

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 1

SUMMARY TABLES FOR NERC AND REGIONAL ENTITY

PROPOSED 2015 BUDGETS AND ASSESSMENTS

NERC'S Proposed Budget by Program¹

NERC Program	2014 Budget for Statutory Functions	2015 Budget for Statutory Functions
Reliability Standards	\$ 10,167,369	\$ 10,247,145
Compliance Monitoring and Enforcement		
Regional Entity Assurance and Oversight	\$ 5,712,007	\$ 5,737,572
Compliance Analysis, Certification and Registration	\$ 3,784,438	\$ 4,864,863
Compliance Enforcement	\$ 6,395,091	\$ 5,806,866
Reliability Assessments and Performance Analysis	\$ 8,350,598	\$ 9,825,750
Training, Education and Operator Certification	\$ 3,737,472	\$ 3,950,926
Reliability Risk Management		
Event Analysis	\$ 4,048,371	\$ 4,203,169
Situation Awareness	\$ 4,583,264	\$ 3,646,902
Critical Infrastructure Department ²		
Critical Infrastructure Protection	\$ 5,507,708	\$ 4,495,972
ES-ISAC	\$ 4,103,777	\$ 13,870,144
Total Budget	\$ 56,390,095	\$ 66,649,309

¹ Does not include the proposed provision for Working Capital reserve funding

² The 2014 budgets for Critical Infrastructure Protection and the ES-ISAC shown above are slightly different than the budgets presented in NERC's 2014 Business Plan and Budget due to a correction in the allocation of costs between the two departments after the 2014 Budget was filed. The 2014 budgets shown in the 2014 Business Plan and Budget as filed were \$5,668,027 for Critical Infrastructure Protection and \$3,943,457 for ES-ISAC.

Proposed Budget for Statutory Activities of NERC, each Regional Entity and WIRAB¹

	2014 Budget for Statutory Functions	2015 Budget for Statutory Functions
NERC	\$ 56,390,095	\$ 66,649,309
FRCC	\$ 6,794,932	\$ 7,162,233
MRO	\$ 9,744,799	\$ 10,328,687
NPCC	\$ 14,129,006	\$ 14,778,539
RFC	\$ 18,063,201	\$ 18,756,763
SERC	\$ 16,877,288	\$ 15,995,840
SPP RE	\$ 11,823,629	\$ 11,808,110
TRE	\$ 11,771,248	\$ 11,983,701
WECC	\$ 25,638,084	\$ 26,300,035
WIRAB	\$ 703,700	\$ 1,013,857
Total Budget	\$ 182,195,196	\$ 184,777,074
Peak Reliability	\$ 32,958,648	\$ 38,926,722

¹ Does not include the proposed provision for Working Capital reserve funding

Proposed Assessments for Statutory Activities of NERC and each Regional Entity

	Assessments for Statutory Functions 2014		Allocation to Canada 2014		Assessments for Statutory Functions 2015		Allocation to Canada 2015	
NERC	\$	51,401,382	\$	4,554,567	\$	55,308,375	\$	5,111,411
FRCC	\$	5,488,057	\$	-	\$	6,062,838	\$	-
MRO	\$	8,741,444	\$	1,402,080	\$	9,426,019	\$	1,579,249
NPCC	\$	13,611,881	\$	5,163,960	\$	14,068,878	\$	5,309,142
RFC	\$	15,159,784	\$	-	\$	18,713,897	\$	-
SERC	\$	13,734,499	\$	-	\$	13,731,034	\$	-
SPP RE	\$	9,219,123	\$	-	\$	9,680,648	\$	-
TRE	\$	10,509,308	\$	-	\$	10,500,446	\$	-
WECC ¹	\$	16,219,260	\$	5,974,286	\$	26,090,293	\$	2,795,630
Total Budget	\$	144,084,738	\$	17,094,893	\$	163,582,428	\$	14,795,433

¹ Includes assessments for WECC and WIRAB

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 2

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

PROPOSED 2015 BUSINESS PLAN AND BUDGET

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

2015 Business Plan and Budget

August 5, 2014

RELIABILITY | ACCOUNTABILITY



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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 Electric System (BES) 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 (BPS)—a system that serves the needs of over 340 million people, includes installed electricity production capacity of approximately 1,200 gigawatts, operates 475,000 miles of high-voltage transmission (100 kV and above), and is comprised of assets worth more than one trillion dollars.

Electric Reliability Organization (ERO)

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. As of June 18, 2007, FERC granted NERC the legal authority to enforce Reliability Standards with all U.S. users, owners, and operators of the BES and made compliance with those standards mandatory and enforceable. Equivalent relationships have been sought and for the most part realized in Canada and Mexico.

International Relations

Prior to adoption of §215 in the United States, the provinces of Ontario (in 2002) and New Brunswick (in 2004) adopted all Reliability Standards that were approved by the NERC Board as mandatory and enforceable within their respective jurisdictions through market rules. Reliability legislation is in place or NERC has memoranda of understanding with provincial authorities in Ontario, New Brunswick, Nova Scotia, Québec, Manitoba, Saskatchewan, British Columbia, and Alberta, and with the National Energy Board of Canada (NEB). NERC standards are mandatory and enforceable in Ontario and New Brunswick as a matter of provincial law. Manitoba has adopted legislation, and standards are mandatory there. In addition, NERC has been designated as the "electric reliability organization" under Alberta's Transmission Regulation, and certain Reliability Standards have been approved in that jurisdiction; others are pending. NERC standards are now mandatory in British Columbia and Nova Scotia. 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. NEB has made Reliability Standards mandatory for international power lines.

In Mexico, the Comisión Federal de Electricidad (CFE) has signed WECC's reliability management system agreement, which only applies to Baja California Norte.

Membership and Governance

An eleven-member Board of Trustees (Board), comprised of ten independent directors and NERC's president and chief executive officer serving as the management trustee, governs NERC. The Board formed several committees to facilitate oversight of the organization in the areas of finance and audit, governance and human resources, compliance, standards oversight and technology, nominations, and most recently, enterprise-wide risk. In February 2014, the former risk management and internal controls subcommittee (RMICS) of the Finance and Audit Committee was approved as a separate committee of

the Board, known as the Enterprise-Wide Risk Committee (EWRC). The EWRC provides oversight and guidance regarding corporate risk management and internal audit functions. Additionally, the Reliability Issues Steering Committee (RISC) serves as an advisory committee that reports directly to the Board and triages and provides front-end, high-level leadership and accountability for nominated issues of strategic importance to BES reliability.

Membership in NERC is open to any person or entity that has an interest in the reliability of the North American BES. 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).¹ More than six hundred entities and individuals are members of NERC.

Scope of Oversight

As the international, multi-jurisdictional ERO, NERC is authorized to:

- Propose, monitor compliance with, and enforce mandatory Reliability Standards for the North American BPS, subject to regulatory oversight and approvals from FERC in the United States and applicable authorities in Canada;
- Conduct near-term and long-term assessments of the reliability and future adequacy of the North American BPS;
- Certify BPS operators as having and maintaining the necessary knowledge and skills to perform their reliability responsibilities;
- Maintain situational awareness of events and conditions that may threaten the reliability of the BPS;
- Coordinate efforts to improve physical and cyber security for the BPS of North America;
- Conduct 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
- Identify, based on lessons learned, the potential need for new or modified Reliability Standards, improved compliance monitoring and enforcement methods, or other initiatives.

Delegated Authorities

In executing its responsibility, NERC delegates certain authorities to eight regional reliability entities (Regional Entities or the Regions) to perform aspects of the ERO functions described through delegation agreements. FERC has approved delegation agreements between NERC and the eight Regional Entities (Florida Reliability Coordinating Council (FRCC), Midwest Reliability Organization (MRO), Northeast Power Coordinating Council, Inc. (NPCC), ReliabilityFirst (ReliabilityFirst), SERC Reliability Corporation (SERC), Southwest Power Pool Regional Entity (SPP RE), Texas Reliability Entity, Inc. (Texas RE), and the Western Electricity Coordinating Council (WECC)²). These agreements describe the authorities delegated and responsibilities assigned to the Regional Entities in the United States to address, among other things: (1) developing regional Reliability Standards, (2) monitoring compliance with and enforcing mandatory

¹ The [Member Representatives Committee](#) (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.

² WECC has sub-delegated its Reliability Coordinator (“RC”) and Interchange Authority (“IA”) functions to Peak Reliability, which commenced operations and assumed the RC and IA functions within the WECC footprint on January 2, 2014.

Reliability Standards (both North American-wide and regional), (3) certifying registered entities and registering owners, operators, and users of the BES, (4) assessing reliability and analyzing performance, (5) training and education, (6) event analysis and reliability improvement, and (7) situation awareness and infrastructure security. NERC expects Regional Entities whose territories and geographic footprints extend into Canadian provinces and Mexico to perform equivalent functions in those jurisdictions.

ERO Enterprise Operating Model

The collective network of leadership, experience, judgment, skills, and technologies shared among NERC and the eight Regional Entities is referred to as the ERO Enterprise³ (the enterprise). In 2014, a common operating model, [Improving Coordinated Operations across the ERO Enterprise](#), was developed to define how NERC and the Regional Entities achieve excellence in the oversight and execution of statutory functions by collaborating and working together to mitigate reliability risks. The model also defines the division of the roles and responsibilities for NERC and the Regional Entities to efficiently and effectively execute services performed as the collective enterprise.

NERC has unique responsibilities within the enterprise to design the oversight of program areas; develop operational oversight and leadership; set qualifications and expectations for the performance of delegated activities; and assess, train, and give feedback to corresponding regional programs. NERC also reviews and provides input to the annual Regional Entity business plans and budgets, including but not limited to review of resource allocations, staffing capacity assessments, and program performance assessments. NERC input and review occurs before regional board approval.

Similarly, the Regional Entities have a mirrored set of responsibilities that include being responsive to the design of the operational model, providing input into the overall development of each ERO program area, providing training and development to meet ERO qualifications, and being receptive to feedback from the ERO and making responsive adjustments. Regional Entities also have an obligation to meet professional standards of independence and objectivity and to provide the best available expertise for addressing risks.

With due recognition and awareness of the distinction between individual roles, responsibilities, and corporate status, NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of an agreed-upon set of strategic goals and objectives that are designed to ensure the ERO fulfills its statutory obligations.

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 2005,⁴ 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 the Commission's regulations also specify procedures for NERC's funding in the United States. NERC's annual business plan and budget is subject to Commission 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.

³ The term ERO Enterprise refers to NERC and the eight Regional Entities.

⁴ This was codified in section 215 of the Federal Power Act, 16 United States C. 824o.

The Regional Entities' funding requirements are addressed separately in their respective business plans and budgets, 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.

Introduction and Executive Summary

TOTAL RESOURCES (in whole dollars)				
	2015 Budget	U.S.	Canada	Mexico
Statutory FTEs	192.30			
Non-statutory FTEs				
Total FTEs	192.30			
Statutory Expenses	\$ 65,363,815			
Non-Statutory Expenses	\$ -			
Total Expenses	\$ 65,363,815			
Statutory Inc (Dec) in Fixed Assets	\$ 1,285,494			
Non-Statutory Inc (Dec) in Fixed Assets	\$ -			
Total Inc (Dec) in Fixed Assets	\$ 1,285,494			
Statutory Working Capital Requirement	\$ 1,094,958			
Non-Statutory Working Capital Requirement				
Total Working Capital Requirement	\$ 1,094,958			
Proceeds from Financing Activities	\$ (373,003)			
Total Statutory Funding Requirement	\$ 67,371,264			
Total Non-Statutory Funding Requirement	\$ -			
Total Funding Requirement	\$ 67,371,264			
Statutory Funding Assessments	\$ 55,308,375	\$ 50,046,840	\$ 5,111,411	\$ 150,123
Non-Statutory Fees				
NEL	4,494,892,394	3,961,433,109	521,817,390	11,641,895
NEL%	100.00%	88.13%	11.61%	0.26%

Strategic Goals, Objectives, and Metrics

Developing the common operating model for NERC and the Regional Entities aligned the enterprise's business planning goals, objectives, metrics, and assumptions for the 2014–2017 planning period. In February 2014, the NERC Board approved an updated version of the [ERO Enterprise Strategic Plan](#) with newly aligned goals, objectives, and deliverables for the 2014–2017 planning period. Prior to its approval, the NERC Board included the plan as part of the February 2014 policy input request letter to the MRC for member comment. NERC posted the written comments and policy input on the NERC website. NERC is tracking corresponding actions related to strategic planning and the business plan on an ongoing basis as part of the business plan and budget process.

Performance Metrics

The strategic plan for 2014–2017 includes five consolidated goals within the existing areas of standards; compliance, registration, and certification; risks to reliability; and coordination and collaboration. New in 2014, NERC and the Regional Entities agreed to implement four overarching performance metrics designed to assess the overall effectiveness of the enterprise in addressing risk to the BES and improving BES reliability. These metrics concentrate on achieving reliability results, assuring standards and compliance effectiveness, and improving risk mitigation and program execution. The enterprise metrics are reviewed annually as part of the strategic planning process and are prioritized based on current year activities and major initiatives.

Demonstrating Success (2014–2017)

- Achieve reliability results
- Assure standards and compliance effectiveness
- Improve risk mitigation
- Execute effective ERO programs

In May 2014, the NERC Board approved the [2014 performance metrics](#). The four metrics, used in 2014 to measure the enterprise’s success against the strategic goals, are not inclusive of all the objectives and deliverables identified for the entire three-year planning period; therefore, some of the deliverables listed in the strategic plan may not be specifically listed word-for-word in the four metrics approved for 2014. The 2015 performance metrics are expected to be finalized in fall of 2014.

NERC publicly posts and reviews quarterly corporate performance results with its Corporate Governance and Human Resources Committee.

Stakeholder Engagement

As one of the enterprise’s guiding principles, NERC and the Regional Entities involved stakeholders with knowledge and expertise on a collaborative basis in the early development of the strategic plan, in the identification of prioritized risk-based activities, and in the development of the 2015 Business Plan and Budget. NERC obtained stakeholder input from a number of sources, including but not limited to the RISC, other standing committees of the Board, and the MRC’s business planning and budget input group, which was specifically established in 2012 to provide and help coordinate annual input in the development of NERC’s business plan and budget.

Priorities and Major Activities

The electric grid is one of the nation’s most critical infrastructures, and the North American BES is one of the largest, most complex, and most robust systems ever created. Several, if not all, of the other critical infrastructure sectors are dependent on electric power. As the organization charged with ensuring the reliability and security of the North American power grid, NERC continues its focus on the changing risk landscape from conventional risks (such as extreme weather and equipment failures) to new and emerging risks in the security arena. Coordinated physical and cyber attacks intended to disable elements of the power grid or deny electricity to specific targets differ from conventional risks in that they result from intentional actions by adversaries and are not simply random failures or acts of nature. These threats are not new, but they have evolved and continue to demand more and more attention from industry and the ERO. Recognizing the costs to electricity users associated with these efforts requires prioritization, along with risk management, to ensure that the ERO is focusing resources on the greatest risks to the reliability of the BES.

NERC and the Regional Entities are invested in achieving positive results for reliability, demonstrating the effectiveness of the ERO by closing gaps in Reliability Standards, designing and implementing effective risk-based compliance monitoring and enforcement, and executing ERO programs and operational

activities that support transparent and reliability-focused strategic goals and objectives. The following paragraphs highlight key initiatives and priorities.

Risk-Based Strategy – (ERO Enterprise Goal 4 and Metric 3)

The enterprise continues to integrate risk management principles and set priorities to address the reliability issues of greatest importance. The focus in 2015 and beyond will be to solve specific issues that present risk to reliability, to improve reliability performance, to minimize the use of less-effective processes, and to avoid using already limited resources on less-important issues.

In 2013, the RISC presented priority recommendations⁵ to the NERC Board and worked closely with NERC and Regional Entity staffs to review, analyze, and identify a number of high-priority reliability risk areas of strategic importance for the ERO. This collaborative risk-based prioritization is being integrated into a multi-year reliability risk management process to identify projects the enterprise will undertake year to year, ensure the efficient use of resources to focus on high-risk areas, maximize opportunities for industry input, and align with the ERO's strategic and business planning priorities.⁶

The following list identifies the current risk projects that were selected from this collaborative risk-based prioritization process and the areas for focus in 2014, with a number of these efforts extending into 2015. The list is not inclusive of all the activities planned for 2015. The complete 2015 list will be identified after risk control projects are compiled and as the RISC informs the ERO of its priorities and projects. A preliminary set of 2015 project areas is provided in the discussion of the Reliability Assessment and Performance Analysis Department's 2015 activities in Section A.

Current ERO Enterprise High-Priority Risk Projects:

1. **Changing Resource Mix** – As the generation and load on the power system change (e.g., as a result of integrated variable resources, increased dependence on natural gas, increased demand-side management, new technologies deployed, etc.), the system is being brought into states that are significantly different than when it was designed and planned, which exposes new vulnerabilities not previously considered. Fundamental operating characteristics and behaviors are no longer a certainty. Without focusing on how to respond, this risk will increase.
2. **Extreme Physical Events** – While the probability of physical events (such as physical attack, geomagnetic disturbance, or severe weather) that lead to extensive damage is low, the potential consequences are high enough that risk avoidance (reducing the probability) is insufficient as a sole risk management strategy. Risk mitigation efforts (reducing the potential consequence) are also underway, but additional focus is needed to address the risk of physical events and minimize both the magnitude and duration of their consequences.
3. **Protection System Misoperations** – NERC's 2012 and 2013 State of Reliability reports identified protection system misoperations as a significant threat to BES reliability. Additional activities are needed to ensure this risk is managed adequately.

⁵ See http://www.nerc.com/comm/RISC/Related%20Files%20DL/RISC_Priority_Recommendations-Jul_26_2013.pdf for the complete report.

⁶ Please refer to Reliability Assessment and Performance Analysis program in Section A for additional detail regarding the overall planned risk project portfolio and associated projects within the respective program area details, as well as the consolidated resource allocations.

4. **Cold Weather Preparedness** – Lack of generator preparedness for cold weather extremes may result in forced outages, de-ratings, and failures to start. Insufficient availability of intra-regional generation and limits on import transfer capability may result in insufficient generation to serve forecasted load, resulting in load shedding.
5. **Right-of-Way Clearances** – Transmission Owners and applicable Generation Owners may have established incorrect ratings that are based on design documents, rather than on the actual facilities built. Managing to stay within operating limits that are based on incorrect ratings may be inadequate to prevent equipment damage, cascading, instability, or separation.
6. **345 kV Breaker Failures** – NERC has identified a potential trend of 345 kV SF6 puffer-type breakers failing. In conjunction with another fault, circuit breaker failures may lead to more BES facilities being removed from service than is required to clear the original fault. This poses a risk to the reliability of the BES.

Using the 2014 projects as a baseline for gauging resource demands, NERC plans to provide an equivalent level of support in 2015 to address high-risk priority projects. Section A describes the resources anticipated to support risk projects in 2015 and includes the need to reallocate existing resources from 2014 to support the continuation and completion of project activities in 2015.⁷

Physical Security and Cybersecurity – (ERO Enterprise Goals 3 and 4)

In March 2014, FERC directed the ERO to create one or more physical grid security Reliability Standards that require registered entities to address physical security risks and vulnerabilities related to the reliable operation of the BES. NERC engaged subject matter experts throughout the Regions and among industry to assist in drafting a standard within a 90-day time period. The proposed standard requires registered entities to prioritize their most critical assets based on vulnerability and other criteria. The proposed standard final ballot closed on May 5, 2014, with 86 percent approval from the ballot body. It was adopted by the Board on May 13, 2014, and was filed with FERC for approval on May 23, 2014.

NERC has initiated a transition program to help industry understand and implement NERC's Critical Infrastructure Protection Version 5 (CIP Version 5) Reliability Standards in a timely, efficient manner. CIP Version 5 represents a significant improvement over the current CIP Version 3 standards. CIP Version 5 includes new cybersecurity controls and extends the scope of the systems that the CIP standards protect. The transition program will be in place through the enforcement date of the Version 5 standards. The goal of the transition program is to improve industry's understanding of the technical security requirements for CIP Version 5, as well as the expectations for compliance and enforcement.

NERC is also proposing to assume a program oversight role with respect to the Cyber Risk Information Sharing Program, a voluntary program to facilitate the exchange of detailed cybersecurity information between electric utilities, NERC's Electricity Sector-Information Sharing and Analysis Center (ES-ISAC), and the US Department of Energy to enable electric power critical infrastructure operators to better protect their networks from sophisticated cyber threats.

The company will also continue to focus on creating cybersecurity and physical security awareness through its annual GridSec conference and semiannual Grid-X national security exercise.

⁷ In addition to the foregoing risk-based activities, NERC also incorporates risk considerations into other program area activities as further described in Section A.

Reliability Assurance Initiative (RAI) – (ERO Enterprise Goal 3 and Metric 4)

NERC and the Regional Entities continue to improve compliance and enforcement operations by focusing oversight and resources on improving processes as well as reducing unnecessary costs and administrative burdens on registered entities. Implementing RAI remains a multiyear effort to promote efficiencies, eliminate undue regulatory burdens, streamline documentation and reporting requirements, improve noncompliance processing, and develop new tools and training materials.

The major RAI activities underway in 2014 include: (1) development of a single ERO Enterprise method for registered entity reliability risk assessments to include an evaluation and test of registered entity internal controls; (2) consolidation of the expanded scope of matters that may be processed through the Find, Fix, Track, and Report (FFT) tool and initial implementation of aggregation and discretion processes; and (3) implementation of a complete auditor manual with an approved auditor handbook and checklist. Other enforcement enhancements will continue during 2014, including the development of tools that provide greater transparency into internal ERO processes, such as the assessment of risk from noncompliance and development of mitigation activities, and process improvements associated with coordination of compliance and enforcement activities for multi-Region registered entities. The ERO Auditor Capabilities and Competencies Guide, which was completed in 2014, has been posted on the NERC website and will be a critical component of auditor staff development and training.

Based on the results and successful implementation of the 2014 RAI activities, several RAI activities are planned for 2015 and beyond: (1) development and execution of a training program to support implementation of the ERO Auditor Capabilities and Competencies Guide; (2) development and delivery of training for the single compliance approach; (3) implementation of an enterprise-wide compliance tracking tool to support RAI activities; (4) compliance activities related to the successful transition to CIP Version 5; (5) design and implementation of governance, risk, and compliance management tools to support compliance oversight planning; and (6) consolidation of new enforcement processes and activities.

The 2015 RAI activities are necessary for implementing the strategic risk-based reforms intended to reduce unnecessary regulatory burden on industry. The activities are intended to increase efficiency by aligning resources associated with compliance monitoring and enforcement programs toward greater direct reliability benefit. The bulk of these activities will be resourced from NERC and Regional Entity staffs, but certain activities related to advancing the program implementation and the compliance application tool require third-party contractor support.

BES Implementation – (ERO Enterprise Goal 2 and Metric 4)

In 2010, FERC directed NERC to revise the BES definition to encompass all elements and facilities necessary to plan and reliably operate the BES. The revised definition becomes effective July 1, 2014, and the enterprise continues to guide the consistent evaluation of inclusions, exclusions, and self-notifications of BES elements. NERC and the Regional Entities will be engaged in activities supporting the implementation of the recent changes to the BES definition.

These implementation activities began in 2014 and will extend through 2015. They include: (1) the BES element evaluation process and associated procedures to provide a uniform, clear way of determining assets contained within the BES; (2) review of self-determined notifications by entities; (3) review of entity-submitted exceptions to the BES definition by Regions and NERC, (4) consideration of reviews and appeals of BES determinations and associated registration aspects; (5) providing guidance regarding Reliability Standard applicability; and (6) managing compliance and enforcement monitoring.

Risk-Based Registration – (ERO Enterprise Goal 2 and Metric 4)

In 2014, NERC and the Regional Entities are developing a risk-based registration (RBR) program that ensures entities are properly registered or de-registered commensurate with risk to the BES, are properly scoped, and are responsible for applicable Reliability Standards along with associated compliance obligations. NERC's registration rules and criteria are set forth in Section 500 and Appendices 5A and 5B of the NERC Rules of Procedure. The RBR program will focus on the scope of an entity's compliance responsibilities according to the BES reliability risks it poses. With the maturation of the ERO and associated industry experience, the registration criteria are now being revisited to adjust them with a risk-based technical foundation. These adjustments are focused on avoiding unnecessarily registering all potential entities without consideration of their materiality and risks to reliability. The goal of risk-based registration is to enhance the registration criteria so they contain threshold criteria complemented by risk-based methods. This approach will be used to exclude entities with smaller and lower voltage assets that would have a very low likelihood of posing a risk to the reliability of the BPS, while at the same time adjusting the scope of Reliability Standard requirements that must be followed.

The implementation of the RBR program is expected to:

- Align entity registration and compliance burden to its materiality and risk to BES reliability;
- Reduce the industry burden associated with registration, while sustaining continued BES reliability;
- Improve use of NERC, Regional Entity, and registered entity resources;
- Provide feedback during standards development to enhance the applicability of currently enforceable and future standards; and
- Increase consistency in registration across the eight Regional Entities by developing a common and repeatable approach and improving registration and de-registration procedures.

In addition, coordination of this effort will enhance the ERO's ability to:

- Evaluate risks to reliability across the ERO Enterprise; and
- Align changes to the registry criteria with other NERC activities and the BES definition.

Transformation of Standards to a Steady State – (ERO Enterprise Goal 1 and Metric 4)

In accordance with the approved Reliability Standards Development Plan (RSDP), the transformation of the NERC standards to a "steady state" remains a high priority. Steady state was defined in the 2014–2017 RSDP as a set of clear, concise, high-quality, and technically sound Reliability Standards that are results-based, including retiring requirements that do little to promote reliability. In their 2013 review of the NERC Reliability Standards,⁸ a panel of independent experts also found that the standards should be stable, necessary for accountability, and sufficient to maintain the reliability of the BES. A steady-state standard should not require further work absent a change in reliability risks, technology, practice, or other impetus.

⁸ http://www.nerc.com/pa/Stand/Standards%20Development%20Plan%20Library/Standards_Independent_Experts_Review_Project_Report.pdf

2015 Key Business Planning Assumptions

As part of the annual business planning process, NERC and the Regional Entities formed common business planning assumptions that they considered when developing their respective business plans and budgets. The Regional Entities used these assumptions to evaluate their projected workload and determine resource levels required to complete necessary tasks and meet the obligations of their Regional Delegation Agreements. The 2015 common business plan and budget assumptions are set forth in Exhibit A.

Application of Section 215 Criteria

In its order approving NERC's 2013 Business Plan and Budget, 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.⁹ Exhibit B summarizes the major activities NERC proposes to undertake in 2015 and the approved Section 215 criteria applicable to such activities.

Overview of 2015 Budget and Funding Requirements

NERC's 2015 combined expense and fixed asset (capital) budget is approximately \$66.6M, which represents an increase of approximately \$10.3M (18.2%) over 2014. Total expenses are increasing approximately \$9.8M (17.5%) over 2014. The total fixed asset (capital) budget, before accounting for depreciation,¹⁰ is approximately \$3.6M, an increase of approximately \$500k over 2014. Of the \$10.3M increase in the 2015 budget over the 2014 budget, \$8.9M (87.0%) is related to the Cyber Risk Information Sharing Program (CRISP). In the absence of CRISP, the 2015 budget would increase approximately \$1.3M (2.4%) over 2014. As further explained in Section A, Electricity Sector Information Sharing and Analysis Center (ES-ISAC) on page 52 and in Exhibit F, the majority of the NERC CRISP budget will be funded by participating utilities, with only a small portion funded through assessments.

NERC's total assessments are projected to increase \$3.9M (7.6%) over 2014. Of this amount, \$496.3k or roughly 1% percent of the total 7.7% increase is related to CRISP. The allocation of assessments to U.S., Canadian, and Mexican entities, after taking into account the application of NERC's policies regarding the allocation of United States penalty funds¹¹ and the allocation of certain compliance and enforcement costs,¹² and using 2013 net energy for load data, is \$50.0M, \$5.1M, and \$150.4k, respectively. The allocation of NERC and Regional Entity assessments is detailed in Appendix 2.

The following table provides a high-level year-over-year comparison of the major categories of expenses, total budget, and FTEs.

⁹ North American Electric Reliability Corporation, Order on Compliance, 143 FERC ¶ 61,052 (2013)

+ North American Electric Reliability Corporation, Order on 2014 Business Plan and Budget of the North American Electric Reliability Corporation and Ordering Compliance Filing, 145 FERC ¶ 61,097 (2013).

¹⁰ NERC and the Regional Entities budget Depreciation as an Operating Expense with an equal and offsetting credit against budgeted Fixed Asset Additions; as a result, the budgets do not include depreciation in the funding requirements.

¹¹ Accounting, Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standards, December 8, 2008 and as amended August 15, 2013

¹² Expanded Policy on allocation of Certain Compliance and Enforcement Costs, July 29, 2008

Statement of Activities and Fixed Assets Expenditures 2014 and 2015 Budgets

STATUTORY

	2014 Budget	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding			
ERO Funding			
NERC Assessments	\$ 51,401,382	\$ 55,308,375	\$ 3,906,993
Penalty Sanctions	290,000	1,155,000	865,000
Total NERC Funding	\$ 51,691,382	\$ 56,463,375	\$ 4,771,993
Third-Party Funding (CRISP)	-	8,943,589	8,943,589
Testing Fees	1,620,000	1,670,000	50,000
Services & Software	50,000	50,000	-
Workshops	354,000	241,300	(112,700)
Interest	20,000	3,000	(17,000)
Miscellaneous	-	-	-
Total Funding (A)	\$ 53,735,382	\$ 67,371,264	\$ 13,635,882
Expenses			
Total Personnel Expenses	\$ 34,059,654	\$ 35,803,312	\$ 1,743,658
Total Meeting Expenses	\$ 3,789,525	\$ 3,566,146	\$ (223,379)
Total Operating Expenses	\$ 17,612,133	\$ 25,863,357	\$ 8,251,224
Total Direct Expenses	\$ 55,461,313	\$ 65,232,815	\$ 9,771,502
Indirect Expenses	\$ 0	\$ (0)	\$ (0)
Other Non-Operating Expenses	\$ 144,000	\$ 131,000	\$ (13,000)
Total Expenses (B)	\$ 55,605,313	\$ 65,363,815	\$ 9,758,502
Change in Assets	\$ (1,869,930)	\$ 2,007,449	\$ 3,877,379
Fixed Assets			
Depreciation	\$ (2,333,006)	\$ (2,333,006)	\$ -
Computer & Software CapEx	2,904,790	3,253,500	348,710
Equipment CapEx	213,000	365,000	152,000
Inc(Dec) in Fixed Assets (C)	784,784	1,285,494	500,710
TOTAL BUDGET (=B + C)	\$ 56,390,096	\$ 66,649,309	\$ 10,259,212
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)¹	\$ (2,654,714)	\$ 721,955	\$ 3,376,669
FTEs	189.5	192.3	2.8

¹The 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

NERC's 2015 budget and funding requirements reflect the resources necessary to support achievement of the goals and objectives set forth in the Strategic Plan. The 2015 budget is comprised of both operating

and capital (fixed asset) costs. Operating costs include, but are not limited to: personnel costs based on projected 2014 year-end headcount, consulting costs to support specific program area needs, contracts for office space, software licensing, third-party data management, and communications and other customary services to support office operations. Fixed Asset (capital) costs primarily reflect investments in equipment and software to support operations, including investments in the development of software applications and infrastructure to facilitate improved business processes and efficiency.

Key Budget Assumptions

Key assumptions used in the development of NERC's 2015 budget included:

- An increase of 2.8 FTEs over 2014 to the ES-ISAC to support CRISP and provide administrative support to the ES-ISAC in connection with the physical separation of the ES-ISAC from other departments in NERC's Washington, D.C. office
- 6% adjustment to reduce budgeted FTEs to account for attrition and hiring delays
- 2.5% average salary increase pool
- Incentive compensation budget of 18.4% of base salary expense
- Market increases in medical and dental benefit plan costs

Management spends considerable efforts reviewing and reallocating personnel resources to ensure that appropriate resources are being dedicated to key priorities and activities. The 6% across-the-board FTE adjustment (reduction) for attrition and hiring delays is based on a three-year average of actual-to-budgeted FTE data. The 2.5% average salary increase is slightly below the 3% market reference provided by the company's compensation consultant. The incentive compensation budget of 18.4% of total base salary represents a three-year average. Incentive compensation is also tied to corporate, departmental, and individual performance results. Medical and dental premium cost estimates are based on market data provided by the company's benefits consultant.

- Meeting and Travel Expense
 - Forecast reduction based on review of 2013–2014 costs

The company has undertaken significant efforts over the past several years to reduce travel and meeting expenses. In 2013, NERC implemented additional policies, systems, and controls over travel expenses. The company has also worked closely with Regional Entities to share meeting space where possible, which has helped reduce meeting costs.

- Contractors and Consultants
 - Developed on a department-by-department basis, taking into account existing contractual commitments and individual department requirements
 - With the exception of proposed subcontract support for CRISP, applied 3% across-the-board reduction in each department's 2015 budget to account for potential under-runs in actual contractor and consulting expense (based on historic trends), as well as to help drive lower overall spending in this area.

The following table summarizes total year-over-year contractor and consulting costs by department, which were reduced by 3% across the board as noted above.

Consultants & Contracts	2014 BUDGET	2015 BUDGET	INC (DEC) OVER 2014
Regional Entity Assurance and Oversight	400,000	388,000	(12,000)
Total Reliability Assessments and Performance Analysis	638,085	955,450	317,365
Total Situation Awareness	1,289,108	1,077,321	(211,787)
Total Critical Infrastructure Department	190,000	426,800	236,800
Total ES-ISAC	786,450	8,329,390	7,542,940
Total Training, Education and Operator Certification	848,830	752,130	(96,700)
Total General & Administrative	75,000	15,000	(60,000)
Total Information Technology	1,944,000	1,729,600	(214,400)
Total Human Resources	257,500	298,275	40,775
Total Finance and Accounting	400,000	339,500	(60,500)
TOTAL CONSULTANTS AND CONTRACTS	6,828,973	14,311,466	7,482,493

Contractor and consulting expenses are developed on a department-by-department basis and reflect both known and anticipated expenses, based on both historic and current information. The Compliance and Registration (Regional Entity Assurance and Oversight) department budget is for consulting support for RAI implementation. Contract and consulting expenses for the Reliability Assessment and Performance Analysis program area is largely for software and services supporting reliability data management and analysis. Situation Awareness costs are primarily related to licenses and services supporting SAFNR, and other reliability information and notification (e.g., alerts) systems.

Critical Infrastructure Department expenses represent an increase over 2014 due to costs to support the biannual GridEx exercise. Other CID contractor and consulting costs are primarily to support the Critical Infrastructure Protection Committee consistent with historic experience and contract support levels. ES-ISAC costs are for software and services to support current operations, including the ES-ISAC portal. These costs do not include the incremental costs to participate in CRISP or to exercise an option to acquire additional space in the company's Washington, D.C. office. These items are discussed further below.

Training, Education, and Operator Certification contract and consulting costs include the cost of operator certification, training and continuing education programs, and training of NERC personnel. It also includes supporting compliance and enforcement (RAI) and other training initiatives. Policy and External Affairs costs are for Canadian policy analysis and communications training for NERC staff.

Information Technology contract and consulting support is primarily for systems and software maintenance services. Software development costs are primarily budgeted under fixed (capital) assets and are discussed further below. Human Resources contract and consulting costs are primarily for employee training, various surveys, compensation studies, and consulting services to support process improvements. Finance and Accounting costs are primarily for outside auditor services in connection with the annual financial statement audit and Form 990 preparation and filing, as well as audit and consulting services to support for the Enterprise Risk Management and Internal Control audit plan and CCC audit plan.

ES-ISAC

- **CRISP Program Participation** – The CRISP program is a public-private partnership to facilitate timely sharing of cybersecurity threat information and develop situation awareness tools to enhance the electricity sector’s ability to identify, prioritize, and coordinate the protection of its critical infrastructure. CRISP provides near real-time capability for critical infrastructure owners and operators to voluntarily share cybersecurity threat data, analyze the data, and receive machine-to-machine mitigation measures. Information-sharing devices that are installed on the participants’ networks send encrypted data to a CRISP analysis center operated by the Pacific Northwest National Labs, which analyzes the data it receives and sends alerts and mitigation measures back to CRISP participants through a secure network. There is significant industry interest in CRISP.

NERC believes there is merit and broad stakeholder benefit from having NERC assume the role of program manager for CRISP through the ES-ISAC. As program manager, the ES-ISAC will have access to additional detailed cybersecurity threat information that it can analyze and share (without attribution and in appropriate declassified format) with ES-ISAC registered users. NERC’s participation in CRISP is subject to receipt of all necessary corporate and regulatory budget approvals. Additional detailed information regarding CRISP is set forth in Section A, Electricity Sector Information Sharing and Analysis Center on page 52 and Exhibit F.

- **Physical Separation of ES-ISAC Personnel** – In February 2012, the Board approved an [ES-ISAC Policy Statement](#) that established a separation between the ES-ISAC and NERC’s compliance and enforcement program. As a result, in June 2013 NERC requested comments from stakeholders regarding the impact, on NERC’s compliance-related activities, of the walling off of certain staff from ES-ISAC activities. In response to the request for comments, stakeholders generally expressed support for this policy.¹³ Numerous commenters recommended even stronger separation of the ES-ISAC information-sharing function from NERC’s compliance and enforcement function. This would include, but not be limited to, physical separation of ES-ISAC personnel from other NERC personnel, coupled with strong process management and explicit access restrictions from all NERC personnel. Commenters also recommended that NERC adopt standards of conduct and procedures similar to those governing the separation of utility merchant and transmission functions, as well as a change in management reporting structure in which the ES-ISAC would report directly to the NERC president and chief executive officer. In consideration of this input, NERC management:
 - Separated the ES-ISAC from the Critical Infrastructure Department, with the ES-ISAC and chief security officer now reporting directly to NERC’s president and chief executive officer.
 - Transferred Critical Infrastructure Department auditors to the Regional Entity Assurance and Oversight Department that provides oversight of Regional Entity compliance

¹³ Entities submitting comments included SCE, EEI, the ISO/RTO Council, Duke, TECO, Entergy, PP&L, ITC Holdings, the APPA and LPPC. The full text of the comments may be found at the following link <http://www.nerc.com/gov/bot/FINANCE/2014%20Business%20Plan%20and%20Budget2nd%20Draft/ES-ISAC%20Comments%20Received%20as%20of%2008-02-13.pdf>

functions. In addition to removing these auditors from the same department as the ES-ISAC personnel, this transfer provides better functional alignment of auditors and more effective management of the compliance oversight and assurance audit function.

- Put into place a formal employee [code of conduct](#) to further memorialize the existing separation of the ES-ISAC from compliance and enforcement personnel. The code of conduct contains many of the principals incorporated in codes of conduct separating utility competitive and regulated operations.
- Subject to approval of its 2015 business plan and budget and the receipt of other necessary corporate authorizations, management plans to exercise an option to acquire additional space in the company’s Washington, D.C. office to physically separate the ES-ISAC from the company’s other operations and restrict personnel access between operating areas and the ES-ISAC. Exercise of the option would allow the company to lease the remaining space, consisting of approximately 6,200 rentable square feet on the 6th floor, where the company’s offices are now located. The lease provides that the rent for the option space will be based on the “prevailing market.” The projected annual cost of leasing the space at a lease rate equivalent to rate per square foot for the company’s existing space of approximately \$50 per square foot will add approximately \$300k to the budget, assuming negotiation of a reasonable build-out allowance. Estimated incremental operating costs will add an additional \$5k in annual costs to the budget.
- The ES-ISAC currently relies on administrative support from other departments in the Washington, D.C. office. As noted above, management is proposing to add 0.9 FTE to provide dedicated administrative support to ES-ISAC personnel. This FTE will be physically located in the ES-ISAC office space which will be separated from other operating areas.

Fixed Asset (Capital) Budget and Capital Financing

NERC’s 2015 capital budget is approximately \$3.6M, which represents an increase of approximately \$500k over 2014. The table below provides a summary of the major capital budget components.

NERC 2015 CAPITAL BUDGET

Computer & Software CapEx

ERO Application Development	1,050,000
ERO Data Analysis Tools	550,000
Generation Data Software	200,000
Hardware	100,000
	\$ 1,900,000

IT Hardware and Software

Disaster Recovery	250,000
Data Storage	425,000
Replacement servers	202,000
NERC Software licenses	350,500
Replacement laptops	126,000

Total Computer & Software CapEx	\$ 1,353,500
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Equipment CapEx

Replacement network devices	\$ 365,000
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Total Capital Budget	\$ 3,618,500
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NERC has budgeted 1.7M¹⁴ in 2015 for services related to the planning, design, and implementation of software applications supporting common NERC and Regional Entity operations. Senior management of NERC and the Regional Entities have refined and updated the ERO Enterprise's long-term IT architecture and data management plans and the specific applications that will be under development in 2015. Further detail regarding updates to the Enterprise IT Strategy; the current status of the development of Enterprise IT applications; applications that will be under development in 2015 and steps that are being taken to improve its oversight of the identification, development and execution of Enterprise IT applications may be found under the Information Technology Department section on page 73. The proposed \$1.7M budget represents a reduction in the forecast 2015 enterprise application development budget presented in NERC's 2014 Business Plan and Budget. The 2015 capital budget also includes \$200k for development of a replacement software application for a legacy application called PC-GAR, which is used by industry to access information from the Generation Analysis Data System (GADS) database, as well as \$100k for hardware to support ERO applications. Further information regarding the ERO Enterprise application development budget is contained in Section A, Information Technology department. NERC's 2015 capital budget also includes funding for development of a disaster recovery plan, data storage, replacement of servers and laptops, and software license costs.

The 2015 budget projection assumes that \$1.9M of the total \$3.6M capital budget will be financed as part of the capital financing program that was described and authorized as part of the 2014 Business Plan and Budget. Further information regarding capital financing may be found in Exhibit D.

Working Capital and Operating Reserves

Management is proposing a budget of \$6.3M for working capital and operating reserves, which represents an increase of \$772.7k from 2014. Working capital reserves, (i.e., funds reserved for future liabilities), are budgeted at \$3.2M, which is a reduction of \$322.2k compared to 2014. Before accounting for third party funded CRISP reserves, the total combined budget for known and unforeseen contingencies is \$2M, which is consistent with the 2014 budget.¹⁵ However, unlike in the case of the 2014 budget, the entire amount is being budgeted for Unforeseen Contingencies. The operating reserve budget for the System Operator Certification Program is \$591k, reflecting the planned use of \$405k of program reserves to support budgeted costs in excess of funding. \$500k in additional reserves for CRISP has also been added to reserves, with these additional reserves funded entirely by utilities participating in CRISP and segregated from other reserves pursuant to the terms of the CRISP agreements. Further information regarding working capital and operating reserves may be found in Exhibit E.

NERC senior management will be working with the senior management of the Regional Entities, the NERC Finance and Audit Committee, and the Board to develop additional long-term working capital and operating reserve policy guidance with the goal of mitigating large year-to-year swings in assessments. As always, NERC will also seek input from stakeholders in the development of this guidance and any associated policies.

¹⁴ Depending on the nature of the expenditures that may or may not be capable of being capitalized. Examples would be expenses related to the development planning or to the extent a decision is made for a third party to develop, host and maintain the application. To the extent the expenditures cannot be capitalized they will be recorded as a variance in contractor and consulting expenses which are recorded under the operating expense portion of NERC's budget. However, management is committed to working with the limitations of its overall operating and capital budget with respect to enterprise software and hardware related expenditures.

¹⁵ The increase to \$2M from the initial draft of NERC's 2015 business plan and budget is subject to the receipt of necessary board of trustees and FERC authorizations to apply \$1M in penalty funds received on July 9, 2014 to reduce 2015 assessment funding requirements.

Department Budget and FTE Comparisons

The following tables set forth a 2014–2015 total budget (operating expenses plus fixed assets minus depreciation) comparison by department, followed by a bar chart comparison of funding by department. As further detailed in Section A, total indirect expenses and fixed asset costs allocated to the statutory departments and included in the total 2014 and 2015 budgets reflected below are approximately 10.4% higher in 2015 due to the (1) reallocation of personnel to support NERC and stakeholder committees, and (2) transfer of the budget for development of ERO software applications to the IT department. Since these applications benefit multiple departments, they should be allocated similarly to other IT expenditures.

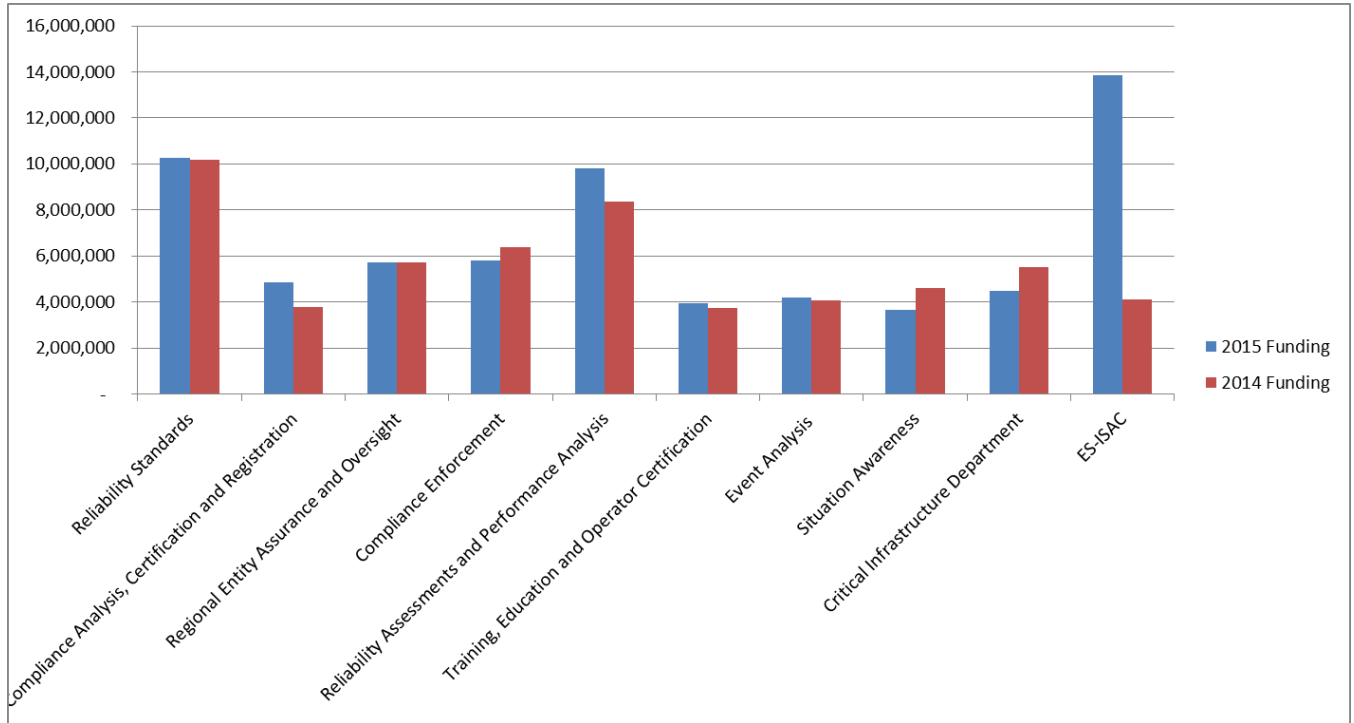
The increase in Compliance Analysis, Certification and Registration department costs is primarily due to the transfer of two positions to this department as part of the internal reorganization described above. The increase in the Reliability Assessment and Performance Analysis department budget is due to reallocation of resources to that department to further support risk assessment activities. The increase in the Training, Education and Operator Certification and Event Analysis budgets is generally due to an increase in the indirect expense and fixed asset allocations, as explained above. The increase in the Training, Education and Operator Certification budget was partially offset by lower contractor and consulting expenses. The reduction in the Situation Awareness department budget is due to reductions in contractor and consulting expense and capitalized software costs. The reduction in the Critical Infrastructure Department budget is primarily due to the transfer of personnel to the Regional Entity Assurance and Oversight department and the transfer of a position to the ES-ISAC. The ES-ISAC budget reflects the addition of an administrative FTE and includes the additional projected costs of CRISP participation discussed above. Exhibit F includes a comparison of the 2014 and 2015 ES-ISAC budgets with and without CRISP.

2014 – 2015 Total Budget by Department

Total Budget	Budget 2014	Budget 2015	Change	
			2015 Budget v 2014 Budget	% Change
Reliability Standards	10,167,369	10,247,145	79,776	0.8%
Compliance Analysis, Certificaton and Registration	3,784,438	4,864,863	1,080,425	28.5%
Regional Entity Assurance and Oversight	5,712,007	5,737,572	25,564	0.4%
Compliance Enforcement	6,395,091	5,806,866	(588,225)	-9.2%
Reliability Assessments and Performance Analysis	8,350,598	9,825,750	1,475,151	17.7%
Training, Education and Operator Certification	3,737,472	3,950,926	213,454	5.7%
Reliability Risk Management				
Event Analysis	4,048,371	4,203,169	154,798	3.8%
Situation Awareness	4,583,264	3,646,902	(936,363)	-20.4%
Critical Infrastructure Department*	5,507,708	4,495,972	(1,011,736)	-18.4%
ES-ISAC*	4,103,777	13,870,144	9,766,367	238.0%
Total Budget	56,390,096	66,649,309	10,259,213	18.2%

*The 2014 budget allocation between the Critical Infrastructure Department and ES-ISAC is slightly different than the allocation presented in the 2014 Business Plan and Budget due to a correction in the allocation of costs between the two departments.

2014 – 2015 Funding Requirement by Department



The following table presents a year-over-year comparison of FTEs by department and reflects 2014 personnel additions and interdepartmental transfers, attrition assumptions, and proposed 2015 personnel additions. It is followed by a statement of activities comparing the 2014 budget and the proposed 2015 budget.

The increase in FTEs in the General and Administrative area is due to a reallocation of personnel supporting the Member Representatives Committee and Regional Entity Management Group activities. The addition of FTEs in the Information Technology area reflects the addition of a Chief Information Officer and project management support to further IT strategy development and execution. The increase in the Finance and Accounting area reflects the addition of staff in 2014 to support the Risk Management and Internal Controls function, as well as the addition of an accounting position to further strengthen segregation of duties, cross training, and back-up functions.

2014-2015 Year-over-Year Comparison of FTEs by Department

Total FTE's by Program Area	Budget 2014	Budget 2015	Change from 2014 Budget	% Change from 2014
STATUTORY				
Operational Programs				
Reliability Standards	25.92	24.40	(1.5)	-5.9%
Compliance Analysis, Certification and Registration	9.60	11.25	1.7	17.2%
Regional Entity Assurance and Oversight	13.44	12.19	(1.3)	100.0%
Compliance Enforcement	18.24	15.01	(3.2)	-17.7%
Reliability Assessments and Performance Analysis	18.99	19.70	0.7	3.7%
Training, Education and Operator Certification	8.16	7.97	(0.2)	-2.3%
Event Analysis	9.60	9.38	(0.2)	-2.3%
Situation Awareness	6.24	6.10	(0.1)	-2.2%
Critical Infrastructure Department	12.48	8.44	(4.0)	-32.4%
ES-ISAC	7.72	10.32	2.6	33.7%
Total FTEs Operational Programs	130.39	124.76	(5.6)	-4.3%
Administrative Programs				
General & Administrative	10.56	13.13	2.6	24.3%
Legal and Regulatory	15.15	15.01	(0.1)	-0.9%
Information Technology	18.07	19.70	1.6	9.0%
Human Resources	2.88	2.81	(0.1)	-2.4%
Finance and Accounting	12.48	16.89	4.4	35.3%
Total FTEs Administrative Programs	59.14	67.54	8.4	14.2%
Total FTEs	189.50	192.30	2.8	1.5%

The NERC 2015 organizational chart can be found in Appendix 1.

Statement of Activities and Fixed Assets Expenditures 2014 and 2015 Budgets

STATUTORY					
	2014	2014	Variance 2014	2015	Variance 2015
	Budget	Projection	Projection v 2014	Budget	Budget v 2014
			Budget		Budget
			Over(Under)		Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 51,401,382	\$ 51,401,382	\$ (0)	\$ 55,308,375	\$ 3,906,993
Penalty Sanctions	290,000	290,000	-	1,155,000	865,000
Total NERC Funding	\$ 51,691,382	\$ 51,691,382	\$ (0)	\$ 56,463,375	\$ 4,771,993
Third-Party Funding (CRISP)	-	-	-	8,943,589	8,943,589
Testing Fees	1,620,000	1,620,000	-	1,670,000	50,000
Services & Software	50,000	50,000	-	50,000	-
Workshops	354,000	239,000	(115,000)	241,300	(112,700)
Interest	20,000	2,500	(17,500)	3,000	(17,000)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 53,735,382	\$ 53,602,882	\$ (132,500)	\$ 67,371,264	\$ 13,635,882
Expenses					
Personnel Expenses					
Salaries	\$ 26,218,572	\$ 26,168,292	\$ (50,280)	\$ 27,580,677	\$ 1,362,105
Payroll Taxes	1,570,954	1,726,865	155,911	1,673,628	102,674
Benefits	3,385,917	3,179,008	(206,909)	3,547,178	161,261
Retirement Costs	2,884,211	2,715,383	(168,828)	3,001,829	117,618
Total Personnel Expenses	\$ 34,059,654	\$ 33,789,548	\$ (270,106)	\$ 35,803,312	\$ 1,743,658
Meeting Expenses					
Meetings	\$ 1,052,150	\$ 1,061,453	\$ 9,303	\$ 1,050,000	\$ (2,150)
Travel	2,419,525	2,109,344	(310,181)	2,203,395	(216,130)
Conference Calls	317,851	293,649	(24,202)	312,751	(5,100)
Total Meeting Expenses	\$ 3,789,525	\$ 3,464,446	\$ (325,079)	\$ 3,566,146	\$ (223,379)
Operating Expenses					
Consultants & Contracts	\$ 6,828,973	\$ 7,516,119	\$ 687,146	\$ 14,311,466	\$ 7,482,493
Office Rent	2,617,300	2,650,299	32,999	2,987,777	370,477
Office Costs	3,506,074	3,410,106	(95,968)	3,583,328	77,254
Professional Services	2,290,280	2,290,280	-	2,611,280	321,000
Miscellaneous	36,500	33,000	(3,500)	36,500	-
Depreciation	2,333,006	1,790,990	(542,016)	2,333,006	-
Total Operating Expenses	\$ 17,612,133	\$ 17,690,794	\$ 78,661	\$ 25,863,357	\$ 8,251,224
Total Direct Expenses	\$ 55,461,313	\$ 54,944,788	\$ (516,525)	\$ 65,232,815	\$ 9,771,502
Indirect Expenses	\$ 0	\$ -	\$ (0)	\$ (0)	\$ (0)
Other Non-Operating Expenses	\$ 144,000	\$ 79,367	\$ (64,633)	\$ 131,000	\$ (13,000)
Total Expenses (B)	\$ 55,605,313	\$ 55,024,155	\$ (581,157)	\$ 65,363,815	\$ 9,758,502
Change in Assets	\$ (1,869,930)	\$ (1,421,273)	\$ 448,657	\$ 2,007,449	\$ 3,877,379
Fixed Assets					
Depreciation	\$ (2,333,006)	\$ (1,790,990)	542,016	\$ (2,333,006)	\$ -
Computer & Software CapEx	2,904,790	2,025,476	(879,314)	3,253,500	348,710
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	213,000	186,721	(26,279)	365,000	152,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ (0)	\$ (0)	\$ -	\$ -
Inc(Dec) in Fixed Assets (C)	784,784	421,207	(363,577)	1,285,494	500,710
TOTAL BUDGET (=B + C)	\$ 56,390,096	\$ 55,445,362	\$ (944,734)	\$ 66,649,309	\$ 10,259,212
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)¹	\$ (2,654,714)	\$ (1,842,480)	\$ 812,234	\$ 721,955	\$ 3,376,669
FTEs	189.5	185.5	(4.0)	192.3	2.8

¹The 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 2016–2017

Management has developed preliminary operating and fixed asset (capital) budget projections for 2016 and 2017. The significant assumptions considered in preparing these projections include:

- No increase in the total FTEs over 2015 budgeted FTEs
- Personnel and benefit cost increases consistent with the 2015 budget assumptions
- No increase in contractor and consulting expense above 2015 budget levels with the exception of contract support for GridEx III in 2016
- Debt service repayment obligations in connection with the company's Capital Financing Program consistent with the projected Enterprise IT Applications capital forecast
- No increase in CRISP related expenditures, except for personnel and benefit cost increases as noted above

The 2016 and 2017 total budget is projected to increase \$1.2M each year, or 1.8% and 1.7%, over 2015 and 2016, respectively. Average assessments are projected to increase \$2.8M and \$227.3k or 5.2% and 0.4% over 2015 and 2016, respectively. The projected increase in 2016 is primarily driven by the loss of \$1.2M in penalty funding and the \$1.2M increase in Total Budget.

Introduction and Executive Summary

Statement of Activities and Fixed Assets Expenditures
2015 Budget & Projected 2016 and 2017 Budgets

	2015 Budget	2016 Projection	\$ Change 16 v 15	% Change 16 v 15	2017 Projection	\$ Change 17 v 16	% Change 17 v 16
Funding							
ERO Funding							
NERC Assessments	\$ 55,308,375	\$ 58,189,615	\$ 2,881,240	5.21%	\$ 58,416,933	\$ 227,318	0.4%
Penalty Sanctions	1,155,000	-	(1,155,000)	-100.00%	-	-	
Total NERC Funding	\$ 56,463,375	\$ 58,189,615	\$ 1,726,240	3.1%	\$ 58,416,933	\$ 227,318	0.4%
Third-Party Funding (CRISP)	8,943,589	8,233,470	(710,119)	-7.94%	8,243,076	9,606	0.1%
Testing Fees	1,670,000	1,670,000	-	0.00%	1,670,000	-	0.0%
Services & Software	50,000	50,000	-	0.00%	50,000	-	0.0%
Workshops	241,300	241,300	-	0.00%	241,300	-	0.0%
Interest	3,000	3,271	271	9.02%	3,000	(271)	-8.3%
Miscellaneous	-	-	-		-	-	
Total Funding (A)	\$ 67,371,264	\$ 68,387,655	\$ 1,016,391	1.5%	\$ 68,624,309	\$ 236,654	0.3%
Expenses							
Personnel Expenses							
Salaries	\$ 27,580,677	\$ 28,264,569	\$ 683,892	2.5%	\$ 28,965,558	\$ 700,989	2.5%
Payroll Taxes	1,673,628	1,700,161	26,533	1.6%	1,726,212	26,050	1.5%
Benefits	3,547,178	3,895,169	347,992	9.8%	4,158,206	263,037	6.8%
Retirement Costs	3,001,829	3,088,546	86,717	2.9%	3,167,455	78,909	2.6%
Total Personnel Expenses	\$ 35,803,312	\$ 36,948,446	\$ 1,145,134	3.2%	\$ 38,017,431	\$ 1,068,985	2.9%
Meeting Expenses							
Meetings	\$ 1,050,000	\$ 1,050,000	\$ -	0.0%	\$ 1,050,000	\$ -	0.0%
Travel	2,203,395	2,203,395	-	0.0%	2,203,395	-	0.0%
Conference Calls	312,751	312,751	-	0.0%	312,751	-	0.0%
Total Meeting Expenses	\$ 3,566,146	\$ 3,566,146	\$ -	0.0%	\$ 3,566,146	\$ -	0.0%
Operating Expenses							
Consultants & Contracts	\$ 14,311,466	14,533,113	221,647	1.5%	14,558,544	25,431	0.2%
Office Rent	2,987,777	2,987,777	-	0.0%	2,895,148	(92,629)	-3.1%
Office Costs	3,583,328	3,583,328	-	0.0%	3,583,328	-	0.0%
Professional Services	2,611,280	2,436,348	(174,932)	-6.7%	2,436,348	-	0.0%
Miscellaneous	36,500	36,500	-	0.0%	36,500	-	0.0%
Depreciation	2,333,006	1,056,592	(1,276,415)	-54.7%	517,374	(539,218)	-51.0%
Total Operating Expenses	\$ 25,863,357	\$ 24,633,658	\$ (1,229,699)	-4.8%	\$ 24,027,242	\$ (606,416)	-2.5%
Total Direct Expenses	\$ 65,232,815	\$ 65,148,250	\$ (84,565)	-0.1%	\$ 65,610,819	\$ 462,569	0.7%
Indirect Expenses	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
Other Non-Operating Expenses	\$ 131,000	\$ 203,000	\$ 72,000	55.0%	\$ 163,000	\$ (40,000)	-19.7%
Total Expenses (B)	\$ 65,363,815	\$ 65,351,250	\$ (12,565)	0.0%	\$ 65,773,819	\$ 422,569	0.6%
Change in Assets	\$ 2,007,449	\$ 3,036,405	\$ 1,028,956	51.3%	\$ 2,850,490	\$ (185,915)	-6.1%
Fixed Assets							
Depreciation	\$ (2,333,006)	\$ (1,056,592)	\$ 1,276,415	-54.7%	\$ (517,374)	\$ 539,218	-51.0%
Computer & Software CapEx	3,253,500	2,920,500	(333,000)	-10.2%	3,192,000	271,500	9.3%
Furniture & Fixtures CapEx	-	-	-		-	-	
Equipment CapEx	365,000	645,500	280,500	76.8%	583,000	(62,500)	-9.7%
Leasehold Improvements	-	-	-		-	-	
Allocation of Fixed Assets	-	-	-		-	-	
Inc(Dec) in Fixed Assets (C)	\$ 1,285,494	\$ 2,509,408	\$ 1,223,915	95.2%	\$ 3,257,626	\$ 748,218	29.8%
TOTAL BUDGET (=B + C)	\$ 66,649,309	\$ 67,860,658	\$ 1,211,349	1.8%	\$ 69,031,445	\$ 1,170,787	1.7%
FTEs	192.30	192.30	-	0.0%	192.30	-	0.0%

Section A — 2015 Business Plan and Budget Program Area and Department Detail

Reliability Standards

Reliability Standards Program (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	25.92	24.40	(1.52)
Direct Expenses	\$ 5,150,854	\$ 4,800,751	\$ (350,103)
Indirect Expenses	\$ 4,872,999	\$ 5,139,603	\$ 266,604
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 143,517	\$ 306,791	\$ 163,274
TOTAL BUDGET	\$ 10,167,369	\$ 10,247,145	\$ 79,775

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 BES. The major activities undertaken by the Standards department include:

- Delivering high-quality, continent-wide Reliability Standards:** NERC standards developers and other standards staff provide project management and leadership to develop solutions necessary to address reliability risks identified through the Reliability Risk Management Process (RRMP). These may include the development of or modifications to NERC Reliability Standards through standard development outreach activities, facilitation of drafting team activities, drafting support, assisting drafting teams in maintaining adherence to the development process as outlined in the Standard Processes Manual, and ensuring that the quality of documents produced are appropriate for approval by industry and the Board.
- Facilitating continent-wide industry engagement:** NERC manages the work of over 200 industry contributors who serve on the Standards Committee, subgroups and other project teams for the development of NERC standards through the standards development program.
- 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 unique regional reliability gaps are detected. The NERC Standards department 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 for standard adoption to the applicable regulatory authorities in the United States and Canada.

Stakeholder Engagement and Cost-Effective Analysis Project

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. Additionally, stakeholders continue to pilot methods to address the cost-effectiveness of proposed standards.

The two-phased Cost-Effective Analysis Process (CEAP) attempts to ensure that the standards development process produces standards that cost-effectively address reliability gaps. The first phase of the CEAP is implemented during the Standards Authorization Request (SAR) stage to determine the cost impact of a proposed standard and whether it will meet or exceed an adequate level of reliability. The second phase is completed later in the standard development process to determine cost-effectiveness of the proposed approach and offer industry an opportunity to identify more cost-efficient solutions. A team comprised of the NERC Standards Committee and Standards Committee Process Subcommittee members, along with industry and NERC staff, continues to participate in the CEAP to promote information sharing and consensus and alleviate concerns regarding cost and effectiveness.

Key Standards Efforts Underway in 2014

Emerging Issues

In 2014, the Standards department continues to address “emerging issues” projects that either (1) have been identified through the RRMP; (2) respond to FERC orders and directives; or (3) are being addressed in an ongoing project. Two projects have been identified as key reliability issues through the RISC and the RRMP: (1) the Misoperations Reliability Standard,¹⁶ and (2) the Real-Time Reliability Monitoring and Analysis Standard,¹⁷ which is being included in the TOP/IRO Revision standard development project and which will provide specific requirements for real-time reliability monitoring and analysis capabilities. A number of FERC-responsive projects that were initiated in 2014 are anticipated to be completed by year-end. Among these are directives associated with CIP Version 5, Physical Security, the TOP/IRO Revisions, and the Geomagnetic Disturbance Mitigation Stage 2 Reliability Standards.

FERC Directives

NERC also continues to address other projects as necessary to respond to FERC directives. The number of outstanding FERC directives has been reduced to 122 as of March 1, 2014, which includes 18 directives that must be addressed by another NERC department or one of the NERC technical committees. Of the 104 directives that are standards-related, 35 were issued by FERC in 2013 or 2014, leaving 69 pre-December 2012 FERC directives to be resolved. The 2014–2017 RSDP provided a plan for 90% of the directives issued prior to 2013 to be completed in 2014. In total, 70% of all directives issued to date are on track to be completed in 2014, leaving approximately 30 directives to be resolved in 2015 and beyond. The 2015–2018 RSDP, which is being developed in the first half of 2014, will outline projects that address these remaining directives.

¹⁶ See http://www.nerc.com/pa/Stand/Pages/Project2010-05_Protection_System_Misoperations.aspx

¹⁷ See <http://www.nerc.com/pa/Stand/Pages/Project-2009-02-Real-time-Reliability-Monitoring-and-Analysis-Capabilities.aspx>

Cross-Departmental and Collaborative Projects

The Standards department is also addressing several other projects that involve multiple internal NERC departments and Regional Entities:

- **Risk-Based Registration:** The Risk-Based Registration project (see Compliance Monitoring and Enforcement and Organization Registration and Certification section for additional detail) involves the examination of registration criteria using a consistent and common approach to risk assessment and registration across the ERO Enterprise to ensure the right entities are subject to the right set of applicable Reliability Standards. This project involves the Regional Entities, stakeholders, and multiple departments within NERC. The project team is targeting approval of the program design and implementation plan for the November 2014 NERC Board meeting.
- **Concurrent development of Reliability Standard Audit Worksheets (RSAWs) with standards:** This project was initiated to ensure that compliance monitoring was consistent with the intent of standards. While the RSAW is merely a tool to assist auditors, this project has provided a useful vehicle to communicate the intent of standards projects to compliance and enforcement staffs, and also provide transparency for compliance monitoring to industry stakeholders.
- **Cross-departmental technical analysis and verification of solutions:** The Standards department is working with the Reliability Assessment and Performance Analysis department, Events Analysis department personnel, the RISC, and the technical committees to conduct the technical analysis needed as a foundation for standards projects.
- **Verification of Risk Evaluation with the RISC prior to initiating projects:** In 2014, the Standards department is taking all newly identified reliability risks to the RISC for verification prior to initiating a standards project. As an example, the Standards department requested that RISC examine three of the Independent Expert Review Panels' (IERPs') High-Priority Gaps prior to considering solutions. The RISC is conducting its evaluation in conjunction with the Operating Committee.

Steady State Transformation

In 2014, the transformation of the NERC Reliability Standards to a “steady state” continues, pursuant to the 2014–2017 RSDP. Steady state was defined in the 2014–2017 RSDP as a set of clear, concise, high-quality, and technically sound Reliability Standards that are results-based, including retirement of requirements that do little to promote reliability. In their 2013 review of the NERC Reliability Standards, the IERP also found that Reliability Standards should be stable, necessary for accountability, and sufficient to maintain BES reliability. A steady-state standard should not require further work absent a change in reliability risks, technology, practice, or other impetus.

As part of the steady-state transformation, two early initiatives continue to be implemented in 2014 and beyond to ensure standards address reliability risks and to eliminate standards or requirements that do not significantly benefit reliability. These include:

- **Paragraph 81 Initiative:** On March 15, 2012, FERC issued an order on NERC’s Find, Fix, Track and Report (FFT) program. In the order, NERC was invited to make a proposal to FERC identifying specific standards or requirements that needed to be revised or retired because of the lack of any meaningful benefit to BES reliability. FERC approved NERC’s proposed Phase 1 requirements in FERC Order 788, and NERC is evaluating additional candidates that were submitted by industry for Phase 2.

- **Results-Based Standards Initiative:** This initiative ensures 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”). NERC continues to evaluate the appropriate level for the required actions or results on a requirement-by-requirement basis.

These two initiatives, plus the requirements that were recommended for retirement by the independent experts, are being considered by the subject matter experts within each standards development project as part of the transformation to steady state. It is expected that these initiatives will ensure that standards have the necessary combination of risk-, performance-, and capability-based requirements to ensure BES reliability.

2015 Goals and Deliverables

In 2015, the NERC Standards department’s major initiatives will be focused on ensuring that the Reliability Standards Development Plan is effectively executed and that Reliability Standards appropriately mitigate risks to reliability. Department resources will be focused on supporting the Strategic Plan, including but not limited to support of the RRMP, resolving FERC directives, and transforming the NERC Reliability Standards to steady state. The Standards department will:

1. **Focus on the selection of projects undertaken.** Resources will be expended on issues determined to be a reliability risk through the RRMP (see Reliability Assessment and Performance Analysis section for additional detail). The department will apply broader project management skills to implement a variety of solutions to a reliability concern. An effective solution to an identified reliability risk may be a Reliability Standard, or it may be a guideline, information request, training, NERC Alert(s), technical conference, research, or a combination of these or other tools.
2. **Address FERC directives and respond to FERC orders** through standards development projects, as necessary. Each project will determine whether: (1) the directive will be complied with as issued, (2) there is an equally effective and efficient way to address the concern that fostered the directive, or (3) if there is technical justification (including that the directive has been overcome by events, processes, or advances in technology) that the directive is no longer needed.
3. **Transform NERC’s standards to steady state.** The department will complete the majority of its foundational transformation work by addressing possible outstanding Paragraph 81 Phase 2 requirement candidates and IERP recommendations for retirement.
4. **Improve the quality and content of standards** to determine whether a Reliability Standard is of sufficient content and quality to be deemed steady state. Beginning in 2015, each standard family that is not considered steady state will receive a periodic review to determine modifications necessary for the standard to meet the steady-state criteria.
5. **Facilitate smooth transition to new standards** such as CIP Version 5 and Physical Security. This includes working with the Compliance Monitoring and Enforcement, Registration, and Reliability Assessment and Performance Analysis Programs to develop guidelines, webinars, and other activities to support auditor and industry training for the new standards.

The 2015–2018 RSDP is being developed during the first half of 2014 in conjunction with the Standards Committee, RISC, and RRMP. It will outline the continued work plan for the transformation of NERC Reliability Standards, the Standards department’s support of Reliability Risk Management, and resolution of FERC directives.

Resource Requirements

Personnel

As in prior years, industry engagement is vital to successful standards development. In 2015, industry subject matter expert engagement requirements will remain steady as the remaining projects from 2014 are finalized in 2015. The transformation of NERC standards to steady state will require additional industry engagement throughout 2015.

The NERC Standards department continues to focus resources on the production of standards, rather than solely on the monitoring and execution of the standards process. For 2015, no additional personnel resources are planned. Additionally, the departmental travel expenses are expected to be below 2014 levels, given the number of standards initiatives expected to be in process, coupled with cost savings resulting from holding more meetings at NERC's Atlanta and Washington, D.C. offices.

Contractors and Consultants

No contractor and consulting support is budgeted in 2015, which is consistent with the 2014 budget.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Statement of Activities and Fixed Assets Expenditures					
2014 Budget & Projection, and 2015 Budget					
RELIABILITY STANDARDS					
	2014	2014	Variance		Variance
	Budget	Projection	2014 Projection	2015	2015 Budget
			v 2014 Budget	Budget	v 2014 Budget
			Over(Under)		Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 10,000,443	\$ 10,000,443	\$ 0	\$ 9,911,464	\$ (88,979)
Penalty Sanctions	58,951	58,951		231,095	172,144
Total NERC Funding	\$ 10,059,394	\$ 10,059,394	\$ 0	\$ 10,142,558	\$ 83,165
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	104,000	104,000	-	104,000	-
Interest	3,976	522	(3,454)	587	(3,389)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 10,167,369	\$ 10,163,916	\$ (3,454)	\$ 10,247,145	\$ 79,776
Expenses					
Personnel Expenses					
Salaries	\$ 3,308,688	\$ 3,077,815	\$ (230,873)	\$ 3,082,972	\$ (225,716)
Payroll Taxes	210,130	220,023	9,893	202,258	(7,872)
Benefits	454,850	412,948	(41,902)	441,383	(13,467)
Retirement Costs	377,588	320,130	(57,458)	346,269	(31,319)
Total Personnel Expenses	\$ 4,351,256	\$ 4,030,916	\$ (320,340)	\$ 4,072,883	\$ (278,373)
Meeting Expenses					
Meetings	\$ 185,000	\$ 200,000	\$ 15,000	\$ 194,056	\$ 9,056
Travel	400,000	332,684	(67,316)	339,300	(60,700)
Conference Calls	123,748	135,000	11,252	117,736	(6,012)
Total Meeting Expenses	\$ 708,748	\$ 667,684	\$ (41,064)	\$ 651,092	\$ (57,656)
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	90,350	68,621	(21,729)	76,276	(14,074)
Professional Services	-	-	-	-	-
Miscellaneous	500	1,000	500	500	-
Depreciation	-	3,245	3,245	-	-
Total Operating Expenses	\$ 90,850	\$ 72,866	\$ (17,984)	\$ 76,776	\$ (14,074)
Total Direct Expenses	\$ 5,150,854	\$ 4,771,466	\$ (379,387)	\$ 4,800,751	\$ (350,103)
Indirect Expenses	\$ 4,872,999	\$ 5,382,700	\$ 509,701	\$ 5,139,603	\$ 266,604
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 10,023,853	\$ 10,154,167	\$ 130,314	\$ 9,940,354	\$ (83,499)
Change in Assets	\$ 143,517	\$ 9,749	\$ (133,768)	\$ 306,791	\$ 163,274
Fixed Assets					
Depreciation	\$ -	\$ (3,245)	\$ (3,245)	\$ -	\$ -
Computer & Software CapEx	-	516,734	516,734	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 143,517	48,920	(94,597)	306,791	163,274
Inc(Dec) in Fixed Assets (C)	143,517	562,409	418,892	306,791	163,274
TOTAL BUDGET (=B + C)	\$ 10,167,369	\$ 10,716,575	\$ 549,206	\$ 10,247,145	\$ 79,776
FTEs	25.92	25.30	(0.62)	24.40	(1.52)

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – Projected to be lower in 2015 due to the transfer of one position to another department in 2014, as well as an increase in across-the-board FTE adjustments to account for attrition and hiring delays (from 4% in 2014 to 6% in 2015).
- **Meetings, Travel, and Conferencing Expenses** – The increase in meeting expenses and decreases in conferencing and travel expenses are based upon prior year actual results, the anticipated level of Reliability Standards development activity in 2015, and continued focus on cost reduction, including holding meetings in NERC’s offices when possible.
- **Office Costs** – The decrease is due to the reduction in FTEs and lower telecommunication costs as a result of having fewer telecommuters.
- **Indirect costs and allocation of fixed assets** – The increase is due to higher administrative service expenses allocated to the direct programs, as explained on page xxii.

Compliance Monitoring and Enforcement and Organization Registration and Certification Program Area

The Compliance Monitoring Enforcement and Organization Registration and Certification Program Area’s purpose is to monitor, enforce, and ensure registered entity compliance with the ERO’s mandatory standards. This program area is broken down into three operational groups: (1) Regional Entity Assurance and Oversight, (2) Compliance Analysis, Certification and Registration, and (3) Compliance Enforcement.

Regional Entity Assurance and Oversight

Compliance Analysis, Certification and Registration (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	9.60	11.25	1.65
Direct Expenses	\$ 1,926,469	\$ 2,353,718	\$ 427,250
Indirect Expenses	\$ 1,804,814	\$ 2,369,694	\$ 564,880
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 53,154	\$ 141,451	\$ 88,296
TOTAL BUDGET	\$ 3,784,438	\$ 4,864,863	\$ 1,080,426

Background and Scope

NERC’s Regional Entity Assurance and Oversight group (formerly the Compliance Operations department) works collaboratively with the eight Regional Entities to ensure consistent and effective implementation of the Compliance Monitoring and Enforcement Program (CMEP) across the entire ERO Enterprise. The CMEP identifies the monitoring processes for use by the Regional Entities, including compliance audits, self-certification, spot checking, investigations, self-reporting, periodic data submittals, and complaints. NERC and the Regional Entities ensure consistent and fair implementation of the CMEP, coalesce around best practices, and implement data management procedures that address data reporting requirements, data integrity, data retention, data security, and data confidentiality.

The Regional Entity Assurance and Oversight group’s responsibilities include but are not limited to the following major activities and functions:

- Consistent implementation of the risk-based compliance monitoring program for reliability improvements, including developing and maintaining the necessary compliance-related processes, procedures, IT platforms, tools, and templates;
- Oversight of the Regional Entities’ delegated compliance functions, including: (1) consistent and uniform CMEP planning, implementation, and reporting; (2) compliance operations and coordination; and (iii) auditor training;
- CIP V5 activities related to transition, training, and compliance design of ERO education programs that support industry compliance and the integration of risk assessment and internal controls;

- Development of minimum baseline monitoring requirements;
- Development and maintenance of RSAWs;
- Support for Regional Entity and industry committees, working groups, and task forces, such as the Compliance and Certification Committee; and
- Supporting standards development and education.

Stakeholder Engagement and Benefit

The Regional Entity Assurance and Oversight group is committed to ensuring 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.

This group provides compliance information, statistics, and perspectives to standard drafting teams to foster the development of standards that provide an increased reliability benefit and clarify compliance risks. It 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 input 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 continues to promote registered entities' development of effective compliance programs and internal controls. As discussed in connection with the RAI, the Regional Entity Assurance and Oversight group is committed to a proactive and forward-looking method of supporting reliability assurance by taking into account greater consideration of internal controls. A common risk-based methodology for evaluating an entity's risk to the BES, and relevant internal controls, will support a consistent, risk-based approach to how compliance monitoring activities may be scoped.

As RAI focus group activities conclude in 2014, there will be additional opportunities to engage industry readiness and maximize stakeholder engagement during the implementation and deployment of various components of RAI into 2015 and beyond.

Key Efforts Underway in 2014

Reliability Assurance Initiative

Consistent with the goals and objectives set forth in the Strategic Plan, NERC continues to implement the Reliability Assurance Initiative as part of its stated objectives of ensuring BES reliability, improving the efficiency and effectiveness of NERC and Regional Entity compliance and enforcement operations, and reducing unnecessary burdens to registered entities. 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 too many NERC and Regional Entity resources.

The major activities of the Regional Entity Oversight and Compliance group for 2014 include: (1) development of a single ERO methodology for registered entity reliability risk assessments and evaluation and testing of registered entity internal controls, and (2) implementation of a complete auditor manual with the approved auditor handbook and checklist. Other enhancements are also expected to be implemented during 2014, including process improvements associated with the coordination of compliance and enforcement activities for multi-Region registered entities (MRREs).

Regional Entity Oversight and Compliance

The implementation of processes and procedures associated with the RAI will necessitate changes to the way NERC performs oversight of the Regional Entities. While the primary purpose of the RAI is to focus compliance monitoring activities on risk, an extremely important aspect of the design is to create a common ERO Enterprise approach. The common approach includes a single implementation plan, the use of a common checklist and handbook, a defined common approach to compliance monitoring, and an agreed-upon set of standards outlining the expectations for a compliance auditor's role. This convergence to a single design will also drive the adoption of common tools and systems. NERC is designing oversight and compliance activities to train compliance personnel on each aspect of the RAI, support the deployment of processes, and perform compliance activities that assure adoption and execution for each aspect of the RAI.

Critical Infrastructure Protection (CIP) Compliance and Transition

Consistent implementation of the risk-based CIP compliance monitoring program, including registration and certification, is necessary for reliability improvements. NERC and the Regional Entities continue to manage the smooth transition of compliance activities from Version 3 to Version 5 of the CIP standards by providing training, webinars, and other forms of outreach. The ERO education programs support industry compliance and the integration of risk assessment and internal controls.

2015 Goals and Deliverables

The Regional Entity Oversight and Compliance Group has several goals and objectives that support the ERO Strategic Plan. Resources will be focused on building upon the framework and improvements implemented as a result of the ongoing RAI activities in 2014. Specific 2015 objectives for this group include:

1. Developing a training program to support implementation of the common audit procedures and the ERO Auditor Capabilities and Competencies Guide.
2. Replacing/enhancing the existing compliance, reporting, analysis tracking system (CRATS) and other compliance tools to support RAI activities.
3. Making effective internal controls models and information available to industry.
4. Initiating compliance phase-in learning periods for new standards.
5. Transitioning to a single ERO approach to compliance monitoring and common audit planning, implementing RAI techniques and principles consistently.
6. Consolidating to a common set of RSAWs, or successors, for all standards.
7. Enhancing the design of regional compliance audits to evaluate regional staffing, deployment of tools, and testing of compliance activities;
8. Increasing the frequency of audits to validate the implementation of RAI program designs; and
9. Creating technically sound training to support compliance methodologies and testing approaches for Reliability Standards.

These 2015 activities are necessary to assure that RAI-developed policies, processes, and procedures are implemented both uniformly and consistently across the Regions. A number of RAI-related activities support the implementation of the strategic risk-based reforms intended to reduce regulatory burden on industry, increase efficiency, and provide greater direct reliability benefit by properly aligning resources associated with compliance monitoring programs. The increased oversight will assure industry benefits are achieved, validate methodologies, and identify continued process improvements. The bulk of these activities will be resourced from NERC and Regional Entity staffs, but certain activities related to advancing the program implementation and the compliance application tool will be supported through the use of outside consultants.

Resource Requirements

Personnel

No personnel additions are proposed for 2015. The 1.25 FTE decrease is the result of a 2014 reallocation of personnel to other departments. Management will continue to evaluate whether sufficient resources are available to support key departmental initiatives.

Contractors and Consultants

Funds have been budgeted for outside consultants to assist in the development of RAI documentation. The budgeted amount is generally consistent with the 2014 budget. In addition, the Information Technology budget includes funding for the maintenance, evaluation, and development of enterprise tools supporting compliance assessment, registration, certification, and enforcement activities.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

**Statement of Activities and Fixed Assets Expenditures
2014 Budget & Projection, and 2015 Budget**

COMPLIANCE ANALYSIS, CERTIFICATION and REGISTRATION

	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 3,264,067	\$ 6,136,445	\$ 2,872,378	\$ 4,758,043	\$ 1,493,976
Penalty Sanctions	\$ 18,195	\$ 34,206		106,550	88,355
Total NERC Funding	\$ 3,282,261	\$ 6,170,651	\$ 2,872,378	\$ 4,864,593	\$ 1,582,331
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	254	254	271	271
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 3,282,261	\$ 6,170,905	\$ 2,872,632	\$ 4,864,863	\$ 1,582,602
Expenses					
Personnel Expenses					
Salaries	\$ 1,336,885	\$ 1,770,102	\$ 433,217	\$ 1,658,833	\$ 321,948
Payroll Taxes	86,509	118,354	31,845	105,003	18,494
Benefits	168,463	207,368	38,905	203,715	35,252
Retirement Costs	153,442	190,066	36,624	186,557	33,115
Total Personnel Expenses	\$ 1,745,299	\$ 2,285,890	\$ 540,591	\$ 2,154,108	\$ 408,809
Meeting Expenses					
Meetings		\$ 70,000	\$ 70,000	\$ 3,064	\$ 3,064
Travel	154,500	197,898	43,398	164,158	9,658
Conference Calls		7,173	7,173	3,588	3,588
Total Meeting Expenses	\$ 154,500	\$ 275,071	\$ 120,571	\$ 170,810	\$ 16,310
Operating Expenses					
Consultants & Contracts		\$ 470,165	\$ 470,165	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	26,670	29,531	2,861	28,550	1,880
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	250	250
Depreciation	-	2,555	2,555	-	-
Total Operating Expenses	\$ 26,670	\$ 502,251	\$ 475,581	\$ 28,800	\$ 2,130
Total Direct Expenses	\$ 1,926,469	\$ 3,063,212	\$ 1,136,742	\$ 2,353,718	\$ 427,249
Indirect Expenses	\$ 1,804,814	\$ 2,608,376	\$ 803,561	\$ 2,369,694	\$ 564,880
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 3,731,284	\$ 5,671,587	\$ 1,940,304	\$ 4,723,412	\$ 992,129
Change in Assets	\$ (449,022)	\$ 499,317	\$ 932,328	\$ 141,451	\$ 590,473
Fixed Assets					
Depreciation	-	(2,555)	(2,555)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	0
Equipment CapEx	-	-	-	-	0
Leasehold Improvements	-	-	-	-	0
Allocation of Fixed Assets	\$ 53,154	\$ 23,706	(29,448)	141,451	88,296
Inc(Dec) in Fixed Assets (C)	\$ 53,154	\$ 21,151	\$ (32,004)	\$ 141,451	\$ 88,296
TOTAL BUDGET (=B + C)	\$ 3,784,438	\$ 5,692,738	\$ 1,908,300	\$ 4,864,863	\$ 1,080,425
FTEs	9.60	12.26	2.66	11.25	1.65

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Funding** – Workshop fees have not been budgeted in 2015 because auditor workshops are being held at NERC or Regional offices (rather than hotels) at a much lower cost; there are no fees.
- **Personnel** – The decrease is due to the transfer of one position to another department in 2014, as well as an increase in across-the-board FTE adjustments to account for attrition and hiring delays (from 4% in 2014 to 6% in 2015). The reduction in payroll taxes is not as significant as the reduction in salaries due to a higher maximum salary subject to FICA taxes.
- **Meetings, Travel, and Conferencing Expenses** – The increase in travel expenses and decrease in conferencing expenses are based upon prior year actual results, the anticipated level of activity in 2015, and continued focus on cost reduction, including holding meetings in NERC’s offices when possible.
- **Office Costs** – The decrease is due to the reduction in FTEs and lower telecommunication costs as a result of having fewer telecommuters.
- **Indirect costs and allocation of fixed assets** – The increase is due to higher administrative service expenses allocated to the direct programs, as explained on page xxii.

Compliance Analysis, Registration and Certification Group

Compliance Analysis, Certification and Registration (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	9.60	11.25	1.65
Direct Expenses	\$ 1,926,469	\$ 2,353,718	\$ 427,250
Indirect Expenses	\$ 1,804,814	\$ 2,369,694	\$ 564,880
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 53,154	\$ 141,451	\$ 88,296
TOTAL BUDGET	\$ 3,784,438	\$ 4,864,863	\$ 1,080,426

Background and Scope

The Compliance Analysis, Registration and Certification group is responsible for a range of requirements and activities embodied in Section 500 (Organization Registration and Certification) and Appendices 5A and 5B of the NERC Rules of Procedure. The department strives to ensure that: (1) Compliance Analysis, Registration and Certification informs standards development and compliance monitoring; (2) all entities impacting the BES are registered commensurate with risk; (3) all RCs, TOPs, and BAs are certified; (4) industry maintains effective internal control programs for reliability assurance risk; and (5) program gaps are assessed in all reportable events and addressed if appropriate. Specific activities of the department include:

- **Registration** – Identifies and registers BES users, owners, and operators who are responsible for compliance with the FERC-approved Reliability Standards. Organizations that are registered are

included on the NERC Compliance Registry (NCR) and are responsible for knowing the content of and for complying with all applicable Reliability Standards.

- **Certification** – The process by which NERC evaluates and certifies the competency of entities performing certain key reliability functions, specifically the RC, BA and TOP functions. Entities performing these three functions must be certified as having the necessary personnel, knowledge, facilities, programs, and other qualifications to carry out these important responsibilities, including demonstrating the ability to meet the Requirements/Sub-requirements of all of the Reliability Standards applicable to the reliability function(s) for which they are being certified.
- **Compliance Investigations** – Non-public, confidential investigations to identify possible violations of NERC Reliability Standards in response to complaints, BES disturbances, or other similar triggers. NERC staff participate as observers on investigations and inquiries conducted by FERC.
- **Complaints** – The process by which NERC addresses formal complaints that allege the violation of Reliability Standards.
- **Technical Assurance** – Development of quarterly gap and risk assessment reports and recommended responses. The department conducts inquiries and spot checks based on quarterly gap analysis.
- **Oversight** – Regional registration, certification, investigation, and complaint programs.

Stakeholder Engagement and Benefit

In 2014, NERC established a Risk-Based Registration Advisory Group (RBRAG) to provide input and advice for the Risk-Based Registration (RBR) design and implementation plan. The RBRAG is comprised of representatives from NERC, Regional Entity, and FERC staffs, along with United States and Canadian industry representatives. A white paper was developed with input from the RBRAG, industry responses to a survey, and assessment of information about the current Registration program attributes. The white paper was released for public comment in connection with NERC management's request for the MRC's policy input in April 2014. Further updates regarding the Registration program redesign and implementation plan will be periodically posted on NERC's website and discussed at NERC committee and Board meetings.

Reliability Benefits

NERC launched RBR to ensure the right entities are subject to the right set of applicable Reliability Standards by using a consistent and common approach to risk assessment and registration across the ERO. The goal of this effort is to develop registration criteria and thresholds that identify users, owners, and operators who have a material impact on reliability, preserving an adequate level of reliability and avoid causing or exacerbating instability, uncontrolled separation, or cascading failures. Registered entities will be given proper signals and incentives to focus on operational, planning, physical security, cybersecurity, and business decisions in the best interest of reliability, rather than focusing on managing compliance risks. Registered entities will have certainty as to compliance obligations with tailored Reliability Standard requirements, as appropriate.

NERC and Regional Entities will have increased awareness of individual and aggregate entity risks to the reliability of the BES. They will have the ability to devote time and resources to registration and compliance monitoring and enforcement activities commensurate with the risks posed. Applicable governmental entities also will have increased awareness of entities subject to their respective

jurisdictions and their role in ensuring reliability of the BES. All other stakeholders, including end-use customers, will be third-party beneficiaries of benefits from implementation of RBR.

Key Efforts Underway in 2014

In 2014, the Compliance Analysis, Certification and Registration group will continue the development of the new RBR design and registration criteria, which includes Board approval of a full implementation plan by year-end and an expected rollout in 2015.

The ultimate end-state vision considers the risk to reliability and ensures that the right entities are subject to the right set of applicable Reliability Standards, using a consistent and common approach to risk assessment and registration across the ERO Enterprise. Achieving the end-state vision is expected to occur in two phases. The first stage will focus on the development, refinement, and implementation of the RBR program design. The second stage will address any remaining non-design issues or considerations that may require longer lead times. The overall benefits of the RBR program include:

- Aligned entity registration and compliance burden to their risks and contributions to reliability, thereby reducing industry burden associated with registration and ensuring no gaps or duplication of compliance responsibilities, while sustaining continued reliability.
- Improved use of NERC, Regional Entity, and registered entity resources.
- Improved feedback to Reliability Standards development so applicability can be tailored for currently enforced and future standards.
- Increased consistency in registration with the eight Regional Entities by developing a common and repeatable approach as part of the design of the RBR program.

2015 Goals and Deliverables

In 2015, the Compliance Analysis, Registration and Certification group's resources will be focused on building upon the implementation of the RBR activities in 2014. Specific 2015 objectives for the department include:

1. Deploying a sustainable RBR design that incorporates evaluation of the reliability risks and benefits provided by an entity to ensure reliability, identifying a corresponding properly scoped set of Reliability Standard requirements.
2. Developing an implementation plan with business practices and IT requirements that addresses unintended industry burden.
3. Aligning changes to the registration criteria with other NERC activities.
4. Assessing the current certification program for opportunities to mature the program.
5. Addressing effects to registration from the enhanced BES definition.
6. Providing support to the continued development of RSAWs; aid in the BES definition exception submittal process; aid in the review of registration appeals and aid in the review of registration appeals and review of mitigating activities; and assist with training modules for investigations, certifications, and registrations.
7. Providing analysis in support of projects addressing top reliability risks.

Resource Requirements

Personnel

No additional personnel are slated for 2015. The 1.65 FTE increase is the result of a 2014 reallocation of personnel from other departments.

Contractor Expenses

To the extent required, operating reserves will be used to fund expert costs to support investigations.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Statement of Activities and Fixed Assets Expenditures					
2014 Budget & Projection, and 2015 Budget					
COMPLIANCE ANALYSIS, CERTIFICATION and REGISTRATION					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 3,264,067	\$ 6,136,445	\$ 2,872,378	\$ 4,758,043	\$ 1,493,976
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Total NERC Funding	\$ 3,282,261	\$ 6,170,651	\$ 2,872,378	\$ 4,864,593	\$ 1,582,331
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	254	254	271	271
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 3,282,261	\$ 6,170,905	\$ 2,872,632	\$ 4,864,863	\$ 1,582,602
Expenses					
Personnel Expenses					
Salaries	\$ 1,336,885	\$ 1,770,102	\$ 433,217	\$ 1,658,833	\$ 321,948
Payroll Taxes	86,509	118,354	31,845	105,003	18,494
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Total Personnel Expenses	\$ 1,745,299	\$ 2,285,890	\$ 540,591	\$ 2,154,108	\$ 408,809
Meeting Expenses					
Meetings	-	\$ 70,000	\$ 70,000	\$ 3,064	\$ 3,064
Travel	154,500	197,898	43,398	164,158	9,658
Conference Calls	-	7,173	7,173	3,588	3,588
Total Meeting Expenses	\$ 154,500	\$ 275,071	\$ 120,571	\$ 170,810	\$ 16,310
Operating Expenses					
Consultants & Contracts	-	\$ 470,165	\$ 470,165	-	-
Office Rent	-	-	-	-	-
Office Costs	26,670	29,531	2,861	28,550	1,880
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	250	250
Depreciation	-	2,555	2,555	-	-
Total Operating Expenses	\$ 26,670	\$ 502,251	\$ 475,581	\$ 28,800	\$ 2,130
Total Direct Expenses	\$ 1,926,469	\$ 3,063,212	\$ 1,136,742	\$ 2,353,718	\$ 427,249
Indirect Expenses	\$ 1,804,814	\$ 2,608,376	\$ 803,561	\$ 2,369,694	\$ 564,880
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 3,731,284	\$ 5,671,587	\$ 1,940,304	\$ 4,723,412	\$ 992,129
Change in Assets	\$ (449,022)	\$ 499,317	\$ 932,328	\$ 141,451	\$ 590,473
Fixed Assets					
Depreciation	-	(2,555)	(2,555)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	0
Equipment CapEx	-	-	-	-	0
Leasehold Improvements	-	-	-	-	0
Allocation of Fixed Assets	\$ 53,154	\$ 23,706	(29,448)	141,451	88,296
Inc(Dec) in Fixed Assets (C)	\$ 53,154	\$ 21,151	\$ (32,004)	\$ 141,451	\$ 88,296
TOTAL BUDGET (=B + C)	\$ 3,784,438	\$ 5,692,738	\$ 1,908,300	\$ 4,864,863	\$ 1,080,425
FTEs	9.60	12.26	2.66	11.25	1.65

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – The increase in personnel expense is primarily due to the transfer of personnel from other departments, offset by an increase in FTE adjustments to account for attrition and hiring delays—from 4% in 2014 to 6% in 2015. Due to a higher maximum salary subject to FICA taxes, payroll tax expenses are increasing at a slightly higher percentage than the other expense categories.
- **Meetings, Travel and Conferencing Expenses** – The increase in travel is due to the increase in FTEs. The increase in meetings and conferencing expenses is based upon prior year actual and projected 2014 results.
- **Office Costs** – The increase is due to the increase in FTEs.
- **Indirect Expenses and Allocation of Fixed Assets** – Indirect expenses and allocation of fixed assets is higher due to higher administrative services expenses (to be allocated to the direct function programs) as previously explained on page xxi.

Compliance Enforcement Department

Compliance Enforcement (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	18.24	15.01	(3.23)
Direct Expenses	\$ 2,864,951	\$ 2,456,441	\$ (408,509)
Indirect Expenses	\$ 3,429,147	\$ 3,161,698	\$ (267,449)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 100,993	\$ 188,727	\$ 87,734
TOTAL BUDGET	\$ 6,395,091	\$ 5,806,866	\$ (588,224)

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 noncompliance with Reliability Standards. The Compliance Enforcement department works collaboratively with the eight Regional Entities to ensure consistent and effective implementation of the Compliance Monitoring and Enforcement Program. Focus is also given to ensuring enterprise-wide resources are dedicated to the matters that have the greatest impact on reliability.

NERC's Compliance Enforcement department performs its responsibilities by:

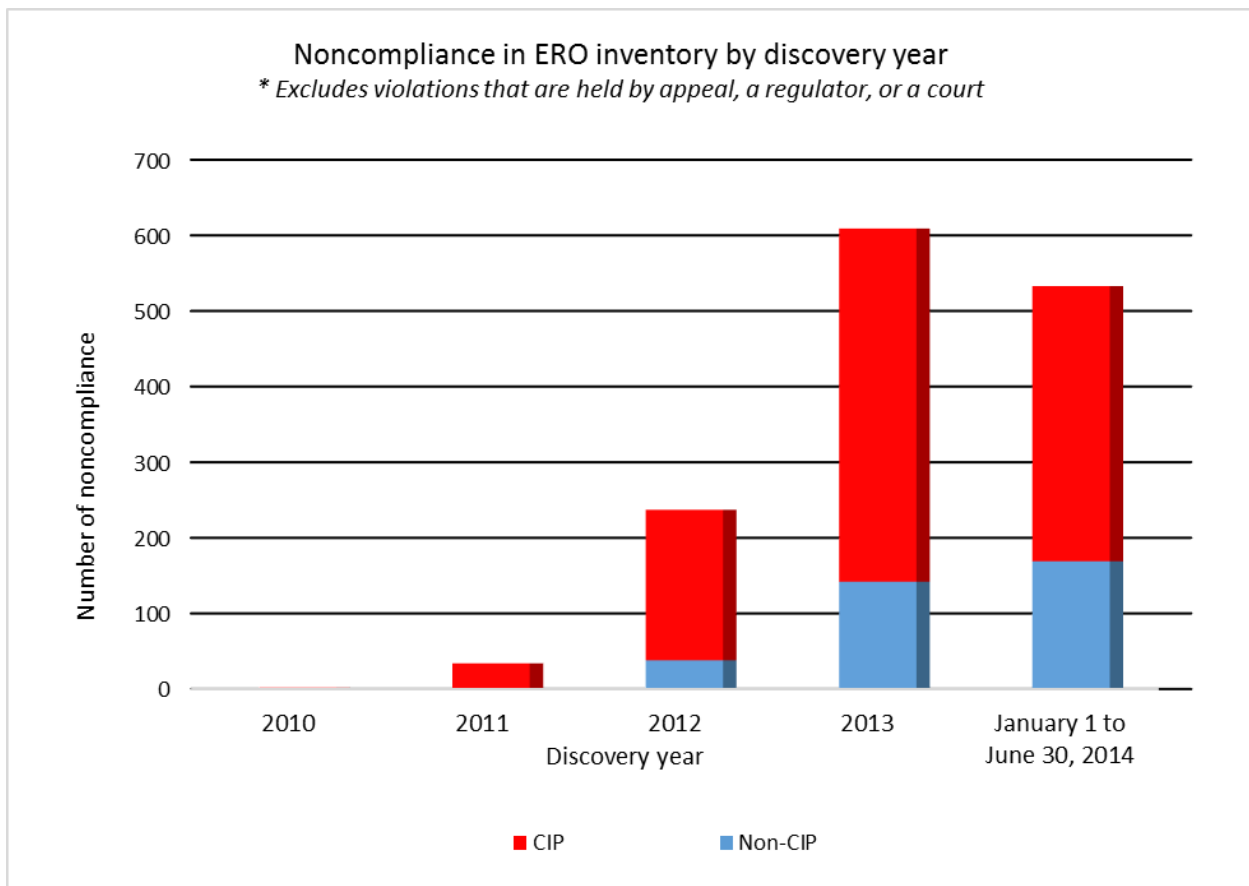
- Monitoring Regional Entities' enforcement processes and providing oversight over the outcome of such processes to ensure due process, to identify best practices and process efficiency opportunities, and to promote consistency among Regional Entities' business practices;
- Collecting and analyzing compliance enforcement 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 noncompliance 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
- Collaborating with other NERC departments, including Standards and Regional Oversight Compliance.

Stakeholder Engagement and Benefit

Over the past few years, NERC and the Regional Entities made substantial progress in reducing the number of instances of noncompliance remaining to be evaluated and processed. The ERO Enterprise has held registered entities accountable for violations that created risk to the reliability of the BES while ensuring that enforcement actions are timely and transparent. NERC is also seeking to further promote a culture of reliability excellence by examining registered entities' internal compliance programs and considering them as mitigating factors in penalty determination.

Processing Efficiencies

In an effort to improve the efficiency of enforcement processing throughout the ERO Enterprise, NERC developed a series of key enforcement processing metrics, which are tracked and analyzed throughout the year. In addition, in 2012 and 2013, NERC established corporate goals to reduce the number of older violations remaining to be processed. Working with NERC, the Regional Entities invested significant time and resources in processing the older violations. As a result, the ERO Enterprise as a whole reduced the number of older violations substantially. For example, in 2012, NERC and the Regional Entities reduced the number of open violations dating from before 2011 (excluding violations that are held by appeal, a regulator, or a court, referred to as “on-hold” violations) by 80%. In 2013, NERC and the Regional Entities built on the successes of 2012. By January 1, 2014, the ERO Enterprise had reduced the number of pre-2012 violations (excluding “on hold” violations) by 93%. As of June 30, 2014, 43% of the pre-2013 noncompliance issues have been processed and resolved. The 237 pre-2013 remaining cases represent 2% of the total violations submitted to the ERO Enterprise from 2007 through June 30, 2014.



FFT Enhancements

NERC and the Regional Entities have worked together to implement the latest round of FFT improvements approved by FERC and reduce the amount of time required to process issues through the FFT program. As a result of these improvements, FFT treatment is now available for a limited pool of Possible Violations (PVs) that pose a moderate risk to the reliability of the BES (in addition to those posing a minimal risk). In addition, certain unmitigated PVs may be processed through the FFT program as long as mitigation is completed within 90 days of the date the FFT is posted.

To streamline processing of FFTs, Regional Entities now submit them for public posting on NERC's website at the end of each month. (The prior requirement was for NERC to submit monthly informational filings to FERC.) NERC maintains its enforcement oversight by reviewing a representative sample of FFTs during the 60-day window following the monthly posting as well as through an annual spot check. NERC's spot checks of FFT items ensure that issues selected for FFT treatment are appropriate for the program, that the issues are explained sufficiently in the posted documents, that the FFT program is implemented consistently across the Regions, and that information about FFT issues is presented consistently across the Regions.

Self-Report and Other Enforcement Improvements

As part of the RAI, NERC and Regional Entity enforcement staff also have worked closely with stakeholders to identify potential improvements to self-report processes and other enforcement processes. A number of improvements were designed and implemented in 2013 and 2014. In 2013, NERC and the Regional Entities began two pilot programs (the Aggregation of Minimal Risk Issues and Enforcement Discretion pilot programs) to develop and test the real-world application of risk-based enforcement concepts. Under the Aggregation of Minimal Risk Issues pilot program, NERC and certain Regional Entities are testing the ability of selected registered entities to self-assess, identify, and mitigate minimal-risk noncompliance proactively. This pilot is focused on allowing registered entities with demonstrated effective management practices to self-identify and assess instances of noncompliance to aggregate minimal risk issues that would otherwise be individually self-reported. The first six-month cycle of this pilot ended in March 2014. In reviewing the results of the first cycle, NERC and the Regional Entities decided to continue the program for the next six to nine months and include additional registered entities to obtain more data on the impact of the program.

Under the Enforcement Discretion pilot program, certain Regional Entities are reviewing minimal-risk issues identified by certain registered entities (in some cases, through the Aggregation of Minimal Risk Issues pilot program) to determine whether those issues warrant Enforcement Discretion treatment. If an issue is tracked for Enforcement Discretion treatment, NERC and FERC will be notified and the record will be available for review, but no notice of PV will be issued to the registered entity. Issues recorded for Enforcement Discretion are referred to as Compliance Exceptions. The scope of the program will be increased to include additional registered entities so the ERO Enterprise may collect more data over the next six to nine months.

These activities are timed such that the additional data can be collected and provided to inform a filing to FERC, reporting on the RAI program.

Key Enforcement Efforts Underway in 2014

In 2014, NERC and the Regional Entities are continuing to work together to reduce (and eventually eliminate) the number of violations in inventory that are older than 24 months. These efforts will ensure that Regional Entities are prioritizing and resolving older violations appropriately. Combined with efforts to decrease processing times through the use of alternative enforcement mechanisms and enforcement process refinements, the Regional Entities will reduce overall processing times and provide finality on compliance items more quickly to registered entities.

Promotion of Self-Identification of Noncompliance and Prompt Mitigation

Although dedicated primarily to the evaluation and enforcement of discovered violations, Regional Entity enforcement programs play an important role in improving the reliability of the BES. By deploying proper incentives to encourage the self-discovery and timely self-reporting of violations, NERC and the Regional Entities have encouraged registered entities to take proactive steps to identify noncompliance. In 2013,

internally discovered violations comprised the majority of violations submitted to the Regional Entities. This rate of internally discovered violations was slightly higher than in 2012, when 72% of violations were discovered through internal means. In 2014, NERC and the Regional Entities will continue to encourage self-identification of noncompliance by registered entities.

In 2014, NERC will also continue to focus on and closely track the completion of mitigating activities. NERC monitors all items with ongoing mitigating activities regardless of where the violations are in the enforcement process; NERC expects mitigating activities to be completed in a timely manner.

RAI Activities and Related Process Improvements

As of January 1, 2014, each of the Regional Entities implemented a triage process. Within the first 60 days after the discovery of a noncompliance, Regional Entities will review the noncompliance and make an initial determination as to whether the issue will proceed through enforcement or whether additional information is necessary for an initial determination. During the Enforcement Discretion pilot, only a limited set of minimal-risk issues from a select group of registered entities will be eligible for discretion treatment. Minimal-risk issues that do not qualify for discretion treatment may be tracked for FFT treatment or may be tracked for further review and analysis. By moving the initial determination to earlier in the enforcement process timeline, the triage process will promote the efficient processing of all issues, but particularly of FFTs. Ultimately, discretion will be available for minimal risk issues from all registered entities.

NERC and the Regional Entities developed two draft documents to enhance communication between registered entities and the Regional Entities and to facilitate the shift toward a risk-based enforcement approach. The first document, the *ERO Enterprise Self-Report User Guide*, provides registered entities with additional insight into the information NERC and the Regional Entities need to provide efficient and timely resolution of instances of potential noncompliance. The second document, the *ERO Enterprise Mitigation Plan Guide*, provides guidance on the information that should be considered when developing a Mitigation Plan and what elements and analysis to include.

Both the *ERO Enterprise Self-Report User Guide* and the *ERO Enterprise Mitigation Plan Guide* were posted for public comment in January 2014. NERC has reviewed comments and revised the documents. The newest version of each document will be posted to the RAI page of the NERC website.¹⁸

The goal of RAI is to shift the compliance and enforcement approach from one in which all instances of noncompliance are evaluated as PVs to an approach that strengthens management practices and reserves the enforcement process for instances of noncompliance that have been found to pose a greater risk to reliability. The enforcement initiatives described above, in conjunction with RAI compliance initiatives encouraging the development of strong management practices, will advance NERC's progress toward this goal in 2014. In addition, the process and communication improvements developed under RAI will improve overall processing times.

2015 Goals and Deliverables

Throughout 2015, NERC's Enforcement department will identify processing efficiencies to improve enforcement activities and focus on issues that reduce reliability risk. Specific 2015 objectives for the Compliance Enforcement department include:

1. Consolidate new processes, as discussed above.

¹⁸ <http://www.nerc.com/pa/comp/Pages/Reliability-Assurance-Initiative.aspx>.

2. Ensure timely processing of violations, particularly those that pose greater risk and can provide lessons learned to industry.
3. Ensure early dissemination of violation information to registered entities to enable them to learn from prior events and violations and take preventative actions to eliminate similar risks.

The Compliance Enforcement department also will continue to work with the Regional Entities to significantly reduce their caseloads by closing prior PVs.

Resource Requirements

Personnel

No additional Enforcement personnel are being proposed in 2015; budgeted staffing is being reduced by 3.23 FTEs from the 2014 budget.

Contractor Expenses

The Information Technology budget includes funding for the maintenance, evaluation, and development of enterprise tools supporting compliance assessment, registration, certification, and enforcement activities.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Statement of Activities and Fixed Assets Expenditures					
2014 Budget & Projection, and 2015 Budget					
COMPLIANCE ENFORCEMENT					
	2014	2014	Variance		Variance
	Budget	Projection	2014 Projection	2015	2015 Budget
			v 2014 Budget	Budget	v 2014 Budget
			Over(Under)		Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 6,350,810	\$ 6,350,810	\$ 0	\$ 5,664,344	\$ (686,466)
Penalty Sanctions	41,484	\$ 41,484		142,161	100,677
Total NERC Funding	\$ 6,392,293	\$ 6,392,294	\$ 0	\$ 5,806,505	\$ (585,789)
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	2,798	293	(2,505)	361	(2,437)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 6,395,091	\$ 6,392,587	\$ (2,504)	\$ 5,806,866	\$ (588,225)
Expenses					
Personnel Expenses					
Salaries	\$ 2,043,427	\$ 1,750,912	\$ (292,515)	\$ 1,785,495	\$ (257,932)
Payroll Taxes	132,855	121,198	(11,657)	110,866	(21,989)
Benefits	320,080	239,393	(80,687)	254,644	(65,436)
Retirement Costs	234,210	176,027	(58,183)	200,635	(33,575)
Total Personnel Expenses	\$ 2,730,572	\$ 2,287,530	\$ (443,042)	\$ 2,351,641	\$ (378,931)
Meeting Expenses					
Meetings	\$ 2,500	\$ 1,770	\$ (730)	\$ 2,000	\$ (500)
Travel	85,298	56,927	(28,371)	57,900	(27,398)
Conference Calls	5,081	1,314	(3,767)	2,900	(2,181)
Total Meeting Expenses	\$ 92,879	\$ 60,011	\$ (32,867)	\$ 62,800	\$ (30,079)
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	41,000	25,739	(15,261)	41,500	500
Professional Services	-	-	-	-	-
Miscellaneous	500	-	(500)	500	-
Depreciation	-	2,846	2,846	-	-
Total Operating Expenses	\$ 41,500	\$ 28,585	\$ (12,915)	\$ 42,000	\$ 500
Total Direct Expenses	\$ 2,864,951	\$ 2,376,126	\$ (488,824)	\$ 2,456,441	\$ (408,510)
Indirect Expenses	\$ 3,429,147	\$ 3,010,483	\$ (418,665)	\$ 3,161,698	\$ (267,449)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 6,294,098	\$ 5,386,609	\$ (907,489)	\$ 5,618,139	\$ (675,959)
Change in Assets	\$ 100,993	\$ 1,005,978	\$ 904,985	\$ 188,727	\$ 87,734
Fixed Assets					
Depreciation	-	(2,846)	(2,846)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	0
Equipment CapEx	-	-	-	-	0
Leasehold Improvements	-	-	-	-	0
Allocation of Fixed Assets	\$ 100,993	\$ 27,360	(73,633)	188,727	87,734
Inc(Dec) in Fixed Assets (C)	\$ 100,993	\$ 24,514	\$ (76,479)	\$ 188,727	\$ 87,734
TOTAL BUDGET (=B + C)	\$ 6,395,091	\$ 5,411,123	\$ (983,968)	\$ 5,806,866	\$ (588,225)
FTEs	18.24	14.15	(4.09)	15.01	(3.23)

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – The reduction in personnel expenses is due to the transfer of three positions to other departments in 2014.
- **Meetings, Travel and Conferencing Expenses** – The decrease in travel is due to the transfer of positions to other departments and is based upon 2013 actual costs. The reduction in meetings and conferencing expenses is based upon prior year actual and projected 2014 results.
- **Indirect Expenses** – The decrease in indirect expenses is due to a reduction in FTEs in proportion to total FTEs in the statutory programs.

Reliability Assessments and Performance Analysis

Reliability Assessments and Performance Analysis (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	18.99	19.70	0.71
Direct Expenses	\$ 4,903,304	\$ 5,456,456	\$ 553,152
Indirect Expenses	\$ 3,570,148	\$ 4,149,598	\$ 579,449
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (122,854)	\$ 219,696	\$ 342,550
TOTAL BUDGET	\$ 8,350,598	\$ 9,825,750	\$ 1,475,150

Background and Scope

The Reliability Assessment and Performance Analysis (RAPA) department carries out the ERO’s statutory responsibility to conduct assessments of the reliability and adequacy of the BES to provide insight and guidance about reliability risks and performance improvements. The department also identifies reliability performance issues and areas of concern (including equipment performance and related 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. The department develops effective approaches for achieving reliability, 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. The department does this through its own engineering and analysis efforts, as well as through marshaling stakeholder resources with subject matter expertise. RAPA is responsible for the:

- Independent assessments and reports on the overall reliability, adequacy, and associated reliability risks that could impact the upcoming summer and winter seasons and the long-term (e.g., ten-year) planning horizon.

- Performance analysis and recommendations of historical reliability and associated trends, relying on data integrity and consistent methodology, which in turn leads to credible recommendations and guidance.
- Reliability assessment and bulk system evaluation model development for analyzing steady-state and dynamic conditions.
- Assurance that electrical elements necessary for the reliable operation of the BPS are appropriately identified as Bulk Electric System Elements.
- Reliability risk program management for improving key risk areas using analyses of reliability gaps, risks, controls, and management efforts.
- Determination of reliability risk program priorities that align with the Strategic Plan and business plan and budget for appropriate level of resources, timing, completion, and execution.
- Providing leadership and consistent, technically sound guidance and recommendations that position industry and policy makers to enhance reliability through effective outreach and communications.

Stakeholder Engagement and Benefit

The ERO monitors the reliability performance of the BES in North America through data gathered to analyze historic trends. The ERO provides reports and recommendations regarding the anticipated conditions that could impact the reliability, security, and stability of the BPS to the industry, Regional Entities, regulatory entities, and other designated entities.

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.

Key RAPA Efforts Underway in 2014

In 2014, RAPA continues to focus its efforts in the following key areas:

Reliability Risk Analysis

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

The key trends, findings, and recommendations from Reliability Risk Analysis serve as technical input to the ERO's Reliability Standards and standards project prioritization, compliance process improvements, event analyses, reliability assessment, and critical infrastructure protection efforts. This analysis of BES

performance not only provides an industry reference for historical BES 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.

NERC has identified specific areas of reliability risk in 2015. The set of programs and associated projects described in the following pages represents a focus on risk priority projects where NERC, in alignment with the industry, the RISC, and governments, can make a difference in improving or maintaining reliability. This represents an important aspect of the link between NERC's activities and its mission of ensuring the reliability of the North American Bulk Electric System.

Reliability risk management efforts involve identifying key reliability risk areas, setting priorities for addressing these areas, then determining appropriate efforts from the suite of tools available to address such risks, and compiling these into an overall portfolio of prioritized risk projects. Industry, NERC, RISC, and others undertook significant efforts to assemble event and performance analyses from published assessments into a prioritized set of appropriate reliability risk projects. These analyses led to recommendations based on technical committee discussions; industry perspectives at the Reliability Leadership Summit; and ongoing technical committee assessment, event analysis, and Reliability Assessment and Reliability Risk Analysis work products, such as the Long-Term Reliability Assessment, the State of Reliability report, and various special reports and seasonal assessments. These prioritized risk project recommendations have been incorporated for 2014 into eight project areas focused on managing the top-priority reliability risks. Each program contains one or more projects identified to produce specific deliverables. By structuring these projects and programs within the larger context of priority reliability risks, resources can be allocated across the ERO Enterprise and program areas.

These top-priority reliability risk programs have been identified for 2014 efforts in this business plan; further refinement and identification of a comparable list of priority efforts will emerge over the course of the year, representing the 2015 priority risk projects. For budget assumption purposes, NERC has planned for a comparable level of effort to be allocated within NERC program areas for these projects. This is not intended to be an exhaustive list of all the reliability-centered activities undertaken by NERC. Ongoing obligations regarding standards development, compliance and enforcement, reliability assessments, and performance analysis are expected to continue, as are the numerous activities to respond to regulatory directives and increase efficiency and effectiveness of the ERO.

Reliability Risk Management Process

The process used to develop this set of programs is an interim approach as NERC transitions to a broader planning effort, titled the Reliability Risk Management Process (RRMP). NERC staff worked with the RISC to develop this process in a way that ensures that the consideration of reliability risk and the development of associated reliability risk management projects are reflected in ERO business planning activities. Under the RRMP, the RISC will collect information to identify and prioritize broad areas of reliability risk. These areas then undergo a deeper analysis to identify specific reliability risks, associated measurements, and the most critical risks within those broad areas that should be considered for further risk management activity. Following this analysis, strategies for managing the risks are developed. Such strategies may include the use of guidelines, information requests, training, NERC Alerts, technical conferences, research, standards, and other tools. Strategies will be weighed for overall effectiveness and efficiency, and a plan will be developed that addresses each identified reliability risk with a set of approaches commensurate in scope to the level of risk being managed. Ultimately, these efforts are reflected in ERO activities and the overall ERO planning process.

Listed below are the eight programs focused on managing the top-priority reliability risks as identified by the RISC. Each program has associated projects that are supported by various NERC departments. The supporting department is listed after each project. Further information about each project may be found in the supporting department's section of this report.

Program: Changing Resource Mix

Associated Reliability Risk Areas: Long-Term Planning and System Analysis, Resource and Transmission Adequacy, Integration of New Technologies and Operations

Energy currently produced by large rotating machines is being replaced with energy produced by variable resources, demand-response programs, and other new types of resources that exhibit different characteristics with respect to some of the less-obvious fundamental components of reliable operation (e.g., inertia, frequency response, maneuverability). Continuing improvements in energy efficiency and other changes in load composition impact the characteristics and behavior of load, reactive power needs, and how the system operates and behaves during disturbances (e.g., fault-induced delayed voltage recovery). The ongoing shift in fuel from coal to natural gas brings challenges such as critical dependence on the just-in-time fuel supply chain of the natural gas infrastructure. All of these changes move the system toward different behaviors, operating characteristics, and levels of reliability risk.

- Project: Essential Reliability Services Special Assessment Phase II – RAPA
- Project: Development of Standardized Models – RAPA
- Project: Support for IEEE 1574 – RAPA
- Project: Load Composition Modeling Analysis – RAPA
- Project: Gas Coordination Guidelines – Reliability Risk Management (RRM) and RAPA

Program: Resource Planning

Associated Reliability Risk Areas: Resource and Transmission Adequacy

Environmental regulations, low natural gas prices, load forecasting uncertainty, and economic factors all contribute to an increased rate of plant retirements and a lack of construction. While demand response and energy efficiency may offset some of these losses, performance of those technologies can be uncertain, and each brings unique challenges. Long-term outages of multiple units to employ environmental retrofits also may have impacts. This all contributes to a lack of certainty regarding resource adequacy in North America over the next several years. Forecasts show potential deficiencies in reserve margins as early as 2014 and 2015 in the ERCOT and midcontinent ISOs.

- Project: Environmental Regulations Special Assessment – RAPA

Program: Protection System Reliability

Associated Reliability Risk Areas: Protection Systems

Protection Systems serve a vital role in defense against system disturbance events. However, cases exist in which design of a protection system may be insufficient—where a fault accompanied by a failure of any single Protection System component could result in a significant outage event on the BES. One example is the June 24, 2004, Western outage event, which resulted in the loss

of approximately 5,000 MW of generation and the potential for collapse of the Western Interconnection. NERC identified five events between 2004 and 2010 in which a single point of failure on a protection system caused, in whole or in part, an event on the BPS.

- Project: Protection System Reliability Analysis – RAPA

Program: Uncoordinated Protection Systems

Associated Reliability Risk Areas: Protection Systems

Protection Systems that trip unnecessarily can contribute significantly to the size of an event. When Protection Systems are not coordinated properly, the order of execution can result in either incorrect elements being removed from service or more elements being removed than necessary. This can also occur with special protection systems, remedial action schemes, and under-frequency and under-voltage load-shedding schemes. Such coordination errors occurred in the September 8, 2011, Southwest event and the August 14, 2003, Northeast blackout event.

- Project: Guidelines for Coordination of Protection Systems and Other Devices – RAPA

Program: Extreme Physical Events

Associated Reliability Risk Areas: Coordinated Attack on Multiple Facilities, Geomagnetic Disturbance, Extreme Weather/Acts of Nature, Localized Physical Attack, Electromagnetic Pulse

Coordinated sabotage attacks, severe weather events, and geomagnetic disturbances are physical events that, at the extreme, can cause extensive equipment damage. Because of the long time involved in manufacturing and replacing some BES assets, an extreme physical event that causes extensive damage to equipment would result in degraded reliability for an extended period of time. While events of this magnitude have a low probability of occurrence, the potential consequences of such an event are high enough that additional focus is needed to properly address this risk and minimize the consequences of an extreme physical event to acceptable levels.

- Project: Promoting Resiliency – RRM
- Project: Emergency Transformer Replacement – RAPA

Program: Availability of Real-Time Tools and Monitoring

Associated Reliability Risk Areas: Monitoring and Situational Awareness

Inadequate situational awareness could have significant negative reliability consequences and is often a precursor to an event or a contributing cause to an event. Experience has shown that not having the right tools and data available can play a critical role in reduced situational awareness, contributing to events such as those seen in the September 8, 2011, Southwest event and the August 14, 2003, Northeast blackout event. NERC has analyzed data and identified that outages of tools and monitoring systems are fairly common occurrences, with approximately an 89% chance of a tool or monitoring system outage occurring within a given month. Each time one of these outages occurs, it creates a potential lack of situational awareness, resulting in a latent risk that could combine with other risks to produce a large event. In addition to outages, not providing the correct tools or data to operators is also a key concern.

- Project: Latent Risk Awareness of Real-Time Tools – RRM
- Project: Real-Time Reliability Monitoring and Analysis Standards – Standards

- Project: Tool Failure Guidelines – RRM

Program: Protection System Misoperations

Associated Reliability Risk Areas: Protection Systems

Protection System Misoperations represent a double threat. Unnecessary trips can result in making a bad event worse and may start cascading failures as each successive trip can cause another protection system to trip. However, failures to trip and slow trips can damage equipment, which may result in degraded reliability for an extended period of time. Key Finding 4 from NERC's *2012 State of Reliability Report* concluded that protection system misoperations are a significant contributor to disturbance events and automatic transmission outage severity.

- Project: Protection System Guidelines – RAPA
- Project: Protection System Education – RRM

Program: Right-of-Way Clearances

Associated Reliability Risk Areas: Transmission Right-of-Way, Equipment Maintenance and Management

Reports from various entities have indicated that in a number of cases, actual conductor-to-ground clearances seen in the field have been inconsistent with those assumed during the design of the facility. Examples of inaccurate historical information that leads to these inconsistencies includes, but is not limited to, misplaced structures or supports, inadequate tower height, and ground profile inaccuracies. While an entity may address this concern by changing the facility ratings, modifying the transmission line configuration, or changing the topography, such cases must be identified before they can be addressed. Failure to address these misalignments could lead to incorrect ratings that are inadequate to prevent equipment damage or cascading, instability, or separation.

- Project: Right-of-Way Site Visit Evaluations – Compliance Analysis, Registration and Certification

Overall, it is anticipated that the resources expected to be deployed to address these reliability risk projects would be similar between 2015 and the comparable level of effort devoted to these efforts in 2014. Accordingly, each of the respective program areas provides a depiction of the efforts and resource allocation needed to support these projects and those anticipated to be identified for 2015. As the RISC and ERO continue to refine the efforts to establish a multi-year perspective addressing the key reliability initiatives, the specific projects and goals for 2015 (and potentially into 2016 and 2017) will be more clearly defined. At the same time, for business plan and budgeting purposes, it is expected that the level of effort allocated to these projects in 2014 would remain generally consistent with the levels expected in subsequent years.

Reliability Assessment

Reliability assessments serve to evaluate the expected reliability behavior of the BPS through extensive deterministic and probabilistic analyses to identify potential reliability conditions that could compromise overall reliability. These reviews include both evaluations at the edge of the planning horizon, as well as assessments of the anticipated performance during upcoming summer or winter seasons. These analyses

involved planned and anticipated changes within the generation resources, transmission infrastructure, and load behavior to formulate recommendations and related guidance, often by examining special scenarios and unique situations within the North American BPS. These analyses provide a technical platform for important policy discussions on challenges facing the interconnected North American BES, as well as focused recommendations that improve the overall reliability or lessen reliability risks.

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, ten-year period. As emerging risks and potential impacts to reliability are identified, RAPA conducts special reliability assessments and identifies recommendations and guidance actions that may be warranted to lessen identified risks or enhance reliability overall. 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:

- (1) Long-Term Reliability Assessment
- (2) Summer and Winter Reliability Assessments
- (3) 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.

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 BES 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 enables RAPA to create 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, RAPA has chosen not to pursue several issues and initiatives in 2015. Probabilistic analysis of reserve margins for NERC's Long-Term Reliability Assessment will be completed every two years rather than annually (none in 2013 or 2015); the smart grid follow-on work plan will be addressed sometime after 2014; and wind generator availability information (GADS) will be reprogrammed to the 2016 time frame. In 2015, 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), the Institute of Electrical and Electronic Engineers (IEEE), the

North American Transmission Forum (NATF), the North American Generation Forum (NAGF), and the 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 Association (NGSA) regarding studies pertaining to the interdependency of gas and electric systems.

Bulk Electric System (BES) Definition Implementation

During 2014, RAPA has been closely involved in the development of a revised definition for BES. RAPA has also been working closely with the Regional Entities to develop a software application to manage the implementation of the revised 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. 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.

The effective date for the implementation of the revised BES definition was July 1, 2014, and it is expected that during the remainder of 2014 and through 2015, reviews, evaluations, and confirmations of proposed changes to BES elements by registered entities will take place. This will involve both NERC and Regional Entity resources to manage effective implementation. Outside experts may be needed to conduct technical reviews of BES exception requests.

2015 Goals and Deliverables

In 2015, RAPA will seek to accomplish several specific goals and objectives as part of the strategic focus of the ERO Enterprise:

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

- h. Provide periodic updates on trends and measures of BES reliability
2. Develop a risk registry and systematic prioritization process consistent with the RISC framework and support BES risk profile measurement and assessment of standards.
3. Execute integrated risk control strategies and plans across the organization to address the highest-priority existing or emerging risks to BES reliability, and explicitly measure the results.
4. Support NERC Reliability Standard development and response to FERC directives by providing technical and system analysis expertise.
5. Support the technical foundation development for Reliability Standards to address deficiencies or needs revealed by RAPA.
6. Provide support and leadership to (1) the Planning Committee and (2) standing committees' subcommittees, working groups, and task forces serving the standing committees.
7. Develop a structured approach to evaluate and improve system models, model validation, system analysis, and assessments.
8. 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.
9. Conduct major event investigations, analyses, and reporting of major findings and recommendations that will improve reliability.
10. Build and sustain an enterprise RAPA team that encompasses risk-informed approaches and structured methodology to identify and address reliability risks.
11. 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 assessments and analyses.

Projects Addressing the Top-Priority Reliability Risks as Identified by the RISC

The RISC identified the following top-priority reliability risk projects for consideration in 2015. The projects are supported by one or more NERC departments, as indicated in the list below. As the RISC and ERO refine efforts to establish a multiyear perspective addressing key reliability initiatives, the specific projects and goals for 2015—and potentially into 2016 and 2017—will be more clearly defined as departments take into consideration resource availability.

Project: Essential Reliability Services Special Assessment Phase II

The Reliability Assessments team will deliver the second part of its Special Assessment on Essential Reliability Services. The scope of this project consists of scenario analyses of different levels of Essential Reliability Services. (RAPA-RRM)

Project: Development of Standardized Models

The Reliability Initiatives and System Analysis team will continue developing a standardized set of power flow and dynamic modeling components to support industry's need for more accurate models. (RAPA)

Project: Support for IEEE 1574

The Reliability Initiatives and System Analysis team will continue its work with the standards-setting groups at IEEE to develop rules that establish frequency and voltage disturbance ride-through obligations for distributed energy resources. (RAPA)

Project: Load Composition Modeling Analysis

The Reliability Initiatives and System Analysis team will work with stakeholders at the Planning Committee to develop a guideline for performing analysis of loads to determine system needs for various essential reliability services. (RAPA)

Project: Gas Coordination Guidelines

The Reliability Assessments team, in cooperation with the Event Analysis team, will collaborate with stakeholders to develop a guideline that establishes protocols for operations and emergency coordination with gas suppliers and transporters. (RAPA)

Project: Environmental Regulations Special Assessment

The Reliability Assessments team will publish a special assessment on the potential impact of emerging and proposed environmental regulations to the reliability of the BPS. This will include updates to the previous report on the Reliability Impacts of Climate Change Initiatives (RICCI), as well as a focus on new and existing source CO₂ requirements. (RAPA)

Project: Protection System Reliability Analysis

The Reliability Initiatives and System Analysis team will continue analysis of single-point-of-failure data reported in response to Order No. 754 to determine whether an industry response is necessary. The results of that analysis will be presented to the RISC for their advice on possible ERO responses. (RAPA-RRM)

Project: Guidelines for Coordination of Protection Systems and Other Devices

The Reliability Initiatives and System Analysis team will work with stakeholders to develop a best practices document. Included in the scope is coordination of the design and operation of transmission system protection, generator protection and control, special protection systems, and under-frequency and under-voltage load-shedding programs. Additionally, modeling necessary for assessing coordination through planning and operating assessments of system performance will be considered. (RAPA)

Project: Emergency Transformer Replacement

The Reliability Assessments and the Performance Analysis teams will work with industry to encourage participation in coordination support programs such as the Spare Equipment Database and the Spare Transformer Equipment Program. Reliability Assessments and Performance Analysis will also work to share information regarding the Recovery Transformer Program. (RAPA)

Project: Protection System Guidelines

The Reliability Initiatives and System Analysis team will develop good industry practices and guidelines to aid in the proper application of relay elements to minimize setting errors, maintain microprocessor-based relay firmware, and apply power line carrier communication-aided protection. (RAPA-RRM)

The overall impact of resource allocations on the NERC budget reflected in the individual project program areas is reflected in the summary overview below.

Resource Requirements

Personnel

No additional personnel are proposed to be added in 2015. The 0.7 FTE increase is the result of a 2014 reallocation of personnel from other departments.

Contractor Expenses

The total contractor and consultant expenses for the department are projected at \$955.5k, representing an approximate \$317.4k increase over the 2014 budget. The 2015 contractor and consulting resources are described below and are grouped into four categories:

1. Research and Initiative Implementation, Tracking, and Reporting
 - a. Reliability Effects of GMD
 - b. Vegetation Management Research
2. Special and Long-Term Assessments and State of Reliability Analysis
 - a. Scenario assessment consultants
3. Licensing and Support of Existing Databases
4. Software Application Development—Replacement for the software application for industry access to GADS data is included in the Information Technology Capital budget, as are costs related to the development of enterprise software applications such as the Reliability Assessment Database applications.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Statement of Activities and Fixed Assets Expenditures					
2014 Budget & Projection, and 2015 Budget					
RELIABILITY ASSESSMENTS and PERFORMANCE ANALYSIS					
	2014	2014	Variance	2015	Variance
	Budget	Projection	2014 Projection v 2014 Budget Over(Under)	Budget	2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 8,214,496	\$ 8,214,496	\$ 0	\$ 9,571,195	\$ 1,356,699
Penalty Sanctions	43,190	43,190	-	186,581	143,391
Total NERC Funding	\$ 8,257,686	\$ 8,257,686	\$ 0	\$ 9,757,776	\$ 1,500,090
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	50,000	50,000	-	50,000	-
Workshops	40,000	40,000	-	17,500	(22,500)
Interest	2,913	405	(2,508)	474	(2,439)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 8,350,598	\$ 8,348,091	\$ (2,508)	\$ 9,825,750	\$ 1,475,151
Expenses					
Personnel Expenses					
Salaries	\$ 2,604,058	\$ 2,869,006	\$ 264,948	\$ 2,833,480	\$ 229,422
Payroll Taxes	159,156	192,226	33,070	176,963	17,807
Benefits	333,241	331,374	(1,867)	356,502	23,261
Retirement Costs	294,179	289,783	(4,396)	317,664	23,485
Total Personnel Expenses	\$ 3,390,634	\$ 3,682,389	\$ 291,755	\$ 3,684,609	\$ 293,975
Meeting Expenses					
Meetings	\$ 90,000	\$ 90,000	\$ -	\$ 90,018	\$ 18
Travel	385,000	314,691	(70,309)	313,993	(71,007)
Conference Calls	31,950	31,950	-	31,500	(450)
Total Meeting Expenses	\$ 506,950	\$ 436,641	\$ (70,309)	\$ 435,511	\$ (71,439)
Operating Expenses					
Consultants & Contracts	\$ 638,085	\$ 804,652	\$ 166,567	\$ 955,450	\$ 317,365
Office Rent	-	-	-	-	-
Office Costs	139,135	143,099	3,964	152,386	13,251
Professional Services	-	-	-	-	-
Miscellaneous	500	500	-	500	-
Depreciation	228,000	298,743	70,743	228,000	-
Total Operating Expenses	\$ 1,005,720	\$ 1,246,994	\$ 241,274	\$ 1,336,336	\$ 330,616
Total Direct Expenses	\$ 4,903,304	\$ 5,366,024	\$ 462,720	\$ 5,456,456	\$ 553,152
Indirect Expenses	\$ 3,570,148	\$ 4,167,869	\$ 597,721	\$ 4,149,598	\$ 579,449
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 8,473,452	\$ 9,533,893	\$ 1,060,441	\$ 9,606,054	\$ 1,132,601
Change in Assets	\$ (122,854)	\$ (1,185,803)	\$ (1,062,949)	\$ 219,696	\$ 342,550
Fixed Assets					
Depreciation	(228,000)	(298,743)	(70,743)	(228,000)	-
Computer & Software CapEx	-	-	-	200,000	200,000
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 105,146	\$ 37,879	\$ (67,267)	247,696	\$ 142,550
Inc(Dec) in Fixed Assets (C)	\$ (122,854)	\$ (260,864)	\$ (138,010)	\$ 219,696	\$ 342,550
TOTAL BUDGET (=B + C)	\$ 8,350,598	\$ 9,273,029	\$ 922,431	\$ 9,825,750	\$ 1,475,151
FTEs	18.99	19.59	0.60	19.70	0.71

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – The increase in personnel expense is primarily due to the transfer of one FTE from another department in 2014, partially offset by an increase in the across-the-board FTE adjustment to account for attrition and hiring delays—from 4% in 2014 to 6% in 2015. Payroll tax expenses are increasing at a slightly higher percentage than the other expense categories due to a higher maximum salary subject to FICA taxes.
- **Meetings, Travel and Conferencing Expenses** – The decrease in travel expenses is based on prior year actual and projected 2014 costs.
- **Consultants and Contracts** – The increase is for (1) contracts related to vegetation research (FAC-003), (2) additional software application development and support requirements, and (3) maintenance for pc-GAR.
- **Indirect Expenses and Allocation of Fixed Assets** – Indirect expenses and allocation of fixed assets is higher due to higher administrative services expenses to be allocated to the direct programs, as explained on page xxi.

Reliability Risk Management

NERC's Reliability Risk Management (RRM) group carries out the ERO's statutory responsibility to perform assessments (real-time or near-real-time) of the reliability and adequacy of the BES, including identifying potential issues of concern relating to system, equipment, entity, and human performance that may indicate the need to develop new or modified Reliability Standards. RRM has two departments: (1) Situation Awareness and (2) Event Analysis. These departments are responsible for four primary functions: (1) BES awareness; (2) event analysis and determination of root and contributing causes; (3) assessment of human performance challenges that affect BES reliability and identification of improvement opportunities; and (4) support of the NERC Operating Committee.

RRM's functions and resources are directly focused on proactive awareness of BES conditions and all events over a threshold of certain risk or impact. Through awareness and continuous assessment, RRM identifies potential reliability risks to the BES. RRM analyzes events in detail, addresses the most significant risks to BES reliability, and ensures that industry is well informed of system events, emerging trends, risk analysis, and lessons learned. Through performing these functions, RRM provides data and analysis to inform the other aspects of NERC's statutory functions. The group also provides strategic direction for using risk-based concepts in planning and executing its responsibilities.

Situation Awareness Department

Situation Awareness (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	6.24	6.10	(0.14)
Direct Expenses	\$ 2,891,092	\$ 2,446,801	\$ (444,292)
Indirect Expenses	\$ 1,173,129	\$ 1,284,901	\$ 111,771
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	519,043	(84,800)	(603,843)
TOTAL BUDGET	\$ 4,583,264	\$ 3,646,902	\$ (936,363)

Background and Scope

The ERO enhances BPS situation awareness by having Reliability Coordinators provide near-real-time operating information for their respective footprints to FERC, NERC, and the Regional Entities. This is a way to gauge the reliability of the interconnections and monitor parameters indicative of a developing crisis. The ERO monitors present conditions on the BPS and provides leadership coordination, technical expertise, and assistance to industry in responding to events.

Stakeholder Engagement and Benefit

The Situation Awareness department works with registered entities to monitor conditions on the high-voltage transmission lines, associated substations, and large generators using various software tools and applications. NERC coordinates with Regional Entities and registered entities to notify them of various types of disturbances (hurricanes, tornados, earthquakes, solar flares, etc.) that could negatively impact the BES. NERC relies on Regional Entity staff to facilitate communications between NERC and registered

entities. Additionally, when significant BES disturbances occur, NERC facilitates the coordination of communication between registered entities and applicable governmental authorities.

Key Situation Awareness Efforts Underway in 2014

Several reliability-related situation awareness and monitoring tools will undergo enhancement, replacement, streamlining, or adjustment in sponsorship by the end of 2014. Similar to the successful transition of the Interchange Distribution Calculator (IDC) to industry sponsorship, the North American Synchronphasor Initiative will no longer be sponsored, funded, or managed by NERC by the end of 2014.

Situation Awareness is focused on the following in 2014: (1) operation and maintenance of Situation Awareness for NERC, FERC, and Regions, Version 2 (SAFNrv2) software application used for monitoring; (2) replacement of the current secure alert tool with a streamlined alert process that will notify industry via email and direct entity representatives to the NERC alerts page for public alerts and to the ES-ISAC portal for confidential, non-public alerts; and (3) transfer of NERCnet (Frame Relay Contract) – Interconnection Security Network (ISN) to the Eastern Interconnection Data Sharing Network consortium.

2015 Goals and Deliverables

In 2015, Situation Awareness will seek to accomplish several specific goals and objectives as part of the strategic focus of the ERO Enterprise:

1. Ensure that the ERO is aware of all BES events above a threshold of impact.
2. Ensure the sharing of information and data to facilitate wide-area situational awareness.
3. During crisis situations, facilitate the exchange of information among industry, Regions, and U.S. and Canadian governments.
4. Keep industry informed of emerging reliability threats and risks to the BES, including any expected actions.
5. Conduct the annual NERC Monitoring and Situational Awareness Conference and Human Performance Conference.
6. Enhance tracking of notification of expected actions in response to emerging actions to promote greater industry accountability.
7. Issue timely updates regarding progress toward resolving issues identified in Recommendations and Essential Actions.

Situation Awareness utilizes the following reliability-related tools to support department activities:

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 that could result in critical inadequacies, such as major tie errors, inaccurate load forecasts, 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.

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 FNet¹⁹ 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.

Automated Reliability Reports

Automated Reliability Reports are daily and monthly summaries of historical load generation resource adequacy and control performance for the three interconnections. These reports are used for monitoring frequency response and performing trending analysis. This tool relies on data supplied to the Resource Adequacy Tool.

Area Interchange Error 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.

Other Monitoring Tools

The company may procure additional, more granular tools to assist in maintaining situation awareness.

Resource Requirements

Personnel

No additional personnel are projected for the Situation Awareness department in 2015.

Contractor Expenses

The overall funding of approximately \$1.1M for contractors and consultants (which includes the cost of the tools set forth above) to support the Situation Awareness department in 2015 is approximately \$211.8k below 2014 budget levels. The detailed 2015 contractor and consulting budget for the Situation Awareness department is set forth in Exhibit C, together with a comparison to 2014 budgeted amounts.

¹⁹ 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.

**Statement of Activities and Fixed Assets Expenditures
2014 Budget & Projection, and 2015 Budget**

SITUATION AWARENESS

	2014 Budget	2014 Projection	Variance	2015 Budget	Variance
			2014 Projection v 2014 Budget Over(Under)		2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 4,493,115	4,493,115	\$ (0)	\$ 3,588,981	\$ (904,134)
Penalty Sanctions	14,192	14,192	0	57,774	43,582
Total NERC Funding	\$ 4,507,307	\$ 4,507,307	\$ (0)	\$ 3,646,755	\$ (860,552)
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	75,000	-	(75,000)	-	(75,000)
Interest	957	127	(830)	147	(810)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 4,583,264	\$ 4,507,434	\$ (75,830)	\$ 3,646,902	\$ (936,363)
Expenses					
Personnel Expenses					
Salaries	\$ 915,216	\$ 848,082	\$ (67,134)	\$ 849,802	\$ (65,414)
Payroll Taxes	60,207	62,308	2,101	55,831	(4,376)
Benefits	109,501	103,873	(5,628)	112,106	2,605
Retirement Costs	104,293	87,916	(16,377)	95,226	(9,067)
Total Personnel Expenses	\$ 1,189,217	\$ 1,102,179	\$ (87,038)	\$ 1,112,965	\$ (76,252)
Meeting Expenses					
Meetings	\$ 171,000	\$ 5,000	\$ (166,000)	\$ 5,000	\$ (166,000)
Travel	28,020	47,000	18,980	45,882	17,862
Conference Calls	4,000	792	(3,208)	2,610	(1,390)
Total Meeting Expenses	\$ 203,020	\$ 52,792	\$ (150,228)	\$ 53,492	\$ (149,528)
Operating Expenses					
Consultants & Contracts	\$ 1,289,108	\$ 1,445,337	\$ 156,229	\$ 1,077,321	\$ (211,787)
Office Rent	-	-	-	-	-
Office Costs	47,750	41,070	(6,680)	41,025	(6,725)
Professional Services	-	-	-	-	-
Miscellaneous	500	-	(500)	500	-
Depreciation	161,498	718	(160,779)	161,498	-
Total Operating Expenses	\$ 1,498,856	\$ 1,487,125	\$ (11,730)	\$ 1,280,343	\$ (218,512)
Total Direct Expenses	\$ 2,891,092	\$ 2,642,096	\$ (248,996)	\$ 2,446,801	\$ (444,292)
Indirect Expenses	\$ 1,173,129	\$ 1,306,315	\$ 133,186	\$ 1,284,901	\$ 111,771
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 4,064,222	\$ 3,948,412	\$ (115,810)	\$ 3,731,701	\$ (332,520)
Change in Assets	\$ 519,043	\$ 559,022	\$ 39,980	\$ (84,800)	\$ (603,843)
Fixed Assets					
Depreciation	(161,498)	(718)	160,779	(161,498)	-
Computer & Software CapEx	645,990	-	(645,990)	-	(645,990)
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 34,550	\$ 11,872	(22,678)	76,698	42,147
Inc(Dec) in Fixed Assets (C)	\$ 519,043	\$ 11,154	\$ (507,889)	\$ (84,800)	\$ (603,843)
TOTAL BUDGET (=B + C)	\$ 4,583,264	\$ 3,959,566	\$ (623,699)	\$ 3,646,902	\$ (936,363)
FTEs	6.24	6.14	(0.10)	6.10	(0.14)

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Funding** – The decrease in workshop fees is due to the transfer of the synchrophasor technology to the private sector. The 2014 budget for workshop fees was for the potential continued sponsorship of the North American Synchrophasor Initiative (NASPI) workshops during the transition.
- **Personnel** – The reduction in salaries, payroll taxes, and retirement costs is due to an increase in the across the board FTE adjustment to account for attrition and hiring delays from 4% in 2014 to 6% in 2015. The increase in benefits is due to budgeted market increases in medical and dental plan costs.
- **Meetings, Travel, and Conferencing Expenses** – The increase in Travel Expenses reflects budgeted staffing levels and expanded participation in cross-departmental efforts with RAPA and Standards. The decrease in meetings is due to allocation of the quarterly standing committee meetings to other departments and the transfer of costs associated with the Grid Security Conference to the CID program.
- **Consultants and Contracts** – The decrease is due to a reduction in costs related to SAFNR, NERCnet, and the Secure Alerting System, offset by an increase in the cost of Reliability Tools. The increase in Reliability Tools is due to new costs for tool additions, offset by a reduction in costs due to the elimination of Automated Reliability Reports and AIE Monitoring tools.
- **Office Costs** – The slight decrease is due to lower telecommunications costs on a per-FTE basis.
- **Indirect Expenses and Fixed Assets** – Indirect expenses and allocation of fixed assets is higher due to higher administrative services expenses to be allocated to the direct programs as explained on page 22. Total Fixed Assets is lower due to the transfer of application software development funding to Information Technology and Fixed Assets.

Event Analysis Department

Event Analysis (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	9.60	9.38	(0.22)
Direct Expenses	\$ 2,384,069	\$ 2,303,098	\$ (80,969)
Indirect Expenses	\$ 1,804,814	\$ 1,975,798	\$ 170,984
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (140,512)	\$ (75,728)	\$ 64,784
TOTAL BUDGET	\$ 4,048,371	\$ 4,203,169	\$ 154,798

Background and Scope

The Event Analysis department performs assessments of the reliability and adequacy of the BES. This includes identifying potential issues of concern related to system, equipment, entity, and human performance that may indicate a need to develop remediation strategies, action plans, or data used to revise Reliability Standards or consider new Reliability Standards. The department analyzes and determines the cause of the events, promptly assures tracking of corrective actions to prevent recurrence, and provides lessons learned to the industry. Event Analysis ensures that reporting and analysis are consistent to allow wide-area assessment of trends and risks. The department analyzes all reportable events for sequence of events, root cause, risk to reliability, and mitigation and keeps the industry well informed of system events, emerging trends, risk analysis, lessons learned, and expected actions.

The Event Analysis department also includes budgeted resources for the investigation team. These resources are currently managed in the Compliance Analysis and Certification department and are used to review formal complaints and conduct non-public compliance investigations. They are also used to assist 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 BES, as well as monitoring and enforcing compliance with mandatory Reliability Standards.

Additional resources within this department focus on identifying human-error risks and those precursor factors that allow human error to impact system reliability. The department educates industry regarding risks, precursors, and mitigation methods. Resources also support compliance and standards training initiatives, as well as trending and analysis to identify emerging reliability risks to the BES. These efforts are conducted in collaboration with industry human performance projects, including WECC's Human Performance Working Group, the NERC Operating Committee's Event Analysis Subcommittee, the Institute of Nuclear Power Operations (INPO), and the Electric Power Research Institute.

Stakeholder Engagement and Benefit

The Event Analysis department coordinates event analyses to support the use of collective resources, consistency in analysis, and timely delivery of event analysis reports.²⁰ The ERO disseminates to the

²⁰ The core process for Event Analysis is outlined in the Board-approved process: Electric Reliability Organization Event Analysis Process - Version 2 (July 2013).

electric industry lessons learned and other useful information obtained from or as a result of event analysis. The Event Analysis team has conducted in-depth analyses of over 135 events per year. In 2013, the team also conducted calls facilitated by the Regional Entities with over 70 registered entities to discuss in detail and finalize root and contributing causes for the categorized events analyzed. Major analysis to date includes assessment of Energy Management System (EMS) outages and the publication of an updated advisory with recommendations and actions to be taken upon loss of EMS and the identification of specific equipment failures and the associated remediation.

Collaboration with the Trade Associations and Forums

The activities of the North American Transmission Forum (NATF), the North American Generator Forum (NAGF), trade associations, and other industry groups are expected to compliment ERO Enterprise activities and limit the need to add incremental resources to the NERC and Regional Entity business plans and budgets that might otherwise be required in the absence of these forums.

In 2013, NERC entered into a memorandum of understanding (MOU) with the NATF to help ensure that the common objectives of each organization are achieved in the most efficient and effective manner. There is mutual agreement, with no commitment of funds, to coordinate sharing of selected information, engage in the development and maintenance of mutual reliability initiatives, and provide periodic reports to pertinent audiences. A similar agreement is under development with the NAGF in 2014.

Joint reliability initiative projects between the NATF and NERC that are expected to continue into 2015 include protection systems misoperations reduction, physical security, various activities related to reliability assurance initiatives, improvement of modeling practices, and complementary efforts on addressing the GMD challenges.

2015 Goals and Deliverables

In 2015, the Event Analysis department will seek to accomplish several specific goals and objectives as part of the strategic focus of the ERO Enterprise:

1. 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 and contributing causes, risks to reliability, wide-area assessments, and remediation efforts; and disseminate information regarding events in a timely manner.
2. Ensure that all reportable events (approximately 135 annually) are analyzed for sequence of events, root cause, risk to reliability, and mitigation.
3. Refine risk-based methodologies to support better identification of reliability risks, including the use of more sophisticated cause codes for analysis.
4. Ensure consistency in reporting and analysis to support wide-area assessments of significant reliability trends and risks.
5. Conduct training (webinars, workshops, and conference support) to inform industry and the ERO of lessons learned, root cause analysis, cause coding, human performance, and cold weather preparedness and recommendations.
6. Develop reliability recommendations and alerts as needed.
7. Track industry accountability for critical reliability recommendations.

8. Ensure that industry is well informed of system events, emerging trends, risk analysis, lessons learned, and expected actions.
9. Conduct major event analysis and reporting of major findings and recommendations that will improve reliability.
10. Advance the quality and usefulness of reliability assessments and event analysis data.

The Event Analysis department will also support several of the top-priority reliability risk projects during 2015–2016, as identified and described under the Reliability Assessment and Performance Analysis department section of this business plan and budget.

Resource Requirements

Personnel

No additional personnel are planned to be added to the Event Analysis department in 2015.

Contractor Expenses

No additional consulting and contractor support is budgeted in 2015.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Statement of Activities and Fixed Assets Expenditures					
2014 Budget & Projection, and 2015 Budget					
EVENT ANALYSIS					
	2014	2014	Variance		Variance
	Budget	Projection	2014 Projection	2015	2015 Budget
			v 2014 Budget	Budget	v 2014 Budget
			Over(Under)		Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 3,975,065	\$ 3,975,065	\$ 0	\$ 4,066,804	\$ 91,740
Penalty Sanctions	21,834	21,834		88,839	67,005
Total NERC Funding	\$ 3,996,898	\$ 3,996,899	\$ 0	\$ 4,155,643	\$ 158,745
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	50,000	50,000	-	47,300	(2,700)
Interest	1,473	197	(1,276)	226	(1,247)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 4,048,371	\$ 4,047,096	\$ (1,275)	\$ 4,203,169	\$ 154,798
Expenses					
Personnel Expenses					
Salaries	\$ 1,470,290	\$ 1,441,975	\$ (28,315)	\$ 1,447,159	\$ (23,131)
Payroll Taxes	91,480	97,486	6,006	92,831	1,351
Benefits	168,463	156,895	(11,568)	173,284	4,821
Retirement Costs	167,286	154,123	(13,163)	162,193	(5,093)
Total Personnel Expenses	\$ 1,897,519	\$ 1,850,479	\$ (47,040)	\$ 1,875,467	\$ (22,052)
Meeting Expenses					
Meetings	\$ 67,000	\$ 95,000	\$ 28,000	\$ 79,228	\$ 12,228
Travel	155,000	109,000	(46,000)	114,500	(40,500)
Conference Calls	31,864	10,000	(21,864)	10,000	(21,864)
Total Meeting Expenses	\$ 253,864	\$ 214,000	\$ (39,864)	\$ 203,728	\$ (50,136)
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	38,519	45,718	7,199	29,736	(8,783)
Professional Services	-	-	-	-	-
Miscellaneous	500	-	(500)	500	-
Depreciation	193,667	704	(192,962)	193,667	-
Total Operating Expenses	\$ 232,686	\$ 46,422	\$ (186,264)	\$ 223,903	\$ (8,783)
Total Direct Expenses	\$ 2,384,069	\$ 2,110,901	\$ (273,168)	\$ 2,303,098	\$ (80,970)
Indirect Expenses	\$ 1,804,814	\$ 2,021,172	\$ 216,358	\$ 1,975,798	\$ 170,984
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 4,188,883	\$ 4,132,073	\$ (56,810)	\$ 4,278,897	\$ 90,014
Change in Assets	\$ (140,512)	\$ (84,977)	\$ 55,535	\$ (75,728)	\$ 64,784
Fixed Assets					
Depreciation	(193,667)	(704)	192,962	(193,667)	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 53,154	\$ 18,369	(34,785)	117,939	64,784
Inc(Dec) in Fixed Assets (C)	\$ (140,512)	\$ 17,665	\$ 158,177	\$ (75,728)	\$ 64,784
TOTAL BUDGET (=B + C)	\$ 4,048,371	\$ 4,149,738	\$ 101,367	\$ 4,203,169	\$ 154,798
FTEs	9.60	9.50	(0.10)	9.38	(0.22)

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – Salaries and retirement expenses are projected to remain approximately the same in 2015. The slight variances are the result of an increase in the across-the-board FTE adjustment to account for attrition and hiring delays—from 4% in 2014 to 6% in 2015. The percentage increase in payroll taxes is due to a higher maximum salary subject to FICA taxes. Benefits are projected to be higher due to a projected market increase in health and dental plan costs.
- **Meetings, Travel, and Conferencing Expenses** – A slight increase in meeting expenses is due to greater participation in RAPA and Standards activities. RRM supports various activities with technical experts and subject matter experts. The decrease in travel and conferencing expenses is based on 2013 actual and projected 2014 costs.
- **Office Costs** – The decrease is due to lower telecommunications costs on a per-FTE basis.
- **Indirect Expenses and Allocation of Fixed Assets** – Indirect expenses and allocation of fixed assets is higher due to higher administrative services expenses to be allocated to the direct programs, as explained on page xxii.

Critical Infrastructure

Critical Infrastructure Department (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	12.48	8.44	(4.04)
Direct Expenses	\$ 3,092,349	\$ 2,612,056	\$ (480,293)
Indirect Expenses	\$ 2,346,259	\$ 1,777,797	\$ (568,462)
Other Non-Operating Expenses	-	-	-
Inc(Dec) in Fixed Assets	\$ 69,101	\$ 106,120	\$ 37,019
TOTAL BUDGET	\$ 5,507,709	\$ 4,495,972	\$ (1,011,737)

Background and Scope

NERC's Critical Infrastructure Department (CID) supports efforts to develop and administer critical infrastructure standards. CID conducts security outreach visits, provides training and exercise opportunities, and coordinates between industry and governmental entities on critical infrastructure protection (CIP) matters. The department accomplishes these activities through active CIP Standards Drafting Team participation and through programs such as the Security Reliability Program (SRP),²¹ the annual Grid Security Conference (GridSecCon), and the biennial Grid Security Exercise (GridEx). The department also leverages public-private partnerships to examine CIP policy issues and provides staff-level support to NERC's Critical Infrastructure Protection Committee (CIPC), an industry-led committee comprised of industry experts in the areas of cybersecurity, physical security, and operational security.

Stakeholder Engagement and Benefit

CID focuses its efforts on building partnerships and providing outreach to registered entities on emerging issues and best practices; in turn, the department relies on industry participation to strengthen, validate, and execute its programs. CID also coordinates with stakeholders to develop policy positions and determine the best strategies for program implementation. The department's continued coordination with government, across sectors, and through various other public-private partnerships also helps to keep stakeholders informed of policy activities on a national level and provides various opportunities for stakeholder comment and expertise. Through CIPC, industry experts also work together to discuss common concerns and develop policy recommendations to address those concerns.

²¹ Security Reliability Program, formerly known as the Sufficiency Review Program, was renamed to reflect the program's focus.

Key Critical Infrastructure Efforts Underway in 2014

CIP Standards Support

The Critical Infrastructure Department continues to support the activities involved with Responsible Entities' transition from CIP Version 3 to Version 5.²² Additionally, the department supported the Standards department by providing subject matter expertise to draft a physical security standard, as well as support for addressing FERC Order No. 791 directives.

Security Reliability Program (SRP)

The SRP is a continuation of the Sufficiency Review Program from previous years. The program has been modified to focus on transitioning from CIP Version 3 implementation to CIP Version 5 implementation and includes discussion of issues raised during the CIP Transition Study conducted in 2013–2014. The program continues to provide timely and actionable advice to entities and their security and compliance programs in support of the CIP standards.

GridEx III

In 2014, the department is following up on 2013's GridEx II distributed play and executive tabletop lessons learned and using them to plan for the 2015 GridEx III. This biennial security exercise focuses on analyzing industry's response to a physical and cybersecurity scenarios. The distributed play exercise and executive tabletop activities aim to: (1) exercise the electric industry's readiness to respond to a security incident, incorporating lessons learned; (2) review existing command, control, and communication plans and tools for NERC and its stakeholders; (3) identify potential improvements in cybersecurity and physical security plans, programs, and responder skills; and (4) explore senior leadership policy decisions and triggers in response to a coordinated cyber and physical event of national significance with long-term grid reliability issues.

GridSecCon 2014

GridSecCon 2014 will be NERC's fourth annual conference focused on physical security and cybersecurity issues facing the Electricity Sub-sector. NERC holds the annual conference to: (1) build on NERC's mission to ensure the reliability of the North American BES through education and training; (2) deliver expert analysis on emerging physical security and cybersecurity threats and vulnerabilities; (3) discuss potential solutions to emerging industrial control system security issues; (4) provide a strategic focus on related public-private partnerships; and (5) provide information regarding ES-ISAC activities and participant benefits.

Policy and Coordination

The department has been addressing policy issues from the 2013 Executive Order and Presidential Policy Directive and continues to monitor and contribute to these activities throughout 2014 and into 2015. In addition, the department continues to support the Policy and External Affairs department in tracking and analyzing legislation and congressional hearings, developing testimony, and completing other policy-related activities. CID also collaborates with NERC's government and private sector partners through both formal and informal structures.

CIPC

The CIPC fosters information sharing, provides industry leadership, and acts as a forum to exchange ideas pertaining to CIP security. In addition to analyzing reliability issues, the CIPC holds security briefings and

²² In 2013, FERC approved CIP Version 5 (CIP-002-5 through CIP-011-1), which now categorizes cyber assets as Low, Medium, or High-Impact assets, requiring that all BES cyber assets be provided a level of protection based on their impact to the grid.

workshops throughout the year to educate industry about items such as physical security assessments and penetration testing. CIPC conducts its work by establishing task forces or working groups to address critical and timely security issues. Some existing working groups include: (1) Bulk Electric System Security Metrics Working Group; (2) Physical Response Guideline V3.0 Update Task Force; (3) Cyber Attack Tree Task Force; (4) Grid Exercise Working Group (GEWG) (which is instrumental in planning the scenario for NERC's GridEx series, as well as following up on lessons learned from the exercises); (5) Compliance Enforcement and Input Working Group; (6) Security Training Working Group; and (7) Physical Security Working Group.

These CIPC task forces and working groups continue their efforts to examine emerging security topics.

2015 Goals and Deliverables

In 2015, the Critical Infrastructure department will seek to accomplish several specific goals and objectives as part of the strategic focus of the ERO Enterprise:

1. Hold the annual GridSecCon, which focuses on physical security and cybersecurity issues facing the Electricity Sub-sector and builds on NERC's mission to ensure the reliability of the North American BES through education and training.
2. Conduct GridEx III, which focuses on analyzing industry's response to a physical security and cybersecurity scenario and gathering lessons learned.
3. Coordinate with government departments and agencies on critical infrastructure policy issues.
4. Support NERC External Affairs and CEO in preparations for public presentations and follow-on actions.
5. Support CIP standards development and implementation through outreach presentations, webinars, and other training opportunities.
6. Work with CIPC to address emerging risk issues and support risk projects in 2015, as needed.

Resource Requirements

Personnel

No additional personnel have been budgeted for this department; budgeted staffing is reduced from 12.48 FTEs in the 2014 budget to 8.44 FTEs in the 2015 budget due primarily to the transfer of CIP auditors to the Regional Entity Assurance and Oversight Department.

Contractor Expenses

The 2015 budget includes funds for contractor support for GridExIII and CIPC support, which is in line with prior expenditures and reflects the fact that GridEx was not conducted or budgeted in 2014.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Statement of Activities and Fixed Assets Expenditures					
2014 Budget & Projection, and 2015 Budget					
CRITICAL INFRASTRUCTURE DEPARTMENT					
	2014	2014	Variance	2015	Variance
	Budget	Projection	2014 Projection	Budget	2015 Budget
			v 2014 Budget		v 2014 Budget
			Over(Under)		Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 5,432,411	5,428,058	\$ (4,353)	\$ 4,343,333	\$ (1,089,078)
Penalty Sanctions	28,383	28,383	-	79,936	51,553
Total NERC Funding	\$ 5,460,794	\$ 5,456,441	\$ (4,353)	\$ 4,423,269	\$ (1,037,525)
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	45,000	45,000	-	72,500	27,500
Interest	1,914	-	(1,914)	203	(1,711)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 5,507,708	\$ 5,501,441	\$ (6,267)	\$ 4,495,972	\$ (1,011,736)
Expenses					
Personnel Expenses					
Salaries	\$ 1,883,806	\$ 1,274,053	\$ (609,753)	\$ 1,423,791	\$ (460,015)
Payroll Taxes	113,362	81,027	(32,335)	85,220	(28,142)
Benefits	219,000	132,612	(86,388)	152,786	(66,214)
Retirement Costs	214,632	125,862	(88,770)	159,808	(54,824)
Total Personnel Expenses	\$ 2,430,800	\$ 1,613,554	\$ (817,246)	\$ 1,821,605	\$ (609,195)
Meeting Expenses					
Meetings	\$ 145,000	\$ 145,000	\$ -	\$ 133,134	\$ (11,866)
Travel	240,000	170,000	(70,000)	188,358	(51,642)
Conference Calls	32,574	5,000	(27,574)	21,500	(11,074)
Total Meeting Expenses	\$ 417,574	\$ 320,000	\$ (97,574)	\$ 342,992	\$ (74,582)
Operating Expenses					
Consultants & Contracts	\$ 190,000	\$ 240,000	\$ 50,000	\$ 426,800	\$ 236,800
Office Rent	-	-	-	-	-
Office Costs	53,475	47,587	(5,888)	20,158	(33,317)
Professional Services	-	-	-	-	-
Miscellaneous	500	-	(500)	500	-
Depreciation	-	16,377	16,377	-	-
Total Operating Expenses	\$ 243,975	\$ 303,964	\$ 59,989	\$ 447,458	\$ 203,483
Total Direct Expenses	\$ 3,092,349	\$ 2,237,518	\$ (854,831)	\$ 2,612,056	\$ (480,293)
Indirect Expenses	\$ 2,346,259	\$ 1,667,999	\$ (678,260)	\$ 1,777,797	\$ (568,462)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 5,438,608	\$ 3,905,517	\$ (1,533,091)	\$ 4,389,853	\$ (1,048,755)
Change in Assets	\$ 69,100	\$ 1,595,924	\$ 1,526,824	\$ 106,120	\$ 37,020
Fixed Assets					
Depreciation	-	(16,377)	(16,377)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 69,101	\$ 15,159	(53,942)	106,120	37,019
Inc(Dec) in Fixed Assets (C)	\$ 69,101	\$ (1,217)	\$ (70,318)	\$ 106,120	\$ 37,019
TOTAL BUDGET (=B + C)	\$ 5,507,709	\$ 3,904,299	\$ (1,603,410)	\$ 4,495,972	\$ (1,011,737)
FTEs	12.48	7.84	(4.64)	8.44	(4.04)

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Funding** – The increase in workshop fees is based upon 2013 actual results for the Grid Security Conference.
- **Personnel** – The reduction in personnel expenses is primarily related to the transfer of (4) positions to other departments in 2014 and also due to an increase in the across-the-board FTE adjustment to account for attrition and hiring delays from 4% in 2014 to 6% in 2015.
- **Meetings, Travel, and Conferencing Expenses** – The reduction in travel expenses is due to the transfer of FTEs to other departments in 2014. The reductions in meetings and conferencing expenses is based upon prior year actual and projected 2014 costs.
- **Consultants and Contracts** – The increase is related to costs for the GridEx, which is held every other year.
- **Office Costs** – The decrease is due to lower telecommunications expenses, resulting from having fewer FTEs in the department and a lower cost per FTE.
- **Indirect Expenses** – The decrease in indirect expenses is due to a reduction in FTEs and in proportion to total FTEs in the statutory programs.

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

ES-ISAC (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	7.72	10.32	2.60
Direct Expenses	\$ 2,609,660	\$ 11,466,588	\$ 8,856,928
Indirect Expenses	\$ 1,451,372	\$ 2,173,799	\$ 722,428
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 42,937	\$ 229,758	\$ 186,821
TOTAL BUDGET	\$ 4,103,969	\$ 13,870,144	\$ 9,766,176

Background and Scope

The ES-ISAC was formed in 1998 when the U.S. Secretary of Energy requested that NERC serve as the ISAC²³ for the electricity sub-sector.²⁴ The ES-ISAC's primary function is the rapid and secure sharing of information with the electric industry and governmental entities regarding real and potential security threats to the electricity sector, as well as maintenance of the methods and tools used to avoid or mitigate the potential impact from these threats. ES-ISAC facilitates sector coordination, mitigation development, and mitigation delivery for physical security, cybersecurity, and all hazards events and is aligned to support ESCC intent under the National Infrastructure Protection Plan (NIPP).

In general, the ES-ISAC supports two functions: information sharing and analytics. These functions 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. This close coordination is essential for 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 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

²³ 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.

²⁴ 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.

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 to make initial determinations of potential BES impacts. The ES-ISAC maintains other information-sharing relationships throughout the U.S. and Canadian governments, including the DOE, Canadian Secret Intelligence Service, and U.S. Department of Defense. The ES-ISAC also coordinates information sharing with similar agencies in Australia, New Zealand, and the United Kingdom.

Stakeholder Engagement and Benefit

The ES-ISAC directly benefits stakeholders through the following activities:

- Serving as a central coordination hub for electricity sector cyber risk and security information sharing, provision of mitigation advice, sector coordination support and authoritative reference material.
- Sharing information derived (declassified format) from classified threat and security vulnerability briefings that is otherwise not generally available.
- Information shared through the ES-ISAC enhances participant security assessments and capabilities.

Key ES-ISAC Efforts Underway in 2014

In 2014 and into 2015, focus will remain on continued execution of capability maturation steps already underway, and process enhancements to ES-ISAC operations. For ES-ISAC, applied resources consist primarily of personnel and contractors who gather, analyze, and provide information regarding cybersecurity threats to industry through a secure communications portal, and the costs to operate and maintain that portal. Current capability maturation efforts include a portal update that will continue through 2015. Additionally, assessment support services and self-service assessment tool creation and refinement are planned for 2015. 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 enables the ES-ISAC to improve the security of the electricity sector.

Maintaining Separation from Compliance and Enforcement

In February 2012, the Board of Trustees approved an [ES-ISAC Policy Statement](#) that established a separation between the ES-ISAC and NERC's compliance and enforcement program. In support of this policy and in furtherance of one of the FERC recommendations from an audit of NERC, in June 2013, NERC requested comments from stakeholders regarding the impact on NERC's compliance-related activities of the walling off of certain staff from ES-ISAC activities (this is further detailed in the ES-ISAC Policy Statement). In response to the request for comments, stakeholders generally expressed support for this policy.²⁵ Commenters recommended even stronger separation of the ES-ISAC information-sharing function from NERC's compliance and enforcement function, including physical separation of ES-ISAC personnel from other NERC personnel, coupled with strong process management with explicit access restrictions from all NERC personnel. Commenters also recommended the adoption of standards of conduct and procedures similar to those governing separation of utility merchant and transmission functions, as well as a change in management reporting structure in which the ES-ISAC would report

²⁵ The full text of the comments may be found at the following link:

<http://www.nerc.com/gov/bot/FINANCE/2014%20Business%20Plan%20and%20Budget2nd%20Draft/ES-ISAC%20Comments%20Received%20as%20of%2008-02-13.pdf>

directly to the NERC president and chief executive officer. In consideration of this input, NERC management undertook a number of initiatives, including:

- Separating the ES-ISAC from the Critical Infrastructure Department and having the ES-ISAC and the NERC chief security officer report directly to NERC’s president and chief executive officer.
- Transferring CID auditors to the Regional Entity Assurance and Oversight Group which provides oversight of Regional Entity compliance functions. In addition to removing these auditors from the same department as ES-ISAC personnel, this transfer provides better functional alignment among the auditors and more efficient management of the compliance oversight and audit assurance function.
- Finalized and put in place a formal Employee Code of Conduct to further memorialize the existing separation of the ES-ISAC from Compliance Monitoring and Enforcement personnel. The Code of Conduct contains many of the principals incorporated in codes of conduct separating utility competitive and regulated operations.

Management also plans to exercise an option to acquire additional space in the company’s Washington, D.C. office to physically separate the ES-ISAC from the company’s other operations and restrict personnel access between operating areas and the ES-ISAC. In connection with the negotiation of that lease, management negotiated an option to lease the remaining space, which consists of approximately 6,200 rentable square feet on the 6th floor, where the company’s offices are now located. The lease provides that the rent for the option space will be based on the “prevailing market.” The projected annual cost of leasing the space at a lease rate equivalent to the rate per square foot for NERC’s existing space of approximately \$50 per square foot would add approximately \$300k to the budget, assuming negotiation of a reasonable build out allowance. Estimated incremental operating costs would add an additional \$5k in annual costs to the budget.

2015 Goals and Deliverables

To keep pace with the growth and risk of cyber attacks and the associated need for information sharing with other sectors and industry to mitigate potential BES reliability risk, NERC’s 2015 budget provides stable resource investment levels devoted to supporting the ES-ISAC. This resource support is primarily directed to three areas:

1. Improve the usability and functionality of the information-sharing portal.
2. Prepare a cyber risk preparedness toolkit to allow industry to conduct self-assessments of cyber risk preparedness.
3. Increase analytical capabilities, portal monitoring, and information sharing. Costs in 2015 associated with improving the portal and information-sharing capabilities consist primarily of software licensing fees. The toolkit will reduce NERC’s projected ongoing costs for conducting individual cyber risk preparedness assessments for industry. Plans for 2015 include the early steps toward transitioning to an industry self-assessment model with declining ES-ISAC level of effort.

CRISP Program Participation

The Cybersecurity Risk Information Sharing Program (CRISP) is a public-private partnership whose purpose is to facilitate timely information sharing of cyber threat information and to develop situation awareness tools that enhance the electricity sector’s ability to identify, prioritize, and coordinate the protection of its critical infrastructure. CRISP provides near-real-time capability for critical infrastructure owners and

operators to voluntarily share cyber threat data, analyze this data, and receive machine-to-machine mitigation measures. Information-sharing devices that are installed on participants' networks send encrypted data to a CRISP analysis center operated by the Pacific Northwest National Labs, which analyzes the data it receives and sends alerts and mitigation measures back to CRISP participants through a secure network. NERC is proposing to assume a program management role of CRISP. Given the significance of this potential undertaking, a detailed description of NERC's oversight role, together with associated budgetary and funding projections is set forth in Exhibit F.

Resource Requirements

Personnel

An administrative FTE is proposed to be added to the ES-ISAC department. The ES-ISAC currently shares administrative support with other departments. This FTE will be dedicated to supporting ES-ISAC personnel to facilitate the functional separation of ES-ISAC personnel from other operating areas. In addition and as further described in Exhibit F, NERC is proposing to add 2 FTEs to support CRISP.

Contractor Expenses

Without CRISP, the 2015 contractor and consulting budget for ES-ISAC is approximately \$663k, which represents a decrease of approximately \$123k from the 2014 budget. The amount budgeted for 2015 includes funding for existing and added tools and technology. A discussion of the specific nature and need for these resources falls under three major categories: Program Level Support, Software and Services, and Events and Outreach. Exhibit C sets forth the budget for each of these categories of expense. Exhibit F sets forth additional detail regarding the CRISP budget, including contractor expenses.

Program Level Support

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 ES-ISAC will continue development of a new portal platform that was initiated in 2014 as part of a long-term improvement strategy. Important new enhancements and improved capabilities are presently in use and development. These include facilitation of direct data exchange with other ISACs and government partners. The portal's improved capabilities support ES-ISAC analysts in their information analysis functions and directly tie the ES-ISAC analysts with their counterparts in other sectors and national laboratories.

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 program 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 continuing to develop, and will deploy, 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. The contractor and consulting budget to support CRPA engagements, complete kit development, and initiate kit deployment for use by industry partners has begun to decrease. The decrease reflects early cost efficiencies resulting from the transition to an industry self-assessment model.

Cyber Awareness Monitoring

A new class of cyber intelligence tools that collect and analyze information and then alert 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 that 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 BES entities. ES-ISAC staff can then alert individual entities of problems. In 2014, 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.

Software and Services

Software Integration Support 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 BES maps that have cyber intelligence information. The 2015 budget for software integration support services is approximately \$63k, a slight decrease from the 2014 budget. A portion of these costs is 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.

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 ES-ISAC registered users. The DOE recently developed the Contested Operational Network for Reporting and Defense (CONRAD) system for its own internal communications; CONRAD 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 service per network interface device; each location that participates in CONRAD requires a network interface device. CONRAD is also incorporated into CRISP with the expectation that every CRISP participant will have a device at its facility allowing for secure communications between all participants. NERC has budget for one device in 2015. If other devices are added, they will need to be funded from reserves.

Events and Outreach

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 BES. 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 BES 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 limited webinar activity for this purpose until at least 2017.

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 BES 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 subsector 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 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 BES, which they utilize to keep registered entities informed of emerging BES risks through alerts and esisac.com security postings.

The ES-ISAC comparative Statement of Activities on the following page is inclusive of CRISP. See Exhibit F for additional supporting detail.

**Statement of Activities and Fixed Assets Expenditures
2014 Budget & Projection and 2015 Budget**

ES-ISAC

	2014 Budget	2014 Projection	2014 Projection v 2014 Budget Over(Under)	2015 Budget	2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments*	\$ 4,085,033	4,089,386	\$ 4,353	\$ 5,328,566	\$ 1,243,533
Penalty Sanctions	17,558	17,558	-	97,742	80,184
Total NERC Funding	\$ 4,102,591	\$ 4,106,944	\$ 4,353	\$ 5,426,307	\$ 1,323,716
Third-Party Funding (CRISP)	-	-	-	8,943,589	8,943,589
Interest	1,184	-	(1,184)	248	(936)
Total Funding (A)	\$ 4,103,775	\$ 4,106,944	\$ 3,169	\$ 14,370,144	\$ 10,266,369
Expenses					
Personnel Expenses					
Salaries	\$ 1,336,679	\$ 1,283,028	\$ (53,651)	\$ 1,733,405	\$ 396,726
Payroll Taxes	77,887	77,307	(580)	103,696	25,809
Benefits	135,474	128,072	(7,402)	186,739	51,265
Retirement Costs	151,967	141,032	(10,935)	195,059	43,092
Total Personnel Expenses	\$ 1,702,007	\$ 1,629,439	\$ (72,568)	\$ 2,218,899	\$ 516,892
Meeting Expenses					
Meetings		\$ -	\$ -	\$ 60,000	\$ 60,000
Travel	88,428	95,000	6,572	126,000	37,572
Conference Calls		19,848	19,848	24,885	24,885
Total Meeting Expenses	\$ 88,428	\$ 114,848	\$ 26,420	\$ 210,885	\$ 122,457
Operating Expenses					
Consultants & Contracts	\$ 786,450	\$ 701,600	\$ (84,850)	\$ 8,329,390	\$ 7,542,940
Office Rent		\$ -	\$ -	\$ -	\$ -
Office Costs	32,775	\$ 47,728	14,953	356,914	324,139
Professional Services		\$ -	\$ -	350,000	350,000
Miscellaneous		\$ -	\$ -	500	500
Depreciation		\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 819,225	\$ 749,328	\$ (69,897)	\$ 9,036,804	\$ 8,217,579
Total Direct Expenses	\$ 2,609,660	\$ 2,493,615	\$ (116,045)	\$ 11,466,588	\$ 8,856,928
Indirect Expenses	\$ 1,451,372	\$ 1,610,555	\$ 159,183	\$ 2,173,799	\$ 722,428
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 4,061,032	\$ 4,104,170	\$ 43,138	\$ 13,640,387	\$ 9,579,355
Fixed Assets					
Computer & Software CapEx	-	-	-	100,000	100,000
Allocation of Fixed Assets	\$ 42,937	\$ 14,637	(28,300)	129,758	86,821
Inc(Dec) in Fixed Assets (C)	\$ 42,937	\$ 14,637	\$ (28,300)	\$ 229,758	\$ 186,821
TOTAL BUDGET (=B + C)	\$ 4,103,969	\$ 4,118,807	\$ 14,838	\$ 13,870,144	\$ 9,766,176
FTEs	7.72	7.57	(0.15)	10.32	2.60

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – The increase in personnel expenses is due to the addition of an administrative FTE as described above, and two positions to support CRISP, offset by an increase in the across-the-board FTE adjustment to account for attrition and hiring delays—from 4% in 2014 to 6% in 2015.
- **Meetings, Travel, and Conferencing Expenses** – Meeting and conferencing expenses were not allocated to ES-ISAC in the 2014 budget but were collectively budgeted in the Critical Infrastructure Department. The increase in travel expense is due to the increase in FTEs.
- **Consultants and Contracts** – Expenses in this category are primarily related to CRISP as detailed in Exhibits C and F
- **Office Costs** – The increase is due to data storage needs to support CRISP and software maintenance agreements that were budgeted in the Critical Infrastructure Department in 2014, but have been properly budgeted as a cost of the ES-ISAC in 2015.
- **Professional Services** – The increases are for outside professional services support and additional insurance costs related to CRISP.
- **Indirect Expenses and Allocation of Fixed Assets** – Indirect expenses and allocation of fixed assets is higher due to the increase in FTEs in proportion to total FTEs in the statutory programs and to higher administrative services expenses to be allocated to the direct programs as explained on page xxi.

Training, Education, and Operator Certification

Training, Education and Operator Certification (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	8.16	7.97	(0.19)
Direct Expenses	\$ 2,158,199	\$ 2,171,919	\$ 13,720
Indirect Expenses	\$ 1,534,092	\$ 1,678,797	\$ 144,704
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 45,181	\$ 100,210	\$ 55,029
TOTAL BUDGET	\$ 3,737,472	\$ 3,950,926	\$ 213,454

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. 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 responsibility for training in some key areas is shared among multiple departments at NERC. Guidance for these areas is expressed in the NERC Rules of Procedure and other governing documentation pertaining to the operation of NERC as the ERO.

The Training and Education Program also supports NERC's System Operator Certification and Continuing Education (SOCCED) programs, which ensure that personnel operating the BES have the skills, training, and qualifications needed to operate the system reliably. NERC maintains the required credentials for over 6,000 system operators to work in system control centers across North America. 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 appropriately operating the BES 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. Sections 500 and 902 of the NERC Rules of Procedure address the Training and Education Program's activities in these areas.

Key Training, Education, and Operator Certification Efforts Underway in 2014

The ERO provides training for industry and ERO personnel to support their understanding of key program areas. These include:

1. Auditor Training
2. Standards and Compliance Training
3. Registration and Certification (for registered entities)
4. Continuing education for system operators and other industry personnel as appropriate and related to reliability functions
5. Event Analysis, Cause Analysis, and Lessons Learned

2015 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 staff, 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 that could affect BES 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 IT systems to better deliver and share common training products and information with Regional Entities and registered entities. Other training will focus on knowledge and skills development in a number of key areas, including:

- 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,
- 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,
- Entity registration processes, 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 responsibility for the subject matter expertise for much of the training is shared among multiple departments at NERC. The Training and Education group will provide coordination and synchronization efforts for shared NERC and ERO training responsibilities in addition to advancing and improving 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 in concert with the coordination and synchronizing efforts of the Training and Education group.

Resource Requirements

Personnel

The Training, Education, and Operator Certification department is not proposing the addition of staff in 2015.

Contractor Expenses

The total proposed consulting and contractor expenses of approximately \$752k in 2015 is approximately \$97k below the 2014 budget.

Further detail in support of the proposed 2015 contractor and consulting budget to support Training, Education, and Operator Certification is set forth in Exhibit C, which includes a comparison to 2014 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.²⁶
- Audit team leader soft skills training delivered by certified NERC staff using vendor-licensed materials to support effective dialogue and communications between audit teams and registered entities.
- Vendor supported BES technical training for select ERO 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 BES events lessons learned.
- Learning management system to support web-based training for ERO staff.

²⁶ 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 and Fixed Assets Expenditures
2014 Budget & Projection, and 2015 Budget
TRAINING, EDUCATION and OPERATOR CERTIFICATION

	2014 Budget	2014 Projection	Variance	2015 Budget	Variance
			2014 Projection v 2014 Budget Over(Under)		2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 1,665,959	\$ 1,665,959	\$ (0)	\$ 1,826,822	\$ 160,862
Penalty Sanctions	12,008	12,008	\$ -	48,871	36,862
Total NERC Funding	\$ 1,677,968	\$ 1,677,967	\$ (0)	\$ 1,875,692	\$ 197,725
Third-Party Funding	-	-	-	-	-
Testing Fees	1,620,000	1,620,000	-	1,670,000	50,000
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	1,252	162	(1,090)	192	(1,060)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 3,299,220	\$ 3,298,129	\$ (1,090)	\$ 3,545,884	\$ 246,665
Expenses					
Personnel Expenses					
Salaries	\$ 806,116	\$ 859,928	\$ 53,812	\$ 903,106	\$ 96,990
Payroll Taxes	56,919	67,624	10,705	60,937	4,018
Benefits	143,194	132,456	(10,738)	146,059	2,865
Retirement Costs	91,840	97,903	6,063	101,437	9,597
Total Personnel Expenses	\$ 1,098,069	\$ 1,157,911	\$ 59,842	\$ 1,211,539	\$ 113,470
Meeting Expenses					
Meetings	\$ 36,000	\$ 65,000	\$ 29,000	\$ 59,931	\$ 23,931
Travel	51,000	21,804	(29,196)	25,322	(25,678)
Conference Calls	25,500	25,500	-	29,320	3,820
Total Meeting Expenses	\$ 112,500	\$ 112,304	\$ (196)	\$ 114,573	\$ 2,073
Operating Expenses					
Consultants & Contracts	\$ 848,830	\$ 679,305	\$ (169,525)	\$ 752,130	\$ (96,700)
Office Rent	-	-	-	-	-
Office Costs	98,300	98,776	476	93,178	(5,122)
Professional Services	-	-	-	-	-
Miscellaneous	500	-	(500)	500	-
Depreciation	-	1,919	1,919	-	-
Total Operating Expenses	\$ 947,630	\$ 780,000	\$ (167,630)	\$ 845,808	\$ (101,822)
Total Direct Expenses	\$ 2,158,199	\$ 2,050,215	\$ (107,984)	\$ 2,171,919	\$ 13,720
Indirect Expenses	\$ 1,534,092	\$ 1,665,871	\$ 131,779	\$ 1,678,797	\$ 144,704
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 3,692,291	\$ 3,716,086	\$ 23,795	\$ 3,850,716	\$ 158,425
Change in Assets	\$ (393,072)	\$ (417,958)	\$ (24,885)	\$ (304,832)	\$ 88,240
Fixed Assets					
Depreciation	-	(3,838)	(1,919)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 45,181	\$ 15,140	(30,041)	100,210	\$ 55,029
Inc(Dec) in Fixed Assets (C)	\$ 45,181	\$ 11,302	\$ (31,960)	\$ 100,210	\$ 55,029
TOTAL BUDGET (=B + C)	\$ 3,737,472	\$ 3,727,388	\$ (8,165)	\$ 3,950,926	\$ 213,454
FTEs	8.16	7.83	(0.33)	7.97	(0.19)

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – In addition to the budgeted increase in salaries, the increase in salaries is due to changes in job responsibilities for some positions, resulting in higher expense per FTE, partially offset by the change an increase in the across the board FTE adjustment to account for attrition and hiring delays—from 4% in 2014 to 6% in 2015. The higher salary expense per FTE also resulted in higher retirement expenses. The increase in payroll taxes is due to a higher maximum salary subject to FICA taxes. The increase in benefits is due to budgeted market increases in medical and dental plan costs.
- **Meetings, Travel, and Conferencing Expenses** –The increase in meeting expenses is primarily related to the PCGC and is offset by testing and certification fees. The increase in conferencing and the reduction in travel expenses, are based upon prior year actual and 2014 projected costs.
- **Consultants and Contracts** – The decrease is primarily due to lower costs for system operator testing and exam development costs.
- **Indirect Expenses and Allocation of Fixed Assets** – Indirect expenses and allocation of fixed assets is higher due to higher administrative services expenses to be allocated to the direct programs, as explained on page xxi.

Administrative Services

Administrative Services (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	59.14	67.54	8.40
Total Direct Expenses	\$ 24,513,515	\$ 26,279,380	\$ 1,765,865
Inc(Dec) in Fixed Assets	\$ 721,958	\$ 1,568,658	\$ 846,700
Total Allocation to Statutory Programs as Indirect Expenses	\$ 25,235,473	\$ 27,848,038	\$ 2,612,565

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 (CEO), chief reliability officer (CRO) and support staff, communications, external affairs and governmental relations, and office rent; (3) Legal and Regulatory; (4) Information Technology; (5) Human Resources; (6) Finance and Accounting; and (7) other 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 2015 budget does not contain specific funding for any forum activities.

General and Administrative

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 CRO, the CEO's executive assistant, communications, external affairs and government relations staff, and costs related to the Board. No additional personnel are budgeted for 2015 beyond current staffing. The increase in FTEs in the General and Administrative area is due to a reallocation occurring in 2014 of personnel supporting the Member Representatives Committee and Regional Entity Management Group activities.

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

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Board of Trustee Expenses	Budget 2014	Projection 2014	Budget 2015	2015 v 2014 Budget	Variance %
Meetings and Travel Expenses					
Quarterly Board Meetings	\$ 234,000	\$ 250,000	\$ 244,000	\$ 10,000	
Trustee Travel	155,000	155,000	150,000	(5,000)	
Total Board of Trustees Meetings and Travel Expenses	389,000	405,000	394,000	5,000	
Professional Services					
Independent Trustee Fees	1,000,000	1,000,000	1,085,000	85,000	
Trustee Search Fees	70,000	70,000	-	(70,000)	
Total Board of Trustee Professional Services Expenses	1,070,000	1,070,000	1,085,000	15,000	
Total Board of Trustee Expenses	\$ 1,459,000	\$ 1,475,000	\$ 1,479,000	\$ 20,000	1.37%

**Statement of Activities and Fixed Assets Expenditures
2014 Budget & Projection, and 2015 Budget**

GENERAL and ADMINISTRATIVE

Funding	2014 Budget	2014 Projection	Variance	2015 Budget	Variance
			2014 Projection v 2014 Budget Over(Under)		2015 Budget v 2014 Budget Over(Under)
ERO Funding					
NERC Assessments	\$ (2,216,461)	\$ (2,216,461)	\$ -	\$ 626,997	\$ 2,843,458
Penalty Sanctions	-	-	-	-	-
Total NERC Funding	\$ (2,216,461)	\$ (2,216,461)	\$ -	\$ 626,997	\$ 2,843,458
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ (2,216,461)	\$ (2,216,461)	\$ -	\$ 626,997	\$ 2,843,458
Expenses					
Personnel Expenses					
Salaries	\$ 2,031,740	\$ 2,370,008	\$ 338,268	\$ 2,425,909	\$ 394,169
Payroll Taxes	89,250	133,897	44,647	122,928	33,678
Benefits	245,309	281,732	36,423	314,644	69,335
Retirement Costs	158,550	255,461	96,911	203,656	45,106
Total Personnel Expenses	\$ 2,524,849	\$ 3,041,098	\$ 516,249	\$ 3,067,137	\$ 542,288
Meeting Expenses					
Meetings	\$ 268,000	\$ 372,500	\$ 104,500	\$ 338,900	\$ 70,900
Travel	421,482	426,482	5,000	426,482	5,000
Conference Calls	24,206	24,361	155	28,831	4,625
Total Meeting Expenses	\$ 713,688	\$ 823,343	\$ 109,655	\$ 794,213	\$ 80,525
Operating Expenses					
Consultants & Contracts	\$ 75,000	\$ 15,000	\$ (60,000)	\$ 15,000	\$ (60,000)
Office Rent	2,617,300	2,650,299	32,999	2,987,777	370,477
Office Costs	502,000	485,878	(16,122)	444,262	(57,738)
Professional Services	1,170,000	1,200,000	30,000	1,185,000	15,000
Miscellaneous	5,500	5,500	-	5,500	-
Depreciation	419,399	423,228	3,829	419,399	-
Total Operating Expenses	\$ 4,789,199	\$ 4,779,905	\$ (9,294)	\$ 5,056,938	\$ 267,739
Total Direct Expenses	\$ 8,027,736	\$ 8,644,346	\$ 616,610	\$ 8,918,288	\$ 890,552
Indirect Expenses	\$ (8,171,736)	\$ (8,723,713)	\$ (551,977)	\$ (9,049,288)	\$ (877,552)
Other Non-Operating Expenses	\$ 144,000	\$ 79,367	\$ (64,633)	\$ 131,000	\$ (13,000)
Total Expenses (B)	\$ -	\$ (0)	\$ (0)	\$ -	\$ (0)
Change in Assets	\$ (2,216,461)	\$ (2,216,461)	\$ 0	\$ 626,997	\$ 2,843,458
Fixed Assets					
Depreciation	(419,399)	(423,228)	(3,829)	(419,399)	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 419,399	\$ 423,228	3,829	419,399	-
Inc(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (=B + C)	\$ -	\$ (0)	\$ (0)	\$ -	\$ (0)
FTEs	10.56	13.11	2.55	13.13	2.57

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – Personnel expenses are projected to increase in 2015 due primarily to FTEs reallocated to this department in 2014. The percentage increase in payroll taxes is higher than salaries and retirement expenses due to an increase in the maximum salary subject to FICA taxes. Benefits are projected to increase at a higher rate than other personnel expenses due to the higher cost per employee of employee benefits plans.
- **Travel and Conferencing Expenses** – The increases in meeting, travel and conferencing expenses for 2015 are based upon 2013 actual costs.
- **Consultants and Contracts** – The decrease in 2015 is due to the reduction in the projected cost of outside consulting to support communications.
- **Office Rent** – The increase is related to the plan to exercise an existing option to acquire additional space in the Washington, DC office for the separation of the ES-ISAC from other NERC operations and to a projected decrease in rental income from the subtenant in NERC’s former Washington, DC offices.
- **Office Costs** – The decrease is primarily due to lower copying and use tax expenses based upon 2013 actual costs.
- **Professional Services** – The increase is due to an increase in Trustee compensation offset by the reduction in Trustee search fees.
- **Other Non-Operating Expenses** – The decrease is due to timing of draws on the capital financing loan which is expected to occur at the end of each year instead of the beginning of the year. Management has assumed a 3.5% rate of interest, which is higher than the current rate of interest, given the potential for interest rate increases in 2015.

Legal and Regulatory

Legal and Regulatory (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	15.15	15.01	(0.14)
Total Direct Expenses	\$ 4,298,813	\$ 4,448,015	\$ 149,202
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -

Background and Scope

The Legal and Regulatory department’s workload is derived from the following key NERC program areas: Compliance Analysis, Registration and Certification, Reliability Risk Management, Reliability Assessment and Performance Analysis, and Standards. In addition, the Legal and Regulatory 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. The Legal and Regulatory department is extensively involved with the preparation of the Five-Year ERO Performance Assessment, which was filed with FERC on July, 21, 2014. The department also addresses legal and regulatory matters that arise in connection with the delegation agreements with the Regional Entities, including proposed amendments to agreements expected at the end of 2015. The legal and regulatory needs of the ERO are both demanding and increasingly more complex.

Resource Requirements

No additional personnel are budgeted in 2015 for this department.

Outside law firms and consultants supporting this area are budgeted and tracked as Professional Services. The Professional Services budget for 2015 is reduced from the 2014 budget.

**Statement of Activities and Fixed Assets Expenditures
2014 Budget & Projection, and 2015 Budget**

LEGAL and REGULATORY

	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	\$ -	\$ -	\$ -	\$ -	\$ -
Total NERC Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses					
Personnel Expenses					
Salaries	\$ 2,637,399	\$ 2,696,870	\$ 59,471	\$ 2,798,380	\$ 160,981
Payroll Taxes	136,718	150,064	13,346	152,178	15,460
Benefits	265,856	257,444	(8,412)	288,597	22,741
Retirement Costs	296,887	293,893	(2,994)	314,835	17,948
Total Personnel Expenses	<u>\$ 3,336,860</u>	<u>\$ 3,398,271</u>	<u>\$ 61,411</u>	<u>\$ 3,553,990</u>	<u>\$ 217,130</u>
Meeting Expenses					
Meetings	\$ 5,000	\$ 5,000	\$ -	\$ 7,500	\$ 2,500
Travel	120,000	104,549	(15,451)	106,000	(14,000)
Conference Calls	12,953	7,024	(5,929)	8,874	(4,079)
Total Meeting Expenses	<u>\$ 137,953</u>	<u>\$ 116,573</u>	<u>\$ (21,380)</u>	<u>\$ 122,374</u>	<u>\$ (15,579)</u>
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	63,500	60,942	(2,558)	71,152	7,652
Professional Services	760,000	790,000	30,000	700,000	(60,000)
Miscellaneous	500	-	(500)	500	-
Depreciation	-	4,458	4,458	-	-
Total Operating Expenses	<u>\$ 824,000</u>	<u>\$ 855,400</u>	<u>\$ 31,400</u>	<u>\$ 771,652</u>	<u>\$ (52,348)</u>
Total Direct Expenses	<u>\$ 4,298,813</u>	<u>\$ 4,370,243</u>	<u>\$ 71,430</u>	<u>\$ 4,448,015</u>	<u>\$ 149,202</u>
Indirect Expenses	<u>\$ (4,298,813)</u>	<u>\$ (4,370,243)</u>	<u>\$ (71,430)</u>	<u>\$ (4,448,015)</u>	<u>\$ (149,202)</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 0</u>
Change in Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (0)</u>
Fixed Assets					
Depreciation	-	(4,458)	(4,458)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ 4,458	-	-	-
Inc(Dec) in Fixed Assets (C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,458)</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL BUDGET (=B + C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,458)</u>	<u>\$ -</u>	<u>\$ 0</u>
FTEs	15.15	15.22	0.07	15.01	(0.14)

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – The increases in salaries and retirement expenses reflect the general increases included in the 2015 budget. The percentage increase in payroll taxes is higher than salaries and retirement expenses due to an increase in the maximum salary subject to FICA taxes. Benefits are projected to increase at a higher rate than other personnel expenses due to the higher cost per employee of employee benefits plans due to budgeted market increases in medical and dental plan costs.
- **Meetings, Travel and Conferencing Expenses** – The slight increase in meetings expense and the decreases in travel and conferencing expenses are based upon prior year actual costs.
- **Office Costs** – The increase is due to projected higher subscription costs for legal research tools.
- **Professional Services** – The reduction is related to outside legal costs to complete the 5-year performance assessment in 2014.

Information Technology

Information Technology (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	18.07	19.70	1.63
Total Direct Expenses	\$ 8,320,845	\$ 8,526,886	\$ 206,041
Inc(Dec) in Fixed Assets	\$ 1,141,357	\$ 1,988,057	\$ 846,700

Background and Scope

NERC’s information technology (IT) department plan and budget includes those resources necessary to support the development and maintenance of ERO Enterprise applications, data analysis and ongoing operations.

1. ERO Enterprise Applications –

There are three major categories of expense which are included in the rolling three year Enterprise Application budget and forecast:

- a. **Development.** Applications deemed strategic to the ERO enterprise that are not readily available in a Commercially-off-the-Shelf (COTS) solution will require development by a well-qualified vendor, with expert level staff to develop the application to be used across the ERO enterprise, to include NERC, Regional Entities and in some instances registered entities.
- b. **Enhancement.** As enterprise applications are brought online and operational, ongoing, approved upgrades will be required to, enhance features, add functionality and meet the dynamic needs of the ERO enterprise to ensure the reliability of the North American bulk power system. The Bulk Electric System Notifications and Exceptions (BESnet) tool was brought online and operational on July 1, 2014, along with the Standards Balloting System (SBS) which is in the final stages of development and future enterprise applications will all require business approved enhancements following a disciplined process for approval and implementation.
- c. **Support.** Enterprise applications implemented for use by NERC, Regional Entities and sometimes registered entities e.g., BESnet, require ongoing support to ensure they are they are operational for business usage. Following industry accepted support practices funding for this line item is designed to ensure end user application issues are resolved, identification of errors, along with application and database maintenance is performed, to ensure the application is maintained and available in support of the ERO enterprise.

2. ERO Data Analysis –

Data analysis expenses fall into three major categories: professional services, tools and support costs.

- a. **Professional Services.** Professional services include vendor support for implementation and configuration of data analytics for the ERO Enterprise. Data analytics are used to

describe, predict and improve business performance, as well as identify and assess reliability risks.

- b. **Tools.** Tools include software applications used to mine data from a single, or multiple databases in order to create analytics (e.g., Microsoft's Analytics Platform System in order to determine business performance, or in the context of the ERO enterprise, possible risk to reliability).
- c. **Support.** Support includes ongoing upgrades and enhancements, along with vendor help desk support as required.

3. Ongoing Operations –

NERC's IT budget includes costs to support existing software applications, as well as consulting and vendor costs for network security testing and planning, website maintenance and development, as well as the development and implementation of a document management system.

- a. **Compliance Database (CRATS/webCDMS+).** The compliance database is used to track violations, mitigation plans to include reporting required by NERC as the certified ERO. In addition, the compliance database has additional modules included such as the Standards, Technical Feasibility Exceptions (TFE's) and Registration module, which contains a list of all registered entities. Funding requirements include ongoing maintenance and enhancements to the compliance tools (CRATS and webCDMS+).
- b. **Application Broker, Meeting Manager, ERO Membership, NERC My Account, UMP, RCIS, CIPIS, CRC.** NERC maintains a number of legacy applications. Many of the legacy applications were developed and implemented five to ten years ago and are unable to take advantage of contemporary application development and will have to be completely re-written, or may be able to leverage to-be-developed functionality available in the ERO enterprise applications. Funding is required for ongoing maintenance and enhancements until the application can be re-written or, in some case, potentially divested or transferred to industry support.
- c. **Quarterly Penetration, Vulnerability Testing all NERC network and systems.** Expert consulting services required to provide ongoing intrusion detection and vulnerability testing of the NERC public website, NERC's network, applications, and systems is an essential requirement of on-going operations. Multiple attempts are made to gain access, and any vulnerability identified is documented and provided to NERC IT for rapid remediation.
- d. **NERC Security Program – enhance based on internal audit recommendations.** NERC's IT department 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. During 2014, an outside vendor was retain to conduct an IT Risk Assessment. The outcome of the risk assessment will be used to guide and continually enhance the NERC IT security program as part of a multi-year initiative.
- e. **Document Management System and Website Enhancement.** During 2014, NERC will complete the initial steps required to commence implementation of a document

management system. In addition, during 2013, NERC completed a major enhancement of its public website utilizing 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. In 2014, NERC made additional enhancements to the public website designed to improve internal core functionality e.g., streamlined document posting, internal controls and approval process. During the 2015 – 2017 timeframe NERC’s IT department, in conjunction with the program areas,, plans to conduct a review of the website architecture in order to streamline access to important industry information, enhance search capability by leveraging metadata, along with the overall view and presentation of data across the website.

Resource Requirements

Personnel

The increase in FTEs is due to the transfer of open positions from other departments in 2014, as well as the addition of a Chief Information Officer in 2014.

Contract and Consulting Resources to Support Internal Operations

The 2015 budgeted amounts are set forth in Exhibit C, with a comparison to 2014 budgeted amounts.

2015 IT Operating Expenses

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

Office Costs	Budget 2014	Budget 2015	Variance
Telephone	\$ 225,000	\$ 225,000	\$ -
Telephone - Answering Service		3,000	3,000
Internet	275,000	375,000	100,000
Computer Supplies and Maintenance			
Computers	4,500	9,000	4,500
Computer Supplies	95,400	100,100	4,700
Maintenance & Service Agreements	1,539,370	1,333,320	(206,050)
Software	140,500	88,000	(52,500)
Network Supplies	-	-	
Express Shipping	-	10,000	10,000
Total Office Costs	\$ 2,279,770	\$ 2,143,420	\$ (136,350)

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. In addition, IT support persons are required to be available for support 24 x 7 x 365, which 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. During 2014, IT implemented Microsoft Lync to enhance productivity by leveraging Interactive Messaging and Desktop Sharing and will also work to reduce conference calling fees by implementing a solution for internal conference calling.

Bonded T1 circuits provide access for VoIP service for NERC desk phones in lieu of having an 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 in which 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 and 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 100 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.

Express Shipping

Express shipping is for shipping of IT computers and computer supplies. This expense item was not separately budgeted in 2014.

2015 IT Fixed Asset (Capital) Expenses

The following table presents a summary of NERC’s 2015 fixed asset (capital) budget:

Fixed Assets	Budget 2014	Budget 2015	Variance
Computer & Software CapEx	\$ 2,258,800	\$ 2,953,500	\$ 694,700
Equipment CapEx	\$ 213,000	\$ 365,000	\$ 152,000
	\$ 2,471,800	\$ 3,318,500	\$ 846,700

As in prior years, the goal of the 2015–2017 planning period is to provide access, visibility, and analysis of data from many different sources across the ERO; this will require significant investment in hardware, software, and associated tools. The overarching theme is to securely gather, analyze, and maintain data across the ERO Enterprise to support ERO operations. Adding the capability to centralize and mine data, in addition to foundational elements such as disaster recovery and application development, sets 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 2015 budget also includes the cost of software, servers, laptops, and other hardware to support daily operations.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Statement of Activities and Fixed Assets Expenditures					
2014 Budget & Projection, and 2015 Budget					
INFORMATION TECHNOLOGY					
	2014	2014	Variance	2015	Variance
	Budget	Projection	2014 Projection v 2014 Budget Over(Under)	Budget	2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	\$ -	\$ -	\$ -	\$ -	\$ -
Total NERC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 2,013,859	\$ 2,202,292	\$ 188,433	\$ 2,477,896	\$ 464,037
Payroll Taxes	136,366	165,042	28,676	160,263	23,897
Benefits	317,097	311,150	(5,947)	356,502	39,405
Retirement Costs	229,767	199,411	(30,356)	277,094	47,327
Total Personnel Expenses	\$ 2,697,089	\$ 2,877,895	\$ 180,806	\$ 3,271,754	\$ 574,665
Meeting Expenses					
Meetings	\$ 5,000	\$ 4,798	\$ (202)	\$ 3,169	\$ (1,831)
Travel	59,243	34,544	(24,699)	35,000	(24,243)
Conference Calls	4,800	15,000	10,200	13,000	8,200
Total Meeting Expenses	\$ 69,043	\$ 54,342	\$ (14,701)	\$ 51,169	\$ (17,874)
Operating Expenses					
Consultants & Contracts	\$ 1,944,000	\$ 2,468,808	\$ 524,808	\$ 1,729,600	\$ (214,400)
Office Rent	-	-	-	-	-
Office Costs	2,279,770	2,244,602	(35,168)	2,143,420	(136,350)
Professional Services	-	-	-	-	-
Miscellaneous	500	-	(500)	500	-
Depreciation	1,330,443	1,024,148	(306,295)	1,330,443	-
Total Operating Expenses	\$ 5,554,713	\$ 5,737,558	\$ 182,845	\$ 5,203,963	\$ (350,750)
Total Direct Expenses	\$ 8,320,845	\$ 8,669,795	\$ 348,950	\$ 8,526,886	\$ 206,041
Indirect Expenses	(8,320,845)	(8,669,795)	(348,950)	(8,526,886)	(206,041)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ (0)	\$ -	\$ 0
Change in Assets	\$ -	\$ -	\$ 0	\$ -	\$ (0)
Fixed Assets					
Depreciation	(1,330,443)	(1,024,148)	306,295	(1,330,443)	-
Computer & Software CapEx	2,258,800	1,508,742	(750,058)	2,953,500	694,700
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	213,000	186,721	(26,279)	365,000	152,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (1,141,357)	\$ (671,315)	470,042	\$ (1,988,057)	\$ (846,700)
Inc(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (=B + C)	\$ -	\$ -	\$ (0)	\$ -	\$ 0
FTEs	18.07	18.40	0.33	19.70	1.63

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – Personnel expenses are projected to increase in 2015 due primarily to FTEs reallocated to this department in 2014.
- **Meetings, Travel and Conferencing Expenses** – The projected reductions are based upon prior year actual and 2014 projected costs.
- **Consultants and Contracts** – The reduction is primarily due to lower budgeted costs for applications enhancements, consulting, and help desk support.
- **Office Costs** – The decrease is primarily related to software and hardware annual maintenance agreements and data center hosting expenses.

Human Resources

Human Resources (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	2.88	2.81	(0.07)
Total Direct Expenses	\$ 1,104,974	\$ 1,158,304	\$ 53,330
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -

Background and Scope

Human Resources (HR) manages all of NERC’s HR 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.

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 and team performance.

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-learning platform, SkillsSoft, to provide staff resources for improving soft and technical skills. Second, HR will provide staff development training through real-world access via tours of and training on control centers, electric substations, and power generation 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 proven successful compensation models and practices prevalent within the market. Similarly, HR may retain 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 the value of 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, which may include periodic internal climate surveys.

Succession Planning

Minimizing disruption of knowledge, skill, and experience bases of key staff is critical to the company's success. HR works with senior management to identify essential roles and develop strategies to build succession and contingency plans for any loss of staff.

HR Products and Services Automation

Paramount to an effective 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 budgeted for this department in 2015.

Contractor Expenses

Contractor and consultant expenses are higher than 2014 budgeted amounts to support HR services and are set forth in additional detail in Exhibit C.

Miscellaneous Expenses

Miscellaneous expenses include Community Responsibility and Employee Engagement, Year-end Holiday Catering, and a portion of the budget for Employee Rewards and Recognition.

**Statement of Activities and Fixed Assets Expenditures
2014 Budget & Projection, and 2015 Budget**

HUMAN RESOURCES

	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	\$ -	\$ -	\$ -	\$ -	\$ -
Total NERC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 595,009	\$ 557,071	\$ (37,938)	\$ 606,214	\$ 11,205
Payroll Taxes	23,428	26,607	3,179	23,797	369
Benefits	50,539	49,725	(814)	50,929	390
Retirement Costs	42,721	44,262	1,541	42,964	243
Total Personnel Expenses	\$ 711,697	\$ 677,665	\$ (34,032)	\$ 723,904	\$ 12,207
Meeting Expenses					
Meetings	\$ 2,000	\$ 1,000	\$ (1,000)	\$ 1,500	\$ (500)
Travel	10,897	14,000	3,103	14,000	3,103
Conference Calls	600	600	-	1,247	647
Total Meeting Expenses	\$ 13,497	\$ 15,600	\$ 2,103	\$ 16,747	\$ 3,250
Operating Expenses					
Consultants & Contracts	\$ 257,500	\$ 332,000	\$ 74,500	\$ 298,275	\$ 40,775
Office Rent	-	-	-	-	-
Office Costs	16,500	13,791	(2,709)	14,099	(2,401)
Professional Services	80,280	75,280	(5,000)	80,280	-
Miscellaneous	25,500	25,500	-	25,000	(500)
Depreciation	-	7,733	7,733	-	-
Total Operating Expenses	\$ 379,780	\$ 454,305	\$ 74,525	\$ 417,654	\$ 37,874
Total Direct Expenses	\$ 1,104,974	\$ 1,147,570	\$ 42,596	\$ 1,158,304	\$ 53,330
Indirect Expenses	\$ (1,104,974)	\$ (1,147,570)	\$ (42,596)	\$ (1,158,304)	\$ (53,330)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ 0	\$ -	\$ 0
Change in Assets	\$ -	\$ -	\$ (0)	\$ -	\$ (0)
Fixed Assets					
Depreciation	-	(7,733)	(7,733)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ 7,733	\$ 7,733	-	-
Inc(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (=B + C)	\$ -	\$ -	\$ 0	\$ -	\$ 0
FTEs	2.88	2.94	0.06	2.81	(0.07)

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – Salaries expense includes a total corporate budget for employment agency fees and temporary office services. The budget for these expenses remains the same in 2015 as was budgeted in 2014.
- **Travel** – The increase is based upon 2013 actual and projected 2014 costs.
- **Consultants and Contracts** – The increase is to provide additional HR support services.
- **Office Costs** – The decrease is primarily related to a reduction in the cost of telecommunications on a per-FTE basis.

Finance and Accounting

Accounting and Finance (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	12.48	16.89	4.41
Total Direct Expenses	\$ 2,617,147	\$ 3,096,886	\$ 479,739
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -

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, meetings, 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

Several FTEs have been reallocated to this department during 2014. One additional FTE will be added to this department in 2015 to strengthen segregation of duties, cross training, and back-up functions.

Contractor Expenses

Approximately \$339k is budgeted for outside contractor and consulting support, representing a decrease compared to the 2014 budget. These costs are primarily for outside professional support for auditors to support various risk management and internal control initiatives, as well as to provide finance and accounting support.

Section A – 2015 Business Plan and Budget Program Area and Department Detail

Statement of Activities and Fixed Assets Expenditures 2014 Budget & Projection, and 2015 Budget FINANCE and ACCOUNTING					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	\$ -	-	-	-	-
Total NERC Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Third-Party Funding	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses					
Personnel Expenses					
Salaries	\$ 1,379,476	\$ 1,590,905	\$ 211,429	\$ 1,770,583	\$ 391,107
Payroll Taxes	81,128	108,894	27,766	105,402	24,274
Benefits	219,002	253,392	34,390	288,597	69,595
Retirement Costs	155,391	171,089	15,698	197,906	42,515
Total Personnel Expenses	<u>\$ 1,834,997</u>	<u>\$ 2,124,280</u>	<u>\$ 289,283</u>	<u>\$ 2,362,488</u>	<u>\$ 527,491</u>
Meeting Expenses					
Meetings	\$ 5,650	\$ 2,500	\$ (3,150)	\$ 2,500	\$ (3,150)
Travel	62,500	48,765	(13,735)	48,500	(14,000)
Conference Calls	4,000	8,000	4,000	9,560	5,560
Total Meeting Expenses	<u>\$ 72,150</u>	<u>\$ 59,265</u>	<u>\$ (12,885)</u>	<u>\$ 60,560</u>	<u>\$ (11,590)</u>
Operating Expenses					
Consultants & Contracts	\$ 400,000	\$ 359,252	\$ (40,748)	\$ 339,500	\$ (60,500)
Office Rent	-	-	-	-	-
Office Costs	29,500	31,744	2,244	37,838	8,338
Professional Services	280,000	225,000	(55,000)	296,000	16,000
Miscellaneous	500	500	-	500	-
Depreciation	-	2,201	2,201	-	-
Total Operating Expenses	<u>\$ 710,000</u>	<u>\$ 618,697</u>	<u>\$ (91,303)</u>	<u>\$ 673,838</u>	<u>\$ (36,162)</u>
Total Direct Expenses	<u>\$ 2,617,147</u>	<u>\$ 2,802,242</u>	<u>\$ 185,095</u>	<u>\$ 3,096,886</u>	<u>\$ 479,739</u>
Indirect Expenses	<u>\$ (2,617,147)</u>	<u>\$ (2,802,242)</u>	<u>\$ (185,095)</u>	<u>\$ (3,096,886)</u>	<u>\$ (479,739)</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>
Change in Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>
Fixed Assets					
Depreciation	-	(2,201)	(2,201)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ 2,201	\$ 2,201	-	-
Inc(Dec) in Fixed Assets (C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL BUDGET (=B + C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>
FTEs	12.48	14.98	2.50	16.89	4.41

Summary of Variances by Category – 2015 Budget Compared to 2014 Budget

- **Personnel** – Personnel expenses are projected to increase in 2015 due primarily to FTEs reallocated to this department in 2014. Benefits are projected to increase at a slightly higher rate than other personnel expenses due to the higher cost per employee of employee benefits plans due to budgeted market increases in medical and dental plan costs.
- **Office Costs** – The increase is due to an increase in the number for FTEs in the department.
- **Professional Services** – The increase is due to implementation of new systems to improve efficiency and controls in processing expenses.

Section B — Supplemental Financial Information

Breakdown by Statement of Activity Sections

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

Table B-1
Working Capital and Operating Reserves Analysis

Working Capital and Operating Reserve Analysis						
Statutory						
	Total Reserves	Working Capital ¹	Known Contingencies	Unknown Contingencies	Operator Certification	CRISP
Beginning Balance						
Balance as of 12/31/13 - per audit	6,264,672	3,817,478	1,000,000	(69,672)	1,516,866	
Less: Adjustment for future liabilities	(3,817,478)	(3,817,478)				
Available Working Capital and Operating Reserves	2,447,194	-	1,000,000	(69,672)	1,516,866	-
Generation or (Use) from 2014 Operations						
From 2014 operations ²	(1,842,482)		(150,000)	(1,172,046)	(520,436)	
Proceeds from financing activities (non-current portion only)	1,400,799			1,400,799		
Projected Working Capital and Operating Reserves - 12/31/14	2,005,511	-	850,000	159,081	996,430	-
Required Working Capital and Operating Reserves - 12/31/15³	3,100,469	-	-	2,009,081	591,388	500,000
Adjustment to achieve required reserve balance	1,094,958	-	(850,000)	1,850,000	(405,042)	500,000
Increase(decrease) in funding requirement to adjust reserve balance	1,094,958	-	(850,000)	1,850,000	(405,042)	500,000
2015 Expenses and Capital Expenditures	66,649,309			55,853,076	1,475,109	9,321,123
Less: Penalty Sanctions received 7/1/13 - 7/31/14	(1,155,000)			(1,155,000)		
Less: Other Funding Sources	(10,907,889)			(894,232)	(1,070,068)	(8,943,589)
Adjustment to achieve desired reserve balance	1,094,958	-	(850,000)	1,850,000	(405,042)	500,000
Less: Proceeds from financing activities (non-current only)	(1,266,667)			(1,266,667)		
Plus: debt service	893,664			893,664		
2015 NERC Assessment	55,308,375	-	(850,000)	55,280,841	-	877,534

¹As further explained in the discussion of the Working Capital Reserve amount in Exhibit E, funds classified as Working Capital offset future, non-current liabilities. The calculation of Working Capital and Operating Reserve balances per 2013 audited financials and as projected for 2014 and 2015 is included with the Statements of Financial Position on page 97.

²The use of Unknown Contingency reserves includes the \$1,222,471 budgeted reduction in reserves in 2014.

³On August 14, 2014, the NERC Board of Trustees approved the Working Capital and Operating Reserve Balance at 12/31/15.

Table B-2 Penalties

Penalty Sanctions

Penalty monies received prior to June 30, 2014, are to be used to offset assessments in the 2015 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 1107.2 of the Rules of Procedure. Penalty monies received from July 1, 2014, through June 30, 2015, will be used to offset assessments in the 2016 budget. In addition, pursuant to Section 1107.4 of the Rules of Procedure, management is requesting approval to apply \$1M in penalty funds received on July 9, 2014 to offset 2015 assessments.

All penalties received as of July 9, 2014, 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, Regional Entity Assurance and Oversight, Compliance Analysis, Registration and Certification, Compliance Enforcement, Reliability Assessments and Performance Analysis, Training and Education, Situational Awareness, Event Analysis and Investigations, the Critical Infrastructure Department, and the ES-ISAC. 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.

Penalty Sanctions	Date Received	Amount Received
Penalties received between 7/1/2013 and 6/30/2014		
	7/15/2013	\$ 25,000
	11/7/2013	120,000
	11/8/2013	5,000
	12/2/2013	5,000
		\$ 155,000
Penalties received after 6/30/2014, but included in the 2015 Budget		
	7/9/2014	\$ 1,000,000
		\$ 1,155,000
Total Penalty Sanctions included in the 2015 Budget		\$ 1,155,000

Table B-3 Outside Funding

Outside Funding Breakdown By Program (Excluding Penalty Sanction)	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget
Reliability Standards				
Workshops	\$ 104,000	\$ 104,000	\$ 104,000	\$ -
Interest Allocation	3,976	522	587	(3,389)
Total	\$ 107,976	\$ 104,522	\$ 104,587	\$ (3,389)
Compliance Analysis, Registration and Certification				
Interest Allocation	\$ -	\$ 254	\$ 271	\$ 271
Total	\$ 46,332	\$ 254	\$ 271	\$ 271
Regional Entity Assurance and Oversight				
Workshops	\$ 40,000	\$ -	\$ -	\$ (40,000)
Interest Allocation	3,534	254	293	(3,241)
Total	\$ 46,332	\$ 254	\$ 293	\$ (43,241)
Compliance Enforcement				
Interest Allocation	\$ 2,798	\$ 293	\$ 361	\$ (2,437)
Total	\$ 46,332	\$ 293	\$ 361	\$ (2,437)
Reliability Assessments and Performance Analysis				
pc_GAR Software	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Workshops	40,000	40,000	17,500	(22,500)
Interest Allocation	2,913	405	474	(2,439)
Total	\$ 92,913	\$ 90,405	\$ 67,974	\$ (24,939)
Training and Education				
Testing Fees and Certificate Renewals	\$ 1,035,000	\$ 1,020,000	\$ 1,070,000	\$ 35,000
CEH Fees	600,000	600,000	600,000	-
Interest Allocation	1,252	162	192	(1,060)
Total	\$ 1,621,252	\$ 1,620,162	\$ 1,670,192	\$ 33,940
Event Analysis				
Workshops	\$ 50,000	\$ 50,000	\$ 47,300	\$ (2,700)
Interest Allocation	1,473	197	226	(1,247)
Total	\$ 51,473	\$ 50,197	\$ 47,526	\$ (3,947)
Situation Awareness				
Workshops	\$ 75,000	\$ -	\$ -	\$ (75,000)
Interest Allocation	957	127	147	(810)
Total	\$ 75,957	\$ 127	\$ 147	\$ (75,810)
Critical Infrastructure Department				
Workshops	\$ 45,000	\$ 45,000	\$ 72,500	\$ 27,500
Interest Allocation	3,098	162	203	(2,895)
Total	\$ 48,098	\$ 45,162	\$ 72,703	\$ 24,605
ES-ISAC				
Third Party Funding (CRISP)			8,943,589	8,943,589
Interest Allocation		157	248	248
Total	\$ -	\$ 157	\$ 8,943,837	\$ 8,943,837
Total Outside Funding	\$ 2,044,000	\$ 1,910,986	\$ 10,907,235	\$ (49,270)

Explanation of Significant Variances – 2015 Budget Compared to 2014 Budget

- Regional Entity Assurance and Oversight – Workshop fees are not budgeted in 2015 because the workshops are being held in NERC or Regional Entity offices at significantly lower cost than hotels.
- Reliability Assessments and Performance Analysis – 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 feedback from industry expressing a strong desire for continuing to provide access. Upon further review 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 funding is included in the Fixed Asset portion of the 2015 Business Plan and Budget for this activity. Any fees for licensing of the pc-GAR software in 2015 will be used to offset development costs of the replacement application, as well operation and maintenance costs for the existing and replacement applications.

The reduction in workshop fees is due to the decision to not charge attendance fees at one of two meetings.

- Training and Education – The increase is related to a higher number of tests being administered in 2015.
- Situation Awareness – Reduced number of workshops due to the transition of the NASPI support to the private sector.
- Critical Infrastructure Protection – Workshop fees associated with the Grid Security Conference are budgeted to be higher than 2014 based upon 2013 actual results.
- ES-ISAC – The increase is related to third party funding of CRISP.

**Table B-4
Personnel**

Personnel Expenses	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Total Salaries	\$ 26,218,572	\$ 26,168,292	\$ 27,580,677	\$ 1,362,105	5.2%
Total Payroll Taxes	1,570,954	1,726,865	1,673,628	102,674	6.5%
Total Benefits	3,385,917	3,179,008	3,547,178	161,261	4.8%
Total Retirement	2,884,211	2,715,383	3,001,829	117,618	4.1%
Total Personnel Costs	<u>\$ 34,059,654</u>	<u>\$ 33,789,548</u>	<u>\$ 35,803,312</u>	<u>\$ 1,743,658</u>	<u>5.1%</u>
FTEs	189.53	164.32	192.30	2.77	1.5%
Cost per FTE					
Salaries	\$ 138,335	\$ 159,252	\$ 143,425	5,091	3.7%
Payroll Taxes	8,289	10,509	8,703	415	5.0%
Benefits	17,865	19,346	18,446	581	3.3%
Retirement	15,218	16,525	15,610	392	2.6%
Total Cost per FTE	\$ 179,706	\$ 205,633	\$ 186,185	\$ 6,479	3.6%

Explanation of Significant Variances – 2015 Budget Compared to 2014 Budget

The increase in salaries, payroll taxes, and retirement expenses is due to the increase in FTEs, budgeted salary increases, the addition of more senior staff in 2014, and the need to pay higher market-based compensation than previously budgeted to attract and retain employees. The average cost per FTE is also affected by an increase in the across-the-board FTE adjustment to account for attrition and hiring delays— from 4% in 2014 to 6% in 2015. This reduced the total number of FTEs budgeted in all departments, offset by the addition of three positions in the ES-ISAC department. In addition to the increase in the number of FTEs on staff, benefits are budgeted to increase based upon the most recent market data as provided by NERC’s insurance broker. Payroll taxes are increasing at a higher percentage due to an increase in the maximum salary subject to FICA taxes.

Table B-5*NOTE: This table has been replaced by Exhibit C.***Table B-6
Rent**

Rent	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Office Rent	\$ 2,617,300	\$ 2,650,299	\$ 2,987,777	\$ 370,477	14.15%
Total Office Rent	\$ 2,617,300	\$ 2,650,299	\$ 2,987,777	\$ 370,477	14.15%

The increase is related to the proposal to acquire additional space in the Washington, DC office for the separation of the ES-ISAC from other NERC operations and to the projected decrease in rent income from the subtenant in NERC's former Washington, DC offices.

Table B-7
Office Costs

Office Costs	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Telephone	\$ 628,000	\$ 464,422	\$ 560,318	\$ (67,682)	-10.78%
Telephone Answering Srv		2,341	3,000	3,000	
Internet	310,000	407,911	403,357	93,357	30.12%
Office Supplies	199,300	200,812	189,600	(9,700)	-4.87%
Computer Supplies and Maintenance				-	
Computers	4,500	4,500	9,000	4,500	100.00%
Computer Supplies	95,400	100,652	100,100	4,700	4.93%
Maintenance & Service Agreements	1,676,029	1,539,704	1,749,979	73,950	4.41%
Software	141,500	199,925	140,680	(820)	-0.58%
Network Supplies		5,400		-	
Publications & Subscriptions	32,995	47,184	40,495	7,500	22.73%
Dues	41,750	67,709	53,000	11,250	26.95%
Postage	19,600	12,965	12,300	(7,300)	-37.24%
Express Shipping	34,000	29,033	38,500	4,500	13.24%
Copying	115,000	116,257	65,000	(50,000)	-43.48%
Reports	8,000	3,000	3,000	(5,000)	-62.50%
Stationary/Forms	10,000	2,500	5,000	(5,000)	-50.00%
Equipment Repair/Service Contracts	70,000	70,000	100,000	30,000	42.86%
Bank Charges	20,000	43,000	20,000	-	0.00%
Taxes	15,000	5,000	5,000	(10,000)	-66.67%
Merchant Card Fees	85,000	87,792	85,000	-	0.00%
Total Office Costs	\$ 3,506,074	\$ 3,410,107	\$ 3,583,328	\$ 77,254	2.20%

Explanation of Significant Variances – 2015 Budget Compared to 2014 Budget

The increase in Office Costs is primarily due higher maintenance and service agreement costs related to data storage requirements of CRISP, offset by a reduction in costs resulting from the decision to purchase the necessary hardware and software to back up NERC data and eliminate the monthly service to provide this capability. The increases in Internet and Equipment Repair/Service Contracts and the decrease in Copying are based upon 2014 projected costs.

**Table B-8
Professional Services**

Professional Services	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Independent Trustee Fees	\$ 1,000,000	\$ 1,000,000	\$ 1,085,000	\$ 85,000	8.50%
Trustee Search Fee	70,000	70,000	-	(70,000)	-100.00%
Outside Legal	740,000	740,000	930,000	190,000	25.68%
Lobbying Fees	50,000	50,000	50,000	-	0.00%
Accounting & Auditing Fees	150,000	150,000	150,000	-	0.00%
Insurance Commercial	100,000	100,000	200,000	100,000	100.00%
Outside Services	180,280	180,280	196,280	16,000	8.88%
Total Services	\$ 2,290,280	\$ 2,290,280	\$ 2,611,280	\$ 321,000	14.02%

The Professional Services budget includes a previously approved increase in trustee fees, offset by the reduction in trustee search fees, which will not be required in 2015.²⁷ The increase in outside legal fees is related to outside counsel to support CRISPOffset by a reduction in costs included in the 2014 budget for completion of the 5-year performance assessment which will not be incurred in 2015. The increase in Insurance is related to the purchase of certain additional insurance required by the terms of the CRISP Master Services Agreement. The projected increase in outside service costs is primarily due to higher costs associated with accounting systems implemented at the beginning of 2014.

**Table B-9
Miscellaneous**

Miscellaneous Expenses	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Miscellaneous Expense	\$ 6,500	\$ 3,000	\$ 6,500	\$ -	0.00%
Employee Rewards and Recognition	\$ 10,000	\$ 10,000	10,000	-	0.00%
Community Resp & Employee Engagement	10,000	10,000	10,000	-	0.00%
Year-end Employee Recognition Event	10,000	10,000	10,000	-	0.00%
Total Miscellaneous Expenses	\$ 36,500	\$ 33,000	\$ 36,500	\$ -	0.00%

The 2015 Miscellaneous Expense budget is \$36,500, which is equal to the 2014 budget. 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 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 recognition meal expenses (\$10k).

²⁷ 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.

Table B-10
Other Non-Operating Expenses

Other Non-Operating Expenses	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Gain/Loss from Sale of Assets				\$ -	
Property Tax Expense	\$ 50,000	50,000	\$ 50,000	-	
Office Relocation	-		-	-	
Interest	94,000	29,367	81,000	(13,000)	
Total Other Non-Operating Expenses	\$ 144,000	\$ 79,367	\$ 131,000	\$ (13,000)	-9.03%

The decrease in budgeted interest expense is based on the assumption that 2015 draws on the loan will occur at the end of the year instead of the beginning of the year, as further detailed in the Capital Financing, Exhibit D.

Section C — Non-Statutory Activity

NERC has no non-statutory activities.

Section D — Supplemental Financial Statements

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION STATEMENT OF FINANCIAL POSITION

	12/31/2013 per Audit	12/31/2014 Projection	12/31/2015 Projection
ASSETS			
Cash	26,182,060	26,822,930	27,521,607
Trade Accounts receivable, net of allowance for uncollectible accounts of \$0 and \$62,573 in 2013 and 2012	3,353,895	3,353,895	3,353,895
Other Receivables	-	-	-
Prepaid expenses and other current assets	869,876	869,876	869,876
Security deposit	99,136	99,136	99,136
Cash value of insurance policies	-	-	-
Plan Assets (457b)	320,660	320,660	320,660
Property and equipment	5,645,116	6,066,323	7,351,817
Total Assets	36,470,743	37,532,820	39,516,991
LIABILITIES AND NET ASSETS			
Liabilities			
Current Portion			
Accounts payable and accrued expenses (incl. vacation accrual)	2,917,304	2,917,304	2,917,304
Accrued Incentive Comp	4,025,979	3,972,691	4,194,752
Deferred rent-current	182,421	249,764	322,218
Deferred compensation-current	20,386	-	-
Capital lease obligations - current	47,108	(0)	(0)
Accrued retirement liabilities	1,788,624	1,570,716	1,723,805
Deferred income	5,287,044	5,287,044	5,287,044
Regional assessments	9,427,293	9,427,293	9,427,293
Capital Project Financing - Current Portion	-	893,664	1,526,997
Total Current Portion	23,696,159	24,318,477	25,399,414
Long-Term Portion			
Deferred compensation ¹	597,514	597,514	597,514
Deferred rent - non-current	3,817,478	3,567,713	3,245,495
Capital lease obligations - non-current	-	-	-
Capital Project Financing - non-current	-	1,400,798	1,773,801
Total Non-Current Portion	4,414,992	5,566,026	5,616,810
Total Liabilities	28,111,151	29,884,502	31,016,224
Net Assets - unrestricted	7,914,592	6,493,318	8,500,767
Net Assets - restricted	445,000	1,155,000	-
Total Liabilities and Net Assets	36,470,743	37,532,820	39,516,991
¹ Includes 457b liability, life insurance for former executive, and retiree medical			
Working Capital	6,264,672	5,573,225	6,345,964
Less: Restriction for future liabilities	(3,817,478)	(3,567,713)	(3,245,495)
Available Working Capital	2,447,194	2,005,511	3,100,469
CRISP	-	-	500,000
Known and Unknown	930,328	1,009,081	2,509,081
PCGC	1,516,866	996,430	591,388

NORTH AMERICAN ELECTRIC RELIABILITY COPORATION

Statement of Activities, Fixed Asset Expenditures and Change in Working Capital by Program 2015 Budget	Statutory Activities																
	Statutory Total	Reliability Standards	Compliance Analysis/Cert	Regional Oversight	Compliance Enforcement	Reliability Assessment and Performance Analysis	Operator Certification	Training and Continuing Education	Event Analysis	Situation Awareness	Critical Infrastructure Department	ES-ISAC	General and Administrative (Includes Executive and Gov't Relations)	Legal and Regulatory	Information Technology	Human Resources	Accounting and Finance
Funding																	
ERO Funding																	
NERC Assessments	55,308,375	9,911,464	4,758,043	5,621,826	5,664,344	9,571,195		1,826,822	4,066,804	3,588,981	4,343,333	5,328,566	626,997	-	-	-	-
Penalty Sanctions	1,155,000	231,095	106,550	115,453	142,161	186,581		48,871	88,839	57,774	79,936	97,742					
Total NERC Funding	56,463,375	10,142,558	4,864,593	5,737,279	5,806,505	9,757,776		1,875,692	4,155,643	3,646,755	4,423,269	5,426,307	626,997	-	-	-	-
Third-Party Funding (CRISP)	8,943,589											8,943,589					
Testing Fees	1,670,000						1,070,000	600,000									
Services & Software	50,000					50,000											
Workshops	241,300	104,000				17,500			47,300	-	72,500						
Interest	3,000	587	271	293	361	474	68	124	226	147	203	248					
Miscellaneous	-																
Total Funding (A)	67,371,264	10,247,145	4,864,863	5,737,572	5,806,866	9,825,750	1,070,068	2,475,817	4,203,169	3,646,902	4,495,972	14,370,144	626,997	-	-	-	-
Expenses																	
Personnel Expenses																	
Salaries	27,580,677	3,082,972	1,658,833	1,783,650	1,785,495	2,833,480	261,314	641,792	1,447,159	849,802	1,423,791	1,733,405	2,425,909	2,798,380	2,477,896	606,214	1,770,583
Payroll Taxes	1,673,628	202,258	105,003	115,456	110,866	176,963	17,632	43,305	92,831	55,831	85,220	103,696	122,928	152,178	160,263	23,797	105,402
Benefits	3,547,178	441,383	203,715	220,692	254,644	356,502	50,929	95,130	173,284	112,106	152,786	186,739	314,644	288,597	356,502	50,929	288,597
Retirement Costs	3,001,829	346,269	186,557	200,525	200,635	317,664	29,451	71,986	162,193	95,226	159,808	195,059	203,656	314,835	277,094	42,964	197,906
Total Personnel Expenses	35,803,312	4,072,883	2,154,108	2,320,322	2,351,641	3,684,609	359,326	852,213	1,875,467	1,112,965	1,821,605	2,218,899	3,067,137	3,553,990	3,271,754	723,904	2,362,488
Meeting Expenses																	
Meetings	1,050,000	194,056	3,064	70,000	2,000	90,018	45,000	14,931	79,228	5,000	133,134	60,000	338,900	7,500	3,169	1,500	2,500
Travel	2,203,395	339,300	164,158	198,000	57,900	313,993	6,500	18,822	114,500	45,882	188,358	126,000	426,482	106,000	35,000	14,000	48,500
Conference Calls	312,751	117,736	3,588	7,200	2,900	31,500	1,420	27,900	10,000	2,610	21,500	24,885	28,831	8,874	13,000	1,247	9,560
Total Meeting Expenses	3,566,146	651,092	170,810	275,200	62,800	435,511	52,920	61,653	203,728	53,492	342,992	210,885	794,213	122,374	51,169	16,747	60,560
Operating Expenses																	
Consultants & Contracts	14,311,466			388,000		955,450	392,724	359,406		1,077,321	426,800	8,329,390	15,000		1,729,600	298,275	339,500
Office Rent	2,987,777												2,987,777				
Office Costs	3,583,328	76,276	28,550	32,834	41,500	152,386	42,911	50,267	29,736	41,025	20,158	356,914	444,262	71,152	2,143,420	14,099	37,838
Professional Services	2,611,280											350,000	1,185,000	700,000	80,280	296,000	
Miscellaneous	36,500	500	250	250	500	500		500	500	500	500	500	5,500	500	25,000	500	
Depreciation	2,333,006					228,000			193,667	161,498		419,399		1,330,443			
Total Operating Expenses	25,863,357	76,776	28,800	421,084	42,000	1,336,336	435,635	410,173	223,903	1,280,343	447,458	9,036,804	5,056,938	771,652	5,203,963	417,654	673,838
Total Direct Expenses	65,232,815	4,800,751	2,353,718	3,016,607	2,456,441	5,456,456	847,881	1,324,038	2,303,098	2,446,801	2,612,056	11,466,588	8,918,288	4,448,015	8,526,886	1,158,304	3,096,886
Indirect Expenses	(0)	5,139,603	2,369,694	2,567,695	3,161,698	4,149,598	591,897	1,086,900	1,975,798	1,284,901	1,777,797	2,173,799	(9,049,288)	(4,448,015)	(8,526,886)	(1,158,304)	(3,096,886)
Other Non-Operating Expenses	131,000	-	-	-	-	-	-	-	-	-	-	-	131,000	-	-	-	-
Total Expenses (B)	65,363,815	9,940,354	4,723,412	5,584,302	5,618,139	9,606,054	1,439,778	2,410,938	4,278,897	3,731,701	4,389,853	13,640,387	-	-	-	-	-
Change in Assets	2,007,449	306,791	141,451	153,270	188,727	219,696	(369,711)	64,879	(75,728)	(84,800)	106,120	729,758	626,997	-	-	-	-
Fixed Assets																	
Depreciation	(2,333,006)	-	-	-	-	(228,000)	-	-	(193,667)	(161,498)	-	-	(419,399)	-	(1,330,443)	-	-
Computer & Software CapEx	3,253,500					200,000						100,000		2,953,500			
Furniture & Fixtures CapEx	-																
Equipment CapEx	365,000														365,000		
Leasehold Improvements	-																
Allocation of Fixed Assets	-	306,791	141,451	153,270	188,727	247,696	35,331	64,879	117,939	76,698	106,120	129,758	419,399	-	(1,988,057)	-	-
Inc(Dec) in Fixed Assets (C)	1,285,494	306,791	141,451	153,270	188,727	219,696	35,331	64,879	(75,728)	(84,800)	106,120	229,758	-	-	-	-	-
TOTAL BUDGET (-B + C)	66,649,309	10,247,145	4,864,863	5,737,572	5,806,866	9,825,750	1,475,109	2,475,817	4,203,169	3,646,902	4,495,972	13,870,144	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (-A-B-C)	721,955	-	(0)	(0)	-	0	(405,042)	0	-	-	0	500,000	626,997	-	-	-	-
FTEs	192.30	24.40	11.25	12.19	15.01	19.70	2.81	5.16	9.38	6.10	8.44	10.32	13.13	15.01	19.70	2.81	16.89

Exhibit A – Common Assumptions

Shared Business Plan and Budget Assumptions – NERC and the Regional Entities 2014–2017 Planning Period (2015 Budget Cycle)

Throughout 2013 and early 2014, NERC and the eight Regional Entities worked to develop a common operating model with defined roles and responsibilities²⁸ that align with business planning goals, objectives, metrics, and assumptions for the ERO Enterprise for the 2014–2017 planning period (and specifically for the 2015 budget cycle). At its February 2014 meeting, the NERC Board of Trustees approved an updated version of the [ERO Enterprise Strategic Plan](#) with newly aligned goals, objectives, and deliverables for the 2014–2017 planning period. The ERO Enterprise’s annual strategic planning and performance monitoring processes will remain transparent with results reported on a quarterly basis to NERC’s corporate governance and human resources committee and Board in support of the ERO corporate oversight function.

As part of the updated strategic plan, NERC and the Regional Entities consolidated five goals within the existing focus areas of standards; compliance, registration and certification; risks to reliability; and coordination and collaboration, and identified a number of associated objectives and deliverables expected of the ERO Enterprise. New in 2014, NERC and the Regional Entities added four overarching performance metrics to assess the overall effectiveness of the ERO Enterprise in addressing risk to the BES and improving BES reliability. These metrics concentrate on measuring progress in achieving reliability results, assuring standards and compliance effectiveness, and improving risk mitigation and program execution. The following set of common assumptions has been developed to guide ERO Enterprise resource projections²⁹ for the 2014–2017 business planning and budget period (and specifically for the 2015 budget cycle) in support of achievement of the goals and objectives set forth in the Strategic Plan.

Similar to prior planning cycles, the specific resource needs and budgets of NERC and the Regional Entities will be publicly posted and made available on NERC’s website for review and will be approved in open session by NERC’s Finance and Audit Committee as part of the annual business plan and budget processes. This is in addition to the process that the Regional Entities use to obtain their board and stakeholder review of their business plans and budgets. NERC’s review of the Regional Entity business plans and budgets will be primarily focused on ensuring alignment of activities with the Strategic Plan and that resources are adequate to support performance of delegated functions and key initiatives. A [2015 Business Plan and Budget schedule](#) has been developed to identify important meeting dates, review periods, posting dates, etc. associated with the development and completion of the NERC and Regional Entity plans.

These assumptions will continue to be refined based on comments received from stakeholders and the ongoing work conducted by NERC and Regional Entity leadership regarding specific goals, objectives and supporting activities over the planning period.

Legal and Operating Framework

NERC and the Regional Entities will continue to work under the existing regulatory framework governing the establishment and enforcement of Reliability Standards for the BPS established by applicable governmental authorities in the United States, Canada and portions of Mexico, as well as the authorizations contained in the FERC’s order approving NERC as the ERO. Because the Regional Delegation Agreements (RDAs) expire on January

²⁸ See [Operational Oversight Model Whitepaper](#)

²⁹ NERC recognizes there are often unique factors that drive differences in each entity or organization’s final determination of its resource needs and budget. Regional Entity-specific assumptions are stated in each Regional Entity’s business plan and budget as appropriate.

1, 2016, NERC and the Regional Entities will work collaboratively to identify any necessary revisions to the RDAs as renewal efforts begin in 2014.

NERC will provide oversight of the Regional Entities' performance of their delegated functions to ensure that delegated responsibilities are adequately performed. NERC expects that the Regional Entities will continue to have the primary responsibility for day-to-day operations and interactions with registered entities. NERC and the Regional Entities will also continue to work collaboratively 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.

Stakeholder Participation

NERC and the Regional Entities develop their business plans, budgets, and resource requirements based upon the assumption of continued stakeholder participation in support of key program areas initiatives, while recognizing that stakeholder resource limitations may affect specific levels of participation in any given activity. The availability and adequacy of industry resource support will be evaluated on an ongoing basis.

External Factors

Factors external to the ERO Enterprise have the potential to influence project prioritization, resource needs, and allocation. These factors include but are not limited to the following:

- FERC, or other governmental authority orders, directives, audits, and performance assessments
- The implementation and deployment of the BES definition, as well as the volume and complexity of exception, self-determined notifications, and registration requests
- The rate and severity of entity violations
- The rate and severity of system events requiring formal investigations beyond historic volumes and their causal factors
- New technologies and changing resource or demand composition that require additional reliability studies and reliability risk analysis
- Changes in applicable laws and regulations, including environmental laws and others
- Priority risk initiatives identified by the Reliability Issues Steering Committee, Board committees, and through other stakeholder input
- The pace at which Reliability Standards are revised to achieve sustainable high-quality and content scores³⁰
- The ability of stakeholders to support the pace and scope of the various initiatives while implementing the results of earlier efforts

Collaboration with the Trade Associations and Forums

The activities of the North American Transmission Forum (NATF), North American Generator Forum (NAGF), and other trade forums and associations are expected to complement ERO Enterprise activities and limit the need to add incremental resources to the NERC and Regional Entity business plans and budgets that might otherwise be required in the absence of these forums. In 2013, NERC entered into a memorandum of understanding with the NATF to help ensure that the common objectives of each organization are achieved in the most efficient and effective manner. There is mutual agreement, with no commitment of funds, to coordinate information sharing,

³⁰ The approach for determining whether a Reliability Standard has met a sustainable high quality and content score will be developed by NERC staff and the Standards Committee and reviewed with stakeholders. Any needed changes to the Standard Processes Manual (SPM) required to implement this approach will be addressed prior to the pace being established.

engage in the development and maintenance of mutual reliability initiatives, and provide periodic reports to pertinent audiences. A similar agreement is under development with the NAGF in 2014.

Collaboration between the NATF and NERC is expected to continue into 2015 so that NATF members can more fully support NERC efforts on projects such as: protection systems misoperations reduction, physical security, various activities related to reliability assurance initiatives, improvement of modeling practices, and complementary efforts on addressing the geomagnetic disturbance challenges.

Key Assumptions by Program Area³¹

Reliability Standards Program

1. There will be continued focus on improving quality and content of Reliability Standards. This will require the allocation of resources from several internal NERC departments and support from across the enterprise.
 - a. The implementation of a cost-effectiveness assessment of proposed standards and the involvement in various other reform activities will likely require resource support from other program areas. Resource requirements and impacts are not fully known at this time.
2. The focus on improving the quality and content of standards will likely increase the demand on NERC, the Regional Entities and stakeholders to review and comment on proposed revisions to standards, support regulatory filings, and support successful implementation of new standards as they become effective.
3. The number of projects contained in the Reliability Standards Development Plan will likely increase, depending upon the number of standards that require reviews and modifications to improve the quality and content.
 - a. The scope of these projects, however, is expected to narrow as regulatory obligations in the form of directives and five-year reviews, Paragraph 81, and IERP recommendations are progressively addressed.
4. NERC and the Regional Entities must plan to develop or modify the Reliability Standards Audit Worksheets (RSAWs) required to support the Reliability Standards Development Plan. Sufficient resources must be allocated to do so in accordance with the new RSAW development process, which aims to produce RSAWs (or modifications to RSAWs) by the time a standard is balloted.
5. The number of interpretation and guidance requests is expected to remain low, based on the transformation to a steady state and the implementation of RAI.
6. Activity associated with regional standards development is expected to remain low.

Compliance Monitoring and Enforcement, and Organization Registration and Certification Programs

Compliance and Enforcement

1. The implementation of the Reliability Assurance Initiative (RAI) and expansion of the Find-Fix-Track process will require the allocation of dedicated resources from both NERC and the Regional Entities to

³¹ These statements, which are generally organized by program area, are intended to help generally guide resource allocation decision making in the development of the 2015 business plans and budgets.

complete the design and to begin developing the processes necessary to implement RAI for both compliance and enforcement.

- a. Regional Entities should anticipate at least the same level of participation in RAI as in 2013 and possibly slightly more if the transition to certain RAI elements is able to begin earlier in 2015.
2. NERC and the Regional Entities are expected to utilize consistent audit practices and focus on higher reliability risks to increase efficiency and mitigate overall compliance costs for registered entities.
3. The *Compliance Auditor Capabilities and Competency Guide* is expected to be adopted in 2015. The Regional Entities will need to assess their existing resources, including potentially adjusting skill sets to meet these requirements. This may require additional resources or a reallocation of resources to attain and maintain these competencies as noted below.
4. NERC and the Regional Entities must plan to support the training requirements necessary to meet the criteria set forth by the *ERO Auditor Manual and Handbook* and the *Compliance Auditor Capabilities and Competency Guide*. Regional Entities will be expected to demonstrate the following:
 - a. RSAWs, bulletins, compliance analysis reports (CARs), training documents, and other related compliance guidance are provided to compliance personnel and other staff, as necessary.
 - b. Compliance Auditor job descriptions are reviewed and properly reflect the guidance provided in the *Compliance Auditor Capabilities and Competency Guide*.
 - c. A gap analysis has been performed to specifically identify both individual training needs and organizational compliance resource needs to assure properly staffed engagements with individuals who are capable of performing work associated with identified engagement scope (e.g., appropriate individual and team knowledge, education, and collective skills).
 - d. A process is in place for personnel to acknowledge their commitment to Professional Standards, Ethical Principles, and Rules of Conduct.
 - e. An assessment process is in place to evaluate audit team competencies and capability needs.
 - f. A training program is in place that addresses initial and continuing training for capability and competency development. Regional Entities will continue to budget to meet the strategic objective of acquiring, engaging, and retaining highly qualified talent.
5. The implementation will continue for Technical Feasibility Exception (TFE) processing per the revised Appendix 4D, NERC Rules of Procedure, which is expected to drive a less onerous process for TFE reporting and reviewing.
6. An assessment project will be completed in 2014 that evaluates systems used for compliance, registration, analysis, and tracking. The project will result in changes to or the replacement of existing systems. NERC and the Regional Entities should maintain current multiyear contractor and consultant services to support the continued maintenance and administration activities associated with existing systems.
7. Risk-based monitoring activities are expected to increase.
8. The use of spot checks and self-certifications is expected to increase as risk-based monitoring is implemented, but the increase should have little effect on overall resource requirements.

9. Non-CIP violations are expected to continue to decrease, as most registered entities have been audited and the standards and RSAWs have matured.
10. CIP compliance personnel will need to support the conversion from V3 to V5 and provide support to entities undergoing a CIP audit until stability in the standards is reached.
 - a. NERC will lead the CIP Version 5 training development, coordination, and facilitation for the ERO CIP Auditors and Industry Outreach. ERO CIP Auditors will support these initiatives in collaboration with NERC, as needed, to ensure appropriate knowledge and guidance are developed, understood, and administered.
 - b. Regional Entities must plan to support the ongoing CIP Version 5 transition plans and should anticipate an expansion in the number of registered entities that require guidance during 2015.
 - c. Additional training requirements will be necessary to support the transition and will affect the annual training commitments.

An impact study is being performed to determine staffing impacts associated with the transition from Version 3 to Version 5.

Organization Registration and Certification

1. A risk-based registration assessment project will occur in 2014 with the expectation that an implementation plan and possibly early deployments of revisions to the registration process will take place in 2015.
2. The implementation of the BES definition may place additional resource demands on the registration area.
 - a. These demands cannot be fully assessed at this time. If a high number of BES exceptions is requested, a backlog situation in the first two or three years of implementation is possible.

Reliability Assessment and Performance Analysis Program (RAPA)

1. The implementation of the BES exception process will require the reallocation of resources from several NERC and Regional Entity departments.
 - a. Resources are expected to manage the process execution, technical validation of the definition and exception requests, self-determined notification submittals, and requests for registration and certification reviews.
 - b. The resource impacts are not fully known at this time but are expected to be driven by the number and complexity of exception requests, self-determined notification submittals, and registration requests received.
2. Invested and dedicated RAPA resources will also be required throughout the enterprise to jointly:
 - a. Develop and implement improved enterprise-based data collection and analysis systems and capabilities.
 - b. Support the integration of RAPA information systems for modeling and data requirements and achieve timelines for delivering high-quality reports (e.g., Long-Term Reliability Assessment and State of Reliability report).

- c. Develop, verify, and validate quality reliability assessment and analyses model and data quality characteristics.
 - d. Address impacts of new technologies, changing resource, or demand resource composition, and environmental-related regulations or legislation.
 - e. Support the compilation of long-term sustainable Eastern Interconnection models.
 - f. Provide technical resources and expertise to perform analyses as needed for standards development, compliance, and enforcement activities.
 - g. Support quality analysis and overall assessment of the geomagnetic disturbance (GMD) vulnerability, planning guides, and planning standards.
3. The implementation of the Reliability Risk Management projects, identified in the ERO Performance Metric #3, will require varied resource commitments during the planning period (2014–2017) to ensure measurable improvements in reliability outcomes.
 - a. The extent of the actual resource commitment cannot be determined at this time.
 4. Contractor and consultant services may be necessary to maintain continued support and technical expertise associated with activities listed in the above assumptions and with supporting various research efforts such as Vegetation Management, GMD, etc.
 - a. To the extent that significant events occur, contractor services may be required to support wide-area system analyses and root cause evaluations.

Training, Education, and Operator Certification Program

1. NERC will continue to budget and incur the cost of a unified learning management system (LMS) for the regional audit staff and work with the Regional Entities to consolidate training resources and promote better coordination, planning, delivery, and management of training efforts across the enterprise without adversely impacting Region-specific training requirements.
2. The time pressures associated with implementing auditor training and increasing competencies are expected to drive the allocation of training resources throughout the enterprise.
 - a. NERC will continue development of training modules with the assistance of qualified auditors from the Regional Entities.
3. Additional resources will be required, and increases to NERC and Regional Entity training budgets are expected to support certain training initiatives of RAI.
 - a. Regional Entities are also expected to allocate resources to meet the training requirements for the compliance and enforcement staff that are associated with the implementation of RAI.
4. The Regional Entities are expected to help determine training needs, including flexibility in approach between Regional Entities, and to anticipate areas of support for standards, compliance monitoring, and enforcement and IT for their staffs and stakeholders.
5. The Operating Personnel Certification program is expected to remain at a steady state with no additional resources required from the Regional Entities.

6. Contractor and consultant services may be necessary to maintain the continued support and technical expertise associated with some enterprise training activities.

Situation Awareness and Event Analysis Program

1. NERC will continue to budget and manage Event Analysis with Situation Awareness separate from the Compliance and Enforcement functions.
2. NERC will continue to budget and incur costs to operate and maintain the software applications and systems known as Situation Awareness for NERC, FERC, and the Regions (SAFNR).
 - a. Additional resource investments may be required to enhance the capabilities of SAFNR throughout the planning period, but with no increased cost to the Regional Entities.
3. As the depth of focused analysis improves, any identification of possible gaps in standards and compliance monitoring could potentially influence those program areas.
4. Regional Entities will continue to budget for Event Analysis and Situational Awareness, as in the past. Some Regional Entities will continue to allocate resources as part of the activities accounted for under their RAPA programs.

Critical Infrastructure Department (CID)

1. NERC will continue to fund and conduct the Grid Security Exercise (GridEx) program, with no increased cost to the Regional Entities. Planning activities will occur during even-numbered years, and execution of the exercise will take place in odd-numbered years.
2. NERC will continue to fund and conduct the Grid Security Conference as an annual event. Other than funding registration fees for individual attendees from their Regional Entities, no Regional Entity funding is anticipated.
3. NERC will continue to provide support for CIP compliance and security awareness and will continue to use available regional subject matter experts in providing this support.

ES-ISAC

1. NERC will continue to fund, operate, and maintain the Electricity Sector Information Sharing and Analysis Center (ES-ISAC) with no increased cost to the Regional Entities.

Information Technology and Project Management Office (PMO)

1. NERC and the Regional Entities will collaboratively work to refine existing strategies, governance, and procurement practices applicable to the development, operation, and maintenance of enterprise architecture, software, and data systems supporting both NERC and Regional Entity operations.
2. NERC's business plan and budget will include ongoing funding for the development, operation, and maintenance of NERC- and Regional Entity-approved enterprise applications. Enterprise application funding in any given year will be subject to the budget and funding limits set forth in NERC's approved business plan and budget. Regional Entities should include appropriate funding for applications and supporting systems designed to satisfy regional business needs that are not within the mutually agreed-upon scope of the ERO Enterprise applications that are funded by NERC.

3. Regional Entities may be required to allocate or augment business teams to help develop application business requirements and to test business functionality within the enterprise applications.
4. Ongoing investments will be required to develop, implement, and maintain enhancements to the NERC and Regional Entity websites required to improve access to information. NERC and the Regional Entities will separately fund any enhancements to their own websites.
5. NERC anticipates that its management of NERCnet will be transferred to the Eastern Interconnect Data Sharing Network (EIDSN) during 2014. Entities currently using NERCnet may see an increase or decrease in their costs going forward depending upon EIDSN costs and billing arrangements. Users should consult EIDSN for further information.
6. NERC may consider transitioning other tools to third-party ownership, operation, and maintenance. NERC has not made a determination regarding which, if any, tools are likely to be transitioned or the timing of such transition. Any such transition will be accomplished in a collaborative manner with affected users, including advance notice and efforts to mitigate financial and operational impacts.

ERO Enterprise-wide Risk Management

1. A common ERO Enterprise risk management framework will be developed and implemented that focuses on identifying, assessing, prioritizing, and mitigating risks associated with the performance of both NERC and the Regional Entities. This will be a multiyear initiative.
2. NERC's director of risk management and internal controls will be responsible for the overall development of this framework under NERC's Enterprise-wide Risk Management Committee.
3. The development and implementation of this framework will require Regional Entity cooperation and support. Any decision to add risk management and internal control resources at the Regional Entity level is reserved for Regional Entity decision-making processes.

Exhibit B – Application of NERC Section 215 Criteria

DISCUSSION OF HOW THE NERC MAJOR ACTIVITIES IN THE 2015 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 2015 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.³² NERC submitted the written criteria to the Commission in a compliance filing dated February 21, 2013, in Docket No. FA11-21-000.³³ The Commission approved the NERC written criteria, with modifications, in an order issued in that docket on April 18, 2013.³⁴ The NERC written criteria as used in this Exhibit incorporate the modifications specified in the Compliance Order.³⁵

II. Reliability Standards Program 2015 Major Activities

The major activities of the Reliability Standards Program are described on pages 1-4 of the 2015 Business Plan and Budget. The Reliability Standards Program carries out the ERO’s responsibility to develop, adopt, obtain approval of, and modify as and when appropriate, mandatory Reliability Standards for the reliable planning, operation, and critical infrastructure protection of the North American BES. The major activity areas for this program include (1) providing project management and leadership to the Reliability Standard development process to deliver high-quality, continent-wide Reliability Standards, including standard development outreach activities, facilitation of Standard Drafting Team activities, drafting support, assisting Standard Drafting Teams in adhering to the processes in the *Standard Processes Manual*, and ensuring that the quality of documents produced are appropriate for approval by industry and the NERC Board; (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. The Reliability Standards Program

³² *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.

³³ *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”).

³⁴ *North American Electric Reliability Corporation, Order on Compliance*, 143 FERC ¶ 61,052 (2013) (“Compliance Order”).

³⁵ 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.

supports the Cost-Effective Analysis Process to ensure that the standards development process produces standards that cost-effectively address reliability gaps.

The Reliability Standards Program is involved in and supports cross-departmental and collaborative projects, including the Risk-Based Registration project; the concurrent development of RSAWs with the associated Reliability Standards; conducting, in conjunction with other departments, technical analysis needed as a foundation for standards projects; and submitting newly identified reliability risks to the Reliability Issues Steering Committee (RISC) for verification prior to initiation of a standards project.

For 2015, the major activities of the Reliability Standards Program will seek to ensure that the Reliability Standards Development Plan is effectively executed and that the Reliability Standards developed will appropriately mitigate risks to reliability. The major activities will include: (1) supporting the Reliability Risk Management Process, including focusing on the selection of standards projects undertaken; (2) addressing FERC directives and responding to FERC orders through standards development projects as necessary; (3) transforming NERC's standards to steady state, including addressing possible outstanding Paragraph 81 Phase 2 requirements candidates for retirement and Independent Expert Review Panel candidates for retirement; (4) improving the quality and content of standards to determine the specific criteria for determining whether a Reliability Standard is of sufficient content and quality to be deemed steady state; and (5) facilitating smooth transitions to new standards such as CIP Version 5 and the Physical Security standard by working with other departments to develop guidelines, webinars, and other activities to support auditor and industry training on the new standards.

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

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?

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, (iii) industry personnel?

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 the Requirements of Reliability Standard applicable to the reliability functions for which they are registered?

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.

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 §300 and Appendix 3A.)

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?

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?

III. Compliance Monitoring and Enforcement and Organization Registration and Certification Program Area 2015 Major Activities

The major activities of the Compliance Monitoring and Enforcement and Organization Registration and Certification Program Area are described on pages 8-10, 13-15, and 19-23 of the 2015 Business Plan and Budget. This Program Area is comprised of three operational groups: (1) Regional Entity Assurance and Oversight, (2) Compliance Analysis, Certification and Registration, and (3) Compliance Enforcement.

The Regional Entity Assurance and Oversight group works collaboratively with the Regional Entities to ensure consistent and effective implementation of the Compliance Monitoring and Enforcement Program (CMEP) across the entire ERO Enterprise. This group’s activities include the following major activities and functions: (1) ensuring consistent and fair implementation of the CMEP and of the risk-based compliance monitoring program for reliability improvements, including developing and maintaining the necessary compliance-related processes, procedures, IT platforms, tools, and templates; (2) oversight of the Regional Entities’ delegated compliance functions, including consistent and uniform CMEP planning, implementation, and reporting, compliance operations and coordination, and auditor training; (3) CIP Version 5 activities related to transition, training, and compliance design of ERO education programs that support industry compliance and the integration of risk assessment and internal controls; (4) development of minimum baseline monitoring requirements; (5) development and maintenance of RSAWs; (6) support for Regional Entity and industry committees, working groups, and task forces, such as the Compliance and Certification Committee; and (7) supporting standards development and education. Regional Entity Assurance and Oversight provides information, statistics, and perspectives to Standard Drafting Teams and collaborates in the development of draft RSAWs during the standard development process. This program also supports and promotes the development by registered entities of effective compliance programs and internal controls.

The Regional Entity Assurance and Oversight group participates in and supports the implementation of RAI, including development of a single ERO methodology for registered entity risk assessments and evaluation and testing of registered entity internal controls; implementation of an auditor manual with an approved auditor handbook and checklist; and process improvements associated with coordination of compliance and enforcement activities for multi-region registered entities.

The ongoing and new major activities of the Regional Entity Assurance and Oversight group for 2015 include: developing a training program to support implementation of the common audit procedures and the ERO Auditor Capabilities and Competencies Guide; replacing/enhancing NERC's existing Compliance, Reporting, Analysis Tracking System (CRATS) and other compliance tools to support RAI activities; making effective internal controls models and information available to industry; initiating compliance phase-in learning periods for new standards; transitioning to a single ERO approach to compliance monitoring and common audit planning, and implementing RAI techniques and principles consistently; consolidating to a common set of RSAWs, or successors, for all standards; enhancing the design of regional compliance audits to evaluate regional staffing, deployment of tools, and testing of compliance activities; increasing the frequency of audits to validate the implementation of RAI program designs; and creating technically sound training to support compliance methodologies and testing approaches for Reliability Standards.

The Compliance Analysis, Registration and Certification Group is responsible for a range of requirements and activities embodied in Section 500 and Appendices 5A and 5B of the NERC ROP, including ensuring all entities impacting the BES are registered; ensuring Reliability Coordinators (RC), Balancing Authorities (BA) and Transmission Operators (TOP) are certified; supporting standards development and compliance monitoring; ensuring that industry maintains effective internal controls programs for reliability assurance risk; and ensuring that program gaps are assessed in all reportable events and addressed if appropriate. Major activities of this group include (1) registration of BES users, owners, and operators; (2) certification of RC, BA and TOP; (3) compliance investigations to identify possible violations of Reliability Standards; (4) processing complaints alleging violations of Reliability Standards; (5) technical assurance, including developing quarterly gap and risk assessment reports and recommended responses, and conducting inquiries and spot checks based on quarterly gap analysis; and (6) oversight of Regional Entity registration, certification, investigation, and complaint programs.

The Compliance Analysis, Registration and Certification Group is principally involved in the design and implementation of the Risk-Based Registration initiative, including the related registration criteria to identify users, owners, and operators of the BES that have a material impact on reliability and to ensure that the right entities are subject to the right set of applicable Reliability Standards, based on a consistent and common approach to risk assessment and registration across the ERO Enterprise.

The ongoing and new major activities of the Compliance Analysis, Registration and Certification Group for 2015 include: deploying a sustainable Risk-Based Registration design that incorporates evaluation of the reliability risks and benefits provided by an entity to ensure reliability; identifying a corresponding properly scoped set of Reliability Standard requirements; developing an implementation plan with business practices and IT requirements that addresses unintended industry burden, while preserving an adequate level of reliability; aligning changes to the registration criteria with other NERC activities; assessing the current certification program for opportunities to mature the program; incorporating changes in registration from the enhanced BES definition; providing support for the continued development of RSAWs; aiding in the BES definition exception submittal process; aiding in the review of registrations appeals and enforcement mitigation; assisting with training modules for investigations, certifications, and registrations; and providing analysis in support of projects addressing top reliability risks.

The Compliance Enforcement department is responsible for overseeing enforcement processes, the application of penalties or sanctions, and activities to mitigate and prevent recurrence of noncompliance with Reliability Standards. The department works collaboratively with the Regional Entities to ensure consistent and effective implementation of the CMEP. Compliance monitors Regional Entities' enforcement processes and provides oversight over the outcomes of such processes to ensure due process, identify best practices and process efficiency opportunities, and promote consistency among Regional Entities' business practices. The department collects and analyzes compliance enforcement data and trends to assist with identification of emerging risks and help to inform development of enforcement policy and processes; it files notices of penalty and other submittals

associated with noncompliance discovered through Regional Entity compliance, monitoring, and enforcement activities; it processes and files notices of penalty and other submittals discovered through NERC-led investigations and audits; and it collaborates with other NERC departments, including Reliability Standards and Regional Entity Oversight and Assurance.

The Compliance Enforcement department works with the Regional Entities to reduce the number of violations in inventory, particularly those older than 24 months; ongoing identification and implementation of enforcement process improvements, including FFT and self-reporting; promoting self-identification, prompt mitigation of noncompliance, and timely completion of mitigating activities (including through development of the *ERO Enterprise Self-Report User Guide* and the *ERO Enterprise Mitigation Plan Guide*); and other RAI activities.

New and ongoing major activities of this department in 2015 will include continuing to identify processing efficiencies and enhancements to enforcement activities; consolidating new enforcement processes, including enhancements to the FFT program, self-reporting, and RAI activities and related process improvements; ensuring timely processing of violations, particularly those that pose greater risk and can provide lessons learned to industry; and ensuring early dissemination of violation information to registered entities to enable them to learn from prior events and violations and take preventative actions to eliminate similar risks.

The major activities of the Compliance Monitoring and Enforcement and Organization Registration and Certification Program Area 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: 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.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?

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?

IX: Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in the 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?

IV. Reliability Assessment and Performance Analysis Program 2015 Major Activities

The major activities of the Reliability Assessment and Performance Analysis (RAPA) Program are described on pages 25-34 of the 2015 Business Plan and Budget. The RAPA Program carries out the ERO’s responsibility to conduct assessments of the reliability and adequacy of the BES to provide insight and guidance about reliability risks and performance improvements. RAPA also identifies reliability performance issues and areas of concern (including equipment performance and reliability issues) for consideration in the development and modification of Reliability Standards or other initiatives to enhance reliability. The principal activity areas of the RAPA program include: independent assessments and reports on the overall reliability, adequacy, and associated reliability risks that could impact the upcoming summer and winter seasons and the long-term (e.g., 10-year) planning horizon; performance analysis and recommendations of historical reliability and associated trends, relying on data integrity and consistent methodology, leading to credible recommendations/guidance; reliability assessment and bulk system evaluation model development for analyzing steady-state and dynamic conditions; assurance that electrical elements necessary for the reliable operation of the BPS are appropriately identified as BES Elements; reliability risk program management for improving key risk areas using analyses of reliability gaps, risks, controls, and management efforts; determination of reliability risk program priorities to align with the strategic plan and business plan and budget for the appropriate level of resources, timing, completion, and execution; and providing leadership and consistent technically sound guidance and recommendations that position industry and policy makers to enhance reliability through effective outreach and communications.

The RAPA Program is engaged in reliability risk analysis and identification of top reliability risks and in supporting and implementing the Reliability Risk Management Process to identify, measure, prioritize, and develop strategies for managing and disseminating information on areas of reliability risk. Current programs focused on managing the top-priority reliability risks address the changing resource mix, resource planning, protection system reliability, uncoordinated protection systems, extreme physical events, availability of real-time tools and monitoring, protection system misoperations, and right-of-way clearances. RAPA works on a number of these programs in collaboration with other NERC departments and conducts analyses to understand the technical performance of the BES to guide recommendations and insights that enhance system performance and reliability. Additionally, RAPA continues to be heavily involved in the development and implementation of the revised BES definition and the BES Exception procedure (Appendix 5C of the NERC ROP), both of which became effective in mid-2014 and involve reviews, evaluations, and confirmations of proposed changes to BES elements by registered entities.

The ongoing and new major activities of the RAPA Program for 2015 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, including a report on Geomagnetic Disturbance BES effects and a vulnerability assessment; preparing an annual State of Reliability report; providing oversight 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 periodic updates on trends and measures of BES reliability; developing a risk registry and a systematic prioritization process with the RISC; executing integrated risk control strategies and plans across the organization to address the highest priority existing or emerging risks to BES reliability, and explicitly measure the results; supporting NERC Reliability Standard development and responses to FERC directives by providing technical and system analysis expertise; supporting the technical foundation development for Reliability Standards to address deficiencies or needs revealed by reliability assessments and performance analysis; providing support and leadership to the NERC Planning Committee, and to subcommittees, working groups and task forces of NERC standing committees; developing a structured approach to evaluate and improve system models, model validation, system analysis, and assessments; assisting in the development of approaches to registration and maintenance of the actively monitored standards 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; conducting major event investigations, analysis, and reporting of major findings and recommendations that will improve reliability; building and sustaining an enterprise reliability assessment and performance analysis team that encompasses risk-informed approaches and structured methodology to identify and address reliability risks; and implementing effective oversight and tracking of various technical aspects of reliability, including frequency response performance, application of the TPL footnote b adoption, and root cause applications to assessment and analyses.

The RAPA Program's top reliability risk projects for 2015 are expected to include the following: Essential Reliability Services Special Assessment Phase II (scenario analyses of different levels of Essential Reliability Services); development of standardized power flow models and dynamic modeling components; support for IEEE 1574 relating to rules that establish frequency and voltage disturbance ride-through obligations for distributed energy resources; load composition modeling analysis; development of guidelines for operations and emergency coordination with gas suppliers and transporters; special assessment of potential impacts to BPS reliability of emerging and proposed environmental regulations; analysis of single-point-of-failure data reported in response to FERC Order No. 754; development of a best practices document for coordination of protection systems and other devices including under-frequency and under-voltage load-shedding devices, and associated modeling for assessing coordination; development and promotion of coordinated industry support programs such as the Spare Equipment Database Program, Spare Transformer Equipment Program, and Recovery Transformer Program; and development of good industry practices and guidelines to aid in proper application of protection systems.

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 orders directed NERC to develop and implement a revised definition of “Bulk Electric System” and a procedure for requesting and receiving exceptions from the BES definition, and subsequently approved NERC’s proposed revised BES 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 this major activity are §801-806 and 809-811.)

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?

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) 2015 Major Activities

The major activities of the Reliability Risk Management (RRM) group, which is comprised of the Situation Awareness department and the Event Analysis department, are described on pages 38-40 and 43–45 of the 2015 Business Plan and Budget. The RRM group carries out the ERO’s responsibility to perform assessments (including real-time and near-real-time assessments) of the reliability and adequacy of the BES. The four primary functions of the RRM group are BES awareness, event analysis and determination of root and contributing causes, assessment of human performance challenges that affect BES reliability and identification of improvement opportunities, and support of the NERC Operating Committee. These activities are carried out to identify potential issues of concern relating to system, equipment, entity, and human performance that may indicate a possible need to develop new or modified Reliability Standards.

The Situation Awareness department works with registered entities to monitor present conditions on the BES using various software tools and applications; communicates and coordinates with Regional Entities and registered entities to notify them of disturbances that could negatively impact the BES; and, in the event of significant BES disturbances, facilitates the coordination of communications between registered entities and applicable governmental authorities. The Situation Awareness department is involved in the operation and maintenance of the Situation Awareness for NERC, FERC, and Regions software application and the secure alert tool. The Situation Awareness department uses the following reliability-related tools to support its activities: Resource Adequacy (ACE Frequency) Tool, Inadvertent Interchange, Frequency Modeling and Analysis Tool, Intelligent Alarms Tool, Automated Reliability Reports, and Area Interchange Modeling Tool.

The ongoing and new major activities of the Situational Awareness department for 2015 include: ensuring that the ERO is aware of all BES events above a threshold of impact; ensuring the sharing of information and data to facilitate wide-area situational awareness; during crisis situations, facilitating the exchange of information among industry, Regions, and U.S. and Canadian governments; keeping the industry informed of emerging reliability threats and risks to the BES, including any expected actions; enhancing tracking of notification of expected actions in response to emerging actions to promote greater industry accountability; and issuing timely updates regarding progress toward resolving issues identified in Recommendations and Essential Actions.

The Event Analysis department performs assessments of the reliability and adequacy of the BES, including analyses to determine the causes of events, promptly assuring tracking of corrective actions to prevent recurrence, and providing lessons learned to the industry. Event Analysis assures that the industry is well informed of system events, emerging trends, risk analysis, lessons learned, and expected actions. Event Analysis also supports the development of Reliability Standards and monitoring and enforcing compliance with Reliability Standards. Additionally, Event Analysis identifies human error risks and precursor factors that allow human error to affect BES reliability and educates industry regarding such risks, precursors, and related mitigation methods. Event analysis also supports compliance and standards training initiatives and trending and analysis to identify emerging reliability risks to the BES.

The ongoing and new major activities for 2015 for the Event Analysis department include: (1) working 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; facilitating analysis of root and contributing causes, risks to reliability, wide-area assessments and remediation efforts; and disseminating information regarding events in a timely manner; (2) ensuring that all reportable events are analyzed for sequence of events, root cause, risk to reliability, and mitigation; (3) refining risk-based methodologies to support more effective and efficient identification of reliability risks, including use of more sophisticated cause codes for analysis; (4) ensuring consistency in reporting and analysis to support wide-area assessments of significant reliability trends and risks; (5) conducting the annual NERC Human Performance Conference and the NERC

Monitoring and Situation Awareness Conference; (6) conducting training (webinars, workshops and conference support) to inform industry and the ERO of lessons learned, root cause analysis, cause coding, human performance, and cold weather preparedness and recommendations; (7) developing reliability recommendations and alerts as needed; (8) tracking industry accountability for critical reliability recommendations; (9) ensuring that industry is well informed of system events, emerging trends, risk analysis, lessons learned, and expected actions; (10) conducting major event analysis and reporting of major findings and recommendations that will improve reliability; and (11) advancing the quality and usefulness of reliability assessments and event analysis data. The Event Analysis department will also support several top priority reliability risk projects being led by the RAPA program.

The major activities of the RRM group 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?

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?

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?

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 Department 2015 Major Activities

The major activities of the Critical Infrastructure Department (CID) are described on pages 48–50 of the 2015 Business Plan and Budget. These activities include supporting the development and administration of the Critical Infrastructure Protection (CIP) standards, conducting security outreach visits, providing training and exercise opportunities on CIP topics, and coordinating between industry and governmental entities on CIP matters. CID conducts the Security Reliability Program (formerly known as the Sufficiency Review Program), which provides timely and actionable advice to registered entities in support of CIP standards and is currently focused on the transition from the CIP Version 3 to CIP Version 5 standards. CID also conducts the periodic Grid Security Exercises and Grid Security Conferences. Further, CID supports the activities of the NERC Critical Infrastructure Protection Committee (CIPC) and its task forces and working groups.

CID’s 2015 ongoing and new major activities include: holding the annual Grid Security Conference, which focuses on physical and cybersecurity issues facing the Electricity Sub-sector and builds on NERC’s mission to ensure the reliability of the North American BES through education and training; conducting the biennial Grid Security Exercise (GridEx III), which focuses on analyzing industry’s response to a physical security and cybersecurity scenario and gathering lessons learned; coordinating with government departments and agencies on critical infrastructure policy issues; supporting NERC External Affairs and CEO in preparation for public presentations and follow-on actions; supporting CIP standards development and implementation through outreach presentations, webinars, and other training opportunities; and supporting the activities of the CIPC and its subgroups, including working through the CIPC to address emerging risk issues and support risk projects in 2015 as needed.

The major activities of CID 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?

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.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.)

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. Electricity Sector Information Sharing and Analysis Center 2015 Major Activities

The major activities of the Electricity Sector Information Sharing and Analysis Center (ES-ISAC) are described on pages 53-58 and Exhibit F of the 2015 Business Plan and Budget. The primary function of ES-ISAC is the rapid and secure sharing of information with the electric industry and governmental entities regarding real and potential security threats to the electricity sector and methods and tools to avoid or mitigate the potential impact from these threats. ES-ISAC facilitates sector coordination, mitigation development, and mitigation delivery for physical security, cybersecurity, and all hazards events. ES-ISAC develops alerts and notifications for distribution to registered entities and uses its secure portal to receive reports from industry members. ES-ISAC manages and executes NERC's responsibilities in the Cybersecurity Risk Information Sharing Program (CRISP) and acts as the program manager for CRISP. ES-ISAC maintains a seat on the operations floor of the National Cybersecurity and Communications Integration Center within the Department of Homeland Security. ES-ISAC also conducts Cyber Risk Preparedness Assessments (CRPA) for registered entities.

The ongoing and new major activities of the ES-ISAC for 2015 include: improving the usability and functionality of the information-sharing portal; preparing a CRPA toolkit to allow industry to conduct self-assessments of cyber risk preparedness, and conducting training and education sessions on the toolkit; and increasing analytical capabilities (including cyber awareness monitoring), portal monitoring, and information sharing. ES-ISAC will act as program manager for CRISP, enter into and manage a master services agreement with participating electric utilities, oversee the installation of the passive information sharing devices (ISDs) at utility sites and the associated monitoring activities, enter into and manage sub-contracts as necessary, serve as the central point for coordination and collaborative analysis of CRISP data, and share CRISP reporting and data with the registered users of the ES-ISAC portal. In carrying out its activities, the ES-ISAC use various software integration support services, the analyst workbench toolset, the Contested Operational Network for Reporting and Defense system for secure bi-directional communications, and certain intelligence reporting services. Additionally, the ES-ISAC will conduct periodic webinars relating to reporting in response to the NERC Aurora Alerts. Finally, through an annual member conference, the ES-ISAC will continue to offer workshops and other industry training and collaboration capabilities such as the CRPA.

The major activities of the ES-ISAC satisfy the following criteria:

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.)

VIII. Training, Education, and Operator Certification Program 2015 Major Activities

The major activities of the Training, Education, and Operator Certification Program are described on pages 61-62 of the 2015 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, including compliance auditors, relating to their job responsibilities, as well as training for industry participants on the Reliability Standards development process, the requirements of Reliability Standards, and the compliance monitoring and enforcement process. Training is also provided on registration and certification and on event analysis, cause analysis, and lessons learned. The Training and Education Program supports the ERO's responsibilities to develop, adopt, and obtain approval of Reliability Standards and to monitor, enforce, and achieve compliance with the mandatory standards. The Training and Education Program also supports NERC's System Operator Certification and Continuing Education (SOCCED) programs, which ensure that personnel operating the BES have the skills, training, and qualifications needed to operate the BES reliably. This program maintains the credentials for over 6,000 system operators to work in system control centers across North America.

The major activities of the Training, Education, and Operator Certification Program for 2015 include providing training and education for ERO personnel and industry in the following areas: auditor training; standards and compliance training; registration and certification (for registered entities); continuing education for system operators and other industry personnel as appropriate and related to reliability functions; and event analysis, cause analysis, and lessons learned. Training offered in 2015 will focus on standards compliance and emerging cyber-related issues potentially affecting BES reliability; consistent audit and investigation techniques and standards compliance reviews, including the RAI, FFT, and other improvements in compliance and enforcement practices; other auditor skills; development and implementation of clear and technically sound Reliability Standards; lessons learned and trends from events, trending and common cause analyses; effective compliance cultures to address reliability risks; effective root, apparent and common cause analytical methods; improvements to registered entity self-reporting and self-certification; entity registration processes, issues and alternatives; human performance fundamentals; and systematic approaches to training.

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.)

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 FERC orders?

IX. Administrative Services 2015 Major Activities

NERC’s Administrative Services departments are Technical Committees and Member Forums (for which no activities are budgeted for 2015), General and Administrative, Legal and Regulatory, Information Technology (IT), Human Resources, and Finance and Accounting. The major activities of these departments are described on pages 66, 70, 73-77, 80-81, and 84 of the 2015 Business Plan and Budget. General and Administrative includes the administration and general management of the organization, the Chief Executive Officer, Board of Trustees fees and expenses, communications and public relations, and office rent. Legal and Regulatory provides legal support to the organization, including to the Board, executive management, and the Reliability Standards, Compliance Analysis, Registration, and Certification, Reliability Risk Management, and RAPA 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 software applications and infrastructure. The capital expenditure projects managed by IT represent capital expenditures in hardware, software, and associated tools to securely gather, store, analyze, and maintain data across the ERO Enterprise to support the ERO’s operations, as well as necessary acquisition and replacement of computers, servers, and related devices. Human Resources manages all of NERC’s human resources functions, including new hires, benefits, employee functions, and the employee performance appraisal and incentive structure processes. Finance and Accounting 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.

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 (Finance and Accounting) 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’s 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 distinct from one another. 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 System³⁶ 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,

³⁶ 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.

- qualifications, 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?³⁷
 - 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 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

³⁷ 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.

- 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 for maintaining 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 electricity.

Exhibit C – Contractor and Consulting Costs

Program	Consultants & Contracts	2014 BUDGET	2015 BUDGET	INC (DEC) OVER 2014
RE Assurance and Oversight				
	Reliability Assurance Initiative	400,000	388,000	(12,000)
	Regional Entity Assurance and Oversight	400,000	388,000	(12,000)
Reliability Assessments and Performance Analysis				
	Reliability affects of GMD	250,000	242,500	(7,500)
	Vegetation Research (FAC 3)		242,500	242,500
	Reliability consulting support	120,000	169,750	49,750
	GADS/TADS/DADS/SED	268,085	300,700	32,615
	Total Reliability Assessments and Performance Analysis	638,085	955,450	317,365
Situation Awareness				
	Reliability Tools	377,816	472,212	94,396
	Secure Alerting System	79,373		(79,373)
	SAFNR - Phase II	531,825	459,609	(72,216)
	Frame Relay-RC's NERCnet Access	300,094	145,500	(154,594)
	Total Situation Awareness	1,289,108	1,077,321	(211,787)
Critical Infrastructure				
	CIPC Support	190,000	184,300	(5,700)
	GridEx Support		242,500	242,500
	Total Critical Infrastructure Department	190,000	426,800	236,800
ES-ISAC				
	Program-Level Capabilities	602,700	499,500	(103,200)
	Software & Services	111,750	113,285	1,535
	Events & Outreach	72,000	50,550	(21,450)
	CRISP		7,666,055	7,666,055
	Total ES-ISAC	786,450	8,329,390	7,542,940
Operator Certification				
	System Operator Testing Expenses	100,000	57,618	(42,382)
	System Operator Examination Development	100,000	66,176	(33,824)
	Job Task Analysis	14,000	25,784	11,784
	Database			
	Database Development	35,000	19,400	(15,600)
	Database Maintenance	24,000	23,746	(254)
	SOCED Database Improvement Project (funded from Working Capital generated from fees in excess of expenses)	200,000	200,000	-
	Total System Operator Certification	473,000	392,724	(80,276)
Training & Education				
	Continuing Education Program	152,330	163,930	11,600
	Web-based course hosting (Learning Management System)	26,500	29,800	3,300
	Web-based course development	120,000	97,776	(22,224)
	Training Services-NERC and Regional Entities	47,000	38,800	(8,200)
	NERC Staff Technical Training	30,000	29,100	(900)
	Total Continuing Education, Training & Education	375,830	359,406	(16,424)
	Total Training, Education and Operator Certification	848,830	752,130	(96,700)

Exhibit C – Contractor and Consulting Costs

Program	Consultants & Contracts	2014 BUDGET	2015 BUDGET	INC (DEC) OVER 2014
General & Administrative	Communications support	75,000	15,000	(60,000)
	Total General & Administrative	75,000	15,000	(60,000)
Information Technology	ERO Application Development	790,000	829,350	39,350
	ERO Data Analysis		100,000	100,000
	Applications Enhancements, Consulting and Help Desk Support	1,154,000	800,250	(353,750)
	Total Information Technology	1,944,000	1,729,600	(214,400)
Human Resources	Executive Training and Development	90,000	87,300	(2,700)
	Staff Training and Development	65,000	63,050	(1,950)
	Compensation Consulting	30,000	29,100	(900)
	Employee, industry and Board Surveys, succession planning	45,000	43,650	(1,350)
	HR Process Improvements	27,500	26,675	(825)
	HR Consulting Services		48,500	48,500
	Total Human Resources	257,500	298,275	40,775
Finance and Accounting	Internal Controls and Outside Auditor Consulting Support	300,000	242,500	(57,500)
	Audit procedures, practices, tools and reports consulting support	50,000	48,500	(1,500)
	Finance and Accounting Support	50,000	48,500	(1,500)
	Total Finance and Accounting	400,000	339,500	(60,500)
	TOTAL CONSULTANTS AND CONTRACTS	6,828,973	14,311,466	7,482,493

Exhibit D – Capital Financing

The company successfully closed on its capital financing program on January 10, 2014. The interest rate is floating and equal to LIBOR plus 275 basis points, which yielded a rate of 2.91% at closing.³⁸ The total size of the non-revolving credit facility is \$7.5M, with the total authorized borrowings each year limited to the amount approved by the Board of Trustees and FERC in that year's business plan and budget for IT hardware and the costs of developing software applications. Consistent with the terms of the loan documentation and its Board and FERC-approved 2014 budget, the company made an initial draw of \$1.265M at the end of January. The company recorded new capital investments of approximately \$1.65M in 2013 related to the development of software applications and IT hardware,³⁹ a portion of which was financed with the proceeds from this initial draw. This first tranche of capital financing will be amortized over three years, commencing January 31, 2014, and can be prepaid without penalty. A balance of \$1.416M is available for draw during the remainder of 2014, which is also consistent with NERC's 2014 approved budget.

During 2013, NERC and the Regional Entities developed a common software application to process BES exception requests and commenced the development of an application to facilitate the management, analysis, and dissemination of information regarding events affecting BPS reliability (the Events Information Data System, or EIDS). As further detailed in the May 2014 presentations to the NERC Finance and Audit Committee and Standards Oversight and Technology Committee, the company encountered difficulties in the development of EIDS and put the project temporarily on hold, pending a review of the overall ERO Enterprise's enterprise IT architecture and enterprise application development strategy. An ERO Enterprise IT Strategy update was presented to the Standards Oversight and Technology Committee at its August 2014 meeting, including steps to improve application development strategy, oversight and execution.

As further described in NERC's 2014 and 2015 Business Plans and Budgets, as part of the ERO Enterprise IT strategy NERC and the Regional Entities are in the planning phases of several additional enterprise software applications including an application (the "RADS" application) 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 of key reliability improvement initiatives. As contemplated in NERC's 2014 Business Plan and Budget, the company also engaged a consultant to help evaluate current software tools utilized to support compliance and registration systems currently used by NERC and the Regional Entities, including the merits of developing a replacement enterprise application.

As further discussed in the Introduction and Executive Summary and set forth in the table below, NERC has a 2015 proposed IT capital budget of approximately \$3.6M, \$1.9M of which it is proposing to finance.

³⁸ The interest rate at closing was lower than projected for purposes of the 2014 budget. As detailed in the company's approved 2014 Business Plan and Budget, any difference between actual and budgeted interest expense for draws under the credit facility becomes an addition to the company's Unforeseen Contingency Operating Reserve balance.

³⁹ This capital investment amount is exclusive of approximately \$640k in expenses which were incurred in 2013 in the development of the Events Information Data System application and expensed rather than capitalized, as further discussed in the [company's Q1 2014 budget variance](#) report presented to the NERC Finance and Audit Committee.

NERC 2015 CAPITAL BUDGET

Computer & Software CapEx

ERO Application Development	1,050,000
ERO Data Analysis Tools	550,000
Generation Data Software	200,000
Hardware	100,000
	<u>\$ 1,900,000</u>

IT Hardware and Software

Disaster Recovery	250,000
Data Storage	425,000
Replacement servers	202,000
NERC Software licenses	350,500
Replacement laptops	126,000

Total Computer & Software CapEx \$ 1,353,500

Equipment CapEx

Replacement network devices	<u>\$ 365,000</u>
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Total Capital Budget \$ 3,618,500

The table below sets forth the projected principal and interest repayment schedule for the amounts financed to date and the additional planned \$1.9M in capital financing. This projection assumes an average interest rate of 3.5% over the term of the financing, which is consistent with the 2014 budget. Management is recommending that 3.5% continue to be used given the potential for interest rate increases during 2015. 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 variations 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.

Exhibit D – Capital Financing – Overview

(000's)	Tranche A	Tranche B	Tranche C
	2014	2014	2015
Enterprise Application Development	1265	1416	1050
Generation Data Software		0	200
Data Analysis Tools			550
Hardware			100
Total Needs	1265	1416	1900
	3.50%		
	2013	2014	2015
Debt Balance Tranche A	0	1265	457
Amortization of Tranche A		387	422
Interest	0	41	16
Total Annual Payment	0	427	438
Debt Balance Tranche B	0	1416	1416
Amortization of Tranche B		0	472
Interest	0	4	50
Total Annual Payment	0	4	522
Debt Balance Tranche C	0	0	1900
Amortization of Tranche C		0	0
Interest	0	0	15
Total Annual Payment	0	0	15
Debt Balance Tranche D	0	0	0
Amortization of Tranche D		0	0
Interest	0	0	0
Total Annual Payment	0	0	0
Debt Balance Tranche E	0	0	0
Amortization of Tranche E		0	0
Interest	0	0	0
Total Annual Payment	0	0	0
Funded Debt Balance	0	2681	3773
Amortization of Debt	0	387	894
Interest Due	0	45	81
TOTAL ANNUAL PAYMENTS	0	431	974

Exhibit E – Working Capital and Operating Reserve Amounts

Management is proposing a budget of \$6.3M for working capital and operating reserves, which represents an increase of \$773k from 2014. Working capital reserves (which includes funds reserved for future liabilities) are budgeted at \$3.2M, which is a reduction of \$322.2k compared to 2014; this represents the amortization of the deferred rent liability. The total budget for known and unforeseen contingencies has been held at \$2M, which is consistent with the 2014 budget. However, unlike in the case of the 2014 budget, the entire amount has been budgeted for unforeseen contingencies.

Working Capital – \$3.25M

Based on its 2014 cash flow projection and taking into account the historic manner in which NERC's assessments have been billed and paid, NERC does not anticipate needing access to working capital in 2014 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 ratio of working capital and operating reserves to debt service that is greater than or equal to 1.2 to 1.0, and a ratio of liquidity to debt service that is greater than or equal to 1.5 to 1.0. Based upon NERC's 2014 projection and 2015 budget, these ratios are projected to be 3.8 to 1.0 and 11.5 to 1.0 at the end of 2015.

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 2014–2015 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, D.C. offices. The projected \$3.2M⁴⁰ year-end balance of these funds is being held as a segregated working capital reserve to offset these future liabilities. Pursuant to the company's Working Capital and Operating Reserve Policy, these funds may also be made available to satisfy debt service reserve and liquidity requirements as set forth therein and may be accessed for other purposes only upon receipt of necessary corporate and regulatory authorizations.⁴¹

⁴⁰ Refer to the Statement of Financial Position on page 99, Deferred rent – non-current

⁴¹ To the extent the company seeks to utilize such funds for any other purpose, prior approval of the Finance and Audit Committee is required. In addition, in the event the amount requested to be utilized for such other purpose is \$500,000 or more, prior approval of the Board of Trustees and filing with the Federal Energy Regulatory Commission is also required.

Operating Reserves – \$3.1M Total (Known Contingency Category (\$0M) + Unforeseen Contingency Category (\$2M) + Personnel Certification and Operating Training Excess Revenues (\$591.4k)

- (1) Known Contingencies where timing and amount uncertain — \$0M
- (2) Unforeseen Contingencies — \$2M
- (3) System Operator Certification Program — \$591.4k – The projected 12/31/14 reserve balance of the System Operator Certification Program is \$996,430, \$405,042 of which is projected to be used to fund budgeted costs that are in excess of projected funding.
- (4) CRISP – Pursuant the terms of the Master Services Agreement between NERC and participating utilities, a separate \$500k CRISP participant (third party) funded reserve will be established to fund certain contingencies in connection with CRISP.

Total Working Capital + Operating Reserves – \$6.3M

Exhibit F – Additional CRISP Detail

Introduction and Executive Summary

This exhibit provides additional background on CRISP, NERC’s proposed role, budget and funding requirements, as well as projected impacts on NERC’s assessments to load serving entities.

Background

CRISP is a voluntary program to facilitate the exchange of detailed cybersecurity information between electric utilities, the Electricity Sector Information Sharing and Analysis Center (ES-ISAC), the US Department of Energy (DOE), and Pacific Northwest National Laboratory (PNNL), to enable electric power critical infrastructure operators to better protect their networks from sophisticated cyber threats. The program uses passive sensors called Information Sharing Devices (“ISDs”) to collect and transmit cybersecurity information from each site for analysis. CRISP also incorporates additional information exchange capabilities that permit some outputs from the analysis to be shared more broadly with the entire electricity sector, improving the overall sector cybersecurity posture. CRISP has two differentiators from other commercially available cyber risk monitoring services. The first is the intent and ability to integrate other cyber related threat information provided through governmental sources with the cyber threat information gathered from the ISDs installed at the participant’s sites. Second is the ability of the program to look across organizations within the electricity subsector, identifying correlation and trends.

Scope

The CRISP technology was deployed across the DOE networks over ten years ago. During the past several years, the technology has been deployed across five electric utilities through a DOE pilot program. Under the direction of DOE and in coordination with the Electricity Subsector Coordinating Council (ESCC), the deployment of CRISP is now transitioning from a pilot to broader deployment. While it will still only be deployed to a small subset of the industry, information derived from this program will be disseminated broadly to registered users of the ES-ISAC, enhancing the entire industry’s cybersecurity posture. The ESCC has endorsed this program and its members have taken a leadership role in advocating industry participation and funding support. Twenty-eight (28) electric utility organizations have been preliminarily identified for deployment of the CRISP capability, requiring an estimated 68 ISDs to be installed at the various sites.

Roles and Responsibilities

ES-ISAC

Under the contemplated structure, the ES-ISAC will assume the role of program manager for CRISP and will be responsible for providing certain agreed upon services to the participating electric utilities, including the oversight of the installation of the ISDs and associated analytical services. The ES-ISAC will provide a central point for coordination and be the hub for collaborative analysis of CRISP data. Additionally, unattributed CRISP reporting and data will be shared with registered users of the ES-ISAC portal providing more widespread benefits to industry. NERC will subcontract substantially all of these services to PNNL. In the future, the ES-ISAC will work with PNNL and utility participants to evaluate the costs and benefits of NERC developing the capability to either performing these services in-house without PNNL support, with reduced PNNL support or through a combination of in-house, PNNL and other commercially available subcontractor capabilities.

PNNL and Argonne National Labs

PNNL is a United States Department of Energy National Laboratory, operated by Battelle with oversight by the Department of Energy. The main campus of the laboratory is in Richland, Washington. PNNL was the federal government’s primary technical partner in establishing CRISP and will be the primary subcontractor to NERC in connection with the provision of CRISP services to participating utilities, subject to the potential use of different

subcontractors in the future and NERC building additional internal capabilities to provide the services which would initially be provided by PNNL.

Pursuant to its subcontract with NERC, PNNL will be responsible for the deployment of the required technology, supporting infrastructure, analysis, and the technical capabilities. Argonne National Lab (ANL) supports and maintains certain core components necessary for CRISP and would provide this support through an inter-lab agreement with PNNL.

Technology

CRISP has three main technology elements. Together these elements provide the site with analysis of cybersecurity information, the ability to exchange cybersecurity threat information, and a means for secure data and voice communications across all CRISP participants. CRISP supplements a site's existing cybersecurity program and enables a level of collaboration that does not currently exist in the sector.

These three technology elements are:

- **Information Sharing Device (ISD)**
Hardware installed at the site that captures cybersecurity threat information for transmission to PNNL for analysis.
- **Cyber Fed Model (CFM)**
Software that enable the secure communication of cybersecurity threat information between PNNL, ANL, ES-ISAC, sites, and other participating organizations (government and non-government)
- **Contested Operations Network for Reporting and Detection (CONRAD)**
A secure communications device comprised of hardware and software that enables the secure voice and data transmission.

Technical Overview

Information Sharing Devices (ISD)

The CRISP ISD is a network device which uses commercial off the shelf hardware. It's placed at the transmitting site's (e.g. utility) network border, just outside the corporate firewall. Once the ISD is configured and activated, the data is encrypted and transmitted to PNNL for analysis. The ISD is not an intrusion prevention or detection system. It is a completely passive device that gathers cyber threat information necessary to understand the cyber threat tactics, techniques and procedures, and correlate information from across the CRISP sites with other cyber threat information made available by the government and other sources.

PNNL, with assistance from utility site personnel, will be responsible for the installation of the ISD, which will be owned and operated by the participating utility. ES-ISAC personnel also plan to be present on-site during these installations. PNNL will provide technical support to maintain the sensor operations and ensure proper communications with the ISD data repository. PNNL has already installed a number of ISDs at utilities which are planning to participate in the program, including utilities who participated in the DOE pilot program.

Cyber Fed Model (CFM)

Developed and operated by ANL, CFM is a software program that is installed on the site's computer and enables the exchange of cyber threat information with other CFM sites. ANL will support CFM installation at the sites through an inter-lab agreement with PNNL and can be done in conjunction with ISD installation. CFM provides a near real-time exchange of cyber threat information to and from participating organizations. It includes an encryption-based information-exchange protocol that allows the site to specifically determine who receives its data. Along with reports, and other situational-analysis information generated through CRISP, the data shared includes information regarding a combination of hostile IP addresses, DNS domains, and other threat indicators. This actionable data is provided to sites automatically (machine to machine) every 5-15 minutes. The ES-ISAC has

already established a CFM node at the NERC Washington office. Given the proposed change in NERC and the ES-ISAC's role in overseeing CRISP, NERC has deferred making a decision regarding the installation of an ISD on its network and, assuming receipt of all necessary corporate and regulatory authorizations to proceed with the program, will instead focus on overseeing installation of the ISDs at participating utility sites and performing the other functions and service described herein. In the future, NERC may decide to install an ISD on its network.

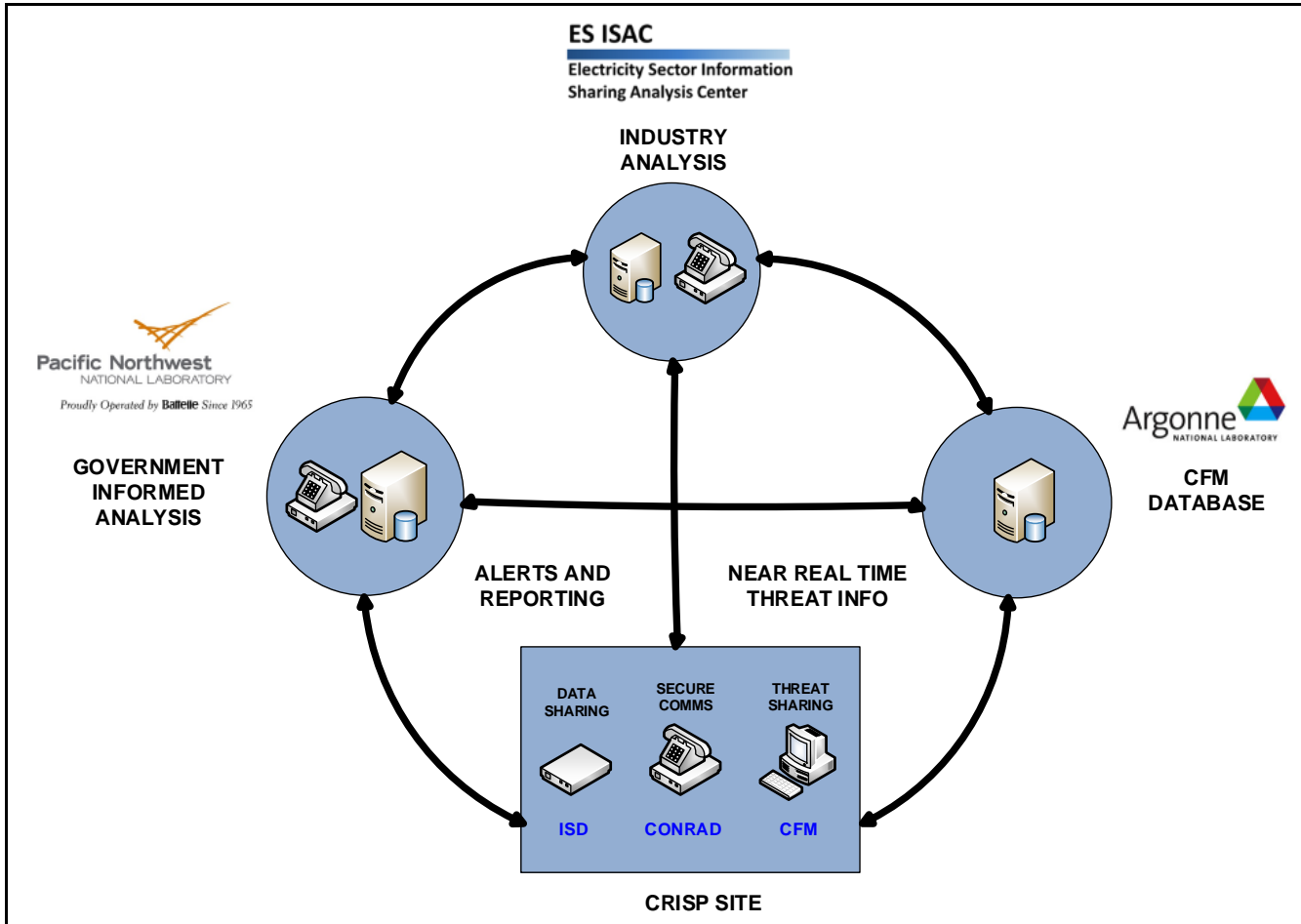
Contested Operations Network for Reporting and Detection (CONRAD)

The CONRAD device and communications network allows a compromised site to collaborate and coordinate with other sites to mitigate the threat without the perpetrating actor monitoring the communications. This secure network uses technologies which are approved by the National Security Agency and are commercially available.

CONRAD requires the installation of a network device at the site to encrypt and decrypt communications. CONRAD enables both data and voice communications. Installation of CONRAD can occur in conjunction with ISD installation.

Figure 1 on the next page provides a visual overview of CRISP's three primary technology elements.

Figure 1: Visual of CRISP Technologies and Capability



Overview of Contract Structure

Implementation of CRISP by NERC will be governed pursuant to a master agreement (“Master Agreement”) between NERC and the participating utilities. NERC will subcontract the majority of the services and obligations under the Master Agreement to PNNL pursuant to the terms of a subcontract (“PNNL Contract”) which will be executed contemporaneously with the execution of the Master Agreement. The terms and conditions of the Master Agreement and PNNL Contract are in the final stages of negotiation.

CRISP Budget

The MSA provides that NERC participation in CRISP is subject to receipt of necessary annual business plan and budget approvals.

NERC’s projected CRISP budget will include two major categories of expense (1) the projected PNNL subcontract costs and (2) incremental ES-ISAC personnel, hardware, software, meeting, travel, legal, insurance and indirect expenses associated with NERC’s management and administration of CRISP and sharing of CRISP derived information through the ES-ISAC portal. NERC’s total projected 2015 CRISP budget is approximately \$9.3M. Each of the major expense categories are further discussed below.

2015 PNNL Subcontract Budget

All 2015 PNNL subcontract costs will be allocated to and funded directly by participating utilities and not through assessments. PNNL 2015 subcontract will also contain a not to exceed price. The PNNL subcontract budget will

include hardware, personnel and other costs for ISD installation, as well as personnel, hardware, software, insurance and other expenses to provide the required monitoring and analytical services set forth in the Master Agreement.

The 2015 PNNL subcontract budget will assume 28 participating entities in 2015 and installation of 68 ISDs, several of which have already been installed pursuant to separate interim agreements between PNNL and participating utilities.

PNNL will be paid based on actual costs incurred, subject to the not to exceed price set forth in the agreement. Any increase in the PNNL 2015 subcontract price will require prior approval of NERC and the participating utilities, with NERC's approval conditioned upon agreement that any such additional costs are reimbursed entirely by the participating utilities and not funded through assessments.

Projected Additional Internal ES-ISAC Resource Needs and Expenses

In addition to projected PNNL subcontract expenses, NERC has developed a 2015 budget for the additional ES-ISAC resource needs and expenses to initially support CRISP. NERC is projecting a 2015 CRISP (internal) ES-ISAC CRISP budget of approximately \$1.75M, which is in addition to the projected PNNL subcontract costs previously described.

Additional ES-ISAC Personnel Resources

Initial year one support for CRISP will require the addition of 2 FTEs in the ES-ISAC. One FTE will be a manager level position and will be responsible for the day-to-day oversight and management of the technical and financial aspects of the Master Agreement and PNNL subcontract. The second FTE will be an analyst position focused on analysis of CRISP data and dissemination of information among CRISP participants and ES-ISAC registered users.

In the long term, additional personnel additions may be warranted to support CRISP, especially if the decision is made to transition significant portions of the CRISP support in-house as mentioned above. In the event NERC moves forward with this initiative, as the program gets up and running and moves through initial year, these needs will be further assessed in collaboration with participating utilities and subject to review as part of NERC's business plan and budget and associated processes, including the receipt of any required corporate and regulatory authorizations.

Additional ES-ISAC Data Storage, Hardware, Software, Meeting and Travel Expense and Professional Fees, Insurance and Indirect Cost Allocation

NERC is also projecting the need to increase data storage needs, acquire additional hardware and software and upgrade the ES-ISAC portal to facilitate the sharing of CRISP information with ES-ISAC registered users. Meeting and travel expenses are also projected to increase given the ES-ISAC's program oversight role. In addition, NERC anticipates the need to retain the assistance of outside professionals to support various MSA activities.

Indirect cost allocations are driven by the ratio of ES-ISAC FTEs to total FTEs. Therefore, the projected addition of FTEs to the ES-ISAC results in an increase in the allocation of indirect expenses

The following table provides a breakdown of the additional 2015 ES-ISAC personnel, data storage, hardware, software, meeting, travel, conference, cellular, offices and professional fees and insurance expenses, together with a revised ES-ISAC indirect cost allocation. Cost of professional liability and cyber insurance insurance required under the MSA which is in excess of \$100k will be paid for by the participating utilities.

Personnel	\$459,251
Data Storage	\$300,000
Hardware and Software	\$100,000
ES-ISAC Portal Upgrades	\$100,000
Meetings, travel and conferences	\$50,000
Cellular and other Office costs	\$5,000
Professional Fees	\$250,000
Insurance	\$100,000
Indirect cost allocation	\$390,817
Total	\$1,755,068

Funding

All of the PNNL subcontract costs, which represent the majority of the CRISP budget and includes ISD installation costs and supporting data analysis provided by PNNL will be allocated to and funded directly by participating utilities pursuant to the terms of the Master Agreement. In addition, participating utilities will also fund a separate \$500k CRISP reserve. CRISP participant funding is shown in the row labeled “Third Party Funding (CRISP)” on the ES-ISAC departmental comparative Statement of Activities in Attachment A.

With respect to the remaining projected incremental (internal) ES-ISAC CRISP resource needs and expenses totaling approximately \$1.75M described in the preceding section, these costs will be shared equally between Load Serving Entities and CRISP participating utilities, with fifty percent (50%) of these costs be recovered through assessments, after taking into account allocations of penalty funds and interest⁴². The remaining fifty percent (50%) would be recovered from participating utilities. Fifty (50%) of the total ES-ISAC internal budget of approximately \$1.75M, exclusive of PNNL costs, is equal to approximately \$878k (See Attachment A, row labeled “Total NERC Funding”). This effectively represents the cap on the amount of 2015 CRISP budget that will be funded through assessments.

Sharing of these costs is appropriate given that anonymized information derived from CRISP would be disseminated broadly to the entire electricity subsector through the ES-ISAC, enhancing the entire electric power industry’s cybersecurity posture. In the future management may propose changes to this sharing formula based on experience gained in its management of CRISP. However, for the initial contract year, a 50/50 sharing of these costs is reasonable, especially as the vast majority of the program costs will be funded directly by participating utilities. Any future changes in this allocation formula and costs recovered through assessments would be subject to NERC finance and audit committee, board of trustees and FERC review and approval of NERC’s future business plans and budgets and associated assessments, after due consideration of stakeholder feedback.

Projected ES-ISAC and NERC 2015 Budget and Assessment Impact

Attachment A contains an analysis of the combined impact of the current estimate of the cost of the PNNL subcontract and the additional ES-ISAC resource needs and expenses described above, compared to the ES-ISAC budget presented in NERC’s final 2015 business plan and budget without CRISP. With CRISP, projected 2015 total funding requirements for the ES-ISAC are projected to increase from approximately \$4.5M to \$13.8M, an increase of approximately \$9.3M. (See Attachment A, row labeled “Total Budget (=B+C)”.

⁴² Per FERC approved allocation policies applicable to NERC and Regional Entity budgets, penalty funds and interest earnings are allocated among departments based on the ratio of budgeted department FTEs to total FTEs.

Attachment B contains an analysis of the total impact of the estimated costs of CRISP on the budget and assessment projections presented in NERC's 2015 business plan and budget assuming, as previously described, fifty percent (50%) of the projected incremental internal ES-ISAC costs (exclusive of PNNL subcontract costs) will be recovered through assessments and the balance of the CRISP costs (including PNNL subcontract costs) paid directly to NERC by participating utilities. This results in an approximate \$496k, 1.0%, projected increase in total NERC assessments from draft 2, without CRISP, (6.6% increase to 7.6% increase).

The projected increase in assessments of approximately \$496k shown in Attachment B is less than the projected assessment impact of approximately \$861k shown in ES-ISAC comparative departmental comparative Statement of Activities in Attachment A due to the fact that the total amount of NERC's 2015 indirect costs would still be included in NERC's 2015 budget in the absence of CRISP.

Projections for 2016 and 2017

It is difficult at this stage to develop accurate projections of CRISP costs beyond 2015. For purposes of NERC's 2016 and 2017 overall budget projections it was assumed that CRISP costs would be approximately equal to 2015, except for a reduction in outside professional fees. It was also assumed that CRISP funding from third party participants would be consistent with 2015, except for the reduction for the one-time funding of reserves, with any increase in costs over and above the 2015 budget funded directly by CRISP participants.

Attachment A
2015 ES-ISAC Departmental Budget and CRISP Cost Analysis-Comparison

Statement of Activities and Fixed Assets Expenditures
2014 Budget & Projection and 2015 Budget

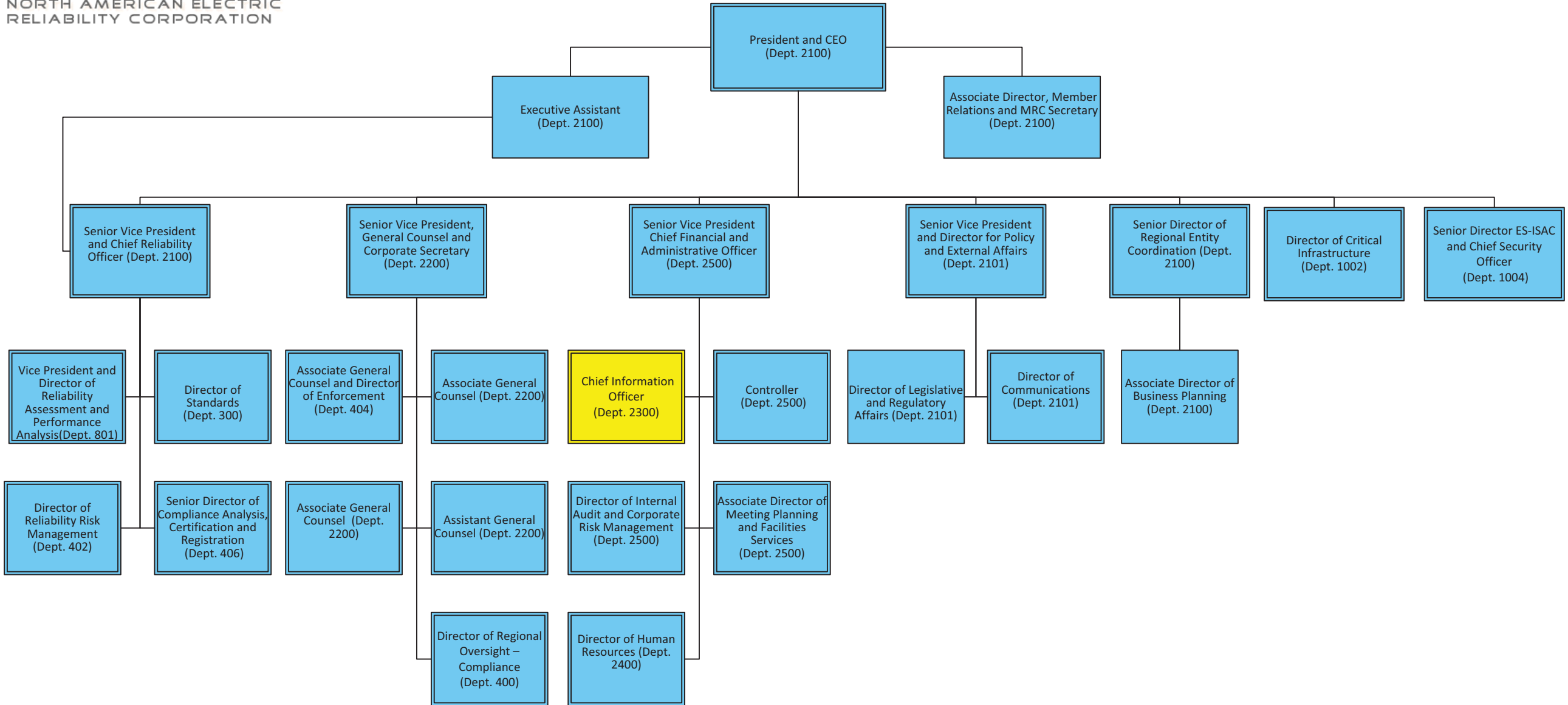
ES-ISAC							
	2014 Budget	2014 Projection	2014 Projection v 2014 Budget Over(Under)	2015 Budget	2015 Budget v 2014 Budget Over(Under)	2015 Budget W/O CRISP	2015 Budget CRISP
Funding							
ERO Funding							
NERC Assessments*	\$ 4,085,033	4,089,386	\$ 4,353	\$ 5,328,566	\$ 1,243,533	\$ 4,467,628	\$ 860,938
Penalty Sanctions	17,558	17,558	-	97,742	80,184	81,188	16,554
Total NERC Funding	\$ 4,102,591	\$ 4,106,944	\$ 4,353	\$ 5,426,307	\$ 1,323,716	\$ 4,548,815	\$ 877,492
Third-Party Funding (CRISP)	-	-	-	8,943,589	8,943,589	8,443,589	500,000
Interest	1,184	-	(1,184)	248	(936)	206	42
Total Funding (A)	\$ 4,103,775	\$ 4,106,944	\$ 3,169	\$ 14,370,144	\$ 10,266,369	\$ 4,549,021	\$ 1,377,534
Expenses							
Personnel Expenses							
Salaries	\$ 1,336,679	\$ 1,283,028	\$ (53,651)	\$ 1,733,405	\$ 396,726	\$ 1,370,048	363,357
Payroll Taxes	77,887	77,307	(580)	103,696	25,809	82,706	20,990
Benefits	135,474	128,072	(7,402)	186,739	51,265	152,786	33,953
Retirement Costs	151,967	141,032	(10,935)	195,059	43,092	154,108	40,951
Total Personnel Expenses	\$ 1,702,007	\$ 1,629,439	\$ (72,568)	\$ 2,218,899	\$ 516,892	\$ 1,759,648	459,251
Meeting Expenses							
Meetings		\$ -	\$ -	\$ 60,000	\$ 60,000	\$ 45,000	15,000
Travel	88,428	95,000	6,572	126,000	37,572	96,000	30,000
Conference Calls		19,848	19,848	24,885	24,885	19,885	5,000
Total Meeting Expenses	\$ 88,428	\$ 114,848	\$ 26,420	\$ 210,885	\$ 122,457	\$ 160,885	50,000
Operating Expenses							
Consultants & Contracts	\$ 786,450	\$ 701,600	\$ (84,850)	\$ 8,329,390	\$ 7,542,940	\$ 663,335	7,666,055
Office Rent		\$ -	\$ -				
Office Costs	32,775	\$ 47,728	14,953	356,914	324,139	51,914	305,000
Professional Services		\$ -	\$ -	350,000	350,000		350,000
Miscellaneous		\$ -	\$ -	500	500	500	
Depreciation		\$ -	\$ -				
Total Operating Expenses	\$ 819,225	\$ 749,328	\$ (69,897)	\$ 9,036,804	\$ 8,217,579	\$ 715,749	\$ 8,321,055
Total Direct Expenses	\$ 2,609,660	\$ 2,493,615	\$ (116,045)	\$ 11,466,588	\$ 8,856,928	\$ 2,636,282	\$ 8,830,306
Indirect Expenses	\$ 1,451,372	\$ 1,610,555	\$ 159,183	\$ 2,173,799	\$ 722,428	\$ 1,804,996	\$ 368,803
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Expenses (B)	\$ 4,061,032	\$ 4,104,170	\$ 43,138	\$ 13,640,387	\$ 9,579,355	\$ 4,441,278	\$ 9,199,108
Fixed Assets							
Computer & Software CapEx	-	-	-	100,000	100,000	-	100,000
Allocation of Fixed Assets	\$ 42,937	\$ 14,637	(28,300)	129,758	86,821	107,743	22,014
Inc(Dec) in Fixed Assets (C)	\$ 42,937	\$ 14,637	\$ (28,300)	\$ 229,758	\$ 186,821	\$ 107,743	\$ (100,000)
TOTAL BUDGET (=B + C)	\$ 4,103,969	\$ 4,118,807	\$ 14,838	\$ 13,870,144	\$ 9,766,176	\$ 4,549,021	\$ 9,321,123
FTEs	7.72	7.57	(0.15)	10.32	2.60	8.44	1.88

*The increase in assessments due to CRISP is on a 'stand alone' basis for the ES-ISAC Program. The increase in assessments for 'Total NERC' is approximately \$460k, because indirect expenses and the fixed assets, excluding the \$100k budgeted for CRISP, were already included in the total funding requirement without CRISP.

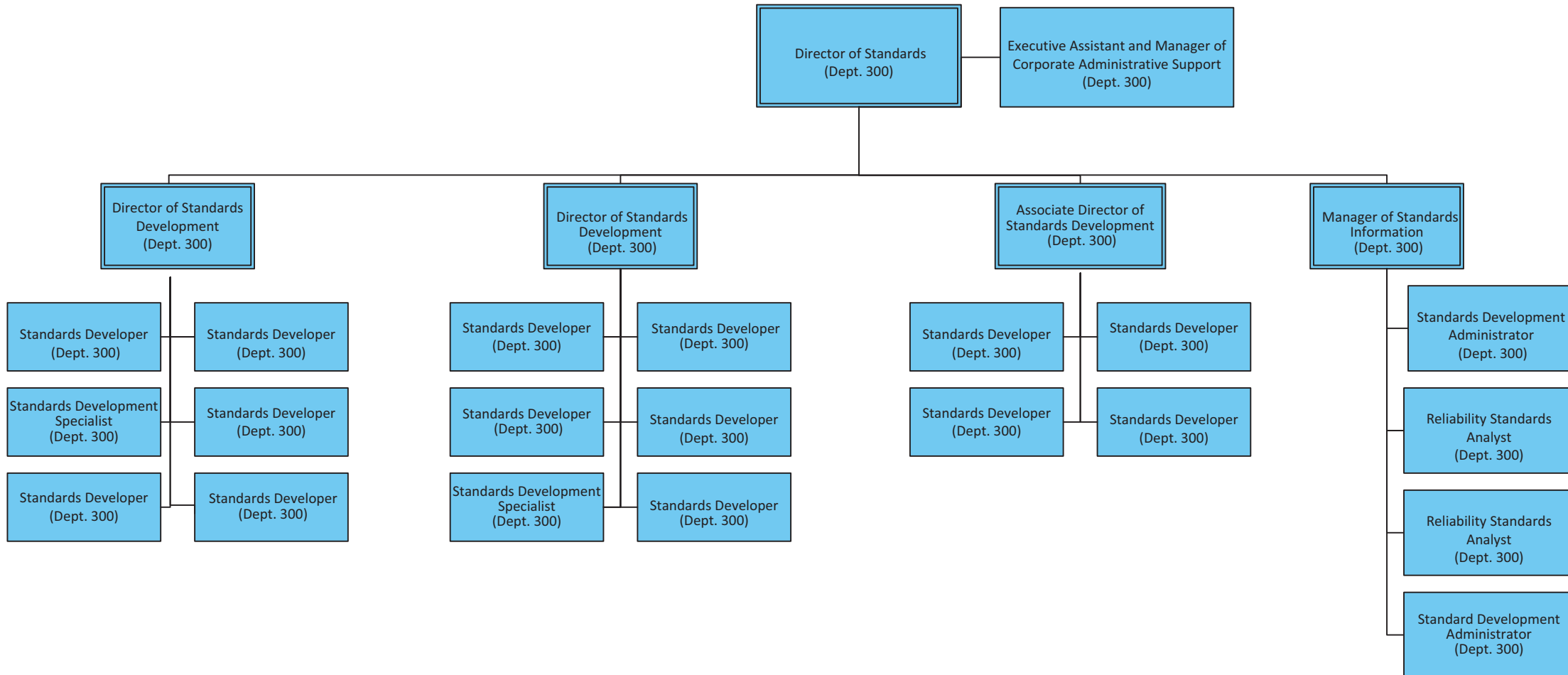
Attachment B
Comparison of Final 2015 Budget and Assessments with CRISP to Final 2015 Business Plan and Budget and Assessments without CRISP

Statement of Activities and Fixed Assets Expenditures								
2015 Budget								
STATUTORY								
	2014	2014	Variance 2014	2015 Budget	Variance 2015	% Inc 2015	2015 Budget	Inc in Budget
	Budget	Projection	Projection v 2014	with CRISP	Budget	over 2014	without CRISP	due to CRISP
			Over(Under)		Over(Under)			
Funding								
ERO Funding								
NERC Assessments	\$ 51,401,382	\$ 51,401,382	\$ (0)	\$ 55,308,375	\$ 3,906,993	7.6%	\$ 54,812,063	\$ 496,312
Penalty Sanctions	290,000	290,000	-	1,155,000	865,000		1,155,000	-
Total NERC Funding	\$ 51,691,382	\$ 51,691,382	\$ (0)	\$ 56,463,375	\$ 4,771,993		\$ 55,967,063	\$ 496,312
Third-Party Funding	-	-	-	8,943,589	8,943,589		-	8,943,589
Testing Fees	1,620,000	1,620,000	-	1,670,000	50,000		1,670,000	-
Services & Software	50,000	50,000	-	50,000	-		50,000	-
Workshops	354,000	239,000	(115,000)	241,300	(112,700)		241,300	-
Interest	20,000	2,500	(17,500)	3,000	(17,000)		3,000	-
Miscellaneous	-	-	-	-	-		-	-
Total Funding (A)	\$ 53,735,382	\$ 53,602,882	\$ (132,500)	\$ 67,371,264	\$ 13,635,882	25.4%	\$ 57,931,363	\$ 9,439,901
Expenses								
Personnel Expenses								
Salaries	\$ 26,218,572	\$ 26,168,292	\$ (50,280)	\$ 27,580,677	\$ 1,362,105		\$ 27,217,320	363,357
Payroll Taxes	1,570,954	1,726,865	155,911	1,673,628	102,674		1,652,638	20,990
Benefits	3,385,917	3,179,008	(206,909)	3,547,178	161,261		3,513,225	33,953
Retirement Costs	2,884,211	2,715,383	(168,828)	3,001,829	117,618		2,960,878	40,951
Total Personnel Expenses	\$ 34,059,654	\$ 33,789,548	\$ (270,106)	\$ 35,803,312	\$ 1,743,658	5.1%	\$ 35,344,061	459,251
Meeting Expenses								
Meetings	\$ 1,052,150	\$ 1,061,453	\$ 9,303	\$ 1,050,000	\$ (2,150)		\$ 1,035,000	15,000
Travel	2,419,525	2,109,344	(310,181)	2,203,395	(216,130)		2,173,395	30,000
Conference Calls	317,851	293,649	(24,202)	312,751	(5,100)		307,751	5,000
Total Meeting Expenses	\$ 3,789,525	\$ 3,464,446	\$ (325,079)	\$ 3,566,146	\$ (223,379)	-5.9%	\$ 3,516,146	50,000
Operating Expenses								
Consultants & Contracts	\$ 6,828,973	\$ 7,516,119	\$ 687,146	\$ 14,311,466	\$ 7,482,493		\$ 6,645,411	7,666,055
Office Rent	2,617,300	2,650,299	32,999	2,987,777	370,477		2,987,777	-
Office Costs	3,506,074	3,410,106	(95,968)	3,583,328	77,254		3,278,328	305,000
Professional Services	2,290,280	2,290,280	-	2,611,280	321,000		2,261,280	350,000
Miscellaneous	36,500	33,000	(3,500)	36,500	-		36,500	-
Depreciation	2,333,006	1,790,990	(542,016)	2,333,006	-		2,333,006	-
Total Operating Expenses	\$ 17,612,133	\$ 17,690,794	\$ 78,661	\$ 25,863,357	\$ 8,251,224	46.8%	\$ 17,542,302	\$ 8,321,055
Total Direct Expenses	\$ 55,461,313	\$ 54,944,788	\$ (516,525)	\$ 65,232,815	\$ 9,771,502	17.6%	\$ 56,402,509	\$ 8,830,306
Indirect Expenses	\$ 0	\$ -	\$ (0)	\$ (0)	\$ (0)		\$ -	\$ (0)
Other Non-Operating Expenses	\$ 144,000	\$ 79,367	\$ (64,633)	\$ 131,000	\$ (13,000)	-9.0%	\$ 131,000	\$ -
Total Expenses (B)	\$ 55,605,313	\$ 55,024,155	\$ (581,157)	\$ 65,363,815	\$ 9,758,502	17.5%	\$ 56,533,509	\$ 8,830,306
Change in Assets	\$ (1,869,930)	\$ (1,421,273)	\$ 448,657	\$ 2,007,449	\$ 3,877,379		\$ 1,397,854	609,595
Fixed Assets								
Depreciation	\$ (2,333,006)	\$ (1,790,990)	542,016	\$ (2,333,006)	\$ -		\$ (2,333,006)	\$ -
Computer & Software CapEx	2,904,790	2,025,476	(879,314)	3,253,500	348,710		3,153,500	100,000
Furniture & Fixtures CapEx	-	-	-	-	-		-	-
Equipment CapEx	213,000	186,721	(26,279)	365,000	152,000		365,000	-
Leasehold Improvements	-	-	-	-	-		-	-
Allocation of Fixed Assets	\$ -	\$ (0)	\$ (0)	\$ -	\$ -		\$ 0	\$ (0)
Inc(Dec) in Fixed Assets (C)	784,784	421,207	(363,577)	1,285,494	500,710		1,185,494	100,000
TOTAL BUDGET (=B + C)	\$ 56,390,096	\$ 55,445,362	\$ (944,734)	\$ 66,649,309	\$ 10,259,212	18.2%	\$ 57,719,003	\$ 8,930,306
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)¹	\$ (2,654,714)	\$ (1,842,480)	\$ 812,234	\$ 721,955	\$ 3,376,669		\$ 212,360	\$ 509,595
FTEs	189.5	185.5	(4.0)	192.3	2.8	1.5%	190.42	1.88

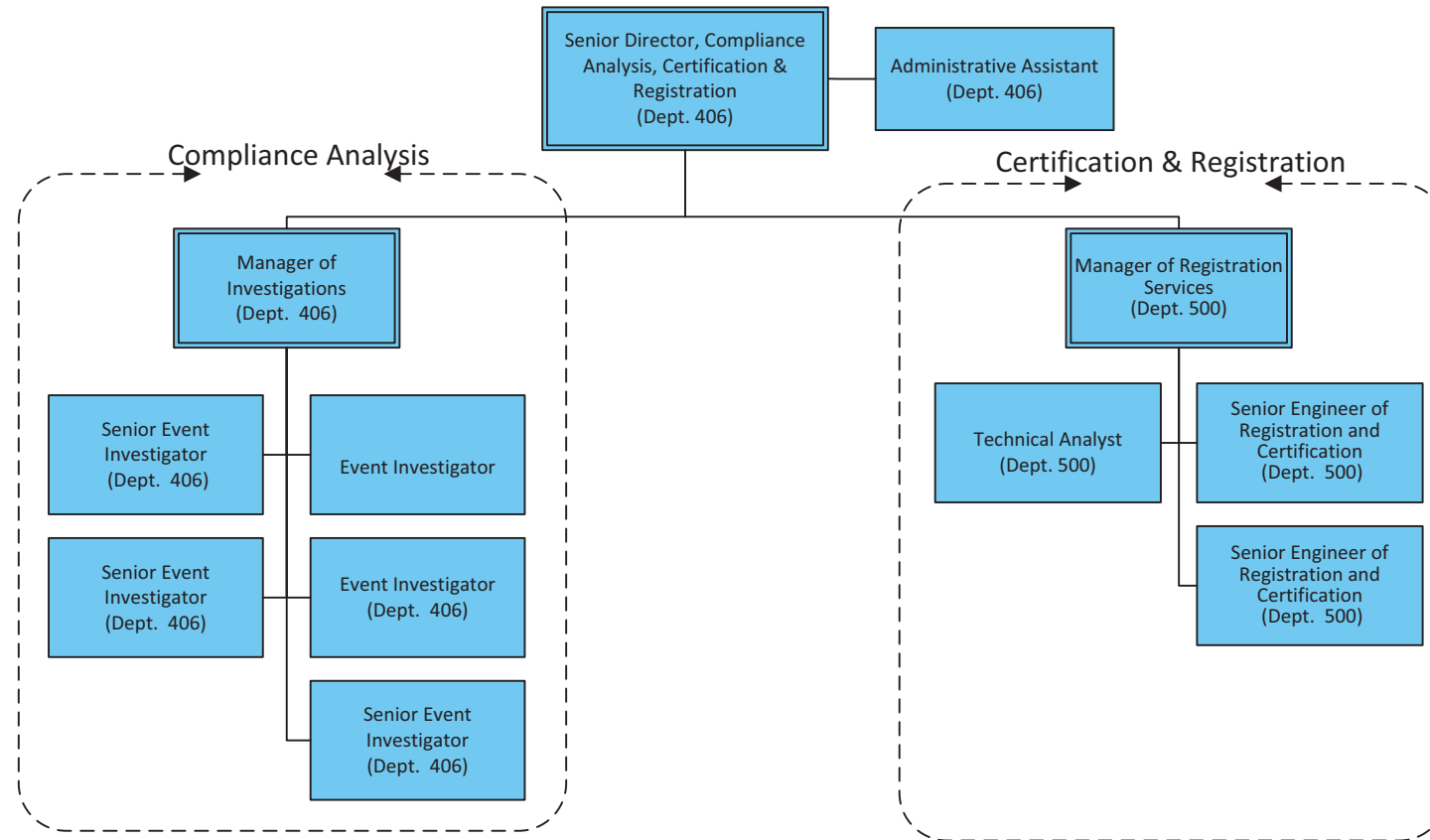
NERC Staff Organization Chart 2015 Budget



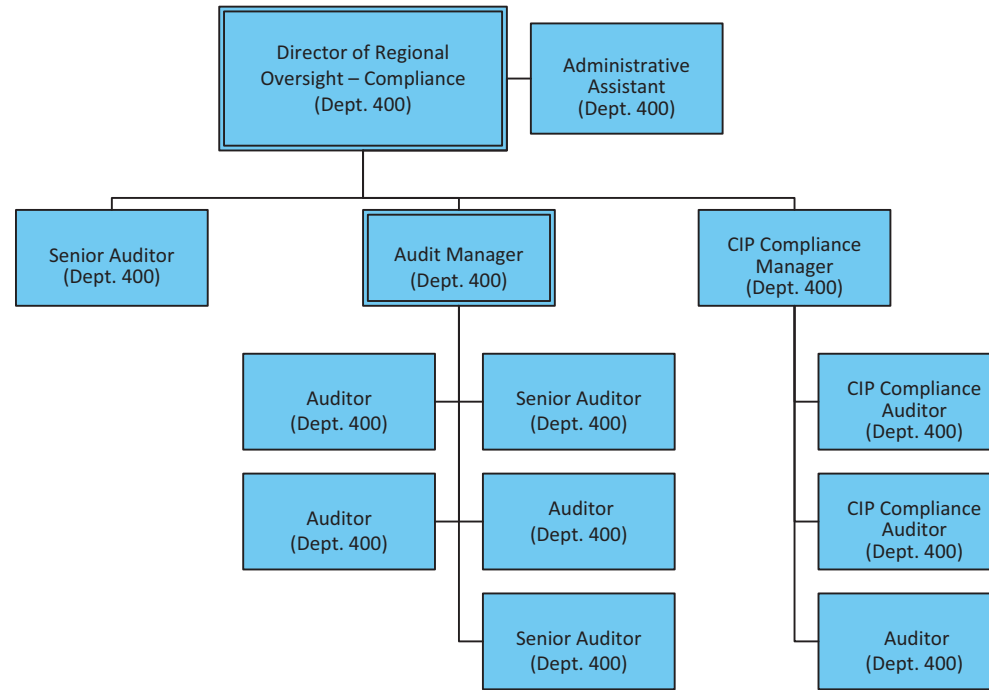
Reliability Standards 2015 (Dept. 300)



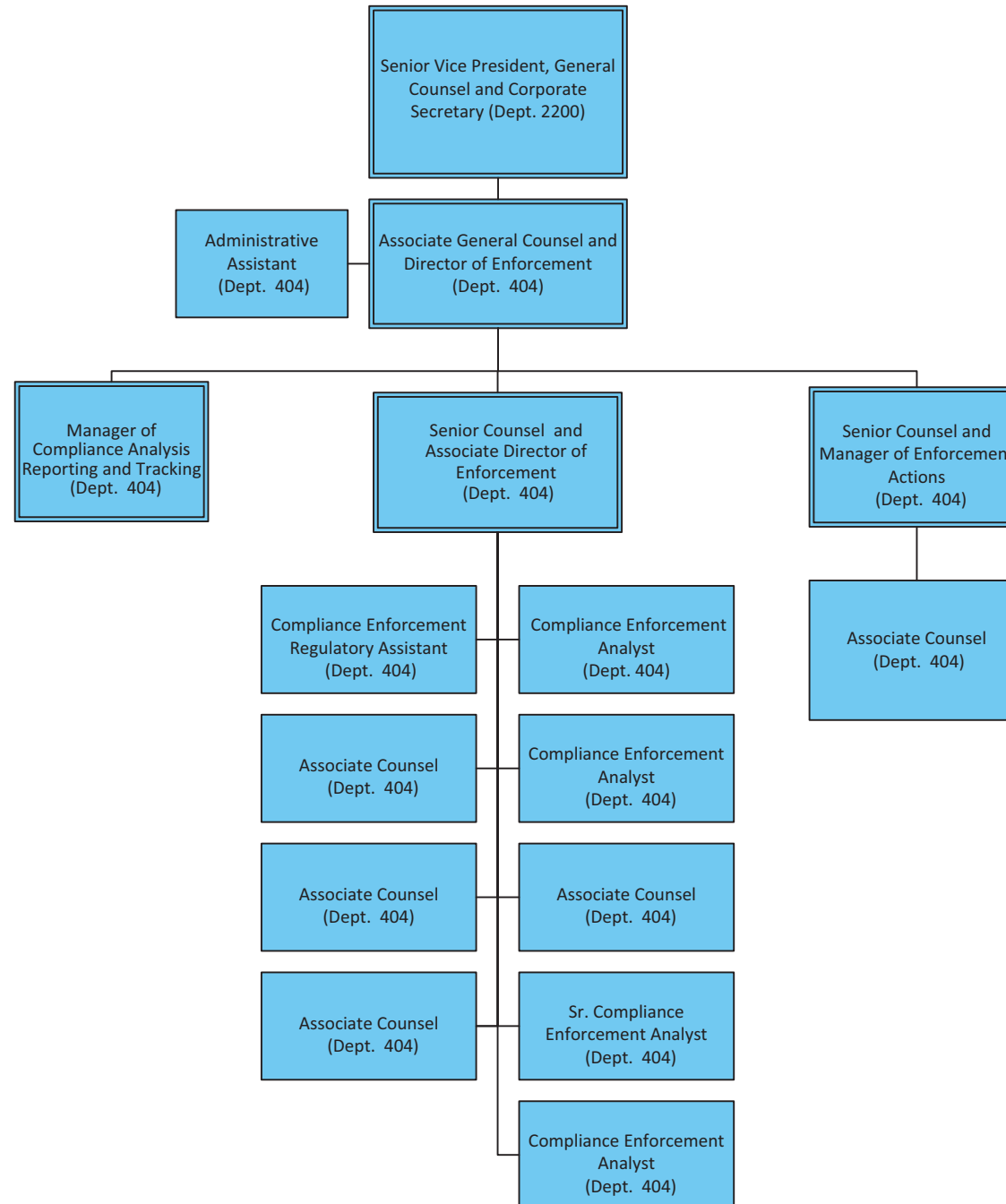
Compliance Analysis, Certification and Registration 2015 (Dept. 406, 500)



Regional Oversight - Compliance 2015 (Dept. 400)

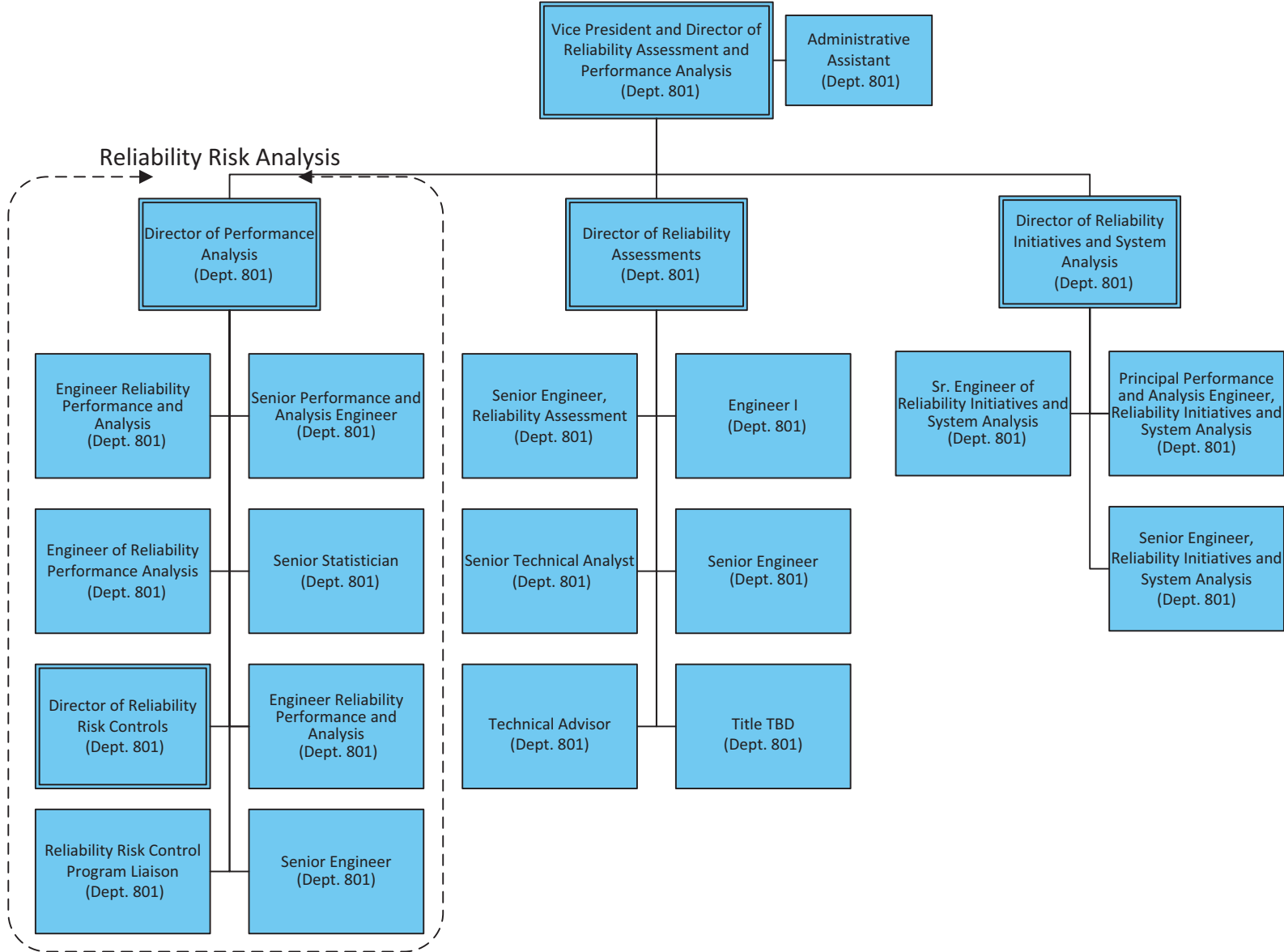


Compliance Enforcement 2015 (Dept. 404)

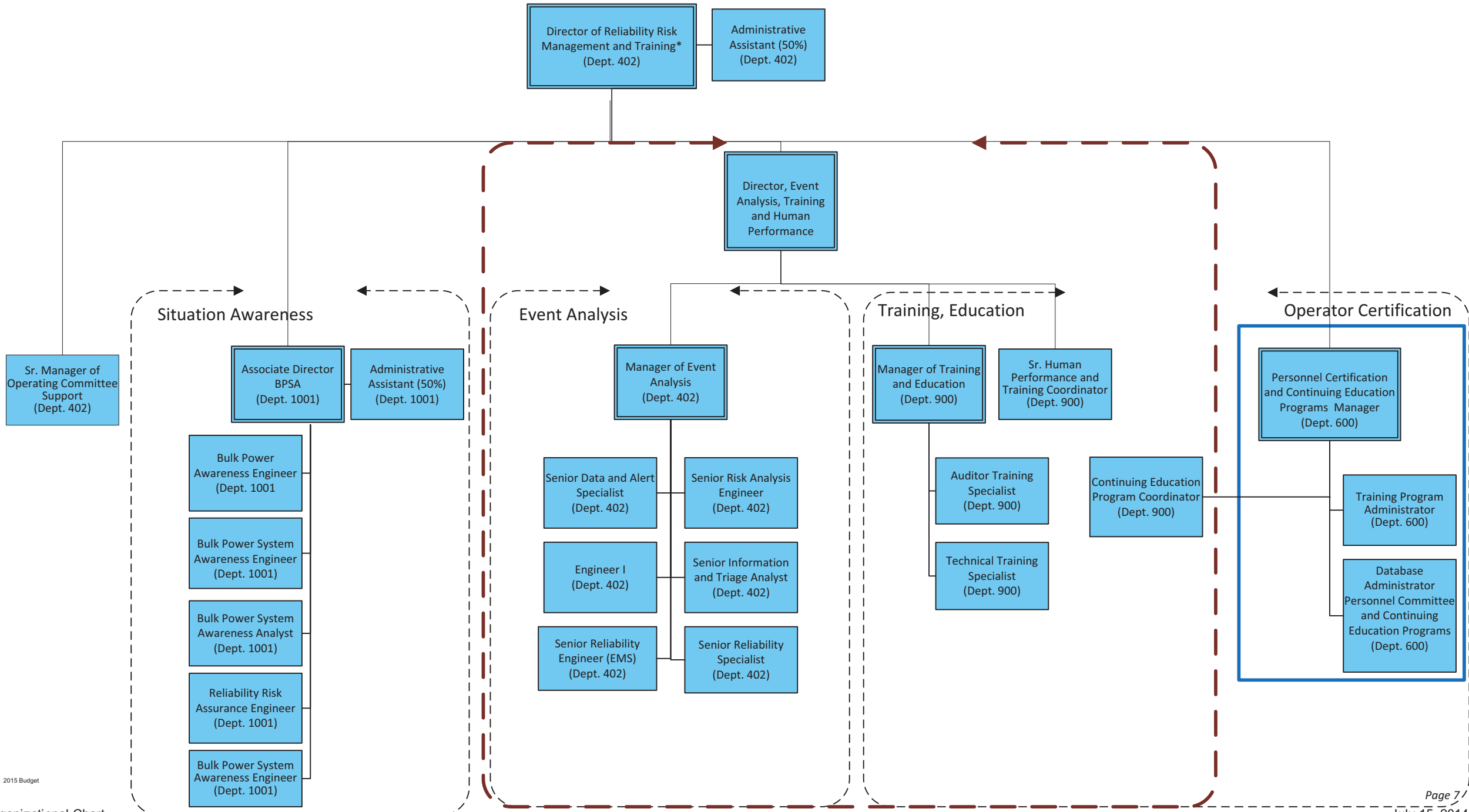


2015 Budget

Reliability Assessment and Performance Analysis 2015 (Dept. 801)

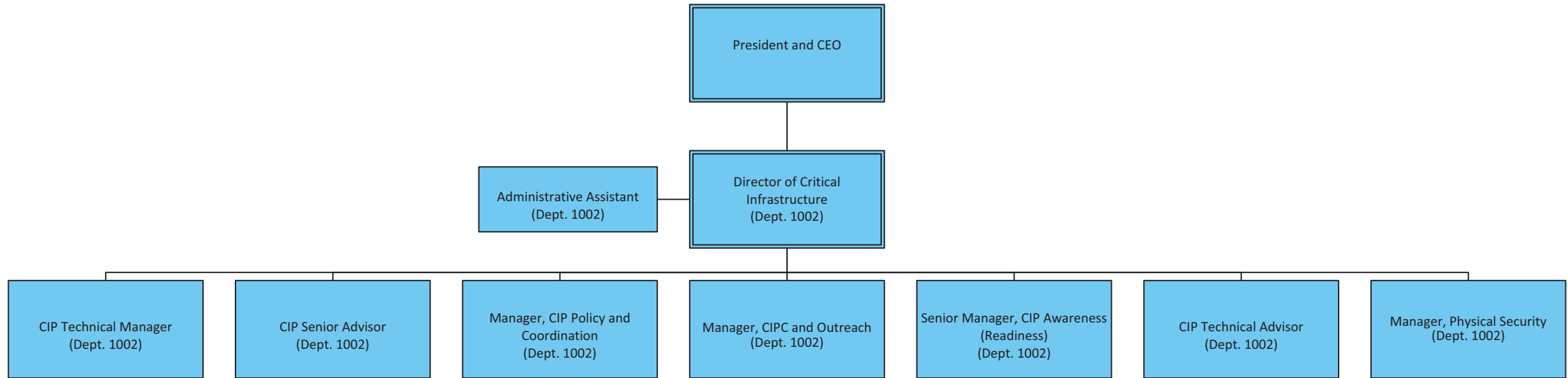


Reliability Risk Management 2015 (Dept. 402, 600, 900, 1001)

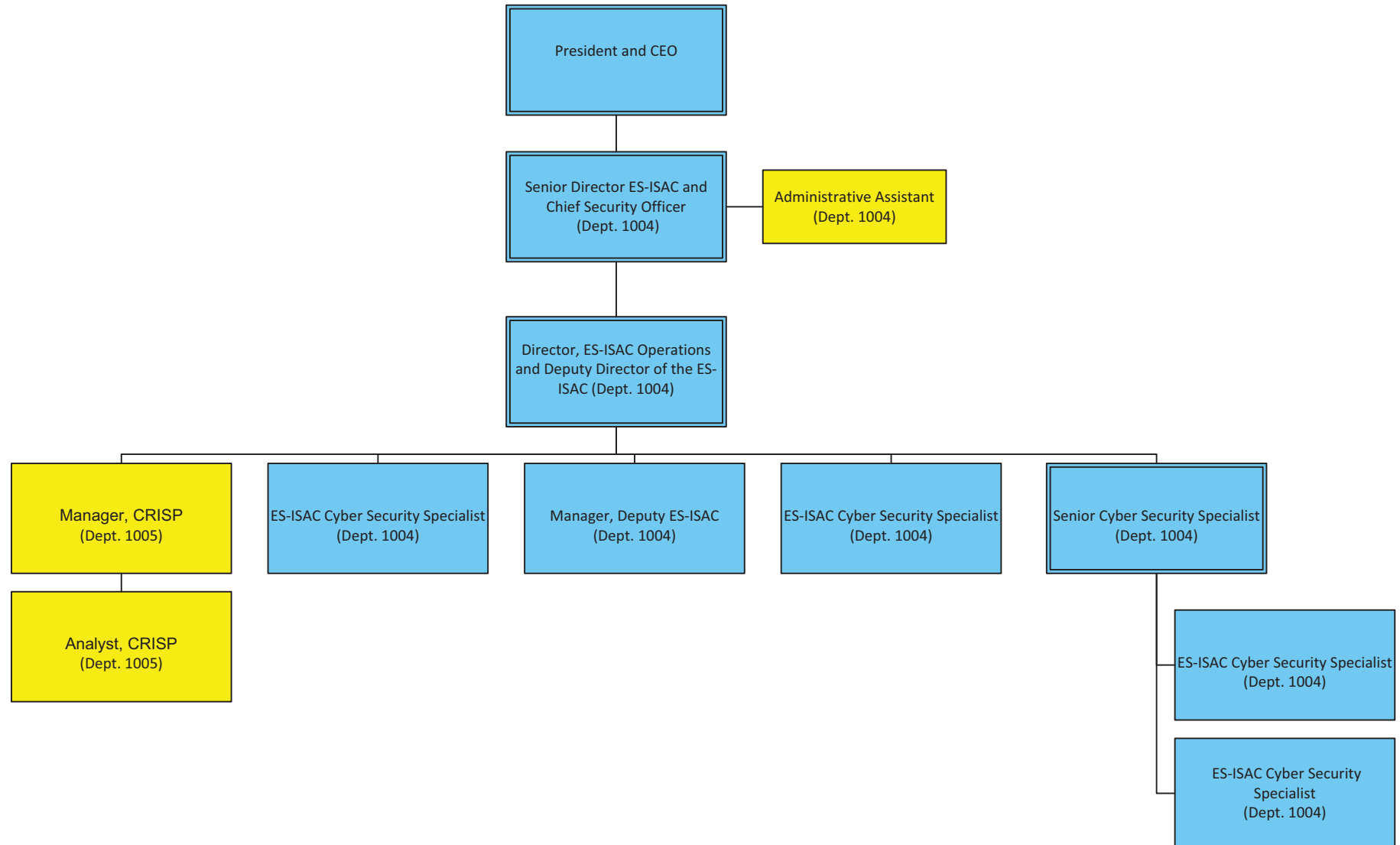


2015 Budget

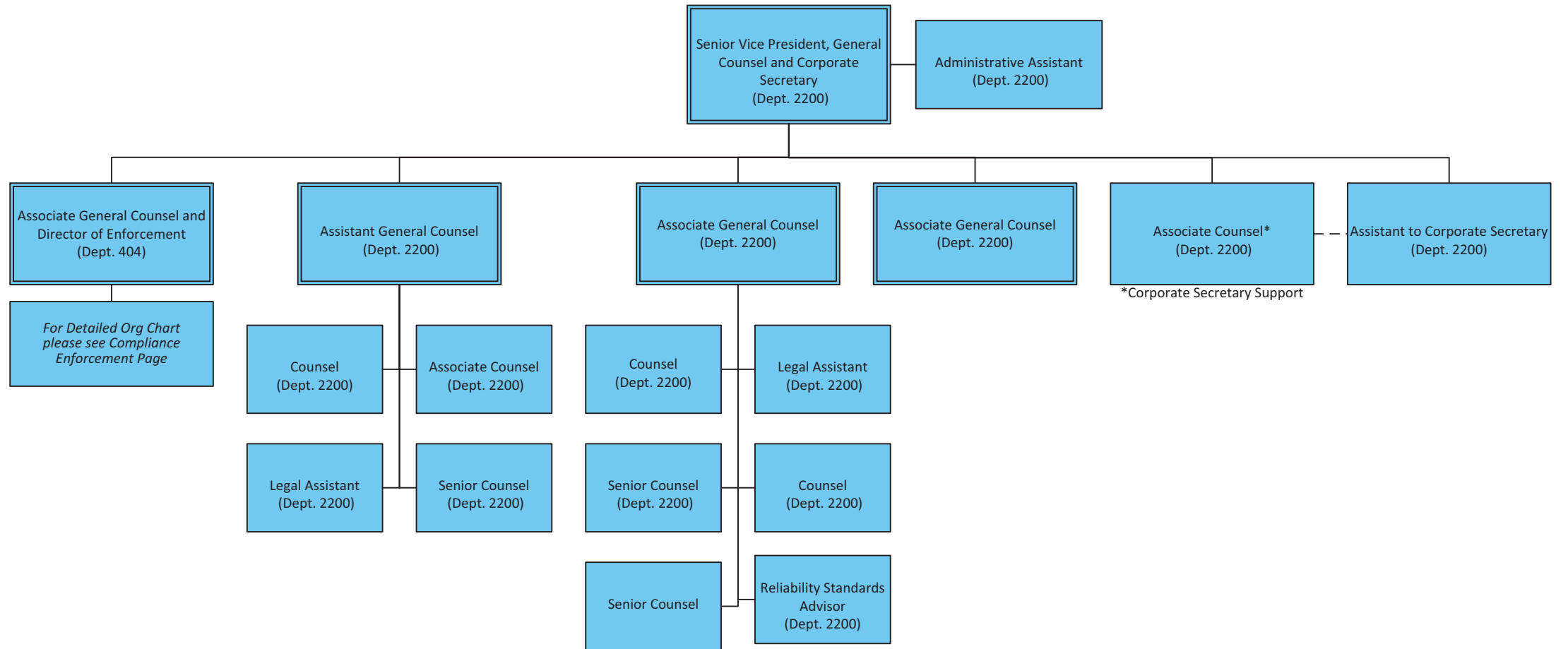
Critical Infrastructure Department 2015 (Dept. 1002)



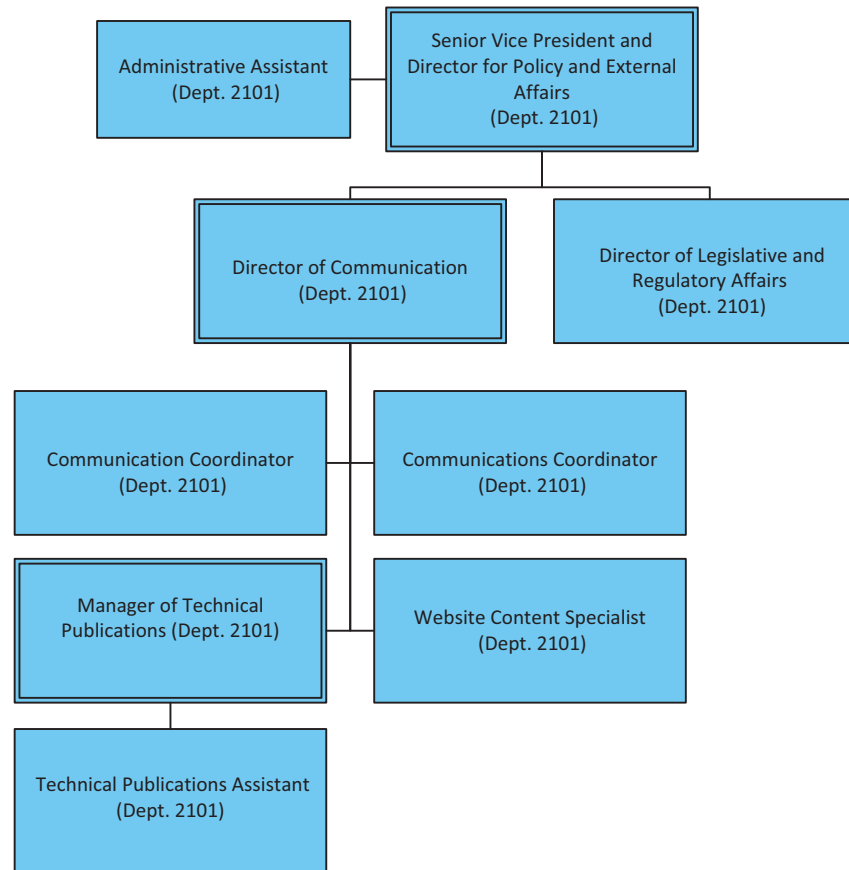
ES-ISAC 2015 (Dept. 1004)



Legal and Regulatory 2015 (Dept. 2200) Compliance Enforcement 2015 (Dept. 404)

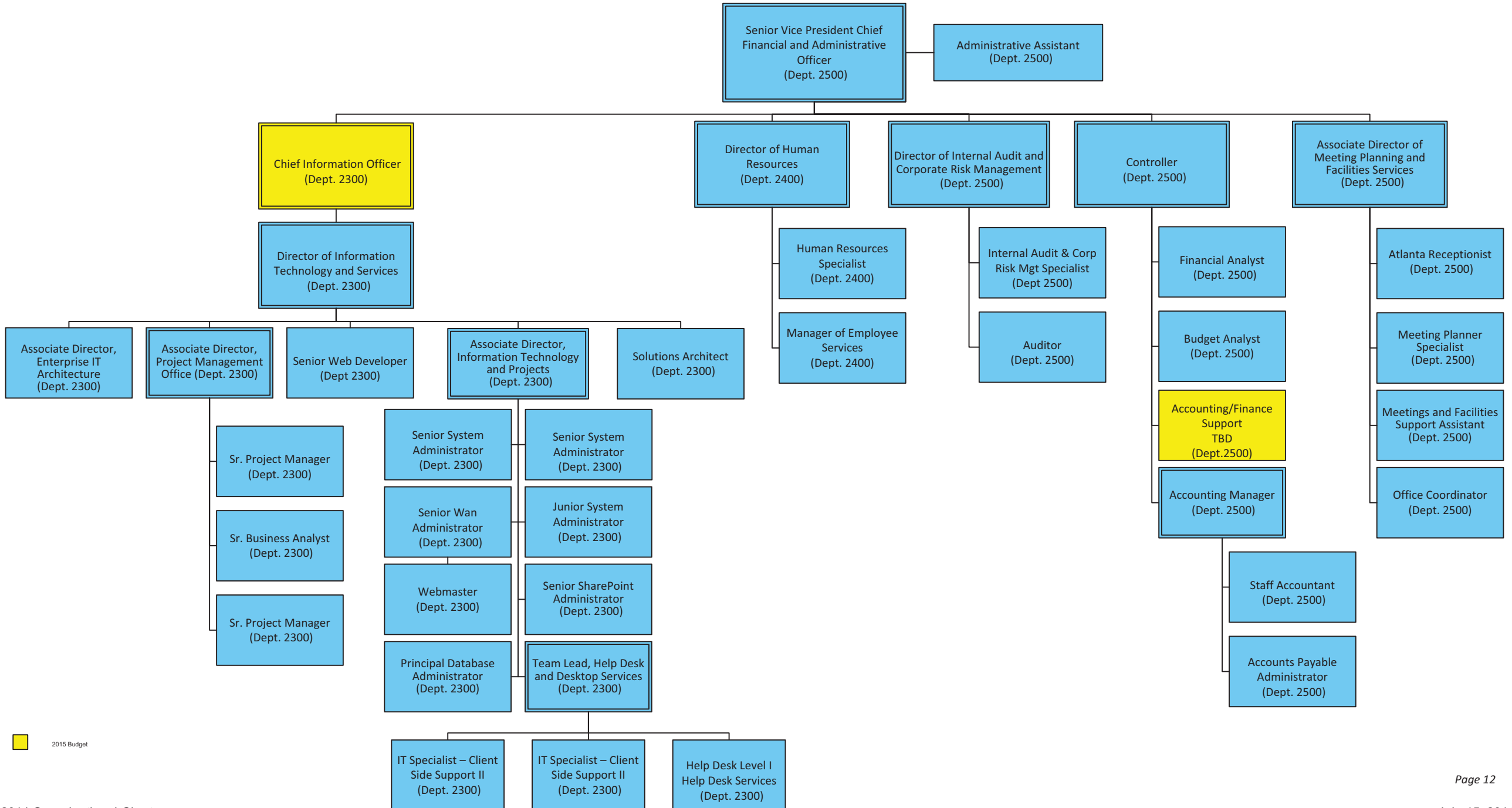


Policy and External Affairs 2015 (Dept. 2101)



2015 Budget

Human Resources, Accounting & Finance and Information Technology 2015 (Dept. 2300, 2400, 2500)



2015 Budget

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	FRCC	1074	Alachua, City of	U.S.	120,437	120,437			0.054%	0.054%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	FRCC	1075	Bartow, City of	U.S.	271,500	271,500			0.123%	0.123%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	FRCC	1076	Chattahoochee, City of	U.S.	36,499	36,499			0.016%	0.016%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	FRCC	1077	Florida Keys Electric Cooperative Assn	U.S.	719,000	719,000			0.325%	0.325%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.018%
2013	FRCC	1078	Florida Power & Light Co.	U.S.	109,491,600	109,491,600			49.476%	49.476%	0.000%	0.000%	2.436%	2.436%	0.000%	0.000%	2.764%
2013	FRCC	1079	Florida Public Utilities Company	U.S.	353,300	353,300			0.160%	0.160%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2013	FRCC	1080	Gainesville Regional Utilities	U.S.	1,760,000	1,760,000			0.795%	0.795%	0.000%	0.000%	0.039%	0.039%	0.000%	0.000%	0.044%
2013	FRCC	1081	Homestead, City of	U.S.	510,000	510,000			0.230%	0.230%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.013%
2013	FRCC	1082	JEA	U.S.	11,962,000	11,962,000			5.405%	5.405%	0.000%	0.000%	0.266%	0.266%	0.000%	0.000%	0.302%
2013	FRCC	1083	Lakeland Electric	U.S.	2,919,000	2,919,000			1.319%	1.319%	0.000%	0.000%	0.065%	0.065%	0.000%	0.000%	0.074%
2013	FRCC	1626	Lee County Electric Cooperative, Inc	U.S.	3,665,500	3,665,500			1.656%	1.656%	0.000%	0.000%	0.082%	0.082%	0.000%	0.000%	0.093%
2013	FRCC	1661	City of Lake Worth	U.S.	436,000	436,000			0.197%	0.197%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	FRCC	1084	Mount Dora, City of	U.S.	88,900	88,900			0.040%	0.040%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	FRCC	1085	New Smyrna Beach, Utilities Commission of	U.S.	386,000	386,000			0.174%	0.174%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	FRCC	1086	Orlando Utilities Commission	U.S.	5,693,500	5,693,500			2.573%	2.573%	0.000%	0.000%	0.127%	0.127%	0.000%	0.000%	0.144%
2013	FRCC	1087	Duke Energy Florida	U.S.	39,215,601	39,215,601			17.720%	17.720%	0.000%	0.000%	0.872%	0.872%	0.000%	0.000%	0.990%
2013	FRCC	1088	Quincy, City of	U.S.	136,000	136,000			0.061%	0.061%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	FRCC	1089	Reedy Creek Improvement District	U.S.	1,208,000	1,208,000			0.546%	0.546%	0.000%	0.000%	0.027%	0.027%	0.000%	0.000%	0.030%
2013	FRCC	1090	St. Cloud, City of (OUC)	U.S.	603,000	603,000			0.272%	0.272%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2013	FRCC	1091	Tallahassee, City of	U.S.	2,684,000	2,684,000			1.213%	1.213%	0.000%	0.000%	0.060%	0.060%	0.000%	0.000%	0.068%
2013	FRCC	1092	Tampa Electric Company	U.S.	19,177,000	19,177,000			8.665%	8.665%	0.000%	0.000%	0.427%	0.427%	0.000%	0.000%	0.484%
2013	FRCC	1603	City of Vero Beach	U.S.	739,000	739,000			0.334%	0.334%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.019%
2013	FRCC	1093	Wauchula, City of	U.S.	61,774	61,774			0.028%	0.028%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2013	FRCC	1094	Williston, City of	U.S.	32,000	32,000			0.014%	0.014%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	FRCC	1095	Winter Park, City of	U.S.	432,000	432,000			0.195%	0.195%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	FRCC	1072	Florida Municipal Power Agency	U.S.	5,524,000	5,524,000			2.496%	2.496%	0.000%	0.000%	0.123%	0.123%	0.000%	0.000%	0.139%
2013	FRCC	1073	Seminole Electric Cooperative	U.S.	13,077,500	13,077,500			5.909%	5.909%	0.000%	0.000%	0.291%	0.291%	0.000%	0.000%	0.330%
TOTAL FRCC					221,303,111	221,303,111	-	-	100.000%	100.000%	0.000%	0.000%	4.923%	4.923%	0.000%	0.000%	5.586%
2013	MRO	1199	Basin Electric Power Cooperative	U.S.	14,198,724	14,198,724	-	-	4.909%	4.909%	0.000%	0.000%	0.316%	0.316%	0.000%	0.000%	0.358%
2013	MRO	1201	Central Iowa Power Cooperative (CIPCO)	U.S.	2,845,657	2,845,657	-	-	0.984%	0.984%	0.000%	0.000%	0.063%	0.063%	0.000%	0.000%	0.072%
2013	MRO	1204	Corn Belt Power Cooperative	U.S.	2,048,324	2,048,324	-	-	0.708%	0.708%	0.000%	0.000%	0.046%	0.046%	0.000%	0.000%	0.052%
2013	MRO	1207	Dairyland Power Cooperative	U.S.	5,506,600	5,506,600	-	-	1.904%	1.904%	0.000%	0.000%	0.123%	0.123%	0.000%	0.000%	0.139%
2013	MRO	1210	Great River Energy	U.S.	13,924,194	13,924,194	-	-	4.814%	4.814%	0.000%	0.000%	0.310%	0.310%	0.000%	0.000%	0.351%
2013	MRO	1222	Minnkota Power Cooperative, Inc.	U.S.	4,356,097	4,356,097	-	-	1.506%	1.506%	0.000%	0.000%	0.097%	0.097%	0.000%	0.000%	0.110%
2013	MRO	1230	Nebraska Public Power District	U.S.	13,628,644	13,628,644	-	-	4.711%	4.711%	0.000%	0.000%	0.303%	0.303%	0.000%	0.000%	0.344%
2013	MRO	1232	Omaha Public Power District	U.S.	11,453,844	11,453,844	-	-	3.960%	3.960%	0.000%	0.000%	0.255%	0.255%	0.000%	0.000%	0.289%
2013	MRO	1237	Southern Montana Generation and Transmission	U.S.	6,964	6,964	-	-	0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	MRO	1240	Western Area Power Administration (UM)	U.S.	9,040,686	9,040,686	-	-	3.125%	3.125%	0.000%	0.000%	0.201%	0.201%	0.000%	0.000%	0.228%
2013	MRO	1239	Western Area Power Administration (LM)	U.S.	126,885	126,885	-	-	0.044%	0.044%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	MRO	1217	Manitoba Hydro	CAN	23,856,518		23,856,518		8.247%	0.000%	8.247%	0.000%	0.531%	0.000%	0.531%	0.000%	0.000%
2013	MRO	1235	SaskPower	CAN	22,658,000		22,658,000		7.833%	0.000%	7.833%	0.000%	0.504%	0.000%	0.504%	0.000%	0.000%
2013	MRO	1195	Alliant Energy (Alliant East - WPL & Alliant West IPL)	U.S.	29,013,856	29,013,856	-	-	10.030%	10.030%	0.000%	0.000%	0.645%	0.645%	0.000%	0.000%	0.732%
2013	MRO	1216	Madison, Gas and Electric	U.S.	3,467,856	3,467,856	-	-	1.199%	1.199%	0.000%	0.000%	0.077%	0.077%	0.000%	0.000%	0.088%
2013	MRO	1220	MidAmerican Energy Company	U.S.	28,445,192	28,445,192	-	-	9.834%	9.834%	0.000%	0.000%	0.633%	0.633%	0.000%	0.000%	0.718%
2013	MRO	1221	Minnesota Power	U.S.	13,051,082	13,051,082	-	-	4.512%	4.512%	0.000%	0.000%	0.290%	0.290%	0.000%	0.000%	0.329%
2013	MRO	1226	Montana-Dakota Utilities Co.	U.S.	3,115,064	3,115,064	-	-	1.077%	1.077%	0.000%	0.000%	0.069%	0.069%	0.000%	0.000%	0.079%
2013	MRO	1231	NorthWestern Energy	U.S.	1,564,096	1,564,096	-	-	0.541%	0.541%	0.000%	0.000%	0.035%	0.035%	0.000%	0.000%	0.039%
2013	MRO	1233	Otter Tail Power Company	U.S.	4,588,910	4,588,910	-	-	1.586%	1.586%	0.000%	0.000%	0.102%	0.102%	0.000%	0.000%	0.116%
2013	MRO		Wisconsin Public Service (WPS)	U.S.	12,320,499	12,320,499	-	-	4.259%	4.259%	0.000%	0.000%	0.274%	0.274%	0.000%	0.000%	0.311%
2013	MRO		Upper Peninsula Power Company (UPPCO)	U.S.	822,962	822,962	-	-	0.285%	0.285%	0.000%	0.000%	0.018%	0.018%	0.000%	0.000%	0.021%
2013	MRO	1244	Xcel Energy Company (NSP)	U.S.	45,155,059	45,155,059	-	-	15.610%	15.610%	0.000%	0.000%	1.005%	1.005%	0.000%	0.000%	1.140%
2013	MRO	1196	Ames Municipal Electric System	U.S.	772,397	772,397	-	-	0.267%	0.267%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%
2013	MRO	1604	Atlantic Municipal Utilities	U.S.	83,151	83,151	-	-	0.029%	0.029%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	MRO	1476	Badger Power Marketing Authority of Wisconsin, Inc.	U.S.	403,818	403,818	-	-	0.140%	0.140%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	MRO	1200	Cedar Falls Municipal Utilities	U.S.	534,218	534,218	-	-	0.185%	0.185%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.013%
2013	MRO	1477	Central Minnesota Municipal Power Agency (CMMPA)	U.S.	467,024	467,024	-	-	0.161%	0.161%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.012%
2013	MRO	1203	City of Escanaba	U.S.	139,646	139,646	-	-	0.048%	0.048%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	MRO	1205	Falls City Water & Light Department	U.S.	56,969	56,969	-	-	0.020%	0.020%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	MRO	1206	Fremont Department of Utilities	U.S.	437,914	437,914	-	-	0.151%	0.151%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	MRO	1208	Geneseo Municipal Utilities	U.S.	66,522	66,522	-	-	0.023%	0.023%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2013	MRO	1209	Grand Island Utilities Department	U.S.	760,298	760,298	-	-	0.263%	0.263%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%
2013	MRO	1606	Harlan Municipal Utilities	U.S.	24,078	24,078	-	-	0.008%	0.008%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	MRO	1211	Hastings Utilities	U.S.	437,707	437,707	-	-	0.151%	0.151%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	MRO	1212	Heartland Consumers Power District	U.S.	851,271	851,271	-	-	0.294%	0.294%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.021%
2013	MRO	1213	Hutchinson Utilities Commission	U.S.	289,957	289,957	-	-	0.100%	0.100%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	MRO	1215	Lincoln Electric System	U.S.	3,277,049	3,277,049	-	-	1.133%	1.133%	0.000%	0.000%	0.073%	0.073%	0.000%	0.000%	0.083%
2013	MRO	1218	Manitowoc Public Utilities	U.S.	541,613	541,613	-	-	0.187%	0.187%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.014%
2013	MRO	1223	Missouri River Energy Services	U.S.	2,458,959	2,458,959	-	-	0.850%	0.850%	0.000%	0.000%	0.055%	0.055%	0.000%	0.000%	0.062%
2013	MRO	1224	MN Municipal Power Agency (MMPA)	U.S.	1,523,745	1,523,745	-	-	0.527%	0.527%	0.000%	0.000%	0.034%	0.034%	0.000%	0.000%	0.038%
2013	MRO	1607	Montezuma Municipal Light & Power	U.S.	32,156	32,156	-	-	0.011%	0.011%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	MRO	1227	Municipal Energy Agency of Nebraska	U.S.	1,177,524	1,177,524	-	-	0.407%	0.407%	0.000%	0.000%	0.026%	0.026%	0.000%	0.000%	0.030%
2013	MRO	1228	Muscatine Power and Water	U.S.	874,185	874,185	-	-	0.302%	0.302%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.022%
2013	MRO	1229	Nebraska City Utilities	U.S.	171,711	171,711	-	-	0.059%	0.059%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	MRO	1234	Rochester Public Utilities	U.S.	5,381	5,381	-	-	0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	MRO	1236	Southern Minnesota Municipal Power Agency	U.S.	2,956,591	2,956,591	-	-	1.022%	1.022%	0.000%	0.000%	0.066%	0.066%	0.000%	0.000%	0.075%
2013	MRO	1241	Willmar Municipal Utilities	U.S.	263,089	263,089	-	-	0.091%	0.091%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	MRO	1242	Wisconsin Public Power, Inc. (East and West regions)	U.S.	5,461,296	5,461,296	-	-	1.888%	1.888%	0.000%	0.000%	0.122%	0.122%	0.000%	0.000%	0.138%
TOTAL MRO					289,263,982	242,749,464	46,514,518	-	100.00%	83.920%	16.080%	0.000%	6.435%	5.401%	1.035%	0.000%	6.128%
2013	NPCC	1336	New England	U.S.	129,377,000	129,377,000	-	-	19.947%	19.947%	0.000%	0.000%	2.878%	2.878%	0.000%	0.000%	3.266%
2013	NPCC	1339	New York	U.S.	163,514,000	163,514,000	-	-	25.210%	25.210%	0.000%	0.000%	3.638%	3.638%	0.000%	0.000%	4.128%
2013	NPCC	1337	Ontario	Canada	140,737,000	-	140,737,000	-	21.698%	0.000%	21.698%	0.000%	3.131%	0.000%	3.131%	0.000%	-
2013	NPCC	1341	Quebec	Canada	189,722,000	-	189,722,000	-	29.251%	0.000%	29.251%	0.000%	4.221%	0.000%	4.221%	0.000%	-
2013	NPCC	1338	New Brunswick	Canada	14,084,000	-	14,084,000	-	2.171%	0.000%	2.171%	0.000%	0.313%	0.000%	0.313%	0.000%	-
2013	NPCC	1340	Nova Scotia	Canada	11,173,000	-	11,173,000	-	1.723%	0.000%	1.723%	0.000%	0.249%	0.000%	0.249%	0.000%	-
TOTAL NPCC					648,607,000	292,891,000	355,716,000	-	100.000%	45.157%	54.843%	0.000%	14.430%	6.516%	7.914%	0.000%	7.394%
2013	RF	1104	Bay City	U.S.	329,862	329,862	-	-	0.036%	0.036%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	RF	1102	Cannelton Utilities	U.S.	16,213	16,213	-	-	0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	RF	1105	City of Chelsea	U.S.	97,261	97,261	-	-	0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	RF	1106	City of Crosswell	U.S.	42,388	42,388	-	-	0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	RF	1108	City of Eaton Rapids	U.S.	95,626	95,626	-	-	0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	RF	1111	City of Hart	U.S.	48,870	48,870	-	-	0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	RF	1490	City of Lansing	U.S.	2,224,945	2,224,945	-	-	0.245%	0.245%	0.000%	0.000%	0.049%	0.049%	0.000%	0.000%	0.056%
2013	RF	1112	City of Marquette Board of Light & Power	U.S.	332,934	332,934	-	-	0.037%	0.037%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	RF	1114	City of Portland	U.S.	36,925	36,925	-	-	0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	RF	1116	City of St. Louis	U.S.	40,348	40,348	-	-	0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	RF	1118	City of Wyandotte	U.S.	219,715	219,715	-	-	0.024%	0.024%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	RF	1120	Cloverland Electric Cooperative	U.S.	902,455	902,455	-	-	0.099%	0.099%	0.000%	0.000%	0.020%	0.020%	0.000%	0.000%	0.023%
2013	RF	1122	CMS ERM Michigan LLC	U.S.	158,492	158,492	-	-	0.017%	0.017%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	RF	1124	Constellation New Energy (MECS-CONS)	U.S.	904,866	904,866	-	-	0.100%	0.100%	0.000%	0.000%	0.020%	0.020%	0.000%	0.000%	0.023%
2013	RF	1123	Constellation New Energy (MECS-DET)	U.S.	1,093,115	1,093,115	-	-	0.120%	0.120%	0.000%	0.000%	0.024%	0.024%	0.000%	0.000%	0.028%
2013	RF	1126	Consumers Energy Company	U.S.	32,556,015	32,556,015	-	-	3.583%	3.583%	0.000%	0.000%	0.724%	0.724%	0.000%	0.000%	0.822%
2013	RF	1128	Detroit Edison Company	U.S.	46,383,652	46,383,652	-	-	5.104%	5.104%	0.000%	0.000%	1.032%	1.032%	0.000%	0.000%	1.171%
2013	RF	1166	Duke Energy Indiana	U.S.	30,388,800	30,388,800	-	-	3.344%	3.344%	0.000%	0.000%	0.676%	0.676%	0.000%	0.000%	0.767%
2013	RF	1135	Ferdinand Municipal Light & Water	U.S.	47,529	47,529	-	-	0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	RF	1646	FirstEnergy Solutions (MECS-CONS)	U.S.	687,811	687,811	-	-	0.076%	0.076%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2013	RF	1549	FirstEnergy Solutions (MECS-DET)	U.S.	2,382,157	2,382,157	-	-	0.262%	0.262%	0.000%	0.000%	0.053%	0.053%	0.000%	0.000%	0.060%
2013	RF	1612	Glacial Energy (MECS-DET)	U.S.	144,680	144,680	-	-	0.016%	0.016%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2013	RF	1144	Holland Board of Public Works	U.S.	984,680	984,680	-	-	0.108%	0.108%	0.000%	0.000%	0.022%	0.022%	0.000%	0.000%	0.025%
2013	RF	1145	Hoosier Energy	U.S.	7,319,807	7,319,807	-	-	0.806%	0.806%	0.000%	0.000%	0.163%	0.163%	0.000%	0.000%	0.185%
2013	RF	1148	Indiana Municipal Power Agency (DUKE CIN)	U.S.	3,089,272	3,089,272	-	-	0.340%	0.340%	0.000%	0.000%	0.069%	0.069%	0.000%	0.000%	0.078%
2013	RF	1485	Indiana Municipal Power Agency (NIPSCO)	U.S.	429,073	429,073	-	-	0.047%	0.047%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	RF	1486	Indiana Municipal Power Agency (SIGE)	U.S.	591,686	591,686	-	-	0.065%	0.065%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2013	RF	1149	Indianapolis Power & Light Co.	U.S.	14,785,670	14,785,670	-	-	1.627%	1.627%	0.000%	0.000%	0.329%	0.329%	0.000%	0.000%	0.373%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	RF	1553	Integrus Energy Services (MECS-CONS)	U.S.	1,025,220	1,025,220			0.113%	0.113%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2013	RF	1554	Integrus Energy Services (MECS-DET)	U.S.	579,916	579,916			0.064%	0.064%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2013	RF		Integrus Energy Services (WEPC)	U.S.	861,971	861,971			0.095%	0.095%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.022%
2013	RF	1614	Just Energy (MECS-DET)	U.S.	14,499	14,499			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	RF	1154	Michigan Public Power Agency	U.S.	1,277,731	1,277,731			0.141%	0.141%	0.000%	0.000%	0.028%	0.028%	0.000%	0.000%	0.032%
2013	RF	1155	Michigan South Central Power Agency	U.S.	640,768	640,768			0.071%	0.071%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2013	RF	1158	MidAmerican Energy Company Retail	U.S.	99,497	99,497			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2013	RF	1163	Northern Indiana Public Service Co.	U.S.	17,596,567	17,596,567			1.936%	1.936%	0.000%	0.000%	0.391%	0.391%	0.000%	0.000%	0.444%
2013	RF	1164	Ontonagon County Rural Electrification Assoc.	U.S.	29,472	29,472			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	RF	1265	PJM Interconnection, LLC	U.S.	695,629,380	695,629,380			76.550%	76.550%	0.000%	0.000%	15.476%	15.476%	0.000%	0.000%	17.560%
2013	RF	1172	Sempra Energy Solutions (MECS-CONS)	U.S.	677,352	677,352			0.075%	0.075%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2013	RF	1171	Sempra Energy Solutions (MECS-DET)	U.S.	711,714	711,714			0.078%	0.078%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.018%
2013	RF	1176	Direct Energy (fka:Strategic Energy,LLC) (MECS-CONS)	U.S.	12,917	12,917			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	RF	1174	Direct Energy (fka:Strategic Energy,LLC) (MECS-DET)	U.S.	372,127	372,127			0.041%	0.041%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2013	RF	1581	Spartan Renewable Energy	U.S.	67,754	67,754			0.007%	0.007%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	RF	1180	Thumb Electric Cooperative	U.S.	180,729	180,729			0.020%	0.020%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	RF	1662	Ohio Valley Electric Corporation	U.S.	644,612	644,612			0.071%	0.071%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2013	RF	1181	Vectren Energy Delivery of IN	U.S.	5,759,508	5,759,508			0.634%	0.634%	0.000%	0.000%	0.128%	0.128%	0.000%	0.000%	0.145%
2013	RF	1183	Village of Sebawaing	U.S.	44,183	44,183			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	RF	1184	Wabash Valley Power Association Inc. (DUKE CIN)	U.S.	2,801,698	2,801,698			0.308%	0.308%	0.000%	0.000%	0.062%	0.062%	0.000%	0.000%	0.071%
2013	RF	1488	Wabash Valley Power Association Inc.(NIPSCO)	U.S.	1,688,010	1,688,010			0.186%	0.186%	0.000%	0.000%	0.038%	0.038%	0.000%	0.000%	0.043%
2013	RF	1185	Wisconsin Electric Power Co.	U.S.	28,121,962	28,121,962			3.095%	3.095%	0.000%	0.000%	0.626%	0.626%	0.000%	0.000%	0.710%
2013	RF	1189	Wolverine Power Marketing Cooperative	U.S.	758,098	758,098			0.083%	0.083%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%
2013	RF	1191	Wolverine Power Supply Cooperative	U.S.	2,658,358	2,658,358			0.293%	0.293%	0.000%	0.000%	0.059%	0.059%	0.000%	0.000%	0.067%
2013	RF	1190	Wolverine Power Marketing Cooperative	U.S.	137,689	137,689			0.015%	0.015%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
TOTAL RELIABILITYFIRST					908,726,579	908,726,579	-	-	100.000%	100.000%	0.000%	0.000%	20.217%	20.217%	0.000%	0.000%	22.939%
2013	SERC	1267	Alabama Municipal Electric Authority	U.S.	3,409,691	3,409,691			0.338%	0.338%	0.000%	0.000%	0.076%	0.076%	0.000%	0.000%	0.086%
2013	SERC	1268	Alabama Power Company	U.S.	59,203,484	59,203,484			5.867%	5.867%	0.000%	0.000%	1.317%	1.317%	0.000%	0.000%	1.494%
2013	SERC	1269	Ameren - Illinois	U.S.	42,979,000	42,979,000			4.259%	4.259%	0.000%	0.000%	0.956%	0.956%	0.000%	0.000%	1.085%
2013	SERC	1271	Ameren - Missouri	U.S.	41,936,000	41,936,000			4.156%	4.156%	0.000%	0.000%	0.933%	0.933%	0.000%	0.000%	1.059%
2013	SERC	1272	APGI - Yadkin Division	U.S.	27,551	27,551			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1660	APGI - Tapoco Division (ALCOA)	U.S.	316,134	316,134			0.031%	0.031%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	SERC	1273	Associated Electric Cooperative Inc.	U.S.	19,364,701	19,364,701			1.919%	1.919%	0.000%	0.000%	0.431%	0.431%	0.000%	0.000%	0.489%
2013	SERC	1582	Beauregard Electric Cooperative, Inc.	U.S.	1,117,856	1,117,856			0.111%	0.111%	0.000%	0.000%	0.025%	0.025%	0.000%	0.000%	0.028%
2013	SERC	1462	Benton Utility District	U.S.	272,291	272,291			0.027%	0.027%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	SERC	1274	Big Rivers Electric Corporation	U.S.	3,824,402	3,824,402			0.379%	0.379%	0.000%	0.000%	0.085%	0.085%	0.000%	0.000%	0.097%
2013	SERC	1275	Black Warrior EMC	U.S.	438,860	438,860			0.043%	0.043%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	SERC	1276	Blue Ridge EMC	U.S.	1,403,674	1,403,674			0.139%	0.139%	0.000%	0.000%	0.031%	0.031%	0.000%	0.000%	0.035%
2013	SERC	1628	Brazos Electric Power Cooperative, Inc.	U.S.	430,513	430,513			0.043%	0.043%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	SERC	1463	Canton, MS	U.S.	121,271	121,271			0.012%	0.012%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	SERC	1277	Central Electric Power Cooperative Inc.	U.S.	15,306,864	15,306,864			1.517%	1.517%	0.000%	0.000%	0.341%	0.341%	0.000%	0.000%	0.386%
2013	SERC		Century Aluminum - Hawesville	U.S.	4,271,731	4,271,731			0.423%	0.423%	0.000%	0.000%	0.095%	0.095%	0.000%	0.000%	0.108%
2013	SERC		Century Aluminum - Sebree	U.S.	3,252,188	3,252,188			0.322%	0.322%	0.000%	0.000%	0.072%	0.072%	0.000%	0.000%	0.082%
2013	SERC	1278	City of Blountstown FL	U.S.	38,099	38,099			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1279	City of Camden SC	U.S.	188,872	188,872			0.019%	0.019%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	SERC	1280	City of Collins MS	U.S.	49,787	49,787			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1281	City of Columbia MO	U.S.	1,188,481	1,188,481			0.118%	0.118%	0.000%	0.000%	0.026%	0.026%	0.000%	0.000%	0.030%
2013	SERC	1282	City of Conway AR (Conway Corporation)	U.S.	1,035,034	1,035,034			0.103%	0.103%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2013	SERC	1284	City of Evergreen AL	U.S.	58,711	58,711			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1285	City of Hampton GA	U.S.	23,585	23,585			0.002%	0.002%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1286	City of Hartford AL	U.S.	33,453	33,453			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1287	City of Henderson (KY) Municipal Power & Light	U.S.	617,149	617,149			0.061%	0.061%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2013	SERC	1288	City of North Little Rock AR (DENL)	U.S.	958,745	958,745			0.095%	0.095%	0.000%	0.000%	0.021%	0.021%	0.000%	0.000%	0.024%
2013	SERC	1289	City of Orangeburg SC Department of Public Utilities	U.S.	836,257	836,257			0.083%	0.083%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.021%
2013	SERC	1290	City of Robertsdale AL	U.S.	84,101	84,101			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	SERC	1291	City of Ruston LA (DERS)	U.S.	296,978	296,978			0.029%	0.029%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.007%
2013	SERC	1292	City of Seneca SC	U.S.	159,906	159,906			0.016%	0.016%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	SERC	1115	City of Springfield (CWLP)	U.S.	1,808,586	1,808,586			0.179%	0.179%	0.000%	0.000%	0.040%	0.040%	0.000%	0.000%	0.046%
2013	SERC	1465	City of Thayer, MO	U.S.	23,197	23,197			0.002%	0.002%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1293	City of Troy AL	U.S.	427,446	427,446			0.042%	0.042%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	SERC	1294	City of West Memphis AR (West Memphis Utilities)	U.S.	400,561	400,561			0.040%	0.040%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	SERC	1583	Claiborne Electric Cooperative, Inc.	U.S.	671,322	671,322			0.067%	0.067%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2013	SERC	1584	Concordia Electric Cooperative, Inc.	U.S.	264,319	264,319			0.026%	0.026%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	SERC	1283	Dalton Utilities	U.S.	1,585,498	1,585,498			0.157%	0.157%	0.000%	0.000%	0.035%	0.035%	0.000%	0.000%	0.040%
2013	SERC	1585	Dixie Electric Membership Corporation	U.S.	2,271,088	2,271,088			0.225%	0.225%	0.000%	0.000%	0.051%	0.051%	0.000%	0.000%	0.057%
2013	SERC	1295	Dominion Virginia Power	U.S.	85,837,830	85,837,830			8.507%	8.507%	0.000%	0.000%	1.910%	1.910%	0.000%	0.000%	2.167%
2013	SERC	1296	Duke Energy Carolinas, LLC	U.S.	77,613,182	77,613,182			7.692%	7.692%	0.000%	0.000%	1.727%	1.727%	0.000%	0.000%	1.959%
2013	SERC	1466	Durant, MS	U.S.	26,044	26,044			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1478	LG&E and KU Services Company as agent for LG&E Company and KUCCompany	U.S.	35,041,560	35,041,560			3.473%	3.473%	0.000%	0.000%	0.780%	0.780%	0.000%	0.000%	0.885%
2013	SERC	1297	East Kentucky Power Cooperative	U.S.	13,342,933	13,342,933			1.322%	1.322%	0.000%	0.000%	0.297%	0.297%	0.000%	0.000%	0.337%
2013	SERC	1298	East Mississippi Electric Power Association	U.S.	466,364	466,364			0.046%	0.046%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.012%
2013	SERC		Electricities of North Carolina Inc	U.S.	11,455,231	11,455,231			1.135%	1.135%	0.000%	0.000%	0.255%	0.255%	0.000%	0.000%	0.289%
2013	SERC	1300	EnergyUnited EMC	U.S.	2,561,495	2,561,495			0.254%	0.254%	0.000%	0.000%	0.057%	0.057%	0.000%	0.000%	0.065%
2013	SERC	1301	Entergy	U.S.	110,500,922	110,500,922			10.951%	10.951%	0.000%	0.000%	2.458%	2.458%	0.000%	0.000%	2.789%
2013	SERC	1302	Fayetteville (NC) Public Works Commission	U.S.	2,148,077	2,148,077			0.213%	0.213%	0.000%	0.000%	0.048%	0.048%	0.000%	0.000%	0.054%
2013	SERC	1303	Florida Public Utilities (FL Panhandle Load)	U.S.	317,976	317,976			0.032%	0.032%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	SERC	1304	French Broad EMC	U.S.	532,169	532,169			0.053%	0.053%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.013%
2013	SERC	1305	Georgia Power Company	U.S.	86,177,237	86,177,237			8.540%	8.540%	0.000%	0.000%	1.917%	1.917%	0.000%	0.000%	2.175%
2013	SERC	1306	Georgia System Optns Corporation	U.S.	37,429,348	37,429,348			3.709%	3.709%	0.000%	0.000%	0.833%	0.833%	0.000%	0.000%	0.945%
2013	SERC	1479	Greenwood (MS) Utilities Commission	U.S.	291,567	291,567			0.029%	0.029%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	SERC	1307	Greenwood (SC) Commissioners of Public Works	U.S.	315,927	315,927			0.031%	0.031%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	SERC	1308	Gulf Power Company	U.S.	11,507,385	11,507,385			1.140%	1.140%	0.000%	0.000%	0.256%	0.256%	0.000%	0.000%	0.290%
2013	SERC	1586	Haywood EMC	U.S.	311,308	311,308			0.031%	0.031%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	SERC	1309	Illinois Municipal Electric Agency	U.S.	1,928,400	1,928,400			0.191%	0.191%	0.000%	0.000%	0.043%	0.043%	0.000%	0.000%	0.049%
2013	SERC	1480	Itta Bena, MS	U.S.	14,366	14,366			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	SERC	1587	Jefferson Davis Electric Cooperative, Inc.	U.S.	290,781	290,781			0.029%	0.029%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	SERC	1617	Kentucky Municipal Power	U.S.	718,786	718,786			0.071%	0.071%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.018%
2013	SERC	1481	Kosciusko, MS	U.S.	69,929	69,929			0.007%	0.007%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	SERC	1482	Leland, MS	U.S.	30,580	30,580			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1313	McCormick Commission of Public Works	U.S.	15,926	15,926			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	SERC	1314	Mississippi Power Company	U.S.	10,629,207	10,629,207			1.053%	1.053%	0.000%	0.000%	0.236%	0.236%	0.000%	0.000%	0.268%
2013	SERC	1630	Mt. Carmel Public Utility	U.S.	95,851	95,851			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	SERC	1315	Municipal Electric Authority of Georgia	U.S.	10,667,071	10,667,071			1.057%	1.057%	0.000%	0.000%	0.237%	0.237%	0.000%	0.000%	0.269%
2013	SERC	1316	N.C. Electric Membership Corp.	U.S.	12,300,719	12,300,719			1.219%	1.219%	0.000%	0.000%	0.274%	0.274%	0.000%	0.000%	0.311%
2013	SERC	1588	Northeast Louisiana Power Cooperative, Inc.	U.S.	315,718	315,718			0.031%	0.031%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	SERC	1574	Northern Virginia Electric Cooperative	U.S.	4,009,193	4,009,193			0.397%	0.397%	0.000%	0.000%	0.089%	0.089%	0.000%	0.000%	0.101%
2013	SERC	1319	Old Dominion Electric Cooperative	U.S.	5,883,258	5,883,258			0.583%	0.583%	0.000%	0.000%	0.131%	0.131%	0.000%	0.000%	0.149%
2013	SERC	1618	Osceola (Arkansas) Municipal Light and Power	U.S.	185,449	185,449			0.018%	0.018%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	SERC	1320	Owensboro (KY) Municipal Utilities	U.S.	902,070	902,070			0.089%	0.089%	0.000%	0.000%	0.020%	0.020%	0.000%	0.000%	0.023%
2013	SERC	1322	Piedmont EMC in Duke and Progress Areas	U.S.	507,378	507,378			0.050%	0.050%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.013%
2013	SERC	1323	Piedmont Municipal Power Agency (PMPA)	U.S.	2,226,981	2,226,981			0.221%	0.221%	0.000%	0.000%	0.050%	0.050%	0.000%	0.000%	0.056%
2013	SERC	1589	Pointe Coupee Electric Memb. Corp.	U.S.	271,727	271,727			0.027%	0.027%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	SERC	1266	PowerSouth Energy	U.S.	8,394,912	8,394,912			0.832%	0.832%	0.000%	0.000%	0.187%	0.187%	0.000%	0.000%	0.212%
2013	SERC	1330	Prairie Power, Inc.	U.S.	1,587,723	1,587,723			0.157%	0.157%	0.000%	0.000%	0.035%	0.035%	0.000%	0.000%	0.040%
2013	SERC	1324	Progress Energy Carolinas	U.S.	45,597,000	45,597,000			4.519%	4.519%	0.000%	0.000%	1.014%	1.014%	0.000%	0.000%	1.151%
2013	SERC	1325	Rutherford EMC	U.S.	1,330,129	1,330,129			0.132%	0.132%	0.000%	0.000%	0.030%	0.030%	0.000%	0.000%	0.034%
2013	SERC	1631	Sam Rayburn G&T Electric Cooperative Inc.	U.S.	1,789,204	1,789,204			0.177%	0.177%	0.000%	0.000%	0.040%	0.040%	0.000%	0.000%	0.045%
2013	SERC	1326	South Carolina Electric & Gas Company	U.S.	22,493,515	22,493,515			2.229%	2.229%	0.000%	0.000%	0.500%	0.500%	0.000%	0.000%	0.568%
2013	SERC	1327	South Carolina Public Service Authority	U.S.	11,134,017	11,134,017			1.103%	1.103%	0.000%	0.000%	0.248%	0.248%	0.000%	0.000%	0.281%
2013	SERC	1590	South Louisiana Electric Cooperative Association	U.S.	631,016	631,016			0.063%	0.063%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2013	SERC	1328	South Mississippi Electric Power Association	U.S.	10,355,847	10,355,847			1.026%	1.026%	0.000%	0.000%	0.230%	0.230%	0.000%	0.000%	0.261%
2013	SERC	1329	Southern Illinois Power Cooperative	U.S.	1,547,015	1,547,015			0.153%	0.153%	0.000%	0.000%	0.034%	0.034%	0.000%	0.000%	0.039%
2013	SERC	1591	Southwest Louisiana Electric Membership Corporation	U.S.	2,657,052	2,657,052			0.263%	0.263%	0.000%	0.000%	0.059%	0.059%	0.000%	0.000%	0.067%
2013	SERC	1619	Southwestern Electric Cooperative, Inc.	U.S.	425,036	425,036			0.042%	0.042%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.011%
2013	SERC	1331	Tennessee Valley Authority	U.S.	161,755,649	161,755,649			16.030%	16.030%	0.000%	0.000%	3.599%	3.599%	0.000%	0.000%	4.083%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	SERC	1632	Tex-La Electric Cooperative of Texas, Inc	U.S.	208,435	208,435			0.021%	0.021%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2013	SERC	1332	Tombigbee Electric Cooperative Inc.	U.S.	132,281	132,281			0.013%	0.013%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	SERC	1594	Town of Sharpsburg, N.C.	U.S.	19,830	19,830			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2013	SERC	1595	Town of Stantonburg, N.C. JRO	U.S.	77,300	77,300			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	SERC	1333	Town of Waynesville NC	U.S.	91,000	91,000			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	SERC	1334	Town of Winnsboro SC	U.S.	55,421	55,421			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1335	Town of Winterville NC	U.S.	54,348	54,348			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SERC	1597	Washington-St.Tammany Electric Cooperative, Inc.	U.S.	1,086,428	1,086,428			0.108%	0.108%	0.000%	0.000%	0.024%	0.024%	0.000%	0.000%	0.027%
TOTAL SERC					1,009,060,489	1,009,060,489	-	-	100.000%	100.000%	0.000%	0.000%	22.449%	22.449%	0.000%	0.000%	25.472%
2013	SPP	1246	American Electric Power	U.S.	36,992,312	36,992,312			17.074%	17.074%	0.000%	0.000%	0.823%	0.823%	0.000%	0.000%	0.934%
2013	SPP	1435	Arkansas Electric Cooperative Corporation (AEP)	U.S.	5,133,268	5,133,268			2.369%	2.369%	0.000%	0.000%	0.114%	0.114%	0.000%	0.000%	0.130%
2013	SPP	1247	Board of Public Utilities (Kansas City KS)	U.S.	2,365,471	2,365,471			1.092%	1.092%	0.000%	0.000%	0.053%	0.053%	0.000%	0.000%	0.060%
2013	SPP	1620	Board of Public Utilities, City of McPherson, Kansas	U.S.	941,518	941,518			0.435%	0.435%	0.000%	0.000%	0.021%	0.021%	0.000%	0.000%	0.024%
2013	SPP	1647	Carthage City Water & Light	U.S.	322,822	322,822			0.149%	0.149%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	SPP	1469	Central Valley Electric Cooperative	U.S.	848,423	848,423			0.392%	0.392%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.021%
2013	SPP	1556	City of Bentonville	U.S.	646,929	646,929			0.299%	0.299%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2013	SPP	1557	City of Clarksdale, Mississippi	U.S.	163,899	163,899			0.076%	0.076%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	SPP	1558	Hope Water & Light (HWL)	U.S.	299,830	299,830			0.138%	0.138%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	SPP	1559	City of Minden	U.S.	161,831	161,831			0.075%	0.075%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	SPP	1635	The City of Osage City	U.S.	36,227	36,227			0.017%	0.017%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SPP	1636	City of Prescott	U.S.	88,179	88,179			0.041%	0.041%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	SPP	1248	Independence Power & Light (Independence, MO)	U.S.	1,070,657	1,070,657			0.494%	0.494%	0.000%	0.000%	0.024%	0.024%	0.000%	0.000%	0.027%
2013	SPP	1436	City Utilities of Springfield, MO	U.S.	3,183,351	3,183,351			1.469%	1.469%	0.000%	0.000%	0.071%	0.071%	0.000%	0.000%	0.080%
2013	SPP	1249	Cleco Power LLC	U.S.	11,826,507	11,826,507			5.459%	5.459%	0.000%	0.000%	0.263%	0.263%	0.000%	0.000%	0.299%
2013	SPP	1437	East Texas Electric Coop, Inc.	U.S.	419,870	419,870			0.194%	0.194%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.011%
2013	SPP	1250	The Empire District Electric Company	U.S.	5,314,638	5,314,638			2.453%	2.453%	0.000%	0.000%	0.118%	0.118%	0.000%	0.000%	0.134%
2013	SPP	1470	Farmers' Electric Coop	U.S.	441,138	441,138			0.204%	0.204%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	SPP	1438	Golden Spread Electric Coop	U.S.	5,758,253	5,758,253			2.658%	2.658%	0.000%	0.000%	0.128%	0.128%	0.000%	0.000%	0.145%
2013	SPP	1251	Grand River Dam Authority	U.S.	4,887,388	4,887,388			2.256%	2.256%	0.000%	0.000%	0.109%	0.109%	0.000%	0.000%	0.123%
2013	SPP	1648	Jonesboro City Water & Light	U.S.	1,319,614	1,319,614			0.609%	0.609%	0.000%	0.000%	0.029%	0.029%	0.000%	0.000%	0.033%
2013	SPP	1252	Kansas City Power & Light (KCPL)	U.S.	15,799,704	15,799,704			7.293%	7.293%	0.000%	0.000%	0.352%	0.352%	0.000%	0.000%	0.399%
2013	SPP	1439	Kansas Electric Power Coop., Inc	U.S.	2,230,757	2,230,757			1.030%	1.030%	0.000%	0.000%	0.050%	0.050%	0.000%	0.000%	0.056%
2013	SPP	1440	Kansas Municipal Energy Agency (KCPL)	U.S.	402,837	402,837			0.186%	0.186%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	SPP	1637	Kansas Power Pool	U.S.	1,535,998	1,535,998			0.709%	0.709%	0.000%	0.000%	0.034%	0.034%	0.000%	0.000%	0.039%
2013	SPP	1560	Kaw Valley Electric Cooperative, Inc.	U.S.	163,613	163,613			0.076%	0.076%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	SPP	1649	Kennett Board of Public Works	U.S.	170,169	170,169			0.079%	0.079%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	SPP	1598	KCP&L GMOC (Greater Missouri Operations Company)	U.S.	8,821,370	8,821,370			4.072%	4.072%	0.000%	0.000%	0.196%	0.196%	0.000%	0.000%	0.223%
2013	SPP	1471	Lafayette Utilities System	U.S.	2,100,204	2,100,204			0.969%	0.969%	0.000%	0.000%	0.047%	0.047%	0.000%	0.000%	0.053%
2013	SPP	1472	Lea County Electric Coop	U.S.	1,295,858	1,295,858			0.598%	0.598%	0.000%	0.000%	0.029%	0.029%	0.000%	0.000%	0.033%
2013	SPP	1253	Louisiana Energy & Power Authority (LEPA)	U.S.	1,027,670	1,027,670			0.474%	0.474%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2013	SPP	1650	Malden Board of Public Works	U.S.	51,374	51,374			0.024%	0.024%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SPP	1441	Midwest Energy Inc.	U.S.	1,847,501	1,847,501			0.853%	0.853%	0.000%	0.000%	0.041%	0.041%	0.000%	0.000%	0.047%
2013	SPP	1443	Missouri Joint Municipal Electric Utility Commission	U.S.	2,593,744	2,593,744			1.197%	1.197%	0.000%	0.000%	0.058%	0.058%	0.000%	0.000%	0.065%
2013	SPP	1638	Nemaha Marshall Electric Cooperative (NMEC)	U.S.	56,433	56,433			0.026%	0.026%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SPP	1442	Northeast Texas Electric Cooperative, Inc.	U.S.	3,296,126	3,296,126			1.521%	1.521%	0.000%	0.000%	0.073%	0.073%	0.000%	0.000%	0.083%
2013	SPP	1255	Oklahoma Gas and Electric Co.	U.S.	28,869,838	28,869,838			13.325%	13.325%	0.000%	0.000%	0.642%	0.642%	0.000%	0.000%	0.729%
2013	SPP	1444	Oklahoma Municipal Power Auth	U.S.	2,743,902	2,743,902			1.266%	1.266%	0.000%	0.000%	0.061%	0.061%	0.000%	0.000%	0.069%
2013	SPP	1639	OzMo Ozark Missouri, West Plains MO	U.S.	212,558	212,558			0.098%	0.098%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2013	SPP	1651	Paragould Light, Water & Cable	U.S.	595,470	595,470			0.275%	0.275%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2013	SPP	1652	Piggott Municipal Light, Water & Sewer	U.S.	41,912	41,912			0.019%	0.019%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	SPP	1653	Poplar Bluff Municipal Utilities	U.S.	390,226	390,226			0.180%	0.180%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	SPP	1561	Public Service Commission of Yazoo City of Mississippi	U.S.	124,607	124,607			0.058%	0.058%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	SPP	1473	Roosevelt County Electric Coop	U.S.	194,865	194,865			0.090%	0.090%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	SPP	1654	Sikeston Board of Municipal Utilities	U.S.	406,682	406,682			0.188%	0.188%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	SPP	1257	Southwestern Public Service Co. (SPS-XCEL)	U.S.	20,275,550	20,275,550			9.358%	9.358%	0.000%	0.000%	0.451%	0.451%	0.000%	0.000%	0.512%
2013	SPP	1256	Sunflower Electric Power Cooperative	U.S.	5,261,278	5,261,278			2.428%	2.428%	0.000%	0.000%	0.117%	0.117%	0.000%	0.000%	0.133%
2013	SPP	1445	Tex - La Electric Cooperative of Texas	U.S.	518,562	518,562			0.239%	0.239%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.013%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	SPP	1475	Tri County Electric Coop	U.S.	408,044	408,044			0.188%	0.188%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	SPP	1260	Westar Energy, Inc.	U.S.	21,518,819	21,518,819			9.932%	9.932%	0.000%	0.000%	0.479%	0.479%	0.000%	0.000%	0.543%
2013	SPP	1259	Western Farmers Electric Cooperative	U.S.	8,593,524	8,593,524			3.966%	3.966%	0.000%	0.000%	0.191%	0.191%	0.000%	0.000%	0.217%
2013	SPP	1501	West Texas Municipal Power Agency	U.S.	2,884,669	2,884,669			1.331%	1.331%	0.000%	0.000%	0.064%	0.064%	0.000%	0.000%	0.073%
			TOTAL SPP		216,655,989	216,655,989	-	-	100.000%	100.000%	0.000%	0.000%	4.820%	4.820%	0.000%	0.000%	5.469%
2011	TRE	1019	ERCOT	U.S.	332,698,379	332,698,379			100.000%	100.000%	0.000%	0.000%	7.402%	7.402%	0.000%	0.000%	8.398%
					332,698,379	332,698,379	-	-	100.000%	100.000%	0.000%	0.000%	7.402%	7.402%	0.000%	0.000%	8.398%
2013	WECC		Alberta Electric System Operator	Canada	60,582,433		60,582,433		6.975%	0.000%	6.975%	0.000%	1.348%	0.000%	1.348%	0.000%	0.000%
2013	WECC		British Columbia Hydro & Power Authority	Canada	59,004,439		59,004,439		6.793%	0.000%	6.793%	0.000%	1.313%	0.000%	1.313%	0.000%	0.000%
2013	WECC		Comision Federal de Electricidad	Mexico	11,614,895			11,614,895	1.337%	0.000%	0.000%	1.337%	0.258%	0.000%	0.000%	0.258%	0.000%
2013	WECC		Aguila Irrigation District - APS	U.S.	31,010	31,010			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Aha Macav Power Service	U.S.	25,289	25,289			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Ajo Improvement District	U.S.	13,734	13,734			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Ak-Chin	U.S.	38,775	38,775			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Alcoa Inc	U.S.	3,458,150	3,458,150			0.398%	0.398%	0.000%	0.000%	0.077%	0.077%	0.000%	0.000%	0.087%
2013	WECC		Arizona Public Service Company	U.S.	29,805,265	29,805,265			3.432%	3.432%	0.000%	0.000%	0.663%	0.663%	0.000%	0.000%	0.752%
2013	WECC		Arkansas River Power Authority (ARPA)	U.S.	235,150	235,150			0.027%	0.027%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		Avista Corporation	U.S.	59,292	59,292			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Avista Corporation	U.S.	9,576,506	9,576,506			1.103%	1.103%	0.000%	0.000%	0.213%	0.213%	0.000%	0.000%	0.242%
2013	WECC		Barrick Goldstrike Mines Inc.	U.S.	1,179,964	1,179,964			0.136%	0.136%	0.000%	0.000%	0.026%	0.026%	0.000%	0.000%	0.030%
2013	WECC		Basin Electric Power Cooperative	U.S.	59,554	59,554			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2013	WECC		Basin Electric Power Cooperative	U.S.	3,056,832	3,056,832			0.352%	0.352%	0.000%	0.000%	0.068%	0.068%	0.000%	0.000%	0.077%
2013	WECC		Benton REA	U.S.	551,563	551,563			0.064%	0.064%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.014%
2013	WECC		Big Bend Electric Cooperative, Inc.	U.S.	139,523	139,523			0.016%	0.016%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2013	WECC		Big Bend Electric Cooperative, Inc.	U.S.	360,754	360,754			0.042%	0.042%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2013	WECC		Blachly-Lane Electric Cooperative	U.S.	173,759	173,759			0.020%	0.020%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	WECC		Black Hills Power	U.S.	1,927,008	1,927,008			0.222%	0.222%	0.000%	0.000%	0.043%	0.043%	0.000%	0.000%	0.049%
2013	WECC		Black Hills Power/Cheyenne Light Fuel & Power	U.S.	2,953,785	2,953,785			0.340%	0.340%	0.000%	0.000%	0.066%	0.066%	0.000%	0.000%	0.075%
2013	WECC		Black Hills State University South Dakota	U.S.	19,749	19,749			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Bonneville Power Administration	U.S.	6,817	6,817			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Bonneville Power Administration	U.S.	13,511	13,511			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Bonneville Power Administration	U.S.	779,199	779,199			0.090%	0.090%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.020%
2013	WECC		Bonneville Power Administration	U.S.	1,864,618	1,864,618			0.215%	0.215%	0.000%	0.000%	0.041%	0.041%	0.000%	0.000%	0.047%
2013	WECC		Bonneville Power Administration	U.S.	3,834,849	3,834,849			0.442%	0.442%	0.000%	0.000%	0.085%	0.085%	0.000%	0.000%	0.097%
2013	WECC		BPA - Big Bend/Schrag Load	U.S.	37,344	37,344			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		BPA - Kittitas Load	U.S.	7,375	7,375			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		BPA - USBR Load	U.S.	131,805	131,805			0.015%	0.015%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	WECC		Buckeye Water Conservation and Drainage District - APS	U.S.	19,821	19,821			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2013	WECC		Bureau of Reclamation (Desalter) - c/o DSW EMMO	U.S.	766	766			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Bureau of Reclamation (Wellfield) - c/o DSW EMMO	U.S.	6,499	6,499			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Burlington	U.S.	36,727	36,727			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		California Independent System Operator	U.S.	232,339,960	232,339,960			26.750%	26.750%	0.000%	0.000%	5.169%	5.169%	0.000%	0.000%	5.865%
2013	WECC		Canby Public Utility Board	U.S.	181,172	181,172			0.021%	0.021%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	WECC		Central Arizona Water Conservation District	U.S.	2,632,527	2,632,527			0.303%	0.303%	0.000%	0.000%	0.059%	0.059%	0.000%	0.000%	0.066%
2013	WECC		Central Electric Cooperative	U.S.	609,107	609,107			0.070%	0.070%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.015%
2013	WECC		Central Lincoln PUD	U.S.	1,350,692	1,350,692			0.156%	0.156%	0.000%	0.000%	0.030%	0.030%	0.000%	0.000%	0.034%
2013	WECC		Central Montana Electric Power Cooperative	U.S.	63,810	63,810			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2013	WECC		Central Montana Electric Power Cooperative	U.S.	317,843	317,843			0.037%	0.037%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	WECC		City of Aztec Electric Dept	U.S.	39,751	39,751			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		City of Bandon	U.S.	67,365	67,365			0.008%	0.008%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2013	WECC		City of Blaine	U.S.	78,248	78,248			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		City of Bonners Ferry	U.S.	72,517	72,517			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		City of Cascade Locks	U.S.	19,641	19,641			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		City of Centralia	U.S.	270,593	270,593			0.031%	0.031%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	WECC		City of Cheney	U.S.	149,356	149,356			0.017%	0.017%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2013	WECC		City of Chewelah	U.S.	23,809	23,809			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	WECC		City of Drain	U.S.	16,847	16,847			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		City of Ellensburg	U.S.	207,748	207,748			0.024%	0.024%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.005%
2013	WECC		City of Fallon	U.S.	37,292	37,292			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		City of Farmington	U.S.	1,025,393	1,025,393			0.118%	0.118%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2013	WECC		City of Forest Grove	U.S.	256,440	256,440			0.030%	0.030%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.006%
2013	WECC		City of Gallup	U.S.	189,880	189,880			0.022%	0.022%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	WECC		City of Henderson	U.S.	42,834	42,834			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		City of Hermiston, DBA Hermiston Energy Services	U.S.	111,146	111,146			0.013%	0.013%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2013	WECC		City of Las Vegas	U.S.	41,831	41,831			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		City of McCleary	U.S.	31,415	31,415			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		City of McMinnville	U.S.	770,559	770,559			0.089%	0.089%	0.000%	0.000%	0.017%	0.017%	0.000%	0.000%	0.019%
2013	WECC		City of Mesa	U.S.	261,581	261,581			0.030%	0.030%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	WECC		City of Milton	U.S.	60,532	60,532			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2013	WECC		City of Milton-Freewater	U.S.	113,514	113,514			0.013%	0.013%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	WECC		City of Monmouth	U.S.	74,430	74,430			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		City of Needles	U.S.	30,990	30,990			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		City of North Las Vegas	U.S.	4,639	4,639			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		City of Page	U.S.	92,251	92,251			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		City of Plummer	U.S.	35,994	35,994			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		City of Port Angeles	U.S.	732,324	732,324			0.084%	0.084%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.018%
2013	WECC		City of Redding	U.S.	799,829	799,829			0.092%	0.092%	0.000%	0.000%	0.018%	0.018%	0.000%	0.000%	0.020%
2013	WECC		City of Richland	U.S.	894,506	894,506			0.103%	0.103%	0.000%	0.000%	0.020%	0.020%	0.000%	0.000%	0.023%
2013	WECC		City of Roseville	U.S.	1,235,079	1,235,079			0.142%	0.142%	0.000%	0.000%	0.027%	0.027%	0.000%	0.000%	0.031%
2013	WECC		City of Shasta Lake	U.S.	193,187	193,187			0.022%	0.022%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	WECC		City of Sumas	U.S.	31,016	31,016			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		City of Tacoma DBA Tacoma Power	U.S.	310	310			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		City of Tacoma DBA Tacoma Power	U.S.	5,010,435	5,010,435			0.577%	0.577%	0.000%	0.000%	0.111%	0.111%	0.000%	0.000%	0.126%
2013	WECC		City of Troy	U.S.	17,559	17,559			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		City of Williams	U.S.	39,158	39,158			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Clark County Water Resources	U.S.	77,436	77,436			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Clark Public Utilities	U.S.	4,487,612	4,487,612			0.517%	0.517%	0.000%	0.000%	0.100%	0.100%	0.000%	0.000%	0.113%
2013	WECC		Clatskanie PUD	U.S.	943,244	943,244			0.109%	0.109%	0.000%	0.000%	0.021%	0.021%	0.000%	0.000%	0.024%
2013	WECC		Clearwater Cooperative, Inc	U.S.	39,974	39,974			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Clearwater Cooperative, Inc	U.S.	170,714	170,714			0.020%	0.020%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	WECC		Colorado River Commission of Nevada	U.S.	872,387	872,387			0.100%	0.100%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.022%
2013	WECC		Colorado Springs Utilities	U.S.	61,174	61,174			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2013	WECC		Colorado Springs Utilities	U.S.	4,662,507	4,662,507			0.537%	0.537%	0.000%	0.000%	0.104%	0.104%	0.000%	0.000%	0.118%
2013	WECC		Columbia Basin Electric Cooperative, Inc.	U.S.	113,365	113,365			0.013%	0.013%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	WECC		Columbia Falls Aluminum Company	U.S.	4,579	4,579			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Columbia Power Cooperative Association	U.S.	22,379	22,379			0.003%	0.003%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2013	WECC		Columbia River PUD	U.S.	171,325	171,325			0.020%	0.020%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	WECC		Columbia River PUD	U.S.	311,215	311,215			0.036%	0.036%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	WECC		Columbia Rural Electric Association (REA)	U.S.	333,263	333,263			0.038%	0.038%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	WECC		Consolidated Irrigation District No. 19	U.S.	6,224	6,224			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Consumers Power, Inc.	U.S.	430,981	430,981			0.050%	0.050%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.011%
2013	WECC		Coos-Curry Electric Cooperative, Inc	U.S.	355,309	355,309			0.041%	0.041%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2013	WECC		Deseret Generation & Transmission Cooperative	U.S.	144,583	144,583			0.017%	0.017%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2013	WECC		Douglas Electric Cooperative, Inc.	U.S.	96,240	96,240			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Douglas Palisades / PUD No. 1 of DC	U.S.	19,291	19,291			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		El Paso Electric Company	U.S.	8,354,189	8,354,189			0.962%	0.962%	0.000%	0.000%	0.186%	0.186%	0.000%	0.000%	0.211%
2013	WECC		Electrical District #2	U.S.	179,643	179,643			0.021%	0.021%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	WECC		Electrical District #2 - Coolidge Generating Station	U.S.	9,195	9,195			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Electrical District No. 6 of Pinal County - APS	U.S.	2,493	2,493			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Electrical District No. 7 of Maricopa County - APS	U.S.	47,058	47,058			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Electrical District No. 8 of Maricopa County - APS	U.S.	276,912	276,912			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	WECC		Electrical Districts 1 & 3	U.S.	578,995	578,995			0.067%	0.067%	0.000%	0.000%	0.013%	0.013%	0.000%	0.000%	0.015%
2013	WECC		Elmhurst Mutual Power & Light Company	U.S.	279,749	279,749			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	WECC		Emerald PUD	U.S.	518,509	518,509			0.060%	0.060%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.013%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	WECC		Energy Northwest	U.S.	36,570	36,570			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Eugene Water & Electric Board	U.S.	2,495,053	2,495,053			0.287%	0.287%	0.000%	0.000%	0.056%	0.056%	0.000%	0.000%	0.063%
2013	WECC		Fall River Rural Electric Cooperative, Inc.	U.S.	28	28			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Flathead Electric Cooperative, Inc	U.S.	1,513,536	1,513,536			0.174%	0.174%	0.000%	0.000%	0.034%	0.034%	0.000%	0.000%	0.038%
2013	WECC		Frederickson Power LP	U.S.	3,437	3,437			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Grand Valley Power	U.S.	245,738	245,738			0.028%	0.028%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		Harney Electric Cooperative, Inc.	U.S.	90,674	90,674			0.010%	0.010%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Harney Electric Cooperative, Inc.	U.S.	98,753	98,753			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Harquahala Valley Power Districts - APS	U.S.	79,282	79,282			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Hermiston Power LLC	U.S.	1,953	1,953			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Holy Cross Energy	U.S.	1,218,703	1,218,703			0.140%	0.140%	0.000%	0.000%	0.027%	0.027%	0.000%	0.000%	0.031%
2013	WECC		Hood River Electric Cooperative	U.S.	44,095	44,095			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Idaho County Light and Power Cooperative Association, Inc.	U.S.	59,313	59,313			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Idaho Power Company	U.S.	16,340,718	16,340,718			1.881%	1.881%	0.000%	0.000%	0.364%	0.364%	0.000%	0.000%	0.412%
2013	WECC		Imperial Irrigation District	U.S.	3,661,545	3,661,545			0.422%	0.422%	0.000%	0.000%	0.081%	0.081%	0.000%	0.000%	0.092%
2013	WECC		Inland Power and Light Company	U.S.	477,845	477,845			0.055%	0.055%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.012%
2013	WECC		Inland Power and Light Company	U.S.	499,781	499,781			0.058%	0.058%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.013%
2013	WECC		Intermountain Rural Electric Association	U.S.	2,153,915	2,153,915			0.248%	0.248%	0.000%	0.000%	0.048%	0.048%	0.000%	0.000%	0.054%
2013	WECC		Kaiser Aluminum Fabricated Products LLC	U.S.	311,536	311,536			0.036%	0.036%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	WECC		Kootenai Electric Cooperative, Inc.	U.S.	469,569	469,569			0.054%	0.054%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.012%
2013	WECC		Lakeview Light & Power	U.S.	274,245	274,245			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	WECC		Lane Electric Cooperative, Inc.	U.S.	230,340	230,340			0.027%	0.027%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		Las Vegas Valley Water District	U.S.	93,430	93,430			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Lincoln Electric Cooperative, Inc.	U.S.	118,451	118,451			0.014%	0.014%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	WECC		Los Angeles Department of Water and Power	U.S.	28,866,202	28,866,202			3.323%	3.323%	0.000%	0.000%	0.642%	0.642%	0.000%	0.000%	0.729%
2013	WECC		Lost River Electric Cooperative, Inc.	U.S.	22	22			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Lower Valley Energy, Inc.	U.S.	87	87			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Maricopa County Municipal Water Conservation Dist No. 1 - APS	U.S.	52,365	52,365			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		McMullen Valley Water Conservation & Drainage District - APS	U.S.	69,883	69,883			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Merced Irrigation District	U.S.	470,352	470,352			0.054%	0.054%	0.000%	0.000%	0.010%	0.010%	0.000%	0.000%	0.012%
2013	WECC		Midstate Electric Cooperative, Inc.	U.S.	414,182	414,182			0.048%	0.048%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	WECC		Mission Valley Power	U.S.	413,525	413,525			0.048%	0.048%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	WECC		Modern Electric Water Company	U.S.	234,810	234,810			0.027%	0.027%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		Modesto Irrigation District	U.S.	2,577,631	2,577,631			0.297%	0.297%	0.000%	0.000%	0.057%	0.057%	0.000%	0.000%	0.065%
2013	WECC		Montana-Dakota Utilities Co.	U.S.	20,487	20,487			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2013	WECC		Mt. Wheeler Power	U.S.	560,779	560,779			0.065%	0.065%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.014%
2013	WECC		Municipal Energy Agency of Nebraska	U.S.	199,657	199,657			0.023%	0.023%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	WECC		Municipal Energy Agency of Nebraska	U.S.	669,387	669,387			0.077%	0.077%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2013	WECC		Navajo Agricultural Products Industry (NAPI)	U.S.	1,093	1,093			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Navajo Tribal Utility Authority	U.S.	54,383	54,383			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Navajo Tribal Utility Authority	U.S.	286,099	286,099			0.033%	0.033%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	WECC		Navopache Electric Cooperative, Inc.	U.S.	370,656	370,656			0.043%	0.043%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2013	WECC		Nebraska Public Power Marketing	U.S.	5,842	5,842			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Nespelem Valley Electric Cooperative, Inc.	U.S.	58,413	58,413			0.007%	0.007%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Nevada Power Company dba NV Energy	U.S.	26,587,371	26,587,371			3.061%	3.061%	0.000%	0.000%	0.592%	0.592%	0.000%	0.000%	0.671%
2013	WECC		Noble Americas Energy Solutions, LLC	U.S.	1,673,553	1,673,553			0.193%	0.193%	0.000%	0.000%	0.037%	0.037%	0.000%	0.000%	0.042%
2013	WECC		Northern Lights, Inc.	U.S.	36,440	36,440			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Northern Lights, Inc.	U.S.	262,743	262,743			0.030%	0.030%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	WECC		Northern Wasco County PUD	U.S.	556,511	556,511			0.064%	0.064%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.014%
2013	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	241,233	241,233			0.028%	0.028%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	9,167,768	9,167,768			1.056%	1.056%	0.000%	0.000%	0.204%	0.204%	0.000%	0.000%	0.231%
2013	WECC		Ohop Mutual Light Company	U.S.	86,807	86,807			0.010%	0.010%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Orcas Power and Light Cooperative	U.S.	217,914	217,914			0.025%	0.025%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		Oregon Trail Electric Consumers Cooperative, Inc.	U.S.	354,194	354,194			0.041%	0.041%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2013	WECC		Overton Power District No. 5	U.S.	381,124	381,124			0.044%	0.044%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.010%
2013	WECC		PacifiCorp	U.S.	1,876	1,876			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		PacifiCorp	U.S.	2,156	2,156			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		PacifiCorp	U.S.	70,407	70,407			0.008%	0.008%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	WECC		PacifiCorp	U.S.	116,284	116,284			0.013%	0.013%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	WECC		PacifiCorp	U.S.	50,590,830	50,590,830			5.825%	5.825%	0.000%	0.000%	1.126%	1.126%	0.000%	0.000%	1.277%
2013	WECC		PacifiCorp West (PACW)	U.S.	21,336,825	21,336,825			2.457%	2.457%	0.000%	0.000%	0.475%	0.475%	0.000%	0.000%	0.539%
2013	WECC		Parkland Light and Water Company	U.S.	122,305	122,305			0.014%	0.014%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	WECC		Pend Oreille County PUD No. 1	U.S.	1,016,523	1,016,523			0.117%	0.117%	0.000%	0.000%	0.023%	0.023%	0.000%	0.000%	0.026%
2013	WECC		Peninsula Light Company, Inc.	U.S.	608,193	608,193			0.070%	0.070%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.015%
2013	WECC		Platte River Power Authority	U.S.	3,244,570	3,244,570			0.374%	0.374%	0.000%	0.000%	0.072%	0.072%	0.000%	0.000%	0.082%
2013	WECC		Port of Seattle - Seattle-Tacoma International Airport	U.S.	141,204	141,204			0.016%	0.016%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2013	WECC		Port Townsend Paper Corporation	U.S.	166,731	166,731			0.019%	0.019%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	WECC		Portland General Electric Company	U.S.	18,600,632	18,600,632			2.142%	2.142%	0.000%	0.000%	0.414%	0.414%	0.000%	0.000%	0.470%
2013	WECC		Public Service Company of Colorado (Xcel)	U.S.	35,594	35,594			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Public Service Company of Colorado (Xcel)	U.S.	26,537,376	26,537,376			3.055%	3.055%	0.000%	0.000%	0.590%	0.590%	0.000%	0.000%	0.670%
2013	WECC		Public Service Company of New Mexico	U.S.	10,787,283	10,787,283			1.242%	1.242%	0.000%	0.000%	0.240%	0.240%	0.000%	0.000%	0.272%
2013	WECC		Public Utility District No. 1 of Chelan County	U.S.	4,025,516	4,025,516			0.463%	0.463%	0.000%	0.000%	0.090%	0.090%	0.000%	0.000%	0.102%
2013	WECC		PUD No. 1 of Asotin County	U.S.	290	290			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		PUD No. 1 of Asotin County	U.S.	4,975	4,975			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		PUD No. 1 of Benton County	U.S.	1,773,502	1,773,502			0.204%	0.204%	0.000%	0.000%	0.039%	0.039%	0.000%	0.000%	0.045%
2013	WECC		PUD No. 1 of Clallam County	U.S.	680,465	680,465			0.078%	0.078%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2013	WECC		PUD No. 1 of Cowlitz County	U.S.	5,247,802	5,247,802			0.604%	0.604%	0.000%	0.000%	0.117%	0.117%	0.000%	0.000%	0.132%
2013	WECC		PUD No. 1 of Douglas County	U.S.	8,928	8,928			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		PUD No. 1 of Douglas County	U.S.	1,486,659	1,486,659			0.171%	0.171%	0.000%	0.000%	0.033%	0.033%	0.000%	0.000%	0.038%
2013	WECC		PUD No. 1 of Ferry County	U.S.	109,044	109,044			0.013%	0.013%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2013	WECC		PUD No. 1 of Franklin County	U.S.	1,065,410	1,065,410			0.123%	0.123%	0.000%	0.000%	0.024%	0.024%	0.000%	0.000%	0.027%
2013	WECC		PUD No. 1 of Grays Harbor	U.S.	1,186,461	1,186,461			0.137%	0.137%	0.000%	0.000%	0.026%	0.026%	0.000%	0.000%	0.030%
2013	WECC		PUD No. 1 of Jefferson County	U.S.	246,380	246,380			0.028%	0.028%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		PUD No. 1 of Kittitas County	U.S.	16,412	16,412			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		PUD No. 1 of Kittitas County	U.S.	75,702	75,702			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		PUD No. 1 of Klickitat County	U.S.	300,703	300,703			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	WECC		PUD No. 1 of Lewis County	U.S.	938,394	938,394			0.108%	0.108%	0.000%	0.000%	0.021%	0.021%	0.000%	0.000%	0.024%
2013	WECC		PUD No. 1 of Mason County	U.S.	78,370	78,370			0.009%	0.009%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		PUD No. 1 of Skamania County	U.S.	134,732	134,732			0.016%	0.016%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	WECC		PUD No. 1 of Snohomish County	U.S.	6,824,113	6,824,113			0.786%	0.786%	0.000%	0.000%	0.152%	0.152%	0.000%	0.000%	0.172%
2013	WECC		PUD No. 1 of Wahkiakum County	U.S.	44,092	44,092			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		PUD No. 1 of Whatcom County	U.S.	4,995	4,995			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		PUD No. 1 of Whatcom County	U.S.	224,295	224,295			0.026%	0.026%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		PUD No. 2 of Grant County	U.S.	49,941	49,941			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		PUD No. 2 of Grant County	U.S.	93,675	93,675			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		PUD No. 2 of Grant County	U.S.	3,839,087	3,839,087			0.442%	0.442%	0.000%	0.000%	0.085%	0.085%	0.000%	0.000%	0.097%
2013	WECC		PUD No. 2 of Pacific County	U.S.	305,445	305,445			0.035%	0.035%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	WECC		PUD No. 3 of Mason County	U.S.	698,785	698,785			0.080%	0.080%	0.000%	0.000%	0.016%	0.016%	0.000%	0.000%	0.018%
2013	WECC		Puget Sound Energy, Inc.	U.S.	24,437,530	24,437,530			2.814%	2.814%	0.000%	0.000%	0.544%	0.544%	0.000%	0.000%	0.617%
2013	WECC		Raft River Electric Cooperative	U.S.	46	46			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Raton Public Service	U.S.	51,732	51,732			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Roosevelt Irrigation District - AP5	U.S.	37,851	37,851			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Sacramento Municipal Utility District	U.S.	11,226,639	11,226,639			1.293%	1.293%	0.000%	0.000%	0.250%	0.250%	0.000%	0.000%	0.283%
2013	WECC		Salem Electric	U.S.	331,171	331,171			0.038%	0.038%	0.000%	0.000%	0.007%	0.007%	0.000%	0.000%	0.008%
2013	WECC		Salt River Project	U.S.	28,911,429	28,911,429			3.329%	3.329%	0.000%	0.000%	0.643%	0.643%	0.000%	0.000%	0.730%
2013	WECC		San Carlos Indian Irrigation Project	U.S.	7	7			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Seattle City Light	U.S.	10,035,929	10,035,929			1.155%	1.155%	0.000%	0.000%	0.223%	0.223%	0.000%	0.000%	0.253%
2013	WECC		Sierra Pacific Power Company dba NV Energy	U.S.	11,116,111	11,116,111			1.280%	0.000%	0.000%	1.280%	0.247%	0.247%	0.000%	0.000%	0.281%
2013	WECC		Silver State Energy - c/o Colorado River Commission of Nevada	U.S.	515,076	515,076			0.059%	0.059%	0.000%	0.000%	0.011%	0.011%	0.000%	0.000%	0.013%
2013	WECC		Southern Montana Electric Generation & Transmission	U.S.	522,515	522,515			0.060%	0.060%	0.000%	0.000%	0.012%	0.012%	0.000%	0.000%	0.013%
2013	WECC		Southern Nevada Water Authority	U.S.	118,357	118,357			0.014%	0.014%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%
2013	WECC		Southwest Transmission Cooperative, Inc.	U.S.	2,012,236	2,012,236			0.232%	0.232%	0.000%	0.000%	0.045%	0.045%	0.000%	0.000%	0.051%
2013	WECC		Springfield Utility Board	U.S.	867,593	867,593			0.100%	0.100%	0.000%	0.000%	0.019%	0.019%	0.000%	0.000%	0.022%
2013	WECC		Surprise Valley Electrification Corporation	U.S.	38,220	38,220			0.004%	0.000%	0.004%	0.000%	0.001%	0.000%	0.001%	0.000%	0.001%
2013	WECC		Tanner Electric Cooperative	U.S.	99,115	99,115			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.003%
2013	WECC		The Incorporated County of Los Alamos	U.S.	364,095	364,095			0.042%	0.000%	0.000%	0.042%	0.008%	0.000%	0.000%	0.008%	0.009%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 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
2013	WECC		Tillamook People's Utility District	U.S.	375,501	375,501			0.043%	0.043%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2013	WECC		Tohono O'odham Utility Authority	U.S.	67,110	67,110			0.008%	0.008%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.002%
2013	WECC		Tonopah Irrigation District - APS	U.S.	22,698	22,698			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Town of Center	U.S.	20,928	20,928			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2013	WECC		Town of Coulee	U.S.	17,416	17,416			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Town of Eatonville	U.S.	28,069	28,069			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Town of Fredonia	U.S.	10,953	10,953			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Town of Steilacoom	U.S.	41,331	41,331			0.005%	0.005%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Town of Wickenburg	U.S.	26,570	26,570			0.003%	0.003%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	2,062,440	2,062,440			0.237%	0.237%	0.000%	0.000%	0.046%	0.046%	0.000%	0.000%	0.052%
2013	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	7,419,925	7,419,925			0.854%	0.854%	0.000%	0.000%	0.165%	0.165%	0.000%	0.000%	0.187%
2013	WECC		Tri-State Generation & Transmission Association, Inc.	U.S.	2,642,944	2,642,944			0.304%	0.304%	0.000%	0.000%	0.059%	0.059%	0.000%	0.000%	0.067%
2013	WECC		Truckee Donner Public Utility District	U.S.	154,280	154,280			0.018%	0.018%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.004%
2013	WECC		Tucson Electric Power Company	U.S.	15,085,818	15,085,818			1.737%	1.737%	0.000%	0.000%	0.336%	0.336%	0.000%	0.000%	0.381%
2013	WECC		Turlock Irrigation District	U.S.	2,135,260	2,135,260			0.246%	0.246%	0.000%	0.000%	0.048%	0.048%	0.000%	0.000%	0.054%
2013	WECC		U.S. Army Yuma Proving Ground	U.S.	16,326	16,326			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		U.S. BOR Columbia Basin	U.S.	33,360	33,360			0.004%	0.004%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		U.S. BOR East Greenacres (Rathdrum)	U.S.	4,176	4,176			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		U.S. Bor Spokane Indian Development'	U.S.	3,136	3,136			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		U.S. BOR The Dalles Project	U.S.	18,335	18,335			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		U.S. DOE National Energy Technology Laboratory	U.S.	4,828	4,828			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Umatilla Electric Cooperative Association	U.S.	1,140,059	1,140,059			0.131%	0.131%	0.000%	0.000%	0.025%	0.025%	0.000%	0.000%	0.029%
2013	WECC		Unit B Irrigation District	U.S.	24	24			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		US Air Force Base, Fairchild	U.S.	49,053	49,053			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		US Dept of Energy - Kirtland AFB	U.S.	410,793	410,793			0.047%	0.047%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	WECC		USDOE Richland	U.S.	187,652	187,652			0.022%	0.022%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.005%
2013	WECC		USN Naval Station, Bremerton	U.S.	250,674	250,674			0.029%	0.029%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.006%
2013	WECC		USN Naval Station, Everett	U.S.	10,912	10,912			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		USN Submarine Base, Bangor	U.S.	170,292	170,292			0.020%	0.020%	0.000%	0.000%	0.004%	0.004%	0.000%	0.000%	0.004%
2013	WECC		Vera Water and Power	U.S.	234,898	234,898			0.027%	0.027%	0.000%	0.000%	0.005%	0.005%	0.000%	0.000%	0.006%
2013	WECC		Vigilante Electric Cooperative, Inc.	U.S.	15,897	15,897			0.002%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Wasco Electric Cooperative	U.S.	97,027	97,027			0.011%	0.011%	0.000%	0.000%	0.002%	0.002%	0.000%	0.000%	0.002%
2013	WECC		Wells Rural Electric Cooperative	U.S.	672,455	672,455			0.077%	0.077%	0.000%	0.000%	0.015%	0.015%	0.000%	0.000%	0.017%
2013	WECC		Wellton-Mohawk Irrigation & Drainage District	U.S.	401	401			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		West Oregon Electric Cooperative, Inc.	U.S.	12,860	12,860			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		West Oregon Electric Cooperative, Inc.	U.S.	56,442	56,442			0.006%	0.006%	0.000%	0.000%	0.001%	0.001%	0.000%	0.000%	0.001%
2013	WECC		Western Area Power - Loveland, CO	U.S.	364,173	364,173			0.042%	0.042%	0.000%	0.000%	0.008%	0.008%	0.000%	0.000%	0.009%
2013	WECC		Western Area Power - Loveland, CO	U.S.	2,054,674	2,054,674			0.237%	0.237%	0.000%	0.000%	0.046%	0.046%	0.000%	0.000%	0.052%
2013	WECC		Western Area Power Administration - CRSP	U.S.	2,053,652	2,053,652			0.236%	0.236%	0.000%	0.000%	0.046%	0.046%	0.000%	0.000%	0.052%
2013	WECC		Western Area Power Administration - Sierra Nevada Region	U.S.	1,324,532	1,324,532			0.152%	0.152%	0.000%	0.000%	0.029%	0.029%	0.000%	0.000%	0.033%
2013	WECC		Western Area Power Administration-Desert Southwest Region	U.S.	3,225,943	3,225,943			0.371%	0.371%	0.000%	0.000%	0.072%	0.072%	0.000%	0.000%	0.081%
2013	WECC		Western Area Power Administration-Upper Great Plains Region	U.S.	7,688	7,688			0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Western Area Power Administration-Upper Great Plains Region	U.S.	391,282	391,282			0.045%	0.045%	0.000%	0.000%	0.009%	0.009%	0.000%	0.000%	0.010%
2013	WECC		Wyoming Municipal Power Agency	U.S.	280,327	280,327			0.032%	0.032%	0.000%	0.000%	0.006%	0.006%	0.000%	0.000%	0.007%
2013	WECC		Yakama Power	U.S.	21,718	21,718			0.003%	0.003%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%
2013	WECC		Yampa Valley Electric Association	U.S.	630,694	630,694			0.073%	0.073%	0.000%	0.000%	0.014%	0.014%	0.000%	0.000%	0.016%
2013	WECC		Yuma Irrigation District	U.S.	3,112	3,112			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
2013	WECC		Yuma-Mesa Irrigation District	U.S.	175	175			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
TOTAL WECC					868,549,865	737,348,098	119,586,872	11,614,895	100.000%	83.568%	13.773%	2.659%	19.323%	16.395%	2.661%	0.267%	18.613%
TOTAL ERO					4,494,865,394	3,961,433,109	521,817,390	11,614,895	800.000%	712.645%	84.696%	2.659%	100.000%	88.123%	11.610%	0.267%	100.000%

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
Summary by Regional Entity					Total NEL (MWh)	U.S. NEL	Canada NEL	Mexico NEL									
2013	FRCC				221,303,111	221,303,111	-	-	100.000%	100.000%	0.000%	0.000%	4.923%	4.923%	0.000%	0.000%	5.586%
2013	MRO				289,263,982	242,749,464	46,514,518	-	100.000%	83.920%	16.080%	0.000%	6.435%	5.401%	1.035%	0.000%	6.128%
2013	NPCC				648,607,000	292,891,000	355,716,000	-	100.000%	45.157%	54.843%	0.000%	14.430%	6.516%	7.914%	0.000%	7.394%
2013	RF				908,726,579	908,726,579	-	-	100.000%	100.000%	0.000%	0.000%	20.217%	20.217%	0.000%	0.000%	22.939%
2013	SERC				1,009,060,489	1,009,060,489	-	-	100.000%	100.000%	0.000%	0.000%	22.449%	22.449%	0.000%	0.000%	25.472%
2013	SPP				216,655,989	216,655,989	-	-	100.000%	100.000%	0.000%	0.000%	4.820%	4.820%	0.000%	0.000%	5.469%
2013	TRE				332,698,379	332,698,379	-	-	100.000%	100.000%	0.000%	0.000%	7.402%	7.402%	0.000%	0.000%	8.398%
2013	WECC				868,549,865	737,348,098	119,586,872	11,614,895	100.000%	83.568%	13.773%	2.659%	19.323%	16.395%	2.661%	0.267%	18.613%
Total					4,494,865,394	3,961,433,109	521,817,390	11,614,895	800.000%	712.645%	84.696%	2.659%	100.000%	88.123%	11.610%	0.267%	100.000%

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total ERO Assessments (NERC, RE & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB Assessments)			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	FRCC	1074	Alachua, City of	U.S.	4,821	4,821	-	-	1,522	1,522	-	-	3,300	3,300	-	-
2013	FRCC	1075	Bartow, City of	U.S.	10,868	10,868	-	-	3,430	3,430	-	-	7,438	7,438	-	-
2013	FRCC	1076	Chattahoochee, City of	U.S.	1,461	1,461	-	-	461	461	-	-	1,000	1,000	-	-
2013	FRCC	1077	Florida Keys Electric Cooperative Assn	U.S.	28,781	28,781	-	-	9,084	9,084	-	-	19,698	19,698	-	-
2013	FRCC	1078	Florida Power & Light Co.	U.S.	4,382,905	4,382,905	-	-	1,383,264	1,383,264	-	-	2,999,641	2,999,641	-	-
2013	FRCC	1079	Florida Public Utilities Company	U.S.	14,142	14,142	-	-	4,463	4,463	-	-	9,679	9,679	-	-
2013	FRCC	1080	Gainesville Regional Utilities	U.S.	70,452	70,452	-	-	22,235	22,235	-	-	48,217	48,217	-	-
2013	FRCC	1081	Homestead, City of	U.S.	20,415	20,415	-	-	6,443	6,443	-	-	13,972	13,972	-	-
2013	FRCC	1082	JEA	U.S.	478,834	478,834	-	-	151,122	151,122	-	-	327,712	327,712	-	-
2013	FRCC	1083	Lakeland Electric	U.S.	116,846	116,846	-	-	36,877	36,877	-	-	79,969	79,969	-	-
2013	FRCC	1626	Lee County Electric Cooperative, Inc	U.S.	146,728	146,728	-	-	46,308	46,308	-	-	100,420	100,420	-	-
2013	FRCC	1661	City of Lake Worth	U.S.	17,453	17,453	-	-	5,508	5,508	-	-	11,945	11,945	-	-
2013	FRCC	1084	Mount Dora, City of	U.S.	3,559	3,559	-	-	1,123	1,123	-	-	2,436	2,436	-	-
2013	FRCC	1085	New Smyrna Beach, Utilities Commission of	U.S.	15,451	15,451	-	-	4,877	4,877	-	-	10,575	10,575	-	-
2013	FRCC	1086	Orlando Utilities Commission	U.S.	227,909	227,909	-	-	71,929	71,929	-	-	155,980	155,980	-	-
2013	FRCC	1087	Duke Energy Florida	U.S.	1,569,785	1,569,785	-	-	495,431	495,431	-	-	1,074,354	1,074,354	-	-
2013	FRCC	1088	Quincy, City of	U.S.	5,444	5,444	-	-	1,718	1,718	-	-	3,726	3,726	-	-
2013	FRCC	1089	Reedy Creek Improvement District	U.S.	48,356	48,356	-	-	15,261	15,261	-	-	33,094	33,094	-	-
2013	FRCC	1090	St. Cloud, City of (OUC)	U.S.	24,138	24,138	-	-	7,618	7,618	-	-	16,520	16,520	-	-
2013	FRCC	1091	Tallahassee, City of	U.S.	107,439	107,439	-	-	33,908	33,908	-	-	73,531	73,531	-	-
2013	FRCC	1092	Tampa Electric Company	U.S.	767,648	767,648	-	-	242,273	242,273	-	-	525,375	525,375	-	-
2013	FRCC	1603	City of Vero Beach	U.S.	29,582	29,582	-	-	9,336	9,336	-	-	20,246	20,246	-	-
2013	FRCC	1093	Wauchula, City of	U.S.	2,473	2,473	-	-	780	780	-	-	1,692	1,692	-	-
2013	FRCC	1094	Williston, City of	U.S.	1,281	1,281	-	-	404	404	-	-	877	877	-	-
2013	FRCC	1095	Winter Park, City of	U.S.	17,293	17,293	-	-	5,458	5,458	-	-	11,835	11,835	-	-
2013	FRCC	1072	Florida Municipal Power Agency	U.S.	221,124	221,124	-	-	69,788	69,788	-	-	151,336	151,336	-	-
2013	FRCC	1073	Seminole Electric Cooperative	U.S.	523,487	523,487	-	-	165,215	165,215	-	-	358,272	358,272	-	-
TOTAL FRCC					8,858,675	8,858,675	-	-	2,795,837	2,795,837	-	-	6,062,838	6,062,838	-	-
2013	MRO	1199	Basin Electric Power Cooperative	U.S.	638,347	638,347	-	-	179,380	179,380	-	-	458,968	458,968	-	-
2013	MRO	1201	Central Iowa Power Cooperative (CIPCO)	U.S.	127,935	127,935	-	-	35,951	35,951	-	-	91,985	91,985	-	-
2013	MRO	1204	Corn Belt Power Cooperative	U.S.	92,089	92,089	-	-	25,878	25,878	-	-	66,211	66,211	-	-
2013	MRO	1207	Dairyland Power Cooperative	U.S.	247,566	247,566	-	-	69,568	69,568	-	-	177,998	177,998	-	-
2013	MRO	1210	Great River Energy	U.S.	626,005	626,005	-	-	175,912	175,912	-	-	450,093	450,093	-	-
2013	MRO	1222	Minnesota Power Cooperative, Inc.	U.S.	195,842	195,842	-	-	55,033	55,033	-	-	140,809	140,809	-	-
2013	MRO	1230	Nebraska Public Power District	U.S.	612,718	612,718	-	-	172,178	172,178	-	-	440,540	440,540	-	-
2013	MRO	1232	Omaha Public Power District	U.S.	514,943	514,943	-	-	144,702	144,702	-	-	370,240	370,240	-	-
2013	MRO	1237	Southern Montana Generation and Transmission	U.S.	313	313	-	-	88	88	-	-	225	225	-	-
2013	MRO	1240	Western Area Power Administration (UM)	U.S.	406,452	406,452	-	-	114,216	114,216	-	-	292,236	292,236	-	-
2013	MRO	1239	Western Area Power Administration (LM)	U.S.	5,705	5,705	-	-	1,603	1,603	-	-	4,102	4,102	-	-
2013	MRO	1217	Manitoba Hydro	CAN	1,118,318	-	1,118,318	-	308,347	-	308,347	-	809,971	-	809,971	-
2013	MRO	1235	SaskPower	CAN	1,062,135	-	1,062,135	-	292,856	-	292,856	-	769,279	-	769,279	-
2013	MRO	1195	Alliant Energy (Alliant East - WPL & Alliant West IPL)	U.S.	1,304,407	1,304,407	-	-	366,547	366,547	-	-	937,860	937,860	-	-
2013	MRO	1216	Madison, Gas and Electric	U.S.	155,908	155,908	-	-	43,811	43,811	-	-	112,097	112,097	-	-
2013	MRO	1220	MidAmerican Energy Company	U.S.	1,278,841	1,278,841	-	-	359,363	359,363	-	-	919,478	919,478	-	-
2013	MRO	1221	Minnesota Power	U.S.	586,752	586,752	-	-	164,881	164,881	-	-	421,870	421,870	-	-
2013	MRO	1226	Montana-Dakota Utilities Co.	U.S.	140,047	140,047	-	-	39,354	39,354	-	-	100,693	100,693	-	-
2013	MRO	1231	NorthWestern Energy	U.S.	70,319	70,319	-	-	19,760	19,760	-	-	50,559	50,559	-	-
2013	MRO	1233	Otter Tail Power Company	U.S.	206,309	206,309	-	-	57,974	57,974	-	-	148,334	148,334	-	-
2013	MRO		Wisconsin Public Service (WPS)	U.S.	553,906	553,906	-	-	155,651	155,651	-	-	398,255	398,255	-	-
2013	MRO		Upper Peninsula Power Company (UPPCO)	U.S.	36,999	36,999	-	-	10,397	10,397	-	-	26,602	26,602	-	-
2013	MRO	1244	Xcel Energy Company (NSP)	U.S.	2,030,085	2,030,085	-	-	570,467	570,467	-	-	1,459,617	1,459,617	-	-
2013	MRO	1196	Ames Municipal Electric System	U.S.	34,725	34,725	-	-	9,758	9,758	-	-	24,967	24,967	-	-
2013	MRO	1604	Atlantic Municipal Utilities	U.S.	3,738	3,738	-	-	1,050	1,050	-	-	2,688	2,688	-	-
2013	MRO	1476	Badger Power Marketing Authority of Wisconsin, Inc.	U.S.	18,155	18,155	-	-	5,102	5,102	-	-	13,053	13,053	-	-
2013	MRO	1200	Cedar Falls Municipal Utilities	U.S.	24,017	24,017	-	-	6,749	6,749	-	-	17,268	17,268	-	-
2013	MRO	1477	Central Minnesota Municipal Power Agency (CMMMPA)	U.S.	20,997	20,997	-	-	5,900	5,900	-	-	15,096	15,096	-	-
2013	MRO	1203	City of Escanaba	U.S.	6,278	6,278	-	-	1,764	1,764	-	-	4,514	4,514	-	-
2013	MRO	1205	Falls City Water & Light Department	U.S.	2,561	2,561	-	-	720	720	-	-	1,841	1,841	-	-
2013	MRO	1206	Fremont Department of Utilities	U.S.	19,688	19,688	-	-	5,532	5,532	-	-	14,155	14,155	-	-
2013	MRO	1208	Geneseo Municipal Utilities	U.S.	2,991	2,991	-	-	840	840	-	-	2,150	2,150	-	-

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total ERO Assessments (NERC, RE & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB Assessments)			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	MRO	1209	Grand Island Utilities Department	U.S.	34,182	34,182	-	-	9,605	9,605	-	-	24,576	24,576	-	-
2013	MRO	1606	Harlan Municipal Utilities	U.S.	1,083	1,083	-	-	304	304	-	-	778	778	-	-
2013	MRO	1211	Hastings Utilities	U.S.	19,678	19,678	-	-	5,530	5,530	-	-	14,149	14,149	-	-
2013	MRO	1212	Heartland Consumers Power District	U.S.	38,272	38,272	-	-	10,755	10,755	-	-	27,517	27,517	-	-
2013	MRO	1213	Hutchinson Utilities Commission	U.S.	13,036	13,036	-	-	3,663	3,663	-	-	9,373	9,373	-	-
2013	MRO	1215	Lincoln Electric System	U.S.	147,330	147,330	-	-	41,401	41,401	-	-	105,929	105,929	-	-
2013	MRO	1218	Manitowoc Public Utilities	U.S.	24,350	24,350	-	-	6,842	6,842	-	-	17,507	17,507	-	-
2013	MRO	1223	Missouri River Energy Services	U.S.	110,550	110,550	-	-	31,065	31,065	-	-	79,485	79,485	-	-
2013	MRO	1224	MN Municipal Power Agency (MMPA)	U.S.	68,505	68,505	-	-	19,250	19,250	-	-	49,254	49,254	-	-
2013	MRO	1607	Montezuma Municipal Light & Power	U.S.	1,446	1,446	-	-	406	406	-	-	1,039	1,039	-	-
2013	MRO	1227	Municipal Energy Agency of Nebraska	U.S.	52,939	52,939	-	-	14,876	14,876	-	-	38,063	38,063	-	-
2013	MRO	1228	Muscatine Power and Water	U.S.	39,302	39,302	-	-	11,044	11,044	-	-	28,258	28,258	-	-
2013	MRO	1229	Nebraska City Utilities	U.S.	7,720	7,720	-	-	2,169	2,169	-	-	5,550	5,550	-	-
2013	MRO	1234	Rochester Public Utilities	U.S.	242	242	-	-	68	68	-	-	174	174	-	-
2013	MRO	1236	Southern Minnesota Municipal Power Agency	U.S.	132,923	132,923	-	-	37,352	37,352	-	-	95,571	95,571	-	-
2013	MRO	1241	Willmar Municipal Utilities	U.S.	11,828	11,828	-	-	3,324	3,324	-	-	8,504	8,504	-	-
2013	MRO	1242	Wisconsin Public Power, Inc. (East and West regions)	U.S.	245,529	245,529	-	-	68,995	68,995	-	-	176,534	176,534	-	-
TOTAL MRO					13,094,003	10,913,550	2,180,453	-	3,667,984	3,066,780	601,204	-	9,426,019	7,846,770	1,579,249	-
2013	NPCC	1336	New England	U.S.	5,503,872	5,503,872	-	-	1,634,487	1,634,487	-	-	3,869,386	3,869,386	-	-
2013	NPCC	1339	New York	U.S.	6,956,107	6,956,107	-	-	2,065,757	2,065,757	-	-	4,890,350	4,890,350	-	-
2013	NPCC	1337	Ontario	Canada	3,200,394	-	3,200,394	-	1,215,106	-	1,215,106	-	1,985,288	-	1,985,288	-
2013	NPCC	1341	Quebec	Canada	4,539,006	-	4,539,006	-	1,757,802	-	1,757,802	-	2,781,204	-	2,781,204	-
2013	NPCC	1338	New Brunswick	Canada	418,528	-	418,528	-	118,912	-	118,912	-	299,616	-	299,616	-
2013	NPCC	1340	Nova Scotia	Canada	387,446	-	387,446	-	144,412	-	144,412	-	243,034	-	243,034	-
TOTAL NPCC					21,005,353	12,459,980	8,545,373	-	6,936,475	3,700,244	3,236,231	-	14,068,878	8,759,736	5,309,142	-
2013	RF	1104	Bay City	U.S.	10,960	10,960	-	-	4,167	4,167	-	-	6,793	6,793	-	-
2013	RF	1102	Cannelton Utilities	U.S.	539	539	-	-	205	205	-	-	334	334	-	-
2013	RF	1105	City of Chelsea	U.S.	3,232	3,232	-	-	1,229	1,229	-	-	2,003	2,003	-	-
2013	RF	1106	City of Crosswell	U.S.	1,408	1,408	-	-	536	536	-	-	873	873	-	-
2013	RF	1108	City of Eaton Rapids	U.S.	3,177	3,177	-	-	1,208	1,208	-	-	1,969	1,969	-	-
2013	RF	1111	City of Hart	U.S.	1,624	1,624	-	-	617	617	-	-	1,006	1,006	-	-
2013	RF	1490	City of Lansing	U.S.	73,928	73,928	-	-	28,109	28,109	-	-	45,819	45,819	-	-
2013	RF	1112	City of Marquette Board of Light & Power	U.S.	11,062	11,062	-	-	4,206	4,206	-	-	6,856	6,856	-	-
2013	RF	1114	City of Portland	U.S.	1,227	1,227	-	-	466	466	-	-	760	760	-	-
2013	RF	1116	City of St. Louis	U.S.	1,341	1,341	-	-	510	510	-	-	831	831	-	-
2013	RF	1118	City of Wyandotte	U.S.	7,300	7,300	-	-	2,776	2,776	-	-	4,525	4,525	-	-
2013	RF	1120	Cloverland Electric Cooperative	U.S.	29,986	29,986	-	-	11,401	11,401	-	-	18,585	18,585	-	-
2013	RF	1122	CMS ERM Michigan LLC	U.S.	5,266	5,266	-	-	2,002	2,002	-	-	3,264	3,264	-	-
2013	RF	1124	Constellation New Energy (MECS-CONS)	U.S.	30,066	30,066	-	-	11,432	11,432	-	-	18,634	18,634	-	-
2013	RF	1123	Constellation New Energy (MECS-DET)	U.S.	36,321	36,321	-	-	13,810	13,810	-	-	22,511	22,511	-	-
2013	RF	1126	Consumers Energy Company	U.S.	1,081,741	1,081,741	-	-	411,297	411,297	-	-	670,444	670,444	-	-
2013	RF	1128	Detroit Edison Company	U.S.	1,541,192	1,541,192	-	-	585,989	585,989	-	-	955,204	955,204	-	-
2013	RF	1166	Duke Energy Indiana	U.S.	1,009,730	1,009,730	-	-	383,917	383,917	-	-	625,813	625,813	-	-
2013	RF	1135	Ferdinand Municipal Light & Water	U.S.	1,579	1,579	-	-	600	600	-	-	979	979	-	-
2013	RF	1646	FirstEnergy Solutions (MECS-CONS)	U.S.	22,854	22,854	-	-	8,689	8,689	-	-	14,164	14,164	-	-
2013	RF	1549	FirstEnergy Solutions (MECS-DET)	U.S.	79,152	79,152	-	-	30,095	30,095	-	-	49,057	49,057	-	-
2013	RF	1612	Glacial Energy (MECS-DET)	U.S.	4,807	4,807	-	-	1,828	1,828	-	-	2,979	2,979	-	-
2013	RF	1144	Holland Board of Public Works	U.S.	32,718	32,718	-	-	12,440	12,440	-	-	20,278	20,278	-	-
2013	RF	1145	Hoosier Energy	U.S.	243,216	243,216	-	-	92,475	92,475	-	-	150,741	150,741	-	-
2013	RF	1148	Indiana Municipal Power Agency (DUKE CIN)	U.S.	102,647	102,647	-	-	39,028	39,028	-	-	63,619	63,619	-	-
2013	RF	1485	Indiana Municipal Power Agency (NIPSCO)	U.S.	14,257	14,257	-	-	5,421	5,421	-	-	8,836	8,836	-	-
2013	RF	1486	Indiana Municipal Power Agency (SIGE)	U.S.	19,660	19,660	-	-	7,475	7,475	-	-	12,185	12,185	-	-
2013	RF	1149	Indianapolis Power & Light Co.	U.S.	491,284	491,284	-	-	186,795	186,795	-	-	304,489	304,489	-	-
2013	RF	1553	Integrus Energy Services (MECS-CONS)	U.S.	34,065	34,065	-	-	12,952	12,952	-	-	21,113	21,113	-	-
2013	RF	1554	Integrus Energy Services (MECS-DET)	U.S.	19,269	19,269	-	-	7,326	7,326	-	-	11,943	11,943	-	-
2013	RF		Integrus Energy Services (WEPC)	U.S.	28,641	28,641	-	-	10,890	10,890	-	-	17,751	17,751	-	-
2013	RF	1614	Just Energy (MECS-DET)	U.S.	482	482	-	-	183	183	-	-	299	299	-	-
2013	RF	1154	Michigan Public Power Agency	U.S.	42,455	42,455	-	-	16,142	16,142	-	-	26,313	26,313	-	-
2013	RF	1155	Michigan South Central Power Agency	U.S.	21,291	21,291	-	-	8,095	8,095	-	-	13,196	13,196	-	-

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total ERO Assessments (NERC, RE & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB Assessments)			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	RF	1158	MidAmerican Energy Company Retail	U.S.	3,306	3,306	-	-	1,257	1,257	-	-	2,049	2,049	-	-
2013	RF	1163	Northern Indiana Public Service Co.	U.S.	584,682	584,682	-	-	222,307	222,307	-	-	362,376	362,376	-	-
2013	RF	1164	Ontonagon County Rural Electrification Assoc.	U.S.	979	979	-	-	372	372	-	-	607	607	-	-
2013	RF	1265	PJM Interconnection, LLC	U.S.	23,113,718	23,113,718	-	-	8,788,247	8,788,247	-	-	14,325,471	14,325,471	-	-
2013	RF	1172	Sempra Energy Solutions (MECS-CONS)	U.S.	22,506	22,506	-	-	8,557	8,557	-	-	13,949	13,949	-	-
2013	RF	1171	Sempra Energy Solutions (MECS-DET)	U.S.	23,648	23,648	-	-	8,991	8,991	-	-	14,657	14,657	-	-
2013	RF	1176	Direct Energy (fka:Strategic Energy,LLC) (MECS-CONS)	U.S.	429	429	-	-	163	163	-	-	266	266	-	-
2013	RF	1174	Direct Energy (fka:Strategic Energy,LLC) (MECS-DET)	U.S.	12,365	12,365	-	-	4,701	4,701	-	-	7,663	7,663	-	-
2013	RF	1581	Spartan Renewable Energy	U.S.	2,251	2,251	-	-	856	856	-	-	1,395	1,395	-	-
2013	RF	1180	Thumb Electric Cooperative	U.S.	6,005	6,005	-	-	2,283	2,283	-	-	3,722	3,722	-	-
2013	RF	1662	Ohio Valley Electric Corporation	U.S.	21,419	21,419	-	-	8,144	8,144	-	-	13,275	13,275	-	-
2013	RF	1181	Vectren Energy Delivery of IN	U.S.	191,372	191,372	-	-	72,763	72,763	-	-	118,609	118,609	-	-
2013	RF	1183	Village of Sebawaing	U.S.	1,468	1,468	-	-	558	558	-	-	910	910	-	-
2013	RF	1184	Wabash Valley Power Association Inc. (DUKE CIN)	U.S.	93,092	93,092	-	-	35,395	35,395	-	-	57,697	57,697	-	-
2013	RF	1488	Wabash Valley Power Association Inc.(NIPSCO)	U.S.	56,088	56,088	-	-	21,326	21,326	-	-	34,762	34,762	-	-
2013	RF	1185	Wisconsin Electric Power Co.	U.S.	934,410	934,410	-	-	355,279	355,279	-	-	579,131	579,131	-	-
2013	RF	1189	Wolverine Power Marketing Cooperative	U.S.	25,189	25,189	-	-	9,577	9,577	-	-	15,612	15,612	-	-
2013	RF	1191	Wolverine Power Supply Cooperative	U.S.	88,329	88,329	-	-	33,584	33,584	-	-	54,745	54,745	-	-
2013	RF	1190	Wolverine Power Marketing Cooperative	U.S.	4,575	4,575	-	-	1,739	1,739	-	-	2,836	2,836	-	-
TOTAL RELIABILITYFIRST					30,194,311	30,194,311	-	-	11,480,414	11,480,414	-	-	18,713,897	18,713,897	-	-
2013	SERC	1267	Alabama Municipal Electric Authority	U.S.	89,475	89,475	-	-	43,076	43,076	-	-	46,398	46,398	-	-
2013	SERC	1268	Alabama Power Company	U.S.	1,553,574	1,553,574	-	-	747,948	747,948	-	-	805,626	805,626	-	-
2013	SERC	1269	Ameren - Illinois	U.S.	1,127,823	1,127,823	-	-	542,976	542,976	-	-	584,847	584,847	-	-
2013	SERC	1271	Ameren - Missouri	U.S.	1,100,453	1,100,453	-	-	529,799	529,799	-	-	570,654	570,654	-	-
2013	SERC	1272	APGI - Yadkin Division	U.S.	723	723	-	-	348	348	-	-	375	375	-	-
2013	SERC	1660	APGI - Tapoco Division (ALCOA)	U.S.	8,296	8,296	-	-	3,994	3,994	-	-	4,302	4,302	-	-
2013	SERC	1273	Associated Electric Cooperative Inc.	U.S.	508,154	508,154	-	-	244,644	244,644	-	-	263,510	263,510	-	-
2013	SERC	1582	Beauregard Electric Cooperative, Inc.	U.S.	29,334	29,334	-	-	14,122	14,122	-	-	15,211	15,211	-	-
2013	SERC	1462	Benton Utility District	U.S.	7,145	7,145	-	-	3,440	3,440	-	-	3,705	3,705	-	-
2013	SERC	1274	Big Rivers Electric Corporation	U.S.	100,357	100,357	-	-	48,316	48,316	-	-	52,041	52,041	-	-
2013	SERC	1275	Black Warrior EMC	U.S.	11,516	11,516	-	-	5,544	5,544	-	-	5,972	5,972	-	-
2013	SERC	1276	Blue Ridge EMC	U.S.	36,834	36,834	-	-	17,733	17,733	-	-	19,101	19,101	-	-
2013	SERC	1628	Brazos Electric Power Cooperative, Inc.	U.S.	11,297	11,297	-	-	5,439	5,439	-	-	5,858	5,858	-	-
2013	SERC	1463	Canton, MS	U.S.	3,182	3,182	-	-	1,532	1,532	-	-	1,650	1,650	-	-
2013	SERC	1277	Central Electric Power Cooperative Inc.	U.S.	401,671	401,671	-	-	193,380	193,380	-	-	208,292	208,292	-	-
2013	SERC		Century Aluminum - Hawesville	U.S.	112,096	112,096	-	-	53,967	53,967	-	-	58,129	58,129	-	-
2013	SERC		Century Aluminum - Sebree	U.S.	85,342	85,342	-	-	41,087	41,087	-	-	44,255	44,255	-	-
2013	SERC	1278	City of Blountstown FL	U.S.	1,000	1,000	-	-	481	481	-	-	518	518	-	-
2013	SERC	1279	City of Camden SC	U.S.	4,956	4,956	-	-	2,386	2,386	-	-	2,570	2,570	-	-
2013	SERC	1280	City of Collins MS	U.S.	1,306	1,306	-	-	629	629	-	-	677	677	-	-
2013	SERC	1281	City of Columbia MO	U.S.	31,187	31,187	-	-	15,015	15,015	-	-	16,173	16,173	-	-
2013	SERC	1282	City of Conway AR (Conway Corporation)	U.S.	27,161	27,161	-	-	13,076	13,076	-	-	14,084	14,084	-	-
2013	SERC	1284	City of Evergreen AL	U.S.	1,541	1,541	-	-	742	742	-	-	799	799	-	-
2013	SERC	1285	City of Hampton GA	U.S.	619	619	-	-	298	298	-	-	321	321	-	-
2013	SERC	1286	City of Hartford AL	U.S.	878	878	-	-	423	423	-	-	455	455	-	-
2013	SERC	1287	City of Henderson (KY) Municipal Power & Light	U.S.	16,195	16,195	-	-	7,797	7,797	-	-	8,398	8,398	-	-
2013	SERC	1288	City of North Little Rock AR (DENL)	U.S.	25,159	25,159	-	-	12,112	12,112	-	-	13,046	13,046	-	-
2013	SERC	1289	City of Orangeburg SC Department of Public Utilities	U.S.	21,944	21,944	-	-	10,565	10,565	-	-	11,380	11,380	-	-
2013	SERC	1290	City of Robertsedale AL	U.S.	2,207	2,207	-	-	1,062	1,062	-	-	1,144	1,144	-	-
2013	SERC	1291	City of Ruston LA (DERS)	U.S.	7,793	7,793	-	-	3,752	3,752	-	-	4,041	4,041	-	-
2013	SERC	1292	City of Seneca SC	U.S.	4,196	4,196	-	-	2,020	2,020	-	-	2,176	2,176	-	-
2013	SERC	1115	City of Springfield (CWLP)	U.S.	47,460	47,460	-	-	22,849	22,849	-	-	24,611	24,611	-	-
2013	SERC	1465	City of Thayer, MO	U.S.	609	609	-	-	293	293	-	-	316	316	-	-
2013	SERC	1293	City of Troy AL	U.S.	11,217	11,217	-	-	5,400	5,400	-	-	5,817	5,817	-	-
2013	SERC	1294	City of West Memphis AR (West Memphis Utilities)	U.S.	10,511	10,511	-	-	5,060	5,060	-	-	5,451	5,451	-	-
2013	SERC	1583	Claiborne Electric Cooperative, Inc.	U.S.	17,616	17,616	-	-	8,481	8,481	-	-	9,135	9,135	-	-
2013	SERC	1584	Concordia Electric Cooperative, Inc.	U.S.	6,936	6,936	-	-	3,339	3,339	-	-	3,597	3,597	-	-
2013	SERC	1283	Dalton Utilities	U.S.	41,605	41,605	-	-	20,030	20,030	-	-	21,575	21,575	-	-
2013	SERC	1585	Dixie Electric Membership Corporation	U.S.	59,596	59,596	-	-	28,692	28,692	-	-	30,904	30,904	-	-
2013	SERC	1295	Dominion Virginia Power	U.S.	2,252,493	2,252,493	-	-	1,084,434	1,084,434	-	-	1,168,059	1,168,059	-	-

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					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	SERC	1296	Duke Energy Carolinas, LLC	U.S.	2,036,668	2,036,668	-	-	980,528	980,528	-	-	1,056,140	1,056,140	-	-
2013	SERC	1466	Durant, MS	U.S.	683	683	-	-	329	329	-	-	354	354	-	-
2013	SERC	1478	LG&E and KU Services Company as agent for LG&E Company and KUCompany	U.S.	919,535	919,535	-	-	442,698	442,698	-	-	476,836	476,836	-	-
2013	SERC	1297	East Kentucky Power Cooperative	U.S.	350,135	350,135	-	-	168,568	168,568	-	-	181,567	181,567	-	-
2013	SERC	1298	East Mississippi Electric Power Association	U.S.	12,238	12,238	-	-	5,892	5,892	-	-	6,346	6,346	-	-
2013	SERC		Electricities of North Carolina Inc	U.S.	300,600	300,600	-	-	144,720	144,720	-	-	155,880	155,880	-	-
2013	SERC	1300	EnergyUnited EMC	U.S.	67,217	67,217	-	-	32,361	32,361	-	-	34,856	34,856	-	-
2013	SERC	1301	Entergy	U.S.	2,899,683	2,899,683	-	-	1,396,015	1,396,015	-	-	1,503,668	1,503,668	-	-
2013	SERC	1302	Fayetteville (NC) Public Works Commission	U.S.	56,368	56,368	-	-	27,138	27,138	-	-	29,230	29,230	-	-
2013	SERC	1303	Florida Public Utilities (FL Panhandle Load)	U.S.	8,344	8,344	-	-	4,017	4,017	-	-	4,327	4,327	-	-
2013	SERC	1304	French Broad EMC	U.S.	13,965	13,965	-	-	6,723	6,723	-	-	7,242	7,242	-	-
2013	SERC	1305	Georgia Power Company	U.S.	2,261,399	2,261,399	-	-	1,088,722	1,088,722	-	-	1,172,678	1,172,678	-	-
2013	SERC	1306	Georgia System Optns Corporation	U.S.	982,193	982,193	-	-	472,864	472,864	-	-	509,329	509,329	-	-
2013	SERC	1479	Greenwood (MS) Utilities Commission	U.S.	7,651	7,651	-	-	3,684	3,684	-	-	3,968	3,968	-	-
2013	SERC	1307	Greenwood (SC) Commissioners of Public Works	U.S.	8,290	8,290	-	-	3,991	3,991	-	-	4,299	4,299	-	-
2013	SERC	1308	Gulf Power Company	U.S.	301,968	301,968	-	-	145,379	145,379	-	-	156,590	156,590	-	-
2013	SERC	1586	Haywood EMC	U.S.	8,169	8,169	-	-	3,933	3,933	-	-	4,236	4,236	-	-
2013	SERC	1309	Illinois Municipal Electric Agency	U.S.	50,604	50,604	-	-	24,362	24,362	-	-	26,241	26,241	-	-
2013	SERC	1480	Itta Bena, MS	U.S.	377	377	-	-	181	181	-	-	195	195	-	-
2013	SERC	1587	Jefferson Davis Electric Cooperative, Inc.	U.S.	7,630	7,630	-	-	3,674	3,674	-	-	3,957	3,957	-	-
2013	SERC	1617	Kentucky Municipal Power	U.S.	18,862	18,862	-	-	9,081	9,081	-	-	9,781	9,781	-	-
2013	SERC	1481	Kosciusko, MS	U.S.	1,835	1,835	-	-	883	883	-	-	952	952	-	-
2013	SERC	1482	Leland, MS	U.S.	802	802	-	-	386	386	-	-	416	416	-	-
2013	SERC	1313	McCormick Commission of Public Works	U.S.	418	418	-	-	201	201	-	-	217	217	-	-
2013	SERC	1314	Mississippi Power Company	U.S.	278,924	278,924	-	-	134,284	134,284	-	-	144,639	144,639	-	-
2013	SERC	1630	Mt. Carmel Public Utility	U.S.	2,515	2,515	-	-	1,211	1,211	-	-	1,304	1,304	-	-
2013	SERC	1315	Municipal Electric Authority of Georgia	U.S.	279,917	279,917	-	-	134,763	134,763	-	-	145,155	145,155	-	-
2013	SERC	1316	N.C. Electric Membership Corp.	U.S.	322,786	322,786	-	-	155,401	155,401	-	-	167,385	167,385	-	-
2013	SERC	1588	Northeast Louisiana Power Cooperative, Inc.	U.S.	8,285	8,285	-	-	3,989	3,989	-	-	4,296	4,296	-	-
2013	SERC	1574	Northern Virginia Electric Cooperative	U.S.	105,206	105,206	-	-	50,650	50,650	-	-	54,556	54,556	-	-
2013	SERC	1319	Old Dominion Electric Cooperative	U.S.	154,384	154,384	-	-	74,326	74,326	-	-	80,058	80,058	-	-
2013	SERC	1618	Osceola (Arkansas) Municipal Light and Power	U.S.	4,866	4,866	-	-	2,343	2,343	-	-	2,524	2,524	-	-
2013	SERC	1320	Owensboro (KY) Municipal Utilities	U.S.	23,671	23,671	-	-	11,396	11,396	-	-	12,275	12,275	-	-
2013	SERC	1322	Piedmont EMC in Duke and Progress Areas	U.S.	13,314	13,314	-	-	6,410	6,410	-	-	6,904	6,904	-	-
2013	SERC	1323	Piedmont Municipal Power Agency (PMPA)	U.S.	58,439	58,439	-	-	28,135	28,135	-	-	30,304	30,304	-	-
2013	SERC	1589	Pointe Coupee Electric Memb. Corp.	U.S.	7,130	7,130	-	-	3,433	3,433	-	-	3,698	3,698	-	-
2013	SERC	1266	PowerSouth Energy	U.S.	220,293	220,293	-	-	106,057	106,057	-	-	114,236	114,236	-	-
2013	SERC	1330	Prairie Power, Inc.	U.S.	41,664	41,664	-	-	20,059	20,059	-	-	21,605	21,605	-	-
2013	SERC	1324	Progress Energy Carolinas	U.S.	1,196,523	1,196,523	-	-	576,051	576,051	-	-	620,472	620,472	-	-
2013	SERC	1325	Rutherford EMC	U.S.	34,904	34,904	-	-	16,804	16,804	-	-	18,100	18,100	-	-
2013	SERC	1631	Sam Rayburn G&T Electric Cooperative Inc.	U.S.	46,951	46,951	-	-	22,604	22,604	-	-	24,347	24,347	-	-
2013	SERC	1326	South Carolina Electric & Gas Company	U.S.	590,258	590,258	-	-	284,172	284,172	-	-	306,086	306,086	-	-
2013	SERC	1327	South Carolina Public Service Authority	U.S.	292,171	292,171	-	-	140,662	140,662	-	-	151,509	151,509	-	-
2013	SERC	1590	South Louisiana Electric Cooperative Association	U.S.	16,559	16,559	-	-	7,972	7,972	-	-	8,587	8,587	-	-
2013	SERC	1328	South Mississippi Electric Power Association	U.S.	271,750	271,750	-	-	130,831	130,831	-	-	140,920	140,920	-	-
2013	SERC	1329	Southern Illinois Power Cooperative	U.S.	40,596	40,596	-	-	19,544	19,544	-	-	21,051	21,051	-	-
2013	SERC	1591	Southwest Louisiana Electric Membership Corporation	U.S.	69,724	69,724	-	-	33,568	33,568	-	-	36,156	36,156	-	-
2013	SERC	1619	Southwestern Electric Cooperative, Inc.	U.S.	11,153	11,153	-	-	5,370	5,370	-	-	5,784	5,784	-	-
2013	SERC	1331	Tennessee Valley Authority	U.S.	4,244,672	4,244,672	-	-	2,043,543	2,043,543	-	-	2,201,129	2,201,129	-	-
2013	SERC	1632	Tex-La Electric Cooperative of Texas, Inc	U.S.	5,470	5,470	-	-	2,633	2,633	-	-	2,836	2,836	-	-
2013	SERC	1332	Tombigbee Electric Cooperative Inc.	U.S.	3,471	3,471	-	-	1,671	1,671	-	-	1,800	1,800	-	-
2013	SERC	1594	Town of Sharpsburg, N.C.	U.S.	520	520	-	-	251	251	-	-	270	270	-	-
2013	SERC	1595	Town of Stantonsburg, N.C. JRO	U.S.	2,028	2,028	-	-	977	977	-	-	1,052	1,052	-	-
2013	SERC	1333	Town of Waynesville NC	U.S.	2,388	2,388	-	-	1,150	1,150	-	-	1,238	1,238	-	-
2013	SERC	1334	Town of Winnsboro SC	U.S.	1,454	1,454	-	-	700	700	-	-	754	754	-	-
2013	SERC	1335	Town of Winterville NC	U.S.	1,426	1,426	-	-	687	687	-	-	740	740	-	-
2013	SERC	1597	Washington-St.Tammany Electric Cooperative, Inc.	U.S.	28,509	28,509	-	-	13,725	13,725	-	-	14,784	14,784	-	-
TOTAL SERC					26,479,019	26,479,019	-	-	12,747,985	12,747,985	-	-	13,731,034	13,731,034	-	-

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total ERO Assessments (NERC, RE & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB Assessments)			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	SPP	1246	American Electric Power	U.S.	2,120,238	2,120,238	-	-	467,343	467,343	-	-	1,652,895	1,652,895	-	-
2013	SPP	1435	Arkansas Electric Cooperative Corporation (AEP)	U.S.	294,217	294,217	-	-	64,851	64,851	-	-	229,365	229,365	-	-
2013	SPP	1247	Board of Public Utilities (Kansas City KS)	U.S.	135,578	135,578	-	-	29,884	29,884	-	-	105,694	105,694	-	-
2013	SPP	1620	Board of Public Utilities, City of McPherson, Kansas	U.S.	53,964	53,964	-	-	11,895	11,895	-	-	42,069	42,069	-	-
2013	SPP	1647	Carthage City Water & Light	U.S.	18,503	18,503	-	-	4,078	4,078	-	-	14,424	14,424	-	-
2013	SPP	1469	Central Valley Electric Cooperative	U.S.	48,628	48,628	-	-	10,719	10,719	-	-	37,909	37,909	-	-
2013	SPP	1556	City of Bentonville	U.S.	37,079	37,079	-	-	8,173	8,173	-	-	28,906	28,906	-	-
2013	SPP	1557	City of Clarksdale, Mississippi	U.S.	9,394	9,394	-	-	2,071	2,071	-	-	7,323	7,323	-	-
2013	SPP	1558	Hope Water & Light (HWL)	U.S.	17,185	17,185	-	-	3,788	3,788	-	-	13,397	13,397	-	-
2013	SPP	1559	City of Minden	U.S.	9,275	9,275	-	-	2,044	2,044	-	-	7,231	7,231	-	-
2013	SPP	1635	The City of Osage City	U.S.	2,076	2,076	-	-	458	458	-	-	1,619	1,619	-	-
2013	SPP	1636	City of Prescott	U.S.	5,054	5,054	-	-	1,114	1,114	-	-	3,940	3,940	-	-
2013	SPP	1248	Independence Power & Light (Independence, MO)	U.S.	61,365	61,365	-	-	13,526	13,526	-	-	47,839	47,839	-	-
2013	SPP	1436	City Utilities of Springfield, MO	U.S.	182,456	182,456	-	-	40,217	40,217	-	-	142,239	142,239	-	-
2013	SPP	1249	Cleco Power LLC	U.S.	677,844	677,844	-	-	149,410	149,410	-	-	528,433	528,433	-	-
2013	SPP	1437	East Texas Electric Coop, Inc.	U.S.	24,065	24,065	-	-	5,304	5,304	-	-	18,761	18,761	-	-
2013	SPP	1250	The Empire District Electric Company	U.S.	304,612	304,612	-	-	67,143	67,143	-	-	237,469	237,469	-	-
2013	SPP	1470	Farmers' Electric Coop	U.S.	25,284	25,284	-	-	5,573	5,573	-	-	19,711	19,711	-	-
2013	SPP	1438	Golden Spread Electric Coop	U.S.	330,038	330,038	-	-	72,747	72,747	-	-	257,291	257,291	-	-
2013	SPP	1251	Grand River Dam Authority	U.S.	280,124	280,124	-	-	61,745	61,745	-	-	218,379	218,379	-	-
2013	SPP	1648	Jonesboro City Water & Light	U.S.	75,635	75,635	-	-	16,671	16,671	-	-	58,963	58,963	-	-
2013	SPP	1252	Kansas City Power & Light (KCPL)	U.S.	905,570	905,570	-	-	199,606	199,606	-	-	705,964	705,964	-	-
2013	SPP	1439	Kansas Electric Power Coop., Inc	U.S.	127,857	127,857	-	-	28,182	28,182	-	-	99,675	99,675	-	-
2013	SPP	1440	Kansas Municipal Energy Agency (KCPL)	U.S.	23,089	23,089	-	-	5,089	5,089	-	-	18,000	18,000	-	-
2013	SPP	1637	Kansas Power Pool	U.S.	88,037	88,037	-	-	19,405	19,405	-	-	68,632	68,632	-	-
2013	SPP	1560	Kaw Valley Electric Cooperative, Inc.	U.S.	9,378	9,378	-	-	2,067	2,067	-	-	7,311	7,311	-	-
2013	SPP	1649	Kennett Board of Public Works	U.S.	9,753	9,753	-	-	2,150	2,150	-	-	7,604	7,604	-	-
2013	SPP	1598	KCP&L GMOIC (Greater Missouri Operations Company)	U.S.	505,602	505,602	-	-	111,445	111,445	-	-	394,157	394,157	-	-
2013	SPP	1471	Lafayette Utilities System	U.S.	120,375	120,375	-	-	26,533	26,533	-	-	93,842	93,842	-	-
2013	SPP	1472	Lea County Electric Coop	U.S.	74,273	74,273	-	-	16,371	16,371	-	-	57,902	57,902	-	-
2013	SPP	1253	Louisiana Energy & Power Authority (LEPA)	U.S.	58,902	58,902	-	-	12,983	12,983	-	-	45,918	45,918	-	-
2013	SPP	1650	Malden Board of Public Works	U.S.	2,945	2,945	-	-	649	649	-	-	2,295	2,295	-	-
2013	SPP	1441	Midwest Energy Inc.	U.S.	105,891	105,891	-	-	23,340	23,340	-	-	82,550	82,550	-	-
2013	SPP	1443	Missouri Joint Municipal Electric Utility Commission	U.S.	148,662	148,662	-	-	32,768	32,768	-	-	115,894	115,894	-	-
2013	SPP	1638	Nemaha Marshall Electric Cooperative (NMEC)	U.S.	3,234	3,234	-	-	713	713	-	-	2,522	2,522	-	-
2013	SPP	1442	Northeast Texas Electric Cooperative, Inc.	U.S.	188,920	188,920	-	-	41,642	41,642	-	-	147,278	147,278	-	-
2013	SPP	1255	Oklahoma Gas and Electric Co.	U.S.	1,654,693	1,654,693	-	-	364,728	364,728	-	-	1,289,965	1,289,965	-	-
2013	SPP	1444	Oklahoma Municipal Power Auth	U.S.	157,268	157,268	-	-	34,665	34,665	-	-	122,603	122,603	-	-
2013	SPP	1639	OzMo Ozark Missouri, West Plains MO	U.S.	12,183	12,183	-	-	2,685	2,685	-	-	9,498	9,498	-	-
2013	SPP	1651	Paragould Light, Water & Cable	U.S.	34,130	34,130	-	-	7,523	7,523	-	-	26,607	26,607	-	-
2013	SPP	1652	Piggott Municipal Light, Water & Sewer	U.S.	2,402	2,402	-	-	529	529	-	-	1,873	1,873	-	-
2013	SPP	1653	Poplar Bluff Municipal Utilities	U.S.	22,366	22,366	-	-	4,930	4,930	-	-	17,436	17,436	-	-
2013	SPP	1561	Public Service Commission of Yazoo City of Mississippi	U.S.	7,142	7,142	-	-	1,574	1,574	-	-	5,568	5,568	-	-
2013	SPP	1473	Roosevelt County Electric Coop	U.S.	11,169	11,169	-	-	2,462	2,462	-	-	8,707	8,707	-	-
2013	SPP	1654	Sikeston Board of Municipal Utilities	U.S.	23,309	23,309	-	-	5,138	5,138	-	-	18,171	18,171	-	-
2013	SPP	1257	Southwestern Public Service Co. (SPS-XCEL)	U.S.	1,162,106	1,162,106	-	-	256,152	256,152	-	-	905,954	905,954	-	-
2013	SPP	1256	Sunflower Electric Power Cooperative	U.S.	301,553	301,553	-	-	66,468	66,468	-	-	235,085	235,085	-	-
2013	SPP	1445	Tex - La Electric Cooperative of Texas	U.S.	29,722	29,722	-	-	6,551	6,551	-	-	23,170	23,170	-	-
2013	SPP	1475	Tri County Electric Coop	U.S.	23,387	23,387	-	-	5,155	5,155	-	-	18,232	18,232	-	-
2013	SPP	1260	Westar Energy, Inc.	U.S.	1,233,365	1,233,365	-	-	271,858	271,858	-	-	961,506	961,506	-	-
2013	SPP	1259	Western Farmers Electric Cooperative	U.S.	492,543	492,543	-	-	108,566	108,566	-	-	383,977	383,977	-	-
2013	SPP	1501	West Texas Municipal Power Agency	U.S.	165,337	165,337	-	-	36,444	36,444	-	-	128,893	128,893	-	-
			TOTAL SPP		12,417,776	12,417,776	-	-	2,737,128	2,737,128	-	-	9,680,648	9,680,648	-	-
2011	TRE	1019	ERCOT	U.S.	14,703,597	14,703,597	-	-	4,203,151	4,203,151	-	-	10,500,446	10,500,446	-	-
					14,703,597	14,703,597	-	-	4,203,151	4,203,151	-	-	10,500,446	10,500,446	-	-

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Data Year	Regional Entity	ID	Entity	Country	Total ERO Assessments (NERC, RE & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB Assessments)			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	WECC		Alberta Electric System Operator	Canada	1,460,515	-	1,460,515	-	511,339	-	511,339	-	949,176	-	949,176	-
2013	WECC		British Columbia Hydro & Power Authority	Canada	2,609,092	-	2,609,092	-	762,637	-	762,637	-	1,846,455	-	1,846,455	-
2013	WECC		Comision Federal de Electricidad	Mexico	513,594	-	-	513,594	150,123	-	-	150,123	363,471	-	-	363,471
2013	WECC		Aguila Irrigation District - APS	U.S.	1,356	1,356	-	-	392	392	-	-	964	964	-	-
2013	WECC		Aha Macav Power Service	U.S.	1,106	1,106	-	-	319	319	-	-	786	786	-	-
2013	WECC		Ajo Improvement District	U.S.	601	601	-	-	174	174	-	-	427	427	-	-
2013	WECC		Ak-Chin	U.S.	1,696	1,696	-	-	490	490	-	-	1,206	1,206	-	-
2013	WECC		Alcoa Inc	U.S.	151,236	151,236	-	-	43,689	43,689	-	-	107,547	107,547	-	-
2013	WECC		Arizona Public Service Company	U.S.	1,303,476	1,303,476	-	-	376,545	376,545	-	-	926,930	926,930	-	-
2013	WECC		Arkansas River Power Authority (ARPA)	U.S.	10,284	10,284	-	-	2,971	2,971	-	-	7,313	7,313	-	-
2013	WECC		Avista Corporation	U.S.	2,593	2,593	-	-	749	749	-	-	1,844	1,844	-	-
2013	WECC		Avista Corporation	U.S.	418,810	418,810	-	-	120,985	120,985	-	-	297,825	297,825	-	-
2013	WECC		Barrick Goldstrike Mines Inc.	U.S.	51,603	51,603	-	-	14,907	14,907	-	-	36,696	36,696	-	-
2013	WECC		Basin Electric Power Cooperative	U.S.	2,604	2,604	-	-	752	752	-	-	1,852	1,852	-	-
2013	WECC		Basin Electric Power Cooperative	U.S.	133,685	133,685	-	-	38,619	38,619	-	-	95,066	95,066	-	-
2013	WECC		Benton REA	U.S.	24,122	24,122	-	-	6,968	6,968	-	-	17,153	17,153	-	-
2013	WECC		Big Bend Electric Cooperative, Inc.	U.S.	6,102	6,102	-	-	1,763	1,763	-	-	4,339	4,339	-	-
2013	WECC		Big Bend Electric Cooperative, Inc.	U.S.	15,777	15,777	-	-	4,558	4,558	-	-	11,219	11,219	-	-
2013	WECC		Blachly-Lane Electric Cooperative	U.S.	7,599	7,599	-	-	2,195	2,195	-	-	5,404	5,404	-	-
2013	WECC		Black Hills Power	U.S.	84,274	84,274	-	-	24,345	24,345	-	-	59,929	59,929	-	-
2013	WECC		Black Hills Power/Cheyenne Light Fuel & Power	U.S.	129,178	129,178	-	-	37,317	37,317	-	-	91,861	91,861	-	-
2013	WECC		Black Hills State University South Dakota	U.S.	864	864	-	-	249	249	-	-	614	614	-	-
2013	WECC		Bonneville Power Administration	U.S.	298	298	-	-	86	86	-	-	212	212	-	-
2013	WECC		Bonneville Power Administration	U.S.	591	591	-	-	171	171	-	-	420	420	-	-
2013	WECC		Bonneville Power Administration	U.S.	34,077	34,077	-	-	9,844	9,844	-	-	24,233	24,233	-	-
2013	WECC		Bonneville Power Administration	U.S.	81,545	81,545	-	-	23,557	23,557	-	-	57,989	57,989	-	-
2013	WECC		Bonneville Power Administration	U.S.	167,710	167,710	-	-	48,448	48,448	-	-	119,262	119,262	-	-
2013	WECC		BPA - Big Bend/Schrag Load	U.S.	1,633	1,633	-	-	472	472	-	-	1,161	1,161	-	-
2013	WECC		BPA - Kittitas Load	U.S.	323	323	-	-	93	93	-	-	229	229	-	-
2013	WECC		BPA - USBR Load	U.S.	5,764	5,764	-	-	1,665	1,665	-	-	4,099	4,099	-	-
2013	WECC		Buckeye Water Conservation and Drainage District - APS	U.S.	867	867	-	-	250	250	-	-	616	616	-	-
2013	WECC		Bureau of Reclamation (Desalter) - c/o DSW EMMO	U.S.	33	33	-	-	10	10	-	-	24	24	-	-
2013	WECC		Bureau of Reclamation (Wellfield) - c/o DSW EMMO	U.S.	284	284	-	-	82	82	-	-	202	202	-	-
2013	WECC		Burlington	U.S.	1,606	1,606	-	-	464	464	-	-	1,142	1,142	-	-
2013	WECC		California Independent System Operator	U.S.	10,160,939	10,160,939	-	-	2,935,271	2,935,271	-	-	7,225,668	7,225,668	-	-
2013	WECC		Canby Public Utility Board	U.S.	7,923	7,923	-	-	2,289	2,289	-	-	5,634	5,634	-	-
2013	WECC		Central Arizona Water Conservation District	U.S.	115,128	115,128	-	-	33,258	33,258	-	-	81,870	81,870	-	-
2013	WECC		Central Electric Cooperative	U.S.	26,638	26,638	-	-	7,695	7,695	-	-	18,943	18,943	-	-
2013	WECC		Central Lincoln PUD	U.S.	59,070	59,070	-	-	17,064	17,064	-	-	42,006	42,006	-	-
2013	WECC		Central Montana Electric Power Cooperative	U.S.	2,791	2,791	-	-	806	806	-	-	1,984	1,984	-	-
2013	WECC		Central Montana Electric Power Cooperative	U.S.	13,900	13,900	-	-	4,015	4,015	-	-	9,885	9,885	-	-
2013	WECC		City of Aztec Electric Dept	U.S.	1,738	1,738	-	-	502	502	-	-	1,236	1,236	-	-
2013	WECC		City of Bandon	U.S.	2,946	2,946	-	-	851	851	-	-	2,095	2,095	-	-
2013	WECC		City of Blaine	U.S.	3,422	3,422	-	-	989	989	-	-	2,433	2,433	-	-
2013	WECC		City of Bonners Ferry	U.S.	3,171	3,171	-	-	916	916	-	-	2,255	2,255	-	-
2013	WECC		City of Cascade Locks	U.S.	859	859	-	-	248	248	-	-	611	611	-	-
2013	WECC		City of Centralia	U.S.	11,834	11,834	-	-	3,419	3,419	-	-	8,415	8,415	-	-
2013	WECC		City of Cheney	U.S.	6,532	6,532	-	-	1,887	1,887	-	-	4,645	4,645	-	-
2013	WECC		City of Chewelah	U.S.	1,041	1,041	-	-	301	301	-	-	740	740	-	-
2013	WECC		City of Drain	U.S.	737	737	-	-	213	213	-	-	524	524	-	-
2013	WECC		City of Ellensburg	U.S.	9,085	9,085	-	-	2,625	2,625	-	-	6,461	6,461	-	-
2013	WECC		City of Fallon	U.S.	1,631	1,631	-	-	471	471	-	-	1,160	1,160	-	-
2013	WECC		City of Farmington	U.S.	44,844	44,844	-	-	12,954	12,954	-	-	31,889	31,889	-	-
2013	WECC		City of Forest Grove	U.S.	11,215	11,215	-	-	3,240	3,240	-	-	7,975	7,975	-	-
2013	WECC		City of Gallup	U.S.	8,304	8,304	-	-	2,399	2,399	-	-	5,905	5,905	-	-
2013	WECC		City of Henderson	U.S.	1,873	1,873	-	-	541	541	-	-	1,332	1,332	-	-
2013	WECC		City of Hermiston, DBA Hermiston Energy Services	U.S.	4,861	4,861	-	-	1,404	1,404	-	-	3,457	3,457	-	-
2013	WECC		City of Las Vegas	U.S.	1,829	1,829	-	-	528	528	-	-	1,301	1,301	-	-

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total ERO Assessments (NERC, RE & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB Assessments)			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	WECC		City of McCleary	U.S.	1,374	1,374	-	-	397	397	-	-	977	977	-	-
2013	WECC		City of McMinville	U.S.	33,699	33,699	-	-	9,735	9,735	-	-	23,964	23,964	-	-
2013	WECC		City of Mesa	U.S.	11,440	11,440	-	-	3,305	3,305	-	-	8,135	8,135	-	-
2013	WECC		City of Milton	U.S.	2,647	2,647	-	-	765	765	-	-	1,883	1,883	-	-
2013	WECC		City of Milton-Freewater	U.S.	4,964	4,964	-	-	1,434	1,434	-	-	3,530	3,530	-	-
2013	WECC		City of Monmouth	U.S.	3,255	3,255	-	-	940	940	-	-	2,315	2,315	-	-
2013	WECC		City of Needles	U.S.	1,355	1,355	-	-	392	392	-	-	964	964	-	-
2013	WECC		City of North Las Vegas	U.S.	203	203	-	-	59	59	-	-	144	144	-	-
2013	WECC		City of Page	U.S.	4,034	4,034	-	-	1,165	1,165	-	-	2,869	2,869	-	-
2013	WECC		City of Plummer	U.S.	1,574	1,574	-	-	455	455	-	-	1,119	1,119	-	-
2013	WECC		City of Port Angeles	U.S.	32,027	32,027	-	-	9,252	9,252	-	-	22,775	22,775	-	-
2013	WECC		City of Redding	U.S.	34,979	34,979	-	-	10,105	10,105	-	-	24,874	24,874	-	-
2013	WECC		City of Richland	U.S.	39,119	39,119	-	-	11,301	11,301	-	-	27,819	27,819	-	-
2013	WECC		City of Roseville	U.S.	54,014	54,014	-	-	15,603	15,603	-	-	38,410	38,410	-	-
2013	WECC		City of Shasta Lake	U.S.	8,449	8,449	-	-	2,441	2,441	-	-	6,008	6,008	-	-
2013	WECC		City of Sumas	U.S.	1,356	1,356	-	-	392	392	-	-	965	965	-	-
2013	WECC		City of Tacoma DBA Tacoma Power	U.S.	14	14	-	-	4	4	-	-	10	10	-	-
2013	WECC		City of Tacoma DBA Tacoma Power	U.S.	219,122	219,122	-	-	63,299	63,299	-	-	155,822	155,822	-	-
2013	WECC		City of Troy	U.S.	768	768	-	-	222	222	-	-	546	546	-	-
2013	WECC		City of Williams	U.S.	1,712	1,712	-	-	495	495	-	-	1,218	1,218	-	-
2013	WECC		Clark County Water Resources	U.S.	3,387	3,387	-	-	978	978	-	-	2,408	2,408	-	-
2013	WECC		Clark Public Utilities	U.S.	196,257	196,257	-	-	56,694	56,694	-	-	139,563	139,563	-	-
2013	WECC		Clatskanie PUD	U.S.	41,251	41,251	-	-	11,916	11,916	-	-	29,334	29,334	-	-
2013	WECC		Clearwater Cooperative, Inc	U.S.	1,748	1,748	-	-	505	505	-	-	1,243	1,243	-	-
2013	WECC		Clearwater Cooperative, Inc	U.S.	7,466	7,466	-	-	2,157	2,157	-	-	5,309	5,309	-	-
2013	WECC		Colorado River Commission of Nevada	U.S.	38,152	38,152	-	-	11,021	11,021	-	-	27,131	27,131	-	-
2013	WECC		Colorado Springs Utilities	U.S.	2,675	2,675	-	-	773	773	-	-	1,902	1,902	-	-
2013	WECC		Colorado Springs Utilities	U.S.	203,906	203,906	-	-	58,904	58,904	-	-	145,002	145,002	-	-
2013	WECC		Columbia Basin Electric Cooperative, Inc.	U.S.	4,958	4,958	-	-	1,432	1,432	-	-	3,526	3,526	-	-
2013	WECC		Columbia Falls Aluminum Company	U.S.	200	200	-	-	58	58	-	-	142	142	-	-
2013	WECC		Columbia Power Cooperative Association	U.S.	979	979	-	-	283	283	-	-	696	696	-	-
2013	WECC		Columbia River PUD	U.S.	7,493	7,493	-	-	2,164	2,164	-	-	5,328	5,328	-	-
2013	WECC		Columbia River PUD	U.S.	13,610	13,610	-	-	3,932	3,932	-	-	9,679	9,679	-	-
2013	WECC		Columbia Rural Electric Association (REA)	U.S.	14,575	14,575	-	-	4,210	4,210	-	-	10,364	10,364	-	-
2013	WECC		Consolidated Irrigation District No. 19	U.S.	272	272	-	-	79	79	-	-	194	194	-	-
2013	WECC		Consumers Power, Inc.	U.S.	18,848	18,848	-	-	5,445	5,445	-	-	13,403	13,403	-	-
2013	WECC		Coos-Curry Electric Cooperative, Inc	U.S.	15,539	15,539	-	-	4,489	4,489	-	-	11,050	11,050	-	-
2013	WECC		Deseret Generation & Transmission Cooperative	U.S.	6,323	6,323	-	-	1,827	1,827	-	-	4,496	4,496	-	-
2013	WECC		Douglas Electric Cooperative, Inc.	U.S.	4,209	4,209	-	-	1,216	1,216	-	-	2,993	2,993	-	-
2013	WECC		Douglas Palisades / PUD No. 1 of DC	U.S.	844	844	-	-	244	244	-	-	600	600	-	-
2013	WECC		El Paso Electric Company	U.S.	365,354	365,354	-	-	105,543	105,543	-	-	259,811	259,811	-	-
2013	WECC		Electrical District #2	U.S.	7,856	7,856	-	-	2,270	2,270	-	-	5,587	5,587	-	-
2013	WECC		Electrical District #2 - Coolidge Generating Station	U.S.	402	402	-	-	116	116	-	-	286	286	-	-
2013	WECC		Electrical District No. 6 of Pinal County - APS	U.S.	109	109	-	-	31	31	-	-	78	78	-	-
2013	WECC		Electrical District No. 7 of Maricopa County - APS	U.S.	2,058	2,058	-	-	595	595	-	-	1,463	1,463	-	-
2013	WECC		Electrical District No. 8 of Maricopa County - APS	U.S.	12,110	12,110	-	-	3,498	3,498	-	-	8,612	8,612	-	-
2013	WECC		Electrical Districts 1 & 3	U.S.	25,321	25,321	-	-	7,315	7,315	-	-	18,006	18,006	-	-
2013	WECC		Elmhurst Mutual Power & Light Company	U.S.	12,234	12,234	-	-	3,534	3,534	-	-	8,700	8,700	-	-
2013	WECC		Emerald PUD	U.S.	22,676	22,676	-	-	6,551	6,551	-	-	16,125	16,125	-	-
2013	WECC		Energy Northwest	U.S.	1,599	1,599	-	-	462	462	-	-	1,137	1,137	-	-
2013	WECC		Eugene Water & Electric Board	U.S.	109,116	109,116	-	-	31,521	31,521	-	-	77,595	77,595	-	-
2013	WECC		Fall River Rural Electric Cooperative, Inc.	U.S.	1	1	-	-	0	0	-	-	1	1	-	-
2013	WECC		Flathead Electric Cooperative, Inc	U.S.	66,192	66,192	-	-	19,121	19,121	-	-	47,070	47,070	-	-
2013	WECC		Frederickson Power LP	U.S.	150	150	-	-	43	43	-	-	107	107	-	-
2013	WECC		Grand Valley Power	U.S.	10,747	10,747	-	-	3,105	3,105	-	-	7,642	7,642	-	-
2013	WECC		Harney Electric Cooperative, Inc.	U.S.	3,965	3,965	-	-	1,146	1,146	-	-	2,820	2,820	-	-
2013	WECC		Harney Electric Cooperative, Inc.	U.S.	4,319	4,319	-	-	1,248	1,248	-	-	3,071	3,071	-	-
2013	WECC		Harquahala Valley Power Districts - APS	U.S.	3,467	3,467	-	-	1,002	1,002	-	-	2,466	2,466	-	-
2013	WECC		Hermiston Power LLC	U.S.	85	85	-	-	25	25	-	-	61	61	-	-
2013	WECC		Holy Cross Energy	U.S.	53,298	53,298	-	-	15,397	15,397	-	-	37,901	37,901	-	-
2013	WECC		Hood River Electric Cooperative	U.S.	1,928	1,928	-	-	557	557	-	-	1,371	1,371	-	-

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					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	WECC		Idaho County Light and Power Cooperative Association, Inc.	U.S.	2,594	2,594	-	-	749	749	-	-	1,845	1,845	-	-
2013	WECC		Idaho Power Company	U.S.	714,630	714,630	-	-	206,441	206,441	-	-	508,189	508,189	-	-
2013	WECC		Imperial Irrigation District	U.S.	160,131	160,131	-	-	46,258	46,258	-	-	113,872	113,872	-	-
2013	WECC		Inland Power and Light Company	U.S.	20,898	20,898	-	-	6,037	6,037	-	-	14,861	14,861	-	-
2013	WECC		Inland Power and Light Company	U.S.	21,857	21,857	-	-	6,314	6,314	-	-	15,543	15,543	-	-
2013	WECC		Intermountain Rural Electric Association	U.S.	94,197	94,197	-	-	27,212	27,212	-	-	66,986	66,986	-	-
2013	WECC		Kaiser Aluminum Fabricated Products LLC	U.S.	13,624	13,624	-	-	3,936	3,936	-	-	9,689	9,689	-	-
2013	WECC		Kootenai Electric Cooperative, Inc.	U.S.	20,536	20,536	-	-	5,932	5,932	-	-	14,603	14,603	-	-
2013	WECC		Lakeview Light & Power	U.S.	11,994	11,994	-	-	3,465	3,465	-	-	8,529	8,529	-	-
2013	WECC		Lane Electric Cooperative, Inc.	U.S.	10,073	10,073	-	-	2,910	2,910	-	-	7,163	7,163	-	-
2013	WECC		Las Vegas Valley Water District	U.S.	4,086	4,086	-	-	1,180	1,180	-	-	2,906	2,906	-	-
2013	WECC		Lincoln Electric Cooperative, Inc.	U.S.	5,180	5,180	-	-	1,496	1,496	-	-	3,684	3,684	-	-
2013	WECC		Los Angeles Department of Water and Power	U.S.	1,262,408	1,262,408	-	-	364,682	364,682	-	-	897,726	897,726	-	-
2013	WECC		Lost River Electric Cooperative, Inc.	U.S.	1	1	-	-	0	0	-	-	1	1	-	-
2013	WECC		Lower Valley Energy, Inc.	U.S.	4	4	-	-	1	1	-	-	3	3	-	-
2013	WECC		Maricopa County Municipal Water Conservation Dist No. 1 - APS	U.S.	2,290	2,290	-	-	662	662	-	-	1,629	1,629	-	-
2013	WECC		McMullen Valley Water Conservation & Drainage District - APS	U.S.	3,056	3,056	-	-	883	883	-	-	2,173	2,173	-	-
2013	WECC		Merced Irrigation District	U.S.	20,570	20,570	-	-	5,942	5,942	-	-	14,628	14,628	-	-
2013	WECC		Midstate Electric Cooperative, Inc.	U.S.	18,113	18,113	-	-	5,233	5,233	-	-	12,881	12,881	-	-
2013	WECC		Mission Valley Power	U.S.	18,085	18,085	-	-	5,224	5,224	-	-	12,860	12,860	-	-
2013	WECC		Modern Electric Water Company	U.S.	10,269	10,269	-	-	2,966	2,966	-	-	7,302	7,302	-	-
2013	WECC		Modesto Irrigation District	U.S.	112,728	112,728	-	-	32,565	32,565	-	-	80,163	80,163	-	-
2013	WECC		Montana-Dakota Utilities Co.	U.S.	896	896	-	-	259	259	-	-	637	637	-	-
2013	WECC		Mt. Wheeler Power	U.S.	24,525	24,525	-	-	7,085	7,085	-	-	17,440	17,440	-	-
2013	WECC		Municipal Energy Agency of Nebraska	U.S.	8,732	8,732	-	-	2,522	2,522	-	-	6,209	6,209	-	-
2013	WECC		Municipal Energy Agency of Nebraska	U.S.	29,274	29,274	-	-	8,457	8,457	-	-	20,818	20,818	-	-
2013	WECC		Navajo Agricultural Products Industry (NAPI)	U.S.	48	48	-	-	14	14	-	-	34	34	-	-
2013	WECC		Navajo Tribal Utility Authority	U.S.	2,378	2,378	-	-	687	687	-	-	1,691	1,691	-	-
2013	WECC		Navajo Tribal Utility Authority	U.S.	12,512	12,512	-	-	3,614	3,614	-	-	8,898	8,898	-	-
2013	WECC		Navopache Electric Cooperative, Inc.	U.S.	16,210	16,210	-	-	4,683	4,683	-	-	11,527	11,527	-	-
2013	WECC		Nebraska Public Power Marketing	U.S.	255	255	-	-	74	74	-	-	182	182	-	-
2013	WECC		Nespelem Valley Electric Cooperative, Inc.	U.S.	2,555	2,555	-	-	738	738	-	-	1,817	1,817	-	-
2013	WECC		Nevada Power Company dba NV Energy	U.S.	1,162,747	1,162,747	-	-	335,892	335,892	-	-	826,855	826,855	-	-
2013	WECC		Noble Americas Energy Solutions, LLC	U.S.	73,190	73,190	-	-	21,143	21,143	-	-	52,047	52,047	-	-
2013	WECC		Northern Lights, Inc.	U.S.	1,594	1,594	-	-	460	460	-	-	1,133	1,133	-	-
2013	WECC		Northern Lights, Inc.	U.S.	11,491	11,491	-	-	3,319	3,319	-	-	8,171	8,171	-	-
2013	WECC		Northern Wasco County PUD	U.S.	24,338	24,338	-	-	7,031	7,031	-	-	17,307	17,307	-	-
2013	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	10,550	10,550	-	-	3,048	3,048	-	-	7,502	7,502	-	-
2013	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	400,935	400,935	-	-	115,821	115,821	-	-	285,113	285,113	-	-
2013	WECC		Ohop Mutual Light Company	U.S.	3,796	3,796	-	-	1,097	1,097	-	-	2,700	2,700	-	-
2013	WECC		Orcas Power and Light Cooperative	U.S.	9,530	9,530	-	-	2,753	2,753	-	-	6,777	6,777	-	-
2013	WECC		Oregon Trail Electric Consumers Cooperative, Inc.	U.S.	15,490	15,490	-	-	4,475	4,475	-	-	11,015	11,015	-	-
2013	WECC		Overton Power District No. 5	U.S.	16,668	16,668	-	-	4,815	4,815	-	-	11,853	11,853	-	-
2013	WECC		PacifiCorp	U.S.	82	82	-	-	24	24	-	-	58	58	-	-
2013	WECC		PacifiCorp	U.S.	94	94	-	-	27	27	-	-	67	67	-	-
2013	WECC		PacifiCorp	U.S.	3,079	3,079	-	-	889	889	-	-	2,190	2,190	-	-
2013	WECC		PacifiCorp	U.S.	5,085	5,085	-	-	1,469	1,469	-	-	3,616	3,616	-	-
2013	WECC		PacifiCorp	U.S.	2,212,492	2,212,492	-	-	639,140	639,140	-	-	1,573,352	1,573,352	-	-
2013	WECC		PacifiCorp West (PACW)	U.S.	933,125	933,125	-	-	269,559	269,559	-	-	663,566	663,566	-	-
2013	WECC		Parkland Light and Water Company	U.S.	5,349	5,349	-	-	1,545	1,545	-	-	3,804	3,804	-	-
2013	WECC		Pend Oreille County PUD No. 1	U.S.	44,456	44,456	-	-	12,842	12,842	-	-	31,613	31,613	-	-
2013	WECC		Peninsula Light Company, Inc.	U.S.	26,598	26,598	-	-	7,684	7,684	-	-	18,915	18,915	-	-
2013	WECC		Platte River Power Authority	U.S.	141,895	141,895	-	-	40,990	40,990	-	-	100,905	100,905	-	-
2013	WECC		Port of Seattle - Seattle-Tacoma International Airport	U.S.	6,175	6,175	-	-	1,784	1,784	-	-	4,391	4,391	-	-
2013	WECC		Port Townsend Paper Corporation	U.S.	7,292	7,292	-	-	2,106	2,106	-	-	5,185	5,185	-	-
2013	WECC		Portland General Electric Company	U.S.	813,463	813,463	-	-	234,991	234,991	-	-	578,471	578,471	-	-
2013	WECC		Public Service Company of Colorado (Xcel)	U.S.	1,557	1,557	-	-	450	450	-	-	1,107	1,107	-	-
2013	WECC		Public Service Company of Colorado (Xcel)	U.S.	1,160,561	1,160,561	-	-	335,260	335,260	-	-	825,300	825,300	-	-
2013	WECC		Public Service Company of New Mexico	U.S.	471,761	471,761	-	-	136,281	136,281	-	-	335,480	335,480	-	-
2013	WECC		Public Utility District No. 1 of Chelan County	U.S.	176,048	176,048	-	-	50,856	50,856	-	-	125,192	125,192	-	-
2013	WECC		PUD No. 1 of Asotin County	U.S.	13	13	-	-	4	4	-	-	9	9	-	-

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					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	WECC		PUD No. 1 of Asotin County	U.S.	218	218	-	-	63	63	-	-	155	155	-	-
2013	WECC		PUD No. 1 of Benton County	U.S.	77,561	77,561	-	-	22,406	22,406	-	-	55,155	55,155	-	-
2013	WECC		PUD No. 1 of Clallam County	U.S.	29,759	29,759	-	-	8,597	8,597	-	-	21,162	21,162	-	-
2013	WECC		PUD No. 1 of Cowlitz County	U.S.	229,502	229,502	-	-	66,298	66,298	-	-	163,204	163,204	-	-
2013	WECC		PUD No. 1 of Douglas County	U.S.	390	390	-	-	113	113	-	-	278	278	-	-
2013	WECC		PUD No. 1 of Douglas County	U.S.	65,016	65,016	-	-	18,782	18,782	-	-	46,234	46,234	-	-
2013	WECC		PUD No. 1 of Ferry County	U.S.	4,769	4,769	-	-	1,378	1,378	-	-	3,391	3,391	-	-
2013	WECC		PUD No. 1 of Franklin County	U.S.	46,594	46,594	-	-	13,460	13,460	-	-	33,134	33,134	-	-
2013	WECC		PUD No. 1 of Grays Harbor	U.S.	51,888	51,888	-	-	14,989	14,989	-	-	36,898	36,898	-	-
2013	WECC		PUD No. 1 of Jefferson County	U.S.	10,775	10,775	-	-	3,113	3,113	-	-	7,662	7,662	-	-
2013	WECC		PUD No. 1 of Kittitas County	U.S.	718	718	-	-	207	207	-	-	510	510	-	-
2013	WECC		PUD No. 1 of Kittitas County	U.S.	3,311	3,311	-	-	956	956	-	-	2,354	2,354	-	-
2013	WECC		PUD No. 1 of Klickitat County	U.S.	13,151	13,151	-	-	3,799	3,799	-	-	9,352	9,352	-	-
2013	WECC		PUD No. 1 of Lewis County	U.S.	41,039	41,039	-	-	11,855	11,855	-	-	29,184	29,184	-	-
2013	WECC		PUD No. 1 of Mason County	U.S.	3,427	3,427	-	-	990	990	-	-	2,437	2,437	-	-
2013	WECC		PUD No. 1 of Skamania County	U.S.	5,892	5,892	-	-	1,702	1,702	-	-	4,190	4,190	-	-
2013	WECC		PUD No. 1 of Snohomish County	U.S.	298,439	298,439	-	-	86,213	86,213	-	-	212,227	212,227	-	-
2013	WECC		PUD No. 1 of Wahkiakum County	U.S.	1,928	1,928	-	-	557	557	-	-	1,371	1,371	-	-
2013	WECC		PUD No. 1 of Whatcom County	U.S.	218	218	-	-	63	63	-	-	155	155	-	-
2013	WECC		PUD No. 1 of Whatcom County	U.S.	9,809	9,809	-	-	2,834	2,834	-	-	6,975	6,975	-	-
2013	WECC		PUD No. 2 of Grant County	U.S.	2,184	2,184	-	-	631	631	-	-	1,553	1,553	-	-
2013	WECC		PUD No. 2 of Grant County	U.S.	4,097	4,097	-	-	1,183	1,183	-	-	2,913	2,913	-	-
2013	WECC		PUD No. 2 of Grant County	U.S.	167,895	167,895	-	-	48,501	48,501	-	-	119,394	119,394	-	-
2013	WECC		PUD No. 2 of Pacific County	U.S.	13,358	13,358	-	-	3,859	3,859	-	-	9,499	9,499	-	-
2013	WECC		PUD No. 3 of Mason County	U.S.	30,560	30,560	-	-	8,828	8,828	-	-	21,732	21,732	-	-
2013	WECC		Puget Sound Energy, Inc.	U.S.	1,068,728	1,068,728	-	-	308,732	308,732	-	-	759,996	759,996	-	-
2013	WECC		Raft River Electric Cooperative	U.S.	2	2	-	-	1	1	-	-	1	1	-	-
2013	WECC		Raton Public Service	U.S.	2,262	2,262	-	-	654	654	-	-	1,609	1,609	-	-
2013	WECC		Roosevelt Irrigation District - APS	U.S.	1,655	1,655	-	-	478	478	-	-	1,177	1,177	-	-
2013	WECC		Sacramento Municipal Utility District	U.S.	490,975	490,975	-	-	141,832	141,832	-	-	349,143	349,143	-	-
2013	WECC		Salem Electric	U.S.	14,483	14,483	-	-	4,184	4,184	-	-	10,299	10,299	-	-
2013	WECC		Salt River Project	U.S.	1,264,385	1,264,385	-	-	365,253	365,253	-	-	899,132	899,132	-	-
2013	WECC		San Carlos Indian Irrigation Project	U.S.	0	0	-	-	0	0	-	-	0	0	-	-
2013	WECC		Seattle City Light	U.S.	438,902	438,902	-	-	126,789	126,789	-	-	312,113	312,113	-	-
2013	WECC		Sierra Pacific Power Company dba NV Energy	U.S.	486,142	486,142	-	-	140,436	140,436	-	-	345,706	345,706	-	-
2013	WECC		Silver State Energy - c/o Colorado River Commission of Nevada	U.S.	22,526	22,526	-	-	6,507	6,507	-	-	16,019	16,019	-	-
2013	WECC		Southern Montana Electric Generation & Transmission	U.S.	22,851	22,851	-	-	6,601	6,601	-	-	16,250	16,250	-	-
2013	WECC		Southern Nevada Water Authority	U.S.	5,176	5,176	-	-	1,495	1,495	-	-	3,681	3,681	-	-
2013	WECC		Southwest Transmission Cooperative, Inc.	U.S.	88,001	88,001	-	-	25,422	25,422	-	-	62,580	62,580	-	-
2013	WECC		Springfield Utility Board	U.S.	37,943	37,943	-	-	10,961	10,961	-	-	26,982	26,982	-	-
2013	WECC		Surprise Valley Electrification Corporation	U.S.	1,671	1,671	-	-	483	483	-	-	1,189	1,189	-	-
2013	WECC		Tanner Electric Cooperative	U.S.	4,335	4,335	-	-	1,252	1,252	-	-	3,082	3,082	-	-
2013	WECC		The Incorporated County of Los Alamos	U.S.	15,923	15,923	-	-	4,600	4,600	-	-	11,323	11,323	-	-
2013	WECC		Tillamook People's Utility District	U.S.	16,422	16,422	-	-	4,744	4,744	-	-	11,678	11,678	-	-
2013	WECC		Tohono O'odham Utility Authority	U.S.	2,935	2,935	-	-	848	848	-	-	2,087	2,087	-	-
2013	WECC		Tonopah Irrigation District - APS	U.S.	993	993	-	-	287	287	-	-	706	706	-	-
2013	WECC		Town of Center	U.S.	915	915	-	-	264	264	-	-	651	651	-	-
2013	WECC		Town of Coulee	U.S.	762	762	-	-	220	220	-	-	542	542	-	-
2013	WECC		Town of Eatonville	U.S.	1,228	1,228	-	-	355	355	-	-	873	873	-	-
2013	WECC		Town of Fredonia	U.S.	479	479	-	-	138	138	-	-	341	341	-	-
2013	WECC		Town of Steilacoom	U.S.	1,808	1,808	-	-	522	522	-	-	1,285	1,285	-	-
2013	WECC		Town of Wickenburg	U.S.	1,162	1,162	-	-	336	336	-	-	826	826	-	-
2013	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	90,197	90,197	-	-	26,056	26,056	-	-	64,141	64,141	-	-
2013	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	324,496	324,496	-	-	93,740	93,740	-	-	230,756	230,756	-	-
2013	WECC		Tri-State Generation & Transmission Association, Inc.	U.S.	115,584	115,584	-	-	33,390	33,390	-	-	82,194	82,194	-	-
2013	WECC		Truckee Donner Public Utility District	U.S.	6,747	6,747	-	-	1,949	1,949	-	-	4,798	4,798	-	-
2013	WECC		Tucson Electric Power Company	U.S.	659,749	659,749	-	-	190,587	190,587	-	-	469,162	469,162	-	-
2013	WECC		Turlock Irrigation District	U.S.	93,381	93,381	-	-	26,976	26,976	-	-	66,406	66,406	-	-
2013	WECC		U.S. Army Yuma Proving Ground	U.S.	714	714	-	-	206	206	-	-	508	508	-	-
2013	WECC		U.S. BOR Columbia Basin	U.S.	1,459	1,459	-	-	421	421	-	-	1,037	1,037	-	-
2013	WECC		U.S. BOR East Greenacres (Rathdrum)	U.S.	183	183	-	-	53	53	-	-	130	130	-	-

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 NERC and RE Assessments

Data Year	Regional Entity	ID	Entity	Country	Total ERO Assessments (NERC, RE & WIRAB Costs)				Total NERC Assessments				Total Regional Entity Assessments (Including WIRAB Assessments)			
					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total
2013	WECC		U.S. Bor Spokane Indian Development*	U.S.	137	137	-	-	40	40	-	-	98	98	-	-
2013	WECC		U.S. BOR The Dalles Project	U.S.	802	802	-	-	232	232	-	-	570	570	-	-
2013	WECC		U.S. DOE National Energy Technology Laboratory	U.S.	211	211	-	-	61	61	-	-	150	150	-	-
2013	WECC		Umatilla Electric Cooperative Association	U.S.	49,858	49,858	-	-	14,403	14,403	-	-	35,455	35,455	-	-
2013	WECC		Unit B Irrigation District	U.S.	1	1	-	-	0	0	-	-	1	1	-	-
2013	WECC		US Air Force Base, Fairchild	U.S.	2,145	2,145	-	-	620	620	-	-	1,526	1,526	-	-
2013	WECC		US Dept of Energy - Kirtland AFB	U.S.	17,965	17,965	-	-	5,190	5,190	-	-	12,775	12,775	-	-
2013	WECC		USDOE Richland	U.S.	8,207	8,207	-	-	2,371	2,371	-	-	5,836	5,836	-	-
2013	WECC		USN Naval Station, Bremerton	U.S.	10,963	10,963	-	-	3,167	3,167	-	-	7,796	7,796	-	-
2013	WECC		USN Naval Station, Everett	U.S.	477	477	-	-	138	138	-	-	339	339	-	-
2013	WECC		USN Submarine Base, Bangor	U.S.	7,447	7,447	-	-	2,151	2,151	-	-	5,296	5,296	-	-
2013	WECC		Vera Water and Power	U.S.	10,273	10,273	-	-	2,968	2,968	-	-	7,305	7,305	-	-
2013	WECC		Vigilante Electric Cooperative, Inc.	U.S.	695	695	-	-	201	201	-	-	494	494	-	-
2013	WECC		Wasco Electric Cooperative	U.S.	4,243	4,243	-	-	1,226	1,226	-	-	3,017	3,017	-	-
2013	WECC		Wells Rural Electric Cooperative	U.S.	29,409	29,409	-	-	8,495	8,495	-	-	20,913	20,913	-	-
2013	WECC		Wellton-Mohawk Irrigation & Drainage District	U.S.	18	18	-	-	5	5	-	-	12	12	-	-
2013	WECC		West Oregon Electric Cooperative, Inc.	U.S.	562	562	-	-	162	162	-	-	400	400	-	-
2013	WECC		West Oregon Electric Cooperative, Inc.	U.S.	2,468	2,468	-	-	713	713	-	-	1,755	1,755	-	-
2013	WECC		Western Area Power - Loveland, CO	U.S.	15,926	15,926	-	-	4,601	4,601	-	-	11,326	11,326	-	-
2013	WECC		Western Area Power - Loveland, CO	U.S.	89,857	89,857	-	-	25,958	25,958	-	-	63,899	63,899	-	-
2013	WECC		Western Area Power Administration - CRSP	U.S.	89,812	89,812	-	-	25,945	25,945	-	-	63,868	63,868	-	-
2013	WECC		Western Area Power Administration - Sierra Nevada Region	U.S.	57,926	57,926	-	-	16,734	16,734	-	-	41,192	41,192	-	-
2013	WECC		Western Area Power Administration-Desert Southwest Region	U.S.	141,080	141,080	-	-	40,755	40,755	-	-	100,325	100,325	-	-
2013	WECC		Western Area Power Administration-Upper Great Plains Region	U.S.	336	336	-	-	97	97	-	-	239	239	-	-
2013	WECC		Western Area Power Administration-Upper Great Plains Region	U.S.	17,112	17,112	-	-	4,943	4,943	-	-	12,169	12,169	-	-
2013	WECC		Wyoming Municipal Power Agency	U.S.	12,260	12,260	-	-	3,542	3,542	-	-	8,718	8,718	-	-
2013	WECC		Yakama Power	U.S.	950	950	-	-	274	274	-	-	675	675	-	-
2013	WECC		Yampa Valley Electric Association	U.S.	27,582	27,582	-	-	7,968	7,968	-	-	19,614	19,614	-	-
2013	WECC		Yuma Irrigation District	U.S.	136	136	-	-	39	39	-	-	97	97	-	-
2013	WECC		Yuma-Mesa Irrigation District	U.S.	8	8	-	-	2	2	-	-	5	5	-	-
TOTAL WECC					36,829,694	32,246,493	4,069,607	513,594	10,739,401	9,315,301	1,273,976	150,123	26,090,293	22,931,192	2,795,630	363,471
TOTAL ERO					163,582,428	148,273,401	14,795,433	513,594	55,308,375	50,046,840	5,111,411	150,123	108,274,053	98,226,561	9,684,022	363,471
Summary by Regional Entity																
2013	FRCC				8,858,675	8,858,675	-	-	2,795,837	2,795,837	-	-	6,062,838	6,062,838	-	-
2013	MRO				13,094,003	10,913,550	2,180,453	-	3,667,984	3,066,780	601,204	-	9,426,019	7,846,770	1,579,249	-
2013	NPCC				21,005,353	12,459,980	8,545,373	-	6,936,475	3,700,244	3,236,231	-	14,068,878	8,759,736	5,309,142	-
2013	RF				30,194,311	30,194,311	-	-	11,480,414	11,480,414	-	-	18,713,897	18,713,897	-	-
2013	SERC				26,479,019	26,479,019	-	-	12,747,985	12,747,985	-	-	13,731,034	13,731,034	-	-
2013	SPP				12,417,776	12,417,776	-	-	2,737,128	2,737,128	-	-	9,680,648	9,680,648	-	-
2013	TRE				14,703,597	14,703,597	-	-	4,203,151	4,203,151	-	-	10,500,446	10,500,446	-	-
2013	WECC				36,829,694	32,246,493	4,069,607	513,594	10,739,401	9,315,301	1,273,976	150,123	26,090,293	22,931,192	2,795,630	363,471
Total					163,582,428	148,273,401	14,795,433	513,594	55,308,375	50,046,840	5,111,411	150,123	108,274,053	98,226,561	9,684,022	363,471

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
2013	FRCC	1074	Alachua, City of	U.S.	1,522	1,522	-	-	1,513	1,513	-	-	(35)	(35)	44	44	-	-
2013	FRCC	1075	Bartow, City of	U.S.	3,430	3,430	-	-	3,411	3,411	-	-	(79)	(79)	99	99	-	-
2013	FRCC	1076	Chattahoochee, City of	U.S.	461	461	-	-	458	458	-	-	(11)	(11)	13	13	-	-
2013	FRCC	1077	Florida Keys Electric Cooperative Assn	U.S.	9,084	9,084	-	-	9,032	9,032	-	-	(210)	(210)	261	261	-	-
2013	FRCC	1078	Florida Power & Light Co.	U.S.	1,383,264	1,383,264	-	-	1,375,406	1,375,406	-	-	(31,923)	(31,923)	39,782	39,782	-	-
2013	FRCC	1079	Florida Public Utilities Company	U.S.	4,463	4,463	-	-	4,438	4,438	-	-	(103)	(103)	128	128	-	-
2013	FRCC	1080	Gainesville Regional Utilities	U.S.	22,235	22,235	-	-	22,109	22,109	-	-	(513)	(513)	639	639	-	-
2013	FRCC	1081	Homestead, City of	U.S.	6,443	6,443	-	-	6,406	6,406	-	-	(149)	(149)	185	185	-	-
2013	FRCC	1082	JEA	U.S.	151,122	151,122	-	-	150,264	150,264	-	-	(3,488)	(3,488)	4,346	4,346	-	-
2013	FRCC	1083	Lakeland Electric	U.S.	36,877	36,877	-	-	36,668	36,668	-	-	(851)	(851)	1,061	1,061	-	-
2013	FRCC	1626	Lee County Electric Cooperative, Inc	U.S.	46,308	46,308	-	-	46,045	46,045	-	-	(1,069)	(1,069)	1,332	1,332	-	-
2013	FRCC	1661	City of Lake Worth	U.S.	5,508	5,508	-	-	5,477	5,477	-	-	(127)	(127)	158	158	-	-
2013	FRCC	1084	Mount Dora, City of	U.S.	1,123	1,123	-	-	1,117	1,117	-	-	(26)	(26)	32	32	-	-
2013	FRCC	1085	New Smyrna Beach, Utilities Commission of	U.S.	4,877	4,877	-	-	4,849	4,849	-	-	(113)	(113)	140	140	-	-
2013	FRCC	1086	Orlando Utilities Commission	U.S.	71,929	71,929	-	-	71,520	71,520	-	-	(1,660)	(1,660)	2,069	2,069	-	-
2013	FRCC	1087	Duke Energy Florida	U.S.	495,431	495,431	-	-	492,617	492,617	-	-	(11,434)	(11,434)	14,248	14,248	-	-
2013	FRCC	1088	Quincy, City of	U.S.	1,718	1,718	-	-	1,708	1,708	-	-	(40)	(40)	49	49	-	-
2013	FRCC	1089	Reedy Creek Improvement District	U.S.	15,261	15,261	-	-	15,175	15,175	-	-	(352)	(352)	439	439	-	-
2013	FRCC	1090	St. Cloud, City of (OUC)	U.S.	7,618	7,618	-	-	7,575	7,575	-	-	(176)	(176)	219	219	-	-
2013	FRCC	1091	Tallahassee, City of	U.S.	33,908	33,908	-	-	33,716	33,716	-	-	(783)	(783)	975	975	-	-
2013	FRCC	1092	Tampa Electric Company	U.S.	242,273	242,273	-	-	240,897	240,897	-	-	(5,591)	(5,591)	6,968	6,968	-	-
2013	FRCC	1603	City of Vero Beach	U.S.	9,336	9,336	-	-	9,283	9,283	-	-	(215)	(215)	269	269	-	-
2013	FRCC	1093	Wauchula, City of	U.S.	780	780	-	-	776	776	-	-	(18)	(18)	22	22	-	-
2013	FRCC	1094	Williston, City of	U.S.	404	404	-	-	402	402	-	-	(9)	(9)	12	12	-	-
2013	FRCC	1095	Winter Park, City of	U.S.	5,458	5,458	-	-	5,427	5,427	-	-	(126)	(126)	157	157	-	-
2013	FRCC	1072	Florida Municipal Power Agency	U.S.	69,788	69,788	-	-	69,391	69,391	-	-	(1,611)	(1,611)	2,007	2,007	-	-
2013	FRCC	1073	Seminole Electric Cooperative	U.S.	165,215	165,215	-	-	164,276	164,276	-	-	(3,813)	(3,813)	4,751	4,751	-	-
TOTAL FRCC					2,795,837	2,795,837	-	-	2,779,954	2,779,954	-	-	(64,523)	(64,523)	80,406	80,406	-	-
2013	MRO	1199	Basin Electric Power Cooperative	U.S.	179,380	179,380	-	-	178,361	178,361	-	-	(4,140)	(4,140)	5,159	5,159	-	-
2013	MRO	1201	Central Iowa Power Cooperative (CIPCO)	U.S.	35,951	35,951	-	-	35,746	35,746	-	-	(830)	(830)	1,034	1,034	-	-
2013	MRO	1204	Corn Belt Power Cooperative	U.S.	25,878	25,878	-	-	25,731	25,731	-	-	(597)	(597)	744	744	-	-
2013	MRO	1207	Dairyland Power Cooperative	U.S.	69,568	69,568	-	-	69,173	69,173	-	-	(1,606)	(1,606)	2,001	2,001	-	-
2013	MRO	1210	Great River Energy	U.S.	175,912	175,912	-	-	174,912	174,912	-	-	(4,060)	(4,060)	5,059	5,059	-	-
2013	MRO	1222	Minnkota Power Cooperative, Inc.	U.S.	55,033	55,033	-	-	54,720	54,720	-	-	(1,270)	(1,270)	1,583	1,583	-	-
2013	MRO	1230	Nebraska Public Power District	U.S.	172,178	172,178	-	-	171,200	171,200	-	-	(3,974)	(3,974)	4,952	4,952	-	-
2013	MRO	1232	Omaha Public Power District	U.S.	144,702	144,702	-	-	143,880	143,880	-	-	(3,339)	(3,339)	4,162	4,162	-	-
2013	MRO	1237	Southern Montana Generation and Transmission	U.S.	88	88	-	-	87	87	-	-	(2)	(2)	3	3	-	-
2013	MRO	1240	Western Area Power Administration (UM)	U.S.	114,216	114,216	-	-	113,567	113,567	-	-	(2,636)	(2,636)	3,285	3,285	-	-
2013	MRO	1239	Western Area Power Administration (LM)	U.S.	1,603	1,603	-	-	1,594	1,594	-	-	(37)	(37)	46	46	-	-
2013	MRO	1217	Manitoba Hydro	CAN	308,347	-	308,347	-	299,680	-	299,680	-	-	-	8,668	-	8,668	-
2013	MRO	1235	SaskPower	CAN	292,856	-	292,856	-	284,624	-	284,624	-	-	-	8,232	-	8,232	-
2013	MRO	1195	Alliant Energy (Alliant East - WPL & Alliant West IPL)	U.S.	366,547	366,547	-	-	364,465	364,465	-	-	(8,459)	(8,459)	10,542	10,542	-	-
2013	MRO	1216	Madison, Gas and Electric	U.S.	43,811	43,811	-	-	43,562	43,562	-	-	(1,011)	(1,011)	1,260	1,260	-	-
2013	MRO	1220	MidAmerican Energy Company	U.S.	359,363	359,363	-	-	357,321	357,321	-	-	(8,294)	(8,294)	10,335	10,335	-	-
2013	MRO	1221	Minnesota Power	U.S.	164,881	164,881	-	-	163,944	163,944	-	-	(3,805)	(3,805)	4,742	4,742	-	-
2013	MRO	1226	Montana-Dakota Utilities Co.	U.S.	39,354	39,354	-	-	39,131	39,131	-	-	(908)	(908)	1,132	1,132	-	-
2013	MRO	1231	NorthWestern Energy	U.S.	19,760	19,760	-	-	19,648	19,648	-	-	(456)	(456)	568	568	-	-
2013	MRO	1233	Otter Tail Power Company	U.S.	57,974	57,974	-	-	57,645	57,645	-	-	(1,338)	(1,338)	1,667	1,667	-	-
2013	MRO		Wisconsin Public Service (WPS)	U.S.	155,651	155,651	-	-	154,767	154,767	-	-	(3,592)	(3,592)	4,476	4,476	-	-
2013	MRO		Upper Peninsula Power Company (UPPCO)	U.S.	10,397	10,397	-	-	10,338	10,338	-	-	(240)	(240)	299	299	-	-
2013	MRO	1244	Xcel Energy Company (NSP)	U.S.	570,467	570,467	-	-	567,227	567,227	-	-	(13,165)	(13,165)	16,406	16,406	-	-
2013	MRO	1196	Ames Municipal Electric System	U.S.	9,758	9,758	-	-	9,703	9,703	-	-	(225)	(225)	281	281	-	-
2013	MRO	1604	Atlantic Municipal Utilities	U.S.	1,050	1,050	-	-	1,045	1,045	-	-	(24)	(24)	30	30	-	-
2013	MRO	1476	Badger Power Marketing Authority of Wisconsin, Inc.	U.S.	5,102	5,102	-	-	5,073	5,073	-	-	(118)	(118)	147	147	-	-
2013	MRO	1200	Cedar Falls Municipal Utilities	U.S.	6,749	6,749	-	-	6,711	6,711	-	-	(156)	(156)	194	194	-	-
2013	MRO	1477	Central Minnesota Municipal Power Agency (CMMPPA)	U.S.	5,900	5,900	-	-	5,867	5,867	-	-	(136)	(136)	170	170	-	-
2013	MRO	1203	City of Escanaba	U.S.	1,764	1,764	-	-	1,754	1,754	-	-	(41)	(41)	51	51	-	-
2013	MRO	1205	Falls City Water & Light Department	U.S.	720	720	-	-	716	716	-	-	(17)	(17)	21	21	-	-
2013	MRO	1206	Fremont Department of Utilities	U.S.	5,532	5,532	-	-	5,501	5,501	-	-	(128)	(128)	159	159	-	-
2013	MRO	1208	Geneseo Municipal Utilities	U.S.	840	840	-	-	836	836	-	-	(19)	(19)	24	24	-	-

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
2013	MRO	1209	Grand Island Utilities Department	U.S.	9,605	9,605	-	-	9,551	9,551	-	-	(222)	(222)	276	276	-	-
2013	MRO	1606	Harlan Municipal Utilities	U.S.	304	304	-	-	302	302	-	-	(7)	(7)	9	9	-	-
2013	MRO	1211	Hastings Utilities	U.S.	5,530	5,530	-	-	5,498	5,498	-	-	(128)	(128)	159	159	-	-
2013	MRO	1212	Heartland Consumers Power District	U.S.	10,755	10,755	-	-	10,693	10,693	-	-	(248)	(248)	309	309	-	-
2013	MRO	1213	Hutchinson Utilities Commission	U.S.	3,663	3,663	-	-	3,642	3,642	-	-	(85)	(85)	105	105	-	-
2013	MRO	1215	Lincoln Electric System	U.S.	41,401	41,401	-	-	41,165	41,165	-	-	(955)	(955)	1,191	1,191	-	-
2013	MRO	1218	Manitowoc Public Utilities	U.S.	6,842	6,842	-	-	6,804	6,804	-	-	(158)	(158)	197	197	-	-
2013	MRO	1223	Missouri River Energy Services	U.S.	31,065	31,065	-	-	30,889	30,889	-	-	(717)	(717)	893	893	-	-
2013	MRO	1224	MN Municipal Power Agency (MMPA)	U.S.	19,250	19,250	-	-	19,141	19,141	-	-	(444)	(444)	554	554	-	-
2013	MRO	1607	Montezuma Municipal Light & Power	U.S.	406	406	-	-	404	404	-	-	(9)	(9)	12	12	-	-
2013	MRO	1227	Municipal Energy Agency of Nebraska	U.S.	14,876	14,876	-	-	14,792	14,792	-	-	(343)	(343)	428	428	-	-
2013	MRO	1228	Muscatine Power and Water	U.S.	11,044	11,044	-	-	10,981	10,981	-	-	(255)	(255)	318	318	-	-
2013	MRO	1229	Nebraska City Utilities	U.S.	2,169	2,169	-	-	2,157	2,157	-	-	(50)	(50)	62	62	-	-
2013	MRO	1234	Rochester Public Utilities	U.S.	68	68	-	-	68	68	-	-	(2)	(2)	2	2	-	-
2013	MRO	1236	Southern Minnesota Municipal Power Agency	U.S.	37,352	37,352	-	-	37,140	37,140	-	-	(862)	(862)	1,074	1,074	-	-
2013	MRO	1241	Willmar Municipal Utilities	U.S.	3,324	3,324	-	-	3,305	3,305	-	-	(77)	(77)	96	96	-	-
2013	MRO	1242	Wisconsin Public Power, Inc. (East and West regions)	U.S.	68,995	68,995	-	-	68,603	68,603	-	-	(1,592)	(1,592)	1,984	1,984	-	-
TOTAL MRO					3,667,984	3,066,780	601,204	-	3,633,662	3,049,358	584,304	-	(70,776)	(70,776)	105,098	88,198	16,900	-
2013	NPCC	1336	New England	U.S.	1,634,487	1,634,487	-	-	1,625,202	1,625,202	-	-	(37,721)	(37,721)	47,007	47,007	-	-
2013	NPCC	1339	New York	U.S.	2,065,757	2,065,757	-	-	2,054,022	2,054,022	-	-	(47,674)	(47,674)	59,410	59,410	-	-
2013	NPCC	1337	Ontario	Canada	1,215,106	-	1,215,106	-	1,767,903	-	1,767,903	-	-	-	(552,797)	-	(552,797)	-
2013	NPCC	1341	Quebec	Canada	1,757,802	-	1,757,802	-	2,383,240	-	2,383,240	-	-	-	(625,439)	-	(625,439)	-
2013	NPCC	1338	New Brunswick	Canada	118,912	-	118,912	-	176,920	-	176,920	-	-	-	(58,008)	-	(58,008)	-
2013	NPCC	1340	Nova Scotia	Canada	144,412	-	144,412	-	140,352	-	140,352	-	-	-	4,059	-	4,059	-
TOTAL NPCC					6,936,475	3,700,244	3,236,231	-	8,147,639	3,679,224	4,468,415	-	(85,396)	(85,396)	(1,125,768)	106,416	(1,232,184)	-
2013	RF	1104	Bay City	U.S.	4,167	4,167	-	-	4,144	4,144	-	-	(96)	(96)	120	120	-	-
2013	RF	1102	Cannelton Utilities	U.S.	205	205	-	-	204	204	-	-	(5)	(5)	6	6	-	-
2013	RF	1105	City of Chelsea	U.S.	1,229	1,229	-	-	1,222	1,222	-	-	(28)	(28)	35	35	-	-
2013	RF	1106	City of Crosswell	U.S.	536	536	-	-	532	532	-	-	(12)	(12)	15	15	-	-
2013	RF	1108	City of Eaton Rapids	U.S.	1,208	1,208	-	-	1,201	1,201	-	-	(28)	(28)	35	35	-	-
2013	RF	1111	City of Hart	U.S.	617	617	-	-	614	614	-	-	(14)	(14)	18	18	-	-
2013	RF	1490	City of Lansing	U.S.	28,109	28,109	-	-	27,949	27,949	-	-	(649)	(649)	808	808	-	-
2013	RF	1112	City of Marquette Board of Light & Power	U.S.	4,206	4,206	-	-	4,182	4,182	-	-	(97)	(97)	121	121	-	-
2013	RF	1114	City of Portland	U.S.	466	466	-	-	464	464	-	-	(11)	(11)	13	13	-	-
2013	RF	1116	City of St. Louis	U.S.	510	510	-	-	507	507	-	-	(12)	(12)	15	15	-	-
2013	RF	1118	City of Wyandotte	U.S.	2,776	2,776	-	-	2,760	2,760	-	-	(64)	(64)	80	80	-	-
2013	RF	1120	Cloverland Electric Cooperative	U.S.	11,401	11,401	-	-	11,336	11,336	-	-	(263)	(263)	328	328	-	-
2013	RF	1122	CMS ERM Michigan LLC	U.S.	2,002	2,002	-	-	1,991	1,991	-	-	(46)	(46)	58	58	-	-
2013	RF	1124	Constellation New Energy (MECS-CONS)	U.S.	11,432	11,432	-	-	11,367	11,367	-	-	(264)	(264)	329	329	-	-
2013	RF	1123	Constellation New Energy (MECS-DET)	U.S.	13,810	13,810	-	-	13,731	13,731	-	-	(319)	(319)	397	397	-	-
2013	RF	1126	Consumers Energy Company	U.S.	411,297	411,297	-	-	408,961	408,961	-	-	(9,492)	(9,492)	11,829	11,829	-	-
2013	RF	1128	Detroit Edison Company	U.S.	585,989	585,989	-	-	582,660	582,660	-	-	(13,524)	(13,524)	16,853	16,853	-	-
2013	RF	1166	Duke Energy Indiana	U.S.	383,917	383,917	-	-	381,737	381,737	-	-	(8,860)	(8,860)	11,041	11,041	-	-
2013	RF	1135	Ferdinand Municipal Light & Water	U.S.	600	600	-	-	597	597	-	-	(14)	(14)	17	17	-	-
2013	RF	1646	FirstEnergy Solutions (MECS-CONS)	U.S.	8,689	8,689	-	-	8,640	8,640	-	-	(201)	(201)	250	250	-	-
2013	RF	1549	FirstEnergy Solutions (MECS-DET)	U.S.	30,095	30,095	-	-	29,924	29,924	-	-	(695)	(695)	866	866	-	-
2013	RF	1612	Glacial Energy (MECS-DET)	U.S.	1,828	1,828	-	-	1,817	1,817	-	-	(42)	(42)	53	53	-	-
2013	RF	1144	Holland Board of Public Works	U.S.	12,440	12,440	-	-	12,369	12,369	-	-	(287)	(287)	358	358	-	-
2013	RF	1145	Hoosier Energy	U.S.	92,475	92,475	-	-	91,950	91,950	-	-	(2,134)	(2,134)	2,660	2,660	-	-
2013	RF	1148	Indiana Municipal Power Agency (DUKE CIN)	U.S.	39,028	39,028	-	-	38,807	38,807	-	-	(901)	(901)	1,122	1,122	-	-
2013	RF	1485	Indiana Municipal Power Agency (NIPSCO)	U.S.	5,421	5,421	-	-	5,390	5,390	-	-	(125)	(125)	156	156	-	-
2013	RF	1486	Indiana Municipal Power Agency (SIGE)	U.S.	7,475	7,475	-	-	7,433	7,433	-	-	(173)	(173)	215	215	-	-
2013	RF	1149	Indianapolis Power & Light Co.	U.S.	186,795	186,795	-	-	185,734	185,734	-	-	(4,311)	(4,311)	5,372	5,372	-	-
2013	RF	1553	Integrus Energy Services (MECS-CONS)	U.S.	12,952	12,952	-	-	12,879	12,879	-	-	(299)	(299)	372	372	-	-
2013	RF	1554	Integrus Energy Services (MECS-DET)	U.S.	7,326	7,326	-	-	7,285	7,285	-	-	(169)	(169)	211	211	-	-
2013	RF	1554	Integrus Energy Services (WEPC)	U.S.	10,890	10,890	-	-	10,828	10,828	-	-	(251)	(251)	313	313	-	-
2013	RF	1614	Just Energy (MECS-DET)	U.S.	183	183	-	-	182	182	-	-	(4)	(4)	5	5	-	-
2013	RF	1154	Michigan Public Power Agency	U.S.	16,142	16,142	-	-	16,051	16,051	-	-	(373)	(373)	464	464	-	-
2013	RF	1155	Michigan South Central Power Agency	U.S.	8,095	8,095	-	-	8,049	8,049	-	-	(187)	(187)	233	233	-	-

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 NERC and RE Assessments

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
2013	RF	1158	MidAmerican Energy Company Retail	U.S.	1,257	1,257	-	-	1,250	1,250	-	-	(29)	(29)	36	36	-	-
2013	RF	1163	Northern Indiana Public Service Co.	U.S.	222,307	222,307	-	-	221,044	221,044	-	-	(5,130)	(5,130)	6,393	6,393	-	-
2013	RF	1164	Ontonagon County Rural Electrification Assoc.	U.S.	372	372	-	-	370	370	-	-	(9)	(9)	11	11	-	-
2013	RF	1265	PJM Interconnection, LLC	U.S.	8,788,247	8,788,247	-	-	8,738,322	8,738,322	-	-	(202,819)	(202,819)	252,743	252,743	-	-
2013	RF	1172	Sempra Energy Solutions (MECS-CONS)	U.S.	8,557	8,557	-	-	8,509	8,509	-	-	(197)	(197)	246	246	-	-
2013	RF	1171	Sempra Energy Solutions (MECS-DET)	U.S.	8,991	8,991	-	-	8,940	8,940	-	-	(208)	(208)	259	259	-	-
2013	RF	1176	Direct Energy (fka:Strategic Energy,LLC) (MECS-CONS)	U.S.	163	163	-	-	162	162	-	-	(4)	(4)	5	5	-	-
2013	RF	1174	Direct Energy (fka:Strategic Energy,LLC) (MECS-DET)	U.S.	4,701	4,701	-	-	4,675	4,675	-	-	(108)	(108)	135	135	-	-
2013	RF	1581	Spartan Renewable Energy	U.S.	856	856	-	-	851	851	-	-	(20)	(20)	25	25	-	-
2013	RF	1180	Thumb Electric Cooperative	U.S.	2,283	2,283	-	-	2,270	2,270	-	-	(53)	(53)	66	66	-	-
2013	RF	1662	Ohio Valley Electric Corporation	U.S.	8,144	8,144	-	-	8,097	8,097	-	-	(188)	(188)	234	234	-	-
2013	RF	1181	Vectren Energy Delivery of IN	U.S.	72,763	72,763	-	-	72,349	72,349	-	-	(1,679)	(1,679)	2,093	2,093	-	-
2013	RF	1183	Village of Sebawaing	U.S.	558	558	-	-	555	555	-	-	(13)	(13)	16	16	-	-
2013	RF	1184	Wabash Valley Power Association Inc. (DUKE CIN)	U.S.	35,395	35,395	-	-	35,194	35,194	-	-	(817)	(817)	1,018	1,018	-	-
2013	RF	1488	Wabash Valley Power Association Inc.(NIPSCO)	U.S.	21,326	21,326	-	-	21,204	21,204	-	-	(492)	(492)	613	613	-	-
2013	RF	1185	Wisconsin Electric Power Co.	U.S.	355,279	355,279	-	-	353,261	353,261	-	-	(8,199)	(8,199)	10,218	10,218	-	-
2013	RF	1189	Wolverine Power Marketing Cooperative	U.S.	9,577	9,577	-	-	9,523	9,523	-	-	(221)	(221)	275	275	-	-
2013	RF	1191	Wolverine Power Supply Cooperative	U.S.	33,584	33,584	-	-	33,394	33,394	-	-	(775)	(775)	966	966	-	-
2013	RF	1190	Wolverine Power Marketing Cooperative	U.S.	1,739	1,739	-	-	1,730	1,730	-	-	(40)	(40)	50	50	-	-
TOTAL RELIABILITYFIRST					11,480,414	11,480,414	-	-	11,415,196	11,415,196	-	-	(264,949)	(264,949)	330,168	330,168	-	-
2013	SERC	1267	Alabama Municipal Electric Authority	U.S.	43,076	43,076	-	-	42,832	42,832	-	-	(994)	(994)	1,239	1,239	-	-
2013	SERC	1268	Alabama Power Company	U.S.	747,948	747,948	-	-	743,699	743,699	-	-	(17,261)	(17,261)	21,510	21,510	-	-
2013	SERC	1269	Ameren - Illinois	U.S.	542,976	542,976	-	-	539,891	539,891	-	-	(12,531)	(12,531)	15,616	15,616	-	-
2013	SERC	1271	Ameren - Missouri	U.S.	529,799	529,799	-	-	526,790	526,790	-	-	(12,227)	(12,227)	15,237	15,237	-	-
2013	SERC	1272	APGI - Yadkin Division	U.S.	348	348	-	-	346	346	-	-	(8)	(8)	10	10	-	-
2013	SERC	1660	APGI - Tapoco Division (ALCOA)	U.S.	3,994	3,994	-	-	3,971	3,971	-	-	(92)	(92)	115	115	-	-
2013	SERC	1273	Associated Electric Cooperative Inc.	U.S.	244,644	244,644	-	-	243,255	243,255	-	-	(5,646)	(5,646)	7,036	7,036	-	-
2013	SERC	1582	Beauregard Electric Cooperative, Inc.	U.S.	14,122	14,122	-	-	14,042	14,042	-	-	(326)	(326)	406	406	-	-
2013	SERC	1462	Benton Utility District	U.S.	3,440	3,440	-	-	3,420	3,420	-	-	(79)	(79)	99	99	-	-
2013	SERC	1274	Big Rivers Electric Corporation	U.S.	48,316	48,316	-	-	48,041	48,041	-	-	(1,115)	(1,115)	1,390	1,390	-	-
2013	SERC	1275	Black Warrior EMC	U.S.	5,544	5,544	-	-	5,513	5,513	-	-	(128)	(128)	159	159	-	-
2013	SERC	1276	Blue Ridge EMC	U.S.	17,733	17,733	-	-	17,633	17,633	-	-	(409)	(409)	510	510	-	-
2013	SERC	1628	Brazos Electric Power Cooperative, Inc.	U.S.	5,439	5,439	-	-	5,408	5,408	-	-	(126)	(126)	156	156	-	-
2013	SERC	1463	Canton, MS	U.S.	1,532	1,532	-	-	1,523	1,523	-	-	(35)	(35)	44	44	-	-
2013	SERC	1277	Central Electric Power Cooperative Inc.	U.S.	193,380	193,380	-	-	192,281	192,281	-	-	(4,463)	(4,463)	5,561	5,561	-	-
2013	SERC		Century Aluminum - Hawesville	U.S.	53,967	53,967	-	-	53,660	53,660	-	-	(1,245)	(1,245)	1,552	1,552	-	-
2013	SERC		Century Aluminum - Sebree	U.S.	41,087	41,087	-	-	40,853	40,853	-	-	(948)	(948)	1,182	1,182	-	-
2013	SERC	1278	City of Blountstown FL	U.S.	481	481	-	-	479	479	-	-	(11)	(11)	14	14	-	-
2013	SERC	1279	City of Camden SC	U.S.	2,386	2,386	-	-	2,373	2,373	-	-	(55)	(55)	69	69	-	-
2013	SERC	1280	City of Collins MS	U.S.	629	629	-	-	625	625	-	-	(15)	(15)	18	18	-	-
2013	SERC	1281	City of Columbia MO	U.S.	15,015	15,015	-	-	14,929	14,929	-	-	(347)	(347)	432	432	-	-
2013	SERC	1282	City of Conway AR (Conway Corporation)	U.S.	13,076	13,076	-	-	13,002	13,002	-	-	(302)	(302)	376	376	-	-
2013	SERC	1284	City of Evergreen AL	U.S.	742	742	-	-	738	738	-	-	(17)	(17)	21	21	-	-
2013	SERC	1285	City of Hampton GA	U.S.	298	298	-	-	296	296	-	-	(7)	(7)	9	9	-	-
2013	SERC	1286	City of Hartford AL	U.S.	423	423	-	-	420	420	-	-	(10)	(10)	12	12	-	-
2013	SERC	1287	City of Henderson (KY) Municipal Power & Light	U.S.	7,797	7,797	-	-	7,752	7,752	-	-	(180)	(180)	224	224	-	-
2013	SERC	1288	City of North Little Rock AR (DENL)	U.S.	12,112	12,112	-	-	12,044	12,044	-	-	(280)	(280)	348	348	-	-
2013	SERC	1289	City of Orangeburg SC Department of Public Utilities	U.S.	10,565	10,565	-	-	10,505	10,505	-	-	(244)	(244)	304	304	-	-
2013	SERC	1290	City of Robertsdale AL	U.S.	1,062	1,062	-	-	1,056	1,056	-	-	(25)	(25)	31	31	-	-
2013	SERC	1291	City of Ruston LA (DERS)	U.S.	3,752	3,752	-	-	3,731	3,731	-	-	(87)	(87)	108	108	-	-
2013	SERC	1292	City of Seneca SC	U.S.	2,020	2,020	-	-	2,009	2,009	-	-	(47)	(47)	58	58	-	-
2013	SERC	1115	City of Springfield (CWLP)	U.S.	22,849	22,849	-	-	22,719	22,719	-	-	(527)	(527)	657	657	-	-
2013	SERC	1465	City of Thayer, MO	U.S.	293	293	-	-	291	291	-	-	(7)	(7)	8	8	-	-
2013	SERC	1293	City of Troy AL	U.S.	5,400	5,400	-	-	5,369	5,369	-	-	(125)	(125)	155	155	-	-
2013	SERC	1294	City of West Memphis AR (West Memphis Utilities)	U.S.	5,060	5,060	-	-	5,032	5,032	-	-	(117)	(117)	146	146	-	-
2013	SERC	1583	Claiborne Electric Cooperative, Inc.	U.S.	8,481	8,481	-	-	8,433	8,433	-	-	(196)	(196)	244	244	-	-
2013	SERC	1584	Concordia Electric Cooperative, Inc.	U.S.	3,339	3,339	-	-	3,320	3,320	-	-	(77)	(77)	96	96	-	-
2013	SERC	1283	Dalton Utilities	U.S.	20,030	20,030	-	-	19,917	19,917	-	-	(462)	(462)	576	576	-	-
2013	SERC	1585	Dixie Electric Membership Corporation	U.S.	28,692	28,692	-	-	28,529	28,529	-	-	(662)	(662)	825	825	-	-
2013	SERC	1295	Dominion Virginia Power	U.S.	1,084,434	1,084,434	-	-	1,078,273	1,078,273	-	-	(25,027)	(25,027)	31,187	31,187	-	-
2013	SERC	1296	Duke Energy Carolinas, LLC	U.S.	980,528	980,528	-	-	974,957	974,957	-	-	(22,629)	(22,629)	28,199	28,199	-	-
2013	SERC	1466	Durant, MS	U.S.	329	329	-	-	327	327	-	-	(8)	(8)	9	9	-	-
2013	SERC	1478	LG&E and KU Services Company as agent for LG&E Company and KUCompany	U.S.	442,698	442,698	-	-	440,183	440,183	-	-	(10,217)	(10,217)	12,732	12,732	-	-
2013	SERC	1297	East Kentucky Power Cooperative	U.S.	168,568	168,568	-	-	167,611	167,611	-	-	(3,890)	(3,890)	4,848	4,848	-	-
2013	SERC	1298	East Mississippi Electric Power Association	U.S.	5,892	5,892	-	-	5,858	5,858	-	-	(136)	(136)	169	169	-	-
2013	SERC		Electricities of North Carolina Inc	U.S.	144,720	144,720	-	-	143,898	143,898	-	-	(3,340)	(3,340)	4,162	4,162	-	-
2013	SERC	1300	EnergyUnited EMC	U.S.	32,361	32,361	-	-	32,177	32,177	-	-	(747)	(747)	931	931	-	-
2013	SERC	1301	Entergy	U.S.	1,396,015	1,396,015	-	-	1,388,085	1,388,085	-	-	(32,218)	(32,218)	40,148	40,148	-	-

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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
2013	SERC	1302	Fayetteville (NC) Public Works Commission	U.S.	27,138	27,138	-	-	26,984	26,984	-	-	(626)	(626)	780	780		
2013	SERC	1303	Florida Public Utilities (FL Panhandle Load)	U.S.	4,017	4,017	-	-	3,994	3,994	-	-	(93)	(93)	116	116		
2013	SERC	1304	French Broad EMC	U.S.	6,723	6,723	-	-	6,685	6,685	-	-	(155)	(155)	193	193		
2013	SERC	1305	Georgia Power Company	U.S.	1,088,722	1,088,722	-	-	1,082,537	1,082,537	-	-	(25,126)	(25,126)	31,311	31,311		
2013	SERC	1306	Georgia System Optns Corporation	U.S.	472,864	472,864	-	-	470,178	470,178	-	-	(10,913)	(10,913)	13,599	13,599		
2013	SERC	1479	Greenwood (MS) Utilities Commission	U.S.	3,684	3,684	-	-	3,663	3,663	-	-	(85)	(85)	106	106		
2013	SERC	1307	Greenwood (SC) Commissioners of Public Works	U.S.	3,991	3,991	-	-	3,969	3,969	-	-	(92)	(92)	115	115		
2013	SERC	1308	Gulf Power Company	U.S.	145,379	145,379	-	-	144,553	144,553	-	-	(3,355)	(3,355)	4,181	4,181		
2013	SERC	1586	Haywood EMC	U.S.	3,933	3,933	-	-	3,911	3,911	-	-	(91)	(91)	113	113		
2013	SERC	1309	Illinois Municipal Electric Agency	U.S.	24,362	24,362	-	-	24,224	24,224	-	-	(562)	(562)	701	701		
2013	SERC	1480	Itta Bena, MS	U.S.	181	181	-	-	180	180	-	-	(4)	(4)	5	5		
2013	SERC	1587	Jefferson Davis Electric Cooperative, Inc.	U.S.	3,674	3,674	-	-	3,653	3,653	-	-	(85)	(85)	106	106		
2013	SERC	1617	Kentucky Municipal Power	U.S.	9,081	9,081	-	-	9,029	9,029	-	-	(210)	(210)	261	261		
2013	SERC	1481	Kosciusko, MS	U.S.	883	883	-	-	878	878	-	-	(20)	(20)	25	25		
2013	SERC	1482	Leland, MS	U.S.	386	386	-	-	384	384	-	-	(9)	(9)	11	11		
2013	SERC	1313	McCormick Commission of Public Works	U.S.	201	201	-	-	200	200	-	-	(5)	(5)	6	6		
2013	SERC	1314	Mississippi Power Company	U.S.	134,284	134,284	-	-	133,521	133,521	-	-	(3,099)	(3,099)	3,862	3,862		
2013	SERC	1630	Mt. Carmel Public Utility	U.S.	1,211	1,211	-	-	1,204	1,204	-	-	(28)	(28)	35	35		
2013	SERC	1315	Municipal Electric Authority of Georgia	U.S.	134,763	134,763	-	-	133,997	133,997	-	-	(3,110)	(3,110)	3,876	3,876		
2013	SERC	1316	N.C. Electric Membership Corp.	U.S.	155,401	155,401	-	-	154,519	154,519	-	-	(3,586)	(3,586)	4,469	4,469		
2013	SERC	1588	Northeast Louisiana Power Cooperative, Inc.	U.S.	3,989	3,989	-	-	3,966	3,966	-	-	(92)	(92)	115	115		
2013	SERC	1574	Northern Virginia Electric Cooperative	U.S.	50,650	50,650	-	-	50,362	50,362	-	-	(1,169)	(1,169)	1,457	1,457		
2013	SERC	1319	Old Dominion Electric Cooperative	U.S.	74,326	74,326	-	-	73,904	73,904	-	-	(1,715)	(1,715)	2,138	2,138		
2013	SERC	1618	Osceola (Arkansas) Municipal Light and Power	U.S.	2,343	2,343	-	-	2,330	2,330	-	-	(54)	(54)	67	67		
2013	SERC	1320	Owensboro (KY) Municipal Utilities	U.S.	11,396	11,396	-	-	11,332	11,332	-	-	(263)	(263)	328	328		
2013	SERC	1322	Piedmont EMC in Duke and Progress Areas	U.S.	6,410	6,410	-	-	6,374	6,374	-	-	(148)	(148)	184	184		
2013	SERC	1323	Piedmont Municipal Power Agency (PMPA)	U.S.	28,135	28,135	-	-	27,975	27,975	-	-	(649)	(649)	809	809		
2013	SERC	1589	Pointe Coupee Electric Memb. Corp.	U.S.	3,433	3,433	-	-	3,413	3,413	-	-	(79)	(79)	99	99		
2013	SERC	1266	PowerSouth Energy	U.S.	106,057	106,057	-	-	105,455	105,455	-	-	(2,448)	(2,448)	3,050	3,050		
2013	SERC	1330	Prairie Power, Inc.	U.S.	20,059	20,059	-	-	19,945	19,945	-	-	(463)	(463)	577	577		
2013	SERC	1324	Progress Energy Carolinas	U.S.	576,051	576,051	-	-	572,778	572,778	-	-	(13,294)	(13,294)	16,567	16,567		
2013	SERC	1325	Rutherford EMC	U.S.	16,804	16,804	-	-	16,709	16,709	-	-	(388)	(388)	483	483		
2013	SERC	1631	Sam Rayburn G&T Electric Cooperative Inc.	U.S.	22,604	22,604	-	-	22,476	22,476	-	-	(522)	(522)	650	650		
2013	SERC	1326	South Carolina Electric & Gas Company	U.S.	284,172	284,172	-	-	282,558	282,558	-	-	(6,558)	(6,558)	8,173	8,173		
2013	SERC	1327	South Carolina Public Service Authority	U.S.	140,662	140,662	-	-	139,863	139,863	-	-	(3,246)	(3,246)	4,045	4,045		
2013	SERC	1590	South Louisiana Electric Cooperative Association	U.S.	7,972	7,972	-	-	7,927	7,927	-	-	(184)	(184)	229	229		
2013	SERC	1328	South Mississippi Electric Power Association	U.S.	130,831	130,831	-	-	130,088	130,088	-	-	(3,019)	(3,019)	3,763	3,763		
2013	SERC	1329	Southern Illinois Power Cooperative	U.S.	19,544	19,544	-	-	19,433	19,433	-	-	(451)	(451)	562	562		
2013	SERC	1591	Southwest Louisiana Electric Membership Corporation	U.S.	33,568	33,568	-	-	33,377	33,377	-	-	(775)	(775)	965	965		
2013	SERC	1619	Southwestern Electric Cooperative, Inc.	U.S.	5,370	5,370	-	-	5,339	5,339	-	-	(124)	(124)	154	154		
2013	SERC	1331	Tennessee Valley Authority	U.S.	2,043,543	2,043,543	-	-	2,031,934	2,031,934	-	-	(47,162)	(47,162)	58,771	58,771		
2013	SERC	1632	Tex-La Electric Cooperative of Texas, Inc	U.S.	2,633	2,633	-	-	2,618	2,618	-	-	(61)	(61)	76	76		
2013	SERC	1332	Tombigbee Electric Cooperative Inc.	U.S.	1,671	1,671	-	-	1,662	1,662	-	-	(39)	(39)	48	48		
2013	SERC	1594	Town of Sharpsburg, N.C.	U.S.	251	251	-	-	249	249	-	-	(6)	(6)	7	7		
2013	SERC	1595	Town of Stantonsburg, N.C. JRO	U.S.	977	977	-	-	971	971	-	-	(23)	(23)	28	28		
2013	SERC	1333	Town of Waynesville NC	U.S.	1,150	1,150	-	-	1,143	1,143	-	-	(27)	(27)	33	33		
2013	SERC	1334	Town of Winterville SC	U.S.	700	700	-	-	696	696	-	-	(16)	(16)	20	20		
2013	SERC	1335	Town of Winterville NC	U.S.	687	687	-	-	683	683	-	-	(16)	(16)	20	20		
2013	SERC	1597	Washington-St.Tammany Electric Cooperative, Inc.	U.S.	13,725	13,725	-	-	13,647	13,647	-	-	(317)	(317)	395	395		
TOTAL SERC					12,747,985	12,747,985	-	-	12,675,566	12,675,566	-	-	(294,203)	(294,203)	366,622	366,622	-	-

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					Total	US Total	Canada Total	Mexico Total	Total	US Total	Canada Total	Mexico Total	Total	US Total	Total	US Total	Canada Total	Mexico Total
2013	SPP	1246	American Electric Power	U.S.	-	-	-	-	464,688	464,688	-	-	(10,786)	(10,786)	13,440	13,440	-	-
2013	SPP	1435	Arkansas Electric Cooperative Corporation (AEP)	U.S.	467,343	467,343	-	-	64,483	64,483	-	-	(1,497)	(1,497)	1,865	1,865	-	-
2013	SPP	1247	Board of Public Utilities (Kansas City KS)	U.S.	29,884	29,884	-	-	29,714	29,714	-	-	(690)	(690)	859	859	-	-
2013	SPP	1620	Board of Public Utilities, City of McPherson, Kansas	U.S.	11,895	11,895	-	-	11,827	11,827	-	-	(275)	(275)	342	342	-	-
2013	SPP	1647	Carthage City Water & Light	U.S.	4,078	4,078	-	-	4,055	4,055	-	-	(94)	(94)	117	117	-	-
2013	SPP	1469	Central Valley Electric Cooperative	U.S.	10,719	10,719	-	-	10,658	10,658	-	-	(247)	(247)	308	308	-	-
2013	SPP	1556	City of Bentonville	U.S.	8,173	8,173	-	-	8,127	8,127	-	-	(189)	(189)	235	235	-	-
2013	SPP	1557	City of Clarksdale, Mississippi	U.S.	2,071	2,071	-	-	2,059	2,059	-	-	(48)	(48)	60	60	-	-
2013	SPP	1558	Hope Water & Light (HWL)	U.S.	3,788	3,788	-	-	3,766	3,766	-	-	(87)	(87)	109	109	-	-
2013	SPP	1559	City of Minden	U.S.	2,044	2,044	-	-	2,033	2,033	-	-	(47)	(47)	59	59	-	-
2013	SPP	1635	The City of Osage City	U.S.	458	458	-	-	455	455	-	-	(11)	(11)	13	13	-	-
2013	SPP	1636	City of Prescott	U.S.	1,114	1,114	-	-	1,108	1,108	-	-	(26)	(26)	32	32	-	-
2013	SPP	1248	Independence Power & Light (Independence, MO)	U.S.	13,526	13,526	-	-	13,449	13,449	-	-	(312)	(312)	389	389	-	-
2013	SPP	1436	City Utilities of Springfield, MO	U.S.	40,217	40,217	-	-	39,988	39,988	-	-	(928)	(928)	1,157	1,157	-	-
2013	SPP	1249	Cleco Power LLC	U.S.	149,410	149,410	-	-	148,562	148,562	-	-	(3,448)	(3,448)	4,297	4,297	-	-
2013	SPP	1437	East Texas Electric Coop, Inc.	U.S.	5,304	5,304	-	-	5,274	5,274	-	-	(122)	(122)	153	153	-	-
2013	SPP	1250	The Empire District Electric Company	U.S.	67,143	67,143	-	-	66,761	66,761	-	-	(1,550)	(1,550)	1,931	1,931	-	-
2013	SPP	1470	Farmers' Electric Coop	U.S.	5,573	5,573	-	-	5,541	5,541	-	-	(129)	(129)	160	160	-	-
2013	SPP	1438	Golden Spread Electric Coop	U.S.	72,747	72,747	-	-	72,334	72,334	-	-	(1,679)	(1,679)	2,092	2,092	-	-
2013	SPP	1251	Grand River Dam Authority	U.S.	61,745	61,745	-	-	61,394	61,394	-	-	(1,425)	(1,425)	1,776	1,776	-	-
2013	SPP	1648	Jonesboro City Water & Light	U.S.	16,671	16,671	-	-	16,577	16,577	-	-	(385)	(385)	479	479	-	-
2013	SPP	1252	Kansas City Power & Light (KCPL)	U.S.	199,606	199,606	-	-	198,472	198,472	-	-	(4,607)	(4,607)	5,741	5,741	-	-
2013	SPP	1439	Kansas Electric Power Corp., Inc	U.S.	28,182	28,182	-	-	28,022	28,022	-	-	(650)	(650)	811	811	-	-
2013	SPP	1440	Kansas Municipal Energy Agency (KCPL)	U.S.	5,089	5,089	-	-	5,060	5,060	-	-	(117)	(117)	146	146	-	-
2013	SPP	1637	Kansas Power Pool	U.S.	19,405	19,405	-	-	19,295	19,295	-	-	(448)	(448)	558	558	-	-
2013	SPP	1560	Kaw Valley Electric Cooperative, Inc.	U.S.	2,067	2,067	-	-	2,055	2,055	-	-	(48)	(48)	59	59	-	-
2013	SPP	1649	Kennett Board of Public Works	U.S.	2,150	2,150	-	-	2,138	2,138	-	-	(50)	(50)	62	62	-	-
2013	SPP	1598	KCP&L GMOC (Greater Missouri Operations Company)	U.S.	111,445	111,445	-	-	110,812	110,812	-	-	(2,572)	(2,572)	3,205	3,205	-	-
2013	SPP	1471	Lafayette Utilities System	U.S.	26,533	26,533	-	-	26,382	26,382	-	-	(612)	(612)	763	763	-	-
2013	SPP	1472	Lea County Electric Coop	U.S.	16,371	16,371	-	-	16,278	16,278	-	-	(378)	(378)	471	471	-	-
2013	SPP	1253	Louisiana Energy & Power Authority (LEPA)	U.S.	12,983	12,983	-	-	12,909	12,909	-	-	(300)	(300)	373	373	-	-
2013	SPP	1650	Malden Board of Public Works	U.S.	649	649	-	-	645	645	-	-	(15)	(15)	19	19	-	-
2013	SPP	1441	Midwest Energy Inc.	U.S.	23,340	23,340	-	-	23,208	23,208	-	-	(539)	(539)	671	671	-	-
2013	SPP	1443	Missouri Joint Municipal Electric Utility Commission	U.S.	32,768	32,768	-	-	32,582	32,582	-	-	(756)	(756)	942	942	-	-
2013	SPP	1638	Nemaha Marshall Electric Cooperative (NMEC)	U.S.	713	713	-	-	709	709	-	-	(16)	(16)	21	21	-	-
2013	SPP	1442	Northeast Texas Electric Cooperative, Inc.	U.S.	41,642	41,642	-	-	41,405	41,405	-	-	(961)	(961)	1,198	1,198	-	-
2013	SPP	1255	Oklahoma Gas and Electric Co.	U.S.	364,728	364,728	-	-	362,656	362,656	-	-	(8,417)	(8,417)	10,489	10,489	-	-
2013	SPP	1444	Oklahoma Municipal Power Auth	U.S.	34,665	34,665	-	-	34,468	34,468	-	-	(800)	(800)	997	997	-	-
2013	SPP	1639	OzMo Ozark Missouri, West Plains MO	U.S.	2,685	2,685	-	-	2,670	2,670	-	-	(62)	(62)	77	77	-	-
2013	SPP	1651	Paragould Light, Water & Cable	U.S.	7,523	7,523	-	-	7,480	7,480	-	-	(174)	(174)	216	216	-	-
2013	SPP	1652	Piggott Municipal Light, Water & Sewer	U.S.	529	529	-	-	526	526	-	-	(12)	(12)	15	15	-	-
2013	SPP	1653	Poplar Bluff Municipal Utilities	U.S.	4,930	4,930	-	-	4,902	4,902	-	-	(114)	(114)	142	142	-	-
2013	SPP	1561	Public Service Commission of Yazoo City of Mississippi	U.S.	1,574	1,574	-	-	1,565	1,565	-	-	(36)	(36)	45	45	-	-
2013	SPP	1473	Roosevelt County Electric Coop	U.S.	2,462	2,462	-	-	2,448	2,448	-	-	(57)	(57)	71	71	-	-
2013	SPP	1654	Sikeston Board of Municipal Utilities	U.S.	5,138	5,138	-	-	5,109	5,109	-	-	(119)	(119)	148	148	-	-
2013	SPP	1257	Southwestern Public Service Co. (SPS-XCEL)	U.S.	256,152	256,152	-	-	254,696	254,696	-	-	(5,912)	(5,912)	7,367	7,367	-	-
2013	SPP	1256	Sunflower Electric Power Cooperative	U.S.	66,468	66,468	-	-	66,091	66,091	-	-	(1,534)	(1,534)	1,912	1,912	-	-
2013	SPP	1445	Tex - La Electric Cooperative of Texas	U.S.	6,551	6,551	-	-	6,514	6,514	-	-	(151)	(151)	188	188	-	-
2013	SPP	1475	Tri County Electric Coop	U.S.	5,155	5,155	-	-	5,126	5,126	-	-	(119)	(119)	148	148	-	-
2013	SPP	1260	Westar Energy, Inc.	U.S.	271,858	271,858	-	-	270,314	270,314	-	-	(6,274)	(6,274)	7,818	7,818	-	-
2013	SPP	1259	Western Farmers Electric Cooperative	U.S.	108,566	108,566	-	-	107,950	107,950	-	-	(2,506)	(2,506)	3,122	3,122	-	-
2013	SPP	1501	West Texas Municipal Power Agency	U.S.	36,444	36,444	-	-	36,236	36,236	-	-	(841)	(841)	1,048	1,048	-	-
			TOTAL SPP		2,737,128	2,737,128	-	-	2,721,578	2,721,578	-	-	(63,168)	(63,168)	78,718	78,718	-	-
2011	TRE	1019	ERCOT	U.S.	-	-	-	-	4,179,274	4,179,274	-	-	(97,002)	(97,002)	120,879	120,879	-	-
			TOTAL TRE		4,203,151	4,203,151	-	-	4,179,274	4,179,274	-	-	(97,002)	(97,002)	120,879	120,879	-	-

2013 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2015 NERC and RE Assessments

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
2013	WECC		Alberta Electric System Operator	Canada	511,339	-	511,339	-	761,021	-	761,021	-	-	-	(249,682)	-	(249,682)	-
2013	WECC		British Columbia Hydro & Power Authority	Canada	762,637	-	762,637	-	741,199	-	741,199	-	-	-	21,438	-	21,438	-
2013	WECC		Comision Federal de Electricidad	Mexico	150,123	-	-	150,123	145,903	-	-	145,903	-	-	4,220	-	-	4,220
2013	WECC		Aguila Irrigation District - APS	U.S.	392	392	-	-	390	390	-	-	(9)	(9)	11	11	-	-
2013	WECC		Aha Macav Power Service	U.S.	319	319	-	-	318	318	-	-	(7)	(7)	9	9	-	-
2013	WECC		Ajo Improvement District	U.S.	174	174	-	-	173	173	-	-	(4)	(4)	5	5	-	-
2013	WECC		Ak-Chin	U.S.	490	490	-	-	487	487	-	-	(11)	(11)	14	14	-	-
2013	WECC		Alcoa Inc	U.S.	43,689	43,689	-	-	43,440	43,440	-	-	(1,008)	(1,008)	1,256	1,256	-	-
2013	WECC		Arizona Public Service Company	U.S.	376,545	376,545	-	-	374,406	374,406	-	-	(8,690)	(8,690)	10,829	10,829	-	-
2013	WECC		Arkansas River Power Authority (ARPA)	U.S.	2,971	2,971	-	-	2,954	2,954	-	-	(69)	(69)	85	85	-	-
2013	WECC		Avista Corporation	U.S.	749	749	-	-	745	745	-	-	(17)	(17)	22	22	-	-
2013	WECC		Avista Corporation	U.S.	120,985	120,985	-	-	120,298	120,298	-	-	(2,792)	(2,792)	3,479	3,479	-	-
2013	WECC		Barrick Goldstrike Mines Inc.	U.S.	14,907	14,907	-	-	14,822	14,822	-	-	(344)	(344)	429	429	-	-
2013	WECC		Basin Electric Power Cooperative	U.S.	752	752	-	-	748	748	-	-	(17)	(17)	22	22	-	-
2013	WECC		Basin Electric Power Cooperative	U.S.	38,619	38,619	-	-	38,399	38,399	-	-	(891)	(891)	1,111	1,111	-	-
2013	WECC		Benton REA	U.S.	6,968	6,968	-	-	6,929	6,929	-	-	(161)	(161)	200	200	-	-
2013	WECC		Big Bend Electric Cooperative, Inc.	U.S.	1,763	1,763	-	-	1,753	1,753	-	-	(41)	(41)	51	51	-	-
2013	WECC		Big Bend Electric Cooperative, Inc.	U.S.	4,558	4,558	-	-	4,532	4,532	-	-	(105)	(105)	131	131	-	-
2013	WECC		Blachly-Lane Electric Cooperative	U.S.	2,195	2,195	-	-	2,183	2,183	-	-	(51)	(51)	63	63	-	-
2013	WECC		Black Hills Power	U.S.	24,345	24,345	-	-	24,207	24,207	-	-	(562)	(562)	700	700	-	-
2013	WECC		Black Hills Power/Cheyenne Light Fuel & Power	U.S.	37,317	37,317	-	-	37,105	37,105	-	-	(861)	(861)	1,073	1,073	-	-
2013	WECC		Black Hills State University South Dakota	U.S.	249	249	-	-	248	248	-	-	(6)	(6)	7	7	-	-
2013	WECC		Bonneville Power Administration	U.S.	86	86	-	-	86	86	-	-	(2)	(2)	2	2	-	-
2013	WECC		Bonneville Power Administration	U.S.	171	171	-	-	170	170	-	-	(4)	(4)	5	5	-	-
2013	WECC		Bonneville Power Administration	U.S.	9,844	9,844	-	-	9,788	9,788	-	-	(227)	(227)	283	283	-	-
2013	WECC		Bonneville Power Administration	U.S.	23,557	23,557	-	-	23,423	23,423	-	-	(544)	(544)	677	677	-	-
2013	WECC		Bonneville Power Administration	U.S.	48,448	48,448	-	-	48,172	48,172	-	-	(1,118)	(1,118)	1,393	1,393	-	-
2013	WECC		BPA - Big Bend/Schrag Load	U.S.	472	472	-	-	469	469	-	-	(11)	(11)	14	14	-	-
2013	WECC		BPA - Kittitas Load	U.S.	93	93	-	-	93	93	-	-	(2)	(2)	3	3	-	-
2013	WECC		BPA - USBR Load	U.S.	1,665	1,665	-	-	1,656	1,656	-	-	(38)	(38)	48	48	-	-
2013	WECC		Buckeye Water Conservation and Drainage District - APS	U.S.	250	250	-	-	249	249	-	-	(6)	(6)	7	7	-	-
2013	WECC		Bureau of Reclamation (Desalter) - c/o DSW EMMO	U.S.	10	10	-	-	10	10	-	-	(0)	(0)	0	0	-	-
2013	WECC		Bureau of Reclamation (Wellfield) - c/o DSW EMMO	U.S.	82	82	-	-	82	82	-	-	(2)	(2)	2	2	-	-
2013	WECC		Burlington	U.S.	464	464	-	-	461	461	-	-	(11)	(11)	13	13	-	-
2013	WECC		California Independent System Operator	U.S.	2,935,271	2,935,271	-	-	2,918,596	2,918,596	-	-	(67,741)	(67,741)	84,416	84,416	-	-
2013	WECC		Canby Public Utility Board	U.S.	2,289	2,289	-	-	2,276	2,276	-	-	(53)	(53)	66	66	-	-
2013	WECC		Central Arizona Water Conservation District	U.S.	33,258	33,258	-	-	33,069	33,069	-	-	(768)	(768)	956	956	-	-
2013	WECC		Central Electric Cooperative	U.S.	7,695	7,695	-	-	7,651	7,651	-	-	(178)	(178)	221	221	-	-
2013	WECC		Central Lincoln PUD	U.S.	17,064	17,064	-	-	16,967	16,967	-	-	(394)	(394)	491	491	-	-
2013	WECC		Central Montana Electric Power Cooperative	U.S.	806	806	-	-	802	802	-	-	(19)	(19)	23	23	-	-
2013	WECC		Central Montana Electric Power Cooperative	U.S.	4,015	4,015	-	-	3,993	3,993	-	-	(93)	(93)	115	115	-	-
2013	WECC		City of Aztec Electric Dept	U.S.	502	502	-	-	499	499	-	-	(12)	(12)	14	14	-	-
2013	WECC		City of Bandon	U.S.	851	851	-	-	846	846	-	-	(20)	(20)	24	24	-	-
2013	WECC		City of Blaine	U.S.	989	989	-	-	983	983	-	-	(23)	(23)	28	28	-	-
2013	WECC		City of Bonners Ferry	U.S.	916	916	-	-	911	911	-	-	(21)	(21)	26	26	-	-
2013	WECC		City of Cascade Locks	U.S.	248	248	-	-	247	247	-	-	(6)	(6)	7	7	-	-
2013	WECC		City of Centralia	U.S.	3,419	3,419	-	-	3,399	3,399	-	-	(79)	(79)	98	98	-	-
2013	WECC		City of Cheney	U.S.	1,887	1,887	-	-	1,876	1,876	-	-	(44)	(44)	54	54	-	-
2013	WECC		City of Chewelah	U.S.	301	301	-	-	299	299	-	-	(7)	(7)	9	9	-	-
2013	WECC		City of Drain	U.S.	213	213	-	-	212	212	-	-	(5)	(5)	6	6	-	-
2013	WECC		City of Ellensburg	U.S.	2,625	2,625	-	-	2,610	2,610	-	-	(61)	(61)	75	75	-	-
2013	WECC		City of Fallon	U.S.	471	471	-	-	468	468	-	-	(11)	(11)	14	14	-	-
2013	WECC		City of Farmington	U.S.	12,954	12,954	-	-	12,881	12,881	-	-	(299)	(299)	373	373	-	-
2013	WECC		City of Forest Grove	U.S.	3,240	3,240	-	-	3,221	3,221	-	-	(75)	(75)	93	93	-	-
2013	WECC		City of Gallup	U.S.	2,399	2,399	-	-	2,385	2,385	-	-	(55)	(55)	69	69	-	-
2013	WECC		City of Henderson	U.S.	541	541	-	-	538	538	-	-	(12)	(12)	16	16	-	-
2013	WECC		City of Hermiston, DBA Hermiston Energy Services	U.S.	1,404	1,404	-	-	1,396	1,396	-	-	(32)	(32)	40	40	-	-
2013	WECC		City of Las Vegas	U.S.	528	528	-	-	525	525	-	-	(12)	(12)	15	15	-	-

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
2013	WECC		City of McCleary	U.S.	397	397	-	-	395	395	-	-	(9)	(9)	11	11	-	-
2013	WECC		City of McMinnville	U.S.	9,735	9,735	-	-	9,680	9,680	-	-	(225)	(225)	280	280	-	-
2013	WECC		City of Mesa	U.S.	3,305	3,305	-	-	3,286	3,286	-	-	(76)	(76)	95	95	-	-
2013	WECC		City of Milton	U.S.	765	765	-	-	760	760	-	-	(18)	(18)	22	22	-	-
2013	WECC		City of Milton-Freewater	U.S.	1,434	1,434	-	-	1,426	1,426	-	-	(33)	(33)	41	41	-	-
2013	WECC		City of Monmouth	U.S.	940	940	-	-	935	935	-	-	(22)	(22)	27	27	-	-
2013	WECC		City of Needles	U.S.	392	392	-	-	389	389	-	-	(9)	(9)	11	11	-	-
2013	WECC		City of North Las Vegas	U.S.	59	59	-	-	58	58	-	-	(1)	(1)	2	2	-	-
2013	WECC		City of Page	U.S.	1,165	1,165	-	-	1,159	1,159	-	-	(27)	(27)	34	34	-	-
2013	WECC		City of Plummer	U.S.	455	455	-	-	452	452	-	-	(10)	(10)	13	13	-	-
2013	WECC		City of Port Angeles	U.S.	9,252	9,252	-	-	9,199	9,199	-	-	(214)	(214)	266	266	-	-
2013	WECC		City of Redding	U.S.	10,105	10,105	-	-	10,047	10,047	-	-	(233)	(233)	291	291	-	-
2013	WECC		City of Richland	U.S.	11,301	11,301	-	-	11,237	11,237	-	-	(261)	(261)	325	325	-	-
2013	WECC		City of Roseville	U.S.	15,603	15,603	-	-	15,515	15,515	-	-	(360)	(360)	449	449	-	-
2013	WECC		City of Shasta Lake	U.S.	2,441	2,441	-	-	2,427	2,427	-	-	(56)	(56)	70	70	-	-
2013	WECC		City of Sumas	U.S.	392	392	-	-	390	390	-	-	(9)	(9)	11	11	-	-
2013	WECC		City of Tacoma DBA Tacoma Power	U.S.	4	4	-	-	4	4	-	-	(0)	(0)	0	0	-	-
2013	WECC		City of Tacoma DBA Tacoma Power	U.S.	63,299	63,299	-	-	62,940	62,940	-	-	(1,461)	(1,461)	1,820	1,820	-	-
2013	WECC		City of Troy	U.S.	222	222	-	-	221	221	-	-	(5)	(5)	6	6	-	-
2013	WECC		City of Williams	U.S.	495	495	-	-	492	492	-	-	(11)	(11)	14	14	-	-
2013	WECC		Clark County Water Resources	U.S.	978	978	-	-	973	973	-	-	(23)	(23)	28	28	-	-
2013	WECC		Clark Public Utilities	U.S.	56,694	56,694	-	-	56,372	56,372	-	-	(1,308)	(1,308)	1,630	1,630	-	-
2013	WECC		Clatskanie PUD	U.S.	11,916	11,916	-	-	11,849	11,849	-	-	(275)	(275)	343	343	-	-
2013	WECC		Clearwater Cooperative, Inc	U.S.	505	505	-	-	502	502	-	-	(12)	(12)	15	15	-	-
2013	WECC		Clearwater Cooperative, Inc	U.S.	2,157	2,157	-	-	2,144	2,144	-	-	(50)	(50)	62	62	-	-
2013	WECC		Colorado River Commission of Nevada	U.S.	11,021	11,021	-	-	10,959	10,959	-	-	(254)	(254)	317	317	-	-
2013	WECC		Colorado Springs Utilities	U.S.	773	773	-	-	768	768	-	-	(18)	(18)	22	22	-	-
2013	WECC		Colorado Springs Utilities	U.S.	58,904	58,904	-	-	58,569	58,569	-	-	(1,359)	(1,359)	1,694	1,694	-	-
2013	WECC		Columbia Basin Electric Cooperative, Inc.	U.S.	1,432	1,432	-	-	1,424	1,424	-	-	(33)	(33)	41	41	-	-
2013	WECC		Columbia Falls Aluminum Company	U.S.	58	58	-	-	58	58	-	-	(1)	(1)	2	2	-	-
2013	WECC		Columbia Power Cooperative Association	U.S.	283	283	-	-	281	281	-	-	(7)	(7)	8	8	-	-
2013	WECC		Columbia River PUD	U.S.	2,164	2,164	-	-	2,152	2,152	-	-	(50)	(50)	62	62	-	-
2013	WECC		Columbia River PUD	U.S.	3,932	3,932	-	-	3,909	3,909	-	-	(91)	(91)	113	113	-	-
2013	WECC		Columbia Rural Electric Association (REA)	U.S.	4,210	4,210	-	-	4,186	4,186	-	-	(97)	(97)	121	121	-	-
2013	WECC		Consolidated Irrigation District No. 19	U.S.	79	79	-	-	78	78	-	-	(2)	(2)	2	2	-	-
2013	WECC		Consumers Power, Inc.	U.S.	5,445	5,445	-	-	5,414	5,414	-	-	(126)	(126)	157	157	-	-
2013	WECC		Coos-Curry Electric Cooperative, Inc	U.S.	4,489	4,489	-	-	4,463	4,463	-	-	(104)	(104)	129	129	-	-
2013	WECC		Deseret Generation & Transmission Cooperative	U.S.	1,827	1,827	-	-	1,816	1,816	-	-	(42)	(42)	53	53	-	-
2013	WECC		Douglas Electric Cooperative, Inc.	U.S.	1,216	1,216	-	-	1,209	1,209	-	-	(28)	(28)	35	35	-	-
2013	WECC		Douglas Palisades / PUD No. 1 of DC	U.S.	244	244	-	-	242	242	-	-	(6)	(6)	7	7	-	-
2013	WECC		El Paso Electric Company	U.S.	105,543	105,543	-	-	104,943	104,943	-	-	(2,436)	(2,436)	3,035	3,035	-	-
2013	WECC		Electrical District #2	U.S.	2,270	2,270	-	-	2,257	2,257	-	-	(52)	(52)	65	65	-	-
2013	WECC		Electrical District #2 - Coolidge Generating Station	U.S.	116	116	-	-	116	116	-	-	(3)	(3)	3	3	-	-
2013	WECC		Electrical District No. 6 of Pinal County - APS	U.S.	31	31	-	-	31	31	-	-	(1)	(1)	1	1	-	-
2013	WECC		Electrical District No. 7 of Maricopa County - APS	U.S.	595	595	-	-	591	591	-	-	(14)	(14)	17	17	-	-
2013	WECC		Electrical District No. 8 of Maricopa County - APS	U.S.	3,498	3,498	-	-	3,478	3,478	-	-	(81)	(81)	101	101	-	-
2013	WECC		Electrical Districts 1 & 3	U.S.	7,315	7,315	-	-	7,273	7,273	-	-	(169)	(169)	210	210	-	-
2013	WECC		Elmhurst Mutual Power & Light Company	U.S.	3,534	3,534	-	-	3,514	3,514	-	-	(82)	(82)	102	102	-	-
2013	WECC		Emerald PUD	U.S.	6,551	6,551	-	-	6,513	6,513	-	-	(151)	(151)	188	188	-	-
2013	WECC		Energy Northwest	U.S.	462	462	-	-	459	459	-	-	(11)	(11)	13	13	-	-
2013	WECC		Eugene Water & Electric Board	U.S.	31,521	31,521	-	-	31,342	31,342	-	-	(727)	(727)	907	907	-	-
2013	WECC		Fall River Rural Electric Cooperative, Inc.	U.S.	0	0	-	-	0	0	-	-	(0)	(0)	0	0	-	-
2013	WECC		Flathead Electric Cooperative, Inc	U.S.	19,121	19,121	-	-	19,013	19,013	-	-	(441)	(441)	550	550	-	-
2013	WECC		Frederickson Power LP	U.S.	43	43	-	-	43	43	-	-	(1)	(1)	1	1	-	-
2013	WECC		Grand Valley Power	U.S.	3,105	3,105	-	-	3,087	3,087	-	-	(72)	(72)	89	89	-	-
2013	WECC		Harney Electric Cooperative, Inc.	U.S.	1,146	1,146	-	-	1,139	1,139	-	-	(26)	(26)	33	33	-	-
2013	WECC		Harney Electric Cooperative, Inc.	U.S.	1,248	1,248	-	-	1,241	1,241	-	-	(29)	(29)	36	36	-	-
2013	WECC		Harquahala Valley Power Districts - APS	U.S.	1,002	1,002	-	-	996	996	-	-	(23)	(23)	29	29	-	-
2013	WECC		Hermiston Power LLC	U.S.	25	25	-	-	25	25	-	-	(1)	(1)	1	1	-	-
2013	WECC		Holy Cross Energy	U.S.	15,397	15,397	-	-	15,309	15,309	-	-	(355)	(355)	443	443	-	-
2013	WECC		Hood River Electric Cooperative	U.S.	557	557	-	-	554	554	-	-	(13)	(13)	16	16	-	-

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
2013	WECC		Idaho County Light and Power Cooperative Association, Inc.	U.S.	749	749	-	-	745	745	-	-	(17)	(17)	22	22	-	-
2013	WECC		Idaho Power Company	U.S.	206,441	206,441	-	-	205,268	205,268	-	-	(4,764)	(4,764)	5,937	5,937	-	-
2013	WECC		Imperial Irrigation District	U.S.	46,258	46,258	-	-	45,995	45,995	-	-	(1,068)	(1,068)	1,330	1,330	-	-
2013	WECC		Inland Power and Light Company	U.S.	6,037	6,037	-	-	6,003	6,003	-	-	(139)	(139)	174	174	-	-
2013	WECC		Inland Power and Light Company	U.S.	6,314	6,314	-	-	6,278	6,278	-	-	(146)	(146)	182	182	-	-
2013	WECC		Intermountain Rural Electric Association	U.S.	27,212	27,212	-	-	27,057	27,057	-	-	(628)	(628)	783	783	-	-
2013	WECC		Kaiser Aluminum Fabricated Products LLC	U.S.	3,936	3,936	-	-	3,913	3,913	-	-	(91)	(91)	113	113	-	-
2013	WECC		Kootenai Electric Cooperative, Inc.	U.S.	5,932	5,932	-	-	5,899	5,899	-	-	(137)	(137)	171	171	-	-
2013	WECC		Lakeview Light & Power	U.S.	3,465	3,465	-	-	3,445	3,445	-	-	(80)	(80)	100	100	-	-
2013	WECC		Lane Electric Cooperative, Inc.	U.S.	2,910	2,910	-	-	2,893	2,893	-	-	(67)	(67)	84	84	-	-
2013	WECC		Las Vegas Valley Water District	U.S.	1,180	1,180	-	-	1,174	1,174	-	-	(27)	(27)	34	34	-	-
2013	WECC		Lincoln Electric Cooperative, Inc.	U.S.	1,496	1,496	-	-	1,488	1,488	-	-	(35)	(35)	43	43	-	-
2013	WECC		Los Angeles Department of Water and Power	U.S.	364,682	364,682	-	-	362,610	362,610	-	-	(8,416)	(8,416)	10,488	10,488	-	-
2013	WECC		Lost River Electric Cooperative, Inc.	U.S.	0	0	-	-	0	0	-	-	(0)	(0)	0	0	-	-
2013	WECC		Lower Valley Energy, Inc.	U.S.	1	1	-	-	1	1	-	-	(0)	(0)	0	0	-	-
2013	WECC		Maricopa County Municipal Water Conservation Dist No. 1 - APS	U.S.	662	662	-	-	658	658	-	-	(15)	(15)	19	19	-	-
2013	WECC		McMullen Valley Water Conservation & Drainage District - APS	U.S.	883	883	-	-	878	878	-	-	(20)	(20)	25	25	-	-
2013	WECC		Merced Irrigation District	U.S.	5,942	5,942	-	-	5,908	5,908	-	-	(137)	(137)	171	171	-	-
2013	WECC		Midstate Electric Cooperative, Inc.	U.S.	5,233	5,233	-	-	5,203	5,203	-	-	(121)	(121)	150	150	-	-
2013	WECC		Mission Valley Power	U.S.	5,224	5,224	-	-	5,195	5,195	-	-	(121)	(121)	150	150	-	-
2013	WECC		Modern Electric Water Company	U.S.	2,966	2,966	-	-	2,950	2,950	-	-	(68)	(68)	85	85	-	-
2013	WECC		Modesto Irrigation District	U.S.	32,565	32,565	-	-	32,380	32,380	-	-	(752)	(752)	937	937	-	-
2013	WECC		Montana-Dakota Utilities Co.	U.S.	259	259	-	-	257	257	-	-	(6)	(6)	7	7	-	-
2013	WECC		Mt. Wheeler Power	U.S.	7,085	7,085	-	-	7,044	7,044	-	-	(164)	(164)	204	204	-	-
2013	WECC		Municipal Energy Agency of Nebraska	U.S.	2,522	2,522	-	-	2,508	2,508	-	-	(58)	(58)	73	73	-	-
2013	WECC		Municipal Energy Agency of Nebraska	U.S.	8,457	8,457	-	-	8,409	8,409	-	-	(195)	(195)	243	243	-	-
2013	WECC		Navajo Agricultural Products Industry (NAPI)	U.S.	14	14	-	-	14	14	-	-	(0)	(0)	0	0	-	-
2013	WECC		Navajo Tribal Utility Authority	U.S.	687	687	-	-	683	683	-	-	(16)	(16)	20	20	-	-
2013	WECC		Navajo Tribal Utility Authority	U.S.	3,614	3,614	-	-	3,594	3,594	-	-	(83)	(83)	104	104	-	-
2013	WECC		Navopache Electric Cooperative, Inc.	U.S.	4,683	4,683	-	-	4,656	4,656	-	-	(108)	(108)	135	135	-	-
2013	WECC		Nebraska Public Power Marketing	U.S.	74	74	-	-	73	73	-	-	(2)	(2)	2	2	-	-
2013	WECC		Nespelem Valley Electric Cooperative, Inc.	U.S.	738	738	-	-	734	734	-	-	(17)	(17)	21	21	-	-
2013	WECC		Nevada Power Company dba NV Energy	U.S.	335,892	335,892	-	-	333,984	333,984	-	-	(7,752)	(7,752)	9,660	9,660	-	-
2013	WECC		Noble Americas Energy Solutions, LLC	U.S.	21,143	21,143	-	-	21,023	21,023	-	-	(488)	(488)	608	608	-	-
2013	WECC		Northern Lights, Inc.	U.S.	460	460	-	-	458	458	-	-	(11)	(11)	13	13	-	-
2013	WECC		Northern Lights, Inc.	U.S.	3,319	3,319	-	-	3,301	3,301	-	-	(77)	(77)	95	95	-	-
2013	WECC		Northern Wasco County PUD	U.S.	7,031	7,031	-	-	6,991	6,991	-	-	(162)	(162)	202	202	-	-
2013	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	3,048	3,048	-	-	3,030	3,030	-	-	(70)	(70)	88	88	-	-
2013	WECC		NorthWestern Corp. dba NorthWestern Energy, LLC	U.S.	115,821	115,821	-	-	115,163	115,163	-	-	(2,673)	(2,673)	3,331	3,331	-	-
2013	WECC		Ohop Mutual Light Company	U.S.	1,097	1,097	-	-	1,090	1,090	-	-	(25)	(25)	32	32	-	-
2013	WECC		Orcas Power and Light Cooperative	U.S.	2,753	2,753	-	-	2,737	2,737	-	-	(64)	(64)	79	79	-	-
2013	WECC		Oregon Trail Electric Consumers Cooperative, Inc.	U.S.	4,475	4,475	-	-	4,449	4,449	-	-	(103)	(103)	129	129	-	-
2013	WECC		Overton Power District No. 5	U.S.	4,815	4,815	-	-	4,788	4,788	-	-	(111)	(111)	138	138	-	-
2013	WECC		PacifiCorp	U.S.	24	24	-	-	24	24	-	-	(1)	(1)	1	1	-	-
2013	WECC		PacifiCorp	U.S.	27	27	-	-	27	27	-	-	(1)	(1)	1	1	-	-
2013	WECC		PacifiCorp	U.S.	889	889	-	-	884	884	-	-	(21)	(21)	26	26	-	-
2013	WECC		PacifiCorp	U.S.	1,469	1,469	-	-	1,461	1,461	-	-	(34)	(34)	42	42	-	-
2013	WECC		PacifiCorp	U.S.	639,140	639,140	-	-	635,509	635,509	-	-	(14,750)	(14,750)	18,381	18,381	-	-
2013	WECC		PacifiCorp West (PACW)	U.S.	269,559	269,559	-	-	268,028	268,028	-	-	(6,221)	(6,221)	7,752	7,752	-	-
2013	WECC		Parkland Light and Water Company	U.S.	1,545	1,545	-	-	1,536	1,536	-	-	(36)	(36)	44	44	-	-
2013	WECC		Pend Oreille County PUD No. 1	U.S.	12,842	12,842	-	-	12,769	12,769	-	-	(296)	(296)	369	369	-	-
2013	WECC		Peninsula Light Company, Inc.	U.S.	7,684	7,684	-	-	7,640	7,640	-	-	(177)	(177)	221	221	-	-
2013	WECC		Platte River Power Authority	U.S.	40,990	40,990	-	-	40,757	40,757	-	-	(946)	(946)	1,179	1,179	-	-
2013	WECC		Port of Seattle - Seattle-Tacoma International Airport	U.S.	1,784	1,784	-	-	1,774	1,774	-	-	(41)	(41)	51	51	-	-
2013	WECC		Port Townsend Paper Corporation	U.S.	2,106	2,106	-	-	2,094	2,094	-	-	(49)	(49)	61	61	-	-
2013	WECC		Portland General Electric Company	U.S.	234,991	234,991	-	-	233,656	233,656	-	-	(5,423)	(5,423)	6,758	6,758	-	-
2013	WECC		Public Service Company of Colorado (Xcel)	U.S.	450	450	-	-	447	447	-	-	(10)	(10)	13	13	-	-
2013	WECC		Public Service Company of Colorado (Xcel)	U.S.	335,260	335,260	-	-	333,356	333,356	-	-	(7,737)	(7,737)	9,642	9,642	-	-
2013	WECC		Public Service Company of New Mexico	U.S.	136,281	136,281	-	-	135,507	135,507	-	-	(3,145)	(3,145)	3,919	3,919	-	-
2013	WECC		Public Utility District No. 1 of Chelan County	U.S.	50,856	50,856	-	-	50,568	50,568	-	-	(1,174)	(1,174)	1,463	1,463	-	-
2013	WECC		PUD No. 1 of Asotin County	U.S.	4	4	-	-	4	4	-	-	(0)	(0)	0	0	-	-

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
2013	WECC		PUD No. 1 of Asotin County	U.S.	63	63	-	-	62	62	-	-	(1)	(1)	2	2	-	-
2013	WECC		PUD No. 1 of Benton County	U.S.	22,406	22,406	-	-	22,278	22,278	-	-	(517)	(517)	644	644	-	-
2013	WECC		PUD No. 1 of Clallam County	U.S.	8,597	8,597	-	-	8,548	8,548	-	-	(198)	(198)	247	247	-	-
2013	WECC		PUD No. 1 of Cowlitz County	U.S.	66,298	66,298	-	-	65,922	65,922	-	-	(1,530)	(1,530)	1,907	1,907	-	-
2013	WECC		PUD No. 1 of Douglas County	U.S.	113	113	-	-	112	112	-	-	(3)	(3)	3	3	-	-
2013	WECC		PUD No. 1 of Douglas County	U.S.	18,782	18,782	-	-	18,675	18,675	-	-	(433)	(433)	540	540	-	-
2013	WECC		PUD No. 1 of Ferry County	U.S.	1,378	1,378	-	-	1,370	1,370	-	-	(32)	(32)	40	40	-	-
2013	WECC		PUD No. 1 of Franklin County	U.S.	13,460	13,460	-	-	13,383	13,383	-	-	(311)	(311)	387	387	-	-
2013	WECC		PUD No. 1 of Grays Harbor	U.S.	14,989	14,989	-	-	14,904	14,904	-	-	(346)	(346)	431	431	-	-
2013	WECC		PUD No. 1 of Jefferson County	U.S.	3,113	3,113	-	-	3,095	3,095	-	-	(72)	(72)	90	90	-	-
2013	WECC		PUD No. 1 of Kittitas County	U.S.	207	207	-	-	206	206	-	-	(5)	(5)	6	6	-	-
2013	WECC		PUD No. 1 of Kittitas County	U.S.	956	956	-	-	951	951	-	-	(22)	(22)	28	28	-	-
2013	WECC		PUD No. 1 of Klickitat County	U.S.	3,799	3,799	-	-	3,777	3,777	-	-	(88)	(88)	109	109	-	-
2013	WECC		PUD No. 1 of Lewis County	U.S.	11,855	11,855	-	-	11,788	11,788	-	-	(274)	(274)	341	341	-	-
2013	WECC		PUD No. 1 of Mason County	U.S.	990	990	-	-	984	984	-	-	(23)	(23)	28	28	-	-
2013	WECC		PUD No. 1 of Skamania County	U.S.	1,702	1,702	-	-	1,692	1,692	-	-	(39)	(39)	49	49	-	-
2013	WECC		PUD No. 1 of Snohomish County	U.S.	86,213	86,213	-	-	85,723	85,723	-	-	(1,990)	(1,990)	2,479	2,479	-	-
2013	WECC		PUD No. 1 of Wahkiakum County	U.S.	557	557	-	-	554	554	-	-	(13)	(13)	16	16	-	-
2013	WECC		PUD No. 1 of Whatcom County	U.S.	63	63	-	-	63	63	-	-	(1)	(1)	2	2	-	-
2013	WECC		PUD No. 1 of Whatcom County	U.S.	2,834	2,834	-	-	2,818	2,818	-	-	(65)	(65)	81	81	-	-
2013	WECC		PUD No. 1 of Grant County	U.S.	631	631	-	-	627	627	-	-	(15)	(15)	18	18	-	-
2013	WECC		PUD No. 2 of Grant County	U.S.	1,183	1,183	-	-	1,177	1,177	-	-	(27)	(27)	34	34	-	-
2013	WECC		PUD No. 2 of Grant County	U.S.	48,501	48,501	-	-	48,226	48,226	-	-	(1,119)	(1,119)	1,395	1,395	-	-
2013	WECC		PUD No. 2 of Pacific County	U.S.	3,859	3,859	-	-	3,837	3,837	-	-	(89)	(89)	111	111	-	-
2013	WECC		PUD No. 3 of Mason County	U.S.	8,828	8,828	-	-	8,778	8,778	-	-	(204)	(204)	254	254	-	-
2013	WECC		Puget Sound Energy, Inc.	U.S.	308,732	308,732	-	-	306,978	306,978	-	-	(7,125)	(7,125)	8,879	8,879	-	-
2013	WECC		Raft River Electric Cooperative	U.S.	1	1	-	-	1	1	-	-	(0)	(0)	0	0	-	-
2013	WECC		Raton Public Service	U.S.	654	654	-	-	650	650	-	-	(15)	(15)	19	19	-	-
2013	WECC		Roosevelt Irrigation District - APS	U.S.	478	478	-	-	475	475	-	-	(11)	(11)	14	14	-	-
2013	WECC		Sacramento Municipal Utility District	U.S.	141,832	141,832	-	-	141,026	141,026	-	-	(3,273)	(3,273)	4,079	4,079	-	-
2013	WECC		Salem Electric	U.S.	4,184	4,184	-	-	4,160	4,160	-	-	(97)	(97)	120	120	-	-
2013	WECC		Salt River Project	U.S.	365,253	365,253	-	-	363,178	363,178	-	-	(8,429)	(8,429)	10,504	10,504	-	-
2013	WECC		San Carlos Indian Irrigation Project	U.S.	0	0	-	-	0	0	-	-	(0)	(0)	0	0	-	-
2013	WECC		Seattle City Light	U.S.	126,789	126,789	-	-	126,069	126,069	-	-	(2,926)	(2,926)	3,646	3,646	-	-
2013	WECC		Sierra Pacific Power Company dba NV Energy	U.S.	140,436	140,436	-	-	139,638	139,638	-	-	(3,241)	(3,241)	4,039	4,039	-	-
2013	WECC		Silver State Energy - c/o Colorado River Commission of Nevada	U.S.	6,507	6,507	-	-	6,470	6,470	-	-	(150)	(150)	187	187	-	-
2013	WECC		Southern Montana Electric Generation & Transmission	U.S.	6,601	6,601	-	-	6,564	6,564	-	-	(152)	(152)	190	190	-	-
2013	WECC		Southern Nevada Water Authority	U.S.	1,495	1,495	-	-	1,487	1,487	-	-	(35)	(35)	43	43	-	-
2013	WECC		Southwest Transmission Cooperative, Inc.	U.S.	25,422	25,422	-	-	25,277	25,277	-	-	(587)	(587)	731	731	-	-
2013	WECC		Springfield Utility Board	U.S.	10,961	10,961	-	-	10,898	10,898	-	-	(253)	(253)	315	315	-	-
2013	WECC		Surprise Valley Electrification Corporation	U.S.	483	483	-	-	480	480	-	-	(11)	(11)	14	14	-	-
2013	WECC		Tanner Electric Cooperative	U.S.	1,252	1,252	-	-	1,245	1,245	-	-	(29)	(29)	36	36	-	-
2013	WECC		The Incorporated County of Los Alamos	U.S.	4,600	4,600	-	-	4,574	4,574	-	-	(106)	(106)	132	132	-	-
2013	WECC		Tillamook People's Utility District	U.S.	4,744	4,744	-	-	4,717	4,717	-	-	(109)	(109)	136	136	-	-
2013	WECC		Tohono O'odham Utility Authority	U.S.	848	848	-	-	843	843	-	-	(20)	(20)	24	24	-	-
2013	WECC		Tonopah Irrigation District - APS	U.S.	287	287	-	-	285	285	-	-	(7)	(7)	8	8	-	-
2013	WECC		Town of Center	U.S.	264	264	-	-	263	263	-	-	(6)	(6)	8	8	-	-
2013	WECC		Town of Coulee	U.S.	220	220	-	-	219	219	-	-	(5)	(5)	6	6	-	-
2013	WECC		Town of Eatonville	U.S.	355	355	-	-	353	353	-	-	(8)	(8)	10	10	-	-
2013	WECC		Town of Fredonia	U.S.	138	138	-	-	138	138	-	-	(3)	(3)	4	4	-	-
2013	WECC		Town of Stellacoom	U.S.	522	522	-	-	519	519	-	-	(12)	(12)	15	15	-	-
2013	WECC		Town of Wickenburg	U.S.	336	336	-	-	334	334	-	-	(8)	(8)	10	10	-	-
2013	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	26,056	26,056	-	-	25,908	25,908	-	-	(601)	(601)	749	749	-	-
2013	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	93,740	93,740	-	-	93,207	93,207	-	-	(2,163)	(2,163)	2,696	2,696	-	-
2013	WECC		Tri-State Generation & Transmission Association, Inc.	U.S.	33,390	33,390	-	-	33,200	33,200	-	-	(771)	(771)	960	960	-	-
2013	WECC		Truckee Donner Public Utility District	U.S.	1,949	1,949	-	-	1,938	1,938	-	-	(45)	(45)	56	56	-	-
2013	WECC		Tucson Electric Power Company	U.S.	190,587	190,587	-	-	189,504	189,504	-	-	(4,398)	(4,398)	5,481	5,481	-	-
2013	WECC		Turlock Irrigation District	U.S.	26,976	26,976	-	-	26,823	26,823	-	-	(623)	(623)	776	776	-	-
2013	WECC		U.S. Army Yuma Proving Ground	U.S.	206	206	-	-	205	205	-	-	(5)	(5)	6	6	-	-
2013	WECC		U.S. BOR Columbia Basin	U.S.	421	421	-	-	419	419	-	-	(10)	(10)	12	12	-	-
2013	WECC		U.S. BOR East Greenacres (Rathdrum)	U.S.	53	53	-	-	52	52	-	-	(1)	(1)	2	2	-	-

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2013	WECC		U.S. Bor Spokane Indian Development*	U.S.	40	40	-	-	39	39	-	-	(1)	(1)	1	1	-	-
2013	WECC		U.S. BOR The Dalles Project	U.S.	232	232	-	-	230	230	-	-	(5)	(5)	7	7	-	-
2013	WECC		U.S. DOE National Energy Technology Laboratory	U.S.	61	61	-	-	61	61	-	-	(1)	(1)	2	2	-	-
2013	WECC		Umatilla Electric Cooperative Association	U.S.	14,403	14,403	-	-	14,321	14,321	-	-	(332)	(332)	414	414	-	-
2013	WECC		Unit B Irrigation District	U.S.	0	0	-	-	0	0	-	-	(0)	(0)	0	0	-	-
2013	WECC		US Air Force Base, Fairchild	U.S.	620	620	-	-	616	616	-	-	(14)	(14)	18	18	-	-
2013	WECC		US Dept of Energy - Kirtland AFB	U.S.	5,190	5,190	-	-	5,160	5,160	-	-	(120)	(120)	149	149	-	-
2013	WECC		USDOE Richland	U.S.	2,371	2,371	-	-	2,357	2,357	-	-	(55)	(55)	68	68	-	-
2013	WECC		USN Naval Station, Bremerton	U.S.	3,167	3,167	-	-	3,149	3,149	-	-	(73)	(73)	91	91	-	-
2013	WECC		USN Naval Station, Everett	U.S.	138	138	-	-	137	137	-	-	(3)	(3)	4	4	-	-
2013	WECC		USN Submarine Base, Bangor	U.S.	2,151	2,151	-	-	2,139	2,139	-	-	(50)	(50)	62	62	-	-
2013	WECC		Vera Water and Power	U.S.	2,968	2,968	-	-	2,951	2,951	-	-	(68)	(68)	85	85	-	-
2013	WECC		Vigilante Electric Cooperative, Inc.	U.S.	201	201	-	-	200	200	-	-	(5)	(5)	6	6	-	-
2013	WECC		Wasco Electric Cooperative	U.S.	1,226	1,226	-	-	1,219	1,219	-	-	(28)	(28)	35	35	-	-
2013	WECC		Wells Rural Electric Cooperative	U.S.	8,495	8,495	-	-	8,447	8,447	-	-	(196)	(196)	244	244	-	-
2013	WECC		Wellton-Mohawk Irrigation & Drainage District	U.S.	5	5	-	-	5	5	-	-	(0)	(0)	0	0	-	-
2013	WECC		West Oregon Electric Cooperative, Inc.	U.S.	162	162	-	-	162	162	-	-	(4)	(4)	5	5	-	-
2013	WECC		West Oregon Electric Cooperative, Inc.	U.S.	713	713	-	-	709	709	-	-	(16)	(16)	21	21	-	-
2013	WECC		Western Area Power - Loveland, CO	U.S.	4,601	4,601	-	-	4,575	4,575	-	-	(106)	(106)	132	132	-	-
2013	WECC		Western Area Power - Loveland, CO	U.S.	25,958	25,958	-	-	25,810	25,810	-	-	(599)	(599)	747	747	-	-
2013	WECC		Western Area Power Administration - CRSP	U.S.	25,945	25,945	-	-	25,797	25,797	-	-	(599)	(599)	746	746	-	-
2013	WECC		Western Area Power Administration - Sierra Nevada Region	U.S.	16,734	16,734	-	-	16,638	16,638	-	-	(386)	(386)	481	481	-	-
2013	WECC		Western Area Power Administration-Desert Southwest Region	U.S.	40,755	40,755	-	-	40,523	40,523	-	-	(941)	(941)	1,172	1,172	-	-
2013	WECC		Western Area Power Administration-Upper Great Plains Region	U.S.	97	97	-	-	97	97	-	-	(2)	(2)	3	3	-	-
2013	WECC		Western Area Power Administration-Upper Great Plains Region	U.S.	4,943	4,943	-	-	4,915	4,915	-	-	(114)	(114)	142	142	-	-
2013	WECC		Wyoming Municipal Power Agency	U.S.	3,542	3,542	-	-	3,521	3,521	-	-	(82)	(82)	102	102	-	-
2013	WECC		Yakama Power	U.S.	274	274	-	-	273	273	-	-	(6)	(6)	8	8	-	-
2013	WECC		Yampa Valley Electric Association	U.S.	7,968	7,968	-	-	7,923	7,923	-	-	(184)	(184)	229	229	-	-
2013	WECC		Yuma Irrigation District	U.S.	39	39	-	-	39	39	-	-	(1)	(1)	1	1	-	-
2013	WECC		Yuma-Mesa Irrigation District	U.S.	2	2	-	-	2	2	-	-	(0)	(0)	0	0	-	-
TOTAL WECC					10,739,401	9,315,301	1,273,976	150,123	10,910,506	9,262,382	1,502,220	145,903	(214,982)	(214,982)	43,877	267,901	(228,244)	4,220
TOTAL ERO					55,308,375	50,046,840	5,111,411	150,123	56,463,375	49,762,532	6,554,940	145,903	(1,155,000)	(1,155,000)	0	1,439,308	(1,443,528)	4,220
Summary by Regional Entity																		
2013	FRCC				2,795,837	2,795,837	-	-	2,779,954	2,779,954	-	-	(64,523)	(64,523)	80,406	80,406	-	-
2013	MRO				3,667,984	3,066,780	601,204	-	3,633,662	3,049,358	584,304	-	(70,776)	(70,776)	105,098	88,198	16,900	-
2013	NPCC				6,936,475	3,700,244	3,236,231	-	8,147,639	3,679,224	4,468,415	-	(85,396)	(85,396)	(1,125,768)	106,416	(1,232,184)	-
2013	RF				11,480,414	11,480,414	-	-	11,415,196	11,415,196	-	-	(264,949)	(264,949)	330,168	330,168	-	-
2013	SERC				12,747,985	12,747,985	-	-	12,675,566	12,675,566	-	-	(294,203)	(294,203)	366,622	366,622	-	-
2013	SPP				2,737,128	2,737,128	-	-	2,721,578	2,721,578	-	-	(63,168)	(63,168)	78,718	78,718	-	-
2013	TRE				4,203,151	4,203,151	-	-	4,179,274	4,179,274	-	-	(97,002)	(97,002)	120,879	120,879	-	-
2013	WECC				10,739,401	9,315,301	1,273,976	150,123	10,910,506	9,262,382	1,502,220	145,903	(214,982)	(214,982)	43,877	267,901	(228,244)	4,220
Total					55,308,375	50,046,840	5,111,411	150,123	56,463,375	49,762,532	6,554,940	145,903	(1,155,000)	(1,155,000)	0	1,439,308	(1,443,528)	4,220

Data Year	Regional Entity	ID	Entity	Country	Total Regional Entity Assessments (Including WIRAB Assessments)				Regional Entity NEL Assessments				Penalty Sanctions - US Only		NPCC CORC Program			WECC Compliance Assessments (ex.AES0)				WIRAB 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	Mexico Total	Total	US Total	Canada Total	Mexico Total	
2013	WECC		Town of Fredonia	U.S.	341	341	-	-	317	317	-	-	(2)	(2)					12	12			13	13		
2013	WECC		Town of Stellacoom	U.S.	1,285	1,285	-	-	1,198	1,198	-	-	(8)	(8)					45	45			50	50		
2013	WECC		Town of Wickenburg	U.S.	826	826	-	-	770	770	-	-	(5)	(5)					29	29			32	32		
2013	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	64,141	64,141	-	-	59,780	59,780	-	-	(400)	(400)					2,248	2,248			2,513	2,513		
2013	WECC		Tri-State Generation & Transmission Assoc. Inc - Reliability	U.S.	230,756	230,756	-	-	215,068	215,068	-	-	(1,439)	(1,439)					8,087	8,087			9,040	9,040		
2013	WECC		Tri-State Generation & Transmission Association, Inc.	U.S.	82,194	82,194	-	-	76,606	76,606	-	-	(513)	(513)					2,881	2,881			3,220	3,220		
2013	WECC		Truckee Donner Public Utility District	U.S.	4,798	4,798	-	-	4,472	4,472	-	-	(30)	(30)					168	168			188	188		
2013	WECC		Tucson Electric Power Company	U.S.	469,162	469,162	-	-	437,266	437,266	-	-	(2,926)	(2,926)					16,443	16,443			18,379	18,379		
2013	WECC		Turlock Irrigation District	U.S.	66,406	66,406	-	-	61,891	61,891	-	-	(414)	(414)					2,327	2,327			2,601	2,601		
2013	WECC		U.S. Army Yuma Proving Ground	U.S.	508	508	-	-	473	473	-	-	(3)	(3)					18	18			20	20		
2013	WECC		U.S. BOR Columbia Basin	U.S.	1,037	1,037	-	-	967	967	-	-	(6)	(6)					36	36			41	41		
2013	WECC		U.S. BOR East Greenacres (Rathdrum)	U.S.	130	130	-	-	121	121	-	-	(1)	(1)					5	5			5	5		
2013	WECC		U.S. Bor Spokane Indian Development	U.S.	98	98	-	-	91	91	-	-	(1)	(1)					3	3			4	4		
2013	WECC		U.S. BOR The Dalles Project	U.S.	570	570	-	-	531	531	-	-	(4)	(4)					20	20			22	22		
2013	WECC		U.S. DOE National Energy Technology Laboratory	U.S.	150	150	-	-	140	140	-	-	(1)	(1)					5	5			6	6		
2013	WECC		Umatilla Electric Cooperative Association	U.S.	35,455	35,455	-	-	33,045	33,045	-	-	(221)	(221)					1,243	1,243			1,389	1,389		
2013	WECC		Unit B Irrigation District	U.S.	1	1	-	-	1	1	-	-	(0)	(0)					0	0			0	0		
2013	WECC		US Air Force Base, Fairchild	U.S.	1,526	1,526	-	-	1,422	1,422	-	-	(10)	(10)					53	53			60	60		
2013	WECC		US Dept of Energy - Kirtland AFB	U.S.	12,775	12,775	-	-	11,907	11,907	-	-	(80)	(80)					448	448			500	500		
2013	WECC		USDOE Richland	U.S.	5,836	5,836	-	-	5,439	5,439	-	-	(36)	(36)					205	205			229	229		
2013	WECC		USN Naval Station, Bremerton	U.S.	7,796	7,796	-	-	7,266	7,266	-	-	(49)	(49)					273	273			305	305		
2013	WECC		USN Naval Station, Everett	U.S.	339	339	-	-	316	316	-	-	(2)	(2)					12	12			13	13		
2013	WECC		USN Submarine Base, Bangor	U.S.	5,296	5,296	-	-	4,936	4,936	-	-	(33)	(33)					186	186			207	207		
2013	WECC		Vera Water and Power	U.S.	7,305	7,305	-	-	6,809	6,809	-	-	(46)	(46)					256	256			286	286		
2013	WECC		Vigilante Electric Cooperative, Inc.	U.S.	494	494	-	-	461	461	-	-	(3)	(3)					17	17			19	19		
2013	WECC		Wasco Electric Cooperative	U.S.	3,017	3,017	-	-	2,812	2,812	-	-	(19)	(19)					106	106			118	118		
2013	WECC		Wells Rural Electric Cooperative	U.S.	20,913	20,913	-	-	19,491	19,491	-	-	(130)	(130)					733	733			819	819		
2013	WECC		Wellton-Mohawk Irrigation & Drainage District	U.S.	12	12	-	-	12	12	-	-	(0)	(0)					0	0			0	0		
2013	WECC		West Oregon Electric Cooperative, Inc.	U.S.	400	400	-	-	373	373	-	-	(2)	(2)					14	14			16	16		
2013	WECC		West Oregon Electric Cooperative, Inc.	U.S.	1,755	1,755	-	-	1,636	1,636	-	-	(11)	(11)					62	62			69	69		
2013	WECC		Western Area Power - Loveland, CO	U.S.	11,326	11,326	-	-	10,556	10,556	-	-	(71)	(71)					397	397			444	444		
2013	WECC		Western Area Power - Loveland, CO	U.S.	63,809	63,809	-	-	59,555	59,555	-	-	(398)	(398)					2,239	2,239			2,503	2,503		
2013	WECC		Western Area Power Administration - CRSP	U.S.	63,868	63,868	-	-	59,526	59,526	-	-	(398)	(398)					2,238	2,238			2,502	2,502		
2013	WECC		Western Area Power Administration - Sierra Nevada Region	U.S.	41,192	41,192	-	-	38,392	38,392	-	-	(257)	(257)					1,444	1,444			1,614	1,614		
2013	WECC		Western Area Power Administration-Desert Southwest Region	U.S.	100,325	100,325	-	-	93,505	93,505	-	-	(626)	(626)					3,516	3,516			3,930	3,930		
2013	WECC		Western Area Power Administration-Upper Great Plains Region	U.S.	239	239	-	-	223	223	-	-	(1)	(1)					8	8			9	9		
2013	WECC		Western Area Power Administration-Upper Great Plains Region	U.S.	12,169	12,169	-	-	11,341	11,341	-	-	(76)	(76)					426	426			477	477		
2013	WECC		Wyoming Municipal Power Agency	U.S.	8,718	8,718	-	-	8,125	8,125	-	-	(54)	(54)					306	306			342	342		
2013	WECC		Yakama Power	U.S.	675	675	-	-	630	630	-	-	(4)	(4)					24	24			26	26		
2013	WECC		Yampa Valley Electric Association	U.S.	19,614	19,614	-	-	18,281	18,281	-	-	(122)	(122)					687	687			768	768		
2013	WECC		Yuma Irrigation District	U.S.	97	97	-	-	90	90	-	-	(1)	(1)					3	3			4	4		
2013	WECC		Yuma-Mesa Irrigation District	U.S.	5	5	-	-	5	5	-	-	(0)	(0)					0	0			0	0		
TOTAL WECC					26,090,293	22,931,192	2,795,630	363,471	25,175,135	21,372,219	3,466,255	336,661	(143,000)	(143,000)					(0)	803,659	(816,318)	12,659	1,058,158	898,314	145,693	14,150
TOTAL ERO					108,274,053	98,226,561	9,684,022	363,471	102,956,250	94,397,995	8,221,595	336,661	(4,308,500)	(4,308,500)	8,568,145	6,435,093	2,133,052		(0)	803,659	(816,318)	12,659	1,058,158	898,314	145,693	14,150
Summary by Regional Entity																										
2013	FRCC				6,062,838	6,062,838	-	-	6,237,838	6,237,838	-	-	(175,000)	(175,000)					-	-			-	-	-	
2013	MRO				9,426,019	7,846,770	1,579,249	-	9,821,019	8,241,770	1,579,249	-	(395,000)	(395,000)					-	-			-	-	-	
2013	NPCC				14,068,878	8,759,736	5,309,142	-	5,791,233	2,615,143	3,176,090	-	(290,500)	(290,500)	8,568,145	6,435,093	2,133,052		-	-			-	-	-	
2013	RF				18,713,897	18,713,897	-	-	19,283,897	19,283,897	-	-	(570,000)	(570,000)					-	-			-	-	-	
2013	SERC				13,731,034	13,731,034	-	-	15,518,034	15,518,034	-	-	(1,787,000)	(1,787,000)					-	-			-	-	-	
2013	SPP				9,680,648	9,680,648	-	-	10,145,148	10,145,148	-	-	(464,500)	(464,500)					-	-			-	-	-	
2013	TRE				10,500,446	10,500,446	-	-	10,983,946	10,983,946	-	-	(483,500)	(483,500)					-	-			-	-	-	
2013	WECC				26,090,293	22,931,192	2,795,630	363,471	25,175,135	21,372,219	3,466,255	336,661	(143,000)	(143,000)					(0)	803,659	(816,318)	12,659	1,058,158	898,314	145,693	14,150
Total					108,274,053	98,226,561	9,684,022	363,471	102,956,250	94,397,995	8,221,595	336,661	(4,308,500)	(4,308,500)	8,568,145	6,435,093	2,133,052		(0)	803,659	(816,318)	12,659	1,058,158	898,314	145,693	14,150

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 3

WESTERN ELECTRICITY COORDINATING COUNCIL

PROPOSED 2015 BUSINESS PLAN AND BUDGET



2015 Business Plan and Budget

Western Electricity Coordinating Council

Approved by:
WECC Board of Directors

Date:
June 25, 2014

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Introduction

	TOTAL RESOURCES (in whole dollars)			
	2015 Budget	U.S.	Canada	Mexico
Statutory FTEs*	137.5			
Non-statutory FTEs	5.0			
Total FTEs	142.5			
Statutory Expenses	\$ 25,699,428			
Non-Statutory Expenses	\$ 1,669,241			
Total Expenses	\$ 27,368,669			
Statutory Inc(Dec) in Fixed Assets	\$ 600,607			
Non-Statutory Inc(Dec) in Fixed Assets	\$ 8,607			
Total Inc(Dec) in Fixed Assets	\$ 609,214			
Statutory Working Capital Requirement**	2,662,817			
Non-Statutory Working Capital Requirement	3,096,156			
Total Working Capital Requirement	5,758,973			
Total Statutory Funding Requirement	\$ 26,300,035			
Total Non-Statutory Funding Requirement	\$ 1,630,875			
Total Funding Requirement	\$ 27,930,910			
Statutory Funding Assessments	\$ 25,032,135	\$ 22,042,259	\$ 2,662,329	\$ 350,548
Non-Statutory Fees	\$ 1,630,875	\$ 1,549,331	\$ 81,544	\$ -
NEL****	868,549,865	737,348,098	119,586,872	11,614,895
NEL%	100.00%	84.89%	13.77%	1.34%

*An FTE is defined as a full-time equivalent employee.

**Refer to the Statutory Reserve Analysis on page 51 in Section B.

***Refer to the Non-Statutory Reserve Analysis on page 69 in Section C.

****NEL is defined as Net Energy for Load.

Organizational Overview

The Western Electricity Coordinating Council (WECC) is a 501(c)(4) entity operating in the “best interest of the public welfare.” WECC’s mission is to foster and promote reliability and efficient coordination in the Western Interconnection. WECC’s website is <http://www.wecc.biz>.

The Western Interconnection is a geographic area in which the use and generation of electricity is synchronized. This area includes all or part of 14 Western states in the United States, two Canadian provinces, and a portion of Baja California Norte, Mexico. WECC will lead the stakeholders in the Western Interconnection to achieve appropriate system reliability, be the premier source of unbiased information, and serve as the trusted thought leader for the Western Interconnection by providing:

- 1) impartial independent review and analysis of reliability issues impacting the Western Interconnection;
- 2) development of electric reliability standards incorporating Western Interconnection experience and knowledge;

- 3) consistent and fair monitoring and enforcement activities for compliance with reliability standards;
- 4) event analysis and lessons-learned from system events; and
- 5) value for its membership through cost effective and efficient services and practices through:
 - a) being a centralized repository of reliable information relating to the planning and operation of the Bulk Electric System (BES) in the Western Interconnection;
 - b) coordinating system planning and modeling;
 - c) sharing of, and providing comment on adherence to, recognized industry best practices;
 - d) facilitating resolution of market seams and coordination issues;
 - e) secure sharing of critical reliability data; and
 - f) providing a robust stakeholder forum.

WECC's business philosophy is guided by the following core values:

Integrity – We are honest, ethical, and trustworthy. We honor our commitments. We take personal responsibility for our actions. We treat everyone fairly and with respect.

Teamwork – We recognize our strength is derived from collaborative efforts. We continually learn, and share ideas and knowledge. We encourage cooperative efforts across all activities in the Western Interconnection.

Excellence – We strive for continuous quality improvement in all that we do.

Inclusiveness – We foster an open and participatory environment that encourages innovative ideas and diverse perspectives from all stakeholders.

Professionalism – We conduct ourselves with skill, good judgment, and polite behavior across all committees, forums, and stakeholder interactions.

Membership and Governance

WECC has 341 members¹ divided into the following five membership classes:

1. Large Transmission Owners
2. Small Transmission Owners
3. Transmission Dependent Energy Service Providers
4. End Users
5. Representatives of State and Provincial Governments

¹ As of June 10, 2014

WECC membership is open to any person or entity that has an interest in the reliable operation of the Western Interconnection BES. WECC membership is not a requirement for participation in the WECC standards development process.²

WECC is governed by a nine-member Independent Board of Directors and a Chief Executive Officer. The WECC Board is elected by the WECC membership and the Directors are compensated for their time. The nine Independent Directors are not:

- full-time employees of any Registered Entity;
- affiliated with any member or Registered Entity operating in the Western Interconnection; or
- Directors of an entity performing the function of Reliability Coordinator in the Western Interconnection.

WECC has seven Board Committees that provide additional oversight of WECC operations:

- Finance and Audit Committee
- Governance Committee
- Human Resources and Compensation Committee
- Nominating Committee
- RMS Reliability Compliance Committee
- WECC Standards Committee
- Transmission Expansion Planning and Policy Committee

Under the direction of the WECC Board, five Standing Committees provide the Board with technical work and policy recommendations.

1. **The Member Advisory Committee (MAC)** – advises the Board on any matters the Board requests the committee to evaluate or consider, and advises the Board on matters as the MAC deems appropriate. The MAC Chair attends WECC Board meetings to provide advice, clarifications or respond to Directors' questions. The Board gives serious consideration to the MAC's recommendations and responds to MAC recommendations through a means that the Board determines appropriate. The MAC is comprised of three representatives from each of the five Member Classes, for a total of 15 members. MAC representatives communicate and obtain input from their respective class membership.
2. **WECC Standards Committee (WSC)** – oversees the process for responding to requests for Regional Reliability Standards and Regional Criteria in accordance with the Reliability Standards Development Procedures. The WECC Standards Committee consists of one

² Non-WECC members may participate in standards drafting teams and Participating Stakeholders may vote on Regional Reliability Standards. A Participating Stakeholder is defined in Section 3.23 of the WECC Bylaws and the Participating Stakeholder Application Process is described in Section 8.7.4. WECC's Reliability Standards Voting Procedures are detailed in the Reliability Standards Development Procedures.

member from each of the WECC Standards Voting Sectors and a member of the WECC Board who shall act as chair of the committee.

- 3 **Planning Coordination Committee (PCC)** – advises the Board and makes recommendations on all matters within the jurisdiction of WECC pertaining to maintaining reliability through evaluating generation and load balance and the adequacy of the physical infrastructure of the BES within the Western Interconnection. All member organizations are eligible for representation on the committee.
- 4 **Operating Committee (OC)** – advises the Board and makes recommendations on all matters within the jurisdiction of WECC pertaining to maintaining reliability through the operation and security of the BES in the Western Interconnection. All member organizations are eligible for representation on the committee.
- 5 **Market Interface Committee (MIC)** – advises the Board and makes recommendations on the development of consistent Market Interface practices and compatible commercial practices within the Western Interconnection. It considers matters pertaining to the impact of North American Electric Reliability Corporation (NERC) Reliability Standards and WECC’s Regional Reliability Standards, Regional Criteria, procedures on the commercial electricity market in the Western Interconnection, and facilitates analysis of the impact of electricity market practices on electric system reliability. All member organizations are eligible for representation on the committee.

Statutory Functional Scope

WECC has been approved by the Federal Energy Regulatory Commission (FERC) as a Regional Entity, with authority — pursuant to the WECC /NERC Delegation Agreement — to create, monitor, and enforce standards for the reliability of the BES in the Western Interconnection.

2015 Key Assumptions

NERC and the eight Regional Entities collaborated in the development of a common operating model with complementary roles and responsibilities, an ERO Enterprise Strategic Plan, and a set of business planning assumptions, goals, metrics and key deliverables for the 2014 through 2017 period. NERC and the Regional Entities’ business plans and budgets reflect the work mentioned above. The entire set of Common Assumptions is provided in Exhibit A to the NERC 2015 Business Plan and Budget. WECC supports these Common Assumptions as well as assumptions specific to WECC, which are described in each statutory program area in [Section A](#) of this document.

2015 WECC Business Objectives

WECC’s business objectives for 2015 are as follows:

1. Continue to develop and track Bulk Electric System performance metrics to measure the impact of WECC programs and initiatives.
2. Deliver efficiencies while ensuring a high degree of excellence in the Compliance, Monitoring and Enforcement Program.
3. Enhance the website to facilitate the distribution of information and user interface.

4. Strengthen the employee value proposition to enhance employee engagement.
5. Review WECC's existing organizational structure and identify areas for synergies and efficiencies.
6. Improve policy documentation and training to create well-defined boundaries and manager tools.
7. Publicize the value of WECC products to ensure their use by industry, policy makers and opinion leaders.
8. Engage senior leadership in the Western Interconnection to develop a shared vision of WECC's mission and value.
9. Engage policy makers and opinion leaders to develop a shared vision of WECC's mission and value.
10. Provide cross-training opportunities to strengthen and deepen bench strength.
11. Refine the employee performance measures to enhance professionalism.
12. Develop a greater sense of business acumen to ensure financial stewardship over the budget.
13. Develop problem-solving and decision-making models that drive value-added expenditures.

2015 Overview of Cost Impacts

WECC's proposed 2015 statutory budget is \$26.3 million, a \$662,000 (2.58 percent) increase from the 2014 statutory budget. The increase is mainly attributable to Remedial Action Scheme (RAS) modeling software enhancements, labor float assumption changes, and the end of the Regional Transmission Expansion Program (RTEP) U.S. Department of Energy (DOE) grant. Expenses associated with the RTEP grant decrease by \$3.6 million. Non-grant expenditures increase by \$4.2 million.

Full-time equivalents (FTE) represent the fractional allocation of a full-time position's cost to one or more functional areas. Headcount represents either vacant or filled positions. Significant changes to the 2015 statutory budget from the 2014 statutory budget are as follows:

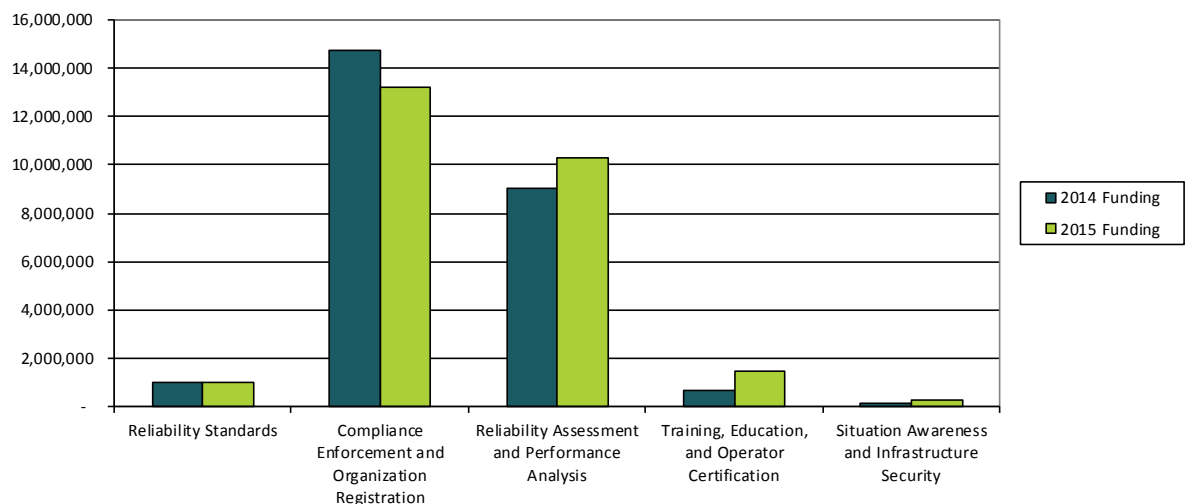
- Personnel Expenses increase by \$1.5 million primarily due to a change in labor float percentages and the net addition of three positions. In 2014, WECC budgeted for a 15 percent labor float adjustment across every department. In 2015, the labor float reductions were specific to more recent turnover rates in each department, ranging from zero to 10 percent, and averaging out to approximately an 8 percent rate. However, Benefits expense is decreasing to better reflect actual experience.
- Consultants and Contracts decrease by \$2.3 million, mainly due to the conclusion of the RTEP grant.
- Office costs increase by \$222,000 primarily due to increases in software license fees, which include rate increases as well as new user licenses.
- Professional Fees increase by a net of \$230,000 primarily due to recent changes in WECC's Independent Director compensation structure.

- Fixed Assets increase by \$1.0 million mainly due to enhanced RAS modeling as a result of findings in the *Arizona-Southern California Outages on September 8, 2011: Causes and Recommendations* report.

A summary of funding requirements for WECC's primary statutory functional areas is shown in the following table and graphs:

Program	Budget 2014	Projection 2014	Budget 2015	2014 Budget v 2015	
				Budget	Variance %
Reliability Standards	1,023,001	987,096	1,026,818	3,817	0.4%
Compliance Enforcement and Organization Registration	14,763,348	13,881,416	13,178,512	(1,584,836)	-10.7%
Reliability Assessment and Performance Analysis	9,054,046	10,510,468	10,301,986	1,247,940	13.8%
Training, Education, and Operator Certification	689,277	531,214	1,497,717	808,440	117.3%
Situation Awareness and Infrastructure Security	108,410	280,465	295,002	186,593	172.1%
Total By Program	25,638,082	26,190,659	26,300,035	661,954	

Comparison of 2015 to 2014 Budgeted Funding Requirements



*This graphical representation does not include an allocation of working capital requirements among the program areas.

Personnel Analysis

In 2015, there is a net increase of 2.5 FTEs (three positions). Four new auditors are being added in 2015 and one position in General and Administrative is being eliminated. Additionally, WECC realigned and shifted some positions between program areas in 2015 to more appropriately classify costs based on the scope of work. Those shifts account for the balance of the changes in FTEs between 2014 and 2015.

Total FTEs by Program Area	Budget	Projection	Direct FTEs	Shared	Total FTEs	Change
	2014	2014	2015 Budget	FTEs* 2015 Budget	2015 Budget	from 2014 Budget
STATUTORY						
Operational Programs						
Reliability Standards	4.0	4.0	4.0	0.0	4.0	-
Compliance and Organization Registration and Certification	58.0	52.0	53.5	0.0	53.5	(4.5)
Training and Education	2.0	2.0	3.1	0.0	3.1	1.1
Reliability Assessment and Performance Analysis	23.6	31.9	30.8	0.0	30.8	7.2
Situation Awareness and Infrastructure Security	0.5	1.2	1.2	0.0	1.2	0.7
Total FTEs Operational Programs	88.1	91.1	92.6	0.0	92.6	4.5
Administrative Programs						
Technical Committees and Member Forums	9.0	1.5	0.0	0.0	0.0	(9.0)
General & Administrative	15.2	18.0	20.9	0.0	20.9	5.7
Information Technology	9.0	7.5	10.0	0.0	10.0	1.0
Legal and Regulatory	6.0	6.0	6.0	0.0	6.0	-
Human Resources	3.0	2.8	3.0	0.0	3.0	-
Finance and Accounting	4.7	4.0	5.0	0.0	5.0	0.3
Total FTEs Administrative Programs	46.9	39.8	44.9	0.0	44.9	(2.0)
Total FTEs	135.0	130.9	137.5	0.0	137.5	2.5

*A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

WECC's budgeted percentages for labor float (turnover, hiring delays, etc.) changed in 2015 to better reflect actual conditions. In 2014, a flat 15 percent was removed from salaries, payroll taxes, retirement contributions, and insurance across the organization. For 2015, WECC tailored the labor float percentage to each department based on the most recent turnover information available. The percentages range from zero to 10 percent in 2015.

2014 Budget and Projection and 2015 Budget Comparisons

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2014 Budget & Projection, and 2015 Budget					
STATUTORY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ 15,630,852	\$ 15,630,852	\$ -	\$ 25,032,135	\$ 9,401,283
Penalty Sanctions	2,933,050	2,933,050	-	143,000	(2,790,050)
Total WECC Funding	\$ 18,563,902	\$ 18,563,902	\$ -	\$ 25,175,135	\$ 6,611,233
Membership Dues	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	3,628,308	3,628,308	-	(0)	(3,628,308)
Services & Software	-	-	-	-	-
Workshops	957,929	1,117,184	159,255	1,055,900	97,971
Interest	69,000	64,860	(4,140)	69,000	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 23,219,139	\$ 23,374,254	\$ 155,115	\$ 26,300,035	\$ 3,080,896
Expenses					
Personnel Expenses					
Salaries	\$ 12,096,225	\$ 12,945,375	\$ 849,150	\$ 13,095,525	\$ 999,300
Payroll Taxes	774,001	940,446	\$ 166,445	960,685	186,684
Benefits	2,129,744	1,864,756	\$ (264,988)	2,100,312	(29,432)
Retirement Costs	774,001	1,105,210	\$ 331,209	1,122,028	348,027
Total Personnel Expenses	\$ 15,773,971	\$ 16,855,787	\$ 1,081,816	\$ 17,278,551	\$ 1,504,580
Meeting Expenses					
Meetings	\$ 873,476	\$ 770,927	\$ (102,549)	\$ 813,548	\$ (59,928)
Travel	1,484,456	1,095,962	(388,494)	1,422,823	(61,633)
Conference Calls	114,222	61,981	(52,241)	75,239	(38,983)
Total Meeting Expenses	\$ 2,472,154	\$ 1,928,870	\$ (543,284)	\$ 2,311,610	\$ (160,544)
Operating Expenses					
Consultants & Contracts	\$ 4,387,302	\$ 4,205,741	\$ (181,561)	\$ 2,123,220	\$ (2,264,082)
Office Rent	936,072	939,767	3,695	987,136	51,064
Office Costs	1,405,454	1,294,815	(110,639)	1,627,611	222,157
Professional Services	758,756	1,103,692	344,936	988,350	229,594
Miscellaneous	-	-	-	-	-
Depreciation	580,000	654,069	74,069	875,000	295,000
Total Operating Expenses	\$ 8,067,584	\$ 8,198,084	\$ 130,500	\$ 6,601,317	\$ (1,466,267)
Total Direct Expenses	\$ 26,313,709	\$ 26,982,741	\$ 669,032	\$ 26,191,478	\$ (122,231)
Indirect Expenses	\$ (541,111)	\$ (419,120)	\$ 121,991	\$ (492,049)	\$ 49,062
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 25,772,598	\$ 26,563,621	\$ 791,023	\$ 25,699,428	\$ (73,170)
Change in Assets	\$ (2,553,459)	\$ (3,189,367)	\$ (635,908)	\$ 600,607	\$ 3,154,066
Fixed Assets					
Depreciation	\$ (580,000)	\$ (654,069)	\$ (74,069)	\$ (875,000)	\$ (295,000)
Computer & Software CapEx	309,487	228,107	(81,380)	1,319,000	1,009,513
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	136,000	53,000	(83,000)	148,000	12,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ 8,607	\$ 8,607
Incr(Dec) in Fixed Assets (C)	\$ (134,513)	\$ (372,962)	\$ (238,449)	\$ 600,607	\$ 735,120
TOTAL BUDGET (B+C)	25,638,085	26,190,659	552,574	26,300,035	661,951
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (2,418,946)	\$ (2,816,405)	\$ (397,459)	\$ -	\$ 2,418,945
FTEs	135.0	130.9	(4.1)	137.5	2.5
HC	135.0	129.0	(6.0)	138.0	3.0

Section A – Statutory Programs

2015 Business Plan and Budget

Section A — 2015 Business Plan

Reliability Standards Program

Reliability Standards Program (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	4.0	4.0	-
Direct Expenses	\$ 597,739	\$ 640,064	\$ 42,325
Indirect Expenses	\$ 432,890	\$ 393,639	\$ (39,251)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (7,628)	\$ (6,885)	\$ 743
Total Funding Requirement	\$ 1,023,001	\$ 1,026,818	\$ 3,817

Program Scope and Functional Description

WECC's standards development activities are divided into two categories:

1. Participation in the NERC Reliability Standards Development Procedure.
2. Development of Western Interconnection Regional Reliability Standards (RRS) and Regional Criteria.

WECC's standards development process is overseen by the WECC Standards Committee and is open to participation by all parties interested in providing input during the drafting, comment, and approval processes. Each standard is recommended by vote of a ballot pool formed from the WECC Ballot Body. Once approved by the WECC Board, the standards are sent to the NERC Board of Trustees (BOT) for adoption. Upon NERC BOT adoption, WECC staff works with NERC to file these reliability standards with FERC for approval. The WECC Reliability Standards Development Procedures are also used for the development of WECC Regional Criteria.

2015 Key Assumptions

- WECC expects that a significant proportion of the work required to develop regional standards and regional criteria will continue to be performed by voluntary stakeholder participation.
- WECC will continue to rely on stakeholder volunteers for the staffing of the majority of NERC Standards drafting teams. WECC staff may, at times, participate as drafting team members or observers.
- WECC Standards staff will take an active role in the coordination and communication of NERC Standards drafting teams' activities to the Western stakeholders.
- Depending on the final treatment of the NERC Fill-in-the-Blank Standards, it may be necessary to develop one or more RRSs to address any regional obligations in this area.
- Completion of several current WECC RRS and Regional Criteria projects will allow for the development work on unforeseen future projects.
- Integration of renewable resources may require new or modified NERC Reliability Standards.

2015 Goals and Key Deliverables

- Ensure the Western Interconnection perspective is represented in NERC continent-wide Reliability Standards.
- Ensure that the RRSs and Regional Criteria developed by the WECC Standards Department meet the needs of the Western stakeholders.
- Ensure that WECC members and stakeholders are informed and engaged in the NERC Standards development efforts.
- Provide leadership and guidance to encourage Western Interconnection stakeholder awareness and participation in the development of NERC Results-Based Standards.
- Undertake regular outreach to keep stakeholders informed about standards development and the NERC Results-Based Standards initiative.
- Provide support to NERC's informal outreach efforts.
- Provide support to the NERC Cost Effective Analysis Process.
- Ensure that WECC's procedures are developed and updated as necessary to comply with the requirements of any remaining NERC Fill-in-the-Blank Standards.
- Monitor NERC Standards development projects and provide timely analyses to Western Stakeholders.
- Post updates and provide enhancements to the WECC Standards Outreach Web page.
- Facilitate and support the activities of the WECC Standards Committee.
- Continue support of the NERC Standards Committee and its subcommittees.

Funding Sources and Requirements — Explanation of Increase (Decrease)**Funding Sources (Other than Electric Reliability Organization (ERO) Assessments)**

- Assessments are offset by the allocation of \$5,000 in penalty sanctions received by WECC on or prior to June 30, 2014.
- Interest revenue is allocated based on FTEs.

Personnel Expenses

- Personnel Expenses increase by \$42,000 primarily due to the refinement of the labor float percentage.

Meeting Expenses

- No material changes.

Operating Expenses

- No material changes.

Indirect Expenses

- Indirect Expenses are allocated based on FTEs. The reliability standards allocation decrease is primarily due to an overall reduction of costs in the Administrative Services areas and the increase in FTEs in other Statutory Program Areas. As noted in the Introduction, WECC realigned and shifted some positions between program areas in 2015 to more appropriately classify costs based on the scope of work.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Reliability Standards Program

Funding sources and related expenses for the Reliability Standards section of the 2015 Business Plan and Budget are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
RELIABILITY STANDARDS					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ 790,180	\$ 790,180	\$ -	\$ 1,017,660	\$ 227,480
Penalty Sanctions	133,169	133,169	-	6,177	(126,992)
Total WECC Funding	\$ 923,349	\$ 923,349	\$ -	\$ 1,023,837	\$ 100,488
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	3,133	2,945	(188)	2,981	(152)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 926,482	\$ 926,294	\$ (188)	\$ 1,026,818	\$ 100,336
Expenses					
Personnel Expenses					
Salaries	\$ 447,768	\$ 446,025	\$ (1,743)	\$ 477,416	\$ 29,648
Payroll Taxes	30,138	31,353	1,215	34,358	4,220
Benefits	48,499	30,314	(18,185)	44,967	(3,532)
Retirement Costs	30,138	40,570	10,432	41,514	11,376
Total Personnel Expenses	\$ 556,543	\$ 548,262	\$ (8,281)	\$ 598,255	\$ 41,712
Meeting Expenses					
Meetings	\$ 528	\$ 396	\$ (132)	\$ 528	\$ -
Travel	28,360	24,618	(3,742)	32,175	3,815
Conference Calls	4,188	3,624	(564)	3,027	(1,161)
Total Meeting Expenses	\$ 33,076	\$ 28,638	\$ (4,438)	\$ 35,730	\$ 2,654
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	8,120	5,985	(2,135)	6,079	(2,041)
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ 8,120	\$ 5,985	\$ (2,135)	\$ 6,079	\$ (2,041)
Total Direct Expenses	\$ 597,739	\$ 582,885	\$ (14,854)	\$ 640,064	\$ 42,325
Indirect Expenses	\$ 432,890	\$ 407,979	\$ (24,911)	\$ 393,639	\$ (39,251)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 1,030,629	\$ 990,864	\$ (39,765)	\$ 1,033,703	\$ 3,074
Change in Assets	\$ (104,147)	\$ (64,570)	\$ 39,577	\$ (6,885)	\$ 97,262
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (7,628)	\$ (3,768)	\$ 3,860	\$ (6,885)	\$ 743
Incr(Dec) in Fixed Assets (C)	\$ (7,628)	\$ (3,768)	\$ 3,860	\$ (6,885)	\$ 743
TOTAL BUDGET (B+C)	1,023,001	987,096	(35,905)	1,026,818	3,817
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (96,519)	\$ (60,802)	\$ 35,717	\$ -	\$ 96,519
FTEs	4.0	4.0	-	4.0	-
HC	4.0	4.0	-	4.0	-

Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Compliance Monitoring and Enforcement and Organization Registration and Certification Program (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	58.0	53.5	(4.5)
Direct Expenses	\$ 8,592,053	\$ 8,025,682	\$ (566,371)
Indirect Expenses	\$ 6,276,897	\$ 5,264,920	\$ (1,011,977)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (105,602)	\$ (112,090)	\$ (6,488)
Total Funding Requirement	\$ 14,763,348	\$ 13,178,512	\$ (1,584,836)

Program Scope and Functional Description

WECC's Compliance Monitoring and Enforcement and Organization Registration and Certification Program Area (CMEP) is implemented by WECC Compliance staff members who are independent of all users, owners, and operators of the BES. All approved and effective mandatory reliability standards are monitored and enforced under the CMEP, including standards made mandatory pursuant to FERC Order 693 and the Critical Infrastructure Protection (CIP) standards under FERC Order 706. To accomplish its objectives, Compliance staff is divided into three areas: 1) Audits and Investigations for both Operations and Planning (O&P) and Critical Infrastructure Protection (CIP) Standards, 2) Enforcement, and 3) Registration.

Compliance in Alberta, British Columbia, and Mexico

Alberta and British Columbia, Canada; and Baja California Norte, Mexico are all part of the WECC footprint, and have adopted or are adopting mandatory reliability standards based on FERC-approved standards. WECC has entered into agreements with the Alberta Market Surveillance Administrator (MSA), the British Columbia Utilities Commission (BCUC), and Mexico's Comisión Federal de Electricidad (CFE) under which WECC performs compliance monitoring activities to help assure reliability across international borders within the Western Interconnection.

2015 Key Assumptions

- An increase in the number of audits and other monitoring activities scheduled for 2015 and beyond drives the addition of four auditors (two CIP and two O&P).
- WECC will provide support for activities undertaken subject to NERC's Strategic Plan, and in fulfilling WECC's role as noted above.
- WECC Compliance may be expected to respond to FERC directives and orders as well as to significant new initiatives not currently identified that may be generated by NERC or by NERC and the Regional Entities.
- WECC expects that activities relating to the transition from CIP Version 3 standards to CIP Version 5 as well as the transition to activities under the Reliability Assurance

Initiative may cause additional workload; however, due to the uncertainty of the impact on staffing, no additional resources have been added related to these initiatives.

- WECC does not anticipate any hearings in 2015.
- WECC will move Compliance Outreach and Stakeholder Relations revenues and expenses to the Training and Education Program Area in 2015 to more closely align the budget with the scope of work.
- WECC will move the Program Administration expenses to the General and Administrative Program Area to more closely align the budget with the scope of work.

2015 Goals and Key Deliverables

- Monitor and enforce compliance with mandatory standards in accordance with the WECC/NERC Delegation Agreement, including the Rules of Procedure and the CMEP within the U.S. and, with respect to non-U.S. jurisdictions, monitor compliance in accordance with the approved memoranda of understanding with Canadian and Mexican authorities.
- Work with Registered Entities within the WECC Region to promote a strong culture of compliance and reliability improvement.
 - Identify key areas needing improvement and implement educational efforts to improve compliance in those areas, based on Compliance program results and system events.
 - Identify where existing NERC Reliability Standards can be improved or clarified.
- Participate in and represent the Western Interconnection on issues that will impact WECC in NERC and regional initiatives, for example: refining risk-based monitoring, participating in the Reliability Assurance Initiative (RAI), streamlining enforcement processing, increasing consistency across the Regions, and reviewing information technology needs.
- Monitor and manage enforcement measures and metrics in support of NERC's Strategic Plan including caseload index, violation aging, and mitigation plan aging or other measures as implemented by NERC.
- Work toward implementing RAI in enforcement processes; continue to process minimal and moderate risk noncompliance through all available CMEP-approved processes such as the Find, Fix and Track, Spreadsheet Notice of Penalty, and Notice of Alleged Violation processes, or other processes that may develop as part of the RAI initiative; including for example, discretion not to pursue violations.
- Implement the BES exception process.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Assessments are offset by the allocation of \$69,000 in penalty sanctions received by WECC on or prior to June 30, 2014.

- Workshop Revenue decreases by \$438,000 due to the shift of stakeholder outreach to the Training and Education Program Area.
- Interest revenue is allocated based on FTEs.

Personnel Expenses

- FTEs decrease by a net of 4.5. Seven FTEs are being transferred to the new Business Services Department in the General and Administrative Program Area, one FTE is being transferred to the Training and Education Program Area and four new auditors (3.5 FTEs) are being added due to a 40 percent increase in the 2015 audit schedule.
- Personnel Expenses increase by a net of \$324,000 primarily due to the refinement of the labor float percentage.

Meeting Expenses

- Meetings decrease by \$456,000 due to the shift of stakeholder outreach to the Training and Education Program Area.
- Travel decreases by \$116,000 due to the shift of positions to other program areas as well as budget assumption refinement.

Operating Expenses

- Consultants and Contracts increase by \$43,000 due to an increase in the use of contractors for specific expertise and the increased audit schedule, net of the effect of shifting some Consultants and Contracts expense to General and Administrative.
- Office Costs decrease by \$318,000 primarily due to the shift of the Program Administration Department to General and Administrative.

Indirect Expenses

- Indirect Expenses are allocated based on FTEs. The Compliance allocation decreases by \$1.2 million due to the reduction of FTEs in Compliance and reduced expenses in the Administrative Services areas. As noted in the Introduction, WECC realigned and shifted some positions between program areas in 2015 to ensure consistency with other Regions and to more appropriately classify costs based on the work being performed.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Compliance Enforcement and Organization and Registration and Certification Program

Funding sources and related expenses for the Compliance Enforcement and Organization and Registration and Certification section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
COMPLIANCE AND ORGANIZATION REGISTRATION AND CERTIFICATION					
	2014 Budget	2014 Projection	Variance 2013 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ 10,955,928	\$ 10,955,928	\$ -	\$ 13,056,028	\$ 2,100,100
Penalty Sanctions	1,930,952	1,930,952	-	82,619	(1,848,333)
Total WECC Funding	\$ 12,886,880	\$ 12,886,880	\$ -	\$ 13,138,647	\$ 251,767
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	438,125	592,480	154,355	-	(438,125)
Interest	45,426	42,700	(2,726)	39,865	(5,561)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 13,370,431	\$ 13,522,060	\$ 151,629	\$ 13,178,512	\$ (191,919)
Expenses					
Personnel Expenses					
Salaries	\$ 4,769,767	\$ 5,153,937	\$ 384,170	\$ 5,032,890	\$ 263,123
Payroll Taxes	322,315	389,211	66,896	387,555	65,240
Benefits	795,563	617,345	(178,218)	675,026	(120,537)
Retirement Costs	322,315	428,856	106,541	438,745	116,430
Total Personnel Expenses	\$ 6,209,960	\$ 6,589,349	\$ 379,389	\$ 6,534,216	\$ 324,256
Meeting Expenses					
Meetings	\$ 462,503	\$ 556,477	\$ 93,974	\$ 6,685	\$ (455,818)
Travel	966,340	655,399	(310,941)	849,896	(116,444)
Conference Calls	41,780	16,444	(25,336)	13,152	(28,628)
Total Meeting Expenses	\$ 1,470,623	\$ 1,228,320	\$ (242,303)	\$ 869,733	\$ (600,890)
Operating Expenses					
Consultants & Contracts	\$ 424,800	\$ 636,625	\$ 211,825	\$ 467,920	\$ 43,120
Office Rent	-	252	252	1,600	1,600
Office Costs	450,670	166,883	(283,787)	132,213	(318,457)
Professional Services	-	5,245	5,245	-	-
Miscellaneous	-	-	-	-	-
Depreciation	36,000	28,662	(7,338)	20,000	(16,000)
Total Operating Expenses	\$ 911,470	\$ 837,667	\$ (73,803)	\$ 621,733	\$ (289,737)
Total Direct Expenses	\$ 8,592,053	\$ 8,655,336	\$ 63,283	\$ 8,025,682	\$ (566,371)
Indirect Expenses	\$ 6,276,897	\$ 5,303,725	\$ (973,172)	\$ 5,264,920	\$ (1,011,977)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 14,868,950	\$ 13,959,061	\$ (909,889)	\$ 13,290,602	\$ (1,578,348)
Change in Assets	\$ (1,498,519)	\$ (437,001)	\$ 1,061,518	\$ (112,090)	\$ 1,386,429
Fixed Assets					
Depreciation	(36,000)	(28,662)	7,338	(20,000)	16,000
Computer & Software CapEx	10,000	-	(10,000)	-	(10,000)
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	31,000	-	(31,000)	-	(31,000)
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (110,602)	\$ (48,984)	\$ 61,618	\$ (92,090)	\$ 18,512
Incr(Dec) in Fixed Assets (C)	\$ (105,602)	\$ (77,646)	\$ 27,956	\$ (112,090)	\$ (6,488)
TOTAL BUDGET (B+C)	14,763,348	13,881,416	(881,932)	13,178,512	(1,584,836)
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (1,392,917)	\$ (359,355)	\$ 1,033,562	\$ -	\$ 1,392,917
FTEs	58.0	52.0	(6.0)	53.5	(4.5)
HC	58.0	52.0	(6.0)	54.0	(4.0)

Reliability Assessment and Performance Analysis Program

Reliability Assessment and Performance Analysis			
(in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	23.6	30.8	7.2
Direct Expenses	\$ 6,516,514	\$ 6,543,983	\$ 27,469
Indirect Expenses	\$ 2,554,048	\$ 3,031,019	\$ 476,971
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (16,516)	\$ 726,984	\$ 743,500
Total Funding Requirement	\$ 9,054,046	\$ 10,301,986	\$ 1,247,940

Program Scope and Functional Description

WECC conducts a variety of studies and assessments essential to the reliable planning and operation of the BES in the Western Interconnection. In addition, WECC compiles and distributes planning data and information that is used by WECC stakeholders to aid in local planning studies. These integrated planning efforts enhance WECC's overall ability to participate in, and respond to, the major planning and public policy issues emerging both in the Western Interconnection and nationally.

In addition, the Reliability Assessment and Performance Analysis (RAPA) Program Area performs Events Analysis (EA) activities, consistent with the NERC EA process, with the objective that system conditions that impact or have the potential to impact reliable operations are recognized and analyzed in detail to ensure a full understanding of the events. The process supports the identification of specific findings, the development of recommendations, and the creation and distribution of lessons learned. This ensures a high level of reliability within the BES while minimizing the possibility of significant events and preventing reoccurrence of similar type events.

The RAPA budget supports the efforts of the Transmission Expansion Planning function, the Planning Services function, the Reliability Assessments function, and the Operations Performance Analysis function.

2015 Key Assumptions

- The Operations Performance Analysis group will move from Technical Committees and Member Forums to RAPA in 2015.
- Planning Services is proposing a one-time capital expenditure to develop RAS and contingency definition models for use in power flow and stability simulation programs.
- The RAPA Program Area will not have any Department of Energy grants in 2015.
- The RAPA Program Area will support the 2014-2017 NERC and Regional Entity Shared Business Plan and Budget Assumptions.

2015 Goals and Key Deliverables

- Continue development of enhanced RAS and contingency file models to address recommendations from the *Arizona-Southern California Outages on September 8, 2011: Causes and Recommendations* report and work toward incorporating these models into the primary power flow and stability software programs used in the Western Interconnection.
- Gather necessary RAS data for inclusion in WECC base cases. This will promote reliable planning of the system by enabling the sharing of RAS models so that their effects can be studied by Transmission Planners and Planning Coordinators through various system impact studies.
- Develop, validate and maintain a library of Interconnection-wide models and datasets for use in near- and long-term power flow, stability, production cost and capital expansion studies.
- Conduct independent studies and assessments to determine near- and long-term system adequacy, operability and reliability.
- Collect, review and analyze system performance data to identify reliability vulnerabilities and trends to assure root cause, corrective actions and lessons learned are identified.
- Continue to implement the NERC EA process within the Interconnection. Conduct follow up on recommendations from events.
- Publish WECC Transmission Maps of the existing and planned system.
- Contribute to the implementation of the BES Definition exception process by providing technical review of exception requests and coordination internally and with other Regions for consistent application.
- Verify and submit data for various NERC data collection efforts, including Transmission Availability Data System (TADS), Generator Availability Data System (GADS), and Demand Response Availability Data System (DADS) filings.
- Facilitate coordination of various stakeholder activities through technical committees to assure that the Western Interconnection is planned and operated in a reliable manner.
- Ensure the Western Interconnection is represented in reliability matters by participating in the NERC Operating Committee, NERC Integration of Variable Generation Taskforce, NERC Planning Committee, and other NERC and industry forums.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Assessments are offset by the allocation of \$40,000 in penalty sanctions received by WECC on or prior to June 30, 2014.
- Grant Funding decreases \$3.6 million due to the completion of the RTEP project.
- Interest revenue is allocated based on FTEs.

Personnel Expenses

- FTEs increase by a net of 7.2 FTEs (nine positions). Nine positions are being transferred to RAPA from Technical Committees and Member forums, one position is being transferred from General and Administrative and one position is being transferred from RAPA to General and Administrative. No new positions are being added.
- Personnel Expenses increase \$1.4 million primarily due to the shift of positions from Administrative Services to RAPA and the refinement of the labor float percentage.

Meeting Expenses

- Meeting Expenses increase by \$144,000 due to the shift of positions and expenses from Administrative Services to RAPA.

Operating Expenses

- Consultants and Contracts decrease by a net of \$2.0 million due to the completion of the RTEP grant (\$2.0 million), an increase for Wind and Solar Plant Model Validation (\$100,000), an increase due to the transfer of some costs from Technical Committees and Member Forums to RAPA related to voltage stability software enhancements and phasor measurement unit data validation (\$260,000), and a decrease related to 2014 one-time projects undertaken for the development of additional RAS models and phase two of the composite load model implementation (\$400,000).
- Office Costs increase by \$247,000 primarily due to increases in software license and maintenance fees that include first-year fees after implementation and rate increases as well as new licenses.

Indirect Expenses

- Indirect Expenses are allocated based on FTEs. The Reliability Assessment and Performance Analysis Program allocation increases by \$371,000 due to the increase in FTEs and expenditures as discussed earlier in this section. As noted in the Introduction, WECC realigned and shifted some positions between program areas in 2015 to ensure consistency with other Regions and to more appropriately classify costs based on the work being performed.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- CapEx increases by a net \$1.1 million, primarily due to enhanced RAS modeling as a result of findings in the *Arizona-Southern California Outages on September 8, 2011: Causes and Recommendations* report.

Reliability Assessment and Performance Analysis Program

Funding sources and related expenses for the Reliability Assessment and Performance Analysis section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ 3,767,309	\$ 3,767,309	\$ -	\$ 10,231,472	\$ 6,464,163
Penalty Sanctions	785,698	785,698	-	47,564	(738,134)
Total WECC Funding	\$ 4,553,007	\$ 4,553,007	\$ -	\$ 10,279,036	\$ 5,726,029
Membership Dues	-	-	-	-	-
Federal Grants	3,628,308	3,628,308	-	-	(3,628,308)
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	18,484	17,375	(1,109)	22,950	4,466
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 8,199,799	\$ 8,198,690	\$ (1,109)	\$ 10,301,986	\$ 2,102,187
Expenses					
Personnel Expenses					
Salaries	\$ 2,014,830	\$ 2,776,489	\$ 761,659	\$ 3,062,768	\$ 1,047,938
Payroll Taxes	134,116	220,139	86,023	238,217	104,101
Benefits	296,187	350,478	54,291	375,438	79,251
Retirement Costs	134,116	277,588	143,472	266,328	132,212
Total Personnel Expenses	\$ 2,579,249	\$ 3,624,694	\$ 1,045,445	\$ 3,942,751	\$ 1,363,502
Meeting Expenses					
Meetings	\$ 65,065	\$ 64,791	\$ (274)	\$ 137,430	\$ 72,365
Travel	148,800	158,097	9,297	221,552	72,752
Conference Calls	30,750	23,510	(7,240)	29,600	(1,150)
Total Meeting Expenses	\$ 244,615	\$ 246,398	\$ 1,783	\$ 388,582	\$ 143,967
Operating Expenses					
Consultants & Contracts	\$ 3,368,000	\$ 3,148,501	\$ (219,499)	\$ 1,332,000	\$ (2,036,000)
Office Rent	-	-	-	-	-
Office Costs	113,650	210,186	96,536	360,650	247,000
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	211,000	315,591	104,591	520,000	309,000
Total Operating Expenses	\$ 3,692,650	\$ 3,674,278	\$ (18,372)	\$ 2,212,650	\$ (1,480,000)
Total Direct Expenses	\$ 6,516,514	\$ 7,545,370	\$ 1,028,856	\$ 6,543,983	\$ 27,469
Indirect Expenses	\$ 2,554,048	\$ 3,253,632	\$ 699,584	\$ 3,031,019	\$ 476,971
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 9,070,562	\$ 10,799,002	\$ 1,728,440	\$ 9,575,002	\$ 504,440
Change in Assets	\$ (870,763)	\$ (2,600,312)	\$ (1,729,549)	\$ 726,984	\$ 1,597,747
Fixed Assets					
Depreciation	(211,000)	(315,591)	(104,591)	(520,000)	(309,000)
Computer & Software CapEx	239,487	57,107	(182,380)	1,300,000	1,060,513
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (45,003)	\$ (30,050)	\$ 14,953	\$ (53,016)	\$ (8,013)
Incr(Dec) in Fixed Assets (C)	\$ (16,516)	\$ (288,534)	\$ (272,018)	\$ 726,984	\$ 743,500
TOTAL BUDGET (B+C)	9,054,046	10,510,468	1,456,422	10,301,986	1,247,940
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (854,247)	\$ (2,311,778)	\$ (1,457,531)	\$ -	\$ 854,247
FTEs	23.6	31.9	8.3	30.8	7.2
HC	23.0	32.0	9.0	32.0	9.0

Training, Education, and Operator Certification Program

Training, Education, and Operator Certification (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	2.0	3.1	1.1
Direct Expenses	\$ 496,262	\$ 1,197,983	\$ 701,721
Indirect Expenses	\$ 196,829	\$ 305,070	\$ 108,241
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (3,814)	\$ (5,336)	\$ (1,522)
Total Funding Requirement	\$ 689,277	\$ 1,497,717	\$ 808,440

Program Scope and Functional Description

The Training, Education, and Operator Certification Program Area provides education and training on the application of standards, compliance issues, improvement of compliance programs, and technical training for system operators and schedulers.

2015 Key Assumptions

- Attendance will continue to trend upward for 2015.
- There will be no significant changes in operator certification continuing education unit requirements for 2015.
- The Training, Education, and Operator Certification Program Area will remain primarily self-funded in 2015.
- Operator training sessions will mostly be held at the Salt Lake City Training Center, with the balance hosted by WECC members.
- Compliance Outreach and Stakeholder Relations will move to this area in 2015 from Compliance to more closely align with other Regional Entities.
- Stakeholder outreach activities and initiatives will increase in 2015.

2015 Goals and Key Deliverables

- Facilitate sound decision making to improve reliability by providing high-quality operator training through the WECC-sponsored Training Program, to include:
 - Review and revise curriculum as needed;
 - Support the Continuing Education Program for System Operators requiring NERC Certification;
 - Continue to enhance and expand the use of the simulator and practical Western Interconnection-specific training. This will include creation and implementation of simulator cases that are specific to the Western Interconnection coupled with the Real-time Tools Training Module; and

- Evaluate member feedback and concerns, and address through training program improvements.
- Deliver three Compliance User Group and three CIP User Group meetings.
- Create and deliver additional outreach for CIP Version 5.
- Provide 12 monthly “Compliance Open-webs.”

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Assessments are offset by the allocation of \$4,000 in penalty sanctions received by WECC on or prior to June 30, 2014.
- Workshop revenue increases by \$536,000 primarily due to the transfer of Compliance Outreach and Stakeholder Relations from Compliance to Training and Education. Additionally, there is a small increase in the preliminary estimate of attendees scheduled to attend operator training sessions, which has increased that revenue stream slightly over 2014.
- Interest revenue is allocated based on FTEs.

Personnel Expenses

- Personnel Expenses increase by \$254,000 due to the realignment of staff between program areas, which increases FTEs by 1.1, and the refinement of the labor float percentage.

Meeting Expenses

- Meetings increase by \$450,000 primarily due to the shift of stakeholder outreach to the Training and Education Program Area.

Operating Expenses

- Consultants and Contracts decrease by \$15,000 due to a reduction in the use of consultants to conduct training sessions.
- Office Costs increase by \$12,000 due to the shift of Stakeholder Outreach from Compliance to Training. This mainly relates to merchant credit card processing fees for the CUG/CIPUG transactions.

Indirect Expenses

- Indirect Expenses are allocated based on FTEs. The Training and Education Program allocation increases by \$98,000 due to the increase in FTEs and expenditures as discussed earlier in this section. As noted in the Introduction, WECC realigned and

shifted some positions between program areas in 2015 to ensure consistency with other Regions and to more appropriately classify costs based on the work being performed.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Training, Education, and Operator Certification Program

Funding sources and related expenses for the Training, Education, and Operator Certification section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2014 Budget & Projection, and 2015 Budget					
TRAINING AND EDUCATION					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ 36,290	\$ 36,290	\$ -	\$ 434,720	\$ 398,430
Penalty Sanctions	66,585	66,585	-	4,787	(61,798)
Total WECC Funding	\$ 102,875	\$ 102,875	\$ -	\$ 439,507	\$ 336,632
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	519,804	524,704	4,900	1,055,900	536,096
Interest	1,566	1,472	(94)	2,310	744
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 624,245	\$ 629,051	\$ 4,806	\$ 1,497,717	\$ 873,472
Expenses					
Personnel Expenses					
Salaries	\$ 146,942	\$ 83,078	\$ (63,864)	\$ 351,089	\$ 204,147
Payroll Taxes	10,136	7,328	(2,808)	25,665	15,529
Benefits	22,654	8,641	(14,013)	36,173	13,519
Retirement Costs	10,136	8,241	(1,895)	30,530	20,394
Total Personnel Expenses	\$ 189,868	\$ 107,288	\$ (82,580)	\$ 443,457	\$ 253,589
Meeting Expenses					
Meetings	\$ 56,040	\$ 23,329	\$ (32,711)	\$ 489,300	\$ 433,260
Travel	7,836	117	(7,719)	16,850	9,014
Conference Calls	804	-	(804)	8,750	7,946
Total Meeting Expenses	\$ 64,680	\$ 23,446	\$ (41,234)	\$ 514,900	\$ 450,220
Operating Expenses					
Consultants & Contracts	\$ 106,502	\$ 76,452	\$ (30,050)	\$ 92,000	\$ (14,502)
Office Rent	47,472	44,867	(2,605)	47,676	204
Office Costs	87,740	77,056	(10,684)	99,950	12,210
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ 241,714	\$ 198,375	\$ (43,339)	\$ 239,626	\$ (2,088)
Total Direct Expenses	\$ 496,262	\$ 329,109	\$ (167,153)	\$ 1,197,983	\$ 701,721
Indirect Expenses	\$ 196,829	\$ 203,989	\$ 7,160	\$ 305,070	\$ 108,241
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 693,091	\$ 533,098	\$ (159,993)	\$ 1,503,053	\$ 809,962
Change in Assets	\$ (68,846)	\$ 95,953	\$ 164,799	\$ (5,336)	\$ 63,510
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (3,814)	\$ (1,884)	\$ 1,930	\$ (5,336)	\$ (1,522)
Incr(Dec) in Fixed Assets (C)	\$ (3,814)	\$ (1,884)	\$ 1,930	\$ (5,336)	\$ (1,522)
TOTAL BUDGET (B+C)	689,277	531,214	(158,063)	1,497,717	808,440
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (65,032)	\$ 97,837	\$ 162,869	\$ -	\$ 65,032
FTEs	2.0	2.0	-	3.1	1.1
HC	2.0	2.0	-	3.0	1.0

Situation Awareness and Infrastructure Security Program

Situation Awareness and Infrastructure Security (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	0.5	1.2	0.7
Direct Expenses	\$ 60,156	\$ 178,977	\$ 118,821
Indirect Expenses	\$ 49,207	\$ 118,092	\$ 68,884
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (953)	\$ (2,066)	\$ (1,113)
Total Funding Requirement	\$ 108,410	\$ 295,002	\$ 186,593

Program Scope and Functional Description

WECC's Situation Awareness and Infrastructure Security (SAIS) Program Area maintains real-time awareness about the conditions of the BES in the Western Interconnection and responds to events by providing coordination, assistance and communications with Peak Reliability (Peak), stakeholders, WECC management, and the NERC SAIS personnel.

2015 Key Assumptions

- The Situation Awareness – FERC, NERC, and Regions (SAFNR) tool will provide additional situation awareness capabilities at both NERC and Regional Entity levels.
- The WECC Situation Awareness process will be used to support NERC and FERC's efforts for situation awareness of current system conditions.
- Staff time is allocated to better reflect actual time spent on SAIS activities. There is a corresponding decrease of staff time in other areas.

2015 Goals and Key Deliverables

- Monitor System Events, collect information and coordinate the distribution of timely updates on System Events to WECC Management, industry stakeholders and NERC SAIS staff.
- Continue to monitor system data, weather, and technological developments to understand trends that affect reliability for the near- and long-term horizons.
- Participate on daily NERC SAIS calls to coordinate, report, and receive any critical information
- Continue to develop and enhance ways to improve on the use of SAFNR data to further support SAIS.

Funding Sources and Requirements — Explanation of Increase (Decrease)**Funding Sources (Other than ERO Assessments)**

- Assessments are offset by the allocation of \$2,000 in penalty sanctions received by WECC on or prior to June 30, 2014.
- Interest revenue is allocated based on FTEs.

Personnel Expenses

- Personnel Expenses increase by \$119,000 primarily due to the incremental .7 FTE allocation which more appropriately reflects actual time spent on SAIS activities.

Meeting Expenses

- Not applicable

Operating Expenses

- Not applicable.

Indirect Expenses

- Indirect Expenses are allocated based on FTEs. The SAIS allocation increases by \$65,000 due to the increase in FTEs allocated to the Program Area.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Situation Awareness and Infrastructure Security Program

Funding sources and related expenses for the Situation Awareness and Infrastructure Security section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ 81,145	\$ 81,145	\$ -	\$ 292,255	\$ 211,111
Penalty Sanctions	16,646	16,646	-	1,853	(14,793)
Total WECC Funding	\$ 97,791	\$ 97,791	\$ -	\$ 294,108	\$ 196,318
Membership Dues	\$ -	\$ -	\$ -	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	391	368	(23)	894	503
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 98,182	\$ 98,158	\$ (23)	\$ 295,002	\$ 196,821
Expenses					
Personnel Expenses					
Salaries	\$ 47,976	\$ 131,656	\$ 83,680	\$ 141,605	\$ 93,629
Payroll Taxes	3,228	10,590	7,362	11,010	7,782
Benefits	5,724	3,639	(2,085)	14,048	8,324
Retirement Costs	3,228	13,317	10,089	12,313	9,085
Total Personnel Expenses	\$ 60,156	\$ 159,202	\$ 99,046	\$ 178,977	\$ 118,821
Meeting Expenses					
Meetings	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
Conference Calls	-	-	-	-	-
Total Meeting Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Expenses	\$ 60,156	\$ 159,202	\$ 99,046	\$ 178,977	\$ 118,821
Indirect Expenses	\$ 49,207	\$ 122,394	\$ 73,186	\$ 118,092	\$ 68,884
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 109,363	\$ 281,596	\$ 172,232	\$ 297,068	\$ 187,705
Change in Assets	\$ (11,181)	\$ (183,437)	\$ (172,256)	\$ (2,066)	\$ 9,115
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (953)	\$ (1,130)	\$ (177)	\$ (2,066)	\$ (1,113)
Incr(Dec) in Fixed Assets (C)	\$ (953)	\$ (1,130)	\$ (177)	\$ (2,066)	\$ (1,113)
TOTAL BUDGET (B+C)	108,410	280,465	172,056	295,002	186,593
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (10,228)	\$ (182,307)	\$ (172,079)	\$ -	\$ 10,228
FTEs	0.5	1.2	0.7	1.2	0.7
HC	-	-	-	-	-

Administrative Services

Administrative Services (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	46.9	44.9	(2.0)
Direct Expenses	\$ 10,050,982	\$ 9,604,789	\$ (446,193)
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

WECC's Administrative Services consists of Technical Committees and Member Forums, General and Administrative, Legal and Regulatory, Information Technology, Human Resources, and Finance and Accounting. The budgets for these programs are addressed in the subsequent sections of the Business Plan and Budget.

Methodology for Allocation of Administrative Services Expenses to Programs

Administrative Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

Technical Committees and Member Forums

Technical Committees and Member Forums (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	9.0	-	(9.0)
Total Direct Expenses	\$ 2,246,509	\$ 1,122,427	\$ (1,124,082)
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

WECC provides forums for members and other interested stakeholders within its footprint to discuss and share reliability, compliance, and operating concerns. These forums also include the Board of Directors, Board committees and Joint Guidance committee in 2015.

2015 Key Assumptions

- The same level of meetings and meeting support will carry forward into 2015.
- Board members will be compensated for meeting participation in accordance with the Board Compensation Schedule.
- WECC budgets for meeting space, meals, and logistics associated with Board activities and assumes that one meeting will be held at an offsite hotel location and three meetings will be held at the Salt Lake City meeting facilities. Any additional meetings are expected to be held by teleconference.
- The Nominating Committee will engage a search firm to identify candidates for any open Independent Director positions in 2015. Expenses include consulting fees and consultant travel.
- Several committees will be moved to RAPA in 2015 to more closely align with the staff work being performed.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Personnel Expenses decrease by \$1.1 million and are zero in 2015 due to the shift of positions from Technical Committees and Member Forums to RAPA.

Meeting Expenses

- Meetings decrease by \$136,000 due to the shift of personnel and expenses from Technical Committees and Member Forums to RAPA.

Operating Expenses

- Consultants and Contracts decrease by a net \$132,000 primarily due to one-time costs related to 2014 projects for the validation and incorporation of synchrophasor data into operations.
- Professional Services increase \$283,000 due to WECC's revised Board compensation structure.

Indirect Expenses

- Technical Committees and Member Forums expenses are allocated to statutory functional areas based on FTEs.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Technical Committees and Member Forums

Funding sources and related expenses for the Technical Committees and Member Forums section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
TECHNICAL COMMITTEES AND MEMBER FORUMS					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total WECC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 874,612	\$ 70,916	\$ (803,696)	\$ -	\$ (874,612)
Payroll Taxes	59,075	6,573	(52,502)	-	(59,075)
Benefits	115,178	16,326	(98,852)	-	(115,178)
Retirement Costs	59,075	6,698	(52,377)	-	(59,075)
Total Personnel Expenses	\$ 1,107,940	\$ 100,513	\$ (1,007,427)	\$ -	\$ (1,107,940)
Meeting Expenses					
Meetings	\$ 278,090	\$ 114,314	\$ (163,776)	\$ 165,705	\$ (112,385)
Travel	128,720	67,037	(61,683)	121,500	(7,220)
Conference Calls	18,800	3,990	(14,810)	2,552	(16,248)
Total Meeting Expenses	\$ 425,610	\$ 185,341	\$ (240,269)	\$ 289,757	\$ (135,853)
Operating Expenses					
Consultants & Contracts	\$ 212,000	\$ -	\$ (212,000)	\$ 80,000	\$ (132,000)
Office Rent	-	-	-	-	-
Office Costs	35,203	7,286	(27,917)	3,420	(31,783)
Professional Services	465,756	663,363	197,607	749,250	283,494
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ 712,959	\$ 670,649	\$ (42,310)	\$ 832,670	\$ 119,711
Total Direct Expenses	\$ 2,246,509	\$ 956,503	\$ (1,290,006)	\$ 1,122,427	\$ (1,124,082)
Indirect Expenses	\$ (2,246,509)	\$ (956,503)	\$ 1,290,006	\$ (1,122,427)	\$ 1,124,082
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	9.0	1.5	(7.5)	-	(9.0)
HC	9.0	-	(9.0)	-	(9.0)

General and Administrative

General and Administrative (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	15.2	20.9	5.7
Direct Expenses	\$ 3,695,570	\$ 4,192,980	\$ 497,410
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

The General and Administrative Department provides executive leadership, communications, and administrative support for WECC staff, committees, members, and management, as well as logistics support of the Salt Lake City office and meeting facilities. In addition, indirect costs such as Office Rent that benefit multiple functional areas are accounted for in this budget.

2015 Key Assumptions

- One position is eliminated in 2015.
- One position is transferred to RAPA and one is transferred from RAPA in 2015 to more closely align costs with scope of work.
- Six positions are transferred from Compliance Program Administration to more closely align costs with scope of work.

2015 Goals and Key Deliverables

- Continue to enhance stakeholder relations program.
- Provide executive leadership and strategic guidance for the activities undertaken by WECC.
- Improve the quality and efficiency of administrative support provided to staff and members.
- Enhance the Business Services group to continue to drive efficiencies and effective services throughout the company.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Personnel Expenses increase by a net of \$305,000 primarily due to the net addition of 5.7 FTEs as previously mentioned.

Meeting Expenses

- Travel expenses decrease by a net \$24,000 primarily due to the elimination of one position that traveled extensively and the transfer of one position to RAPA, which involves regular travel.

Operating Expenses

- Rent increases by \$47,000 due to estimated maintenance charges and to align the budget with the straight-lined actual expense over the lease term.
- Office Costs increase by \$173,000 primarily due to the transfer of some license and maintenance fees from Compliance to General and Administrative.

Indirect Expenses

- General and Administrative expenses are allocated to statutory functional areas based on FTEs.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

General and Administrative

Funding sources and related expenses for the General and Administrative section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
GENERAL AND ADMINISTRATIVE					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total WECC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 1,801,127	\$ 1,975,306	\$ 174,179	\$ 1,990,286	\$ 189,159
Payroll Taxes	92,319	110,132	17,813	109,878	17,559
Benefits	188,224	189,939	1,715	238,323	50,099
Retirement Costs	92,319	136,360	44,041	140,513	48,194
Total Personnel Expenses	\$ 2,173,989	\$ 2,411,737	\$ 237,748	\$ 2,479,000	\$ 305,011
Meeting Expenses					
Meetings	\$ 11,250	\$ 11,787	\$ 537	\$ 13,900	\$ 2,650
Travel	121,750	151,602	29,852	97,750	(24,000)
Conference Calls	8,100	6,437	(1,663)	10,000	1,900
Total Meeting Expenses	\$ 141,100	\$ 169,826	\$ 28,726	\$ 121,650	\$ (19,450)
Operating Expenses					
Consultants & Contracts	\$ 90,000	\$ 130,059	\$ 40,059	\$ 86,300	\$ (3,700)
Office Rent	888,600	894,648	6,048	935,650	47,050
Office Costs	196,881	288,004	91,123	370,380	173,499
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	205,000	209,064	4,064	200,000	(5,000)
Total Operating Expenses	\$ 1,380,481	\$ 1,521,775	\$ 141,294	\$ 1,592,330	\$ 211,849
Total Direct Expenses	\$ 3,695,570	\$ 4,103,338	\$ 407,768	\$ 4,192,980	\$ 497,410
Indirect Expenses	\$ (3,695,570)	\$ (4,103,338)	\$ (407,768)	\$ (4,192,980)	\$ (497,410)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	(205,000)	(209,064)	(4,064)	(200,000)	5,000
Computer & Software CapEx	-	41,000	41,000	9,000	9,000
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	27,000	27,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 205,000	\$ 168,064	\$ (36,936)	\$ 164,000	\$ (41,000)
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	15.2	18.0	2.8	20.9	5.7
HC	16.0	17.0	1.0	21.0	5.0

Legal and Regulatory

Legal and Regulatory (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	6.0	6.0	-
Direct Expenses	\$ 1,099,606	\$ 1,098,349	\$ (1,257)
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

The Legal and Regulatory Department provides coordinated legal services to the WECC Board, committees, and staff, in addition to consistent legal interpretations of relevant statutes, regulations, court opinions, and regulatory decisions. The department also develops specific subject matter expertise to further assist WECC with its legal needs. On occasion, major efforts may be outsourced to select law firms, but the responsibility for all legal matters remains with the Legal and Regulatory Department.

WECC's international operations and its broad scope of activities require significant legal support and review. Arranging for legal support is complicated by the technical nature of this developing area of law and there are many potential areas of conflict prohibiting the use of law firms with energy practices.

2015 Key Assumptions

- WECC will maintain the scope of its current operations.
- The operating environment may change in the event of unanticipated direction from FERC, NERC, or both.

2015 Goals and Key Deliverables

- Provide efficient, cost-effective legal support to the WECC Board, committees, and staff through a combination of in-house and outside resources.
- Update and advise the WECC Board and CEO on pending legal issues.
- Advise WECC departments on specified legal matters and general matters relating to WECC business.
- Provide legal support to the WECC Compliance Department and facilitate the processing of possible and alleged violations.
- Represent WECC in legal and regulatory proceedings.
- Review and advise WECC business units on draft agreements.
- Improve tracking for development of WECC regulatory policies.

Funding Sources and Requirements — Explanation of Increase (Decrease)**Funding Sources (Other than ERO Assessments)**

- Not applicable.

Personnel Expenses

- Personnel Expenses increase \$50,000 primarily due to the refinement of the labor float percentage.

Meeting Expenses

- Travel decreases by \$6,000 due to lower anticipated travel to external meetings.

Operating Expenses

- Professional Services decrease by \$46,000 due to lower actual business insurance premiums than the 2014 estimate.

Indirect Expenses

- Legal and Regulatory expenses are allocated to statutory functional areas based on FTEs.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Legal and Regulatory

Funding sources and related expenses for the Legal and Regulatory section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
LEGAL AND REGULATORY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total WECC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 657,788	\$ 846,558	\$ 188,770	\$ 695,671	\$ 37,883
Payroll Taxes	44,388	58,835	14,447	46,009	1,621
Benefits	77,152	89,083	11,931	71,186	(5,966)
Retirement Costs	44,388	66,156	21,768	60,493	16,105
Total Personnel Expenses	\$ 823,716	\$ 1,060,632	\$ 236,916	\$ 873,359	\$ 49,643
Meeting Expenses					
Meetings	\$ -	\$ (317)	\$ (317)	\$ -	\$ -
Travel	48,000	21,715	(26,285)	42,000	(6,000)
Conference Calls	1,200	1,732	532	1,200	-
Total Meeting Expenses	\$ 49,200	\$ 23,130	\$ (26,070)	\$ 43,200	\$ (6,000)
Operating Expenses					
Consultants & Contracts	\$ -	\$ 675	\$ 675	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	28,690	23,745	(4,945)	29,790	1,100
Professional Services	190,000	332,674	142,674	144,000	(46,000)
Miscellaneous	-	-	-	-	-
Depreciation	8,000	8,488	488	8,000	-
Total Operating Expenses	\$ 226,690	\$ 365,582	\$ 138,892	\$ 181,790	\$ (44,900)
Total Direct Expenses	\$ 1,099,606	\$ 1,449,344	\$ 349,738	\$ 1,098,349	\$ (1,257)
Indirect Expenses	\$ (1,099,606)	\$ (1,449,344)	\$ (349,738)	\$ (1,098,349)	\$ 1,257
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	(8,000)	(8,488)	(488)	(8,000)	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 8,000	\$ 8,488	\$ 488	\$ 8,000	\$ -
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	6.0	6.0	-	6.0	-
HC	6.0	6.0	-	6.0	-

Information Technology

Information Technology (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	9.0	10.0	1.0
Direct Expenses	\$ 1,365,441	\$ 1,646,668	\$ 281,227
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

WECC's Information Technology (IT) Department provides systems support including: servers, data, email, telephone systems, and Internet and Intranet website maintenance. In addition, IT includes development of new technology solutions using both internal staff and working with external service providers. IT provides resources and tools to enable the organization to meet the evolving requirements to support activities and responsibilities as directed by NERC and FERC.

2015 Key Assumptions

- Personal computer equipment is replaced on a four-year refresh cycle, servers are refreshed every five years, and network equipment is replaced every seven-to-10 years. WECC will replace approximately 25 percent of employee laptops in 2015.
- To maintain compliance with industry best practices for security and data protection, WECC will incur additional costs to engage third-party network management and security monitoring services.
- New technology solutions will be required to accommodate the secure transfer of a growing amount of data, as well as to provide data storage and analytic capabilities to the organization.
- One position is transferred from Compliance Program Administration to more closely align costs with scope of work.

2015 Goals and Key Deliverables

- Provide systems support and technology solutions that ensure reliability and security of critical IT infrastructure.
- Develop and implement policies and procedures to enforce best practices across the organization.
- Align IT as a strategic partner in accomplishing business goals and objectives.
- Provide a significant increase in data support, analysis, and communication. Create centralized databases, automated processes, and tools to organize a growing volume of electronic data that will be in high demand.
- Provide solutions to enable secure, reliable, and efficient transmission of a growing number of data types.

-
- Increase redundancy and reduce support burdens by shifting email services to an externally hosted provider.
 - Support a modern website that enhances stakeholder communications, promotes WECC initiatives, and encourages confidence in WECC’s capabilities.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Personnel Expenses increase by \$167,000 due to the transfer of one FTE to IT and the refinement of the labor float percentage.

Meeting Expenses

- No material changes.

Operating Expenses

- Office Costs increase by \$94,000 primarily due to scheduled laptop and desktop refreshes and fees for moving WECC’s mail server to a cloud-hosted service.

Indirect Expenses

- Information Technology expenses are allocated to statutory functional areas based on FTEs.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Computer and Software CapEx decreases by \$50,000 due to one-time projects budgeted in 2014.
- Equipment CapEx increases by \$16,000 due to a scheduled server refresh.

Information Technology

Funding sources and related expenses for the Information Technology section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
INFORMATION TECHNOLOGY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total WECC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 670,107	\$ 649,174	\$ (20,933)	\$ 780,760	\$ 110,653
Payroll Taxes	45,103	51,457	6,354	63,536	18,433
Benefits	101,928	92,016	(9,912)	117,503	15,575
Retirement Costs	45,103	56,238	11,135	67,892	22,789
Total Personnel Expenses	\$ 862,241	\$ 848,885	\$ (13,356)	\$ 1,029,691	\$ 167,450
Meeting Expenses					
Meetings	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	13,200	7,690	(5,510)	13,500	300
Conference Calls	7,200	5,286	(1,914)	6,600	(600)
Total Meeting Expenses	\$ 20,400	\$ 12,976	\$ (7,424)	\$ 20,100	\$ (300)
Operating Expenses					
Consultants & Contracts	\$ 36,000	\$ 63,429	\$ 27,429	\$ 40,000	\$ 4,000
Office Rent	-	-	-	1,960	1,960
Office Costs	340,800	332,811	(7,989)	434,917	94,117
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	106,000	85,048	(20,952)	120,000	14,000
Total Operating Expenses	\$ 482,800	\$ 481,288	\$ (1,512)	\$ 596,877	\$ 114,077
Total Direct Expenses	\$ 1,365,441	\$ 1,343,149	\$ (22,292)	\$ 1,646,668	\$ 281,227
Indirect Expenses	\$ (1,365,441)	\$ (1,343,149)	\$ 22,292	\$ (1,646,668)	\$ (281,227)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	(106,000)	(85,048)	20,952	(120,000)	(14,000)
Computer & Software CapEx	60,000	130,000	70,000	10,000	(50,000)
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	105,000	53,000	(52,000)	121,000	16,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (59,000)	\$ (97,952)	\$ (38,952)	\$ (11,000)	\$ 48,000
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	9.0	7.5	(1.5)	10.0	1.0
HC	9.0	8.0	(1.0)	10.0	1.0

Human Resources

Human Resources (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	3.0	3.0	-
Direct Expenses	\$ 1,072,064	\$ 874,047	\$ (198,017)
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

Human Resources (HR) is responsible for the delivery of all HR functions to WECC, including: recruitment, staffing, compensation, benefits, safety, health and wellness, employee relations, performance management, succession planning, and employee training and development.

2015 Key Assumptions

- WECC's staffing levels will increase slightly from 2014 to 2015.
- Competition for talent will increase due to the economic recovery and a shrinking talent pool.
- Enhanced scope of succession planning, employee development, and training are vital to ensuring that WECC maintains a skilled, qualified workforce.

2015 Goals and Key Deliverables

- Continue to enhance the recruiting program in 2015 that targets power engineering and cyber security programs to increase visibility of WECC to broaden the applicant pool for hard-to-fill positions and increase bench strength for key roles within Compliance and in RAPA.
- Build strong network relationships with area universities to promote WECC as a viable employer in the community.
- Manage all employee benefits to deliver an attractive benefit package to employees and to attract potential employees while managing overall costs to the organization.
- Continue to educate management on compensation as well as other employee engagement philosophies to enhance recruitment efforts and retain skilled and talented employees.
- Identify training needs and develop and deliver programs to enhance employee development.
- Track and monitor turnover rates, gather feedback to determine cause of turnover, and when appropriate, take action to reduce the turnover rate.

Funding Sources and Requirements — Explanation of Increase (Decrease)**Funding Sources (Other than ERO Assessments)**

- Not applicable.

Personnel Expenses

- Salaries Expense decreases due to the elimination of budgeted severance/retention payments that were included in the 2014 budget as potential costs related to bifurcation.
- Benefits and Retirement Costs increase \$53,000 and \$22,000 respectively primarily due to the refinement of the labor float percentage.

Meeting Expenses

- Travel increases by \$11,000 primarily due the transfer of employee appreciation events from General and Administrative to HR.

Operating Expenses

- Consultants decrease by \$125,000 due to the completion of a compensation and benefits survey in 2014.
- Office Costs decrease by \$13,000 due to decreases in job postings, drug testing, and background checks.
- Professional Services decrease by \$6,000 due to an estimated reduction in ERISA audit and legal fees.

Indirect Expenses

- Human Resource expenses are allocated to statutory functional areas based on FTEs.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Human Resources

Funding sources and related expenses for the Human Resources section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2014 Budget & Projection, and 2015 Budget					
HUMAN RESOURCES					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total WECC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 384,508	\$ 431,210	\$ 46,702	\$ 245,335	\$ (139,173)
Payroll Taxes	14,190	27,578	13,388	19,451	5,261
Benefits	414,876	422,975	8,099	468,014	53,138
Retirement Costs	14,190	31,399	17,209	36,334	22,144
Total Personnel Expenses	\$ 827,764	\$ 913,162	\$ 85,398	\$ 769,134	\$ (58,630)
Meeting Expenses					
Meetings	\$ -	\$ 3	\$ 3	\$ -	\$ -
Travel	10,200	5,933	(4,267)	21,600	11,400
Conference Calls	1,000	664	(336)	108	(892)
Total Meeting Expenses	\$ 11,200	\$ 6,600	\$ (4,600)	\$ 21,708	\$ 10,508
Operating Expenses					
Consultants & Contracts	\$ 150,000	\$ 150,000	\$ -	\$ 25,000	\$ (125,000)
Office Rent	-	-	-	250	250
Office Costs	59,100	69,542	10,442	46,355	(12,745)
Professional Services	17,000	11,410	(5,590)	10,600	(6,400)
Miscellaneous	-	-	-	-	-
Depreciation	7,000	692	(6,308)	1,000	(6,000)
Total Operating Expenses	\$ 233,100	\$ 231,644	\$ (1,456)	\$ 83,205	\$ (149,895)
Total Direct Expenses	\$ 1,072,064	\$ 1,151,406	\$ 79,342	\$ 874,047	\$ (198,017)
Indirect Expenses	\$ (1,072,064)	\$ (1,151,406)	\$ (79,342)	\$ (874,047)	\$ 198,017
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	(7,000)	(692)	6,308	(1,000)	6,000
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 7,000	\$ 692	\$ (6,308)	\$ 1,000	\$ (6,000)
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	3.0	2.8	(0.3)	3.0	-
HC	3.0	3.0	-	3.0	-

Finance and Accounting

Finance and Accounting (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	4.7	5.0	0.3
Direct Expenses	\$ 571,792	\$ 670,318	\$ 98,526
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

The Finance and Accounting Department provides accounting and financial analysis support to WECC. Finance is responsible for accounts payable, billing, accounts receivable, budgeting, fixed asset management, banking, cash management, payroll, and financial reporting.

2015 Key Assumptions

- WECC is subject to Washington Business and Occupancy Tax, which is based on Washington source revenue.
- WECC will not have any grant activity in 2015.
- Efficiencies are gained in the Accounting Department.

2015 Goals and Key Deliverables

- Review financial policies and update as necessary.
- Identify and implement efficiencies in financial processes.
- Ensure WECC has strong internal controls designed to protect the organization's assets and ensure accurate financial reporting.
- Provide improved reporting and financial analysis to WECC managers, the Finance and Audit Committee, and the WECC Board.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Personnel Expenses increase by a net of \$47,000 primarily due to the refinement of the labor float percentage.

Meeting Expenses

- Travel decreases by \$5,000 due to an anticipated reduction in travel requirements.

Operating Expenses

- Office Costs increase by \$59,000 due to the State of Washington Business and Occupation Tax that WECC is now subject to, which is based on Washington source income.

Indirect Expenses

- Finance and Accounting expenses are allocated to statutory functional areas based on FTEs.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Finance and Accounting

Funding sources and related expenses for the Finance and Accounting section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
FINANCE AND ACCOUNTING					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total WECC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 280,800	\$ 381,026	\$ 100,226	\$ 317,705	\$ 36,905
Payroll Taxes	18,992	27,250	8,258	25,006	6,014
Benefits	63,758	44,000	(19,758)	59,634	(4,124)
Retirement Costs	18,992	39,787	20,795	27,366	8,374
Total Personnel Expenses	\$ 382,542	\$ 492,063	\$ 109,521	\$ 429,711	\$ 47,169
Meeting Expenses					
Meetings	\$ -	\$ 147	\$ 147	\$ -	\$ -
Travel	11,250	3,754	(7,496)	6,000	(5,250)
Conference Calls	400	294	(106)	250	(150)
Total Meeting Expenses	\$ 11,650	\$ 4,195	\$ (7,455)	\$ 6,250	\$ (5,400)
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	84,600	113,317	28,717	143,857	59,257
Professional Services	86,000	91,000	5,000	84,500	(1,500)
Miscellaneous	-	-	-	-	-
Depreciation	7,000	6,524	(476)	6,000	(1,000)
Total Operating Expenses	\$ 177,600	\$ 210,841	\$ 33,241	\$ 234,357	\$ 56,757
Total Direct Expenses	\$ 571,792	\$ 707,099	\$ 135,307	\$ 670,318	\$ 98,526
Indirect Expenses	\$ (571,792)	\$ (707,099)	\$ (135,307)	\$ (670,318)	\$ (98,526)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	(7,000)	(6,524)	476	(6,000)	1,000
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 7,000	\$ 6,524	\$ (476)	\$ 6,000	\$ (1,000)
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	4.7	4.0	(0.7)	5.0	0.3
HC	5.0	5.0	-	5.0	-

Section B – Supplemental Financial Information

2015 Business Plan and Budget

Section B — Supplemental Financial Information

Reserve Balance

Table B-1

Working Capital Reserve Analysis 2014-2015	
STATUTORY	
Beginning Working Capital Reserve (Deficit), December 31, 2013	\$ 5,416,545
Plus: 2014 WECC Funding (from Load Serving Entities (LSE) or designees)	18,563,902
Plus: 2014 Other funding sources	4,810,352
Plus: Convert Non-statutory Reserves to Statutory	5,874,245
Less: 2014 Projected expenses & capital expenditures	(26,190,659)
Less: Transfer of Reserves to Peak Reliability	(5,811,568)
Projected Working Capital Reserve (Deficit), December 31, 2014	\$ 2,662,817
Desired Working Capital Reserve, December 31, 2015	² \$ 2,662,817
Less: Projected Working Capital Reserve, December 31, 2014	(2,662,817)
Increase(decrease) in assessments to achieve desired Working Capital Reserve	\$ -
2015 Expenses and Capital Expenditures	\$ 26,300,035
Less: Penalty Sanctions ¹	(143,000)
Less: Other Funding Sources	(1,124,900)
Adjustment to achieve desired Working Capital Reserve	0
2015 WECC Assessment	\$ 25,032,136

1 – Represents collections between July, 1 2013 and June 30, 2014. See page 53 for full disclosure.

2 – On June 25, 2014, the WECC Board of Directors approved this reserve level.

WECC's Board has approved a Working Capital Reserve balance equal to one month of Personnel and Operating Expenses. In 2014, WECC transferred \$5.87 million of Non-statutory Working Capital Reserves, which were on-hand when WECC originally signed its Delegation Agreement in 2006, to Statutory Working Capital Reserves. Those funds are exclusive of the Non-statutory Reserves related to the Western Renewable Energy Generation Information System and have not been used for any purpose in the past seven years. WECC Management and the WECC Board believed it would be prudent to use that money to minimize the impact on Assessments due to the budget increases in 2014. The total working capital reserves were used to offset the impact of the creation of Peak and other increases on Assessments for both WECC and Peak in 2014.

As a result of the creation of Peak, WECC's working capital reserves were split between WECC and Peak to provide reserves for both entities. The same population of entities

provides funding for both companies and WECC management as well as WECC's Finance and Audit Committee believed reserves should be split equitably as a result. The calculation used to split the reserves was based on each entity's percent-to-total ratio of operating expenses. Peak's portion was \$5.8 million.

Breakdown by Statement of Activity Sections

The following detailed schedules are in support of the Statutory Statement of Activities and Capital Expenditures on page 10. All significant variances have been disclosed by program area in the preceding pages.

Monetary Penalties

As documented in the NERC Policy *Accounting, Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standards*, penalty monies received on or prior to June 30, 2014 will be used to offset assessments in the 2015 WECC Budget. Penalty monies received from July 1, 2014 through June 30, 2015 will be used to offset assessments in the 2016 Budget.

All penalty monies received on or prior to June 30, 2014 are detailed below, including the amount and the date received.

Allocation Method: Penalty monies received have been allocated to the following Statutory Programs to reduce assessments:

- Reliability Standards;
- Compliance Monitoring and Enforcement and Organization Registration and Certification;
- Reliability Assessment and Performance Analysis;
- Training, Education, and Operator Certification; and
- Situation Awareness and Infrastructure Security.

Penalty monies are allocated based on the number of FTEs in the functional areas divided by the aggregate total FTEs in the programs receiving the allocation.

As outlined in WECC's 2012 Business Plan and Budget, WECC uses penalty monies collected from U.S. registered entities within the Western Interconnection to pay compliance penalties incurred by the WECC registered functions as a result of alleged non-compliance with NERC mandatory reliability standards. This ensures that only U.S. entities contribute to the payment of WECC registered-function penalties paid to NERC and/or FERC under Section 215 of the Federal Power Act.

Penalty Sanctions

Table B-2

Penalty Sanctions Received on or Prior to June 30, 2014					
Date Received	Amount Received	Date Received	Amount Received	Date Received	Amount Received
7/8/2013	\$ 53,000	12/18/2013	\$ 9,000	5/14/2014	\$ 8,000
7/8/2013	58,000	12/18/2013	92,000	5/20/2014	465,000
7/15/2013	60,000	12/27/2013	8,000	5/20/2014	45,000
7/18/2013	291,000	1/2/2014	50,000	6/2/2014	40,000
7/25/2013	62,500	1/21/2014	20,000	6/2/2014	40,000
8/1/2013	7,000	1/21/2014	55,000	6/16/2014	9,000
8/6/2013	20,000	1/27/2014	215,000	6/24/2014	14,000
8/12/2013	10,000	2/6/2014	40,000		
8/14/2013	60,000	2/6/2014	6,000		
8/16/2013	81,000	2/7/2014	70,000		
8/29/2013	10,000	2/11/2014	45,000		
8/30/2013	10,000	2/18/2014	15,000		
9/5/2013	65,000	2/24/2014	60,000		
9/5/2013	130,000	2/27/2014	144,000		
9/9/2013	36,000	3/10/2014	35,000		
9/11/2013	10,000	3/19/2014	12,000		
9/12/2013	15,000	3/25/2014	150,000		
9/20/2013	10,000	3/25/2014	7,000		
9/23/2013	17,000	3/25/2014	25,000		
10/2/2013	55,000	3/25/2014	16,000		
10/4/2013	198,000	3/31/2014	36,000		
10/15/2013	22,000	3/31/2014	5,000		
10/28/2013	20,000	3/31/2014	185,000		
11/19/2013	10,000	4/4/2014	30,000		
11/25/2013	25,000	4/4/2014	9,500		
12/6/2013	150,000	4/14/2014	15,000		
12/6/2013	20,000	4/22/2014	7,000		
12/17/2013	35,000	5/1/2014	20,000		
Total Penalties Received					\$ 3,543,000
Recognized in 2013 to offset registered function penalties expense*					(1,400,000)
Withheld for estimated registered function penalties to be recognized in 2014*					(2,000,000)
Net Penalties to Offset Assessments					\$ 143,000

*To pay compliance penalties incurred by the WECC registered functions as a result of alleged non-compliance with NERC mandatory reliability standards.

Supplemental Funding

Table B-3

Outside Funding Breakdown By Program (Excluding WECC Assessments & Penalty Sanctions)	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget
Reliability Standards				
Interest	\$ 3,133	\$ 2,945	\$ 2,981	\$ (152)
Miscellaneous	-	-	-	-
Total	\$ 3,133	\$ 2,945	\$ 2,981	\$ (152)
Compliance Monitoring, Enforcement & Org. Registration				
Workshops	\$ 438,125	\$ 592,480	-	\$ (438,125)
Interest	45,426	42,700	39,865	(5,561)
Miscellaneous	-	-	-	-
Total	\$ 483,551	\$ 635,180	\$ 39,865	\$ (443,686)
Reliability Assessment and Performance Analysis				
Federal Grants	\$ 3,628,308	\$ 3,628,308	-	\$ (3,628,308)
Interest	18,484	17,375	22,950	4,466
Miscellaneous	-	-	-	-
Total	\$ 3,646,792	\$ 3,645,683	\$ 22,950	\$ (3,623,842)
Training and Education				
Workshops	\$ 519,804	\$ 524,704	\$ 1,055,900	\$ 536,096
Interest	1,566	1,472	2,310	744
Miscellaneous	-	-	-	-
Total	\$ 521,370	\$ 526,176	\$ 1,058,210	\$ 536,840
Situation Awareness and Infrastructure Security				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Interest	391	368	894	503
Miscellaneous	-	-	-	-
Total	\$ 391	\$ 368	\$ 894	\$ 503
Technical Committees and Member Forms				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -
Total Outside Funding	\$ 4,655,237	\$ 4,810,352	\$ 1,124,900	\$ (3,530,337)

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

WECC anticipates its investments will earn interest of approximately \$69,000 in 2015. This revenue is allocated to the Statutory and Non-Statutory Programs based on FTEs.

Compliance Monitoring and Enforcement and Organization Registration and Certification

- A decrease of \$438,000 in workshop revenue is related to the shift of Outreach and Stakeholder Relations out of Compliance to Training and Education in 2015. The workshop revenue is related to the Compliance User Group and Critical Infrastructure Protection User Group meetings.

Reliability Assessment and Performance Analysis

- The RTEP grant ends in 2014 and Grant revenue is zero in 2015 as a result.

Training and Education

- Workshop revenue increases by \$536,000 due to an increase in the estimated training session attendance as well as the shift of Outreach and Stakeholder Relations out of Compliance to Training and Education in 2015. WECC's System Operator Training program continues to be self-funded.

Situation Awareness and Infrastructure Security

- Not applicable.

Technical Committees and Member Forums

- Not applicable.

Personnel Expenses

Table B-4

Personnel Expenses	Budget 2014	Projection 2014	Budget 2015	Variance		
				2015 Budget v 2014 Budget	Variance %	
Salaries						
Salaries	\$ 12,092,325	\$ 12,945,375	\$ 13,095,525	\$ 1,003,200		8.3%
Employment Agency Fees	-	-	-	-		
Temporary Office Services	3,900	-	-	(3,900)		-100.0%
Total Salaries	\$ 12,096,225	\$ 12,945,375	\$ 13,095,525	\$ 999,300		8.3%
Total Payroll Taxes	\$ 774,001	\$ 940,446	\$ 960,685	\$ 186,684		24.1%
Benefits						
Workers Compensation	\$ 12,000	\$ 26,148	\$ 19,000	\$ 7,000		58.3%
Medical Insurance	1,753,689	1,519,506	1,658,341	(95,348)		-5.4%
Life-LTD-STD Insurance	64,708	101,302	74,911	10,203		15.8%
Education	286,375	194,768	286,878	503		0.2%
Relocation	16,200	16,803	50,000	33,800		208.6%
Other	-	6,229	11,182	11,182		
Total Benefits	\$ 2,132,972	\$ 1,864,756	\$ 2,100,312	\$ (32,660)		-1.5%
Retirement						
Discretionary 401k Contribution	\$ 770,774	\$ 1,095,748	\$ 1,107,028	\$ 336,254		43.6%
Retirement Administration Fees	-	9,462	15,000	15,000		
Total Retirement	\$ 770,774	\$ 1,105,210	\$ 1,122,028	\$ 351,254		45.6%
Total Personnel Costs	\$ 15,773,972	\$ 16,855,787	\$ 17,278,550	\$ 1,504,578		9.5%
FTEs	135.0	130.9	137.5	2.5		1.9%
Cost per FTE						
Salaries	\$ 89,602	\$ 98,933	\$ 95,240	5,639		6.3%
Payroll Taxes	5,733	7,187	6,987	1,253		21.9%
Benefits	15,800	14,251	15,275	(525)		-3.3%
Retirement	5,709	8,446	8,160	2,451		42.9%
Total Cost per FTE	\$ 116,844	\$ 128,818	\$ 125,662	\$ 8,818		7.5%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

Salaries

- Salaries increase by a net \$1.0 million primarily due to the refinement of WECC's labor float percentage as well as the net addition of 2.5 FTEs. In 2014, WECC budgeted for \$175,000 of severance and retention, which is zero in the 2015 budget.

Payroll Taxes

- Payroll Taxes increase by \$190,000 primarily due to the refinement of WECC's labor float percentage as well as the net addition of 2.5 FTEs.

Benefits

- Medical Insurance decreases by \$87,000 to reflect a more accurate estimate of actual employee usage.
- Life, Long-Term Disability, and Short-Term Disability Insurance increases by \$11,000 due to the refinement of WECC's labor float percentage as well as the net addition of 2.5 FTEs.
- Relocation decreases by \$13,000 to reflect estimated actual expenses.

Retirement

- Contributions to 401k plans increase by \$351,000 due to a 2 percent increase in WECC's defined contribution percentage as well as the refinement of WECC's labor float percentage and the net addition of 2.5 FTEs.

Consultants and Contracts

Table B-5

Consultants	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Consultants					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance and Organization Registration and Certification	64,000	12,760	35,640	(28,360)	-44.3%
Reliability Assessment and Performance Analysis	2,968,000	2,498,300	1,332,000	(1,636,000)	-55.1%
Training and Education	106,502	76,452	92,000	(14,502)	-13.6%
Situation Awareness and Infrastructure Security	-	-	-	-	
Committee and Member Forums	12,000	-	80,000	68,000	566.7%
General and Administrative	90,000	130,059	81,500	(8,500)	-9.4%
Legal and Regulatory	-	675	-	-	
Information Technology	36,000	49,884	40,000	4,000	11.1%
Human Resources	150,000	150,000	25,000	(125,000)	-83.3%
Accounting and Finance	-	-	-	-	
Consultants Total	\$ 3,426,502	\$ 2,918,130	\$ 1,686,140	\$ (1,740,362)	-50.8%
Contracts	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Contracts					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance and Organization Registration and Certification	360,800	623,865	432,280	71,480	19.8%
Reliability Assessment and Performance Analysis	400,000	650,201	-	(400,000)	-100.0%
Training and Education	-	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	-	
Committee and Member Forums	200,000	-	-	(200,000)	-100.0%
General and Administrative	-	-	4,800	4,800	
Legal and Regulatory	-	-	-	-	
Information Technology	-	13,545	-	-	
Human Resources	-	-	-	-	
Accounting and Finance	-	-	-	-	
Contracts Total	\$ 960,800	\$ 1,287,611	\$ 437,080	\$ (523,720)	-54.5%
Total Consulting and Contracts	\$ 4,387,302	\$ 4,205,741	\$ 2,123,220	\$ (2,264,082)	-51.6%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

Consultants

- Compliance and Organization Registration and Certification decreases by \$28,000 primarily due to the shift of some costs to General and Administrative based on scope of work.
- RAPA decreases by a net \$1.6 million due to the following:
 - A decrease of \$2.0 million is due to the completion of the RTEP grant
 - An increase of \$100,000 in Planning Services for Wind and Solar Plant Model Validation.
 - An increase of \$260,000 due to the transfer of some costs from Technical Committees and Member Forums to RAPA. These costs are related to voltage stability software enhancements and phasor measurement unit data validation.
- Training and Education consultants decrease by \$15,000 due to a decrease in use of consultants to conduct training sessions.

- Committee and Member Forums consultants increase by \$68,000 primarily due to Board Director search fees.
- Human Resources decreases \$125,000 due to a one-time cost for a compensation and benefits survey in 2014.

Contracts

- Compliance and Organization Registration and Certification contracts increase by \$71,000 due to an increase in the use of contractors for specific expertise and the increased audit schedule in 2015.
- RAPA Contracts decrease by \$400,000 due to one-time costs in Planning Services related to 2014 projects undertaken for the development of additional RAS models and phase two of the composite load model implementation.
- Committee and Member Forums decrease by \$200,000 due to one-time costs related to 2014 projects for the validation and incorporation of synchrophasor data into operations.

Office Rent

Table B-6

Office Rent	Budget 2014	Projection 2014	Budget 2015	Variance	
				2015 Budget v 2014 Budget	Variance %
Office Rent	\$ 926,196	\$ 933,542	\$ 969,480	43,284	4.7%
Utilities	-	-	-	-	0.0%
Maintenance	9,876	6,225	17,656	7,780	78.8%
Security	-	-	-	-	0.0%
Total Office Rent	\$ 936,072	\$ 939,767	\$ 987,136	\$ 51,064	5.5%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

- Office Rent increases by \$43,000 to align the budget with the straight-lined expense.

Office Costs

Table B-7

Office Costs	Budget	Projection	Budget	Variance	
	2014	2014	2015	2015 Budget v 2014 Budget	Variance %
Telephone	\$ 97,610	\$ 69,448	\$ 96,747	\$ (863)	-0.9%
Internet	145,310	82,150	117,618	(27,692)	-19.1%
Office Supplies	192,336	200,295	104,859	(87,477)	-45.5%
Computer Supplies and Maintenance	690,027	622,420	908,990	218,963	31.7%
Publications & Subscriptions	22,835	47,334	17,535	(5,300)	-23.2%
Dues and Fees	126,233	128,981	159,314	33,081	26.2%
Postage	3,790	5,215	5,699	1,909	50.4%
Express Shipping	13,147	5,248	11,304	(1,843)	-14.0%
Copying	43,536	31,532	67,545	24,009	55.1%
Bank Charges	57,630	58,889	74,000	16,370	28.4%
Taxes	13,000	43,303	64,000	51,000	392.3%
Total Office Costs	\$ 1,405,454	\$ 1,294,815	\$ 1,627,611	\$ 222,157	15.8%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

- Internet expenses decrease by a net \$27,000 to more accurately reflect actual expenses post-bifurcation.
- Office Supplies decrease by \$87,000 to more accurately reflect actual expenses post-bifurcation.
- Computer Supplies and Maintenance increase by \$219,000 due to first-year fees after implementation, rate increases, and new licenses, including the Base Case Coordination System and cloud-based email hosting.
- Dues and Fees increase by \$33,000 primarily due to eDiscovery and backup services for the cloud-based email service.
- Copying increases by \$24,000 to more accurately reflect estimated expenditures.
- Bank Charges increase \$16,000 to more accurately reflect actual expenses post-bifurcation.
- Taxes increase \$51,000 primarily due to the State of Washington Business and Occupation Tax that WECC is now subject to.

Professional Services

Table B-8

Professional Services	Budget	Projection	Budget	Variance	
	2014	2014	2015	2015 Budget v 2014 Budget	Variance %
Non-affiliated Director fees	\$ 465,756	\$ 661,750	\$ 749,250	\$ 283,494	60.9%
Outside Legal	28,000	236,257	30,600	2,600	9.3%
Accounting & Auditing Fees	97,000	105,245	88,500	(8,500)	-8.8%
Insurance Commercial	168,000	100,440	120,000	(48,000)	-28.6%
Total Services	\$ 758,756	\$ 1,103,692	\$ 988,350	\$ 229,594	30.3%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

- Non-Affiliated Director fees increase by \$283,000 due to the revised Board Director compensation structure.
- Insurance Commercial decreases \$48,000 to more accurately reflect actual costs post-bifurcation.

Other Non-Operating

Table B-9

Other Non-Operating Expenses	Budget		Projection		Variance	
	2014	2014	2014	2014	2015 Budget v 2014 Budget	Variance %
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	-
Line of Credit Payment	-	-	-	-	-	-
Office Relocation	-	-	-	-	-	-
Total Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

- Not applicable.

Section C – Non-Statutory Activities

2015 Business Plan and Budget

Section C — 2015 Non-Statutory Business Plan and Budget

Western Renewable Energy Generation Information System (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	5	5	-
Direct Expenses	1,117,869	1,177,192	59,323
Indirect Expenses	541,111	492,049	(49,062)
Inc(Dec) in Fixed Assets	-	(8,607)	(8,607)
Total Funding Requirement	244,820	(29,759)	(274,579)

Western Renewable Energy Generation Information System (WREGIS)

WREGIS is an independent, renewable energy database for the Western Interconnection. WREGIS creates renewable energy certificates (REC) for verifiable renewable generation from units that are registered in the database.

WREGIS was developed through a collaborative process between the Western Governors' Association, the Western Regional Air Partnership, and the California Energy Commission (CEC). This development was further guided by stakeholder input from more than 400 participants over a period greater than three years. WREGIS' governance was integrated into WECC on March 31, 2012 following the expiration of WECC's contract that had previously provided for backstop funding from the CEC. WREGIS is governed by a WECC member committee consisting of representatives from the WECC membership and various WREGIS stakeholder groups.

WREGIS costs fall outside Section 215 of the Federal Power Act. Participants fund WREGIS through registration and transaction fees.

WREGIS consists of two parts: the information system software and the administrative operations. The WREGIS staff oversees the software contractor and performs all of the administrative tasks required to operate the program including: registering account holders and generation units; training WREGIS users; and managing the budgeting, billing, and financial reporting.

Major 2015 Assumptions and Cost Impacts

WREGIS is funded entirely by user fees and is not subsidized by Section 215 funding. User fees are based on several factors including size (generation capacity) and amount of usage. The size of the users is fairly constant, annual fees based on size make up only about 25 percent of the total revenues. The other 75 percent of revenues are based on usage levels, which can depend on uncontrollable factors such as weather (wind and solar generation levels) and state regulatory policies (retirement, transfers, etc.). Because a large portion of revenues can vary greatly from year to year, WECC holds large WREGIS reserves to allow for normal operations during years in which fee levels are low and to fund large non-recurring expenditures such as major software upgrades.

2015 Primary Goals and Objectives

- Implement the WREGIS program as required by the participating states, provinces, and voluntary programs.
- Register program participants, whether mandatory or voluntary.
- Refine the WREGIS software to ensure optimum performance in terms of both efficiency and ease of use for account holders.
- Keep abreast of possible needs to increase WREGIS's functionality.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- WREGIS account holders pay an initial registration fee and annual renewal fees. Amounts vary by the size and category of the account holder.
- Volumetric-based fees are assessed when RECs are traded, retired, reserved, or transferred.
- Nominal fees are charged for users who attend training.

Personnel Expenses

- Personnel Expenses increase a net \$18,000 mainly due to merit increases and an increase in the defined contribution percentage.

Travel Expenses

- Meeting Expenses decrease by a net \$17,000 due to estimates of actual travel and meeting expenditure requirements in 2015.

Operating Expenses

- Office Costs increase by \$59,000 primarily due to increases in WREGIS software licensing fees as well as system upgrades.

Indirect Expenses

- Indirect Expenses are allocated based on FTEs. WECC calculates a quarterly allocation for WREGIS's indirect costs, based on actual results.

Other Non-Operating Expenses

- Not applicable.

2014 Budget and Projection and 2015 Budget Comparisons

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2014 Budget & Projection, and 2015 Budget					
NON-STATUTORY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
WECC Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total WECC Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	1,896,000	2,416,545	520,545	1,626,000	(270,000)
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	7,800	7,800	-	4,875	(2,925)
Interest	-	15,667	15,667	-	-
Miscellaneous	-	5,633	5,633	-	-
Total Funding (A)	\$ 1,903,800	\$ 2,445,645	\$ 541,845	\$ 1,630,875	\$ (272,925)
Expenses					
Personnel Expenses					
Salaries	\$ 350,730	\$ 280,749	\$ (69,981)	\$ 358,476	\$ 7,747
Payroll Taxes	23,715	23,973	258	29,669	5,954
Benefits	65,935	26,680	(39,255)	62,675	(3,260)
Retirement Costs	23,715	24,469	754	31,172	7,457
Total Personnel Expenses	\$ 464,094	\$ 355,871	\$ (108,223)	\$ 481,992	\$ 17,898
Meeting Expenses					
Meetings	\$ 13,225	\$ 12,004	\$ (1,221)	\$ 3,975	\$ (9,250)
Travel	61,000	37,982	(23,018)	52,000	(9,000)
Conference Calls	-	-	-	1,200	1,200
Total Meeting Expenses	\$ 74,225	\$ 49,986	\$ (24,239)	\$ 57,175	\$ (17,050)
Operating Expenses					
Consultants & Contracts	\$ 6,000	\$ 5,105	\$ (895)	\$ 2,400	\$ (3,600)
Office Rent	-	-	-	-	-
Office Costs	557,050	474,268	(82,782)	616,125	59,075
Professional Services	16,500	-	(16,500)	19,500	3,000
Miscellaneous	-	-	-	-	-
Depreciation	-	-	74,069	-	-
Total Operating Expenses	\$ 579,550	\$ 479,373	\$ (26,108)	\$ 638,025	\$ 58,475
Total Direct Expenses	\$ 1,117,869	\$ 885,230	\$ (158,570)	\$ 1,177,192	\$ 59,323
Indirect Expenses	\$ 541,111	\$ 419,120	\$ (121,991)	\$ 492,049	\$ (49,062)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 1,658,980	\$ 1,304,350	\$ (280,561)	\$ 1,669,241	\$ 10,261
Change in Assets	\$ 244,820	\$ 1,141,295	\$ 822,406	\$ (38,366)	\$ (283,186)
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ (8,607)	\$ (8,607)
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ (8,607)	\$ (8,607)
TOTAL BUDGET (=B+C)	1,658,980	1,304,350	(280,561)	1,660,634	1,654
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ 244,820	\$ 1,141,295	\$ 822,406	\$ (29,759)	\$ (274,579)
FTEs	5.0	4.0	(1.0)	5.0	-
HC	5.0	4.0	(1.0)	5.0	-

Personnel Analysis

FTEs are defined as full-time equivalent employees only. Fractional FTEs reflect part-time employees or employees who worked in fewer than all four quarters of the year.

Total FTEs by Program Area	Budget 2014	Projection 2014	Direct FTEs 2015 Budget	Shared FTEs ¹ 2015 Budget	Total FTEs 2015 Budget	Change from 2014 Budget
NON-STATUTORY						
Operational Programs						
Total FTEs Operational Programs	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Programs						
WREGIS	5.0	4.0	5.0	0.0	5.0	0.0
Total FTEs Administrative Programs	5.0	4.0	5.0	0.0	5.0	0.0
Total FTEs	5.0	4.0	5.0	0.0	5.0	0.0

¹A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

There are no changes to personnel within the non-statutory function.

Reserve Analysis — 2014–2015

Working Capital Reserve Analysis		
NON-STATUTORY		
	WREGIS Reserves	WECC Non-Statutory Reserves
Beginning Working Capital Reserve (Deficit), December 31, 2013	1,954,861	5,874,245
Plus: 2014 WREGIS Funding	2,445,645	
Plus: 2014 Other funding sources		
Less: 2014 Projected expenses & capital expenditures	(1,304,350)	
Transfer Reserves to Statutory		(5,874,245)
Projected Working Capital Reserve (Deficit), December 31, 2014	<u><u>3,096,156</u></u>	<u><u>0</u></u>
Projected Working Capital Reserve, December 31, 2015	3,096,156	0
Less: Projected Working Capital Reserve, December 31, 2014	(3,096,156)	0
Adjustments to achieve Working Capital Reserve, December 31, 2014	<u><u>0</u></u>	<u><u>0</u></u>
2014 Funding Sources	1,630,875	
Less: Expenses and Capital Expenditures	(1,660,634)	
2015 Funding (reserve adjustment)	<u><u>(29,759)</u></u>	<u><u>0</u></u>

WECC’s Board has approved a Working Capital Reserve balance equal to one month of Personnel and Operating Expenses. In 2014, WECC transferred \$5.87 million of Non-statutory Working Capital Reserves, which were on-hand when WECC originally signed its Delegation Agreement in 2006, to Statutory Working Capital Reserves. Those funds are exclusive of the Non-statutory Reserves related to WREGIS and have not been used for any purpose in the past seven years. WECC Management and the WECC Board believed it would be prudent to use that money to minimize the impact on Assessments due to the budget increases in 2014. The total working capital reserves were used to offset the impact of the creation of Peak and other increases on Assessments for both WECC and Peak in 2014.

Section D – Additional Consolidated Financial
Statements
2015 Business Plan and Budget

Section D – Additional Consolidated Financial Statements

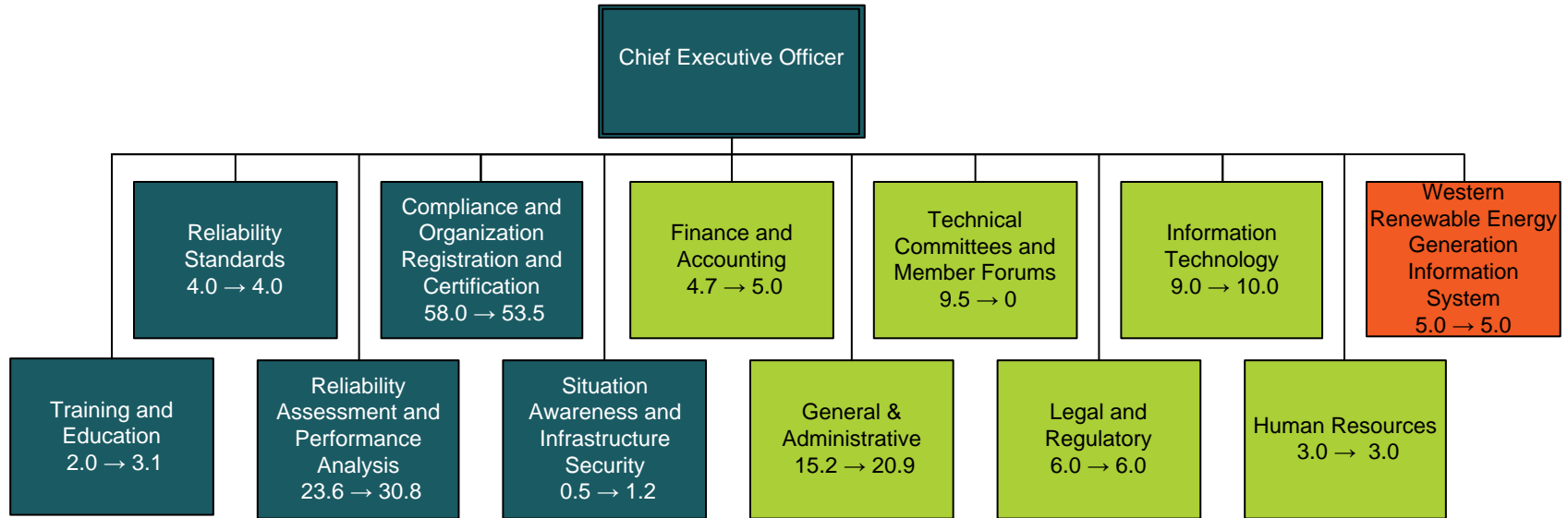
2015 Consolidated Statement of Activities by Program, Statutory, and Non-Statutory

Statement of Activities and Capital Expenditures by Program 2015 Budget	Total	Statutory Total	Non-Statutory Total	Functions in Delegation Agreement											Non-Statutory Functions				
				Statutory Total	Reliability Standards (Section 300)	Compliance and Organization Registration and Certification (Section 400 & 500)	Reliability Assessment and Performance Analysis (Section 800)	Training and Education (Section 900)	Situation Awareness and Infrastructure Security (Section 1000)	Committee and Member Forums	General and Administrative	Legal and Regulatory	Information Technology	Human Resources	Accounting and Finance	Non-Statutory Total	WRGIS		
Funding																			
WECC Funding																			
WECC Assessments	25,032,135	25,032,135	-	25,032,135	1,017,660	13,056,028	10,231,472	434,720	292,255	-	-	-	-	-	-	-	-	-	-
Penalty Sanctions	143,000	143,000	-	143,000	6,177	82,619	47,564	4,787	1,853	-	-	-	-	-	-	-	-	-	-
Total WECC Funding	25,175,135	25,175,135	-	25,175,135	1,023,837	13,138,647	10,279,036	439,507	294,108	-	-	-	-	-	-	-	-	-	-
Non-statutory Funding	1,626,000	-	1,626,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,626,000
Federal Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services & Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Workshops	1,060,775	1,055,900	4,875	1,055,900	-	-	-	1,055,900	-	-	-	-	-	-	-	-	-	-	4,875
Interest	69,000	69,000	-	69,000	2,981	39,865	22,950	2,310	894	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funding (A)	27,930,910	26,300,035	1,630,875	26,300,035	1,026,818	13,178,512	10,301,986	1,497,717	295,002	-	-	-	-	-	-	-	-	-	1,630,875
Expenses																			
Personnel Expenses																			
Salaries	13,454,002	13,095,525	358,476	13,095,525	477,416	5,032,890	3,062,768	351,089	141,605	-	1,990,286	695,671	780,760	245,335	317,705	-	-	-	358,476
Payroll Taxes	990,355	960,686	29,669	960,686	34,358	387,555	238,217	25,665	11,010	-	109,878	46,009	63,536	19,451	25,006	-	-	-	29,669
Benefits	2,162,986	2,100,312	62,675	2,100,312	44,967	675,026	375,438	36,173	14,048	-	238,323	71,186	117,503	468,014	59,634	-	-	-	62,675
Retirement Costs	1,153,200	1,122,028	31,172	1,122,028	41,514	438,745	266,328	30,530	12,313	-	140,513	60,493	67,892	36,334	27,366	-	-	-	31,172
Total Personnel Expenses	17,760,542	17,278,550	481,992	17,278,550	598,255	6,534,216	3,942,750	443,457	178,977	-	2,479,000	873,359	1,029,691	769,134	429,711	-	-	-	481,992
Meeting Expenses																			
Meetings	817,523	813,548	3,975	813,548	528	6,685	137,430	489,300	-	165,705	13,900	-	-	-	-	-	-	-	3,975
Travel	1,474,823	1,422,823	52,000	1,422,823	32,175	849,896	221,552	16,850	-	121,500	97,750	42,000	13,500	21,600	6,000	-	-	-	52,000
Conference Calls	76,439	75,239	1,200	75,239	3,027	13,152	29,600	8,750	-	2,552	10,000	1,200	6,600	108	250	-	-	-	1,200
Total Meeting Expenses	2,368,785	2,311,610	57,175	2,311,610	35,730	869,733	388,582	514,900	-	289,757	121,650	43,200	20,100	21,708	6,250	-	-	-	57,175
Operating Expenses																			
Consultants & Contracts	2,125,620	2,123,220	2,400	2,123,220	-	467,920	1,332,000	92,000	-	80,000	86,300	-	40,000	25,000	-	-	-	-	2,400
Office Rent	987,136	987,136	-	987,136	-	1,600	-	47,676	-	-	935,650	-	1,960	250	-	-	-	-	-
Office Costs	2,243,736	1,627,611	616,125	1,627,611	6,079	132,213	360,650	99,950	-	3,420	370,380	29,790	434,917	46,355	143,857	-	-	-	616,125
Professional Services	1,007,850	988,350	19,500	988,350	-	-	-	-	-	749,250	-	144,000	-	10,600	84,500	-	-	-	19,500
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	875,000	875,000	-	875,000	-	20,000	520,000	-	-	200,000	8,000	120,000	1,000	6,000	-	-	-	-	-
Total Operating Expenses	7,239,342	6,601,317	638,025	6,601,317	6,079	621,733	2,212,650	239,626	-	832,670	1,592,330	181,790	596,877	83,205	234,357	-	-	-	638,025
Total Direct Expenses	27,368,669	26,191,477	1,177,192	26,191,477	640,064	8,025,682	6,543,982	1,197,983	178,977	1,122,427	4,192,980	1,098,349	1,646,668	874,047	670,318	-	-	-	1,177,192
Indirect Expenses																			
	0	(492,049)	492,049	(492,049)	393,639	5,264,920	3,031,019	305,070	118,092	(1,122,427)	(4,192,980)	(1,098,349)	(1,646,668)	(874,047)	(670,318)	-	-	-	492,049
Other Non-Operating Expenses																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses (B)	27,368,669	25,699,428	1,669,241	25,699,428	1,033,703	13,290,602	9,575,002	1,503,053	297,068	-	-	-	-	-	-	-	-	-	1,669,241
Change in Assets	562,241	600,607	(38,366)	600,607	(6,885)	(112,090)	726,984	(5,336)	(2,066)	-	-	-	-	-	-	-	-	-	(38,366)
Fixed Assets																			
Depreciation	(875,000)	(875,000)	-	(875,000)	-	(20,000)	(520,000)	-	-	-	(200,000)	(8,000)	(120,000)	(1,000)	(6,000)	-	-	-	-
Computer & Software CapEx	1,319,000	1,319,000	-	1,319,000	-	-	1,300,000	-	-	-	9,000	-	10,000	-	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment CapEx	148,000	148,000	-	148,000	-	-	-	-	-	-	27,000	-	121,000	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of Fixed Assets	-	8,607	(8,607)	8,607	(6,885)	(92,090)	(53,016)	(5,336)	(2,066)	-	164,000	8,000	(11,000)	1,000	6,000	-	-	-	(8,607)
Inc(Dec) in Fixed Assets (C)	592,000	600,607	(8,607)	600,607	(6,885)	(112,090)	726,984	(5,336)	(2,066)	-	-	-	-	-	-	-	-	-	(8,607)
TOTAL BUDGET (B+C)	27,960,669	26,300,035	1,660,634	26,300,035	1,026,818	13,178,512	10,301,986	1,497,717	295,002	-	-	-	-	-	-	-	-	-	1,660,634
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	(29,759)	-	(29,759)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,759)
FTEs	142.5	137.5	5.0	137.5	4.0	53.5	30.8	3.1	1.2	-	20.9	6.0	10.0	3.0	5.0	-	-	-	5.0
HC	143.0	138.0	5.0	138.0	4.0	54.0	32.0	3.0	-	-	21.0	6.0	10.0	3.0	5.0	-	-	-	5.0

Statement of Financial Position

Statement of Financial Position			
2013 Audited, 2014 Projection, and 2015 Budget			
STATUTORY and NON-STATUTORY			
	(Per Audit)	Projected	Budget
	31-Dec-13	31-Dec-14	31-Dec-15
ASSETS			
Cash and cash equivalents	\$ 24,741,100	\$ 12,865,224	\$ 12,993,876
Certificates of deposit	2,044,097	681,366	688,179
Investments	2,942,933	980,978	990,787
Accounts receivable, net	4,099,826	2,049,913	2,070,412
Prepaid expenses and other assets	1,451,697	389,484	393,379
Property and equipment	11,042,682	1,691,682	2,691,682
Total Assets	\$ 46,322,335	\$ 18,658,647	\$ 19,828,316
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	5,380,399	1,614,120	1,775,532
Accrued Expenses	4,145,493	1,043,648	1,148,013
Deferred revenue	11,679,055	6,628,811	7,390,649
Other liabilities	1,665,866	1,420,546	1,562,601
Total Liabilities	\$ 22,870,813	\$ 10,707,125	\$ 11,876,794
Unrestricted net assets	23,451,522	7,951,522	7,951,522
Total Liabilities and Net Assets	\$ 46,322,335	\$ 18,658,647	\$ 19,828,316

Appendix A: Organizational Chart



- Statutory Program Area
- Administrative Services Program Area
- Non-statutory Program Area

Appendix B: 2015 Budget & Projected 2016 and 2017 Budgets

Statement of Activities and Capital Expenditures							
2015 Budget & Projected 2016 and 2017 Budgets							
Statutory							
	2015 Budget	2016 Projection	\$ Change 15 v 16	% Change 15 v 16	2017 Projection	\$ Change 16 v 17	% Change 16 v 17
Funding							
ERO Funding							
WECC Assessments	\$ 25,055,135	\$ 25,656,467	\$ 601,332	2.4%	\$ 26,215,027	\$ 558,559	2.2%
Penalty Sanctions	120,000	-	(120,000)	-100.0%	-	-	-
Total ERO Funding	\$ 25,175,135	\$ 25,656,467	\$ 481,332	1.9%	\$ 26,215,027	\$ 558,559	2.2%
Membership Dues	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
Workshops	1,055,900	1,108,695	52,795	5.0%	1,164,130	55,435	5.0%
Interest	69,000	69,000	-	0.0%	69,000	-	0.0%
Miscellaneous	-	-	-	-	-	-	-
Total Funding (A)	\$ 26,300,035	\$ 26,834,162	\$ 534,127	2.0%	\$ 27,448,157	\$ 613,994	2.3%
Expenses							
Personnel Expenses							
Salaries	\$ 13,095,525	\$ 14,046,346	950,821	7.3%	\$ 14,683,200	636,854	4.5%
Payroll Taxes	960,685	1,033,272	72,587	7.6%	\$ 1,080,603	47,331	4.6%
Benefits	2,100,312	2,259,325	159,012	7.6%	\$ 2,364,698	105,373	4.7%
Retirement Costs	1,122,028	1,205,340	83,311	7.4%	\$ 1,260,303	54,964	4.6%
Total Personnel Expenses	\$ 17,278,551	\$ 18,544,283	\$ 1,265,732	7.3%	\$ 19,388,804	\$ 844,521	4.6%
Meeting Expenses							
Meetings	\$ 813,548	\$ 846,090	32,542	4.0%	\$ 879,934	33,844	4.0%
Travel	1,422,823	1,479,736	56,913	4.0%	1,509,331	29,595	2.0%
Conference Calls	75,239	75,239	-	0.0%	75,239	-	0.0%
Total Meeting Expenses	\$ 2,311,610	\$ 2,401,065	\$ 89,455	3.9%	\$ 2,464,503	\$ 63,438	2.6%
Operating Expenses							
Consultants & Contracts	\$ 2,123,220	\$ 2,208,149	84,929	4.0%	\$ 2,296,475	88,326	4.0%
Office Rent	987,136	990,000	2,864	0.3%	990,000	-	0.0%
Office Costs	1,627,611	1,692,715	65,104	4.0%	1,760,424	67,709	4.0%
Professional Services	988,350	990,000	1,650	0.2%	990,000	-	0.0%
Miscellaneous	-	-	-	-	-	-	-
Depreciation	875,000	1,050,000	175,000	20.0%	-	(1,050,000)	-100.0%
Total Operating Expenses	\$ 6,601,317	\$ 6,930,864	\$ 329,547	5.0%	\$ 6,036,899	\$ (893,965)	-12.9%
Total Direct Expenses	\$ 26,191,478	\$ 27,876,212	\$ 1,684,734	6.4%	\$ 27,890,206	\$ 13,994	0.1%
Indirect Expenses	(492,049)	(492,049)	-	0.0%	(492,049)	-	0.0%
Other Non-Operating Expenses	-	-	-	-	-	-	-
Total Expenses (B)	\$ 25,699,428	\$ 27,384,162	\$ 1,684,734	6.6%	\$ 27,398,157	\$ 13,994	0.1%
Change in Assets	\$ 600,607	\$ (550,000)	\$ (1,150,607)	-191.6%	\$ 50,000	\$ 600,000	-109.1%
Fixed Assets							
Depreciation	\$ (875,000)	\$ (1,050,000)	(175,000)	20.0%	\$ -	\$ 1,050,000	-100.0%
Computer & Software CapEx	1,467,000	500,000	(967,000)	-65.9%	50,000	(450,000)	-90.0%
Furniture & Fixtures CapEx	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-
Incr(Dec) in Fixed Assets (C)	\$ 592,000	\$ (550,000)	\$ (1,142,000)	-192.9%	\$ 50,000	\$ 600,000	-109.1%
TOTAL BUDGET (B+C)	\$ 26,291,428	\$ 26,834,162	\$ 542,734	2.1%	\$ 27,448,157	\$ 613,994	2.3%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ 8,607	\$ -	\$ (8,607)	100.0%	\$ -	\$ -	-
FTEs	137.5	143.0	5.5	4.0%	144.0	1	0.7%
HC	138.0	143.0	5.0	3.6%	144.0	1	0.7%

Appendix C: Adjustment to the AESO 2015 Assessment

Adjustment to the AESO 2014 and 2015 Assessments		
Credit for WECC Compliance Costs		
	2014	2015
	Compliance Budget	Compliance Budget
	AESO NEL Allocation	AESO NEL Allocation
WECC Compliance Costs		
Direct Costs less Direct Revenue	\$ 8,108,502	\$ 7,985,817
Indirect Costs	6,276,897	5,264,920
Fixed Asset Expenditures	(105,602)	(112,090)
Total Net Costs, including Fixed Assets	\$ 14,279,797	\$ 13,138,647
Reserve Offset	\$ (1,392,917)	\$ -
Net total to be allocated	\$ 12,886,880	\$ 13,138,647
AESO NEL Share (2011 & 2012)	6.835%	7.000%
AESO Proportional Share of Compliance Costs, including Fixed Assets	\$ 880,818	\$ 919,649
% Credit (54.98 of 58.0 FTE for 2014, 51.23 of 53.5 FTE for 2015)	94.79%	95.76%
AESO Credit for Compliance Costs	\$ 834,928	\$ 880,629

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 4

PEAK RELIABILITY, INC.

PROPOSED 2015 BUSINESS PLAN AND BUDGET

2015 Business Plan and Budget

Peak Reliability

Approved by:
Peak Board of Directors

Date:
June 5, 2014

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Introduction

TOTAL RESOURCES (in whole dollars)			
	2015 Budget	U.S.	Mexico
Statutory FTEs *	161.7		
Non-statutory FTEs	1.0		
Total FTEs	162.7		
Statutory Expenses	\$ 40,423,417		
Non-Statutory Expenses	\$ 416,796		
Total Expenses	\$ 40,840,213		
Statutory Inc(Dec) in Fixed Assets	\$ (1,564,000)		
Non-Statutory Inc(Dec) in Fixed Assets	\$ (26,000)		
Total Inc(Dec) in Fixed Assets	\$ (1,590,000)		
Statutory Working Capital Requirement **	3,230,000		
Non-Statutory Working Capital Requirement	89,855		
Total Working Capital Requirement	3,319,855		
Total Statutory Funding Requirement	\$ 42,031,236		
Total Non-Statutory Funding Requirement	\$ 456,000		
Total Funding Requirement	\$ 42,487,236		
Statutory Funding Assessments	\$ 41,953,236	\$ 41,302,627	\$ 650,609
Non-Statutory Fees	\$ 456,000	\$ 456,000	\$ -
NEL ****	748,962,993	737,348,098	11,614,895
NEL%	100.00%	98.45%	1.55%

*An FTE is defined as a full-time equivalent employee.

**Refer to the Statutory Reserve Analysis on page 35 in Section B.

****NEL is defined as Net Energy for Load.

Organizational Overview

At its December 2013 meeting, after eighteen months of outreach and input from its stakeholders and members, the Western Electricity Coordinating Council (WECC) Board of Directors approved the bifurcation of WECC into the Regional Entity (WECC) and the Reliability Coordinator Peak Reliability (Peak). On February 12, 2014, the Federal Energy Regulatory Commission (FERC) issued its final Order¹ approving the bifurcation of WECC. Peak is registered for and fulfills the duties of the Reliability Coordinator (RC) and the Interchange Authority (IA), as defined by the North American

¹ RR13-10-001 and RR13-12-001 - <http://www.ferc.gov/CalendarFiles/20140212175906-RR13-10-001.pdf>

Electric Reliability Corporation (NERC), and agreed upon by FERC, for Peak's RC Area in the Western Interconnection.

Peak is a 501(c)(4) entity operating in the "best interest of the public welfare." Peak's mission is fully described in the Peak Bylaws² to, "support and promote social welfare by endeavoring to ensure reliability by providing Real-time Interconnection-wide oversight of the Bulk Electric System (BES) within Peak's footprint, coordinating necessary Real-time and seasonal planning and modeling, and ensuring that data critical to the reliable and efficient operation of the BES is shared appropriately."

The mission goes on to say, "Peak will create value by delivering cost-effective services and engaging in efficient and non-discriminatory practices. Upon approval by the Peak Board of Directors, Peak will perform additional functions that promote BES reliability and support."

Membership and Governance

Peak has 121 companies who are members³ of Peak, divided into the following six membership classes:

1. Large Transmission Owners
2. Small Transmission Owners
3. Generation Owners and Operators
4. End Users
5. Representatives of State and Provincial Governments
6. Members at Large

Peak membership is open to any person or entity that has an interest in the reliable operation of the Western Interconnection BES.

Peak is governed by a seven-member Independent Board of Directors. The seven Independent Directors are not affiliated with any Peak member, any Registered Entity within the Western Interconnection, or any Compliance Enforcement Authority with jurisdiction over Peak's activities. The Peak Board is elected by the Peak Membership and the Directors are compensated for their time.

Input comes to the Peak Board from the member organizations, through recommendations from the Peak Member Advisory Committee (MAC) and from other interested parties. The MAC is comprised of member representatives elected by the member Classes. The MAC advises the Board regarding matters referred to the MAC by the Board; and advises the Board on other matters as the MAC deems appropriate. The MAC consists of fifteen elected Members and includes three representatives elected by each of Classes 1 through 5. As set forth in the Peak Bylaws, each of Member Classes 1 through 5 may subdivide into up to three subdivisions for purposes of electing a Class' MAC Members.⁴

² Peak Bylaws -

https://www.peakrc.com/Business/Peak%20Reliability%20Bylaws%20with%20appendices_final.pdf

³ As of May 21, 2014.

⁴ Peak Bylaws, Section VII.A.

Member Entities

a) U.S. Entities

The 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 perform certain functions through delegation agreements. Ensuring the reliability of the bulk power system in the Western Interconnection was delegated from NERC to WECC through an Amended and Restated Regional Delegation Agreement. The reliability coordinator function was sub-delegated to Peak through compliance filings approved by FERC.

b) International Entities

Historically, Peak has supplied RC services to international entities within the Western Interconnection. Per the terms of Peak's Bylaws, international entities are not required to participate in and fund Peak until such time as the international entity becomes a member pursuant to a membership agreement. International entities without an agreement at this time have not been allocated a portion of Peak's total assessment for 2015.

Effective February 13th, 2014, Peak and the Comisión Federal de Electricidad (CFE), the Baja California Electric System Operator, agreed to CFE becoming a member of Peak. The agreement has Peak continuing to perform the RC and IA functions for CFE. Pursuant to CFE's agreement, their funding of Peak will be based upon the proportion of their Net Energy for Load.

Peak has historically supplied RC services to two Provinces of Canada, British Columbia and Alberta. Agreements for the electric system operators in those Provinces, BC Hydro and Alberta Electric System Operator (AESO) to become members of Peak have not yet been executed. Although a final agreement has not yet been executed, Peak and BC Hydro are negotiating and have agreed to most of the terms of service. Peak and AESO are continuing to negotiate an operations coordination agreement but no funding agreement is expected to result. It is also Peak's objective to establish a tools and data access agreement wherein AESO will pay for certain services, however any potential funding level is unknown at this time.

Statutory Functional Scope

Peak is listed on the NERC Compliance Registry to perform the RC and IA functions as statutory activities.

2015 Peak Business Objectives

Peak's business objectives for 2015 position Peak as the catalyst for system reliability by:

1. Providing comprehensive real-time monitoring, clear real-time communications and coordination, robust operations planning processes and detailed studies and analyses to identify and evaluate mitigation strategies for system risks.
2. Enhancing system reliability through the advancement of new tools and data.
3. Providing stakeholder value through Peak core services, tools, and data.
4. Promoting a culture of compliance, safety and fiscal prudence.
5. Establishing a stable funding mechanism for Peak.

2015 Overview of Cost Impacts

Peak's proposed 2015 statutory budget is \$38.9 million, a \$6.0 million (18.1 percent) increase from its 2014 statutory budget⁵. The primary drivers of the increase are the recommendations from the WECC Board-appointed Reliability Coordination Task Force (RCTF).

Working Capital Reserves increase in 2015. This increase is a result of the depletion of reserves in 2014 that were used to mitigate the percentage increase in Assessments associated with the creation of Peak and the RCTF recommendations. Please see the Statutory Working Capital Analysis on page 35.

Full-time equivalents (FTE) represent the fractional allocation of a full-time position's cost to one or more functional areas. Headcount represents either vacant or filled positions. Significant changes to the 2015 statutory budget from the 2014 statutory budget and other noteworthy items are as follows:

- Personnel Expenses increase by \$4.7 million primarily due to the RCTF recommendations and a change in the assumed employee turnover rate. Employee turnover is the level or rate of unfilled positions that occur during the year. For example, turnover occurs in the time between when an employee leaves and that position is refilled. In 2015, the overall labor turnover assumption is 7.5 percent, compared to the 2014 budget assumption of 15 percent. This results in an increase in costs.
- Consultants & Contracts decrease by \$0.4 million, primarily due to project work being completed in 2014, including situational awareness enhancements to Remedial Action Schemes (RAS) modeling and study automation.
- Other operating costs increase primarily due to an increase in legal fees and rent of additional space in Loveland, Colorado.

⁵ Prior to incorporation on October 10, 2013 Peak was known as the Reliability Coordination Company (RCCo). Filings made prior to that date such as the 2014 Business Plan and Budget were filed as the RCCo.

Personnel Analysis

Total staffing for Peak is 161.67 FTEs in 2015.

Total FTEs by Program Area	Budget 2014	Projection 2014	Direct FTEs 2015 Budget	Shared FTEs* 2015 Budget	Total FTEs 2015 Budget	Change from 2014 Budget
STATUTORY						
Operational Programs						
Situation Awareness and Infrastructure Security	119.10	114.10	134.67	0	134.67	15.57
Total FTEs Operational Programs	119.10	114.10	134.67	0.00	134.67	15.57
Administrative Programs						
General & Administrative	12.00	12.00	13.00	0.00	13.00	1.00
Information Technology	3.00	3.00	3.00	0.00	3.00	0.00
Legal and Regulatory	7.00	3.00	3.00	0.00	3.00	-4.00
Human Resources	3.00	3.00	3.00	0.00	3.00	0.00
Finance and Accounting	5.00	5.00	5.00	0.00	5.00	0.00
Total FTEs Administrative Programs	30.00	26.00	27.00	0.00	27.00	-3.00
Total FTEs	149.10	140.10	161.67	0.00	161.67	12.57

*A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

2014 Budget and Projection and 2015 Budget Comparisons

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

STATUTORY

	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
Funding					
Assessments	\$ 29,568,031	\$ 29,568,031	\$ -	\$ 41,953,236	\$ 12,385,205
Penalty Sanctions	-	-	-	-	-
Total Funding	\$ 29,568,031	\$ 29,568,031	\$ -	\$ 41,953,236	\$ 12,385,205
Membership Dues	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	156,000	26,800	(129,200)	78,000	(78,000)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 29,724,031	\$ 29,594,831	\$ (129,200)	\$ 42,031,236	\$ 12,307,206
Expenses					
Personnel Expenses					
Salaries	\$ 14,959,387	\$ 16,965,760	\$ 2,006,373	\$ 18,424,141	\$ 3,464,753
Payroll Taxes	963,710	1,307,150	343,440	1,299,123	335,414
Benefits	2,510,604	2,072,244	(438,360)	2,874,619	364,015
Retirement Costs	963,708	1,219,871	256,162	1,474,873	511,164
Total Personnel Expenses	\$ 19,397,409	\$ 21,565,024	\$ 2,167,615	\$ 24,072,756	\$ 4,675,347
Meeting Expenses					
Meetings	\$ 306,183	\$ 256,605	\$ (49,578)	\$ 196,445	\$ (109,738)
Travel	804,138	714,834	(89,304)	914,035	109,897
Conference Calls	45,084	29,223	(15,861)	29,144	(15,940)
Total Meeting Expenses	\$ 1,155,405	\$ 1,000,662	\$ (154,743)	\$ 1,139,624	\$ (15,781)
Operating Expenses					
Consultants & Contracts	\$ 1,267,500	\$ 1,742,632	\$ 475,132	\$ 906,600	\$ (360,900)
Office Rent	1,276,728	1,519,151	242,423	1,562,120	285,392
Office Costs	6,986,326	6,626,139	(360,187)	7,159,750	173,424
Professional Services	663,280	813,366	150,086	1,310,200	646,920
Miscellaneous	-	-	-	0	0
Depreciation	3,625,000	3,891,221	266,221	4,450,000	825,000
Total Operating Expenses	\$ 13,818,834	\$ 14,592,510	\$ 773,676	\$ 15,388,670	\$ 1,569,836
Total Direct Expenses	\$ 34,371,648	\$ 37,158,196	\$ 2,786,548	\$ 40,601,050	\$ 6,229,402
Indirect Expenses	\$ -	\$ (86,122)	\$ (86,122)	\$ (110,328)	\$ (110,328)
Other Non-Operating Expenses	\$ -	\$ 56	\$ 56	\$ -	\$ -
Total Expenses (B)	\$ 34,371,648	\$ 37,072,131	\$ 2,700,482	\$ 40,490,722	\$ 6,119,073
Change in Assets	\$ (4,647,618)	\$ (7,477,300)	\$ (2,829,682)	\$ 1,540,515	\$ 6,188,132
Fixed Assets					
Depreciation	\$ (3,625,000)	\$ (3,891,221)	\$ (266,221)	\$ (4,450,000)	\$ (825,000)
Computer & Software CapEx	1,373,000	1,118,740	(254,260)	2,025,000	652,000
Furniture & Fixtures CapEx	36,000	18,000	(18,000)	11,000	(25,000)
Equipment CapEx	803,000	963,264	160,264	850,000	47,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Incr(Dec) in Fixed Assets (C)	\$ (1,413,000)	\$ (1,791,217)	\$ (378,217)	\$ (1,564,000)	\$ (151,000)
TOTAL BUDGET (B+C)	32,958,648	35,280,914	2,322,265	38,926,722	5,968,073
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (3,234,618)	\$ (5,686,083)	\$ (2,451,465)	\$ 3,104,515	\$ 6,339,132
FTEs	149.1	140.1	(9.0)	161.7	12.6
HC	155.0	151.0	(4.0)	166.0	11.0

Section A – Statutory Programs 2015 Business Plan and Budget

Section A — 2015 Business Plan

Situation Awareness and Infrastructure Security Program

Situation Awareness and Infrastructure Security (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	119.1	134.7	15.6
Direct Expenses	\$ 26,547,960	\$ 31,469,777	\$ 4,921,817
Indirect Expenses	\$ 7,823,688	\$ 9,020,944	\$ 1,197,256
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (1,413,000)	\$ (1,564,000)	\$ (151,000)
Total Funding Requirement	\$ 32,958,648	\$ 38,926,722	\$ 5,968,074

Program Scope and Functional Description

The Reliability Coordinator and Interchange Authority functions oversee situation awareness for Peak's RC area.

Reliability Coordinator

Peak's primary role is assuring the reliable operation of the Bulk Electric System (BES) for its RC Area in real-time and next-day study time frames. Peak maintains real-time operating reliability with a wide-area view. This view includes situational awareness of both transmission and balancing operations. Peak has the authority to direct other functional entities to take actions to ensure reliable operation within its RC Area. Peak ensures that the BES is operated within specified limits, and that operations are planned and coordinated within its RC Area. These reliability functions are executed at the Reliability Coordination Offices (RCO) located in Vancouver, Washington, and Loveland, Colorado. Each RCO serves as a "hot" backup for the other.

Interchange Authority

Peak assumed the role as the IA for the Western Interconnection in 2014. The primary role of the IA is to coordinate communication and validation of Arranged Interchange for reliability evaluation and implementation purposes. Peak currently uses a software system called the Western Interchange Tool (WIT) to perform the functions of the IA in the Western Interconnection. Pending INT (Interchange) standards remove operational requirements for the IA, which may result in changes to Peak's obligation as the registered IA.

2015 Key Assumptions

- During 2015, Peak is expected to respond to FERC directives and orders as well as to significant new initiatives not currently identified that may be generated by NERC. Uncertainties that may have a significant impact on resources include NERC standards that have been filed with FERC, such as EOP-010 (Geo-Magnetic Disturbances), PER-005-2 (Operations Personnel Training), CIP Version 5, and the suite of IRO and TOP standards. Possible impacts include

additional workload, need for increased outreach and training, and the actual transition and associated guidance that may be issued by NERC.

- Cyclical upgrades of event monitoring equipment, software, hardware, and Information Technology (IT) system infrastructure will occur .

2015 Goals and Key Deliverables

1. Implement the recommendations for Peak from the FERC/NERC Joint Report on the September 8, 2011 Blackout.
2. Aggressively increase staffing and expand and enhance tools used for Real-time monitoring of the RC Area throughout 2015, based on the RCTF recommendations presented to the WECC Board of Directors in December 2012.
3. Pending NERC standards will create additional training workload for the RC staff. Changes to EOP-010 and the IRO/TOP standards may change the requirements of the RC System Operators. This will require additional training on any changing tasks or expectations. Changes to the PER-005 standard may change training requirements that will also require additional training.
4. NERC CIP Version 5 is effective April 1, 2016. In preparation, Peak must make significant changes to its procedural and electronic controls in 2015. These changes include tracking revisions of operating systems, installing software product version numbers, monitoring baseline changes, and making physical security perimeter changes.
5. The Enhance Curtailment Calculator (ECC) will provide Peak with the ability to manage congestion through pro-active curtailments, and generation re-dispatch.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than Electric Reliability Organization (ERO) Assessments)

- Interest revenue is allocated to the only Statutory Program Area within Peak.

Personnel Expenses

- Salaries increase by \$3.5 million, primarily due to the net addition of 15.6 FTEs (14 positions). All of the new positions are being added as a result of the RCTF recommendations, primarily to enhance Peak's ability to carry out its function. These positions will focus primarily on the areas of:
 - Operations Planning
 - Current-day/Real-time support
 - Next-day study data validation and mapping
 - Seasonal System Operating Limit (SOL) coordination and validation
 - Emergency plan coordination
 - Model validation
 - Real-time Operations
 - Monitor and analyze Real-time system conditions

- Coordinate system restoration activities
 - Proactively respond to and mitigate potential adverse impacts to the BES
 - Communicate with and direct corrective actions of Registered Entities for SOL exceedances
 - Identify and mitigate potential/actual Interconnection Reliability Operating Limits in Real-time operations horizon
- Overtime costs in 2015 increase \$0.4 million as a result of the implementation of the union contract.
 - Payroll Taxes and Benefits increase with Salaries.
 - Retirement Costs increase due to the Salaries increase and a 2 percent increase in Peak's fixed 401(k) contribution rate.
 - In 2015, the labor turnover assumption was changed to a 7.5 percent reduction in each department. This results in an increase in salaries, payroll taxes, employer retirement contributions, and medical benefits compared to the 2014 budget of 15 percent for labor turnover.

Meeting Expenses

- Meeting costs increase by \$15,000 due to more employees.
- Travel costs increase by \$19,500 due to more employees.

Operating Expenses

- Consultants & Contracts decrease by a net \$487,000 primarily due to the implementation of activities in 2014 associated with the September 8, 2011 Pacific Southwest event. Many of these activities have been subsumed into ongoing RC operations.
- Office Rent decreases by \$8,000 due to lower levels of office maintenance.
- Office Costs increase by \$49,000 primarily due to maintenance and service agreements for RC equipment and software. Alstom contracts for 2015 licenses will increase \$30,000 due to payment structure of Peak's 3rd payment of a 5-year contract.
- Depreciation increases by \$832,000 due to the full year of depreciation for assets purchased in 2014 and the increase in Fixed Assets expenditures in 2015.

Indirect Expenses

- Indirect Expenses are allocated based on FTEs. Because it is Peak's only Statutory function, 100 percent of the indirect cost allocation is accounted for in the Situational Awareness and Infrastructure Security (SAIS) Program Area.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Computer and Software CapEx increases by a net \$652,000 primarily due to information technology required to comply with NERC CIP Version 5, corporate monitoring equipment, and hardware replacements under normal refresh cycles.
- Equipment CapEx increases by \$12,000. The increase relates primarily to costs to increase system visibility.

Situation Awareness and Infrastructure Security Program

Funding sources and related expenses for the Situation Awareness and Infrastructure Security section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
Funding					
Assessments	\$ 29,568,031	\$ -	\$ (29,568,031)	\$ -	\$ (29,568,031)
Penalty Sanctions	-	-	-	-	-
Total Funding	\$ 29,568,031	\$ -	\$ (29,568,031)	\$ -	\$ (29,568,031)
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	156,000	26,800	(129,200)	78,000	(78,000)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 29,724,031	\$ 26,800	\$ (29,697,231)	\$ 78,000	\$ (29,646,031)
Expenses					
Personnel Expenses					
Salaries	\$ 11,932,371	\$ 14,000,158	\$ 2,067,787	\$ 15,388,055	\$ 3,455,684
Payroll Taxes	787,893	1,092,114	304,221	1,119,451	331,558
Benefits	1,680,551	1,426,156	(254,395)	1,936,480	255,929
Retirement Costs	787,893	1,012,859	224,966	1,247,283	459,390
Total Personnel Expenses	\$ 15,188,708	\$ 17,531,287	\$ 2,342,579	\$ 19,691,270	\$ 4,502,562
Meeting Expenses					
Meetings	\$ 1,083	\$ 26,838	\$ 25,755	\$ 15,840	\$ 14,757
Travel	455,288	404,283	(51,005)	474,800	19,512
Conference Calls	15,384	16,238	854	14,640	(744)
Total Meeting Expenses	\$ 471,755	\$ 447,360	\$ (24,395)	\$ 505,280	\$ 33,525
Operating Expenses					
Consultants & Contracts	\$ 950,000	\$ 1,486,622	\$ 536,622	\$ 463,000	\$ (487,000)
Office Rent	27,996	50,666	22,670	20,000	(7,996)
Office Costs	6,291,501	5,988,030	(303,471)	6,340,227	48,726
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	3,618,000	3,834,316	216,316	4,450,000	832,000
Total Operating Expenses	\$ 10,887,497	\$ 11,359,634	\$ 472,137	\$ 11,273,227	\$ 385,730
Total Direct Expenses	\$ 26,547,960	\$ 29,338,281	\$ 2,790,321	\$ 31,469,777	\$ 4,921,817
Indirect Expenses	\$ 7,823,688	\$ 7,733,850	\$ (89,838)	\$ 9,020,944	\$ 1,197,256
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 34,371,648	\$ 37,072,131	\$ 2,700,483	\$ 40,490,722	\$ 6,119,074
Change in Assets	\$ (4,647,617)	\$ (37,045,331)	\$ (32,397,714)	\$ (40,412,722)	\$ (35,765,105)
Fixed Assets					
Depreciation	(3,618,000)	(3,834,316)	(216,316)	(4,450,000)	(832,000)
Computer & Software CapEx	1,373,000	1,118,740	(254,260)	2,025,000	652,000
Furniture & Fixtures CapEx	-	-	-	11,000	11,000
Equipment CapEx	803,000	963,264	160,264	815,000	12,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 29,000	\$ (38,905)	\$ (67,905)	\$ 35,000	\$ 6,000
Incr(Dec) in Fixed Assets (C)	\$ (1,413,000)	\$ (1,791,217)	\$ (378,217)	\$ (1,564,000)	\$ (151,000)
TOTAL BUDGET (B+C)	32,958,648	35,280,914	2,322,266	38,926,722	5,968,074
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (3,234,617)	\$ (35,254,114)	\$ (32,019,497)	\$ (38,848,722)	\$ (35,614,105)
FTEs	119.1	114.1	(5.0)	134.7	15.6
HC	125.0	125.0	-	139.0	14.0

Administrative Services

Administrative Services (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	30.0	27.0	(3.0)
Direct Expenses	\$ 7,823,688	\$ 9,131,273	\$ 1,307,585
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

Peak's Administrative Services comprises of Technical Committees and Member Forums, General and Administrative, Legal and Regulatory, Information Technology, Human Resources, and Finance and Accounting. The budgets for these programs are addressed in the subsequent sections of the Business Plan and Budget.

Methodology for Allocation of Administrative Services Expenses to Programs

Administrative Services expenses are allocated to the statutory program area.

Funding Sources and Requirements

The budget explanations in subsequent sections include explanations of increases and decreases from the previous year's budget.

Technical Committees and Member Forums

Technical Committees and Member Forums (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	-	-	-
Total Direct Expenses	\$ 669,310	\$ 925,115	\$ 255,805
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

The Peak Board of Directors provides the governance and strategic direction for the organization. It performs its duties with input from the Peak MAC and other interested stakeholders.

2015 Key Assumptions

- Peak budgets for meeting space, meals, administrative support and logistics associated with:
 - Five in person Peak Board of Directors meetings.
 - An Annual Members' meeting held in conjunction with one of the Board of Directors meetings.
 - Monthly MAC meetings some in-person some via webinar.
- All Peak in-person meetings will be held at off-site facilities.

2015 Goals and Key Deliverables

- Provide organizational governance and ensures that Peak operates in compliance with the Peak Bylaws and obligations set forth in law or contract.
- Determine strategic direction for the organization.

Funding Sources and Requirements

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Not applicable.

Meeting Expenses

- Meeting expenses decrease \$103,000 primarily due to a decrease in the cost of Board and MAC meetings.
- Travel expenses increase \$78,000 due to the addition of select MAC representative travel costs and the transfer of Peak employee travel costs associated with attending

Board meetings. The employee travel costs were previously accounted for in the employees' functional area.

Operating Expenses

- Consultants & Contracts cost increase \$30,000 due to Independent Director development.
- Professional Services increase \$252,000 due to the Independent Director Compensation criteria adopted by the WECC Board of Directors in August 2013.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Technical Committees and Member Forums

Funding sources and related expenses for the Technical Committees and Member Forums section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
TECHNICAL COMMITTEES AND MEMBER FORUMS					
	2014	2014	Variance	2015	Variance
	Budget	Projection	2014 Projection v 2014 Budget	Budget	2015 Budget v 2014 Budget
			Over(Under)		Over(Under)
Funding					
Funding					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ -	\$ 450	\$ 450	\$ -	\$ -
Payroll Taxes	-	-	-	-	-
Benefits	-	-	-	-	-
Retirement Costs	-	-	-	-	-
Total Personnel Expenses	\$ -	\$ 450	\$ 450	\$ -	\$ -
Meeting Expenses					
Meetings	\$ 260,000	\$ 188,899	\$ (71,101)	\$ 157,500	\$ (102,500)
Travel	42,000	55,571	13,571	119,575	77,575
Conference Calls	2,680	2,010	(670)	740	(1,940)
Total Meeting Expenses	\$ 304,680	\$ 246,480	\$ (58,200)	\$ 277,815	\$ (26,865)
Operating Expenses					
Consultants & Contracts	\$ -	\$ 619	\$ 619	\$ 30,000	\$ 30,000
Office Rent	-	-	-	-	-
Office Costs	2,350	1,280	(1,070)	2,800	450
Professional Services	362,280	527,111	164,831	614,500	252,220
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ 364,630	\$ 529,010	\$ 164,380	\$ 647,300	\$ 282,670
Total Direct Expenses	\$ 669,310	\$ 775,940	\$ 106,630	\$ 925,115	\$ 255,805
Indirect Expenses	\$ (669,310)	\$ (775,940)	\$ (106,630)	\$ (925,115)	\$ (255,805)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	-	-	-	-	-
HC	-	-	-	-	-

General and Administrative

General and Administrative (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	12.0	13.0	1.0
Direct Expenses	\$ 3,661,753	\$ 4,231,504	\$ 569,751
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

The General and Administrative program area provides executive leadership, communications, and administrative support for Peak staff, committees, members, and management, as well as logistics support to the Loveland, Colorado and Vancouver, Washington offices. In addition, indirect costs such as office rent that benefit multiple functional areas are accounted for in this budget.

2015 Key Assumptions

- Peak will require a full range of administrative, executive, and communications services.
- A stable funding mechanism is established in 2015.

2015 Goals and Key Deliverables

- Provide executive leadership and strategic guidance for the activities undertaken by Peak.
- Establish a stable funding mechanism for Peak.
- Provide quality and efficient support to staff and the Board.
- Build and maintain strong relationships with FERC.
- Build and maintain strong relationships with key stakeholders.

Funding Sources and Requirements

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Salaries increase \$296,000, driven by anticipated increases in salaries of current employees and one new position related to the RCTF recommendations.
- Payroll Taxes and Benefits increases are driven by the Salaries increase.
- Retirement Costs increase due to the Salaries increase and a 2 percent increase in Peak's fixed 401(k) contribution rate.

- In 2015, the labor turnover assumption was changed to a 7.5 percent reduction in each department. This results in an increase in salaries, payroll taxes, employer retirement contributions, and medical benefits compared to the 2014 budget of 15 percent for labor turnover.

Meeting Expenses

- Meeting and Travel expenses decrease \$51,000 due to an expected reduction in travel.

Operating Expenses

- Office Rent increases \$262,000 due to acquisition of additional space in the Loveland, Colorado office.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- The Furniture & Fixtures CapEx decreases \$36,000 due to projects completed in 2014.

General and Administrative

Funding sources and related expenses for the General and Administrative section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
GENERAL AND ADMINISTRATIVE					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
Funding					
Assessments	\$ -	\$ -	\$ -	-	\$ -
Penalty Sanctions	-	-	-	-	-
Total Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 1,366,486	\$ 1,638,031	\$ 271,545	1,662,553	\$ 296,067
Payroll Taxes	74,191	103,671	29,480	83,670	9,479
Benefits	145,572	104,109	(41,463)	169,845	24,273
Retirement Costs	74,191	109,564	35,373	119,587	45,396
Total Personnel Expenses	\$ 1,660,440	\$ 1,955,374	\$ 294,934	\$ 2,035,656	\$ 375,216
Meeting Expenses					
Meetings	\$ 45,100	\$ 35,438	\$ (9,662)	22,700	\$ (22,400)
Travel	237,250	185,392	(51,858)	221,000	(16,250)
Conference Calls	19,620	8,729	(10,891)	6,800	(12,820)
Total Meeting Expenses	\$ 301,970	\$ 229,560	\$ (72,410)	\$ 250,500	\$ (51,470)
Operating Expenses					
Consultants & Contracts	\$ 197,500	\$ 157,613	\$ (39,887)	210,000	\$ 12,500
Office Rent	1,248,732	1,468,485	219,753	1,511,120	262,388
Office Costs	246,111	246,367	256	224,228	(21,883)
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	7,000	46,693	39,693	-	(7,000)
Total Operating Expenses	\$ 1,699,343	\$ 1,919,158	\$ 219,815	\$ 1,945,348	\$ 246,005
Total Direct Expenses	\$ 3,661,753	\$ 4,104,093	\$ 442,340	\$ 4,231,504	\$ 569,751
Indirect Expenses	\$ (3,661,753)	\$ (4,104,093)	\$ (442,340)	\$ (4,231,504)	\$ (569,751)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	(7,000)	(46,693)	(39,693)	-	7,000
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	36,000	18,000	(18,000)	-	(36,000)
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (29,000)	\$ 28,693	\$ 57,693	\$ -	\$ 29,000
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	12.0	12.0	-	13.0	1.0
HC	12.0	12.0	-	13.0	1.0

Legal and Regulatory

Legal and Regulatory (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	7.0	3.0	(4.0)
Direct Expenses	\$ 1,318,643	\$ 1,302,724	\$ (15,919)
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

The Legal program area provides coordinated legal services to the Peak organization. In addition, the program area provides interpretations of relevant statutes, regulations, court opinions, contracts, international law, and regulatory decisions. Peak's broad scope of activities, corresponding compliance and regulatory obligations and international operations require significant legal support and review.

The Legal program area develops specific subject matter expertise to further assist Peak with its legal needs. Specialized issues will be outsourced to select law firms, but the responsibility for all legal matters remains with the General Counsel and the Legal program area.

2015 Key Assumptions

- Peak, as an independent company, requires the full range of corporate legal support services, as well as specialized legal expertise.

2015 Goals and Key Deliverables

- Provide efficient, cost-effective legal support to the Peak Board, Peak's management and staff, and Peak committees through a combination of in-house and outside resources.
- Update and advise the Peak Board and CEO on pending legal issues.
- Advise Peak departments on specific legal matters and general matters relating to Peak business especially including legal, regulatory, and contractual rights and obligations.
- Provide legal support to the Peak Compliance Department and facilitate the processing of possible and alleged violations.
- Represent Peak in legal and regulatory proceedings.
- Draft, review and advise Peak on agreements.
- Implement a corporate records management system.

Funding Sources and Requirements

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Personnel Expenses decrease \$474,000 due to the elimination of four positions in this area. Due to the lower number of positions, Peak expects to incur higher expenses for outside legal counsel.

Meeting Expenses

- Travel expenses decrease \$6,000 due to the personnel reduction in this area.

Operating Expenses

- Consultants & Contracts expenses increase \$80,000 due to the use of outside specialists.
- Office Costs increase \$3,000 due to subscription services, continuing legal education, registered agent fees, cell phones, etc.
- Professional Services increase \$381,000 due to the increase in outside legal fees associated with four less positions.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Legal and Regulatory

Funding sources and related expenses for the Legal and Regulatory section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
LEGAL AND REGULATORY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
Funding					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses					
Personnel Expenses					
Salaries	\$ 753,162	\$ 358,411	\$ (394,751)	\$ 367,003	\$ (386,159)
Payroll Taxes	51,174	37,746	(13,428)	25,777	(25,397)
Benefits	87,069	39,162	(47,907)	43,964	(43,105)
Retirement Costs	51,174	29,626	(21,548)	31,760	(19,414)
Total Personnel Expenses	<u>\$ 942,579</u>	<u>\$ 464,946</u>	<u>\$ (477,633)</u>	<u>\$ 468,504</u>	<u>\$ (474,075)</u>
Meeting Expenses					
Meetings	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	36,000	27,360	(8,640)	30,000	(6,000)
Conference Calls	1,200	811	(389)	1,200	-
Total Meeting Expenses	<u>\$ 37,200</u>	<u>\$ 28,171</u>	<u>\$ (9,029)</u>	<u>\$ 31,200</u>	<u>\$ (6,000)</u>
Operating Expenses					
Consultants & Contracts	\$ 120,000	\$ 97,778	\$ (22,222)	\$ 200,000	\$ 80,000
Office Rent	-	-	-	-	-
Office Costs	28,864	23,379	(5,485)	32,020	3,156
Professional Services	190,000	197,625	7,625	571,000	381,000
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	<u>\$ 338,864</u>	<u>\$ 318,782</u>	<u>\$ (20,082)</u>	<u>\$ 803,020</u>	<u>\$ 464,156</u>
Total Direct Expenses	<u>\$ 1,318,643</u>	<u>\$ 811,899</u>	<u>\$ (506,744)</u>	<u>\$ 1,302,724</u>	<u>\$ (15,919)</u>
Indirect Expenses	<u>\$ (1,318,643)</u>	<u>\$ (811,899)</u>	<u>\$ 506,744</u>	<u>\$ (1,302,724)</u>	<u>\$ 15,919</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Incr(Dec) in Fixed Assets (C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL BUDGET (B+C)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FTEs	7.0	3.0	(4.0)	3.0	(4.0)
HC	7.0	3.0	(4.0)	3.0	(4.0)

Information Technology

Information Technology (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	3.0	3.0	-
Direct Expenses	\$ 523,045	\$ 617,162	\$ 94,117
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

Peak's Information Technology (IT) program area provides system support to the corporate functions. This includes: servers, data exchange, email, communications networks, telephone systems, and Internet and Intranet website maintenance. In addition, IT develops new technology solutions using both internal staff and external service providers. The IT program area provides resources and tools to enable the organization to meet evolving requirements and to support activities and responsibilities as directed by NERC and FERC.

The IT budget includes costs associated with the refresh of all corporate desktop computers, laptops, software applications, hardware infrastructure, and servers based on either a five-year cycle or an as-needed basis.

2015 Key Assumptions

- Peak will comply with industry best practices on security and data protection, as well as the evolving NERC Standards and audit practices. As a result, Peak will require increased storage management, processes, and network infrastructure.
- Peak will incorporate, as appropriate, new technologies that facilitate more efficient business processes, enhance collaboration, eliminate duplication of effort and streamline workflow.
- Entities required to exchange data with Peak will demand greater ease of use, clearer communication, and the latest in security assurances.

2015 Goals and Key Deliverables

- Provide system support and technology solutions that ensure reliability and security of critical IT infrastructure.
- Develop and implement Policies and Procedures to enforce best practices across the organization.
- Align IT as a strategic partner in accomplishing business goals and objectives.
- Provide a significant increase in data support, analysis, and communication across Peak and with Peak stakeholders.
- Provide custom solutions to enable secure, reliable, and efficient transmission of a growing number of data types.

- Expand the usability and functionality of Peak’s website while continuing to maintain a high level of security.

Funding Sources and Requirements

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Salaries increase \$27,000 due to the change in the labor turnover assumption. In 2015, the labor turnover assumption was changed to a 7.5 percent reduction in each department. This results in an increase in salaries, payroll taxes, benefits, and employer retirement costs compared to the 2014 budget of 15 percent for labor turnover.
- Retirement Costs also increase due to a 2 percent increase in Peak’s fixed 401(k) contribution rate.

Meeting Expenses

- Meeting and Travel expenses are consistent with the 2014 budget.

Operating Expenses

- Office Rent is \$31,000 higher due to the allocation of security related to the Administrative Services groups.
- Office Costs are \$16,000 higher due to increased costs of computer maintenance and licenses for the Administrative Services groups.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Computer & Software CapEx increases \$35,000 due to software agreement additions to support the Administrative Services group.

Information Technology

Funding sources and related expenses for the Information Technology section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
INFORMATION TECHNOLOGY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
Funding					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 200,356	\$ 257,283	\$ 56,927	\$ 227,207	\$ 26,851
Payroll Taxes	13,787	21,870	8,083	18,945	5,158
Benefits	33,515	21,982	(11,533)	44,347	10,832
Retirement Costs	13,787	20,999	7,212	19,662	5,875
Total Personnel Expenses	\$ 261,445	\$ 322,133	\$ 60,688	\$ 310,162	\$ 48,717
Meeting Expenses					
Meetings	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	8,400	9,374	974	6,600	(1,800)
Conference Calls	4,800	445	(4,355)	4,800	-
Total Meeting Expenses	\$ 13,200	\$ 9,819	\$ (3,381)	\$ 11,400	\$ (1,800)
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	31,000	31,000
Office Costs	248,400	168,933	(79,467)	264,600	16,200
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	7,699	7,699	-	-
Total Operating Expenses	\$ 248,400	\$ 176,632	\$ (71,768)	\$ 295,600	\$ 47,200
Total Direct Expenses	\$ 523,045	\$ 508,585	\$ (14,460)	\$ 617,162	\$ 94,117
Indirect Expenses	\$ (523,045)	\$ (508,585)	\$ 14,460	\$ (617,162)	\$ (94,117)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	-	(7,699)	(7,699)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	35,000	35,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ 7,699	\$ 7,699	\$ (35,000)	\$ (35,000)
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	3.0	3.0	-	3.0	-
HC	3.0	3.0	-	3.0	-

Human Resources

Human Resources (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	3.0	3.0	-
Direct Expenses	\$ 1,017,779	\$ 1,204,986	\$ 187,207
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

The Human Resources (HR) program area is responsible for the delivery of all HR functions within Peak, including: recruitment, staffing, compensation, benefits, safety and health, employee relations, performance management, and employee training and development.

2015 Key Assumptions

- Peak's staffing level will continue to increase during 2015.
- Competition for talent will increase due to the economic recovery and an increasing percentage of the utility talent pool being eligible for retirement. Consequently, as the talent pool compresses, salary and benefit costs will increase.
- Retention and competitive compensation of key individuals will continue to be critical.
- Succession planning, employee development, and training will occur to ensure that Peak maintains a skilled, qualified workforce.

2015 Goals and Key Deliverables

- Increase activity in non-traditional recruiting (college and military recruiting) is intended to broaden the applicant pool for hard-to-fill positions and increase bench strength for key roles such as RC System Operators.
- Manage health and welfare benefits to deliver an attractive benefit package to employees while managing overall costs to the organization.
- Develop a competitive compensation strategy and educate management on compensation philosophies to enhance recruitment efforts, and retain skilled and talented employees.
- Track and monitor turnover rates, gather feedback to determine the cause of the turnover, and when appropriate, take action to reduce the turnover rate.
- Continue to develop and enhance management development and training programs.

Funding Sources and Requirements

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Salaries increase \$11,000 due to the change in the labor turnover assumption. In 2015, the labor turnover assumption was changed to a 7.5 percent reduction in each department. This results in an increase in salaries, payroll taxes, benefits, and employer retirement costs compared to the 2014 budget of 15 percent for labor turnover.
- Benefits expense increases \$111,000 due to additional health reimbursement account (HRA) costs for new employees and the centralization of tuition reimbursements. Peak's HRA program for all employees is budgeted in Human Resources.
- Retirement Costs also increase due to a 2 percent increase in Peak's fixed 401(k) contribution rate.

Meeting Expenses

- Travel expenses increase \$34,000 due primarily to an increase in travel to the Loveland, Colorado office.

Operating Expenses

- Office Costs increase slightly due to job postings, drug testing, and background checks for new employees.
- Professional Services increase \$8,700 due to outside legal fees related to employment matters.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Human Resources

Funding sources and related expenses for the Human Resources section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
HUMAN RESOURCES					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
Funding					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Personnel Expenses					
Salaries	\$ 374,152	\$ 365,502	\$ (8,650)	\$ 384,856	\$ 10,704
Payroll Taxes	13,775	26,337	12,562	20,840	7,065
Benefits	496,527	437,680	(58,847)	607,608	111,081
Retirement Costs	13,775	19,285	5,510	24,218	10,443
Total Personnel Expenses	\$ 898,229	\$ 848,803	\$ (49,426)	\$ 1,037,522	\$ 139,293
Meeting Expenses					
Meetings	\$ -	\$ 5,430	\$ 5,430	\$ -	\$ -
Travel	10,200	18,294	8,094	44,460	34,260
Conference Calls	1,000	739	(261)	514	(486)
Total Meeting Expenses	\$ 11,200	\$ 24,463	\$ 13,263	\$ 44,974	\$ 33,774
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ 3,600	\$ 3,600
Office Rent	-	-	-	-	-
Office Costs	83,350	81,301	(2,049)	85,190	1,840
Professional Services	25,000	22,529	(2,471)	33,700	8,700
Miscellaneous	-	-	-	0	0
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ 108,350	\$ 103,830	\$ (4,520)	\$ 122,490	\$ 14,140
Total Direct Expenses	\$ 1,017,779	\$ 977,096	\$ (40,683)	\$ 1,204,986	\$ 187,207
Indirect Expenses	\$ (1,017,779)	\$ (977,096)	\$ 40,683	\$ (1,204,986)	\$ (187,207)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Incr(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (B+C)	-	-	-	-	-
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	3.0	3.0	-	3.0	-
HC	3.0	3.0	-	3.0	-

Finance and Accounting

Finance and Accounting (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	5.0	5.0	-
Direct Expenses	\$ 633,158	\$ 849,782	\$ 216,624
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Working Capital Requirement	\$ -	\$ -	\$ -

Program Scope and Functional Description

The Finance and Accounting function provides accounting and financial analysis support to Peak. Finance is responsible for procurement, accounts payable, billing, accounts receivable, budgeting, fixed asset management, banking, payroll, and financial reporting.

2015 Key Assumptions

- Peak's continuing growth and the potential change to its funding mechanism will place increased demands on the newly formed accounting function.

2015 Goals and Key Deliverables

- Refine financial policies for the new organization.
- Review and refine accounting procedures for better efficiency.
- Ensure Peak has strong internal controls designed to protect the organization's assets and ensure accurate financial reporting.
- Develop a budget to address the risks created by the uncertain operating environment.
- Provide reporting and financial analysis to Peak management, the Finance and Audit Committee, and the Peak Board.

Funding Sources and Requirements

Funding Sources (Other than ERO Assessments)

- Not applicable.

Personnel Expenses

- Salaries increase \$62,000 due to increased wages.
- Payroll Taxes and Benefits increases are driven by the Salaries increase.
- Retirement Costs increase due to the Salaries increase and a 2 percent increase in Peak's fixed 401(k) contribution rate.
- In 2015, the labor turnover assumption was changed to a 7.5 percent reduction in each department. This results in an increase in salaries, payroll taxes, employer retirement contributions, and medical benefits compared to the 2014 budget of 15 percent for labor turnover.

Meeting Expenses

- Travel expenses increase due to personnel training.

Operating Expenses

- Office Costs increase \$125,000 due to Business and Occupation taxes.
- Professional Services increase \$5,000 for audit and tax filing services.

Other Non-Operating Expenses

- Not applicable.

Fixed Asset Additions

- Not applicable.

Finance and Accounting

Funding sources and related expenses for the Finance and Accounting section of the 2015 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2014 Budget & Projection, and 2015 Budget					
FINANCE AND ACCOUNTING					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
Funding					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses					
Personnel Expenses					
Salaries	\$ 332,861	\$ 345,926	\$ 13,065	\$ 394,466	\$ 61,605
Payroll Taxes	22,889	25,412	2,523	30,439	7,550
Benefits	67,369	43,155	(24,214)	72,374	5,005
Retirement Costs	22,889	27,538	4,649	32,362	9,473
Total Personnel Expenses	<u>\$ 446,008</u>	<u>\$ 442,031</u>	<u>\$ (3,977)</u>	<u>\$ 529,642</u>	<u>\$ 83,634</u>
Meeting Expenses					
Meetings	\$ -	\$ -	\$ -	\$ 405	\$ 405
Travel	15,000	14,560	(440)	17,600	2,600
Conference Calls	400	250	(150)	450	50
Total Meeting Expenses	<u>\$ 15,400</u>	<u>\$ 14,809</u>	<u>\$ (591)</u>	<u>\$ 18,455</u>	<u>\$ 3,055</u>
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	85,750	116,849	31,099	210,685	124,935
Professional Services	86,000	66,100	(19,900)	91,000	5,000
Miscellaneous	-	-	-	-	-
Depreciation	-	2,513	2,513	-	-
Total Operating Expenses	<u>\$ 171,750</u>	<u>\$ 185,462</u>	<u>\$ 13,712</u>	<u>\$ 301,685</u>	<u>\$ 129,935</u>
Total Direct Expenses	<u>\$ 633,158</u>	<u>\$ 642,303</u>	<u>\$ 9,145</u>	<u>\$ 849,782</u>	<u>\$ 216,624</u>
Indirect Expenses	<u>\$ (633,158)</u>	<u>\$ (642,359)</u>	<u>\$ (9,145)</u>	<u>\$ (849,782)</u>	<u>\$ (216,624)</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed Assets					
Depreciation	-	(2,513)	(2,513)	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ 2,513	\$ 2,513	\$ -	\$ -
Incr(Dec) in Fixed Assets (C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL BUDGET (B+C)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FTEs	5.0	5.0	-	5.0	-
HC	5.0	5.0	-	5.0	-

Section B – Supplemental Financial Information 2015 Business Plan and Budget

Section B — Supplemental Financial Information

Reserve Balance

Table B-1

Working Capital Reserve Analysis 2014-2015	
STATUTORY	
Beginning Working Capital Reserve (Deficit), December 31, 2013	0
Plus: Transfer of Reserves from WECC, January 2, 2014	5,811,568
Plus: 2014 Funding (from Load Serving Entities (LSE) or designees)	29,568,031
Plus: 2014 Other funding sources	26,800
Less: 2014 Projected expenses & capital expenditures	(35,280,914)
Projected Working Capital Reserve (Deficit), December 31, 2014	125,485
Desired Working Capital Reserve, December 31, 2015	1 3,230,000
Less: Projected Working Capital Reserve, December 31, 2014	(125,485)
Increase(decrease) in assessments to achieve desired Working Capital Reserve	3,104,515
2015 Expenses and Capital Expenditures	38,926,722
Less: Other Funding Sources	(78,000)
Adjustment to achieve desired Working Capital Reserve	3,104,515
2015 Peak Assessment	41,953,236

1 –Peak’s Board of Directors approved on June 5, 2014.

Assessments increase over the 2014 budget due to projected increases in costs of \$5.7 million as described in Section A, as well as a rebuilding of the reserves to \$3.2 million, that were depleted during 2014 to cover expenses. The desired Working Capital balance includes a single month of operating costs.

Breakdown by Statement of Activity Sections

The following detailed schedules, which are presented in the format used in the Regional Entity Business Plans and Budgets, are in support of the Statutory Statement of Activities and Capital Expenditures on page 8. All significant variances have been disclosed by program area in the preceding pages.

Monetary Penalties

Peak does not collect monetary penalties for compliance violations.

Penalty Sanctions

Table B-2

Penalty Sanctions Received on or Prior to June 30, 2014					
Date Received	Amount Received	Date Received	Amount Received	Date Received	Amount Received
Not Applicable.					

Supplemental Funding

Table B-3

Outside Funding Breakdown By Program (Excluding Assessments & Penalty Sanctions)	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget
Situation Awareness and Infrastructure Security				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Interest	156,000	26,800	78,000	(78,000)
Miscellaneous	-	-	-	-
Total Outside Funding	\$ 156,000	\$ 26,800	\$ 78,000	\$ (78,000)

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

Situation Awareness and Infrastructure Security

- Interest income is lower than 2014 due to lower levels of cash on hand.

Personnel Expenses

Table B-4

Personnel Expenses	Budget 2014	Projection 2014	Budget 2015	Variance	
				2015 Budget v 2014 Budget	Variance %
Salaries					
Salaries	\$ 14,959,389	\$ 16,965,760	\$ 18,424,141	\$ 3,464,752	23.2%
Employment Agency Fees	-	-	-	-	
Temporary Office Services	-	-	-	-	
Total Salaries	\$ 14,959,389	\$ 16,965,760	\$ 18,424,141	\$ 3,464,752	23.2%
Total Payroll Taxes	\$ 963,708	\$ 1,307,150	\$ 1,299,123	\$ 335,415	34.8%
Benefits					
Workers Compensation	\$ -	\$ 15,156	\$ 15,450	\$ 15,450	
Medical Insurance	1,890,424	1,617,546	2,203,214	312,790	16.5%
Life-LTD-STD Insurance	108,827	121,085	136,180	27,353	25.1%
Education	319,352	217,696	323,285	3,933	1.2%
Relocation	192,000	96,079	162,000	(30,000)	-15.6%
Wellness Programs	-	100	24,350	24,350	
Other	-	4,581	10,140	10,140	
Total Benefits	\$ 2,510,603	\$ 2,072,244	\$ 2,874,619	\$ 364,016	14.5%
Retirement					
Discretionary 401k Contribution	\$ 963,710	\$ 1,219,871	\$ 1,474,873	\$ 511,163	53.0%
Savings Plan	-	-	-	-	
Total Retirement	\$ 963,710	\$ 1,219,871	\$ 1,474,873	\$ 511,163	53.0%
Total Personnel Costs	\$ 19,397,409	\$ 21,565,024	\$ 24,072,756	\$ 4,675,347	24.1%
FTEs	149.1	140.1	161.7	12.6	8.4%
Cost per FTE					
Salaries	\$ 100,331	\$ 121,098	\$ 113,961	13,630	13.6%
Payroll Taxes	6,464	9,330	8,036	1,572	24.3%
Benefits	16,838	14,791	17,781	942	5.6%
Retirement	6,464	8,707	9,123	2,659	41.1%
Total Cost per FTE	\$ 130,097	\$ 153,926	\$ 148,901	\$ 18,804	14.5%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

Salaries

- Salaries increase by \$3.5 million due to the addition of 12.6 FTEs (as discussed in the previous sections), merit increases of 4.0 percent and the lowering of the assumed turnover rate to 7.5 percent in 2015, from 15 percent in 2014.

Payroll Taxes

- Payroll Taxes increase due to the increase in Salaries.

Benefits

- Medical Insurance increases by \$313,000 due to the increase in FTEs.
- Life, Long-Term Disability, and Short-Term Disability Insurance increases by \$27,000 due to the increase in FTEs.

- Relocation decreases by \$30,000 due to a decrease in hiring levels after bifurcation.

Retirement

- Contributions to 401(k) plans increase by \$511,000 due to an increase in the contribution rate and the increase in FTEs.

Consultants and Contracts**Table B-5**

Consultants	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Consultants					
Situation Awareness and Infrastructure Security	\$ 950,000	\$ 1,486,622	\$ 463,000	\$ (487,000)	-51.3%
Committee and Member Forums	-	619	30,000	30,000	
General and Administrative	197,500	157,613	210,000	12,500	6.3%
Legal and Regulatory	-	-	-	-	
Information Technology	-	-	-	-	
Human Resources	-	-	3,600	3,600	
Accounting and Finance	-	-	-	-	
Consultants Total	\$ 1,147,500	\$ 1,644,854	\$ 706,600	\$ (440,900)	-38.4%
Contracts					
Contracts					
Situation Awareness and Infrastructure Security	\$ -	\$ -	\$ -	\$ -	
Committee and Member Forums	-	-	-	-	
General and Administrative	-	-	-	-	
Legal and Regulatory	120,000	97,778	200,000	80,000	66.7%
Information Technology	-	-	-	-	
Human Resources	-	-	-	-	
Accounting and Finance	-	-	-	-	
Contracts Total	\$ 120,000	\$ 97,778	\$ 200,000	\$ 80,000	66.7%
Total Consulting and Contracts	\$ 1,267,500	\$ 1,742,632	\$ 906,600	\$ (360,900)	-28.5%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget**Consultants**

- Situation Awareness consultants decrease by a net \$487,000. The primary driver being the completion of activities associated with the September 8th, 2011 Pacific Southwest event.
- Committee and Member Forums consultants increase by \$30,000 mainly due to board development.

Contracts

- Legal contracts increase by \$80,000 due to the need for specific expertise.

Office Rent**Table B-6**

Office Rent	Budget 2014	Projection 2014	Budget 2015	Variance	
				2015 Budget v 2014 Budget	Variance %
Office Rent	\$ 1,006,764	\$ 1,286,307	\$ 1,286,120	279,356	27.7%
Utilities	166,884	103,505	150,000	(16,884)	-10.1%
Maintenance	95,076	124,003	119,000	23,924	25.2%
Security	8,004	5,336	7,000	(1,004)	-12.5%
Total Office Rent	\$ 1,276,728	\$ 1,519,151	\$ 1,562,120	\$ 285,392	22.4%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget**Office Rent**

- Office Rent increases \$279,000 due to additional space in the Loveland, Colorado facility.

Office Costs**Table B-7**

Office Costs	Budget 2014	Projection 2014	Budget 2015	Variance	
				2015 Budget v 2014 Budget	Variance %
Telephone	\$ 117,000	\$ 195,934	\$ 211,600	\$ 94,600	80.9%
Internet	907,860	833,442	1,003,073	95,213	10.5%
Office Supplies	172,456	163,700	177,473	5,017	2.9%
Computer Supplies and Maintenance	5,480,775	5,098,924	5,347,681	(133,094)	-2.4%
Publications & Subscriptions	21,615	26,289	22,475	860	4.0%
Dues and Fees	112,400	100,014	110,709	(1,691)	-1.5%
Postage	1,080	901	1,564	484	44.8%
Express Shipping	7,540	8,198	7,460	(80)	-1.1%
Copying	123,600	127,827	104,315	(19,285)	-15.6%
Bank Charges	42,000	17,509	38,400	(3,600)	-8.6%
Taxes	-	53,400	135,000	135,000	
Total Office Costs	\$ 6,986,326	\$ 6,626,139	\$ 7,159,750	\$ 173,424	2.5%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

- Telephone expense increases \$94,600 due to a change in cost classification and the increase in staff.
- Internet expense increases \$95,000 due to a change in cost classification and the increase in staff.
- Computer Supplies and Maintenance decrease by \$133,000 due to the cycle of hardware and software refresh cycle and a change in cost classification.
- Copying decreases by \$19,000 due to the replacement of current vendor with a more cost effective provider.
- Taxes increase \$135,000 due to State of Washington Business & Occupation tax application to funding received by Peak.

Professional Services**Table B-8**

Professional Services	Budget 2014	Projection 2014	Budget 2015	Variance	
				2015 Budget v 2014 Budget	Variance %
Non-affiliated Director fees	\$ 362,280	\$ 527,111	\$ 614,500	\$ 252,220	69.6%
Outside Legal	47,000	77,362	483,700	436,700	929.1%
Accounting & Auditing Fees	86,000	66,100	91,000	5,000	5.8%
Insurance Commercial	168,000	142,793	121,000	(47,000)	-28.0%
Total Services	\$ 663,280	\$ 813,366	\$ 1,310,200	\$ 646,920	97.5%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

- Non-affiliated Director fees increase by \$252,000 due to the implementation of a new compensation program approved by the Peak MAC.
- Outside Legal increases by \$437,000 due to the decrease in legal positions.
- Insurance Commercial decreases by \$47,000 based on estimates provided by the underwriters to date.

Other Non-Operating**Table B-9**

Other Non-Operating Expenses	Budget 2014	Projection 2014	Budget 2015	Variance	
				2015 Budget v 2014 Budget	Variance %
Interest Expense	\$ -	\$ -	\$ -	\$ -	-
Line of Credit Payment	-	-	-	-	-
Office Relocation	-	-	-	-	-
Total Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	-

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

- Not applicable

Section C — Non-Statutory Activities 2015 Business Plan and Budget

Section C — 2015 Non-Statutory Business Plan and Budget

Non- Statutory - Hosted Advanced Applications (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	-	1.0	1.0
Direct Expenses	-	306,468	306,468
Indirect Expenses	-	110,328	110,328
Inc(Dec) in Fixed Assets	-	26,000	26,000
Total Funding Requirement	-	13,204	13,204

Program Scope and Functional Description

Hosted Advanced Applications (HAAs) is a set of reliability tools that can be used by Transmission Operators and Balancing Authorities within the Western Interconnection to provide enhanced situational awareness of the Western Interconnection.

The tools and data include:

The West-wide System Model (WSM) – provides visualization of the entire Western Interconnection, with a level of detail that includes individual substations, BA and regional overviews, and full Interconnection visualization. The WSM contains real-time SCADA data as well as network model information such as equipment parameters and connectivity data.

State Estimation – provides a snapshot of the entire Western Interconnection power system every five minutes. This provides situational awareness through the identification of System Operating Limit violations, electrical islands, power flows, voltages, and phase angles.

Contingency Analysis – simulates over 8,000 contingencies (potential transmission or generation outages) to identify where the bulk electric system (BES) may not be adequately prepared for the next contingency.

Study Network Applications – allow users to perform ad-hoc studies based on actual BES conditions. The studies include power flow and study contingency analysis applications. This study environment also can be used for performing day-ahead studies, providing a platform to better coordinate day-ahead study results.

HAAs provide each TOP with access to the most comprehensive data set and tool suite available in the Western Interconnection. Some of the situational awareness enhancements are:

- Awareness of events outside a TOP's area, such as providing information about what caused a swing in frequency;
- Awareness of other Balancing Authority Area Control Errors and their contribution to SOL exceedances; and
- Awareness of external contingency impacts on a TOPs area, and awareness of internal contingency impacts on the larger BES.

2015 Primary Goals and Objectives

The HAAs primary objective is to improve TOP and BA situational awareness, while also improving the quality of Peak Reliability's advanced applications through improved data and modeling of the participating TOP and BA areas. Specifically, key objectives include:

- Allowing participating entities to more adequately monitor for SOL and IROL exceedances, both pre- and post-contingency;
- Improving real-time communications between Peak Reliability and participating entities through a common view of power system conditions in the Western Interconnection;
- Providing a platform for sharing and coordinating studies, including next-day studies;
- Helping TOPs monitor their systems reliably and meet their compliance obligations; and
- Providing engineers and operators with the best possible tools to perform their reliability functions.

2015 will be the initial full year of operational use of the HAAs. Peak will provide appropriate training materials and resources to ensure a successful launch of the tools.

Funding Sources and Requirements

Funding Sources (Other than ERO Assessments)

- HAA's implementation began during 2014. Sources of funding for the project are through bi-lateral contracts with entities receiving the service.

Personnel Expenses

- Personnel Expenses consist of the costs of 1 FTE to monitor and maintain the computer systems utilized by the participants.

Operating Expense

- Primarily Office costs related to computer maintenance.

Indirect Expenses

- Indirect Expenses are allocated to HAA based on a proportional allocation of overhead costs to program costs. Charges and funds for HAA's indirect costs will be based on actual overhead costs, calculated quarterly.

Other Non-Operating Expenses

- Not applicable.

2014 Budget and Projection and 2015 Budget Comparisons

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

NON-STATUTORY

	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
Funding					
Assessments		\$ -	\$ -	\$ -	\$ -
Penalty Sanctions		-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-statutory Funding		540,000	540,000	456,000	456,000
Federal Grants		-	-	-	-
Services & Software		-	-	-	-
Workshops		-	-	-	-
Interest		-	-	-	-
Miscellaneous		-	-	-	-
Total Funding (A)	<u>\$ -</u>	<u>\$ 540,000</u>	<u>\$ 540,000</u>	<u>\$ 456,000</u>	<u>\$ 456,000</u>
Expenses					
Personnel Expenses					
Salaries		\$ 77,592	\$ 77,592	\$ 112,126	\$ 112,126
Payroll Taxes		6,207	6,207	8,970	8,970
Benefits		10,863	10,863	15,698	15,698
Retirement Costs		6,207	6,207	8,970	8,970
Total Personnel Expenses	<u>\$ -</u>	<u>\$ 100,870</u>	<u>\$ 100,870</u>	<u>\$ 145,764</u>	<u>\$ 145,764</u>
Meeting Expenses					
Meetings		\$ -	\$ -	\$ -	\$ -
Travel		-	-	-	-
Conference Calls		-	-	-	-
Total Meeting Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Expenses					
Consultants & Contracts		\$ -	\$ -	\$ -	\$ -
Office Rent		-	-	-	-
Office Costs		138,357	138,357	160,704	160,704
Professional Services		-	-	-	-
Miscellaneous		-	-	-	-
Depreciation		-	-	-	-
Total Operating Expenses	<u>\$ -</u>	<u>\$ 138,357</u>	<u>\$ 138,357</u>	<u>\$ 160,704</u>	<u>\$ 160,704</u>
Total Direct Expenses	<u>\$ -</u>	<u>\$ 239,227</u>	<u>\$ 239,227</u>	<u>\$ 306,468</u>	<u>\$ 306,468</u>
Indirect Expenses		<u>\$ 86,122</u>	<u>\$ 86,122</u>	<u>\$ 110,328</u>	<u>\$ 110,328</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses (B)	<u>\$ -</u>	<u>\$ 325,349</u>	<u>\$ 325,349</u>	<u>\$ 416,796</u>	<u>\$ 416,796</u>
Change in Assets	<u>\$ -</u>	<u>\$ 214,651</u>	<u>\$ 214,651</u>	<u>\$ 39,204</u>	<u>\$ 39,204</u>
Fixed Assets					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	138,000	138,000	26,000	26,000
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Incr(Dec) in Fixed Assets (C)	<u>\$ -</u>	<u>\$ 138,000</u>	<u>\$ 138,000</u>	<u>\$ 26,000</u>	<u>\$ 26,000</u>
TOTAL BUDGET (B+C)	<u>-</u>	<u>463,349</u>	<u>463,349</u>	<u>442,796</u>	<u>442,796</u>
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	<u>\$ -</u>	<u>\$ 76,651</u>	<u>\$ 76,651</u>	<u>\$ 13,204</u>	<u>\$ 13,204</u>
FTEs	-	0.3	0.3	1.0	1.0
HC	-	1.0	1.0	1.0	1.0

Personnel Analysis

Total FTEs by Program Area	Budget 2014	Projection 2014	Direct FTEs 2015 Budget	Shared FTEs* 2015 Budget	Total FTEs 2015 Budget	Change from 2014 Budget
NON-STATUTORY						
Operational Programs						
Total FTEs Operational Programs	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Programs						
Information Technology	0.0	0.3	1.0	0.0	1.0	1.0
Total FTEs Administrative Programs	0.0	0.3	1.0	0.0	1.0	1.0
Total FTEs	0.0	0.3	1.0	0.0	1.0	1.0

¹A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

Reserve Analysis – 2014-2015

Working Capital Reserve Analysis 2014-2015	
NON-STATUTORY	
	Non-Statutory Reserves
Beginning Working Capital Reserve, December 31, 2013	0
Plus: 2014 Funding sources	540,000
Less: 2014 Projected expenses & capital expenditures	(463,349)
Projected Working Capital Reserve, December 31, 2014	<u><u>76,651</u></u>
Working Capital Reserve, December 31, 2015	89,855
Less: Projected Working Capital Reserve, December 31, 2014	(76,651)
Adjustments to achieve Working Capital Reserve, December 31, 2015	<u><u>13,204</u></u>
Less: Other funding Sources	0
2015 Expenses and Capital Expenditures	442,796
Adjustment to achieve Working Capital Reserve	13,204
2015 Funding	<u><u>456,000</u></u>

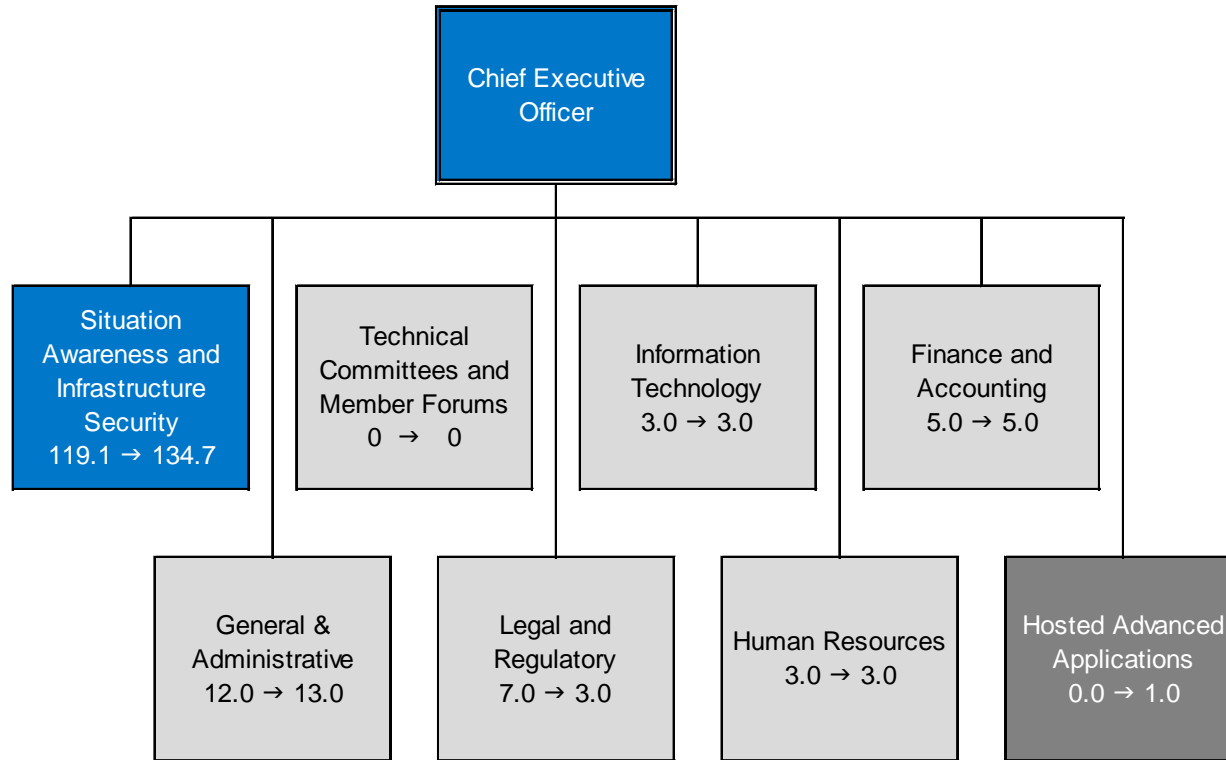
Section D – Additional Consolidated Financial Statements 2015 Business Plan and Budget

Section D — Additional Consolidated Financial Statements

2015 Consolidated Statement of Activities by Program

Statement of Activities and Capital Expenditures by Program 2015 Budget	Total	Statutory Total	Non-Statutory Total	Functions in Delegation Agreement								Non-Statutory Functions
				Statutory Total	Situation Awareness and Infrastructure Security (Section 1000)	Committee and Member Forums	General and Administrative	Legal and Regulatory	Information Technology	Human Resources	Accounting and Finance	Non-Statutory Total
Funding												
Funding												
Peak Assessments	41,953,236	41,953,236	-	41,953,236	41,953,236	-	-	-	-	-	-	-
Total Funding	41,953,236	41,953,236	-	41,953,236	41,953,236	-	-	-	-	-	-	-
Non-statutory Funding	456,000	-	456,000	-	-	-	-	-	-	-	-	456,000
Federal Grants	-	-	-	-	-	-	-	-	-	-	-	-
Interest	78,000	78,000	-	78,000	78,000	-	-	-	-	-	-	-
Total Funding (A)	42,487,236	42,031,236	456,000	42,031,236	42,031,236	-	-	-	-	-	-	456,000
Expenses												
Personnel Expenses												
Salaries	18,536,267	18,424,141	112,126	18,424,141	15,388,055	-	1,662,553	367,003	227,207	384,856	394,466	112,126
Payroll Taxes	1,308,094	1,299,123	8,970	1,299,123	1,119,451	-	83,670	25,777	18,945	20,840	30,439	8,970
Benefits	2,890,317	2,874,619	15,698	2,874,619	1,936,480	-	169,845	43,964	44,347	607,608	72,374	15,698
Retirement Costs	1,483,843	1,474,873	8,970	1,474,873	1,247,283	-	119,587	31,760	19,662	24,218	32,362	8,970
Total Personnel Expenses	24,218,520	24,072,756	145,764	24,072,756	19,691,270	-	2,035,656	468,504	310,162	1,037,522	529,642	145,764
Meeting Expenses												
Meetings	196,445	196,445	-	196,445	15,840	157,500	22,700	-	-	-	405	-
Travel	914,035	914,035	-	914,035	474,800	119,575	221,000	30,000	6,600	44,460	17,600	-
Conference Calls	29,144	29,144	-	29,144	14,640	740	6,800	1,200	4,800	514	450	-
Total Meeting Expenses	1,139,624	1,139,624	-	1,139,624	505,280	277,815	250,500	31,200	11,400	44,974	18,455	-
Operating Expenses												
Consultants & Contracts	906,600	906,600	-	906,600	463,000	30,000	210,000	200,000	-	3,600	-	-
Office Rent	1,562,120	1,562,120	-	1,562,120	20,000	-	1,511,120	-	31,000	-	-	-
Office Costs	7,320,454	7,159,750	160,704	7,159,750	6,340,227	2,800	224,228	32,020	264,600	85,190	210,685	160,704
Professional Services	1,310,200	1,310,200	-	1,310,200	-	614,500	-	571,000	-	33,700	91,000	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	4,450,000	4,450,000	-	4,450,000	4,450,000	-	-	-	-	-	-	-
Total Operating Expenses	15,549,374	15,388,670	160,704	15,388,670	11,273,227	647,300	1,945,348	803,020	295,600	122,490	301,685	160,704
Total Direct Expenses	40,907,518	40,601,050	306,468	40,601,050	31,469,777	925,115	4,231,504	1,302,724	617,162	1,204,986	849,782	306,468
Indirect Expenses	(67,305)	(177,634)	110,328	(177,634)	8,953,639	(925,115)	(4,231,504)	(1,302,724)	(617,162)	(1,204,986)	(849,782)	110,328
Other Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses (B)	40,840,213	40,423,417	416,796	40,423,417	40,423,417	-	-	-	-	-	-	416,796
Change in Assets	1,647,023	1,607,820	39,204	1,607,820	1,607,820	-	-	-	-	-	-	39,204
Fixed Assets												
Depreciation	(4,450,000)	(4,450,000)	-	(4,450,000)	(4,450,000)	-	-	-	-	-	-	-
Computer & Software CapEx	2,051,000	2,025,000	26,000	2,025,000	2,025,000	-	-	-	-	-	-	26,000
Furniture & Fixtures CapEx	11,000	11,000	-	11,000	11,000	-	-	-	-	-	-	-
Equipment CapEx	850,000	850,000	-	850,000	815,000	-	-	-	35,000	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of Fixed Assets	-	-	-	-	35,000	-	-	-	(35,000)	-	-	-
Inc(Dec) in Fixed Assets (C)	(1,538,000)	(1,564,000)	26,000	(1,564,000)	(1,564,000)	-	-	-	-	-	-	26,000
TOTAL BUDGET (B+C)	39,302,213	38,859,417	442,796	38,859,417	38,859,417	-	-	-	-	-	-	442,796
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	3,185,023	3,171,820	13,204	3,171,820	3,171,820	-	-	-	-	-	-	13,204
FTEs	162.7	161.7	1.0	161.7	134.67	-	13.0	3.0	3.0	3.0	5.0	1.0
HC	167.0	166.0	1.0	166.0	139.00	-	13.0	3.0	3.0	3.0	5.0	1.0

Appendix A: Organizational Chart



Appendix B: 2015 Budget & Projected 2016 and 2017 Budgets

Statement of Activities and Capital Expenditures							
2015 Budget & Projected 2016 and 2017 Budgets							
Statutory							
	2015 Budget	2016 Projection	\$ Change 15 v 16	% Change 15 v 16	2017 Projection	\$ Change 16 v 17	% Change 16 v 17
Funding							
ERO Funding							
WECC Assessments	\$ 41,953,236	\$ 44,528,912	\$ 2,575,676	6.1%	\$ 42,329,158	\$ (2,199,755)	-4.9%
Penalty Sanctions	-	-	-	-	-	-	-
Total ERO Funding	\$ 41,953,236	\$ 44,528,912	\$ 2,575,676	6.1%	\$ 42,329,158	\$ (2,199,755)	-4.9%
Membership Dues	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-
Interest	78,000	50,000	(28,000)	-35.9%	52,000	2,000	4.0%
Miscellaneous	-	-	-	-	-	-	-
Total Funding (A)	\$ 42,031,236	\$ 44,578,912	\$ 2,547,676	6.1%	\$ 42,381,158	\$ (2,197,755)	-4.9%
Expenses							
Personnel Expenses							
Salaries	\$ 18,424,141	\$ 19,681,529	1,257,388	6.8%	\$ 20,439,326	757,797	3.9%
Payroll Taxes	1,299,123	1,358,216	59,093	4.5%	1,382,437	24,221	1.8%
Benefits	2,874,619	3,179,637	305,018	10.6%	3,206,054	26,417	0.8%
Retirement Costs	1,474,873	1,713,846	238,973	16.2%	1,779,789	65,943	3.8%
Total Personnel Expenses	\$ 24,072,756	\$ 25,933,228	\$ 1,860,472	7.7%	\$ 26,807,606	\$ 874,378	3.4%
Meeting Expenses							
Meetings	\$ 196,445	\$ 204,303	7,858	4.0%	\$ 212,475	8,172	4.0%
Travel	914,035	950,596	36,561	4.0%	988,620	38,024	4.0%
Conference Calls	29,144	30,310	1,166	4.0%	31,522	1,212	4.0%
Total Meeting Expenses	\$ 1,139,624	\$ 1,185,209	\$ 45,585	4.0%	\$ 1,232,617	\$ 47,408	4.0%
Operating Expenses							
Consultants & Contracts	\$ 906,600	\$ 942,864	36,264	4.0%	\$ 980,579	37,715	4.0%
Office Rent	1,562,120	1,624,605	62,485	4.0%	1,689,589	64,984	4.0%
Office Costs	7,159,750	6,796,140	(363,610)	-5.1%	7,093,986	297,846	4.4%
Professional Services	1,310,200	1,362,608	52,408	4.0%	1,417,112	54,504	4.0%
Miscellaneous	0	-	(0)	-100.0%	-	-	-
Depreciation	4,450,000	4,628,000	178,000	4.0%	4,813,120	185,120	4.0%
Total Operating Expenses	\$ 15,388,670	\$ 15,354,217	\$ (34,453)	-0.2%	\$ 15,994,386	\$ 640,169	4.2%
Total Direct Expenses	\$ 40,601,050	\$ 42,472,654	\$ 1,871,604	4.6%	\$ 44,034,609	\$ 1,561,955	3.7%
Indirect Expenses	(110,328)	(114,742)	(4,413)	4.0%	(119,331)	(4,590)	4.0%
Other Non-Operating Expenses	-	-	-	-	-	-	-
Total Expenses (B)	\$ 40,490,722	\$ 42,357,912	\$ 1,867,191	4.6%	\$ 43,915,278	\$ 1,557,365	3.7%
Change in Assets	\$ 1,540,515	\$ 2,221,000	\$ 680,485	44.2%	\$ (1,534,120)	\$ (3,755,120)	-169.1%
Fixed Assets							
Depreciation	\$ (4,450,000)	\$ (4,628,000)	(178,000)	4.0%	\$ (4,813,120)	(185,120)	4.0%
Computer & Software CapEx	2,875,000	3,224,000	349,000	12.1%	3,054,000	(170,000)	-5.3%
Furniture & Fixtures CapEx	11,000	25,000	14,000	127.3%	25,000	-	0.0%
Leasehold Improvements	-	-	-	-	-	-	-
Incr(Dec) in Fixed Assets (C)	\$ (1,564,000)	\$ (1,379,000)	\$ 185,000	-11.8%	\$ (1,734,120)	\$ (355,120)	25.8%
TOTAL BUDGET (=B+C)	\$ 38,926,722	\$ 40,978,912	\$ 2,052,191	5.3%	\$ 42,181,158	\$ 1,202,245	2.9%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ 3,104,515	\$ 3,600,000	\$ 495,485	\$ -	\$ 200,000	\$ (3,400,000)	-94.4%
FTEs	161.7	153.6	-8.1	-5.0%	153.6	-	0.0%
HC	166.0	166.0	0.0	0.0%	166.0	-	0.0%

**Allocation of 2015 Peak Reliability Assessments
2013 NEL**

Load Serving Entity	NEL w/o AESO & BC Hydro	US NEL	Mexico NEL	Percent Peak Total (w/o AESO and BC Hydro)	Percent US Total	Percent Mexico Total	Funding Allocation
Aguila Irrigation District - APS	31,010	31,010		0.004%	0.004%	0.000%	1,737
Aha Macav Power Service	25,289	25,289		0.003%	0.003%	0.000%	1,417
Ajo Improvement District	13,734	13,734		0.002%	0.002%	0.000%	769
Ak-Chin	38,775	38,775		0.005%	0.005%	0.000%	2,172
Alcoa Inc	3,458,150	3,458,150		0.462%	0.469%	0.000%	193,709
Alder Mutual Light Company		0		0.000%	0.000%	0.000%	-
Arizona Public Service Company	29,805,265	29,805,265		3.980%	4.042%	0.000%	1,669,545
Arkansas River Power Authority (ARPA)	235,150	235,150		0.031%	0.032%	0.000%	13,172
Avista Corporation	9,576,506	9,576,506		1.279%	1.299%	0.000%	536,429
Avista Corporation	59,292	59,292		0.008%	0.008%	0.000%	3,321
Barrick Goldstrike Mines Inc.	1,179,964	1,179,964		0.158%	0.160%	0.000%	66,096
Basin Electric Power Cooperative	3,056,832	3,056,832		0.408%	0.415%	0.000%	171,229
Basin Electric Power Cooperative	59,554	59,554		0.008%	0.008%	0.000%	3,336
Benton REA	551,563	551,563		0.074%	0.075%	0.000%	30,896
Big Bend Electric Cooperative, Inc.	139,523	139,523		0.019%	0.019%	0.000%	7,815
Big Bend Electric Cooperative, Inc.	360,754	360,754		0.048%	0.049%	0.000%	20,208
Blachly-Lane Electric Cooperative	173,759	173,759		0.023%	0.024%	0.000%	9,733
Black Hills Power	1,927,008	1,927,008		0.257%	0.261%	0.000%	107,942
Black Hills Power/Cheyenne Light Fuel & Power	2,953,785	2,953,785		0.394%	0.401%	0.000%	165,457
Black Hills State University South Dakota	19,749	19,749		0.003%	0.003%	0.000%	1,106
Bonneville Power Administration	3,834,849	3,834,849		0.512%	0.520%	0.000%	214,809
Bonneville Power Administration	1,864,618	1,864,618		0.249%	0.253%	0.000%	104,447
Bonneville Power Administration	779,199	779,199		0.104%	0.106%	0.000%	43,647
Bonneville Power Administration	6,817	6,817		0.001%	0.001%	0.000%	382
Bonneville Power Administration	13,511	13,511		0.002%	0.002%	0.000%	757
BPA - Big Bend/Schrag Load	37,344	37,344		0.005%	0.005%	0.000%	2,092
BPA - Kittitas Load	7,375	7,375		0.001%	0.001%	0.000%	413
BPA - USBR Load	131,805	131,805		0.018%	0.018%	0.000%	7,383
Buckeye Water Conservation and Drainage District - APS	19,821	19,821		0.003%	0.003%	0.000%	1,110
Bureau of Reclamation (Desalter) - c/o DSW EMMO	766	766		0.000%	0.000%	0.000%	43
Bureau of Reclamation (Wellfield) - c/o DSW EMMO	6,499	6,499		0.001%	0.001%	0.000%	364
Burlington	36,727	36,727		0.005%	0.005%	0.000%	2,057
California Independent System Operator	232,339,960	232,339,960		31.022%	31.510%	0.000%	13,014,538
Canby Public Utility Board		0		0.000%	0.000%	0.000%	-
Canby Public Utility Board	181,172	181,172		0.024%	0.025%	0.000%	10,148
Central Arizona Water Conservation District	2,632,527	2,632,527		0.351%	0.357%	0.000%	147,461
Central Electric Cooperative	609,107	609,107		0.081%	0.083%	0.000%	34,119
Central Lincoln PUD	1,350,692	1,350,692		0.180%	0.183%	0.000%	75,659
Central Montana Electric Power Cooperative	317,843	317,843		0.042%	0.043%	0.000%	17,804
Central Montana Electric Power Cooperative	63,810	63,810		0.009%	0.009%	0.000%	3,574

**Allocation of 2015 Peak Reliability Assessments
2013 NEL**

Load Serving Entity	NEL w/o AESO & BC Hydro	US NEL	Mexico NEL	Percent Peak Total (w/o AESO and BC Hydro)	Percent US Total	Percent Mexico Total	Funding Allocation
City of Aztec Electric Dept	39,751	39,751		0.005%	0.005%	0.000%	2,227
City of Bandon	67,365	67,365		0.009%	0.009%	0.000%	3,773
City of Blaine	78,248	78,248		0.010%	0.011%	0.000%	4,383
City of Bonners Ferry	72,517	72,517		0.010%	0.010%	0.000%	4,062
City of Cascade Locks	19,641	19,641		0.003%	0.003%	0.000%	1,100
City of Centralia	270,593	270,593		0.036%	0.037%	0.000%	15,157
City of Cheney	149,356	149,356		0.020%	0.020%	0.000%	8,366
City of Chewelah	23,809	23,809		0.003%	0.003%	0.000%	1,334
City of Drain	16,847	16,847		0.002%	0.002%	0.000%	944
City of Ellensburg	207,748	207,748		0.028%	0.028%	0.000%	11,637
City of Fallon	37,292	37,292		0.005%	0.005%	0.000%	2,089
City of Farmington	1,025,393	1,025,393		0.137%	0.139%	0.000%	57,437
City of Forest Grove	256,440	256,440		0.034%	0.035%	0.000%	14,365
City of Gallup	189,880	189,880		0.025%	0.026%	0.000%	10,636
City of Henderson	42,834	42,834		0.006%	0.006%	0.000%	2,399
City of Hermiston, DBA Hermiston Energy Services	111,146	111,146		0.015%	0.015%	0.000%	6,226
City of Las Vegas	41,831	41,831		0.006%	0.006%	0.000%	2,343
City of McCleary	31,415	31,415		0.004%	0.004%	0.000%	1,760
City of McMinnville	770,559	770,559		0.103%	0.105%	0.000%	43,163
City of Mesa	261,581	261,581		0.035%	0.035%	0.000%	14,652
City of Milton	60,532	60,532		0.008%	0.008%	0.000%	3,391
City of Milton-Freewater	113,514	113,514		0.015%	0.015%	0.000%	6,358
City of Monmouth	74,430	74,430		0.010%	0.010%	0.000%	4,169
City of Needles	30,990	30,990		0.004%	0.004%	0.000%	1,736
City of North Las Vegas	4,639	4,639		0.001%	0.001%	0.000%	260
City of Page	92,251	92,251		0.012%	0.013%	0.000%	5,167
City of Plummer	35,994	35,994		0.005%	0.005%	0.000%	2,016
City of Port Angeles	732,324	732,324		0.098%	0.099%	0.000%	41,021
City of Redding	799,829	799,829		0.107%	0.108%	0.000%	44,803
City of Richland	894,506	894,506		0.119%	0.121%	0.000%	50,106
City of Roseville	1,235,079	1,235,079		0.165%	0.168%	0.000%	69,183
City of Shasta Lake	193,187	193,187		0.026%	0.026%	0.000%	10,821
City of Sumas	31,016	31,016		0.004%	0.004%	0.000%	1,737
City of Tacoma DBA Tacoma Power	310	310		0.000%	0.000%	0.000%	17
City of Tacoma DBA Tacoma Power	5,010,435	5,010,435		0.669%	0.680%	0.000%	280,660
City of Troy	17,559	17,559		0.002%	0.002%	0.000%	984
City of Williams	39,158	39,158		0.005%	0.005%	0.000%	2,193
Clark County Water Resources	77,436	77,436		0.010%	0.011%	0.000%	4,338
Clark Public Utilities	4,487,612	4,487,612		0.599%	0.609%	0.000%	251,374
Clatskanie PUD	943,244	943,244		0.126%	0.128%	0.000%	52,836

**Allocation of 2015 Peak Reliability Assessments
2013 NEL**

Load Serving Entity	NEL w/o AESO & BC Hydro	US NEL	Mexico NEL	Percent Peak Total (w/o AESO and BC Hydro)	Percent US Total	Percent Mexico Total	Funding Allocation
Clearwater Cooperative, Inc	170,714	170,714		0.023%	0.023%	0.000%	9,563
Clearwater Cooperative, Inc	39,974	39,974		0.005%	0.005%	0.000%	2,239
Colorado River Commission of Nevada	872,387	872,387		0.116%	0.118%	0.000%	48,867
Colorado Springs Utilities	61,174	61,174		0.008%	0.008%	0.000%	3,427
Colorado Springs Utilities	4,662,507	4,662,507		0.623%	0.632%	0.000%	261,171
Columbia Basin Electric Cooperative, Inc.	113,365	113,365		0.015%	0.015%	0.000%	6,350
Columbia Falls Aluminum Company	4,579	4,579		0.001%	0.001%	0.000%	256
Columbia Power Cooperative Association	22,379	22,379		0.003%	0.003%	0.000%	1,254
Columbia River PUD	171,325	171,325		0.023%	0.023%	0.000%	9,597
Columbia River PUD	311,215	311,215		0.042%	0.042%	0.000%	17,433
Columbia Rural Electric Association (REA)	333,263	333,263		0.044%	0.045%	0.000%	18,668
Comision Federal de Electricidad	11,614,895		11,614,895	1.551%	0.000%	100.000%	650,609
Consolidated Irrigation District No. 19	6,224	6,224		0.001%	0.001%	0.000%	349
Consumers Power, Inc.	430,981	430,981		0.058%	0.058%	0.000%	24,141
Coos-Curry Electric Cooperative, Inc	355,309	355,309		0.047%	0.048%	0.000%	19,903
Deseret Generation & Transmission Cooperative	144,583	144,583		0.019%	0.020%	0.000%	8,099
Douglas Electric Cooperative, Inc.	96,240	96,240		0.013%	0.013%	0.000%	5,391
Douglas Palisades / PUD No. 1 of DC	19,291	19,291		0.003%	0.003%	0.000%	1,081
El Paso Electric Company	8,354,189	8,354,189		1.115%	1.133%	0.000%	467,961
Electrical District #2	179,643	179,643		0.024%	0.024%	0.000%	10,063
Electrical District #2 - Coolidge Generating Station	9,195	9,195		0.001%	0.001%	0.000%	515
Electrical District No. 6 of Pinal County - APS	2,493	2,493		0.000%	0.000%	0.000%	140
Electrical District No. 7 of Maricopa County - APS	47,058	47,058		0.006%	0.006%	0.000%	2,636
Electrical District No. 8 of Maricopa County - APS	276,912	276,912		0.037%	0.038%	0.000%	15,511
Electrical Districts 1 & 3	578,995	578,995		0.077%	0.079%	0.000%	32,432
Elmhurst Mutual Power & Light Company	279,749	279,749		0.037%	0.038%	0.000%	15,670
Emerald PUD	518,509	518,509		0.069%	0.070%	0.000%	29,044
Energy Northwest	36,570	36,570		0.005%	0.005%	0.000%	2,048
Eugene Water & Electric Board	2,495,053	2,495,053		0.333%	0.338%	0.000%	139,761
Fall River Rural Electric Cooperative, Inc.	28	28		0.000%	0.000%	0.000%	2
Flathead Electric Cooperative, Inc	1,513,536	1,513,536		0.202%	0.205%	0.000%	84,781
Frederickson Power LP	3,437	3,437		0.000%	0.000%	0.000%	193
Grand Valley Power	245,738	245,738		0.033%	0.033%	0.000%	13,765
Harney Electric Cooperative, Inc.	98,753	98,753		0.013%	0.013%	0.000%	5,532
Harney Electric Cooperative, Inc.	90,674	90,674		0.012%	0.012%	0.000%	5,079
Harquahala Valley Power Districts - APS	79,282	79,282		0.011%	0.011%	0.000%	4,441
Hermiston Power LLC	1,953	1,953		0.000%	0.000%	0.000%	109
Holy Cross Energy	1,218,703	1,218,703		0.163%	0.165%	0.000%	68,266
Hood River Electric Cooperative	44,095	44,095		0.006%	0.006%	0.000%	2,470
Idaho County Light and Power Cooperative Association, Inc.	59,313	59,313		0.008%	0.008%	0.000%	3,322

**Allocation of 2015 Peak Reliability Assessments
2013 NEL**

Load Serving Entity	NEL w/o AESO & BC Hydro	US NEL	Mexico NEL	Percent Peak Total (w/o AESO and BC Hydro)	Percent US Total	Percent Mexico Total	Funding Allocation
Idaho Power Company	16,340,718	16,340,718		2.182%	2.216%	0.000%	915,327
Imperial Irrigation District	3,661,545	3,661,545		0.489%	0.497%	0.000%	205,102
Inland Power and Light Company	477,845	477,845		0.064%	0.065%	0.000%	26,767
Inland Power and Light Company	499,781	499,781		0.067%	0.068%	0.000%	27,995
Intermountain Rural Electric Association	2,153,915	2,153,915		0.288%	0.292%	0.000%	120,652
Kaiser Aluminum Fabricated Products LLC	311,536	311,536		0.042%	0.042%	0.000%	17,451
Kootenai Electric Cooperative, Inc.	469,569	469,569		0.063%	0.064%	0.000%	26,303
Lakeview Light & Power	274,245	274,245		0.037%	0.037%	0.000%	15,362
Lane Electric Cooperative, Inc.	230,340	230,340		0.031%	0.031%	0.000%	12,903
Las Vegas Valley Water District	93,430	93,430		0.012%	0.013%	0.000%	5,233
Lincoln Electric Cooperative, Inc.	118,451	118,451		0.016%	0.016%	0.000%	6,635
Los Angeles Department of Water and Power	28,866,202	28,866,202		3.854%	3.915%	0.000%	1,616,943
Lost River Electric Cooperative, Inc.	22	22		0.000%	0.000%	0.000%	1
Lower Valley Energy, Inc.	87	87		0.000%	0.000%	0.000%	5
Maricopa County Municipal Water Conservation Dist No. 1 - APS	52,365	52,365		0.007%	0.007%	0.000%	2,933
McMullen Valley Water Conservation & Drainage District - APS	69,883	69,883		0.009%	0.009%	0.000%	3,915
Merced Irrigation District	470,352	470,352		0.063%	0.064%	0.000%	26,347
Midstate Electric Cooperative, Inc.	414,182	414,182		0.055%	0.056%	0.000%	23,200
Mission Valley Power	413,525	413,525		0.055%	0.056%	0.000%	23,164
Modern Electric Water Company	234,810	234,810		0.031%	0.032%	0.000%	13,153
Modesto Irrigation District	2,577,631	2,577,631		0.344%	0.350%	0.000%	144,386
Montana-Dakota Utilities Co.	20,487	20,487		0.003%	0.003%	0.000%	1,148
Mt. Wheeler Power	560,779	560,779		0.075%	0.076%	0.000%	31,412
Municipal Energy Agency of Nebraska	199,657	199,657		0.027%	0.027%	0.000%	11,184
Municipal Energy Agency of Nebraska	669,387	669,387		0.089%	0.091%	0.000%	37,496
Navajo Agricultural Products Industry (NAPI)	1,093	1,093		0.000%	0.000%	0.000%	61
Navajo Tribal Utility Authority	54,383	54,383		0.007%	0.007%	0.000%	3,046
Navajo Tribal Utility Authority	286,099	286,099		0.038%	0.039%	0.000%	16,026
Navopache Electric Cooperative, Inc.	370,656	370,656		0.049%	0.050%	0.000%	20,762
Nebraska Public Power Marketing	5,842	5,842		0.001%	0.001%	0.000%	327
Nespelem Valley Electric Cooperative, Inc.	58,413	58,413		0.008%	0.008%	0.000%	3,272
Nevada Power Company dba NV Energy	26,587,371	26,587,371		3.550%	3.606%	0.000%	1,489,294
Noble Americas Energy Solutions, LLC	1,673,553	1,673,553		0.223%	0.227%	0.000%	93,744
Northern Lights, Inc.	36,440	36,440		0.005%	0.005%	0.000%	2,041
Northern Lights, Inc.	262,743	262,743		0.035%	0.036%	0.000%	14,718
Northern Wasco County PUD	556,511	556,511		0.074%	0.075%	0.000%	31,173
NorthWestern Corp. dba NorthWestern Energy, LLC	9,167,768	9,167,768		1.224%	1.243%	0.000%	513,533
NorthWestern Corp. dba NorthWestern Energy, LLC	241,233	241,233		0.032%	0.033%	0.000%	13,513
Ohop Mutual Light Company	86,807	86,807		0.012%	0.012%	0.000%	4,863
Orcas Power and Light Cooperative	217,914	217,914		0.029%	0.030%	0.000%	12,206

**Allocation of 2015 Peak Reliability Assessments
2013 NEL**

Load Serving Entity	NEL w/o AESO & BC Hydro	US NEL	Mexico NEL	Percent Peak Total (w/o AESO and BC Hydro)	Percent US Total	Percent Mexico Total	Funding Allocation
Oregon Trail Electric Consumers Cooperative, Inc.	354,194	354,194		0.047%	0.048%	0.000%	19,840
Overton Power District No. 5	381,124	381,124		0.051%	0.052%	0.000%	21,349
PacifiCorp	70,407	70,407		0.009%	0.010%	0.000%	3,944
PacifiCorp	2,156	2,156		0.000%	0.000%	0.000%	121
PacifiCorp	50,590,830	50,590,830		6.755%	6.861%	0.000%	2,833,850
PacifiCorp	1,876	1,876		0.000%	0.000%	0.000%	105
PacifiCorp	116,284	116,284		0.016%	0.016%	0.000%	6,514
PacifiCorp West (PACW)	21,336,825	21,336,825		2.849%	2.894%	0.000%	1,195,184
Parkland Light and Water Company	122,305	122,305		0.016%	0.017%	0.000%	6,851
Pend Oreille County PUD No. 1	1,016,523	1,016,523		0.136%	0.138%	0.000%	56,941
Peninsula Light Company, Inc.	608,193	608,193		0.081%	0.082%	0.000%	34,068
Platte River Power Authority	3,244,570	3,244,570		0.433%	0.440%	0.000%	181,745
Port of Seattle - Seattle-Tacoma International Airport	141,204	141,204		0.019%	0.019%	0.000%	7,910
Port Townsend Paper Corporation	166,731	166,731		0.022%	0.023%	0.000%	9,339
Portland General Electric Company	18,600,632	18,600,632		2.484%	2.523%	0.000%	1,041,916
Public Service Company of Colorado (Xcel)	26,537,376	26,537,376		3.543%	3.599%	0.000%	1,486,494
Public Service Company of Colorado (Xcel)	35,594	35,594		0.005%	0.005%	0.000%	1,994
Public Service Company of New Mexico	10,787,283	10,787,283		1.440%	1.463%	0.000%	604,251
Public Utility District No. 1 of Chelan County	4,025,516	4,025,516		0.537%	0.546%	0.000%	225,490
PUD No. 1 of Asotin County	4,975	4,975		0.001%	0.001%	0.000%	279
PUD No. 1 of Asotin County	290	290		0.000%	0.000%	0.000%	16
PUD No. 1 of Benton County	1,773,502	1,773,502		0.237%	0.241%	0.000%	99,343
PUD No. 1 of Clallam County	680,465	680,465		0.091%	0.092%	0.000%	38,116
PUD No. 1 of Cowlitz County	5,247,802	5,247,802		0.701%	0.712%	0.000%	293,956
PUD No. 1 of Douglas County	8,928	8,928		0.001%	0.001%	0.000%	500
PUD No. 1 of Douglas County	1,486,659	1,486,659		0.198%	0.202%	0.000%	83,275
PUD No. 1 of Ferry County	109,044	109,044		0.015%	0.015%	0.000%	6,108
PUD No. 1 of Franklin County	1,065,410	1,065,410		0.142%	0.144%	0.000%	59,679
PUD No. 1 of Grays Harbor	1,186,461	1,186,461		0.158%	0.161%	0.000%	66,460
PUD No. 1 of Jefferson County	246,380	246,380		0.033%	0.033%	0.000%	13,801
PUD No. 1 of Kittitas County	75,702	75,702		0.010%	0.010%	0.000%	4,240
PUD No. 1 of Kittitas County	16,412	16,412		0.002%	0.002%	0.000%	919
PUD No. 1 of Klickitat County	300,703	300,703		0.040%	0.041%	0.000%	16,844
PUD No. 1 of Lewis County	938,394	938,394		0.125%	0.127%	0.000%	52,564
PUD No. 1 of Mason County	78,370	78,370		0.010%	0.011%	0.000%	4,390
PUD No. 1 of Skamania County	134,732	134,732		0.018%	0.018%	0.000%	7,547
PUD No. 1 of Snohomish County	6,824,113	6,824,113		0.911%	0.925%	0.000%	382,253
PUD No. 1 of Wahkiakum County	44,092	44,092		0.006%	0.006%	0.000%	2,470
PUD No. 1 of Whatcom County	224,295	224,295		0.030%	0.030%	0.000%	12,564
PUD No. 1 of Whatcom County	4,995	4,995		0.001%	0.001%	0.000%	280

**Allocation of 2015 Peak Reliability Assessments
2013 NEL**

Load Serving Entity	NEL w/o AESO & BC Hydro	US NEL	Mexico NEL	Percent Peak Total (w/o AESO and BC Hydro)	Percent US Total	Percent Mexico Total	Funding Allocation
PUD No. 2 of Grant County	93,675	93,675		0.013%	0.013%	0.000%	5,247
PUD No. 2 of Grant County	49,941	49,941		0.007%	0.007%	0.000%	2,797
PUD No. 2 of Grant County	3,839,087	3,839,087		0.513%	0.521%	0.000%	215,047
PUD No. 2 of Pacific County	305,445	305,445		0.041%	0.041%	0.000%	17,110
PUD No. 3 of Mason County	698,785	698,785		0.093%	0.095%	0.000%	39,143
Puget Sound Energy, Inc.	24,437,530	24,437,530		3.263%	3.314%	0.000%	1,368,871
Raft River Electric Cooperative	46	46		0.000%	0.000%	0.000%	3
Raton Public Service	51,732	51,732		0.007%	0.007%	0.000%	2,898
Ravalli County Electric Cooperative, Inc.		0		0.000%	0.000%	0.000%	-
Ravalli County Electric Cooperative, Inc.		0		0.000%	0.000%	0.000%	-
Riverside Electric Company, Ltd		0		0.000%	0.000%	0.000%	-
Riverside Electric Company, Ltd		0		0.000%	0.000%	0.000%	-
Rocky Mountain Generation Cooperative, Inc.		0		0.000%	0.000%	0.000%	-
Roosevelt Irrigation District - APS	37,851	37,851		0.005%	0.005%	0.000%	2,120
Sacramento Municipal Utility District	11,226,639	11,226,639		1.499%	1.523%	0.000%	628,861
Salem Electric	331,171	331,171		0.044%	0.045%	0.000%	18,551
Salmon River Electric Cooperative, Inc.		0		0.000%	0.000%	0.000%	-
Salt River Project	28,911,429	28,911,429		3.860%	3.921%	0.000%	1,619,477
Seattle City Light	10,035,929	10,035,929		1.340%	1.361%	0.000%	562,164
Sierra Pacific Power Company dba NV Energy	11,116,111	11,116,111		1.484%	1.508%	0.000%	622,670
Silver State Energy - c/o Colorado River Commission of Nevada	515,076	515,076		0.069%	0.070%	0.000%	28,852
Southern Montana Electric Generation & Transmission	522,515	522,515		0.070%	0.071%	0.000%	29,269
Southern Nevada Water Authority	118,357	118,357		0.016%	0.016%	0.000%	6,630
Southwest Transmission Cooperative, Inc.	2,012,236	2,012,236		0.269%	0.273%	0.000%	112,716
Springfield Utility Board	867,593	867,593		0.116%	0.118%	0.000%	48,598
Surprise Valley Electrification Corporation	38,220	38,220		0.005%	0.005%	0.000%	2,141
Tanner Electric Cooperative	99,115	99,115		0.013%	0.013%	0.000%	5,552
The Incorporated County of Los Alamos	364,095	364,095		0.049%	0.049%	0.000%	20,395
Tillamook People's Utility District	375,501	375,501		0.050%	0.051%	0.000%	21,034
Tohono O'odham Utility Authority	67,110	67,110		0.009%	0.009%	0.000%	3,759
Tonopah Irrigation District - APS	22,698	22,698		0.003%	0.003%	0.000%	1,271
Town of Center	20,928	20,928		0.003%	0.003%	0.000%	1,172
Town of Coulee	17,416	17,416		0.002%	0.002%	0.000%	976
Town of Eatonville	28,069	28,069		0.004%	0.004%	0.000%	1,572
Town of Fredonia	10,953	10,953		0.001%	0.001%	0.000%	614
Town of Steilacoom	41,331	41,331		0.006%	0.006%	0.000%	2,315
Town of Wickenburg	26,570	26,570		0.004%	0.004%	0.000%	1,488
Tri-State Generation & Transmission Assoc. Inc - Reliability	2,062,440	2,062,440		0.275%	0.280%	0.000%	115,528
Tri-State Generation & Transmission Assoc. Inc - Reliability	7,419,925	7,419,925		0.991%	1.006%	0.000%	415,628
Tri-State Generation & Transmission Association, Inc.	2,642,944	2,642,944		0.353%	0.358%	0.000%	148,045

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Truckee Donner Public Utility District	154,280	154,280		0.021%	0.021%	0.000%	8,642
Tucson Electric Power Company	15,085,818	15,085,818		2.014%	2.046%	0.000%	845,034
Turlock Irrigation District	2,135,260	2,135,260		0.285%	0.290%	0.000%	119,607
U.S. Army Yuma Proving Ground	16,326	16,326		0.002%	0.002%	0.000%	915
U.S. BOR Columbia Basin	33,360	33,360		0.004%	0.005%	0.000%	1,869
U.S. BOR East Greenacres (Rathdrum)	4,176	4,176		0.001%	0.001%	0.000%	234
U.S. Bor Spokane Indian Development`	3,136	3,136		0.000%	0.000%	0.000%	176
U.S. BOR The Dalles Project	18,335	18,335		0.002%	0.002%	0.000%	1,027
U.S. DOE National Energy Technology Laboratory	4,828	4,828		0.001%	0.001%	0.000%	270
Umatilla Electric Cooperative Association	1,140,059	1,140,059		0.152%	0.155%	0.000%	63,861
Unit B Irrigation District	24	24		0.000%	0.000%	0.000%	1
US Air Force Base, Fairchild	49,053	49,053		0.007%	0.007%	0.000%	2,748
US Dept of Energy - Kirtland AFB	410,793	410,793		0.055%	0.056%	0.000%	23,011
USDOE Richland	187,652	187,652		0.025%	0.025%	0.000%	10,511
USN Naval Station, Bremerton	250,674	250,674		0.033%	0.034%	0.000%	14,042
USN Naval Station, Everett	10,912	10,912		0.001%	0.001%	0.000%	611
USN Submarine Base, Bangor	170,292	170,292		0.023%	0.023%	0.000%	9,539
Vera Water and Power	234,898	234,898		0.031%	0.032%	0.000%	13,158
Vigilante Electric Cooperative, Inc.	15,897	15,897		0.002%	0.002%	0.000%	890
Wasco Electric Cooperative	97,027	97,027		0.013%	0.013%	0.000%	5,435
Wells Rural Electric Cooperative	672,455	672,455		0.090%	0.091%	0.000%	37,668
Wellton-Mohawk Irrigation & Drainage District	401	401		0.000%	0.000%	0.000%	22
West Oregon Electric Cooperative, Inc.	56,442	56,442		0.008%	0.008%	0.000%	3,162
West Oregon Electric Cooperative, Inc.	12,860	12,860		0.002%	0.002%	0.000%	720
Western Area Power - Loveland, CO	364,173	364,173		0.049%	0.049%	0.000%	20,399
Western Area Power - Loveland, CO	2,054,674	2,054,674		0.274%	0.279%	0.000%	115,093
Western Area Power Administration - CRSP	2,053,652	2,053,652		0.274%	0.279%	0.000%	115,036
Western Area Power Administration - Sierra Nevada Region	1,324,532	1,324,532		0.177%	0.180%	0.000%	74,194
Western Area Power Administration-Desert Southwest Region	3,225,943	3,225,943		0.431%	0.438%	0.000%	180,702
Western Area Power Administration-Upper Great Plains Region	7,688	7,688		0.001%	0.001%	0.000%	431
Western Area Power Administration-Upper Great Plains Region	391,282	391,282		0.052%	0.053%	0.000%	21,918
Wyoming Municipal Power Agency	280,327	280,327		0.037%	0.038%	0.000%	15,703
Yakama Power	21,718	21,718		0.003%	0.003%	0.000%	1,217
Yampa Valley Electric Association	630,694	630,694		0.084%	0.086%	0.000%	35,328
Yuma Irrigation District	3,112	3,112		0.000%	0.000%	0.000%	174
Yuma-Mesa Irrigation District	175	175		0.000%	0.000%	0.000%	10
	748,962,993	737,348,098	11,614,895	100.000%	100.000%	100.000%	41,953,236
		98.4%	1.6%				

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 5

**WESTERN INTERCONNECTION
REGIONAL ADVISORY BODY**

PROPOSED 2015 BUSINESS PLAN AND BUDGET

2015 Business Plan and Budget

Western Interconnection Regional Advisory Body

Approved by:
The Western Interconnection Regional Advisory Body
July 1, 2014

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Introduction

TOTAL RESOURCES (in whole dollars)				
	2014 Budget	U.S.	Canada	Mexico
Statutory FTEs	4.00			
Non-statutory FTEs				
Total FTEs	4.00			
Statutory Expenses	\$ 1,013,581			
Non-Statutory Expenses	\$ -			
Total Expenses	\$ 1,013,581			
Statutory Inc(Dec) in Fixed Assets	\$ -			
Non-Statutory Inc(Dec) in Fixed Assets	\$ -			
Total Inc(Dec) in Fixed Assets	\$ -			
Statutory Working Capital Requirement *	\$ 45,027			
Non-Statutory Working Capital Requirement				
Total Working Capital Requirement	\$ 45,027			
Total Statutory Funding Requirement	\$ 1,058,608			
Total Non-Statutory Funding Requirement	\$ -			
Total Funding Requirement	\$ 1,058,608			
Statutory Funding Assessments	\$ 1,058,158			
Non-Statutory Fees	\$ -	\$ -	\$ -	\$ -
NEL	866,703,757	735,082,752	120,014,087	11,606,918
NEL%	100.00%	84.81%	13.85%	1.34%

*Refer to Table B-1 on page 30 in Section B.

Organizational Overview

In April 2006, ten Western Governors petitioned to create the Western Interconnection Regional Advisory Body under Section 215(j) of the Federal Power Act. The Governors indicated their interest in inviting all U.S. states, Canadian provinces, and Mexico (which have territory in the Western Interconnection) to join WIRAB.

Pursuant to the order of the Federal Energy Regulatory Commission (FERC) in Docket No. RR06-2-000 issued on July 20, 2006 (the “Order”)¹, the FERC:

- Granted the Western Governors’ petition to establish the Western Interconnection Regional Advisory Body (WIRAB) under Section 215(j) of the Federal Power Act;
- Granted the request that WIRAB receive funding for reasonable costs of its Section 215(j) activities; and
- Directed WIRAB to develop a budget and related information and submit it to the Electric Reliability Organization (ERO) for review by the ERO and submission through the ERO budget approval process.

The Order states that funding for Regional Advisory Bodies should be part of the overall funding process for the ERO. The Commission instructed WIRAB to develop a budget in a form similar

¹ Order on Petition to Establish a Regional Advisory Body for the Western Interconnection, 116 FERC ¶61,061, Docket No. RR06-2-000, July 20, 2006.

to that specified for regional entities as set forth in Order 672.² The July 20 Order specified that the WIRAB should annually develop and submit to the ERO its budget for 215(j) activities and an organization chart that the ERO will then review and submit to the Commission. The WIRAB submission also needs to identify the portion of its costs for 215(j) activities that will be funded from Canada and Mexico, and the basis for this allocation.

Membership and Governance

All of the states with territory in the Western Interconnection (AZ, CA, CO, ID, MT, NE, NV, NM, OR, SD, TX, UT, WA, WY), the Canadian provinces of Alberta and British Columbia, and Mexico are members of WIRAB. Below is the list of members appointed by the Governor or Premier:

Alberta	David James, Department of Energy
Arizona	Leisa Brug, Governor's Office
British Columbia	Les MacLaren, Ministry of Energy, Mines and Petroleum Resources
California	Janea Scott, California Energy Commission
Colorado	Jeff Ackermann, Colorado Energy Office
Idaho	Marsha Smith, Public Utilities Commission
Mexico	Marcos Valenzuela, CFE
Montana	Jeff Blend, Department of Environmental Quality
Nebraska	Tim Texel, Nebraska Power Review Board
Nevada	Rebecca Wagner, Public Utilities Commission
New Mexico	Vacant
Oregon	John Savage, Public Utility Commission
South Dakota	Brian Rounds, Public Utilities Commission
Texas	Vacant
Utah	Dave Clark, Public Service Commission
Washington	Tony Usibelli, Department of Commerce, Trade and Economic Development
Wyoming	Shawn Reese, Governor's Office

The Governors created WIRAB as a standing advisory committee to the Western Interstate Nuclear Board (WINB), which was formed pursuant to the Western Interstate Nuclear Compact, P.L. 91-461. Members of the WIRAB are appointees of the Governors and Premiers or their alternates. WIRAB has the same status under the compact as the Western Interstate Energy Board (WIEB). WIRAB operates under the bylaws of WINB as revised on April 4, 2006. (See organizational chart on page 24.)

² Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Reliability Standards, Order 672, Docket RM05-30-000, Feb. 3, 2006, P. 228. "Each Regional Entity must submit its complete business plan, entire budget and organizational chart to the ERO for it to submit to the Commission. The complete business plan and the entire budget will provide the Commission with necessary information about any non-statutory activities, the source of their funding, and whether the pursuit of such activities presents a conflict of interest for the Regional Entity. For a Cross-Border Regional Entity, this information will also inform the Commission as to what portion of the budget is expended upon activities within the United States."

Statutory Functional Scope

FERC approved the petition of the Western Governors to create WIRAB as a regional advisory body under Section 215(j) of the Federal Power Act.

2015 Key Assumptions

- The Western power marketplace will continue to become more diverse and more complex and will rely on a changing mix of generation sources, creating more reliability challenges.
- There will be an increasing focus on physical and cyber security.
- New technologies and applications provide opportunities to improve the reliability of the Western grid.
- The Western Electricity Coordinating Council (WECC) and Peak Reliability will be in full operation following bifurcation. WIRAB will continue to advise both organizations.
- WIRAB will operate with the participation of all U.S. States and Canadian Provinces in the Western Interconnection, and Mexico.
- WIRAB will meet regularly by conference call and topical webinars, and will hold two in-person meetings in 2015. WIRAB representatives will meet with FERC at its offices once in 2015.
- There will be no significant expansion of FERC, NERC, WECC, or Peak Reliability responsibilities as a result of legislation or administrative actions.
- WIRAB has benefited greatly to date from the work of the State-Provincial Steering Committee (SPSC), which is funded entirely by an American Recovery and Reinvestment Act (ARRA) grant. ARRA funding ends in 2015 and the SPSC likely will disband. To fulfill its mission, WIRAB will need to take on SPSC's reliability-focused activities that can be funded under Section 215(j) of the Federal Power Act.
- State and provincial agency budgets are constrained making travel difficult. Reimbursement of travel costs is necessary to ensure effective state and provincial involvement in reliability issues.

2015 Goals and Key Deliverables

A. Goals

Pursuant to its authority to advise NERC, FERC, WECC and Peak Reliability on whether reliability standards, budgets and fees, governance, compliance, assessments, strategic direction and other activities conducted pursuant to Section 215 are just, reasonable, not unduly discriminatory or preferential, and in the public interest,³ WIRAB has established the following system reliability goals and priorities for 2015:

- Rectify shortcomings in grid reliability practices of Balancing Authorities, Transmission Operators and other key registered entities.
- Create high performance organizations at WECC and Peak Reliability. Develop meaningful performance metrics, expand the scope of WECC and Peak Reliability activities necessary to achieve reliability, and ensure adequate, stable funding for both organizations.
- Improve the ability of Western reliability organizations to identify, analyze, and recommend actions to address current and looming reliability challenges.
- Adopt more open and transparent information sharing practices.
- Ensure best practices to maintain physical and cyber security of the grid.
- Maximize the use of synchrophasor technology and other technologies and tools that will improve the reliability of the system.

B. Key Deliverables

To achieve the aforementioned goals and priorities, WIRAB has identified key deliverables and initiatives. The “2015 Initiatives” section further explains WIRAB’s priorities for WECC and Peak Reliability. Key deliverables are set forth below and include:

- Offer timely, concise and relevant advice to FERC, NERC, WECC and Peak Reliability that reflects the public interest of Western states, Western provinces, and Mexico and will improve the reliability of the Western Interconnection. Promote consistent, reasoned positions among state, provincial, and Mexican representatives.

³ The language in Section 215(j) of the Federal Power Act specifically provides for WIRAB’s authority to advise NERC, FERC and WECC on these topics. FERC has additionally authorized WIRAB to advise Peak Reliability on these topics: “[D]eference to WIRAB is appropriate here because Peak Reliability funding implicates the following topics listed in FPA section 215(j) on which a Regional Advisory Body may give advice: ‘governance of an existing or proposed regional entity ... [and] whether fees proposed to be assessed within the region are just, reasonable, not unduly discriminatory or preferential, and in the public interest.’” FERC Order on Rehearing, Docket No. EL13-52 et al., P. 46 (Dec. 6, 2013).

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- Evaluate Registered Entity, WECC, Peak Reliability, NERC and FERC actions to implement the recommendations from the NERC/FERC inquiry into the September 8, 2011 Pacific Southwest outage – the largest outage in the Western Interconnection since 1996 – and make recommendations, take actions, and work with industry leaders and reliability organizations to promote best practices throughout the Western Interconnection.
 - Participate in task forces and conduct research to promote more open data sharing practices.
 - Assess the effectiveness and efficiency of WECC and Peak Reliability operations and make recommendations.
 - Analyze the reliability impacts of changes to the Western power system such as the growth in distributed generation, demand response, and storage technologies; the increasing reliance on variable solar and wind generation and natural gas generation; the increasing number of coal plant retirements; and the introduction of new technologies.
 - Examine the reliability impacts of Western Interconnection reforms such as energy imbalance markets, changes to reserve sharing practices, and congestion management tools.
 - Evaluate federal physical and cyber security actions, with a focus on opportunities for states and PUCs to assist in improving the physical and cyber security practices of the Western Interconnection’s Registered Entities.
 - Conduct regular conference calls, webinars, and in-person meetings of WIRAB and provide opportunities for public comment. Post notice of in-person meetings and meeting recordings to the WIRAB website.
 - Organize and sponsor webinars and workshops on key reliability issues for WIRAB members, state and provincial representatives, industry, and others.

I. 2015 Initiatives

To fulfill its goals and priorities, and to provide input to the deliverables identified above, WIRAB has established the following initiatives for 2015:

A. Rectify shortcomings in grid reliability practices at WECC and Peak Reliability

The September 8, 2011 Southwest outage highlighted significant deficiencies in the operation of the Western grid. These shortcomings have been confirmed by: WECC's 2012 and 2013 Operational Practices Surveys of Registered Entities; WECC's "Entity Report Cards" (shared between the WECC CEO and entity CEOs); and by a 2013 report prepared for the SPSC ("Perspectives on Real-Time Grid Operating Technologies to Manage Reliability in the Western Interconnection") regarding the application of new transmission technologies in the Western Interconnection.

Specifically, gaps still exist in Registered Entity operating practices in the Western Interconnection in the following areas: (1) post-contingency mitigation; (2) utilization of real-time tools for Real-Time Contingency Analysis (RTCA); (3) sharing of next-day studies; (4) coordination between neighboring Transmission Operators (TOPs) on seasonal studies; (5) utilization and quality of studies; (6) improvement of the dynamic model; and (7) practice and quality of benchmarking system models. Because poor reliability practices by one company can impact the reliability of other companies and ultimately, undermine the reliability of the entire grid, Peak Reliability's services to Balancing Authorities (BAs) and TOPs in the Western Interconnection will be critical.

In order to rectify these shortcomings, in 2015, WIRAB will:

- Promote actions by Peak Reliability to improve operational practices, maintain central network models and tools, provide services (particularly to smaller Western Interconnection entities), and foster technological innovation in the Western Interconnection.
- Continue examining alternatives to the current fragmented grid operational structure in the Western Interconnection that includes 38 autonomous BAs. Such alternatives include, but are not limited to: geographically-broad BAs; consolidation of functions across multiple BAs or TOPs (e.g., measures such as an energy imbalance market); other alternatives (e.g., Peak Reliability's congestion management tool and energy storage options); and closer operational coordination between Peak Reliability and Registered Entities (e.g., centrally managed models and real-time analysis tools).
- Continue reviewing and providing feedback to WECC on its annual Operational Practices Survey of Registered Entities, as well as its annual State of the Interconnection report. WIRAB's input will continue to encourage WECC to make entity results public, where doing so would not reveal violations of Critical Infrastructure Protection (CIP) reliability standards, but would encourage the adoption of best operating practices by Western Interconnection entities in order to fill gaps in these practices.
- Continue advising Peak Reliability on its ongoing development and implementation of reliability performance metrics. In so doing, WIRAB will encourage Peak Reliability to make the results of its "Reliability Performance Scorecards" (for BAs

and TOPs) public, where doing so would not reveal violations of CIP reliability standards, but would encourage the adoption of best operating practices by Western Interconnection entities in order to fill gaps in these practices.

- Expand the scope of Peak Reliability’s services to BAs and TOPs necessary to achieve grid reliability. Although follow-up to the September 8 outage ultimately requires coordination between both WECC and Peak Reliability, Peak is uniquely situated to make improvements to its own models and can best assist its member BAs and TOPs to make their modeling efforts more accurate, through the services it provides. To further encourage this important outage follow-up work by Peak Reliability, in 2015, WIRAB will:
 1. Continue evaluating Peak Reliability’s progress in responding to the recommendations from the September 8, 2011 outage report, including important work on the coordination of seasonal studies, coordination of planned outages, and improving situational awareness of sub-100 kV facilities that could potentially impact the reliability of the Bulk Electric System in the Western Interconnection. WIRAB will advise Peak Reliability as needed as this work progresses.
 2. Support Peak Reliability’s services to BAs and TOPs, including: (1) the “Hosted Advanced Applications Project” (i.e., the “Idaho Project,” where Peak Reliability shares its State Estimator and RTCA results, situational awareness screens, interconnection-wide Network Model and model validation activities, and a platform for conducting and sharing next-day studies with contracting BAs and TOPs); and (2) the “Flow Forecast Tool” (to manage transmission congestion by forecasting transmission flows and minimizing curtailments – currently under development and intended for the Northwest Power Pool MC’s Phase 3 effort only). WIRAB will continue to evaluate the success of these tools and will advise Peak Reliability on the value, in terms of improved reliability, of making these tools available to all BAs and TOPs within its footprint.
 3. Work with industry leaders to highlight high-performing organizations and foster best practices.

B. Improve WECC’s ability to identify, analyze and recommend actions to address major reliability challenges and participate in the analysis of those challenges

Following bifurcation, WECC serves only the Regional Entity (RE) function in the Western Interconnection (while Peak Reliability serves the RC and Interchange Authority

functions). As the RE, WECC is responsible for enforcing reliable grid operations in the Western Interconnection and, in order to perform this job most effectively, must improve its ability to identify, analyze and address reliability challenges. To accomplish this, WECC will need to maintain or expand its existing analytical staff and build on the successful model of WECC's Transmission Expansion Planning and Policy Committee (TEPPC) for stakeholder-driven, transparent, and credible analyses. WECC should also follow the example NERC has set, by identifying and proposing solutions to these challenges, including solutions that may require follow-up actions by other parties.

In addition, WIRAB will be deeply involved in key reliability assessments. For example, WIRAB's January 2014 request that WECC evaluate the reliability of the grid under two different future generation mixes will be a pilot test of the new organization's ability to identify, analyze and make recommendations on major grid reliability challenges. Specifically, WIRAB has requested that WECC study the reliability of the grid under futures with significantly greater variable energy resources than presently expected and with significantly less coal-fired generation than presently expected. With financial support from the State-Provincial Steering Committee and the Department of Energy, this first-of-a-kind interconnection-wide reliability assessment will generate results in late 2014 and early 2015.

In 2015, WIRAB will be involved in the development of this analysis, will examine the study findings and, as appropriate, provide advice to WECC and Peak Reliability on: (1) needed improvements in future grid reliability assessments; and (2) potential changes in reliability standards or practices at WECC, Peak Reliability, and by Registered Entities necessary to reliably operate the Western Interconnection with significantly different generation mixes than today. WIRAB will also communicate with Western Interconnection states and provinces to keep them apprised as this important work unfolds.

In addition, using information from a study currently underway by the State-Provincial Steering Committee, WIRAB will more closely examine the reliability impacts of distributed generation, as well as the reliability impacts from impending regulations from the Environmental Protection Agency (EPA) restricting carbon emissions from existing power plants. WIRAB will also examine the adequacy of the combined Western natural gas and electricity systems (including the capability of the gas system to fuel power plants needed to meet ramping requirements driven by changes in load and the output of variable energy resources).

Specifically, in 2015, WIRAB will take on the following activities related to this initiative:

- The grid reliability impacts from the deployment of significant amounts of distributed generation (DG) are not well understood. Grid reliability standards are based on the assumption that power flows from the bulk power system into the distribution system to meet a relatively well understood electricity demand. Advances in DG may undermine this traditional assumption that underlies current reliability standards. New reliability standards may be needed so that grid operators have greater visibility

into generation connected into the distribution system. WIRAB will monitor the expected level of deployment of DG in the Western Interconnection and will identify ways to improve two-way communications between the distribution system and bulk power system.

- WIRAB will build upon the findings from the SPSC’s consulting project for technical support in evaluating the implications for Western Interconnection states regarding the draft EPA regulations on greenhouse gas emissions from existing power plants (to be released in June 2014, with state plans due by June 30, 2016).
- WIRAB will examine the potential reliability implications to grid operations associated with compliance with EPA’s new regulations and will identify how best to avoid or mitigate these risks. WIRAB will also evaluate state and/or regional efforts to develop compliance plans.
- Offer advice to WECC and Peak Reliability on actions needed to reduce electricity outages due to gas supply disruptions.
- Evaluate actions at FERC, NERC, WECC, Peak Reliability, NAESB, and in different regions of the country to improve coordination at the interface of the natural gas and electric industries (e.g., FERC’s “Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities” NOPR). WIRAB will offer advice on these actions where it is warranted.
- Examine the impact of new generation technologies on the electric side, including “fast-ramping” gas plants (i.e., “fast starts”), and how such advancements may impact system reliability due to an inability to meet gas deliverability needs.

C. Create a high performance organization at Peak Reliability

Beginning at its Fall 2013 meeting (and before Peak Reliability began formal operations), WIRAB recommended that in order to ensure grid reliability and that it was a high performance organization, Peak Reliability needed to develop performance metrics for its RC function, as well as for its member BAs and TOPs. Once Peak Reliability began operations in February 2014, it started developing metrics. In 2015, WIRAB will:

- Continue to advise Peak Reliability on its ongoing development and implementation of performance metrics for the RC, BAs, and TOPs. In so doing, WIRAB will strive to ensure that Peak Reliability’s metrics follow Peak’s mission and vision of supporting grid reliability.
- Advise Peak Reliability to make the results of its “Reliability Performance Scorecards” (metrics for BAs and TOPs) public, where doing so would not reveal

violations of CIP reliability standards, but would encourage the adoption of best operating practices by Western Interconnection entities. Peak Reliability already has plans to make the results of its “Reliability Metrics Dashboard” (metrics for the RC) public, and WIRAB will continue to support that effort.

- In order to communicate entity performance effectively with entities, WIRAB will continue to recommend that Peak Reliability’s CEO hold one-on-one meetings with the CEOs of BAs and TOPs, in order to review their “Reliability Performance Scorecard” results and to point out specific areas of high performance and low performance, so that entities in the Western Interconnection can continually improve their operational practices.

D. Encourage WECC and Peak Reliability to adopt more open and transparent data sharing practices

One of the recommendations stemming from the joint NERC/FERC inquiry into the September 8, 2011 Pacific Southwest outage was that Western Interconnection BAs and TOPs improve their data sharing practices to enable better coordination in the planning and operations time horizons. Before bifurcation, the Universal Non-Disclosure Agreement (UNDA) effectively accomplished this goal. However, once bifurcation became final in February 2014, Peak Reliability effectively “owned” the UNDA, since it was the RC function that originally entered into the agreement with Western Interconnection BAs and TOPs. As a result, the sharing of operational data between Peak Reliability and WECC (which is critical for TEPPC’s important transmission expansion and grid reliability analyses at WECC) has become increasingly difficult. Although efforts are currently underway to obtain consents from UNDA signatories to share this data between WECC and Peak Reliability until the UNDA expires in April 2015, WIRAB still believes more flexible data sharing practices should be adopted at Peak and WECC (i.e., resolving data sharing issues between WECC and Peak Reliability solves only the issue of sharing data between these two entities, but does not address the public sharing of data). WIRAB continues to believe the public sharing of data is critical to enable independent researchers to conduct reliability analyses of the Western Interconnection’s grid. As this issue continues to grow in importance, in 2015, WIRAB will:

- Continue to encourage more flexible data sharing practices by WECC and Peak Reliability. WIRAB will examine best practices in other regions of the country and will consider recommendations to WECC and Peak Reliability based on those best practices, in order to change the “culture of secrecy” in the Western Interconnection and to encourage the adoption of more transparent data sharing practices by entities.
- Facilitate actions to improve data sharing practices in the Western Interconnection including, but not limited to: (1) the potential filing of a Petition for Declaratory Order at FERC; (2) WECC exercising its authority under Section 1600 of the NERC Rules of Procedure to secure data from Registered Entities (independent of Peak

Reliability or the UNDA); (3) modifications to the existing UNDA; and/or (4) the development of a new and improved UNDA.

- Closely evaluate the evolution of data sharing practices between WECC and Peak Reliability to improve reliability and minimize costs to consumers. This will involve WIRAB staff participation on WECC's Information Sharing Policy Task Force, as well as the joint WECC-Peak Reliability Data Sharing Task Force, where WIRAB will continue to advocate for improved data sharing practices between WECC and Peak Reliability, and between both organizations and the public.

E. Secure adequate and reliable funding and staffing for Peak Reliability

The RC function in the Western Interconnection has historically struggled with staffing issues – specifically, with staffing the 24/7 shift engineers critical to grid monitoring. This was a concern highlighted by NERC and FERC in their joint September 8, 2011 Pacific Southwest outage investigation, in which the RC function was implicated. In response to the joint recommendations, WECC formed an RC Task Force (RCTF), which released formal recommendations for improving the Western Interconnection's RC function in late 2012. Before bifurcation, WECC began addressing the issues identified in the RCTF's report, including the RC staffing issues. Now that bifurcation is final, Peak Reliability is addressing these critical RC issues and has already made significant progress, with full staffing of shift engineers anticipated by the end of 2015.

WIRAB continues to believe that Section 215 funding is the most reliable and secure funding source for both WECC and Peak Reliability. However, Peak Reliability's bylaws require it to consider alternative funding mechanisms within its first year of operation. Any funding alternative would need to be approved by Peak Reliability's members, Peak Reliability's Board of Directors, and ultimately, FERC. Currently, the Edison Electric Institute is facilitating alternative funding discussions taking place among Class 1 and Class 2 members of Peak Reliability⁴.

To ensure adequate staffing and funding for Peak Reliability going forward, in 2015, WIRAB will:

- Continue to assess Peak Reliability's ongoing efforts to respond to the recommendations from the RCTF report, including the hiring of all necessary shift engineers to improve the RC's situational awareness and monitoring, as well as the other non-staffing recommendations from the report (e.g., increasing the capability of Peak's State Estimator by increasing the number of measurements applied to the

⁴ There are a total of five "classes" that are members of Peak Reliability (and WECC). States and provinces are Class 5. Class 1 members are defined as "Electric Line of Business Entities owning, controlling, or operating more than one thousand (1,000) circuit miles of transmission lines of 115 kV or higher voltage within the Western Interconnection." Class 2 members are defined as "Electric Line of Business Entities owning, controlling, or operating transmission or distribution lines."

model, resolving discrepancies in the West-Wide System Model and the WECC planning model, and making the best use of synchrophasor data to improve Peak's modeling and monitoring tools). WIRAB will advise Peak Reliability on these efforts as necessary.

- Continue evaluating and offering input on the budgets of both WECC and Peak Reliability. This will include WIRAB advice focused on a need to increase reserves at both organizations in order to adequately "cover" both organizations in the event of large, unforeseen contingencies (including large-scale outages such as the September 8, 2011 outage).

F. Ensure that both Peak Reliability and WECC can effectively identify and disseminate best practices to maintain physical and cyber security of the Western Interconnection

WIRAB supports the identification and dissemination of best practices by both WECC and Peak Reliability. It is WIRAB's position that promoting the adoption of best practices by Registered Entities will be more effective at improving reliability than focusing on the enforcement of mandatory reliability standards alone. Both WECC and Peak Reliability are already working in this area, including WECC's "Entity Report Cards" and Peak's development of entity performance metrics. However, more work remains to be done. To encourage more progress by both WECC and Peak Reliability in the identification and dissemination of best practices to improve grid security and reliability in the Western Interconnection, in 2015, WIRAB will:

- Explore options to current training and audit programs at WECC and Peak Reliability to accelerate the use of best operating practices, including examining successful practices in other regions and industries.
- Continue to review and provide feedback to WECC on its annual Operational Practices survey of Registered Entities and its annual State of the Interconnection report.
- Continue to analyze Peak Reliability's development and implementation of its performance metrics for the RC, BAs, and TOPs, and assess how effectively Peak is using this information to identify and disseminate best practices to its members.
- Advise the CEOs of both Peak Reliability and WECC to continue holding one-on-one meetings with entity CEOs to evaluate individual entity performance and effectively disseminate best practices to the true "decision-makers" for these entities.
- Evaluate the impact of pending federal legislation in the area of physical and cyber security and assess NERC's, WECC's and Peak Reliability's implementation of any newly-enacted federal legislation in this area.

- Assess Western Interconnection Registered Entities' implementation of, and compliance with, the new CIP version 5 standards and host an educational webinar for Western Interconnection states and provinces on the importance of these new standards and how they differ from the CIP version 4 standards.
- Evaluate the impact of NERC's new physical security standard (CIP-014-1) and host an educational webinar for Western Interconnection states and provinces on this new standard and how entities are proposing to comply with the standard.

G. Collaborate with FERC and NERC to Identify Future Grid Reliability Challenges

In 2015, WIRAB will also analyze ongoing work by FERC and NERC that identifies reliability challenges facing North American reliable grid operations— and whether those challenges warrant further examination in the Western Interconnection by WECC and/or Peak Reliability. This work includes, but is not limited to, NERC's "special assessments" (e.g., geomagnetic disturbances, distributed generation performance after a disturbance, and interconnection requirements for variable energy resource integration), and FERC's "technical conferences" (e.g., third party supply of reactive and voltage supply and control). On those topics where WIRAB members show particular interest, WIRAB will host educational webinars for Western Interconnection states and provinces.

WIRAB will also offer advice, as warranted, on important FERC and NERC developments in the area of integrating variable generation and its impacts to grid reliability (e.g., FERC's Order 764 covering 15-minute scheduling, FERC's Order 784 regarding reserve requirements for regulation and frequency response, and NERC's BAL-003 frequency response reliability standard).

H. Other Activities

1. *Risk-based Standards and Entity Registration*

- WIRAB will review NERC's implementation of risk-based standards and risk-based entity registration.

2. *Consistency in Standards and the Sharing of Data Across International Borders*

- WIRAB will foster consistency in standards and the sharing of data across international borders.

3. *Deployment of Advanced Grid Monitoring and Operating Technologies*

- Building upon the Fall 2013 Western Interconnection Transmission Technology Forum, WIRAB will continue to examine why Western Interconnection utilities remain hesitant to adopt new transmission technologies and will identify ways in which to encourage adoption of these technologies going forward.
- This work will build upon the deployment of Phasor Measurement Units (PMUs, or synchrophasors) in the Western Interconnection, and the ongoing development of tools to use synchrophasor data at Peak Reliability.
- This work will focus on real-time practices, tools, and technologies in the areas of: (1) network models; (2) outage management; (3) next-day studies; (4) RTCA tools; and (5) advanced grid monitoring technologies.

4. *Path Ratings*

- WIRAB will examine the relationship between WECC's Path Rating and Seasonal Study processes and the implementation of Peak Reliability's methodology for establishing System Operating Limits and Interconnection Reliability Operating Limits.
- This work will build upon the findings of a project by the State-Provincial Steering Committee examining ways to increase power transfers while improving system reliability. The study findings are expected in late 2014 or early 2015.

II. WIRAB Board Operations

- Hold regular meetings with FERC staff and/or Commissioners.
- Coordinate with WECC and NERC on receipt of revenues to support the 2015 WIRAB budget.
- Develop the 2016 proposed WIRAB business plan and budget.
- Execute annual audit of WIRAB finances.

III. Meetings and Technical Conferences

- Attend all WECC and Peak Reliability Boards of Directors meetings.
- Participate in all WECC and Peak Reliability Member Advisory Committee (MAC) meetings.
- Attend WECC and Peak Reliability committee and subcommittee meetings on germane issues.
- Attend WECC and Peak Reliability workshops on system operations and standards.
- Attend some, but not all, NERC Board meetings and NERC Member Representatives Committee meetings.
- Attend selected NERC meetings and workshops on relevant topics.
- Monitor all FERC business meetings.
- Attend, by webcast or in person, FERC technical conferences on reliability issues.
- Annually visit with FERC in its offices.

IV. WIRAB Educational Seminars and Webinars

- Hold briefings and webinars for WIRAB members and other Western state and provincial officials on reliability issues important to regulatory commissions and energy agencies in the Western Interconnection.

2015 Overview of Cost Impacts

WIRAB's proposed 2015 budget is \$1,013,581, a notable increase from the 2014 budget. Total projected FTEs in 2015 are 4. Staffing and indirect costs will increase in 2015 for the following reasons:

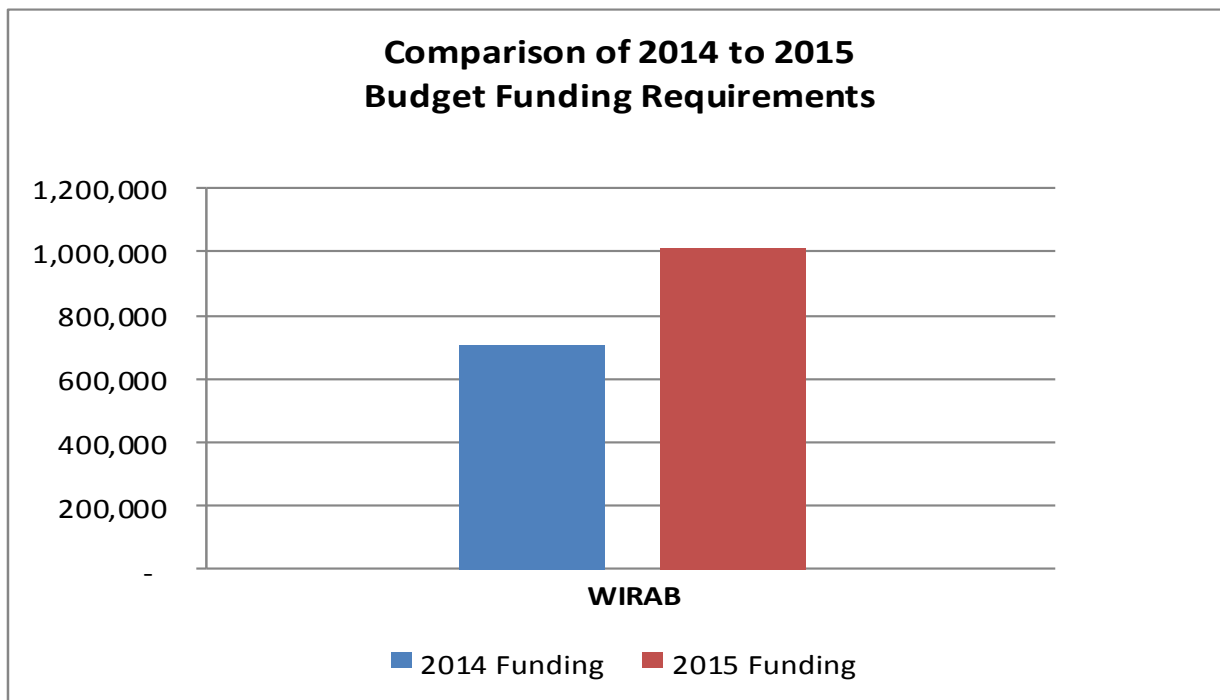
- WIRAB's advice has benefited greatly from the work of the State-Provincial Steering Committee, which is funded entirely by the Department of Energy's ARRA grant. Once its ARRA funding expires in 2015, the SPSC will likely disband. To continue providing well-informed advice, WIRAB will be taking on those reliability-related SPSC activities that should be funded by Section 215(j) of the Federal Power Act.
- WIRAB will be monitoring and offering advice on the activities of two regional organizations – WECC and Peak Reliability – rather than just one organization, as it has in the past.
- Changes that may be initiated by the independent Boards of Directors of WECC and Peak Reliability will require monitoring and evaluation by WIRAB.
- Due to WECC and Peak Reliability having independent Boards of Directors, membership input is now provided through Member Advisory Committees, or MACs, for both organizations. The activities of both MACs will require monitoring and evaluation by WIRAB, as well.
- WIRAB will be delving more deeply into actions that Peak Reliability, WECC and the industry are taking to rectify the deficiencies in grid operations highlighted by the September 8, 2011 Pacific Southwest outage.
- With input from state/provincial energy policy makers and regulators, WIRAB will be considering ways to improve the analysis of the reliability implications of future generation mixes being evaluated by WECC.
- WIRAB will be examining the reliability impacts of reforms to lower the cost of integrating variable energy resources and increase system efficiencies, such as establishment of a California ISO/PacifiCorp energy imbalance market and development of new practices in congestion management (e.g., the Northwest Power Pool MC's Phase 3 initiative).

The budget includes \$150,000 for contracting for technical expertise on issues related to improved grid operating practices, standards and compliance. This expertise will help WIRAB prepare technically-sound advice under Section 215(j). Travel costs will increase to \$70,700 due to the need for both staff and states/provinces to attend some meetings of both WECC and Peak Reliability. Meeting costs will increase significantly because WIRAB will no longer be able to

rely on meetings of the SPSC to generate input on reliability issues from all state/provincial agencies in the Western Interconnection with electric power responsibilities. To fill this gap, WIRAB will hold two major in-person meetings per year that include participation by state/provincial agencies with electric power responsibilities in the Western Interconnection. Wherever feasible, WIRAB meetings will be coordinated with other meetings of Western states and provinces. A working capital reserve of \$100,000 will be maintained.

The following diagrams depict changes in WIRAB’s 2014 and 2015 budgets:

Base Operating Budget	Budget 2014	Projection 2014	Budget 2015	Change	
				2015 Budget v 2014 Budget	% Change
Western Interconnection Regional Advisory Body	703,700	703,700	1,013,581	309,881	44.0%
TOTAL	703,700	709,200	1,013,581	309,881	44.0%
Working Capital Reserve	(114,792)	(120,292)	45,027	159,819	
Total Funding	588,908	588,908	1,058,608	469,700	79.8%



NOTE: This graphical representation does not include an allocation of working capital requirements among the Program Areas.

WIRAB FTE’s

Total FTE's by Program Area	Budget 2014	Projection 2014	Direct FTEs 2015 Budget	Shared FTEs ¹ 2015 Budget	Total FTEs 2015 Budget	Change from 2014 Budget
STATUTORY						
Operational Programs						
WIRAB	2.75	2.75	4.00		4.00	1.25
Total FTEs Operational Programs	2.75	2.75	4.00	-	4.00	1.25
Administrative Programs						
WIRAB (included in indirect expense)	-	-	-	-	-	-
Total FTEs Administrative Programs	-	-	-	-	-	-
Total FTEs	2.75	2.75	4.00	-	4.00	1.25

¹A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

2014 Budget and Projection and 2015 Budget Comparisons

WIRAB - Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2014 Budget & Projection, and 2015 Budget					
STATUTORY					
	2014 Budget	2014 Projection	Variance 2014 Projection v 2014 Budget Over(Under)	Draft 2015 Budget	Variance 2015 Budget v 2014 Budget Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 588,408	\$ 588,408	\$ -	1,058,158	\$ 469,750
Penalty Sanctions	-	-	-	-	-
Total NERC Funding	\$ 588,408	\$ 588,408	\$ -	\$ 1,058,158	\$ 469,750
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	500	500	\$ -	450	\$ (50)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 588,908	\$ 588,908	\$ -	\$ 1,058,608	\$ 469,700
Expenses					
Personnel Expenses					
Salaries	\$ 260,000	\$ 260,000	\$ -	\$ 387,300	\$ 127,300
Payroll Taxes	-	-	-	-	-
Benefits	-	-	-	-	-
Retirement Costs	-	-	-	-	-
Total Personnel Expenses	\$ 260,000	\$ 260,000	\$ -	\$ 387,300	\$ 127,300
Meeting Expenses					
Meetings	\$ 12,000	\$ 18,000	\$ 6,000	\$ 35,320	\$ 23,320
Travel	40,000	40,000	-	70,700	\$ 30,700
Conference Calls	2,500	1,200	\$ (1,300)	5,500	\$ 3,000
Total Meeting Expenses	\$ 54,500	\$ 59,200	\$ 4,700	\$ 111,520	\$ 57,020
Operating Expenses					
Consultants & Contracts	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ -
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ -
Total Direct Expenses	\$ 464,500	\$ 469,200	\$ 4,700	\$ 648,820	\$ 184,320
Indirect Expenses	\$ 239,200	\$ 240,000	\$ 800	\$ 364,761	\$ 125,561
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 703,700	\$ 709,200	\$ 5,500	\$ 1,013,581	\$ 309,881
Change in Assets	\$ (114,792)	\$ (120,292)	\$ (5,500)	\$ 45,027	\$ 159,819
Fixed Assets					
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets (C)	-	-	-	-	-
TOTAL BUDGET (=B + C)	\$ 703,700	\$ 709,200	\$ 5,500	\$ 1,013,581	\$ 309,881
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (114,792)	\$ (120,292)	\$ (5,500)	\$ 45,027	\$ 159,819
FTEs	2.85	2.85	-	4.00	-

Projections for 2016 – 2017

WIRAB has developed preliminary operating and fixed asset (capital) budget projections for 2016 and 2017. The following assumptions were included in these projections:

- An increase of one FTE to conduct reliability-related work essential to WIRAB's mission that has been funded under a American Recovery and Reinvestment Act (ARRA) grant to the State-Provincial Steering Committee that expires at the end of April 2015.
- An overall personnel expense increase of 3% in 2016 and 2017.
- No increase in consulting services from 2015 levels.
- An increase in travel and meeting expenses to the budgeted levels effective May 2015 (post ARRA grant) and inflationary increases of 5% in meeting and travel expenses in 2016 and 2017.
- No change in working capital that would remain at \$100,000.

Based on these assumptions, WIRAB is projecting a 34.7% increase in 2016 and a 3.3 % increase in 2017. This will allow WIRAB to address the following priorities expected in 2016 and 2017:

- Continue WIRAB's focus on measuring, conveying and improving the reliability performance of Registered Entities. Work with WECC, Peak Reliability, and Western industry leaders to pursue actions to raise the level of performance by all Registered Entities.
- Advocate for and participate in robust analyses of the reliability of the Western Interconnection under resource changes, such as coal plant retirements and increasing distributed, natural gas and renewable generation. Participate in WECC reliability analyses of State Implement Plans required by the proposed EPA rule governing greenhouse gas emissions from existing power plants.
- Monitor precipitation conditions, and if needed, pursue studies of the reliability implications of an extension of the severe drought in many parts of the West. Analyze the reliability impacts of changing weather conditions throughout the Western Interconnection.
- Monitor progress in implementing physical and cyber security measures and standards.
- Examine the increasing interaction of distribution systems and the bulk power system in the Western Interconnection and determine if new standards or operating procedures are needed. WIRAB's interest is driven by the significant growth of distributed generation in many parts of the West and generation technology trajectories that may accelerate this trend.
- Pursue deployment of new technologies that will improve reliability of the grid, including support for the use of PMU data for monitoring and grid control.
- Examine whether standards and criteria governing transmission path usage in the Western Interconnection should change with the advent of widespread deployment of real-time situational awareness tools such as synchrophasors.

- As necessary, reassess Peak Reliability's performance metrics to determine if the metrics are capturing activities that improve reliability and make recommendations for change.
- Examine the reliability impacts from the implementation of potentially large Energy Imbalance Market(s) in the Western Interconnection.
- Identify looming reliability changes and propose recommendations for ways to address those challenges. Participate in, and determine the effectiveness of the proposed WECC Reliability Assurance Model to identify, analyze and make recommendations on reliability challenges in the Western Interconnection.
- Evaluate the effectiveness and efficiency of WECC and Peak Reliability operations and, as necessary, recommend operational, governance and organizational changes.

**Statement of Activities, Fixed Assets Expenditures and Change in Working Capital
2015 Budget & Projected 2016 and 2017 Budgets**

	2015 Budget	2016 Projection	\$ Change 16 v 15	% Change 16 v 15	2017 Projection	\$ Change 17 v 16	% Change 17 v 16
Funding							
ERO Funding							
NERC Assessments	\$ 1,058,158	\$ 1,364,342	\$ 306,184	28.94%	\$ 1,409,547	\$ 45,205	3.2%
Penalty Sanctions							
Total NERC Funding	\$ 1,058,158	\$ 1,364,342	\$ 306,184	28.9%	\$ 1,409,547	\$ 45,205	3.2%
Membership Dues	-						
Testing Fees							
Services & Software							
Workshops							
Interest	450	550	100	22.22%	650	100	18.2%
Miscellaneous							
Total Funding (A)	\$ 1,058,608	\$ 1,364,892	\$ 306,284	28.9%	\$ 1,410,197	\$ 45,305	3.3%
Expenses							
Personnel Expenses							
Salaries	\$ 387,300	\$ 539,500	\$ 152,200	39.3%	\$ 555,700	\$ 16,200	3.0%
Payroll Taxes							
Benefits							
Retirement Costs							
Total Personnel Expenses	\$ 387,300	\$ 539,500	\$ 152,200	39.3%	\$ 555,700	\$ 16,200	3.0%
Meeting Expenses							
Meetings	\$ 35,320	\$ 58,000	\$ 22,680	64.2%	\$ 60,900	2,900	5.0%
Travel	70,700	96,600	25,900	36.6%	101,430	4,830	5.0%
Conference Calls	5,500	8,254	2,754	50.1%	8,667	413	5.0%
Total Meeting Expenses	\$ 111,520	\$ 162,854	\$ 51,334	46.0%	\$ 170,997	\$ 8,143	5.0%
Operating Expenses							
Consultants & Contracts	\$ 150,000	\$ 150,000	-	0.0%	\$ 150,000	-	0.0%
Office Rent							
Office Costs							
Professional Services							
Miscellaneous							
Depreciation							
Total Operating Expenses	\$ 150,000	\$ 150,000	\$ -	0.0%	\$ 150,000	\$ -	0.0%
Total Direct Expenses	\$ 648,820	\$ 852,354	\$ 203,534	31.4%	\$ 876,697	\$ 24,343	2.9%
Indirect Expenses	\$ 364,761	\$ 512,538	\$ 147,777	40.5%	\$ 533,500	\$ 20,962	4.1%
Other Non-Operating Expenses							
Total Expenses (B)	\$ 1,013,581	\$ 1,364,892	\$ 351,311	34.7%	\$ 1,410,197	\$ 45,305	3.3%
Change in Assets	\$ 45,027	\$ -	\$ (45,027)	-100.0%	\$ -	\$ -	
Fixed Assets							
Depreciation			\$ -		\$ -		
Computer & Software CapEx							
Furniture & Fixtures CapEx							
Equipment CapEx							
Leasehold Improvements							
Allocation of Fixed Assets							
Inc(Dec) in Fixed Assets (C)	\$ -	\$ -	\$ -		\$ -	\$ -	#DIV/0!
TOTAL BUDGET (=B + C)	\$ 1,013,581	\$ 1,364,892	\$ 351,311	34.7%	\$ 1,410,197	\$ 45,305	3.3%

Section A – Statutory Programs 2015 Business Plan and Budget



Section A — 2015 Business Plan

Western Interconnection Regional Advisory Body

WIRAB (in whole dollars)			
	2014 Budget	2015 Budget	Increase (Decrease)
Total FTEs	2.75	4.00	1.25
Direct Expenses	\$ 464,500	\$ 648,820	\$ 184,320
Indirect Expenses	\$ 239,200	\$ 364,761	\$ 125,561
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Total Funding Requirement	\$ 703,700	\$ 1,013,581	\$ 309,880

Program Scope and Functional Description

Western governors created WIRAB to provide advice to FERC, NERC and WECC on whether standards, budgets and fees, compliance, assessments, strategic direction and other activities conducted pursuant to Section 215 are just, reasonable, not unduly discriminatory or preferential, and in the public interest. Effective February 12, 2014, WECC bifurcated into WECC and Peak Reliability and FERC has acknowledged WIRAB's authority to advise Peak Reliability on these same issues.⁵

WIRAB meetings are open to all. There are regular meetings via web conferencing and topical webinars. In 2015, there will be two in-person meetings. These meetings are expected to be held in April and October.

Funding Sources and Requirements — Explanation of Increase (Decrease)

Funding Sources (Other than ERO Assessments)

- Interest income will be \$50 lower due to continued low interest rates and a reduction in the carry-over amount.

Personnel Expenses

- Total expenses for salaries will increase from \$260,000 to \$387,300 due to the hiring of additional staff. Payroll taxes, Benefits, and Retirement Costs are included in Indirect Costs and are detailed in Table B-4 on Page 31.

⁵ “[D]eference to WIRAB is appropriate here because Peak Reliability funding implicates the following topics listed in FPA section 215(j) on which a Regional Advisory Body may give advice: ‘governance of an existing or proposed regional entity ... [and] whether fees proposed to be assessed within the region are just, reasonable, not unduly discriminatory or preferential, and in the public interest.’” FERC Order on Rehearing, Docket No. EL13-52 et al., P. 46 (Dec. 6, 2013).

Meeting Expenses

- Travel costs will increase by \$30,700 due to increased state/provincial and staff travel. There will be two major WIRAB meetings per year, additional travel to WECC and Peak Reliability Board meetings and Member Advisory Committee meetings, and NERC and FERC meetings.
- Meeting expenses will increase by \$23,320. There will be at least two major meetings in 2015. Additionally, meeting costs (including costs for audio-visual, meeting room internet access, and meeting room rental) will increase. These meetings will be central to the development of well-informed WIRAB advice that reflects the collective judgment of state and provincial electric power experts on actions that FERC, NERC, WECC and Peak Reliability should take to support improved grid reliability and that are just, reasonable, not unduly discriminatory or preferential, and in the public interest.
- Conference call expenses will increase by \$3,000 due to an increasing need to hold conference calls and webinars on critical issues between WIRAB meetings.

Operating Expenses

- The budget includes \$150,000 (no change) for contracting for technical expertise on issues related to standards and compliance. This expertise will help WIRAB prepare technically-sound advice under Section 215(j).

Indirect Expenses

- Indirect expenses are based on direct labor expenses. Due to additional staffing for WIRAB in 2015, labor expenses will increase by 49 percent. This has a direct impact on total indirect expenses. Indirect expenses will increase by 52 percent. The indirect rate includes all office expenses such as rent, phone, internet and supplies, as well as all personnel expenses other than direct salaries, such as payroll taxes, benefits, retirement, and vacation, sick and holiday leave. We know rent/phone/internet will increase in 2015. There will also be increases in payroll taxes and benefits. Therefore, indirect expenses are estimated to increase by 52 percent. If the actual increase is lower, then indirect rate will also be lower.

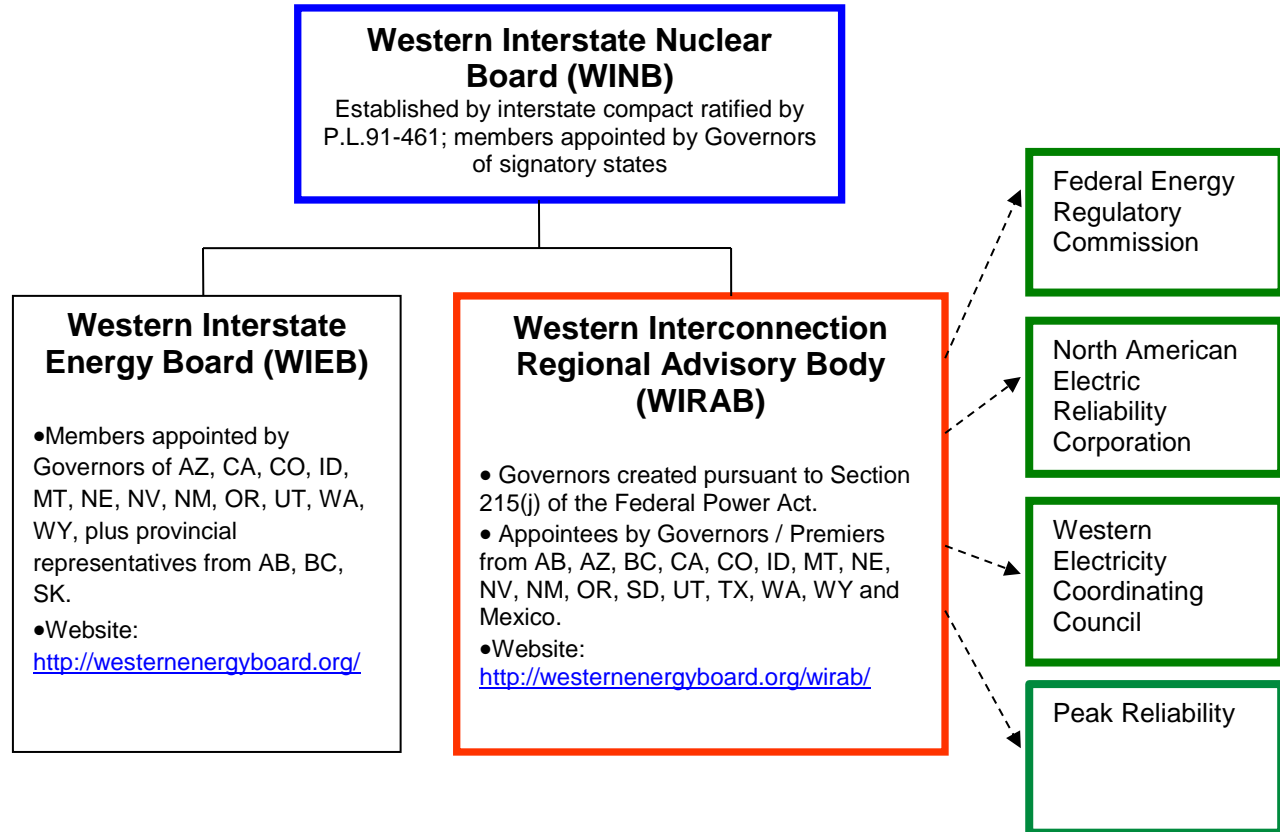
Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

2015 Organizational Chart



Section B – Supplemental Financial Information 2015 Business Plan and Budget



Section B — Supplemental Financial Information

Reserve Balance

Table B-1

Working Capital Reserve Analysis 2014-2015	
STATUTORY	
Beginning Working Capital Reserve (Deficit), December 31, 2013	169,765
Plus: 2014 Funding (from LSEs or designees)	588,408
Plus: 2014 Other funding sources	500
Less: 2014 Projected expenses & capital expenditures	(703,700)
Projected Working Capital Reserve (Deficit), December 31, 2013	<u><u>54,973</u></u>
Desired Working Capital Reserve, December 31, 2015	¹ 100,000
Minus: Projected Working Capital Reserve, December 31, 2014	54,973
Increase(decrease) in funding requirement to achieve Working Capital Reserve	<u><u>45,027</u></u>
2015 Expenses and Capital Expenditures	1,013,581
Less: Penalty Sanctions ²	0
Less: Other Funding Sources	(450)
Adjustment to achieve desired Working Capital Reserve	45,027
2015 NERC Assessment	<u><u>1,058,158</u></u>

¹ On June 29, 2009 WIRAB members approved a desired working capital reserve of \$100,000. The reserve consists of the following components: \$100,000 for contingencies.

² Penalty sanctions are not applicable to WIRAB.

Explanation of Changes in Reserve Policy from Prior Years

None

Breakdown by Statement of Activity Sections

The following detailed schedules are in support of Table 1, of the 2015 WIRAB Business Plan and Budget. All significant variances have been disclosed by program area in the preceding pages.

Penalty Sanctions

Not applicable to WIRAB

Personnel Expenses

Table B-4

Personnel Expenses	Budget 2014	Projection 2014	Budget 2015	Variance 2015 Budget v 2014 Budget	Variance %
Total Salaries	\$ 260,000	\$ 260,000	\$ 387,300	\$ 127,300	49.0%
Total Payroll Taxes	-	-	-	-	
Total Benefits	-	-	-	-	
Total Retirement	-	-	-	-	
Total Personnel Costs	\$ 260,000	\$ 260,000	\$ 387,300	\$ 127,300	49.0%
FTEs	2.85	2.80	4.00	1.15	40.4%
Cost per FTE					
Salaries	\$ 91,228	\$ 92,857	\$ 96,825	5,597	6.1%
Payroll Taxes	7,207	7,336	7,649	442	6.1%
Benefits	9,488	9,657	10,070	582	6.1%
Retirement	6,842	6,964	7,262	420	6.1%
Total Cost per FTE	\$ 114,765	\$ 116,814	\$ 121,806	\$ 7,041	6.1%

Explanation of Significant Variances – 2015 Budget versus 2014 Budget

With the bifurcation of WECC, there is increased workload for WIRAB in terms of monitoring and advising WECC and Peak Reliability. There will be additional staff hired to work on WIRAB issues. Additionally, due to the expiration of ARRA funding in April 2015 for the SPSC's important work (which has historically provided input into WIRAB's advice under Section 215(j) of the Federal Power Act to NERC, FERC, and WECC), there will be a need for WIRAB to take over SPSC's reliability-focused activities post-April 2015.

Consultants and Contracts

WIRAB is budgeting \$150,000 for consultants and contracts in 2015, the same amount as in 2014. WIRAB will acquire technical consulting services related to deficiencies and best practices in operation of the grid by Generator Owners, Generator Operators, Transmission Operators, Balancing Authorities, and the Reliability Coordinator.

Section C – Non-Statutory Activities 2015 Business Plan and Budget



Section C — 2015 Non-Statutory Business Plan and Budget

None

**Section D – Additional Consolidated Financial
Statements
2015 Business Plan and Budget**



Section D

2014 Consolidated Statement of Activities by Program, Statutory and Non-Statutory

Statement of Financial Position

	As of December 31, 2013 (per July 2012 - June 2013 audit)	As of December 31, 2014, projected	As of December 2015, as budgeted
ASSETS			
Cash and Investments	\$ 169,765	\$ 100,000	\$ 100,000
Total Assets	\$ 169,765	\$ 100,000	\$ 100,000

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 6

DISCUSSION OF COMMENTS RECEIVED

DURING DEVELOPMENT OF NERC'S

2015 BUSINESS PLAN AND BUDGET

ATTACHMENT

DISCUSSION OF COMMENTS RECEIVED DURING DEVELOPMENT OF NERC'S 2015 BUSINESS PLAN AND BUDGET

During the preparation of its 2015 Business Plan and Budget, NERC posted several drafts on its website for stakeholder review and comment. Formal comments were solicited on the first and second 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. 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.¹

Comments on Draft #1 of the NERC Business Plan and Budget were received from Edison Electric Institute ("EEI"), the Canadian Electricity Association ("CEA"), the National Rural Electric Cooperative Association, the Northwest Public Power Association, and (jointly) the American Public Power Association, the Large Public Power Council and the Transmission Access Policy Study Group. Comments on Draft #2 of the NERC Business Plan and Budget were received from EEI and the CEA. NERC regarded these comments as generally supportive, although commenters raised some specific issues and questions. As NERC considered participation in the Cyber Risk Information Sharing Program, the comments included questions about the impacts of and funding for CRISP. NERC addressed the comments and questions in its final Business Plan and Budget, as well as during the webinar presentation associated with the posting of Draft #2 of its Business Plan and Budget and during the final presentation of its recommended Business Plan and Budget before the NERC Finance and Audit Committee at its open August 13, 2014 meeting.

During the February 2014 meetings of the NERC Member Representatives Committee and Board of Trustees, management indicated it would be developing and posting an Accountability Matrix to track stakeholder recommendations and policy input, as well as management's actions and response to this input. The Accountability Matrix is posted on NERC's Website on the Business Plan and Budget page² and will be updated on a quarterly basis. The remainder of this Attachment is the most recently-updated version of the Accountability Matrix, updated as of August 12, 2014. It shows NERC's responses and action items to the stakeholder comments received on Draft #1 and Draft #2 of the 2015 Business Plan and Budget, as well as NERC's responses and action items to policy input received from stakeholders.

¹ Copies of the comments received on the posted drafts of the 2015 Business Plan and Budget are available at: <http://www.nerc.com/gov/bot/FINANCE/Pages/2015NERCBusinessPlanandBudget.aspx>. The policy input received is available at: <http://www.nerc.com/gov/bot/Pages/Agenda-Highlights-and-Minutes-.aspx>.

² Available at: http://www.nerc.com/gov/bot/Documents/2014%20Stakeholder%20Input%20Matrix%20Tracking_August_2014.pdf.

ERO Enterprise Strategic Plan, 2014-2017

Goal 5: *Improve transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.*

Objective 5a – The ERO acts in a coordinated and collaborative manner with stakeholders.

Key deliverable – Maintain a list of suggestions and recommendations made by stakeholders (e.g., through policy input) and ERO responses to each.

Strategic and Business Planning Input			
Entity / Stakeholder (Date)		Stakeholder Comment (Abridged version)	Action/Response and Notes
CEA	Business Plan & Budget (Draft 2 comments)	CEA recommends that, where NERC management makes trade-offs or conducts prioritization exercises to help mitigate the impact of new initiatives or requirements, NERC provide greater disclosure of the risks considered, the business impacts, and quantitative impacts of the options considered.	NERC will take this into consideration in the development of the 2016 BP&B.
		For purposes of future budget cycles, CEA recommends that NERC publish projected entity assessments so they are available to entities and can assist in informing comments on the draft budget.	Providing assessment information on an individual load serving entity basis earlier will require that NERC receive updated NEL data from the Regional Entities earlier and this will be difficult given timing of business plan and budget cycle.
		CEA agrees that this sharing formula may need to be refined based on experience and participation, and would support discussion to this effect as part of the 2016 budget cycle. Moreover, with the CRISP budget for the ES-ISAC appearing to assume a certain number of program participants, CEA believes that any funding shortfall risk related to subcontracting or other relevant costs should not be borne by NERC.	The contracts which are being negotiated take this into consideration. NERC will not be in a position of taking the risk of future utility participation.
		CEA recommends that NERC develop projections of ongoing CRISP-related costs, and provide these in the final draft of the 2015 budget.	NERC has included a discussion of the CRISP projections in the final draft of the 2015 BP&B.
		As the 2015 budget is finalized, CEA respectfully recommends that NERC examine options for efficiencies or trade-offs to offset cost impacts associated with CRISP.	NERC undertook this examination in arriving at the proposal for limited CRISP funding through assessments.
CEA	Business Plan & Budget (Draft 1 comments)	Concerned about facing an assessment increase of a substantial margin. Looks for greater stability in NERC assessments.	Considerable efforts were undertaken by NERC and the Regional Entities to minimize assessment impacts. An initiative is also being launched to stabilize assessments and reduce the swings experienced by the industry from year to year.

2014 Accountability Matrix

		The absence of 2016 and 2017 projections makes it difficult to assess whether NERC’s proposed resource needs are isolated to 2015 or reflect a longer-term direction towards a steady state in NERC funding requirements.	The information provided in the updated version of the composite budget will include projections for 16-17, reflecting ongoing budget stabilization initiatives.
		Would appreciate demonstration of reprioritization of existing NERC initiatives to accommodate high-priority reliability risk projects, relative to priority level.	The BP&B identifies current priorities, including those identified through various stakeholder processes, rather than the work that has been deferred or curtailed.
		Encourages identifying activities that can be deferred – reflecting a maturation in NERC’s prioritization process and further clarifying which NERC activities are core priorities and which are lesser ones.	This budget reflects conscious decisions to defer or delay action on certain Program Area activities to balance resource demand and available resources within budget constraints.
		Prefers to see NERC weigh the additional costs for ES-ISAC activity (in terms of CRISP deployment and physical separation of the ES-ISAC) against other expenses and make the difficult judgment call as to which take precedence and which can be deferred.	NERC’s Finance and Audit Committee and Board of Trustees will consider this and all information, together with feedback from stakeholders, in connection with the review and approval of NERC’s 2015 business plan and budget. Given the significance of this undertaking and the special funding arrangements being proposed, this information is being presented as a separate addendum to the July 15, 2014 business plan and budget rather than being directly incorporated into the July 15, 2014 updated draft of NERC’s 2015 business plan and budget which is being posted contemporaneously with the posting of this addendum.
		Typo on page 4, under “International Relations.” Standards are approved in Alberta in accordance with the Transmission Regulation (not Transportation Regulation).	Corrected in final draft.
EI	Business Plan & Budget (Draft 1 comments)	Suggests NERC consider removing Right-of-Way Clearances and 345kV Breaker Failures from the “High Priority” Project list or acknowledge the improvements made by the Industry in these areas.	These items are ‘monitoring’ items, to ascertain the effectiveness of the reliability actions put in place, recognize the extensive industry response well along the way to sustainable posture.

		Questions whether alignment between registration and the newly approved BES Definition should really be identified as a “High Priority” since we are unaware of any imminent risks associated with entity registration.	RBR is focused on ensuring that registered entities are appropriately registered and assigned the proper set of standards to ensure reliability. RBR is complementary to, and aligned with, the BES Definition. Ensuring effectiveness and efficiencies in program areas and driving consistent application throughout the ERO Enterprise are properly high priorities for the ERO Enterprise. As the RBR work continues, we will ensure that we articulate the relationship with the BES Definition.
NRECA	Business Plan & Budget (Draft 1 comments)	Requests that the BP&B clearly state that all entities which have signed up for ES-ISAC portal access, not only NERC registered entities, will receive and have access to CRISP and other security information and analysis at no additional cost above the net energy for load assessment.	Final draft of BP&B makes clear that ES-ISAC registered users will have access to CRISP derived data.
		Requests that NERC clarify who is an ES-ISAC member (any entity who signs up and is approved for ES-ISAC portal access). In the third line of the “Secure Bidirectional Communications” section, NRECA requests that “registered entities” be replaced with “ES-ISAC members” as NRECA understands the term.	Corrected in final draft.
APPA/LPPC/TAPS	Business Plan & Budget (Draft 1 comments)	Encourage NERC to consider developing a policy and accounting methods to normalize the impact of extraordinary revenue and expense items that exceed some threshold. In particular, penalty revenues received in a particular year may have an outsized impact on NERC and Regional Entity assessments, by reducing assessments in one year, only to have such assessments balloon upward in the next year as those credits disappear and expenses increase.	NERC and the regional entities are working on policies to stabilize assessments to industry and reduce the swings currently experienced. This has been discussed on recent Finance and Audit Committee Calls and will continue to be a focus.
NWPPA	Business Plan & Budget (Draft 1 comments)	Encourage NERC to consider developing a policy and accounting methods to normalize the impact of extraordinary revenue and expense items that exceed predetermined threshold criteria. In particular, penalty revenues received in a particular year may have an outsized impact on NERC and Regional Entity assessments, by reducing assessments in one year, only to have such assessments balloon upward in the next year as those credits disappear and expenses increase. Spreading such revenues over a multi-year period may make more sense for load-serving entity budgeting purposes and provide better transparency at the RE level.	NERC and the regional entities are working on policies to stabilize assessments to industry and reduce the swings currently experienced. This has been discussed on recent Finance and Audit Committee Calls and will continue to be a focus.
		NWPPA supports the efforts of NERC exploring the various options to share sensitive information with the utility industry. NWPPA also supports NERC as the focal point for the collection and sharing of this sensitive data with the utility community. While we are supportive of the concept, these types of efforts can easily become expansive and expensive. NERC needs to evaluate each approach for collecting and sharing of sensitive data for reasonableness and cost effectiveness, as ultimately the costs will be borne by the utilities in the respective Regions.	ES-ISAC is reviewing the classification and categorization of information that will inform how NERC gathers information and makes it available to industry.

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CEA (April 2014)	Business Plan & Budget (ES-ISAC)	<p>Requests clarity regarding the alternative voluntary funding for ES-ISAC:</p> <ul style="list-style-type: none"> • What are the reliability benefits of the expanded capability? • Are there questions/ concerns regarding fair allocation of costs under the ES-ISAC’s funding structure? • Is there a risk of establishing a precedent for seeking outside, voluntary funding for an activity under NERC’s statutory functions? • How will NERC ensure registrants do not unfairly subsidize the expanded activities where other entities derive a benefit? • Do all of the separate pieces of the proposal have to be covered under new, supplemental outside funding? Suggests drawing on NERC reserves to cover a portion of these expenses. • What decision-making mechanisms has NERC implemented to guide the transition towards an alternate funding mechanism? • How do the estimated expenses associated with supplemental ES-ISAC funding fit into the overall ERO budget? 	See draft 2 and final draft of the Business Plan and Budget.
		Imperative for the debate around the ES-ISAC’s existing funding and governance structure be settled before committing to additional funding for expanded ES-ISAC capabilities and operations.	Funding and governance structure addressed in the Business Plan and Budget.
	NERC Five-Year Performance Assessment	Requests including more detail around, or basic acknowledgment of, growth in NERC’s budget, stakeholders’ enduring concerns and NERC’s plans to control costs going forward in the five-year assessment.	Annual business plans and budgets and presentations have reflected and will continue to reflect ongoing efforts to control costs.
EI (April 2014)	Business Plan & Budget (ES-ISAC)	Propose additional stakeholder outreach regarding ES-ISAC’s proposed 2015 budget, including a breakdown of scope of work, costs and timing, for its role in CRISP to help inform and expedite the funding approach suggested.	See draft 2 of the Business Plan and Budget.
IRC (April 2014)	Business Plan & Budget	Need more information with respect to how the alternative funding mechanism, to support expanded security capabilities, relates to the overall NERC fee structure and the risk of unfunded mandates.	See draft 2 of the Business Plan and Budget.
NPCC (April 2014)	Business Plan & Budget	Recommends that the NERC 2015 Business Plan include descriptions of NERC’s oversight role to provide better certainty to performance metrics and that NERC include the projected resource impacts to registered entities of proposed initiatives in its annual business plans.	NERC’s oversight role is explained in a number of areas throughout the BP&B. Additional detail for the oversight program will be developed as part of implementation of the ERO enterprise operating model action items. Work to assess projected resource impacts on registered entities is ongoing.
		Recommends that the sharing of security information be funded within the NERC budget.	To be considered by NERC management in the development of the 2 nd draft of the 2015 BP&B.
NRECA (April 2014)	Business Plan & Budget (ES-ISAC)	Requests clarification that the alternative funding mechanism for expanded security capabilities is not a pay to play arrangement. Information gained with any new capabilities should be shared with all industry participants regardless of whether financial support is provided.	Addressed in the 2 nd draft and final posting of the 2015 BP&B.

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Sector 4 (April 2014)	Business Plan & Budget (ES-ISAC)	Requests further investigation into the feasibility of ES-ISAC participation in the CFM and CRISP programs, and to share with stakeholder’s probable costs and benefits at a future date.	Addressed in the 2 nd draft and final postings of the 2015 BP&B.
		If voluntary funding is pursued, requests that NERC guarantee that no entity could buy a benefit for itself.	Addressed in the 2 nd draft and final postings of the 2015 BP&B.
Sector 12 (April 2014)	Business Plan & Budget	<p>Requests further update regarding efforts in 2014 relative to cost-benefit tools incorporated into NERC activities, including the status of the CEAP project.</p> <ul style="list-style-type: none"> Concerned that some of the expedited standard setting processes in play right now will shift focus away from this important initiative to quantify the impact of NERC standards. 	<p>The BP&B describes the development of a two-phased Cost Effective Analysis Process (CEAP) to ensure that the standards development process produces standards that cost-effectively address reliability gaps. The first phase of the CEAP is implemented during the Standards Authorization Request (SAR) stage to determine the cost impact of a proposed standard and whether it will meet or exceed an adequate level of reliability. The second phase is completed later in the standard development process to determine cost effectiveness of the proposed approach and offer the industry an opportunity to identify more cost efficient solutions.</p> <p>NERC and the Standards Committee are now reviewing the results of the pilot effort determining the usefulness of this approach, and enhancements needed towards measuring potential benefits from Reliability Standards. A CEAP team, comprised of NERC Standards Committee and Standards Committee Process Subcommittee members, along with industry and NERC staff, continue to participate in the CEAP to promote information sharing and consensus and alleviate concerns regarding cost and effectiveness.</p>
SERC (April 2014)	Business Plan & Budget (ES-ISAC)	Recommends that the ES-ISAC be required to present a robust business plan that ensures goals are sustainably deliverable.	See draft 2 of the Business Plan and Budget.
SM-TDUs (April 2014)	Business Plan & Budget (ES-ISAC)	Expanded funding should be included within NERC’s section 215 Business Plan and Budget and annual assessments to load-serving entities.	Addressed in the 2 nd draft and final posting of the 2015 BP&B.
		If and when NERC or the ES-ISAC undertakes analytical projects that do not provide broad benefits to the electricity sector as a whole, those costs should be directly assigned to the beneficiaries, with the revenues received credited to NERC’s operating reserves, thereby reducing next year’s NERC budget assessment on load-serving entities.	See draft 2 and final draft of the Business Plan and Budget.

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CEA (Jan 2014)	Business Plan & Budget	Goal 4: Determine if there can be a deliverable to identify and develop a suite of tools to address reliability issues (as alternatives to standards).	Under consideration by NERC management and referred to RISC and standing committees for input.
		Goal 5: Recognize the obligations to all applicable governmental authorities and modify to indicate “all applicable authorities”.	Agreed. Processes are in place to coordinate with both US and Canadian government authorities.
	Strategic Plan	Requests that NERC present # of new or modified standards to NERC BOT for approval.	Addressed in the standards development plan.
EI (Jan 2014)	Business Plan & Budget	Include a strategic internal management goal with clear accountability of goals and objectives, deliverables and meaningful metrics.	Already in place with integration of NERC metrics to NERC performance management system.
	Business Plan & Budget	Map existing program area plans and processes to strategic plan. Specifically, how NERC’s plan complements or conflicts with the standards development work plan or the RISC’s proposal to address reliability issues.	NERC’s priorities for the standards review process are addressed on an ongoing basis and reflected in the Reliability Standards Development Plan developed in collaboration with the Standards Committee. RISC coordination is ongoing in 2014 and will be reflected in plans for 2015.
	Business Plan & Budget	Align various metrics with goals and deliverables. <ul style="list-style-type: none"> Set clear and measurable metrics for regulatory outreach and advocacy. 	Regulatory outreach and advocacy are embedded in our normal work processes and aligned with key initiatives. Consideration to specific metrics for this area will be given for future years.
SM-TDUs (Jan 2014)	Business Plan & Budget	Define measures by which the Regional Entities and NERC will evaluate entity risk (as part of RAI).	Will be addressed in the ongoing implementation and development of RAI.
NRECA (Jan 2014)	Business Plan & Budget	Recommend replacing BPS with BES throughout the plan	Adopted. NERC updated the Board approved (Feb 6) Strategic Plan replacing BPS throughout.
		Goal 1: Include the SC role and focus on retiring standards and requirements that are not needed to support BES reliability.	The Standards Committee’s role in the standards review process will be addressed as part of developing the long term quality review process.
		Goal 2: Include deliverable to add a deregistration process for currently registered entities that have a change. Also add a deliverable that requires development of a single document/resource that describes RAI.	Adopted. NERC updated the Board approved (Feb 6) Strategic Plan adding deregistration.
		Goal 4: Add SC responsibilities.	Standards Committee’s responsibilities in the standards development process will be addressed on an ongoing basis.
	Strategic Plan	Consider the challenges of too many initiatives in play at any one time and focus on doing less, better.	Agree and will continue to work with stakeholders to pace initiatives.
EPSA (Jan 2014)	Business Plan & Budget	Combine metric 1 and 2. These metrics seem interrelated as to not represent two different metrics to score and evaluate.	Not adopted. Metric 1 measures the effectiveness of the ERO Enterprise to influence reliability overall as measured by the frequency and severity of events. Metric 2 focuses on conducting analysis of severe

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			events to assess whether there are gaps in reliability standards as currently in force or compliance monitoring on the part on the ERO. Both metrics are focused on accountability of the ERO Enterprise to influence reliability and reduce the occurrence of severe events.
ELCON (Jan 2014)	Business Plan & Budget	Encourage specific metrics to allow the measurement of: <ul style="list-style-type: none"> • Maintain a list of suggestions made by stakeholders and ERO responses • Engage expertise of stakeholders in reliability initiatives • Implement collaborative governance (ERO and Regions) bound by consensus 	<ol style="list-style-type: none"> 1. Not appropriate for a “metric,” but we agree conceptually. 2. Not appropriate for a “metric,” but engagement of industry expertise and stakeholders is an essential component of the ERO mission. 3. Not appropriate for a “metric,” but that governance exists in the form of the ERO EMG, which is comprised of the CEOs of all nine entities.
Standards Committee, Brian Murphy (Jan 2014)	Business Plan & Budget	Goal 1: Revise to align with the RSDP and SC’s work plan (refer to policy input attachment)	Adopted.
NPCC (Jan 2014)	Business Plan & Budget	Recommends the implementation of the registration framework and criteria be advanced to 2015 to better align with the implementation of the BES definition.	To be considered during the registration initiative project and will be reflected in the development of the 2015 BP&B if time permits.
	RRM	Recommends prioritization be given to the development of a secure portal to enable confidential sharing of post-event report.	The portal is in place as is the process for vetting and gaining permission from entities.
	List of approved risk projects for metric 3	Limit any risk project related to resource adequacy assessments of the reliability impacts of planned resource capacity and projected reserve margins.	That is the intent of that RISC identified project. Resource adequacy was not selected as a major 2014 risk project for the ERO Enterprise. Will be considered in future updates to the risk projects.
SERC (Jan 2014)	Business Plan & Budget	Encourages ERO Enterprise to conduct a clean slate review of the strategic plan’s content with a particular focus beyond the current 3 year horizon.	To be discussed with ERO EMG.
		Encourages further coordination of processes and timelines for “feeder” activities which are significant inputs into the business planning processes (RISC, LTRA, etc.).	Will be addressed in ongoing improvement to BP&B process between NERC and the Regional Entities.
MRC BP&B Input Group (Jan 2014)	Business Plan & Budget	Add important MRC meeting and conference call dates to BP&B schedule.	NERC staff updated BP&B schedule prior to the Jan 30 Finance and Audit Committee meeting to reflect this input.

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EI (Jan 2014)	Business Plan & Budget	Describe/ address budget and cost management, coordination among the core operational areas and duplicative activities among the Regions. <ul style="list-style-type: none"> Consider cost-benefit analysis, similar to Standards, to help inform decision-making and determine priorities for limited resources. 	Reviewed in the context of the annual BP&B process.
Sector 4 (Jan 2014)	Business Plan & Budget	Consider cost impacts to industry. There are mounting pressures to manage costs and minimize rate impacts to customers. NERC must ensure resources are spent appropriately.	Reviewed in the context of the annual BP&B process.
ELCON (Jan 2014)	Business Plan & Budget	Specific “IT solution” benefits to Registered Entities should be quantified through cost savings in dollars. Strongly encourages restraint in the amount that will be proposed and recommends keeping the amount level if not reduced.	Reviewed in the context of the annual BP&B process.
IRC ISO/RTO (Jan 2014)	2014 Metrics	Consider developing a structured approach and metrics for exploring and applying alternative approaches to standards Work with the RISC on an approach that expands on the suite of tools.	Under consideration by NERC management and referred to RISC and standing committees for input. NERC uses various forms to address reliability issues: RISC, technical committees, and staff analysis. NERC has a suite of tools at its disposal to address reliability issues when identified to include, but not limited to, technical committee guidelines, NERC advisories and alerts, webinars, training, lessons learned, and various reliability assessments.
NPCC (Jan 2014)	Business Plan & Budget	Identify “benefits” associated with standards to provide more information surrounding standards’ costs vs. benefits.	Efforts are underway to consider cost benefit in the standards development process.
Texas RE (Jan 2014)	Business Plan & Budget	Requests there be additional clarity and transparency regarding amounts that the Regional Entities will be expected to expend to support specific enterprise efforts. <ul style="list-style-type: none"> If particular ERO-level projects are required the amounts should be identified and incorporated into the Regional Entities’ budgets. 	Addressed through the coordination and development of the NERC and Regional Entities BP&Bs.
SERC (Jan 2014)	Business Plan & Budget	Resource needs and budgets should reflect the stable nature of the enterprise. Effectiveness parameters, including cost, should be established for ERO activities.	Addressed through the coordination and development of the NERC and Regional Entities BP&Bs.
RISC (Jan 2014)	Business Plan & Budget	Encourages the inclusion of more explicit focus on reliability risk management and RISC’s priority recommendations in the BP&B.	RISC intends to produce its next recommendations in February 2015 for the 2016 BP&B.

Other Input – Related to ERO Enterprise Activities and Priorities

Entity / Stakeholder (Date)	Stakeholder Comment (Abridged version)	Action/Response and Notes
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CEA (April 2014)	RSAW Review and Revision Process	<p>Requests clarification in subsequent refinements to the draft RSAW process:</p> <ul style="list-style-type: none"> • An RSAW should not change the scope or intent of a standard. Delete the word “material”. • Clarify that RSAW changes cannot increase compliance requirements. • Provide examples of what is deemed to be a “substantive” revision. • Provide some type of implementation schedule. • Provide justification if SOTC chair of full SOTC determines no action is required for the remaining comments submitted to them for review. Identify an appeal process beyond the SOTC for entities which feel that their comments or concerns have not been adequately addressed by either the SOTC Chair or the full SOTC. 	<p>The final version of the process has been revised to:</p> <ul style="list-style-type: none"> • Remove the terms material and substantive. • Clarify the wording around changes increasing compliance requirements. • Allow for an implementation schedule. • Include a requirement for the SOTC chair to notify industry the status of his/her review and for NERC to post a summary of the SOTC’s determination. <p>Final version is being implemented by NERC’s Compliance Operations.</p>
	Risk-Based Registration Initiative	Requests the Preface of the Risk-Based Registration Whitepaper reference the authority of Canadian jurisdictions to provide entity registration/ oversight.	The current draft design framework recognizes Applicable Governmental Authority jurisdiction, including the U.S. and Canada.
		Any option to revise standards should be coordinated with existing standards revision efforts, wherever possible.	To the extent that Reliability Standards need to be revised as a result of the design framework, this will be addressed in the detailed implementation plan and reflected in the Reliability Standard Development process.
EEI (April 2014)	Risk-Based Registration Initiative	Urges the Board to ensure that any new registration process avoids developing into another costly and opaque bureaucracy.	The new registration process is expected to be more efficient and effective and to reduce undue burdens for all reliability stakeholders.
	RSAW Review and Revision Process	Urges NERC to continue seeking processes and methods that provide companies with clear compliance guidance and stresses the importance for NERC to make sure that RSAWs not inadvertently change FERC-approved requirements, and, once approved, that RSAW documents not receive any further editorial treatment outside the RSAW process.	The new RSAW process will provide a platform for industry comment and enhancement. Additionally, using the CIP V5 transition as a template, NERC is looking to further improve guidance to support both transition and implementation of new standards.
	CIP V5 Implementation	Urges NERC to begin a focused discussion aimed at developing a complete set of guidance materials by no later than August 2014.	NERC is developing these plans and materials.
Urges NERC to develop, communicate, and execute a single plan for CIP V5 guidance materials as an urgent priority.		NERC is developing these plans and materials.	
ELCON (April 2014)	Risk-Based Registration Initiative	Seeks clarification on the important point that the RBR initiative should focus on reducing unnecessary registrations as a threshold matter, as well as on reducing the compliance scope for entities that are registered but should not be subject to the full GO/GOP or TO/TOP requirements.	RBR is focused on ensuring that registered entities are appropriately registered and assigned the proper set of standards to ensure reliability. RBR further drives consistent application throughout the ERO Enterprise.
		Suggests that risk-based registration allow behind-the-meter generators to exceed the thresholds if such sales are deemed to be free of any negative impacts to reliability.	The proposal is reflected in the current draft of the design document.

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		Suggests that the compliance burden of the small entities could be further reduced by having different audit schedules (as part of the RAI).	RAI considers size, nature and location of entities, among other factors, in determining the duration and scope of an audit.
	RSAW Review and Revision Process	Additional steps should be mandatory when feedback from an industry stakeholder established that the modification is inconsistent with the scope or intent of the standard. Evidence of such inconsistency should be more than mere opinion and in the event that the industry stakeholder's position is rejected, the ERO Enterprise should issue a written response so that, if appropriate, the decision can be appealed.	A requirement was added to the process for NERC to post a summary of the SOTC's determination.
Merchant Electricity Generator and Electricity Marketer Sectors (April 2014)	RSAW Review and Revision Process	Effective date should be an agreed upon fixed period after the RSAW is approved and not the subject of individual comments.	A requirement was added to the process.
		RSAWs should not apply to open audits or any entity that has received its 90-day notification of an audit.	A requirement was added to the process.
		What is sent to the SOTC chair should be posted for all stakeholders and a requirement for posting should be added to paragraph 3 of the process.	A requirement was added to step 3 of the process to post the unresolved comments that are sent to the SOTC chair on the NERC website.
		The proposed process should also apply to an RSAW for a new standard.	Currently RSAWs are posted alongside all Reliability Standards. Working together, RSAWs should include the intent of the SDT. Else changes to the Standard and RSAW can bring these into alignment.
		Suggests that the Board consider whether RSAWs are needed to ensure consistent compliance and if so, RSAWs should be based solely on the measures in a standard that are developed through the standards process.	RSAWs are only a tool for the Auditor, and not the full extent of tools available.
	Risk-Based Registration Initiative	Develop simple criteria that can be used to quickly eliminate entities from the Registry that do not have a material impact on reliability. This would be analogous to a P81 approach.	Simple criteria for registration and deactivation of an entity for functional registration categories have been developed and are reflected in draft revisions to the NERC Rules of Procedure.
		Recommend a detailed project plan be developed and communicated to industry regarding the implementation of the entire risk-based registration initiative in 2016.	A detailed project plan and communication plan are included in the latest draft Implementation Plan.
IRC (April 2014)	RSAW Review and Revision Process	Recommends that the proposed RSAW Process be amended to add: (1) An initial step that addresses how registered entities raise issues with existing RSAWs and suggests using a CCC subcommittee to review and assess whether an RSAW needs to be modified; and (2) An added step if comments were not accepted. After the revised RSAW is posted, comments not accepted could be reviewed by the CCC subcommittee to determine if: a) A technical error or inaccuracy regarding the proposed change is identified in the submitted comments; or b) The submitted comments identify that the proposed change incorrectly expands what is required by the Standard through its requirements.	The RSAW Review and Revision process document addresses each one of these through a formalized process related to the ongoing maintenance of RSAWs.

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	Risk-Based Registration Initiative	In addition to considering new approaches to registration, the ERO should also consider whether the current registration process is appropriate, and whether there are other means to address disparate risk profiles of functional entities.	The BES definition, RBR and RAI will work in concert to address these issues.
		Suggests that another option to address the issue, depending on the underlying concerns behind the risk-based registration effort, is appropriate revisions to the NERC standards.	The current draft of the RBR Implementation Plan addresses issues related to Reliability Standard revisions that arise due to RBR.
		In its assessment of any risk-based registration initiative, the ERO should consider 1) whether the new BES definition and associated procedures present opportunities for relevant entities to be exempt from registration via the specific exclusions in the BES definition, or, alternatively, to seek exemption via the ad hoc exemption process; and 2) the issue of stranded BES assets.	RBR is complementary to the BES definition. There is no automatic deactivation of functional registration due to determinations through the BES exclusion or exception processes. However, the process for consideration is set forth in draft revisions to the NERC Rules of Procedure. The RBR process is designed so that entities that are material to BES reliability are registered for the appropriate functions.
MRO (April 2014)	RSAW Review and Revision Process	Recommends adoption of professional standards framework and guidance for Regional Entity and NERC staff in performing CMEP activities to assure adherence to the standards as well as high quality work with competence, integrity, objectivity, and independence.	The ROP identifies GAGAS and IIA guidance as two professional associations that should be used as standards for performing compliance work. RAI, the improved audit checklist, the auditor handbook, the inherent risk assessment, and internal controls evaluation all incorporate these professional standards.
NPCC (April 2014)	RSAW Review and Revision Process	Recommends documentation around RSAWs continue to identify them as one of a number of tools available to auditors in their thorough and unbiased monitoring of compliance, especially with the introduction of the RAI. Any revisions made to RSAWs should be prospective so as not to be disruptive to registered entities undergoing audits, and that compliance continue to be measured against the reliability standard, not the RSAW.	Agreed and part of the process.
	Risk-Based Registration Initiative	Recommends that any risk assessment of functional registration should consider both individual registered entity risks, as well as their potential aggregate reliability impacts.	NERC agrees that functional registration should consider individual and aggregate entity risks and impacts. This is reflected in the technical analyses in support of RBR.
NRECA (April 2014)	RSAW Review and Revision Process	Request clarification of the RSAW proposal: <ul style="list-style-type: none"> • Unsure of meaning of “substantive” and “material” • Need to better understand how a revised RSAW could apply to a currently open audit. • What basis will be used to determine if the full SOTC should review a revised RSAW? Does the SOTC Chair have a time limit on making the decision of whether the full SOTC should review a revised RSAW? Same 	The final version of the process has been revised to: <ul style="list-style-type: none"> • Remove the terms material and substantive. • Remove language regarding a revised RSAW applying to a currently open audit. • Add a requirement for the SOTC chair to notify industry the status of his/her review within 120 days of receipt of the unresolved

		<p>question for the full SOTC if they review RSAW. How will industry learn of the SOTC Chair’s decision on who will review RSAW revisions?</p> <ul style="list-style-type: none"> • Is the SOTC the appropriate committee to perform this role? Should it be the BOTCC? • Need further explanation regarding the retroactive nature of compliance requirements. 	<p>comments from NERC staff and for NERC to post a summary of the SOTC’s determination.</p> <ul style="list-style-type: none"> • The Board agreed that the SOTC is the right committee. • The revised RSAWs will not be retroactive.
		<p>Recommend that NERC consider making the posting of RSAWs, with new or revised standards posted for comment/ballot, a required action for the NERC Compliance and Enforcement department.</p>	<p>NERC is posting RSAWs while Standards are posted and before the start of a ballot period for a new or revised standard.</p>
		<p>Focus of the working group should be expanded to address potential NERC Rules of Procedure (ROP) modifications to address the need for RSAWs to be posted at the same time a new or revised standard is posted for comment/ballot.</p>	<p>NERC is taking this up as a policy issue. No Rules of Procedures changes are needed.</p>
	Risk-Based Registration Initiative	<p>Recommend close examination of the risk-based registration initiative:</p> <ul style="list-style-type: none"> • Replace BPS and 100 kV with BES throughout the SCRC • Reduce the number of undefined terms in the SCRC • Add simple and straightforward procedures to the NERC ROP for deregistration based on self-determined application of the current and future SCRC. • Add procedures to the NERC ROP for exceptions to the self-determined application of the current and future SCRC. • Review current MW, kV and other thresholds/criteria to determine if changes are supported. • Assess whether the use of automatic protective devices should impact whether an entity should be registered. • Renew focus on revising the applicability language for existing standards and those under development. • For entities with minimal compliance responsibilities, consider replacing mandatory six-year audits with self-certifications and spot checks. • Eliminate the requirement for entities to submit unnecessary and repetitious attestations certifying that certain standards continue not to apply to them. 	<p>Each of these issues is addressed in the current design framework and implementation plan.</p>
REMG (April 2014)	Risk-Based Registration Initiative	<ul style="list-style-type: none"> • Initially target the DP, PSE, and LSE functions. • Threshold criteria must consider risk based on past performance and potential harm in the future. • Risks must include consideration of the aggregate effects of removing subsets of Registered Entities and/or functions and assessing their respective impacts to reliability. • Reclassifying TOs as DPs or developing multiple thresholds for other functions may overcomplicate the registration process and have 	<p>The current design and implementation plan address these issues.</p>

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		<p>unintended consequences such as creating ambiguity in the applicability of certain standards.</p> <ul style="list-style-type: none"> Attempting to define regulatory oversight in a “global” manner with diverse and unique entities through the registration process may unintentionally overlook specific risks which impact reliability. The proposed changes to registration may have the effect of replacing a “one-size fits all” approach with a “two or three sizes fits all” approach and may make registration much more complex for Registered Entities. 	
Sector 4 (April 2014)	RSAW Review and Revision Process	<p>Recommends further consideration of the following:</p> <ul style="list-style-type: none"> Any proposed change to an RSAW shall not change the scope or intent of a standard. There is no correct way for an RSAW to expand what is required by a standard. An implementation timeframe of sufficient duration should be integrated to the process to enable Registered Entities to similarly learn and adapt to new expectations. 	<p>Agree that an RSAW shall not change the scope or intent of a standard and that there is no correct way for an RSAW to expand what is required by a standard. The final process has been revised to reflect this.</p> <p>The final version of the process also allows for an implementation schedule.</p>
	Risk-Based Registration Initiative	<p>Materiality should be better defined and assessments to determine materiality should be consistently applied throughout the ERO Enterprise.</p>	<p>A new materiality test is included as part of the current draft design and implementation plan.</p>
Sector 12 (April 2014)	Essential Reliability Services	<p>Request the proposed Essential Reliability Services Task Force (ERSTF) include a State Government Sector representative to contribute an important perspective to the work.</p>	<p>A representative from NARUC has been added to the distribution list to participate in ERSTF meetings.</p>
SM-TDUs (April 2014)	RSAW Review and Revision Process	<p>Urges NERC to codify procedures that ensure consistency and quality in the revision process.</p>	<p>NERC management will implement as an internal Policy.</p>
	Risk-Based Registration Initiative	<p>Urges the Board to endorse this initiative and ensure that NERC staff has the resources necessary to meet the proposed deadlines.</p>	<p>NERC is on schedule to deliver RBR to the Board in November for approval.</p>
	Reliability Assurance Initiative	<p>Urges the Board to press NERC staff and the regions to complete their work on the RAI’s design and bring the field trials to conclusion. RAI needs to be brought to implementation in a form that is actionable by and beneficial to registered entities.</p>	<p>Agreed that this is a priority consideration.</p>
WECC (April 2014)	RSAW Review and Revision Process	<p>Suggests an addition to the proposed policy, if the Board does adopt it: With respect to the SOTC review, we ask that the Board consider specifying a time limit within which the SOTC must consider appeals, or the RSAW is deemed accepted. This would provide greater certainty to all stakeholders with an interest in RSAWS.</p>	<p>Added to the final process.</p>
		<p>Respectfully suggests that the Board cannot adequately decide whether a policy is necessary, or whether the proposed policy is the right one, until there is a precise statement of the problem to be solved (are RSAWs being changed in ways that exceed the scope of standards or is there a fear that might happen).</p>	<p>Policy is being implemented by NERC.</p>

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CEA (Jan 2014)	CIP Version 5	Clarify whether the proposed application of the U.S. Department of Energy’s Electricity Subsector Cyber Security Capabilities Maturity Model (ES-C2M2) is intended to be globally applied as a <i>de facto</i> compliance instrument.	No, ES-C2M2 will not be used as a compliance instrument.
	Risk-Based Registration Assessment	Examine where efficiencies can be gained and where resources can be better focused on core reliability priorities. <ul style="list-style-type: none"> Focus on registration criteria for PSEs. 	The current design proposes elimination of PSEs and seeks to implement efficiencies in the registration program.
EI (Jan 2014)	Reliability Assurance Initiative	Fully implement the RAI before the implementation date of CIP v5, ensure the completion of regional pilots by mid-2014, and address compliance process issues and expectations for entities operating in multiple regions.	RAI compliance pilots are complete and the enforcement pilots will be complete in April. RAI final compliance design will be complete in Q4 2014. Integration with CIP V5 implementation is being planned.
	COM-002-4	Questions the need to include DPs, a function that has an extremely limited relationship to the bulk system.	DP’s are included because they can be and are on the receiving end of some Operating Instructions.
		As currently drafted, questions how the regions may seek to interpret “Emergency” for compliance purposes, or how various operations personnel would act under it.	The NERC Glossary of Terms defines Emergency as “Any abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the reliability of the Bulk Electric System.” It is expected that these are abnormal and rare circumstances.
	CIP Version 5	Effective communications with all companies on the broad range of compliance expectations is needed as soon as possible for companies to plan appropriately.	NERC is developing a broader approach and plan for discussion at the August MRC meeting.
SM-TDUs (Jan 2014)	Reliability Assurance Initiative	Afford RAI as the highest priority since it is relied upon in standards development.	RAI is one of the highest priorities this year.
	COM-002-4	Complete RAI and finalize RSAW before this standard becomes effective.	The RSAW was posted with the standard during the ballot and presented to the Board with the standard. The ERO’s goal is to complete and implement RAI prior to this standard becoming effective.
		After standard is approved by the ballot body, require Board approval for changes to RSAWs.	An RSAW review and revision process was developed to address any proposed changes to the RSAW after the standard is in effect.
		Write standards in a systematic approach (believes PER-005 should be the home of all system operator-related training).	The OPCP SDT has included an initial training requirement in the standard in response to the NERC Board of Trustees’ resolution, which directs that a training requirement be included in the COM-002-4 standard. Ongoing training would fall under an entity’s training program in PER-005 or could be listed as a type of corrective action under Requirement R4.

2014 Accountability Matrix

	CIP Version 5	Complete RAI before standards become effective. Reach out to industry and explain how a compliance approach developed with RAI principles will address the industry’s previous concerns regarding “zero tolerance.”	This is the ERO’s goal. NERC is developing a broader approach and plan for discussion at the August MRC meeting.
	Risk-Based Registration Assessment	Suggests approaches that can be used in combination to achieve a risk-based approach to registration: <ul style="list-style-type: none"> • Increase the size thresholds or add new refining criteria to limit registration of entities that do not perform core BES reliability functions. • Use the GO-TO model to address the limited BES reliability impacts of DPs with limited BES transmission elements, by extending the applicability of certain requirements to such DPs, rather than registering such entities as TO/TOPs. • Reexamine the need for registration of entities performing functions that seem to have an insignificant reliability impact (i.e., PSEs). 	The current draft design and implementation plan address these issues.
	NRECA (Jan 2014)	Volume of NERC Initiatives	Attention is still needed on reducing the amount of comment requests, ballots and other review activities that are out for stakeholder attention at any one particular time.
	Risk-Based Registration Initiative	Develop a revised Statement Compliance Registry Criteria (SCRC) and other needed ROP modifications for BOT approval at its November 2014 meeting. <ul style="list-style-type: none"> • Develop a project plan with timelines and milestones. 	The current draft design and implementation plan address these issues.
	COM-002-4	Recommends that modifications be made to the current draft standard as it relates to applicability for DPs to match the DP applicability in the recently FERC-approved CIP-003-5.	The OPCP SDT included these Functional Entities in the Applicability section because they can be and are on the receiving end of some Operating Instructions. The OPCP SDT determined that it would leave a gap to not cover them in a standard that addresses communications protocols for operating personnel.
		Recommends removing the “assess adherence and assess effectiveness” language from R4 in the draft standard.	Requiring entities to assess and provide feedback to its operating personnel, was also included in the November 7, 2013 NERC Board of Trustees’ resolution as an element to include in the standard. Further, the OPCP SDT believes that it is good operating practice for an entity to periodically evaluate the effectiveness of their protocols and improve them when possible.
	CIP Version 5	Progress and understanding of RAI needs to sufficiently advance prior to any CIP V5 ballots, in order to gain support for removing the IAC language.	Agree.
IRC ISO/RTO (Jan 2014)	COM-002-4	Review and address comments/outstanding issues submitted through the standards development process to ensure an industry acceptable standard.	The standard drafting team reviewed and responded to all comments received. The responses to

2014 Accountability Matrix

			comments are posted on the standard development project page.
		Urges NERC and the Standards Committee to continue posting standards and RSAWs simultaneously.	NERC and the Standards Committee are committed to continue posting standards and RSAWs simultaneously.
	CIP Version 5	Vet RAI through pilots.	RAI pilots are nearing completion.
		Monitor and understand how CIP, RAI, and ES-C2M2 would be integrated before adopting ES-C2M2.	ES-C2M2 will not be used as a compliance instrument.
		Focus on RAI in the immediate future and incorporate ES-C2M2 at a later time.	ES-C2M2 will not be used as a compliance instrument.
		The SDT should consider a tiered approach when defining communication networks and standards to protect those elements.	This input is being considered by the SDT.
ELCON (Jan 2014)	Reliability Assurance Initiative	Risk-based approach is not fully defined yet and needs to be encoded in priorities such as enforcement principles related to CIP v5 requirements.	RAI implementation will take into consideration, including the CIP v5 implementation.
	CIP Version 5	Include enforceable principles somewhere that govern how compliance with the CIP V5 requirements are to be assessed (i.e., NERC ROP).	An information only filing is expected for RAI, and no ROP changes are expected.
		Find automated process tracking solutions that seamlessly fit into routine activities without adding over burdensome administrative activities.	NERC, through RAI and CIP V5 transition guidance, will provide consistent tools, processes, methods, to support the industry. Internal RE business processes will not be dictated by the ERO.
	BES Definition and Exception Process	Suggests that Note 2 in the Phase 2 revision of Exclusion E1 (“Radial Systems”) is not suitable for large manufacturing facilities.	Guidance was updated to clarify the application of the BES definition and it addresses this situation.
Suggests that Exclusion E1 should be allowed for any industrial facility (currently registered or not) served by multiple feeds unless the Regional Entity or other operating entity deems it appropriate to pursue an Exception Request.		Guidance was updated to clarify the application of the BES definition and it addresses this situation.	
NPCC (Jan 2014)	COM-002-4	In the RSAW, document that compliance with the standard will not be assessed to a “zero defect” measure.	This will be addressed in RAI.
	CIP Version 5	Develop and post the RSAWs for the revised standards during balloting with the obligation to use RAI for compliance monitoring.	Draft RSAWs were posted with the revised standards during balloting.
		Recommends that the SDT focus its initial efforts on the FERC directives with a one year deadline.	The SDT is focusing on all directives at this time, with the ability to bifurcate if need be later in the year.
MRO (Jan 2014)	Risk-Based Registration Assessment	Continue risk-based work in the RAI and incorporate risk based concepts across all programs. The work being done in the RAI and through the implementation of the BES definition addresses how risk is to be considered in scoping the ERO’s work.	NERC agrees and addresses the relationship of the BES definition, RAI and RBR in the current draft design framework.
		Recommends that NERC expand its work beyond relieving unnecessary burdens, and include resolving existing inconsistencies among the Regions that create potential gaps in registration.	This is one of the goals of RBR.

2014 Accountability Matrix

	COM-002-4	Resolve discrepancy between M4 and R4 (practice in M4 appears to be beyond the requirement by suggesting assessments and corrective actions must occur more frequently than required by R4 which is “at least once every (12) calendar months...”)	The assessments and corrective actions are not required to occur more than once every (12) calendar months. The measure does not address frequency, only that instances must be addressed.
EPSA (Jan 2014)	CIP Version 5	ES-C2M2 needs to be further studied to determine the validity of its benchmarks for different entities.	Agreed.
Sector 4 (Jan 2014)	CIP Version 5	Rather than endorsing a single model (ES-C2M2), NERC should look to industry working through organizations, such as NATF and NAGF, to develop and adhere to best practices.	Agreed.

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 7

CALCULATION OF ADJUSTMENTS

THE AESO 2015 NERC ASSESSMENT,

THE IESO 2015 NERC ASSESSMENT,

THE NEW BRUNSWICK 2015 NERC ASSESSMENT,

AND THE QUEBEC 2015 NERC ASSESSMENT

2015 Alberta Electric System Operator Adjustment
Credit for NERC Compliance Costs

	Total NERC Compliance Budget AESO NEL Allocation 2015	Total NERC Compliance Budget AESO NEL Allocation 2014		
NERC Compliance Budget				
Compliance Operations, Investigations & Org Registration and Certification	\$ 10,602,435	\$ 9,496,446	2015 FTEs	
Event Analysis	4,203,169	4,048,371	<u>Total</u>	<u>Credit</u>
Enforcement	5,806,866	6,395,091	400 & 406 Operations & Investigations	19.60 15.00
			500 Org Registration	3.84 3.84
Total Compliance Budget, including Fixed Assets	\$ 20,612,470	\$ 19,939,908	402 Event Analysis	9.38 8.00
			404 Enforcement	<u>15.01 15.01</u>
AESO NEL Share (2013)	1.350%	1.323%		<u>47.83 41.85</u>
AESO Proportional Share of Compliance Costs, including Fixed Assets	\$ 278,268	\$ 263,860		87.5%
Net Total Staff	47.83	50.88	2014 FTEs	
			<u>Total</u>	<u>Credit</u>
% Credit (41.85 of 47.83 FTEs)	87.50%	88.60%	400 Operations & Investigations	19.20 15.00
\$ Credit (41.85 of 47.83 FTEs)	\$ 18,035,373	\$ 17,666,884	500 Org Registration	3.84 3.84
			402 Event Analysis	9.60 8.00
AESO credit for compliance costs	\$ 243,478	\$ 233,782	404 Enforcement	<u>18.24 18.24</u>
				<u>50.88 45.08</u>
Additional Credits for 2015				
Credit for SAFNR	\$ 459,609	\$ 531,825		88.6%
	\$ 459,609	\$ 531,825		
AESO NEL Share (2013)	1.350%	1.323%		
AESO credit for additional costs not allocated	\$ 6,205	\$ 7,038		
Total AESO Credit	\$ 249,682	\$ 240,819		

2015 IESO Adjustment
Credit for NERC Compliance Costs

	2015	2014
NERC Compliance Budget		
Compliance Analysis, Certification and Registration	\$ 4,864,863	\$ 3,784,438
Regional Entity Assurance and Oversight	\$ 5,737,572	\$ 5,712,007
Event Analysis	4,203,169	4,048,371
Enforcement	5,806,866	6,395,091
Total Compliance Budget, including Fixed Assets	20,612,470	19,939,907
IESO NEL Share (2013)	3.137%	3.156%
IESO Proportional Share of Compliance Costs, including Fixed Assets	\$ 646,517	\$ 629,303
Total Compliance Staff	47.83	50.88
% Credit (39.83 of 47.83 FTEs)	83.27%	84.28%
\$ Credit (39.83 of 47.83 FTEs)	\$ 538,381	\$ 530,356
Additional Credit for SAFNR Contract	\$ 459,609	531,825
IESO NEL Share (2013)	3.137%	3.156%
Additional Credit for SAFNR Contract	\$ 14,416	\$ 16,784
IESO Credit - NERC Costs, including Fixed Assets	\$ 552,797	\$ 547,141
Total NERC Assessment	\$ 1,215,106	\$ 1,084,277

**2015 New Brunswick Adjustment
Credit for NERC Compliance Costs**

	2015	2014
NERC Compliance Budget		
Compliance Operations, Investigations & Org Registration and Certification	\$ 10,602,435	\$ 9,496,446
Event Analysis	4,203,169	4,048,371
Enforcement	5,806,866	6,395,091
Total Compliance Budget	20,612,470	19,939,908
 New Brunswick NEL Share (2013)	 0.314%	 0.311%
 NB Proportional Share of Compliance Costs, including Fixed Assets	 \$ 64,694	 \$ 62,013
 Total Compliance Staff	 47.83	 50.88
 % Credit (41.83 of 47.83 FTEs)	 87.46%	 86.64%
\$ Credit (41.83 of 47.83 FTEs)	\$ 56,579	\$ 53,725
 Additional Credits for 2015 - SAFNR Contract	 \$ 459,609	 531,825
 New Brunswick NEL Share (2013)	 0.311%	 0.311%
Additional Credits for SAFNR	\$ 1,429	\$ 1,654
 New Brunswick Credit - NERC Costs, including Fixed Assets	 \$ 58,008	 \$ 55,379
 NERC Assessment	 \$ 119,221	 \$ 105,191

2015 Quebec Adjustment
Credit for NERC Compliance Costs

	Total NERC Compliance Budget Quebec NEL Allocation
NERC Compliance Budget	
Compliance Operations, Investigations & Org Registration and Certification	\$ 10,602,435
Event Analysis	4,203,169
Enforcement	5,806,866
Total Costs, including Fixed Assets	20,612,470

Quebec NEL Share (2013) 4.228%

Quebec Proportional Share of Compliance Costs, including Fixed Assets **\$ 871,477**

Total Compliance Staff **47.83**

% Credit (33.26 of 47.83 FTEs) 69.54%

\$ Credit (33.26 of 47.83 FTEs) \$ 14,333,488

Quebec Credit (Proportional share of all costs x % Credit) **\$ 606,007**

Proportional Share of NERC Compliance Costs paid by Régie de l'énergie	\$ 265,470
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)	\$ 1,087,229
2015 Billing to Régie de l'énergie for Compliance Program Costs-NERC and NPCC	\$ 1,352,699

Additional Credits for 2015

Credit for SAFNR	\$ 459,609
	\$ 459,609

Quebec NEL Share (2013) 4.228%

Quebec credit for additional costs not allocated **\$ 19,432**

Total Quebec Credit for 2015 **\$ 625,439**

2014 Quebec Adjustment
Credit for NERC Compliance Costs

	Total NERC Compliance Budget Quebec NEL Allocation
2014 Quebec Adjustment	
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

2015 Compliance FTEs	
Total	Credit
19.60	7.50
3.84	2.75
9.38	8.00
15.01	15.01
47.83	33.26

2014 Compliance FTEs	
Total	Credit
19.20	5.80
3.84	2.84
9.60	8.00
18.24	18.24
50.88	34.88

400 & 406 Regional Oversight
500 CompAnalysis&Cert
402 Event Analysis
404 Enforcement

400 Operations
500 Org Registration
402 Event Anal & Investigation
404 Enforcement

400 Operations & Investigations
500 Org Registration
402 Event Analysis
404 Enforcement

400 Operations
500 Org Registration
402 Event Anal & Investigation
403 Reporting & Tracking
404 Enforcement

2014 Compliance FTEs	
Total	Credit
19.20	5.80
3.84	2.84
9.60	8.00
18.24	18.24
50.88	34.88

2013 Compliance FTEs	
Total	Credit
15.00	
3.00	2.00
15.50	13.50
5.00	4.00
16.00	16.00
54.50	35.50

	\$ 258,905
	\$ 869,409
	\$ 1,128,314

Credit for SAFNR \$ 725,500

\$ 725,500

Quebec NEL Share (2013) 4.129%

Quebec credit for additional costs not allocated **\$ 29,956**

Total Quebec Credit for 2015 **\$ 594,369**

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 8

**STATUS REPORT ON THE ACHIEVEMENT
OF NERC'S 2014 GOALS**

ATTACHMENT

Status Report on the Achievement of NERC's 2014 Goals and Objectives

This Attachment provides a summary of NERC's 2014 goals and objectives and a status report on their achievement as of June 30, 2014.

NERC and the Regional Entities continued to improve and refine the ERO business planning and budgeting process through the development and integration of a multi-year Strategic Plan, which goes through an open and transparent stakeholder review process and is posted publicly on NERC's website. In 2014 NERC and the Regional Entities introduced a common set of ERO Enterprise performance metrics. These metrics are intended as indicators of the overall effectiveness of the ERO Enterprise in achieving its mission and the goals and objectives outlined in the ERO Enterprise Strategic Plan, 2014-2017. There are four overarching metrics focused on overall effectiveness in addressing bulk power system risks and improving reliability. There are a number of supporting measures that assess the effectiveness of the key operational elements of the ERO Enterprise. Exhibit 1 to this Attachment sets forth the specific 2014 metrics which were approved by NERC's board in open session on May 2014.

Exhibit 2 to this Attachment is the summary of corporate performance measures as of June 30, 2014 which was presented before stakeholders and NERC's Board of Trustees at the August 13, 2014 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 year-end rolling year end projection.

Electric Reliability Organization Enterprise Performance Metrics

In 2014, NERC and the Regional Entities introduced a common set of ERO Enterprise performance metrics. These metrics are intended as indicators of the overall effectiveness of the ERO Enterprise in achieving its mission and the goals and objectives outlined in the ERO Enterprise Strategic Plan, 2014-2017. There are four overarching metrics focused on overall effectiveness in addressing bulk power system risks and improving reliability. There are a number of supporting measures that assess the effectiveness of the key operational elements of the ERO Enterprise.

The intent is to report the results of these metrics on an ERO Enterprise-wide basis, and also as applicable distinguish results for NERC and individual regions. NERC and the Regional Entities are encouraged to further use relevant portions of these measures in their internal corporate performance management programs.

Metric 1: Reliability Results

Measure – Determine the frequency of BPS events, excluding weather¹, flood, or earthquake. The target is fewer, less severe events during 2014-2017; no Category 4 and 5 events and Category 3 events are trending down.

Metric 2: Assurance Effectiveness

Measure – Assess all Category 3 and above events. The target is to reach zero gaps in Reliability Standards and compliance monitoring by 2017.

Metric 3: Risk Mitigation Effectiveness

Measure – Review the BES risk profile each year to determine actual and potential risks. The target is to identify, select and mitigate the high priority risks (and issue specific metrics for each established project).

¹ Terrestrial weather excluded from metric, however space weather (GMD) is included in metric.

1. **Changing Resource Mix** - As the generation and load on the power system changes, new vulnerabilities may be exposed that the system was not previously designed to address or respond to. Fundamental operating characteristics and behaviors are no longer a certainty and focused action is needed to address this risk.
2. **Extreme Physical Events** – Risk mitigation efforts (reducing the potential consequence) are underway, but additional focus is needed to address and minimize both the magnitude and duration of the consequences of an extreme physical event.
3. **Protection System Misoperations** – NERC’s 2012 and 2013 State of Reliability Reports identified protection system misoperations as a significant threat to BPS reliability. Additional activities are needed to ensure this risk is managed adequately.
4. **Cold Weather Preparedness** - Lack of generator preparedness for cold weather extremes may result in forced outages, de-ratings, and failures to start. Insufficient availability of intra-regional generation and limits on import transfer capability may result in insufficient generation to serve forecasted load, resulting in load shedding.
5. **Right of Way Clearances** - Transmission Owners and applicable Generation Owners may have established incorrect ratings based on design documents, rather than on the actual facilities built. Managing to stay within SOL and IROL limits that are based on incorrect ratings may be inadequate to prevent equipment damage and/or cascading, instability, or separation.
6. **345kV Breaker Failures** - NERC has identified a potential trend of 345 kV SF6 puffer type breakers failing. Circuit breaker failures, in conjunction with another fault, may lead to more BES Facilities removed from service than required to clear the original fault. This poses a risk to the reliability of the BES.

Metric 4: Program Execution Effectiveness

Measure – Sum of the weighted sub-metrics.

Sub metric A (Primary NERC) - Percent of all board-approved standards² meet quality criteria and results-based construct³.

The Standards Committee and NERC Staff will work together to develop a periodic review process for steady state Reliability Standards. The process will include a quality and content review and the use or adaptation of the 2013 Independent Expert Review Team’s quality and content scoring system will be considered during development. The review will be conducted by a cross-functional task force that will consist of Committee chairs, NERC management, NERC and stakeholder subject matter experts, and

² Regional standards are not included, this applies to NERC only.

³ Based on Independent Expert Review Team scoring method 3 out of 3 on content and at least 10 out of 12 on quality.

other parties as deemed necessary and appropriate. This review may also be incorporated into the current Standards Processes Manual periodic review process to avoid duplication of effort. So that the task force will be able to identify Reliability Standards for inclusion in the 2016-2018 Reliability Standards Development Plan, the task force will be operational no later than mid-2015 to allow ample time for the development of the annual task force review timeline.

Sub metric B (Primary NERC) - Quality, up-to-date Reliability Standard Audit Worksheets, or any successor guidance, developed for board-approved Reliability Standards.

2014 = Every standard that goes to ballot will have a posted RSAW alongside. Every standard that is reviewed as part of the 5 year review cycle will have a current up-to-date RSAW or successor.

2015 = All RSAWs are converted to the new format and are available to industry.

2016 – 2017 = Violations for new standards do not occur at rates higher than the average rate for standards (or for which they replace) and repeat violations for standards is trending down.

Sub metric C (Joint ERO Enterprise) – Implementation of risk-based registration criteria to achieve efficient and effective allocation of compliance obligations. Registration is commensurate with risk and RAI and in light of new BES definition implementation.

2014 = Assessment complete with recommended framework and registration criteria. Implementation plan following assessment, criteria and framework completed.

2015 = Business processes / tools

2016 = Implementation launch

2017 = Stable state

Sub metric D (Joint ERO Enterprise) – Timeliness and transparency of compliance results: 12 month rolling average of the ERO Enterprise caseload index trending favorably.⁴ Maximum age of unclosed cases is less than 24 months and improving.

2014 = ERO Enterprise caseload index less than or equal to 7 months, with all Regional Entities above average trending downward. ERO Enterprise average violation aging less than or equal to 13.5 months.

⁴ ERO Enterprise Caseload Index is defined as Violations in ERO Inventory (defined as Active violations that have not been filed with FERC) divided by the total number of violations filed with FERC over previous 12-months (NOPs, SNOPs, FFTs and Dismissals) multiplied by 12.

2015 = ERO Enterprise caseload index of 8 months, with all Regional Entities above average trending downward. ERO Enterprise average violation aging less than or equal to 13 months.

2016 = ERO Enterprise caseload index of 8 months, with all Regional Entities above average trending downward. ERO Enterprise average violation aging less than or equal to 12.5 months.

2017 = ERO Enterprise caseload index of 8 months. ERO Enterprise average violation aging less than or equal to 12 months.

Sub metric E (Joint ERO Enterprise) - Percent of self-identified non-compliances (includes self-reports and self-certifications).

2014 = 70%

2015 = 74%

2016 = 78%

2017 = 80%

Sub metric F (Joint ERO Enterprise) - Mitigation aging curve improving⁵.

2014 = Percentage of the noncompliance items discovered in that year that are mitigated as of December 31, 2014)

- 2013: 80%
- 2012: 95%
- 2011: 98%
- 2010 (and older): 100%

2015 - 2017 = Mitigation aging curve trending favorably.

Sub metric G (Joint ERO Enterprise) - RAI reforms and percent of total findings (excluding dismissals) not going to enforcement or filed with FFT or spreadsheet.

2014 =

- ERO auditor handbook deployment;
- RAI compliance reform design complete and reflected in the CMEP implementation plan for 2015;

⁵ Final metrics to be discussed and approved at the February 2014 BOTCC meeting.

- Enforcement pilots completed and FERC filings made, if required;
- Train at least two partnering entities to complete maturity model assessments and complete either directly or through trained partners 20 maturity model assessments;
- At least 75% of noncompliance posing a minimal or moderate risk to the BPS is processed through discretion (i.e.: does not trigger an enforcement action), FFT or SNOP;
- Average time from discovery to posting FFT is 6 months;
- Average time from discovery to decision to enforce or not (i.e.: the triage process) is 60 days.

2015 = Higher percentage of lower and moderate risk violations staying in compliance through exercise of discretion to initiate an enforcement action; audit scope based on common ERO methodology.

2016 = Compliance and enforcement end state designs implemented; continued increase in lower and moderate risk violations staying in compliance through exercise of discretion to initiate an enforcement action.

2017 = Achieve fewer, less severe violations. Positive trend in number of matters dispensed outside of enforcement.

Sub metric H (Primary NERC) - Participation in ES-ISAC increased (2013 statistics used as baseline)

2014 =

- 90% of all RCs and TO/TOPs;
- 10% increase in enrollment of all other registered entities;
- 20% increase in information share activity on portal (baseline 2013 uploads figures).
- Develop an ES-ISAC mission performance program, including Key Performance Indicators (KPIs) and benchmarks, by end of Q3.

2015 - 2017 = KPIs trending favorably.

Sub metric I (Joint ERO Enterprise) – Assessment of quality and availability of planning and engineering models and data.

2014 = Methodology to validate models developed and endorsed by appropriate technical committees.

2015 = Acquire data and capability for set up / start up.

2016 = Assessment of state and quality of modeling. Establish plan to implement assessment recommendations.

2017 = Implement plan.

Sub metric J (Joint ERO Enterprise) – Achieving transition laid out in oversight model regarding ERO Enterprise personnel and ERO Enterprise (NERC and Regional Entity) infrastructure and applications qualifications.

2014= Report quarterly progress and achieve 25% completion of action items.

2015= Report quarterly progress and achieve 50% completion of action items.

2016= Report quarterly progress and achieve 75% completion of action items.

2017= Report quarterly progress and achieve 100% completion of action items.

Sub metric K (Joint ERO Enterprise) –Stakeholder annual satisfaction/perception survey of the ERO’s effectiveness to manage risk, budget and stewardship.

2014 = Develop questionnaire with stakeholder input and vetting. Survey complete and benchmarks Established.

2015 – 2017 = Performance trending favorably.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Corporate Governance and Human Resources Committee

August 14, 2014 | 7:30 a.m. – 8:30 a.m. Pacific

The Westin Bayshore
1601 Bayshore Drive
Vancouver, BC V6G 2V4

RELIABILITY | ACCOUNTABILITY



NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

2014 NERC Performance Report

Quarter 2 Status

Mark Lauby, Senior Vice President and Chief Reliability Officer
Corporate Governance and Human Resources Committee Meeting
August 13, 2014

RELIABILITY | ACCOUNTABILITY



Metric 1: Reliability Results

- No Category 4 or 5 events

Metric 3: Risk Mitigation Effectiveness

- Changing Resource Mix
- Extreme Physical Events
- Cold Weather Preparedness
- 345 kV Breaker Failures

Metric 4: Program Execution Effectiveness

- Sub-metric B: Quality, up-to-date RSAWs
- Sub-metric C: Implementation of risk-based registration criteria
- Sub-metric E: Percent of self-identified non-compliances
- Sub-metric H: Participation in ES-ISAC
- Sub-metric I: Designating system events used in model validation

Metric 2: Assurance Effectiveness

- Category 3 event occurred on May 25 and a gap analysis underway

Metric 3: Risk Mitigation Effectiveness

- **Protection System Misoperations** – Progress continues towards approval/filing of PRC-004-3. Data gathering ongoing to identify trends.
- **Right-of-Way Clearances** – Site visits scheduled and best practice/assurance activities continue. Joint report under development

Metric 4: Program Execution Effectiveness

- **Sub-metric A:** Standards prepared for approval
- **Sub-metric D:** Caseload index trending and active violations increased
- **Sub-metric F:** Mitigation aging curve slowing among recent years
- **Sub-metric G:** RAI reforms continue
- **Sub-metric J:** ERO oversight activities ongoing
- **Sub-metric K:** Stakeholder perception survey plan under development

Metric 3: Risk Mitigation Effectiveness

- **Protection System Misoperations:** Report will be completed
- **Right-of-Way Clearances:** Site visits will be initiated

Metric 4: Program Execution Effectiveness

- **Sub-metric A:** Standards will achieve industry approval
- **Sub-metric G:** RAI risk elements, CMEP implementation and maturity model assessments will progress
- **Sub-metric J:** ERO oversight model action item joint board
- **Sub-metric K:** Stakeholder perception survey with CCC and industry coordination will be launched



Questions and Answers

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 9

METRICS COMPARING

REGIONAL ENTITY OPERATIONS

BASED ON

THE 2015 BUDGETS

ATTACHMENT

METRICS COMPARING REGIONAL ENTITY OPERATIONS BASED ON THE 2015 BUDGETS

Introduction

This Attachment provides metrics on the Regional Entities' operations based on their 2015 Business Plans and Budgets, and analysis of the metrics. Consistent with the similar attachments provided in NERC's 2010, 2011, 2012, 2013, and 2014 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 2015 budget metrics values for each Regional Entity (page 4);
- a series of bar charts comparing the Regional Entities' Compliance Program 2015 budgeted costs (pages 5-7);
- a series of bar charts comparing the Regional Entities' projected costs for 2015 for "small," "medium" and "large" on-site and off-site operational compliance audits¹ and "small" and "large" on-site and off-site CIP compliance audits² (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, 2013, and 2014 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, ReliabilityFirst, (RF), SPP RE, Texas RE and WECC are not planning any "small" on-site operational compliance audits in 2015; NPCC, SPP RE and WECC are not planning any "medium" on-site operational compliance audits in 2015; and MRO and RF are not planning any "large" on-site operational audits in 2015. Also, Texas RE is not planning any "small" off-site operational compliance audits in 2015; FRCC, RF, SERC, and SPP RE are not planning any "medium" off-site operational audits in 2015; and FRCC, MRO, RF, and SPP RE are not planning any "large" off-site audits.

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-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 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

- trend line plots of the Regional Entities' 2015 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 FTE³ and numbers of registered functions per Compliance Program FTE based on their 2015 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 2014 and 2015 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 2015 budgets and possible reasons for the variations.

The table on page 4 shows the following quantitative data for each Regional Entity based on its 2015 Business Plan and Budget. This data is used to develop the bar charts and trend line graphs that follow based on the Regional Entities' 2015 budgets.

- Numbers of registered entities
- Numbers of registered functions
- Total NEL (GWh)
- NEL (GWh) per registered entity
- Total ERO funding
- ERO (statutory) funding⁴ per registered entity
- ERO funding per registered function

2012 and 2013 Business Plan and Budget filings, and Attachment 16 of the 2014 Business Plan and Budget filing. As can be seen from the table on page 4 and the bar charts on page 10, only SERC is planning any "small" on-site CIP audits in 2015 and all the Regional Entities are planning only "small" off-site CIP audits in 2015. 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.

- Total statutory budget
- Total statutory budget⁵ 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 2015
- Estimated costs for small, medium and large on-site operational audits in 2015
- Projected numbers of small, medium and large off-site operational audits in 2015
- Estimated costs for small, medium and large off-site operational audits in 2015
- Projected numbers of small and large on-site CIP audits in 2015
- Estimated costs for small and large on-site CIP audits in 2015
- Projected numbers of small and large off-site CIP audits in 2015
- Estimated costs of small and large off-site CIP audits in 2015
- 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.

2015 Metrics for Budget Submissions

Budget Metrics	FRCC	MRO ⁶	NPCC ⁶	RF	SERC	SPP RE	Texas RE	WECC
1 Number of registered entities	68	136	300	331	242	150	226	439
2 Number of registered functions	243	459	602	669	681	420	444	1182
3 Total NEL (GWh)	221,297	289,264	648,607	908,727	1,009,060	216,656	332,698	3,226
4 NEL (GWh) per registered entity	3,254	2,127	2,162	2,745	4,170	1,444	1,472	7
5 Total ERO Funding ¹	\$6,237,838	\$ 9,821,019	\$ 14,359,378	\$ 19,383,897	\$ 15,518,034	\$ 10,145,148	\$ 10,983,946	\$ 25,175,135
6 ERO Funding per registered entity	\$ 91,733	\$ 72,213	\$ 47,865	\$ 58,562	\$ 64,124	\$ 67,634	\$ 48,602	\$ 57,347
7 ERO Funding per registered function	\$ 25,670	\$ 21,397	\$ 23,853	\$ 28,974	\$ 22,787	\$ 24,155	\$ 24,739	\$ 21,299
8 Total Budget ²	\$7,162,233	\$ 10,328,687	\$ 14,778,539	\$ 18,756,763	\$ 15,995,840	\$ 11,808,110	\$ 11,983,701	\$ 26,300,035
9 Total Budget per registered entity	\$ 105,327	\$ 75,946	\$ 49,262	\$ 56,667	\$ 66,099	\$ 78,721	\$ 53,025	\$ 59,909
10 Total Budget per registered function	\$ 29,474	\$ 22,503	\$ 24,549	\$ 28,037	\$ 23,489	\$ 28,115	\$ 26,990	\$ 22,250
11 Total Statutory FTE ³	30.91	42.5	36.86	72.2	78.7	32.75	60	137.5
12 Registered entity per Statutory FTE	2.200	3.200	8.139	4.584	3.075	4.580	3.767	3.193
13 Registered function per Statutory FTE	7.862	10.800	16.332	9.266	8.653	12.824	7.400	8.596
14 Total Compliance Budget ⁴	\$5,211,874	\$ 6,994,216	\$ 8,568,145	\$ 10,651,382	\$ 10,779,635	\$ 8,583,743	\$ 9,008,548	\$ 13,178,512
15 Compliance budget per registered entity	\$ 76,645	\$ 51,428	\$ 28,560	\$ 32,179	\$ 44,544	\$ 57,225	\$ 39,861	\$ 30,019
16 Compliance budget per registered function	\$ 21,448	\$ 15,238	\$ 14,233	\$ 15,921	\$ 15,829	\$ 20,437	\$ 20,290	\$ 11,149
17 Total Compliance FTE ³	19.77	22.08	16	45.75	37.5	20.85	33.5	53.5
18 Registered entity per Compliance FTE	3.4	6.2	18.8	7.2	6.5	7.2	6.7	8.2
19 Registered function per Compliance FTE	12.3	20.8	37.6	14.6	18.2	20.1	13.3	22.1
20 Number of Small (non-CIP/693) Audits Onsite ⁵	2	0	3	0	10	0	0	0
21 Estimated Cost per Small (non-CIP/693) Audit Onsite ⁵	\$ 7,582	\$ -	\$ 13,320	\$ -	\$ 10,731	\$ -	\$ -	\$ -
22 Number of Medium (non-CIP/693) Audits Onsite ⁵	1	7	0	10	15	0	4	0
23 Estimated Cost per Medium (non-CIP/693) Audit Onsite ⁵	\$ 18,956	\$ 44,049	\$ -	\$ 39,857	\$ 18,492	\$ -	\$ 37,246	\$ -
24 Number of Large (non-CIP/693) Audits Onsite ⁵	6	0	4	0	6	6	6	20
25 Estimated Cost per Large (non-CIP/693) Audit Onsite ⁵	\$ 37,912	\$ -	\$ 44,815	\$ -	\$ 41,137	\$ 54,413	\$ 57,534	\$ 30,239
26 Number of Small (non-CIP/693) Audits Offsite ⁵	2	11	10	35	15	14	0	22
27 Estimated Cost per Small (non-CIP/693) Audit Offsite ⁵	\$ 2,771	\$ 11,404	\$ 12,740	\$ 10,102	\$ 9,635	\$ 10,457	\$ -	\$ 2,765
28 Number of Medium (non-CIP/693) Audits Offsite ⁵	0	1	21	0	0	0	7	47
29 Estimated Cost per Medium (non-CIP/693) Audit Offsite ⁵	\$ -	\$ 40,549	\$ 21,955	\$ -	\$ -	\$ -	\$ 30,011	\$ 7,960
30 Number of Large (non-CIP/693) Audits Offsite ⁵	0	0	8	0	0	0	23	5
31 Estimated Cost per Large (non-CIP/693) Audit Offsite ⁵	\$ -	\$ -	\$ 27,730	\$ -	\$ 30,485	\$ -	\$ 48,347	\$ 21,899
32 Number of Small (CIP/706B) Audits Onsite ⁵	0	0	0	0	4	0	0	0
33 Estimated Cost per Small (CIP/706B) Audit Onsite ⁵	\$ -	\$ -	\$ -	\$ -	\$ 11,235	\$ -	\$ -	\$ -
34 Number of Large (CIP/706B) Audits Onsite ⁵	2	2	4	4	6	6	8	21
35 Estimated Cost per Large (CIP/706B) Audit Onsite ⁵	\$ 75,824	\$ 57,520	\$ 44,800	\$ 75,366	\$ 48,447	\$ 96,238	\$ 58,093	\$ 32,629
36 Number of Small (CIP/706B) Audits Offsite ⁵	9	9	24	50	9	9	24	51
37 Estimated Cost per Small (CIP/706B) Audit Offsite ⁵	\$ 2,771	\$ 5,702	\$ 9,490	\$ 6,164	\$ 15,790	\$ 4,802	\$ 17,118	\$ 2,151
38 Number of Large (CIP/706B) Audits Offsite ⁵	0	0	0	0	0	0	0	0
39 Estimated Cost per Large (CIP/706B) Audit Offsite ⁵	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40 Avg. Number of Contractors Per Small Audits Onsite	0	0	0	0	0	1	0	0
41 Avg. Number of Contractors Per Medium Audits Onsite	0	0	0	0	1	0	0	0
42 Avg. Number of Contractors Per Large Audits Onsite	0	0	0	0	2	2	0	0
43 Avg. Number of Contractors Per Small Audits Offsite	0	0	0	0	0	0	0	0
44 Avg. Number of Contractors Per Medium Audits Offsite	0	0	0	0	0	0	0	0
45 Avg. Number of Contractors Per Large Audits Offsite	0	0	0	0	0	2	0	0

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

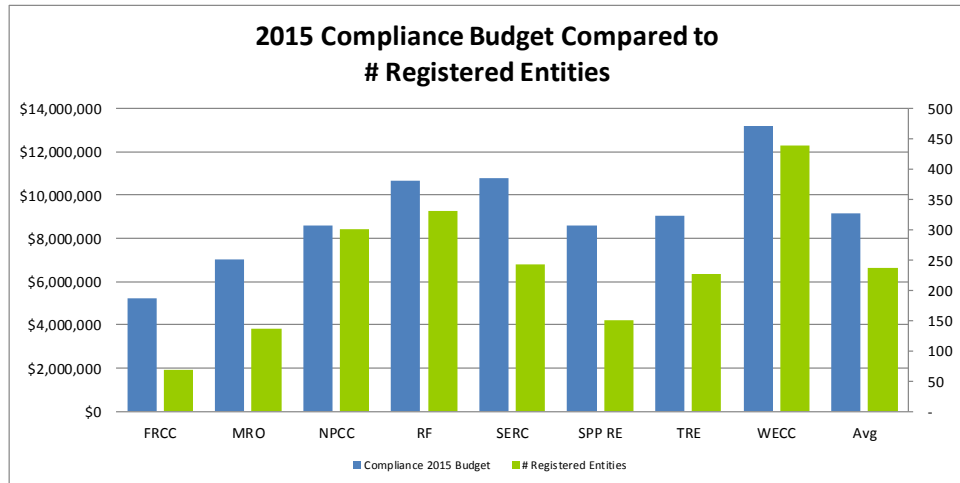
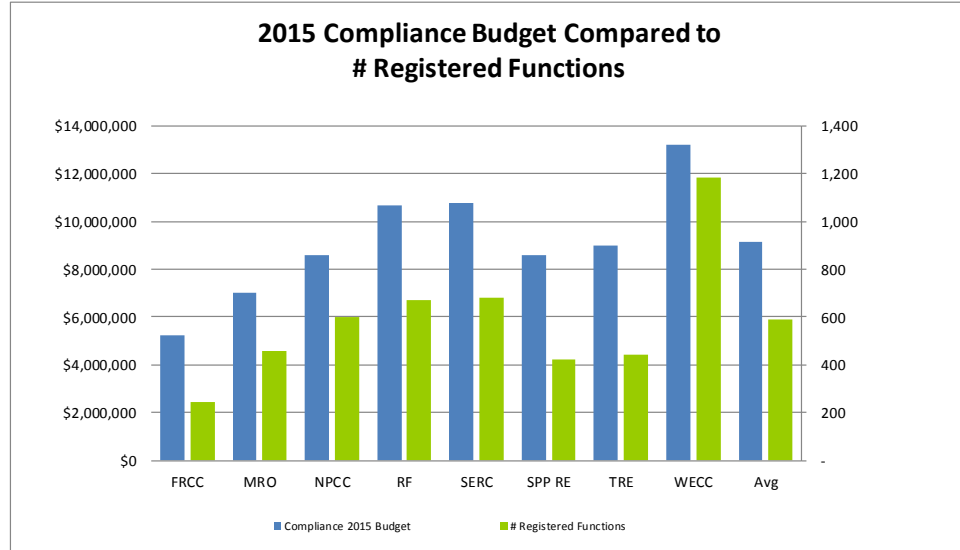
⁵ Size of audits are defined by number of requirements:

Small	25 or less
Medium	26 to 75
Large	More than 75

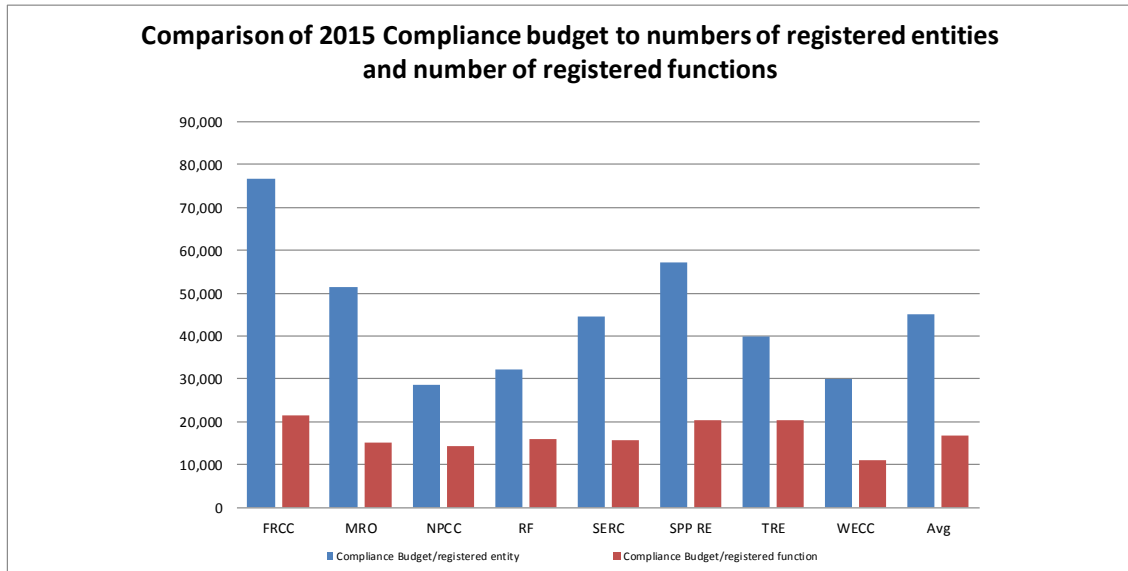
⁶ Due to the specifics of the compliance program included in the individual provincial MOUs for cross-border regional entities, some of these metrics are not directly comparable.

Compliance 2015 Budget

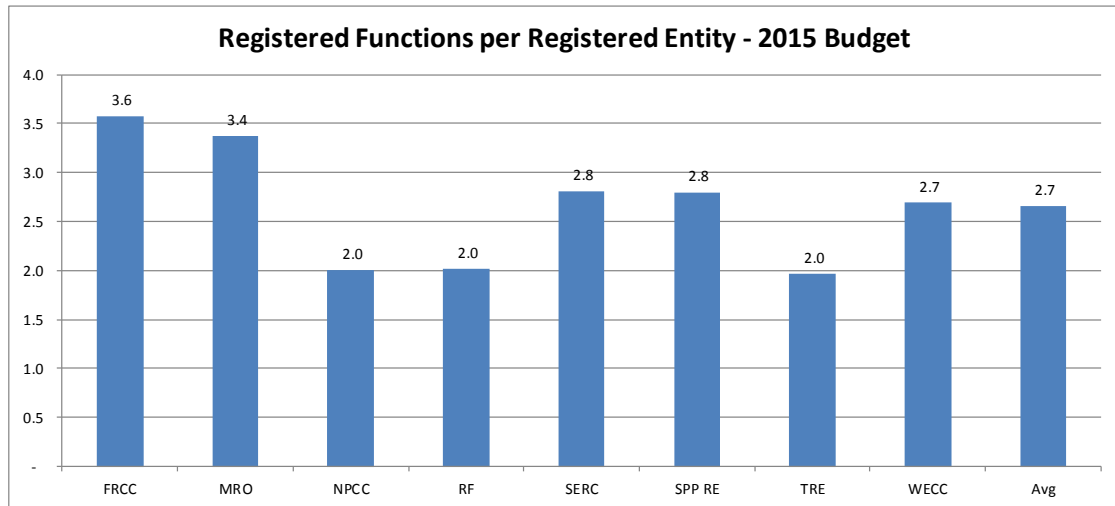
	FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
Compliance 2015 Budget	5,211,874	6,994,216	8,568,145	10,651,382	10,779,635	8,583,743	9,008,548	13,178,512	9,122,007
# Registered Entities	68	136	300	331	242	150	226	439	237
# Registered Functions	243	459	602	669	681	420	444	1,182	588



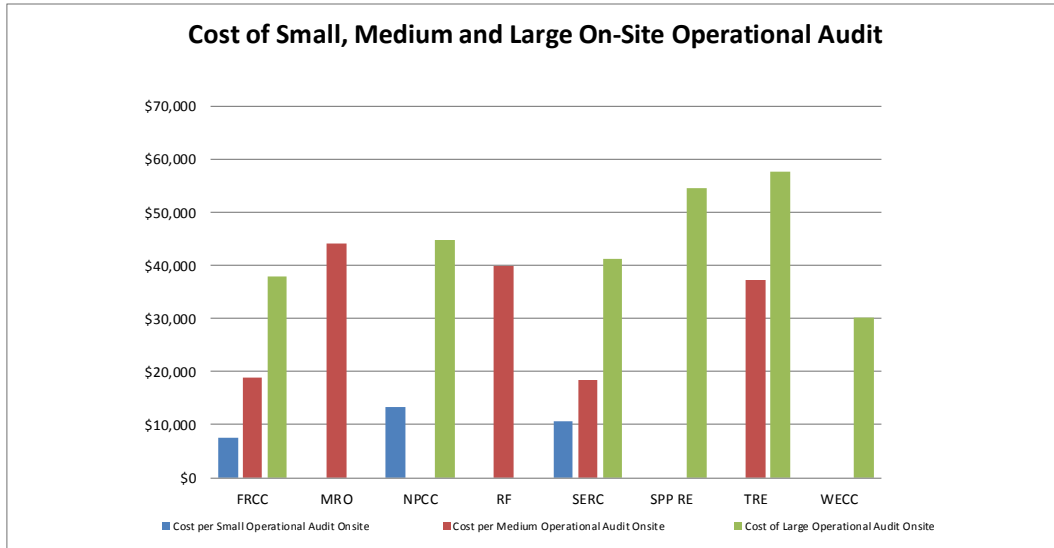
	FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
Compliance Budget/registered entity	76,645	51,428	28,560	32,179	44,544	57,225	39,861	30,019	45,058
Compliance Budget/registered function	21,448	15,238	14,233	15,921	15,829	20,437	20,290	11,149	16,818



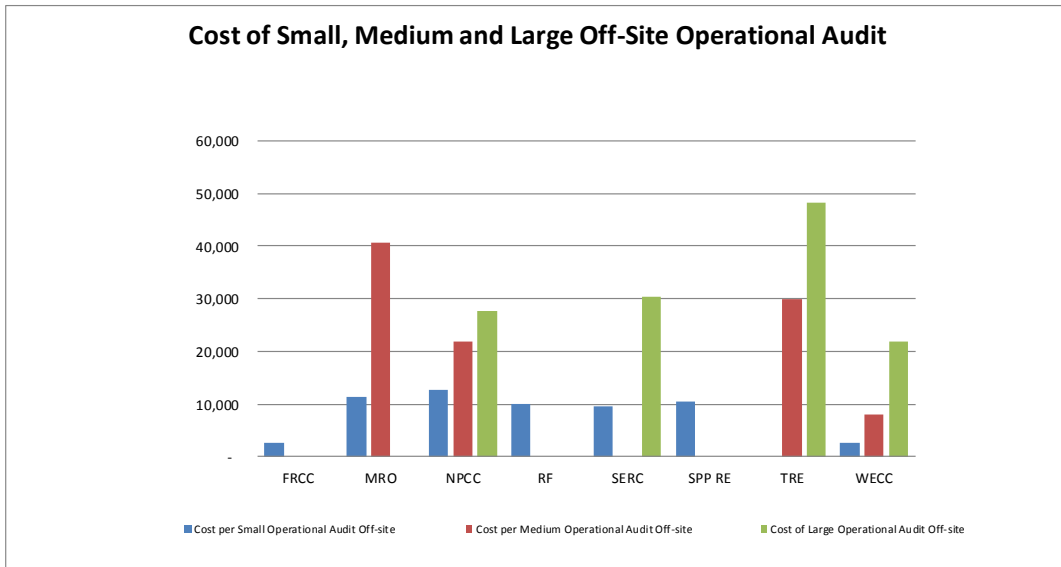
	FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
Registered Functions per Registered Entity 2015 Budget	3.6	3.4	2.0	2.0	2.8	2.8	2.0	2.7	2.7



	FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
Cost per Small Operational Audit Onsite	7,582	-	13,320	-	10,731	-	-	-	10,545
Cost per Medium Operational Audit Onsite	18,956	44,049	-	39,857	18,492	-	37,246	-	31,720
Cost of Large Operational Audit Onsite	37,912	-	44,815	-	41,137	54,413	57,534	30,239	44,342

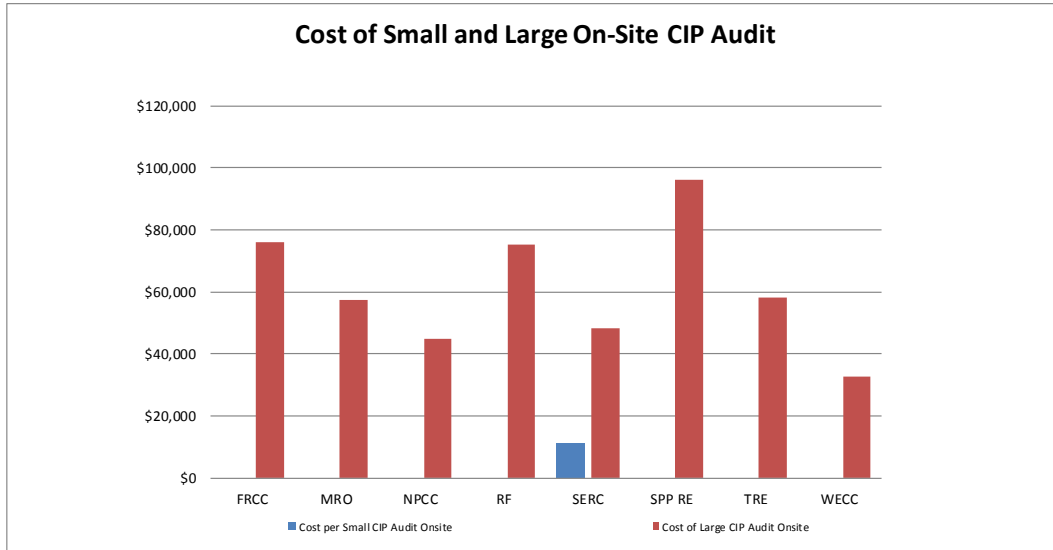


	FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
Cost per Small Operational Audit Off-site	2,771	11,404	12,740	10,102	9,635	10,457	-	2,765	8,554
Cost per Medium Operational Audit Off-site	-	40,549	21,955	-	-	-	30,011	7,960	25,119
Cost of Large Operational Audit Off-site	-	-	27,730	-	30,485	-	48,347	21,899	32,115



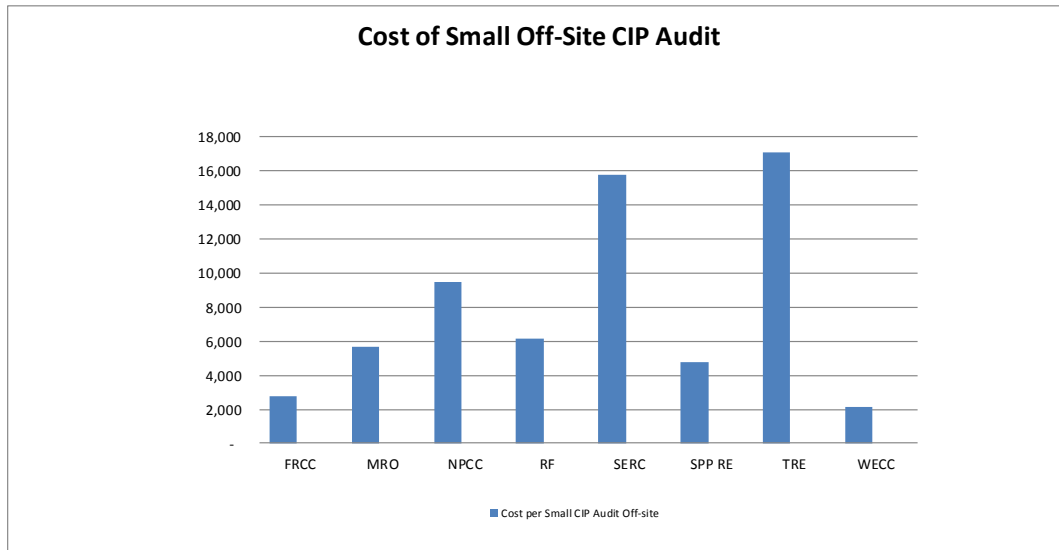
Cost per Small CIP Audit Onsite
 Cost of Large CIP Audit Onsite

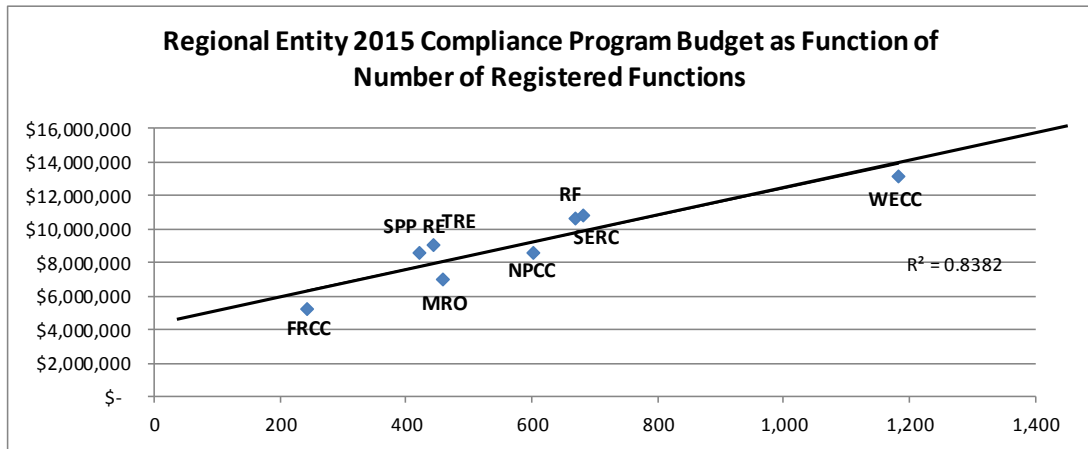
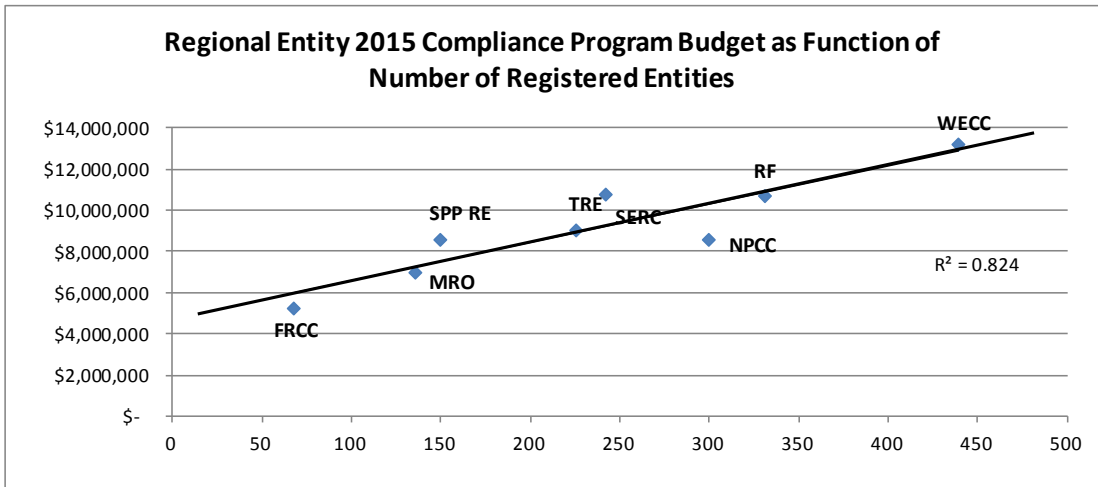
FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
-	-	-	-	11,235	-	-	-	11,235
75,824	57,520	44,800	75,366	48,447	96,238	58,093	32,629	69,845



Cost per Small CIP Audit Off-site
 Cost of Large CIP Audit Off-site

FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
2,771	5,702	9,490	6,164	15,790	4,802	17,118	2,151	9,141
-	-	-	-	-	-	-	-	-





Compliance FTE

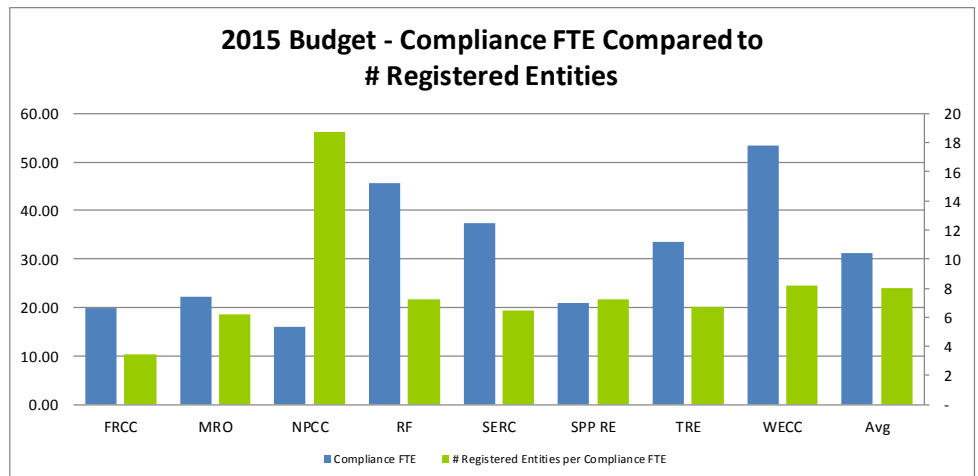
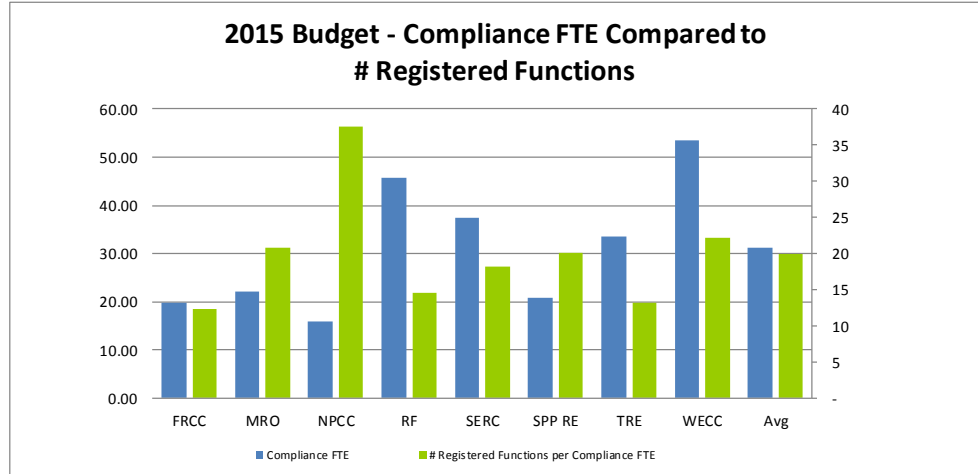
FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
19.77	22.08	16.00	45.75	37.50	20.85	33.50	53.50	31.12

Registered Entities per Compliance FTE

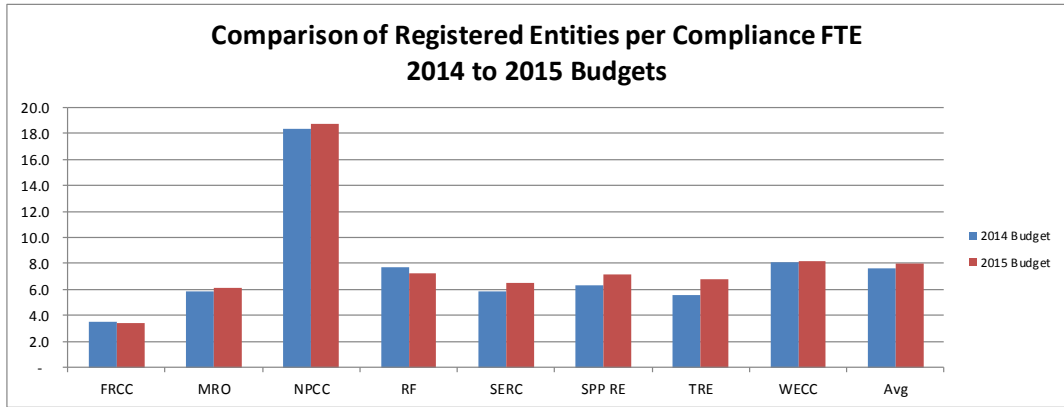
3.4	6.2	18.8	7.2	6.5	7.2	6.7	8.2	8.0
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Registered Functions per Compliance FTE

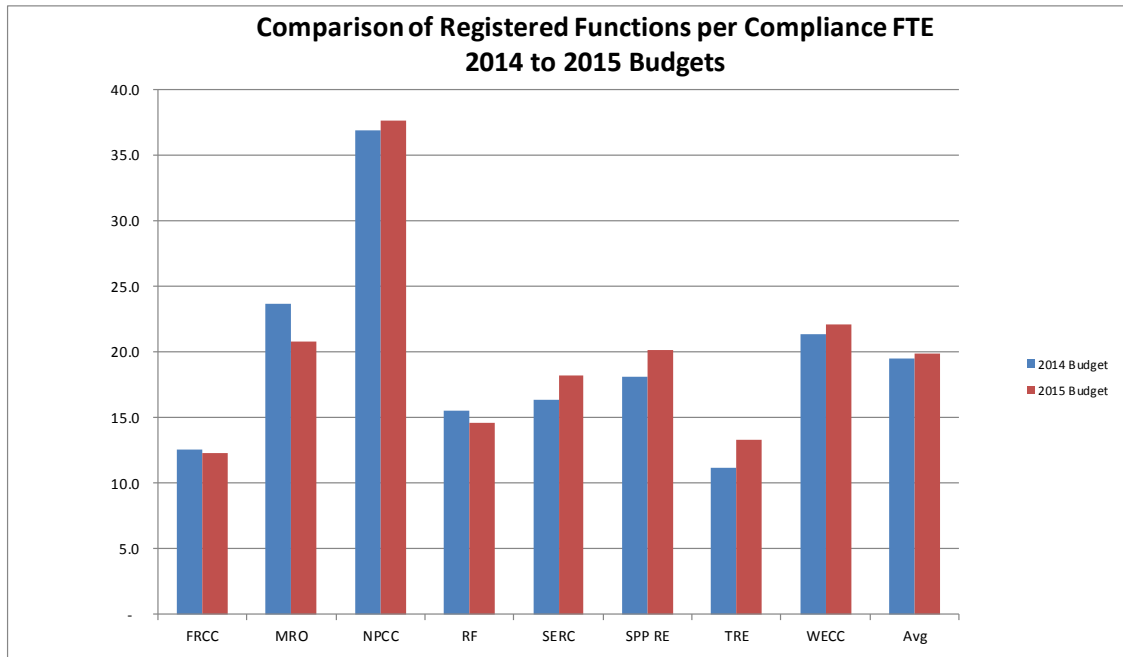
12.3	20.8	37.6	14.6	18.2	20.1	13.3	22.1	19.9
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	FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
2014 Budget	3.5	5.9	18.3	7.7	5.8	6.3	5.6	8.1	7.7
2015 Budget	3.4	6.2	18.8	7.2	6.5	7.2	6.7	8.2	8.0



	FRCC	MRO	NPCC	RF	SERC	SPP RE	TRE	WECC	Avg
2014 Budget	12.6	23.6	36.9	15.6	16.3	18.1	11.2	21.4	19.5
2015 Budget	12.3	20.8	37.6	14.6	18.2	20.1	13.3	22.1	19.9



Discussion and Analysis

Metrics Based on 2015 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 2015 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' 2015 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 2015 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 2015 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 \$16,818 (a decrease of \$431 from this average based on the 2014 Budgets); the three highest

⁶ The data on numbers of registered entities and registered functions in each Region used in the 2015 budget metrics are as of April, 2014 for the MRO, NPCC, RF, SERC, and SPP RE Regions, and June 2014 for the FRCC, Texas RE and WECC Regions.

values (FRCC - \$21,448, SPP RE - \$20,437 and Texas RE - \$20,290 and) are approximately 127%, 121% and 120% of the average, respectively, while the lowest value (WECC - \$11,149) is 66% of the average and the next lowest value (NPCC - \$14,233) is 85% of the average. With respect to Compliance Program budget per registered entity, the average for the Regional Entities is \$45,058 (a decrease of approximately \$1,675 from the average of the 2014 Budgets); the two highest values (FRCC - \$76,645 and SPP RE - \$57,225) are approximately 170% and 127% of the average, respectively; and the lowest value (NPCC - \$28,560) is 63% of the average.⁷

As noted, FRCC and SPP RE have the two highest values for Compliance Program budget per registered entity, and FRCC, SPP RE and Texas RE have the three 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' 2015 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 2015 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 (0.824) and the R^2 value for the plot based on number of registered functions (0.8382) is similar to this analysis in the previous three years' Business Plan and Budget filings.⁸ NERC continues to believe that

⁷ There is a variation among the Regional Entities in terms of registered functions per registered entity, ranging from a high value of 3.6 registered functions per registered entity for FRCC to a low value of 2.0 registered functions per registered entity for NPCC, RF and Texas RE. The overall average is 2.7 registered functions per registered entity. (See the data lines on page 7.) The values of this metric for each Regional Entity are generally consistent with the values based on the 2011, 2012, 2013, and 2014 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 1.68 to 1.78 times more registered functions per registered entity than do other Regional Entities (NPCC, Texas RE and RF), 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 registered functions was 0.7758 while the R^2 value for the plot based on number of registered entities was

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 RF 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 and Attachment 16 of the 2014 Business Plan and Budget filing). It can also be observed that on both of the regression graphs, the data points for each of the Regional Entities are either on or fairly close to the regression trend line; that is, there are no obvious "outliers" from the trend line among the Regional Entities, for either the regression based on Compliance Program budget as a function of number of registered entities or the regression based on Compliance Program budget as a function of the number of registered functions. 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 2015 budgets. The average for the eight Regional Entities for numbers of registered entities per Compliance Program FTE is 8.0, (compared to the average of 8.1 and 7.7 based on the 2013 and 2014 budgets, respectively); the lowest value (FRCC – 3.4) is 43% of the average and the highest value (NPCC – 18.8), is 234% of the average. This is about the same range of values around the average that was the case for the 2013 and 2014 Budgets (48% to 241%, and 46% to 239%, respectively). The average for numbers of registered functions per Compliance Program FTE is 19.9 (a 0.4% increase from the average based on the 2014 budgets); the lowest value (FRCC – 12.3) is 62% of the average and the highest value (NPCC – 37.6), is 189% of the average. This is also a comparable range of values around the average that was the case for the 2013 and 2014 Budgets (52% to 187% and 58% to 190%, respectively).

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 2015 budgets, to the values of these metrics based on the Regional Entities' 2014 budgets as provided in the 2014 Business Plan and Budget filing. The values of this metric have decreased from the 2014 Budget to the 2015 Budget for FRCC and RF (*i.e.*, these Regional Entities now have fewer registered entities per Compliance Program FTE than in their 2014 budgets), while the values for this metric have increased from the 2014 budgets for MRO, NPCC, SERC, SPP RE, Texas RE, and WECC (*i.e.*, these Regional Entities now have more registered entities per Compliance Program

0.6704. In the regression analysis that was provided in Attachment 16 of the 2014 Business Plan and Budget filing, the R^2 value for the plot based on number of registered functions was 0.7128 while the R^2 value for the plot based on number of registered entities was 0.7908.

FTE than in their 2014 budgets). With respect to registered functions per Compliance Program FTE, the 2015 budget values of this metric are lower than the 2014 budget values for FRCC, MRO, and RF (*i.e.*, these Regional Entities each now has fewer registered functions per Compliance Program FTE than its 2014 budget), while the 2015 budget values of this metric are higher than the 2014 budget values for NPCC, SERC, SPP RE, Texas RE, and WECC (*i.e.*, these Regional Entities now have more registered functions per Compliance Program FTE than in their 2014 budgets). The change in the value of these metrics for FRCC, NPCC, and WECC from their 2014 budgets to their 2015 budgets is generally 5 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) eight 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 functions⁹), 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 2015 budgets as compared to their 2014 budgets. For MRO, RF, SERC, SPP RE and Texas RE, the change in the value of these metrics from their 2014 budgets to their 2015 budgets is 4.8, 6.3, 11.0, 13.6, and 21.6 percent, respectively for number of registered entities per Compliance Program FTE and is 12.0, 6.0, 11.2, 11.3, and 18.3 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 2015 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 (*i.e.*, the costs of enforcement activities, as contrasted with the costs of compliance monitoring activities) 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 2015. 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

⁹ It is possible that implementation the revised Bulk Electric System (BES) definition, which became effective on July 1, 2014, and the application of the BES Definition exception procedure (Appendix 5C to the NERC Rules of Procedure), will result in some changes in registrations, at least in some Regions.

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 8 through 10 if no audits are planned.

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:

- 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, SERC and SPP RE are planning on the use of contractors in compliance audits in 2015. (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. In this regard, NERC notes that one of its initiatives during 2014 and continuing into 2015, in conjunction with the Regional Entities, is the development of, training of auditors on, and implementation of, a common compliance audit manual and checklist and set of

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.

compliance audit procedures, in order to increase the consistency of compliance audit processes across the Regional Entities. *See* the discussion in the Regional Entity Assurance and Oversight section of NERC's 2015 Business Plan and Budget, **Attachment 2** to this filing.

- With respect to CIP compliance audits, 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.

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 develop and refine appropriate metrics and to improve their analysis of the reported metrics values and the factors that may cause variations in values among the Regional Entities. In addition, NERC and the Regional Entities are evaluating 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.

**NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION**

2015 BUSINESS PLAN AND BUDGET FILING

ATTACHMENT 10

METRICS ON NERC AND REGIONAL ENTITY

ADMINISTRATIVE (INDIRECT) COSTS

BASED ON

THE 2014 AND 2015 BUDGETS

ATTACHMENT

Analysis of NERC and Regional Entity Budgeted Indirect (Administrative Services) Costs 2015 Budgets versus 2014 Budgets

In the preparation of the NERC and Regional Entity 2015 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 the Attachment to the 2010, 2011, 2012 and 2013 Business Plan and Budget filings and the Attachment to the 2014 Business Plan and Budget filing. These tables provide several metrics comparing indirect costs and FTEs² in relation to total statutory costs and FTEs and direct statutory costs and FTEs, for NERC and each of the Regional Entities, in their 2015 Business Plans and Budgets and their 2014 Business Plans and Budgets.

Overall, the tables show a decrease 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 2015 budgets as compared to the 2014 budgets. This result is reflective of consistent application of the definition of indirect costs, as described above, in the preparation of the 2015 budgets.

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 2015 budgets is 34.8%, versus 35.5% in the 2014 budgets. For 2015, FRCC, MRO, NPCC, RF, Texas RE and WECC show percentages below or only slightly above (less than 10% higher than) the overall average. SERC's 2015 value for this metric is only 13% higher than the overall average.

FRCC's percentages for this metric calculated from both its 2014 budget and its 2015 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.

For NERC, MRO, NPCC, RF, SPP RE and WECC the percentages of Statutory Indirect Budget to Total Statutory Budget decreased in their 2015 budgets from the percentages based on

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.

their 2014 budgets, ranging from a 0.2 percentage point decrease for NPCC to a 3 percentage point decrease for NERC. NERC's decrease for this metric is largely due to the increase in its budgeted statutory direct expenses in 2015 due to the commencement of NERC's participation in the Cyber Risk Information Sharing Program (CRISP), which in turn is being funded largely through Third-Party Funding payments from the electric utilities participating in the CRISP rather than through increased statutory assessments to all load-serving entities. For FRCC and SERC, the percentages increased by 1.7 percentage points and 2.2 percentage points, respectively. For Texas RE the percentages remained the same.

The overall average for the ratio of Statutory Direct Budget to Statutory Indirect Budget decreased from 2.57 based on the 2014 Business Plans and Budgets to 2.43 based in the 2015 Business Plans and Budgets. Overall, the changes in the average values of the two metrics shown in the top row of tables from the 2014 Budgets to the 2015 Budgets do not represent significant movement.

Budgeted Indirect FTEs as a Percent of Budgeted Total FTEs

In the NERC and Regional Entity 2015 Business Plans and Budgets, on average the budgeted statutory indirect FTEs are 24.7% of total statutory FTEs, compared to an average of 22.3% for the 2014 budgets, an increase of 2.4 percentage points (second row of tables). In the 2014 budget compared to the 2013 budget, the average number of statutory direct FTEs per statutory indirect FTE increased by 0.09, from 4.32 to 4.41. On average, there are 3.53 statutory direct FTEs per statutory indirect FTE in the 2015 budgets, compared to 4.41 statutory direct FTEs per statutory indirect FTEs in the 2014 budgets, for an average decrease of 0.88 statutory direct FTEs per statutory indirect FTE.

NERC, FRCC, SERC, SPP RE and Texas RE have higher percentages of budgeted statutory indirect FTEs to total statutory FTEs reflected in their 2015 budgets than in their 2014 budgets. RF and WECC have lower percentages of budgeted statutory indirect FTEs to total statutory FTEs reflected in their 2015 budgets than in their 2014 budgets. MRO's and NPCC's percentage of budgeted statutory indirect FTEs to total statutory FTEs reflected in their 2015 budgets are the same as in their 2014 budgets. NERC, FRCC, SPP RE and Texas RE have the largest decreases in the ratio of direct statutory FTEs to indirect statutory FTEs from their 2014 Budgets to their 2015 Budgets. SPP RE continues to have a very low percentage 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. rather than through its own administrative staff as is the case for NERC and the other seven Regional Entities.

In considering this metric, it should be kept in mind that neither NERC nor any of the other Regional Entities are planning significant changes (increases or decreases) in overall staffing levels in their 2015 budgets from their 2014 budgets. Thus, the changes in the percentages of budgeted statutory indirect FTEs to total statutory FTEs and in the ratios of direct statutory FTEs to indirect statutory FTEs represent, primarily, reallocations of resources among direct and indirect program areas within each entity to support the goals and objectives of each entity.

Statutory Indirect Budget per Total FTE

The Statutory Indirect Budget per Total FTEs has increased from an average of \$95,164 in the 2014 NERC and Regional Entity budgets to \$97,312 in the 2015 budgets, an increase of \$2,148, or 2.3% (bottom row of tables). In prior years, the increases in the statutory Indirect Budget per Total FTEs were generally reflective of an increased percentage of Statutory Indirect Budget to Total Statutory Budget (first row of tables). In 2015, this relationship is similar for FRCC and SERC. The statutory Indirect Budget per Total FTEs metric has decreased from the 2014 budget to the 2015 budget for MRO and WECC, and is reflective of their decreased percentages of Statutory Indirect Budget to Total Statutory Budget (first row of tables). The statutory Indirect Budget per Total FTEs metric has increased from the 2014 budget to the 2015 budget for NERC, NPCC, RF and SPP RE, while the percentage of Statutory Indirect Budget to Total Statutory Budget (first row of tables) decreased for these entities. The percentage differences in these two metrics from the 2014 Budgets to the 2015 Budgets for NPCC (2%), RF (4%) and SPP RE (2%) are not significant. For NERC, the statutory Indirect Budget per Total FTEs metric has increased 8.8% from the 2014 budget to the 2015 budget, while the percentage of Statutory Indirect Budget to Total Statutory Budget (first row of tables) decreased 3.0%. The increase in NERC's statutory Indirect Budget per Total FTEs (bottom row of tables) is reflective of the small increase in total FTEs, 189.53 FTEs in 2014 to 192.3 FTEs in 2015, or 1.5%, compared to the increase in NERC's statutory indirect budget, from \$25.2M in 2014 to \$27.8M in 2015, or 10.4%. While NERC's statutory indirect budget increased 10.4% in 2015 over 2014, NERC's statutory direct budget increased 24.5% in 2015 over 2014 (\$38.8M in 2015 compared to \$31.2M in 2014), due largely to the incorporation of the CRISP in the 2015 Budget, resulting in the decrease in NERC's percentage of Statutory Indirect Budget to Total Statutory Budget (first row of tables).

**Analysis of Indirect (Administrative Services) Costs
2015 Budget versus 2014 Budget**

2014 BUDGET						2015 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		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	\$ 66,649,306	38,801,269	27,848,037	41.8%	1.39
6,794,932	6,172,992	621,940	9.2%	9.93	FRCC	7,162,233	6,379,570	782,663	10.9%	8.15
9,744,799	5,774,572	3,970,227	40.7%	1.45	MRO	10,328,687	6,430,254	3,898,433	37.7%	1.65
14,129,006	9,095,248	5,033,758	35.6%	1.81	NPCC	14,778,540	9,544,174	5,234,366	35.4%	1.82
18,063,201	12,869,165	5,194,036	28.8%	2.48	RF	18,756,764	13,442,121	5,314,643	28.3%	2.53
16,877,288	10,610,814	6,266,474	37.1%	1.69	SERC	15,995,840	9,704,308	6,291,532	39.3%	1.54
11,823,629	5,736,162	6,087,467	51.5%	0.94	SPP RE	11,808,109	5,803,102	6,005,007	50.9%	0.97
11,771,248	7,653,236	4,118,012	35.0%	1.86	Texas RE	11,983,701	7,788,932	4,194,769	35.0%	1.86
25,638,084	16,296,214	9,341,870	36.4%	1.74	WECC	26,300,034	17,346,688	8,953,346	34.0%	1.94
			35.5%	2.57	AVERAGE				34.8%	2.43

2014 BUDGETED FTEs						2015 BUDGETED FTEs				
Total Statutory FTEs	Total Statutory Direct FTEs	Total Statutory Indirect FTEs	Indirect FTE as % of Total FTE	# Direct to Indirect Statutory 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	192.30	124.76	67.54	35.1%	1.85
30.40	27.04	3.36	11.1%	8.05	FRCC	30.91	26.87	4.04	13.1%	6.65
40.75	29.79	10.96	26.9%	2.72	MRO	42.50	31.08	11.42	26.9%	2.72
36.86	27.86	9.00	24.4%	3.10	NPCC	36.86	27.86	9.00	24.4%	3.10
72.00	57.20	14.80	20.6%	3.86	RF	72.20	57.60	14.60	20.2%	3.95
79.20	59.37	19.83	25.0%	2.99	SERC	78.70	54.57	24.13	30.7%	2.26
33.86	30.86	3.00	8.9%	10.29	SPP RE	32.75	28.25	4.50	13.7%	6.28
60.00	49.25	10.75	17.9%	4.58	Texas RE	60.00	44.50	15.50	25.8%	2.87
135.00	88.10	46.90	34.7%	1.88	WECC	137.50	92.60	44.90	32.7%	2.06
			22.3%	4.41	AVERAGE				24.7%	3.53

2014 BUDGET per FTE				2015 BUDGET per FTE				
Total Statutory	Total Statutory Direct	Total Statutory Indirect	Statutory Indirect Budget per Total FTE		Total Statutory	Total Statutory Direct	Total Statutory Indirect	Statutory Indirect Budget per Total FTE
\$ 297,526	\$ 238,934	\$ 426,707	\$ 133,148	NERC	\$ 346,590	\$ 311,007	\$ 412,319	\$ 144,816
223,518	228,291	185,101	20,459	FRCC	231,712	237,424	193,728	25,321
239,136	193,843	362,247	97,429	MRO	243,028	206,894	341,369	91,728
383,315	326,463	559,306	136,564	NPCC	400,937	342,576	581,596	142,007
250,878	224,985	350,948	72,139	RF	259,789	233,370	364,017	73,610
213,097	178,723	316,010	79,122	SERC	203,251	177,832	260,735	79,943
349,192	185,877	2,029,156	179,783	SPP RE	360,553	205,420	1,334,446	183,359
196,187	155,396	383,071	68,634	Texas RE	199,728	175,032	270,630	69,913
189,912	184,974	199,187	69,199	WECC	191,273	187,329	199,406	65,115
			\$ 95,164	AVERAGE				\$ 97,312