1. MINUTES FROM NOVEMBER 27TH FINANCE COMMITTEE TELECONFERENCE

The November 27th minutes were approved as drafted.

2. MONITORING ANALYTICS (MA) 2012 FINANCIAL REVIEW

Dr. Bowring reviewed MA’s financial information for 2012. MA will provide 2012 audited financial statements prior to the May Finance Committee (Committee) meeting and will be available to respond to questions from the Committee at the May meeting.
3. **NERC/RFC BUDGET PROCESS**

Mr. Walker reviewed the NERC and RFC process and schedule of events for development of the NERC and RFC 2014 budgets. Mr. Walker identified key milestones in the budget development process such as first NERC draft review on May 3rd, regional entities draft review on May 22nd, comments on budget first draft May 30th, and subsequent draft reviews throughout June and July. He informed the committee that these meetings are open and encouraged PJM members to attend. Mr. Walker also provided a website for accessing all financial materials for NERC and the regional entities, www.nerc.com/filez/finance.html.

4. **SCHEDULE 9-PJMSETTLEMENT**

Ms. Daugherty presented a proposal to change 9-PJMSettlement tariff language to correct the quarterly true-up calculation. The Committee endorsed the proposal with no objections and no abstentions.

5. **2012 FINANCIAL STATEMENTS**

Ms. Drauschak reviewed PJM’s financial information for the three and twelve months ended December 31, 2012. Ms. Drauschak reviewed the balance sheet, deferred regulatory liability activity, income statement, statement of cash flows, and disclosure highlights from PJM’s 2012 audited financial statements.

6. **FOURTH QUARTER FINANCIAL REVIEW**

Mr. Snow reviewed PJM’s financial results for the three and twelve months ended December 31, 2012 including:

- Revenues and expenses by Tariff Schedule 9 service category;
- Intercompany charges and credits;
- Actual vs. budget expense variances by major cost component;
- Actual vs. budget capital expenditure variances by major component;
- Trends in expenses by major cost component and staffing from the first quarter 2011 through fourth quarter 2012; and
- Year-to-date Deferred Regulatory Liability activity.

7. **FUTURE MEETINGS**

The Finance Committee will hold a meeting on May 14, 2013. Discussion at that meeting will include a review of the financial results from the first quarter of 2013 and OPSI’s preliminary 2014 budget.