MINUTES FROM NOVEMBER 26TH FINANCE COMMITTEE TELECONFERENCE

The November 26th minutes were approved as drafted.

2. MONITORING ANALYTICS (MA) 2013 FINANCIAL REVIEW

Dr. Bowring reviewed MA’s 2013 financial information and financial statements. MA will provide updated 2013 audited financial statements with additional footnote disclosures prior to the May Finance Committee (Committee) meeting and will be available to respond to questions from the Committee.

3. NERC/RFC BUDGET PROCESS

Ms. Turpen reviewed the NERC and RFC process and schedule of events for development of the NERC and RFC 2015 budgets. Ms. Turpen identified changes to the budget preparation and approval schedule implemented this year. She highlighted key milestones in the 2015 budget development process such as
first draft of the 2015 NERC and Regional Entities budget posted on NERC website on May 16th, NERC review of first draft on May 21st, Final 2015 draft posted on July 15th, review of the final draft on July 17th, Final budget posted on August 6th, NERC Board of Trustees meeting to discuss and seek approval of the 2015 budget, business plans and assessments. She informed the committee that these meetings are open and encouraged PJM members to attend. Ms. Turpen also provided a website for accessing all financial materials for NERC and the regional entities, www.nerc.com/.

4. **2013 FINANCIAL STATEMENTS**

Ms. Drauschak reviewed PJM’s financial information for the three and twelve months ended December 31, 2013. Ms. Drauschak reviewed the balance sheet, deferred regulatory liability activity, income statement, statement of cash flows, and disclosure highlights from PJM’s 2013 audited financial statements.

5. **FOURTH QUARTER FINANCIAL REVIEW**

Mr. Snow reviewed PJM’s financial results for the three and twelve months ended December 31, 2014 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 2012 through fourth quarter 2013; and
- Year-to-date Deferred Regulatory Liability activity.

6. **FUTURE MEETINGS**

The Finance Committee will hold a meeting on May 13, 2014. Discussion at that meeting will include a review of the financial results from the first quarter of 2014 and OPSI’s preliminary 2015 budget.