

2014 Business Plan and Budget

Western Interconnection Regional Advisory Body

**Approved by:
The Western Interconnection Regional Advisory Body**

June 14, 2013

Table of Contents

Introduction	3
Section A — 2014 Business Plan	15
Western Interconnection Regional Advisory Body	
Section B — Supplemental Financial Information	19
Reserve Balance	19
Breakdown by Statement of Activity Sections	20
Section C — 2014 Non-Statutory Business Plan and Budget	24
Not applicable to WIRAB.....	
Section D	26
2013 Consolidated Statement of Activities by Program, Statutory and Non-Statutory	26

Introduction

TOTAL RESOURCES (in whole dollars)				
	2014 Budget	U.S.	Canada	Mexico
Statutory FTEs	2.85			
Non-statutory FTEs				
Total FTEs	2.85			
Statutory Expenses	\$ 703,700			
Non-Statutory Expenses	\$ -			
Total Expenses	\$ 703,700			
Statutory Inc(Dec) in Fixed Assets	\$ -			
Non-Statutory Inc(Dec) in Fixed Assets	\$ -			
Total Inc(Dec) in Fixed Assets	\$ -			
Statutory Working Capital Requirement	\$ (114,792)			
Non-Statutory Working Capital Requirement				
Total Working Capital Requirement	\$ (114,792)			
Total Statutory Funding Requirement	\$ 588,908			
Total Non-Statutory Funding Requirement	\$ -			
Total Funding Requirement	\$ 588,908			
Statutory Funding Assessments	\$ 588,408	\$ 499,050	\$ 81,478	\$ 7,880
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 16 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 ERO for review by the ERO and submission through the ERO budget approval process.

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.

The Order states that funding for Regional Advisory Bodies should be part of the overall funding process for the Electric Reliability Organization (ERO). The Commission instructed WIRAB to develop a budget in a form similar 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 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	Scott Barillaro, Ministry of Energy, Mines and Petroleum Resources
California	Bill Chamberlain, California Energy Commission
Colorado	Jeff Ackermann, Governor's Energy Office
Idaho	Marsha Smith, Public Utilities Commission
Mexico	Marcos Valenzuela, CFE
Montana	Tom Kaiserski, Department of Commerce
Nebraska	Tim Texel, Nebraska Power Review Board
Nevada	Rebecca Wagner, Public Utilities Commission
New Mexico	David Martin, Energy, Minerals and Natural Resources Department
Oregon	John Savage, Public Utility Commission
South Dakota	Brian Rounds, Public Utilities Commission
Texas	Vacant
Utah	Cody Stewart, Governor's Office
Washington	Tony Usibelli, Department of Community, 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

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."

Energy Board (WIEB). WIRAB operates under the bylaws of WINB as revised on April 4, 2006. (See organizational chart on page 14.)

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.

2014 Key Assumptions

- WIRAB continues to operate with the participation of all U.S. States and Canadian Provinces in the Western Interconnection, and Mexico.
- WIRAB continues to meet regularly by conference call and topical webinars, and is scheduled to hold two in-person meetings in 2014. WIRAB representatives will meet with FERC at its offices once in 2014.
- Beginning January 1, 2014, the existing Western Electricity Coordinating Council (WECC) will be bifurcated into WECC and a Reliability Coordination Company (RCCo).
- There is no significant expansion of FERC, NERC or WECC responsibilities as a result of legislation pending in the U.S. Congress.
- Fiscal constraints in State and Provincial agency budgets make the reimbursement of travel costs associated with WIRAB activities more important.

2014 Goals and Key Deliverables

- Advice to FERC, NERC and WECC and the new RCCo on whether 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. WIRAB will examine fees, standards and governance of WECC and NERC. It will continue to pursue its long-standing priorities of: determining if consumers are getting a “bang-for-the-buck” being spent on reliability including the development of metrics to measure system reliability; promoting comity among entities in the Canadian, U.S. and Mexican portions of the Western Interconnection; and fostering transparency in the activities of WECC, the RCCo and NERC.
- Regular conference calls or in-person meetings of WIRAB, which include opportunities for public comment.
- Webinars or workshops to expand the understanding of States and Provinces on reliability issues. For example, WIRAB has held a series of webinars for Western states/provinces on the proposed bifurcation of WECC. The primary audience of the

webinars is WIRAB members, however, because of the broad interest in the webinar topics, other Western state and provincial agency personnel will be invited to participate.

- Monitoring of reliability issues important to the Western Interconnection including, but not limited to the following actions.
 - Registered entity, WECC, NERC and FERC actions to implement the recommendations from the NERC/FERC inquiry into the September 8, 2011 Southwest outage, the largest outage in the Western Interconnection since 1996, including critical reforms such as improved data sharing and operational practices.
 - Implementation of the bifurcation of WECC, including whether bifurcation goals, such as an increased focus on reliability, are being achieved.
 - Trends in violations, including work with FERC on implementation of a violations mapping tool based on WIRAB's pilot web-based violations mapping tool and work with WECC on its violations data which is under development.
 - The reliability impacts of a Western energy imbalance market and other reforms (e.g., changes to reserve sharing practices) designed to improve system efficiency and lower the cost of integrating variable generation.
 - Monitoring the changing generation mix in the Western Interconnection and implications for system operations and reliability.
 - Federal government cyber security actions with a particular focus on opportunities for states, particularly PUCs to assist in improving the cyber security preparedness of Western entities.

Information gleaned from monitoring issues will be used by WIRAB staff to prepare briefing memos for WIRAB members prior to all WIRAB conference calls and meetings and to identify webinar topics. The monitoring effort involves participation in all meetings of the WECC Board of Directors, including reports on WIRAB concerns and recommendations, attendance at selected meetings of the NERC Board of Trustees and Members' Representatives Committee, and attendance at selected WECC committee and work group meetings. WIRAB's meetings, webinars and monitoring better inform Western states, Western provinces and Mexico on grid reliability issues. Based on this informational foundation, WIRAB will offer concise and relevant advice to FERC, NERC, WECC and the new RCCo that reflects the public interest of Western states, Western provinces and Mexico. WIRAB's work also promotes international comity with Western Canadian Provinces and Mexico on reliability issues which is necessary for the effective implementation of reliability standards in the Western Interconnection.

I. 2014 Initiatives

A. WECC bifurcation

The WECC bifurcation discussions began in June 2012 and are in response to the findings from the FERC/NERC report on the September 8, 2011 Pacific Southwest Outage.

Additionally, NERC CEO Gerry Cauley specifically recommended that WECC consider this structural change in his July 26, 2012 letter to WECC CEO Mark Maher. While a final decision on bifurcation will not take place until the June 27, 2013 WECC Annual Board Meeting and necessary filings with NERC and FERC, the assumption is that bifurcation will go forward and that the WECC Regional Entity and a new RCCo will begin operations January 1, 2014.

- As appropriate, WIRAB will provide advice to WECC and the RCCo.
- As appropriate, WIRAB will provide advice to NERC and FERC on actions needed to achieve the goals of bifurcation and to improve reliability in the Western Interconnection.
- WIRAB will hold webinars and other outreach activities to state/provincial officials to expand their understanding of topics being addressed by WECC and the RCCo, and the programs and policies being implemented by the two organizations.
- WIRAB will monitor the implementation of the bifurcation to determine if it is achieving its objectives, including monitoring the efficacy of the division of responsibilities between WECC and the RCCo in areas such as planning and data sharing.
- WIRAB's staff work will be supplemented by technical consulting services, particularly as it relates to the work of the RCCo and the interaction of WECC and the RCCo.

B. Deficiencies in Western Interconnection operations

The September 8, 2011 Southwest outage highlighted significant deficiencies in the operation of the Western grid. These shortcomings have been confirmed in WECC's 2012 survey of the practices of Generator Owners, Generator Operators, Planning Coordinators, the Reliability Center, Transmission Operators and Transmission Providers and in work conducted for the State-Provincial Steering Committee on the application of new transmission technologies.

In 2014, WIRAB will undertake two new initiatives to address deficiencies in grid operation:

1. Investigate ways to improve reliability and lower costs to consumers in the current grid operations structure in the Western Interconnection and make recommendations for improved data sharing, model data inputs, the use of grid management tools, training, audits, and transparency. This work will take into account the changing generation mix in the Western Interconnection with substantially greater amounts of variable generation, which has low spinning mass generation, and greater amounts of distributed generation.

Given the reality of today's system – that advanced situational analysis and grid management technologies are available but are not being widely used – further inquiry is warranted in order to improve WIRAB's advice to FERC, NERC, WECC and the RCCo, and to determine how States and Provinces can encourage the adoption and use of these technologies.

- WIRAB will work with WECC and other interested parties in the Western Interconnection to improve data sharing. WIRAB will consider actions that could

- improve data sharing among system operators and with market operators and researchers, including a potential Declaratory Order by FERC and modifications to the existing WECC Universal Non-Disclosure Agreement. WIRAB will also closely monitor the evolution of data sharing practices between WECC and the RCCo to improve reliability and minimize costs to consumers.
- WIRAB will work to improve grid reliability by strengthening the directives from the Reliability Center and promoting actions by the RCCo to improve operational practices, maintain central network models and tools, provide services particularly to small BAs, TOPs and GOs and foster technological innovation in the Western Interconnection.
 - WIRAB will work with interested parties in the region to encourage the use and timely maintenance of accurate network models.
 - WIRAB will explore options to current training and audit programs to accelerate the use of best operating practices, including examining successful practices in other regions and industries. WIRAB will examine whether training should be funded under Section 215 and done across companies. WIRAB will examine potential changes to WECC audit procedures to promote sharing of best practices and collaboration among companies in sharing information and relying on one another's analyses.
 - WIRAB will continue to encourage practices by NERC and FERC that would make public the names of companies with confirmed non-CIP violations.
 - WIRAB will review and provide feedback to WECC on its annual survey of the practices of Registered Entities.
2. Investigate the implications of alternative grid operations structures on reliability and costs to consumers. This work will examine new grid operational structures, such as geographically-broad Balancing Authorities, consolidation of functions across multiple Balancing Authorities or Transmission Operators (e.g., measures such as an Energy Imbalance Market, the Northwest Power Pool MC's proposed Following Reserve Assistance Program), and closer operational coordination between the RCCo and Registered Entities (e.g., centrally managed models and tools).

C. Improved understanding of reliability implications of greater use of natural gas for power generation

Using information from a forthcoming study by the State-Provincial Steering Committee, WIRAB will examine the adequacy of the gas system to meet needs of the Western electricity

sector, including gas supplies to power plants to meet ramping requirements driven by changes in load and the output of variable generation.

- WIRAB will monitor actions at FERC, NERC, WECC and NAESB and in different regions of the country to improve coordination at the interface of the natural gas and electric industries.
- As appropriate, WIRAB will offer advice on actions to reduce outages due to gas supply disruptions.

D. Improved understanding of reliability issues by states/provinces:

It is important that state/provincial officials stay abreast of reliability-related developments. To meet this need, WIRAB will hold a series of webinars addressing topics, such as: *the future of funding under Section 215 of the Federal Power Act to advance reliability objectives; Critical Infrastructure Protection and NERC Cybersecurity Standards (CIP Version 5 and how it compares to Version 4); FERC Order No. 773 Approving NERC's Definition for the BES.*

As part of improving state/provincial understanding of grid reliability issues, WIRAB plans to examine existing, proposed and potential measures that show the Western Interconnection is doing either a “good,” “bad,” or “satisfactory” job in preventing cascading outages. WIRAB will examine the feasibility of using a number of quantitative desired end-state metrics that measure the reliability of the system. The work would build on WECC’s first “State of the Interconnection” report and similar work by NERC. The objective is metrics comparable to the quality-of-services benchmarks used for utilities (e.g., SAIFI (number of “blips”), SAIDI (duration of “blips”), restoration response, injuries and deaths, and at-fault customer service quality complaints). This could lead to a “reliability dashboard” to show the reliability performance of companies.

E. Other activities

- **Variable Generation**
 - WIRAB will evaluate whether WECC’s work on variable generation issues adds value to Western actions to lower the cost of integrating variable generation in a reliable manner.
 - WIRAB will examine the reliability benefits from the operation of a real-time Energy Imbalance Market.
 - WIRAB will consider potential advice to WECC, the RCCo, NERC and/or FERC on the functions WECC and the RCCo should be performing to adequately address the reliability challenges presented by variable generation.
- **Cybersecurity**
 - WIRAB will monitor and evaluate the impact of pending federal legislation.
 - WIRAB will assess NERC, WECC and RCCo implementation of any newly-enacted cyber legislation.

- **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.
- **Deployment of advanced grid monitoring and operating technologies.**
 - Building on the planned Fall 2013 Western Interconnection Transmission Technology Forum, WIRAB will identify and foster the use of advanced technologies in grid operations that will build on the expanding deployment of PMUs and development of tools to use synchrophaser data.

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 2012 WIRAB budget.
- Develop the 2015 proposed WIRAB business plan and budget.
- Execute annual audit of WIRAB finances.

III. Meetings and Technical Conferences

- Attend all WECC and RCCo Board meetings.
- Attend WECC and RCCo committee and subcommittee meetings on germane issues.
- Attend WECC and RCCo 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.

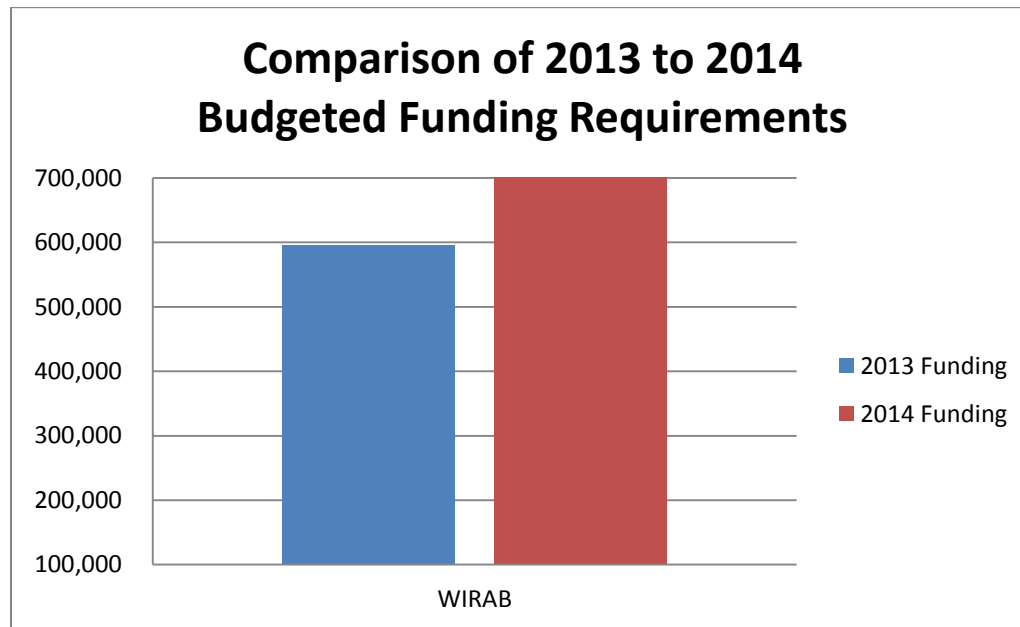
2014 Overview of Cost Impacts

WIRAB's proposed 2014 budget is \$703,700, a notable increase from the 2013 budget. Total projected FTEs in 2014 are 2.85. Staffing and indirect costs will increase in 2014 for the following reasons.

- WIRAB will be monitoring and potentially offering advice on the two organizations, WECC and the RCCo, rather than just one organization.
- Changes that may be initiated by the independent boards of WECC and the RCCo will require monitoring and evaluation by WIRAB.
- WIRAB will be delving more deeply into actions the RCCo, WECC and the industry are taking to rectify the deficiencies in grid operations highlighted by the September 8, 2011 outage.
- WIRAB will be considering ways to improve the analysis of the reliability implications of future scenarios evaluated in WECC studies of needed transmission expansion.
- WIRAB will be examining the reliability impacts of reforms to lower the cost of integrating variable generation and increase system efficiencies, such as establishment of a California ISO/PacifiCorp energy imbalance market and development of new practices in reserve sharing to accommodate the integration of large amounts of variable generation (e.g., Northwest Power Pool MC's Following Reserve Assistance Program field trial).

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 \$40,000 due to the need for both staff and states to attend some meetings of both WECC and the new RCCo. Meeting costs will be slightly higher than in the 2013 budget while WIRAB will continue to hold two in-person meetings per year. Wherever feasible, WIRAB meetings will be coordinated with other meeting of Western states and provinces. A working capital reserve of \$100,000 will be maintained.

Base Operating Budget	Budget 2013	Projection 2013	Budget 2014	Change	
				2014 Budget v 2013 Budget	% Change
Western Interconnection Regional Advisory Body	595,180	525,800	703,700	108,520	18.2%
TOTAL	595,180	525,800	703,700	108,520	18.2%
Working Capital Reserve	(59,688)	9,492	(114,792)	(55,104)	
Total Funding	535,492	535,292	588,908	53,416	10.0%



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 2013	Projection 2013	Direct FTEs 2014 Budget	Shared FTEs 2014 Budget	Total FTEs 2014 Budget	Change from 2013 Budget
STATUTORY						
Operational Programs						
WIRAB	2.75	2.30	2.85		2.85	0.10
Total FTEs Operational Programs	2.75	2.30	2.85	-	2.85	0.10
Administrative Programs						
WIRAB (included in indirect expense)	-	-	-	-	-	-
Total FTEs Administrative Programs	-	-	-	-	-	-
Total FTEs	2.75	2.30	2.85	-	2.85	0.10

2013 Budget and Projection and 2014 Budget Comparisons

WIRAB - Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2013 Budget & Projection, and 2014 Budget					
STATUTORY					
	2013	2013	Variance	Draft	Variance
	Budget	Projection	2012 Projection	2014	2014 Budget
			v 2012 Budget	Budget	v 2013 Budget
			Over(Under)		Over(Under)
Funding					
ERO Funding					
NERC Assessments	\$ 534,692	\$ 534,692	\$ -	588,408	\$ 53,716
Penalty Sanctions	-	-	-	-	-
Total NERC Funding	\$ 534,692	\$ 534,692	\$ -	\$ 588,408	\$ 53,716
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	800	600	\$ (200)	500	\$ (300)
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 535,492	\$ 535,292	\$ (200)	\$ 588,908	\$ 53,416
Expenses					
Personnel Expenses					
Salaries	\$ 245,900	\$ 210,000	\$ (35,900)	\$ 260,000	\$ 14,100
Payroll Taxes	-	-	-	-	-
Benefits	-	-	-	-	-
Retirement Costs	-	-	-	-	-
Total Personnel Expenses	\$ 245,900	\$ 210,000	\$ (35,900)	\$ 260,000	\$ 14,100
Meeting Expenses					
Meetings	\$ 10,000	\$ 10,000	\$ -	\$ 12,000	\$ 2,000
Travel	27,000	27,000	-	40,000	\$ 13,000
Conference Calls	2,200	2,200	-	2,500	\$ 300
Total Meeting Expenses	\$ 39,200	\$ 39,200	\$ -	\$ 54,500	\$ 15,300
Operating Expenses					
Consultants & Contracts	\$ 75,000	\$ 75,000	\$ -	\$ 150,000	\$ 75,000
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ 75,000	\$ 75,000	\$ -	\$ 150,000	\$ 75,000
Total Direct Expenses	\$ 360,100	\$ 324,200	\$ (35,900)	\$ 464,500	\$ 104,400
Indirect Expenses	\$ 235,080	\$ 201,600	\$ (33,480)	\$ 239,200	\$ 4,120
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 595,180	\$ 525,800	\$ (69,380)	\$ 703,700	\$ 108,520
Change in Assets	\$ (59,688)	\$ 9,492	\$ 69,180	\$ (114,792)	\$ (55,104)
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)	\$ 595,180	\$ 525,800	\$ (69,380)	\$ 703,700	\$ 108,520
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (59,688)	\$ 9,492	\$ 69,180	\$ (114,792)	\$ (55,104)
FTEs	2.75	2.30	-	2.85	-

Section A – Statutory Programs 2014 Business Plan and Budget



Section A — 2014 Business Plan

Western Interconnection Regional Advisory Body

WIRAB (in whole dollars)			
	2013 Budget	2014 Budget	Increase (Decrease)
Total FTEs	2.75	2.85	0.10
Direct Expenses	\$ 360,100	\$ 464,500	\$ 104,400
Indirect Expenses	\$ 235,080	\$ 239,200	\$ 4,120
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ -	\$ -	\$ -
Total Funding Requirement	\$ 595,181	\$ 703,700	\$ 108,519

Program Scope and Functional Description

The 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.

WIRAB meetings are open to all. There are regular meetings via web conferencing and topical webinars. In 2014, 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 \$300 lower due to continued low interest rates and a reduction in the carry-over amount.

Personnel Expenses

- Total expenses for salaries will increase 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 21.

Meeting Expenses

- Travel costs will increase by \$13,000 due to the increased state and staff travel. There will continue to be two WIRAB meetings per year and some travel to WECC, the new RCo, and NERC and FERC meetings.
- Meeting expenses will increase (\$2,000). There will still be two meetings in 2013, and meeting costs are going up.
- Conference call expenses increase slightly (\$300).

Operating Expenses

- The budget includes \$150,000 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 salary expenses, so the costs will increase but the percentage will be lower.

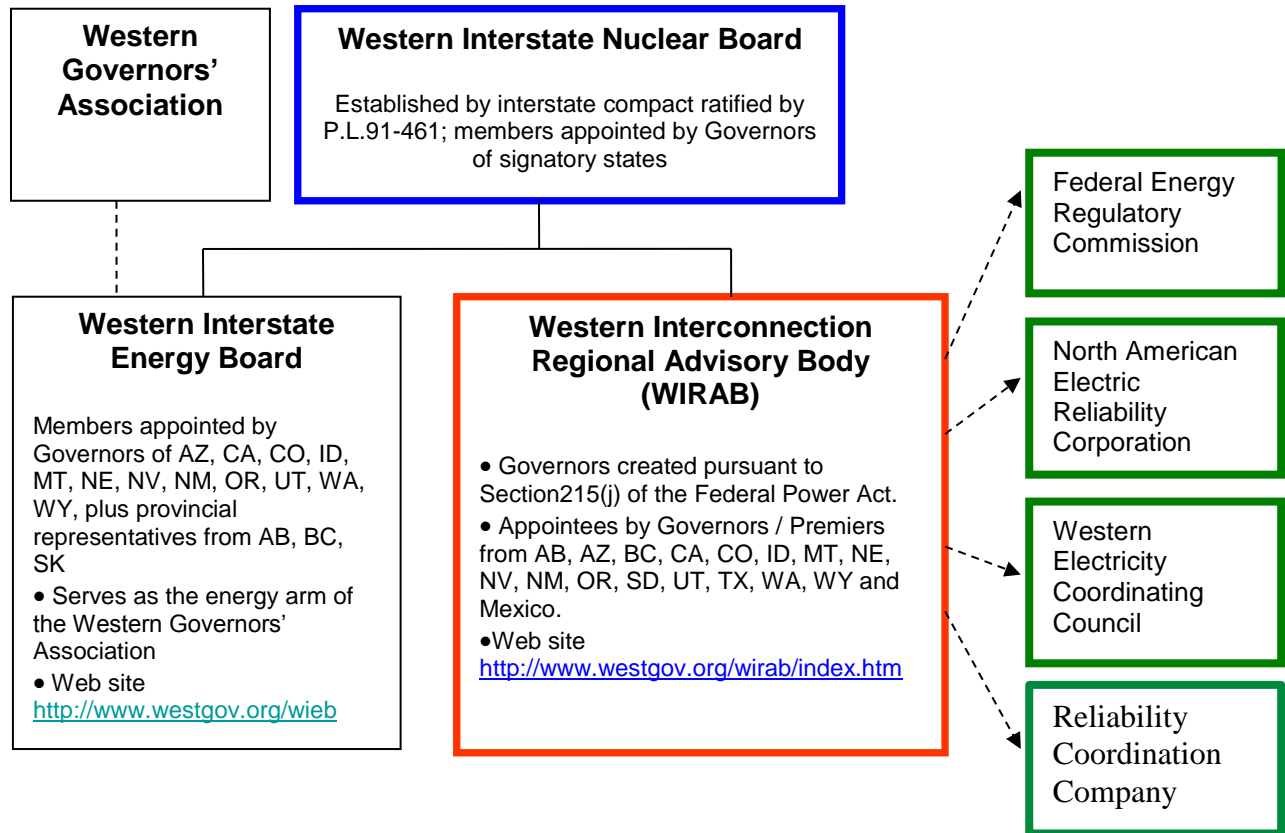
Other Non-Operating Expenses

- None

Fixed Asset Additions

- None

2014 Organizational Chart



Section B – Supplemental Financial Information 2014 Business Plan and Budget



Section B — Supplemental Financial Information

Reserve Balance

Table B-1

Working Capital Reserve Analysis 2013-2014	
STATUTORY	
Beginning Working Capital Reserve (Deficit), December 31, 2012	205,100
Plus: 2013 Funding (from LSEs or designees)	534,692
Plus: 2013 Other funding sources	800
Less: 2013 Projected expenses & capital expenditures	(525,800)
Projected Working Capital Reserve (Deficit), December 31, 2013	<u>214,792</u>
Desired Working Capital Reserve, December 31, 2014	¹ 100,000
Minus: Projected Working Capital Reserve, December 31, 2013	214,792
Increase(decrease) in funding requirement to achieve Working Capital Reserve	<u>(114,792)</u>
2014 Expenses and Capital Expenditures	703,700
Less: Penalty Sanctions ²	0
Less: Other Funding Sources	(500)
Adjustment to achieve desired Working Capital Reserve	(114,792)
2014 NERC Assessment	<u>588,408</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 2013 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 2013	Projection 2013	Budget 2014	Variance 2014 Budget v 2013 Budget	Variance %
Total Salaries	\$ 245,900	\$ 210,000	\$ 260,000	\$ 14,100	5.7%
Total Payroll Taxes	-	-	-	-	
Total Benefits	-	-	-	-	
Total Retirement	-	-	-	-	
Total Personnel Costs	\$ 245,900	\$ 210,000	\$ 260,000	\$ 14,100	5.7%
FTEs	2.75	2.30	2.85	0.10	3.6%
Cost per FTE					
Salaries	\$ 89,418	\$ 91,304	\$ 91,228	1,810	2.0%
Payroll Taxes	7,064	7,213	7,207	143	2.0%
Benefits	9,299	9,496	9,488	188	2.0%
Retirement	6,706	6,848	6,842	136	2.0%
Total Cost per FTE	\$ 112,488	\$ 114,861	\$ 114,765	\$ 2,277	2.0%

Explanation of Significant Variances – 2014 Budget versus 2013 Budget

With the expected bifurcation of WECC, there will be increased workload for WIRAB. There will be an additional staff person hired, who will work part-time on WIRAB issues.

Consultants and Contracts

See Table on page 13.

WIRAB is budgeting \$150,000 for consultants and contracts in 2014, an increase of \$75,000 from 2013. WIRAB will acquire technical consulting services related to deficiencies and best practices in operation of the grid by GOs, TOPs, BAs and the RC.

Section C – Non-Statutory Activities 2014 Business Plan and Budget



Section C — 2014 Non-Statutory Business Plan and Budget

None

**Section D – Additional Consolidated Financial
Statements
2014 Business Plan and Budget**



Section D

2012 Consolidated Statement of Activities by Program, Statutory and Non-Statutory

Statement of Financial Position

WIRAB Statement of Financial Position				
STATUTORY				
	As of December 31, 2012	As of December 31, 2013,	As of December 2014,	
	(per July 2011 -	projected	as budgeted	
	June 2012 audit)			
ASSETS				
Cash and Investments	\$ 205,100	\$ 214,792	\$ 100,000	
Total Assets	\$ 205,100	\$ 214,792	\$ 100,000	