

## Agenda

# Finance and Audit Committee Open Conference Call and Webinar

May 20, 2013 | 2:00-3:30 p.m. Eastern

**DIAL-IN: 800-272-6255**

**Webex Registration Link:** <https://cc.readytalk.com/r/45l4p1np7adz>

**Broadcast Audio Code: 426380**

**Introductions and Chair's Remarks**

**NERC Antitrust Compliance Guidelines**

### Agenda

1. Overview of First Draft of Regional Entities' 2014 Business Plans and Budgets\* — **Review**
  - a. Introduction – Mike Walker
  - b. SERC Reliability Corporation – Jennifer Kelly
    - [Summary](#)
    - [Business Plan and Budget](#)
  - c. Northeast Power Coordinating Council, Inc. – Jessica Hala
    - [Summary](#)
    - [Business Plan and Budget](#)
  - d. ReliabilityFirst Corporation – Jill Lewton
    - [Summary](#)
    - [Business Plan and Budget](#)
  - e. Florida Reliability Coordinating Council, Inc. – Reva Maskewitz
    - [Summary](#)
    - [Business Plan and Budget](#)
  - f. Southwest Power Pool Regional Entity – Ron Ciesiel
    - [Summary](#)
    - [Business Plan and Budget](#)

- g. Texas Reliability Entity, Inc. – **Judy Foppiano**
    - [Summary](#)
    - [Business Plan and Budget](#)
  - h. Midwest Reliability Organization – **Sue Clarke**
    - [Summary](#)
    - [Business Plan and Budget](#)
  - i. Western Electricity Coordinating Council – **Jillian Lessner**
    - [Summary](#)
    - [WECC Business Plan and Budget](#)
    - [WECC RCCO Business Plan and Budget](#)
2. **Overview of Remaining Schedule\* – Review – Mike Walker**

\*Background materials included.

# Antitrust Compliance Guidelines

## I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

## II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

### **III. Activities That Are Permitted**

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

## 2014 Business Plan and Budget Schedule Updated: May 16, 2013

DATES			Related Stakeholder-NERC Committee Initiatives
	NERC	Regional Entities	
January 24, 2013			Reliability Issues Steering Committee (RISC) meeting
February 1, 2013	Proposed Section 215 written criteria filed with FERC		
February 6-7, 2013	MRC and Board meetings (San Diego)		
February [TBD] , 2013	Draft 2014-2016 goals, objectives posted for comment		Kicks off formal process for broad stakeholder input on ERO 2014-2016 goals and objectives; 2014 BP&B priorities
February 12, 2013			Reliability Issues Steering Committee (RISC) open meeting
March 2013	Finalize goals, objectives and common assumptions for inclusion in draft 1 of NERC 2014 Business Plan and Budget to be posted in early May 2013		
March 5-6, 2013			OC/PC/CIPC meetings
March 12, 2013			Reliability Issues Steering Committee (RISC) meeting
March 13-14, 2013			CCC meeting
March 15, 2013	FFT&R informational filing at FERC		
April 2, 2013			Trades meeting
April 3 , 2013	Closed FAC Meeting – Review of personnel, contracts and other assumptions for 2013 Business Plan		

DATES			Related Stakeholder-NERC Committee Initiatives
	NERC	Regional Entities	
	and Budget		
April 4, 2013			Standards Committee meeting
April 16, 2012			Reliability Issues Steering Committee (RISC) meeting
April 30, 2013		2012 Regional Entity true-up files due to NERC	
May 2, 2013			Standards Committee meeting
May 3, 2013	Draft #1 of 2014 NERC Business Plan and Budget posted	Draft 1 of Regional Entity 2014 Business Plans and Budgets posted on NERC website	
May 3, 2013-10:00am ET	Conference call and webinar to discuss Draft #1 of 2014 NERC Business Plan and Budget		
May 8, 2013	FAC Meeting- update on 2014 NERC Business Plan and Budget as part of agenda; quarterly business includes (1) review of year end audited financial statements for NERC and Regional Entities (2) update on 2014 NERC Business Plan and Budget		
May 8-9 2013	MRC Meeting-Presentation of Draft NERC 2014 Business Plan and Budget/Board meeting (Boston)		
May 20, 2013	FAC conference webinar to review Regional Entity 2014 NERC Business Plans and Budgets	Regional Entities present draft 2014 Business Plans and Budgets to FAC	
May 22, 2013			Reliability Issues Steering Committee (RISC) meeting

DATES			Related Stakeholder-NERC Committee Initiatives
	NERC	Regional Entities	
May 30, 2013	Comments due on 1 <sup>st</sup> Draft of NERC Business Plan and Budget NERC and Regional Entity 2012 budget to actual true-up filing due at FERC		
June/July 2013		Regional Entity Board meeting dates for review and approval of Regional Entity 2014 Business Plans and Budgets SPP – June 18 RFC – June 21 NPCC – June 25 TRE – June 25 FRCC – June 26 WECC – June 26 MRO – June 27 SERC – July 10	
June 4, 2013 11-1 pm NERC's DC offices-dial in to be provided	Meeting with trades and MRC BP&B scope input group to discuss NERC 2014 BP&B		
June 4, 2013	Closed NERC FAC conference call to provide input on draft #2 of NERC 2014 BP&B		
June 5, 2013			Standards Committee meeting
June 17, 2013	Post Draft #2 of 2014 NERC Business Plan and Budget		
June 11-12, 2013			OC/PC/CIPC meetings
June 12, 2013			CCC meeting
June 18, 2013			Reliability Issues Steering Committee (RISC) meeting

DATES			Related Stakeholder-NERC Committee Initiatives
	NERC	Regional Entities	
July 8, 2013		Final Regional Entity 2014 budget submittal due – approved by Regional Entity Board and final list of LSEs and NEL data	Trades meeting
July 15, 2013			Stakeholder Comments due on Draft #2 2014 NERC Business Plan and Budget
July 11, 2013			Reliability Issues Steering Committee (RISC) meeting
July 18, 2013			Standards Committee meeting
July 19, 2013	FAC webinar to review Draft #2 of 2014 NERC Business Plan and Budget and final Regional Entity budget submittals	Regional Entities present final 2014 Business Plans and Budgets to FAC	
July 29, 2013	Final 2014 NERC and Regional Entity business plans, budgets, and assessments posted and mailed to FAC, Board of Trustees and Member Representatives Committee		
August 8, 2013			Reliability Issues Steering Committee (RISC) meeting
August 12, 2013	FAC meeting to review and recommend approval of NERC and Regional Entity final 2014 business plans, budgets, and assessments		
August 14, 2013 (Montreal)	Recap of 2014 Business Plan and Budget process and discussion of 2015 Business Plan and Budget process at MRC meeting		



DATES			Related Stakeholder-NERC Committee Initiatives
	NERC	Regional Entities	
August 15, 2013 (Montreal)	NERC and Regional Entity 2014 business plans, budgets, and assessments presented to Board of Trustees for approval		
August 22, 2013	Standards Committee meeting		
August 23, 2013	Submit package to FERC and Canadian provincial authorities for approval. Package to include: (1) the 2014 NERC and Regional Entity Business Plans and Budgets approved by the Board of Trustees, (2) NERC's annual funding requirement (including Regional Entity costs for delegated functions) and (3) the mechanism for assessing charges to recover that annual funding requirement		

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