodology used by FRCC to identify and allocate staff time and Office Costs to the appropriate program. SPP RE continues to have a higher percentage than the average (the highest percentage among the Regional Entities) for this metric, reflecting the allocation of indirect costs (support services charges) from SPP, Inc., which are driven by SPP, Inc.'s operating budget. FRCC shows a decrease in this metric from its 2013 budget to its 2014 budget of 1.1 percentage points.

For NERC, MRO, NPCC, Reliability*First*, SERC, SPP RE, Texas RE and WECC, the percentages of Statutory Indirect Budget to Total Statutory Budget increased in their 2014 budgets from the percentages based on their 2013 budgets, ranging from an increase of only 0.2 percentage points for NPCC and Reliability*First* to increases of 7.4 percentage points for Texas RE and 12.2 percentage points for WECC. WECC's percentage for this metric based on its 2014 budget is significantly higher than its percentage based on its 2013 budget; this increase is primarily attributable to the creation of an independent new entity, the RCCo, that will take over the Reliability Coordinator and Interchange Authority registered functions from WECC. In its 2013 budget, WECC had 85.1 direct statutory FTEs in its Situation Awareness program (where the Reliability Coordinator and Interchange Authority functions were budgeted); these positions are moving to the RCCo and are not included in WECC's budgeted direct statutory FTEs or costs for 2014. The increase in this metric for WECC also reflects the termination of substantial expenses that were funded by a U.S. DOE grant and were recorded as statutory direct costs. The expenses for the DOE-funded Western Interconnection SynchroPhasor (WISP) program in which WECC has been engaged for several years are ending in 2013 and are not included in WECC's 2014 budget. The expenses of the WISP program, some of which were pass-through costs to other entities, has significantly increased its budgeted direct statutory costs relative to its budgeted indirect and total statutory costs for several years. Going forwarded, with the elimination of the Reliability Coordinator and Interchange Authority functions and associated costs and the elimination of costs for the WISP program, funded by a federal grant, from WECC's statutory direct costs, WECC's metrics comparing statutory indirect costs and staffing to statutory direct and total costs and staffing should be more comparable to those of the other Regional Entities, as WECC's functional organization will be more comparable to those of the other Regional Entities.

The overall average for the ratio of Statutory Direct Budget to Statutory Indirect Budget decreased from 2.74 based on the 2013 Business Plans and Budgets to 2.57 based in the 2014 Business Plans and Budgets. This change is consistent with the percentage change in the overall

average for Total Statutory Indirect Budget as a Percent of Total Statutory Budget.

Budgeted Indirect FTEs as a Percent of Budgeted Total FTEs

In the NERC and Regional Entity 2014 Business Plans and Budgets, on average the budgeted statutory indirect FTEs are 22.3% of total statutory FTEs, compared to an average of 21.5% for the 2013 budgets, an increase of 0.8 percentage points (second row of tables). On average, there are 4.41 statutory direct FTEs per statutory indirect FTE in the 2014 budgets, compared to 4.32 statutory direct FTEs per statutory indirect FTEs in the 2013 budgets, for an average increase of 0.09 statutory direct FTEs per statutory indirect FTE (a percentage change of approximately 2 percent). The small changes in these two metrics from 2013 to 2014 are comparable to the similarly small changes from 2012 to 2013, when the average budgeted statutory indirect FTEs as a percent of total budgeted FTEs increased 1.3 percentage points from 20.2% to 21.5%, and the average number of statutory direct FTEs per statutory indirect FTE decreased by 0.07, from 4.39 to 4.32. Thus, these metrics continue to demonstrate that, as the ERO organization continues to mature, NERC and the Regional Entities are achieving an operational balance between statutory direct FTEs and indirect FTEs.

NERC, MRO and WECC have higher percentages of budgeted statutory indirect FTEs to total statutory FTEs reflected in their 2014 budgets than in their 2013 budgets, although the increase in this metric for MRO is quite small. FRCC, NPCC, Reliability*First*, SERC and SPP RE have lower percentages of budgeted statutory indirect FTEs to total statutory FTEs reflected in their 2014 budgets than in their 2013 budgets. Texas RE's percentage of budgeted statutory indirect FTEs to total statutory FTEs reflected in its 2014 budget is the same as in its 2013 budget. SPP RE continues to have a very low percentage (the lowest percentage among the Regional Entities) of indirect statutory FTEs to total statutory FTEs, which reflects the fact that SPP RE has a very small staff of indirect FTEs and obtains many of its administrative services from SPP, Inc. In considering this metric, it should be kept in mind that, other than WECC's substantial staffing reductions in 2014 due to formation of the RCCo and elimination of the Reliability Coordinator and Interchange Authority functions at WECC, neither NERC nor any of the other Regional Entities are planning significant changes (increases or decreases) in overall staffing levels in their 2014 budgets from their 2014 budgets. Without significant changes in staffing from year to year, there will not be significant changes in the values of this metric.

Statutory Indirect Budget per Total FTE

The Statutory Indirect Budget per Total FTEs has increased from an average of $87,510 in the 2013 NERC and Regional Entity budgets to $95,164 in the 2014 budgets, an increase of $7,654, or 8.7% (bottom row of tables). The increases in the statutory Indirect Budget per Total FTEs for NERC, Reliability*First*, SERC, SPP RE, Texas RE and WECC are reflective of their increased percentages of Statutory Indirect Budget to Total Statutory Budget (first row of tables). The statutory Indirect Budget per Total FTEs metric has decreased from the 2013 budget to the 2014 budget for FRCC, MRO and NPCC, however the percentage of Statutory Indirect Budget to Total Statutory Budget increased for MRO and NPCC.

Analysis of Indirect (Administrative Services) Costs
2014 Budget versus 2013 Budget

2013 BUDGET

Total Statutory Budget	Total Statutory Direct Budget	Total Statutory Indirect Budget	% Statutory Indirect Budget to Total Statutory	Ratio of Statutory Direct Budget to Indirect Budget	
$ 54,286,256	$ 30,909,401	$ 23,376,855	43.1%	1.32	**NERC**
6,531,782	5,861,218	670,564	10.3%	8.74	**FRCC**
9,283,539	5,558,189	3,725,350	40.1%	1.49	**MRO**
13,879,226	8,969,958	4,909,268	35.4%	1.83	**NPCC**
17,426,838	12,443,206	4,983,632	28.6%	2.50	**Reliability*First***
15,907,603	10,433,393	5,474,210	34.4%	1.91	**SERC**
11,514,817	6,064,830	5,449,987	47.3%	1.11	**SPP RE**
10,935,780	7,916,802	3,018,978	27.6%	2.62	**Texas RE**
51,025,093	38,697,715	12,327,378	24.2%	3.14	**WECC**
			32.3%	2.74	**AVERAGE**

2014 BUDGET

Total Statutory Budget	Total Statutory Direct Budget	Total Statutory Indirect Budget	% Statutory Indirect Budget to Total Statutory	Ratio of Statutory Direct Budget to Indirect Budget	
$ 56,390,096	31,154,625	25,235,471	44.8%	1.23	**NERC**
6,794,932	6,172,992	621,940	9.2%	9.93	**FRCC**
9,744,799	5,774,572	3,970,227	40.7%	1.45	**MRO**
14,129,006	9,095,248	5,033,758	35.6%	1.81	**NPCC**
18,063,201	12,869,165	5,194,036	28.8%	2.48	**Reliability*First***
16,877,288	10,610,814	6,266,474	37.1%	1.69	**SERC**
11,823,629	5,736,162	6,087,467	51.5%	0.94	**SPP RE**
11,771,248	7,653,236	4,118,012	35.0%	1.86	**Texas RE**
25,638,084	16,296,214	9,341,870	36.4%	1.74	**WECC**
			35.5%	2.57	**AVERAGE**

2013BUDGETED FTEs

Total Statutory FTEs	Total Statutory Direct FTEs	Total Statutory Indirect FTEs	Indirect FTE as % of Total FTE	# Direct to Indirect Statutory FTEs	
186.25	133.50	52.75	28.3%	2.53	**NERC**
30.12	26.37	3.75	12.5%	7.03	**FRCC**
37.75	27.75	10.00	26.5%	2.78	**MRO**
35.86	26.86	9.00	25.1%	2.98	**NPCC**
73.00	57.20	15.80	21.6%	3.62	**Reliability*First***
77.45	57.52	19.93	25.7%	2.89	**SERC**
34.50	31.25	3.25	9.4%	9.62	**SPP RE**
60.00	49.25	10.75	17.9%	4.58	**Texas RE**
216.30	160.00	56.30	26.0%	2.85	**WECC**
			21.5%	4.32	**AVERAGE**

2014 BUDGETED FTEs

Total Statutory FTEs	Total Statutory Direct FTEs	Total Statutory Indirect FTEs	Indirect FTE as % of Total FTE	# Direct to Indirect Statutory FTEs	
189.53	130.39	59.14	31.2%	2.20	**NERC**
30.40	27.04	3.36	11.1%	8.05	**FRCC**
40.75	29.79	10.96	26.9%	2.72	**MRO**
36.86	27.86	9.00	24.4%	3.10	**NPCC**
72.00	57.20	14.80	20.6%	3.86	**Reliability*First***
79.20	59.37	19.83	25.0%	2.99	**SERC**
33.86	30.86	3.00	8.9%	10.29	**SPP RE**
60.00	49.25	10.75	17.9%	4.58	**Texas RE**
135.00	88.10	46.90	34.7%	1.88	**WECC**
			22.3%	4.41	**AVERAGE**

2013 BUDGET per FTE

Total Statutory	Total Statutory Direct	Total Statutory Indirect	Statutory Indirect Budget per Total FTE	
$ 291,470	$ 231,531	$ 443,163	$ 125,513	**NERC**
216,859	222,268	178,817	22,263	**FRCC**
245,922	200,295	372,535	98,685	**MRO**
387,039	333,952	545,474	136,901	**NPCC**
238,724	217,539	315,420	68,269	**Reliability*First***
205,392	181,387	274,672	70,681	**SERC**
333,763	194,075	1,676,919	157,971	**SPP RE**
182,263	160,747	280,835	50,316	**Texas RE**
235,900	241,861	218,959	56,992	**WECC**
			$ 87,510	**AVERAGE**

2014 BUDGET per FTE

Total Statutory	Total Statutory Direct	Total Statutory Indirect	Statutory Indirect Budget per Total FTE	
$ 297,526	$ 238,934	$ 426,707	$ 133,148	**NERC**
223,518	228,291	185,101	20,459	**FRCC**
239,136	193,843	362,247	97,429	**MRO**
383,315	326,463	559,306	136,564	**NPCC**
250,878	224,985	350,948	72,139	**Reliability*First***
213,097	178,723	316,010	79,122	**SERC**
349,192	185,877	2,029,156	179,783	**SPP RE**
196,187	155,396	383,071	68,634	**Texas RE**
189,912	184,974	199,187	69,199	**WECC**
			$ 95,164	**AVERAGE**