



**Draft**  
**Meeting Minutes**  
**PJM Interconnection**  
**Finance Committee**  
**Hyatt Regency Chesapeake, MD**  
**May 17, 2011**  
**10:00 am to 11:30 am**

**Members Present:**

LAST NAME	FIRST NAME	COMPANY	SECTOR
Brodbeck	John	Shell Energy North America	Other Supplier
Bursaw	Chris	CP Energy Marketing (US) Inc	Other Supplier
Erdman	Brandon	PPL Electric Utilities Corporation	Electric Distributor
Horton	Dana	American Electric Power	Transmission Owner
Jablonski	James	Borough of Lavallette, New Jersey (T)	Electric Distributor
Mueller	Jeff	PSEG	Transmission Owner
Miller	Marguerite	HSBC Technology & Services	Transmission Owner
Orzel	Chris	NextEra Energy Power Marketing, LLC	Generation Owner
Richardson	Chip	PECO Energy Company	Transmission Owner
Schofield	Bill	Customized Energy Solutions	Electric Distributor
Siegrist	Hal	GenOn Energy Management, LLC	Generation Owner
Tatum	Ed	Old Dominion Electric Cooperative	Electric Distributor
Foster	Neel	PJM Interconnection, LLC Board of Managers	
William	Mayben	PJM Interconnection, LLC Board of Managers	
Daugherty	Suzanne	PJM Interconnection, LLC	Committee Chairperson
Snow	James	PJM Interconnection, LLC (T)	Committee Secretary
Anders	Dave	PJM Interconnection, LLC	
Drauschak	Lisa	PJM Interconnection, LLC (T)	

**Non-Members Present:**

LAST NAME	FIRST NAME	COMPANY	SECTOR
Bowring	Joseph	Monitoring Analytics (PJM Market Monitor)	
Barua	Raj	Organization of PJM States, Inc. (OPSI)	
Martin	Valerie	FERC	

**1. ADMINISTRATION**

March 22, 2011 meeting minutes – the minutes were approved as drafted.

## 2. MONITORING ANALYTICS (MA) 2010 AUDITED FINANCIAL STATEMENTS

The Committee was provided MA's audited 2010 financial statements and the opportunity to ask Dr. Bowring questions.

## 3. SCHEDULE 9-MMU

The Committee recommended the changes to Schedule 9-MMU as proposed for Members Committee consideration.

## 4. PRELIMINARY 2012 OPSI BUDGET

Mr. Barua reviewed the preliminary 2012 OPSI budget.

## 5. FIRST QUARTER 2011 UNAUDITED FINANCIAL STATEMENTS

Ms. Daugherty reviewed PJM's financial information for the three months ended March 31, 2011. Ms. Daugherty reviewed the balance sheet, deferred regulatory liability activity, income statement, statement of cash flows, and disclosure highlights from PJM's first quarter 2011 unaudited financial statements.

## 6. QUARTERLY FINANCIAL REVIEW

### A. First Quarter Financial Report

Ms. Daugherty reviewed PJM's financial results for the three months ended March 31, 2011 including:

- Revenues and expenses by Tariff Schedule 9 service category;
- Intercompany charges and credits;
- Actual vs. budget and forecast expense variances by major cost component;
- Actual vs. budget and forecast capital expenditure variances by major component;
- Trends in expenses by major cost component and staffing from the second quarter 2009 through first quarter 2011; and
- Year-to-date Deferred Regulatory Liability activity.

### B. AC2 – BCP project first quarter 2011 status

Ms. Daugherty reported on the AC2 program technology, site and facility, and personnel and workforce capability status. She reported that the AC2 capital spending projection is \$160 million as of the first quarter of 2011. Ms. Daugherty cited key accomplishments, project risks and planned mitigation steps. She noted that all but one of the AC<sup>2</sup> developed systems were placed into parallel operations on May 16<sup>th</sup>. These systems are planned to Go-Live in the third quarter of 2011.

## 7. 2011 FORECAST

Ms. Daugherty reviewed the current revenue, expenses, capital, and deferred regulatory liability forecasts for 2011.



**8. STATED RATES REVIEW**

Ms. Daugherty reviewed the current level of Stated Rates, projected revenues and costs through 2015, and PJM management's proposal for the reduction of Stated Rates. A conference call will be held in June to request Finance Committee recommendation of this proposal for the Members Committee.

**9. FINANCE COMMITTEE MEMBER REPRESENTATIVE TERM LENGTH**

The Committee discussed changing the current Finance Committee sector elected representatives two year term duration to three years. The Finance Committee members agreed to develop a recommendation for the Members Committee on this topic at the August 24, 2011 Finance Committee meeting.

**10. 2012 BUDGET REVIEW COORDINATION**

The Committee discussed a coordinated review by the Finance Committee elected representatives of the OPSI, MA, NERC and RFC budgeted expenses for 2012. The Committee decided to take no further action at this time.

**11. FUTURE AGENDA ITEMS**

No additional agenda items were requested at the May 17<sup>th</sup> meeting.

**12. FUTURE MEETING DATES - 2011**

June 2011	TBD	Conference Call
August 24, 2011	10 am – 3 pm (EDT)	PJM's Visitor Center, Valley Forge, PA
September 22, 2011	3 pm – 5pm (EDT)* *after the conclusion of MC meeting	Chas e Center, Wilmington, DE
October 26, 2011	3 pm to 4 pm (EDT)	Conference Call
November 22, 2011	2 pm to 4 pm	Conference Call



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