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filing provides the information the Commission directed be provided in the filing to be made within 30 days following the date of the June 19 Order. Those directives are found in PP 12, 42, 43, 44, 47, 48 and 54 of the June 19 Order.

## **II. NOTICES AND COMMUNICATIONS**

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## **III. RESPONSES TO 2008 ERO BUDGET ORDER – APRIL 1, 2008 ITEMS**

### **June 19 Order, P 12:**

12. The Commission is uncertain from SPP’s response whether it aggregates costs using the NERC System of Accounts or keeps a readily available reconciliation of its accounts with the NERC accounts. SPP states that costs are not necessarily isolated by specific account numbers and departments in the SPP general ledger. As costs are identified, SPP states that they are inserted into the NERC Treasurers Report in the appropriate expense category. However, SPP does not mention whether it has reconciled its account numbers with the NERC System of Accounts. Section 8(e) of the *pro forma* Delegation Agreement requires Regional Entities to follow NERC’s prescribed system of accounts. A reconciliation of SPP and NERC account numbers is essential to ensure that SPP’s accounting has properly reported income, revenue and expenses according to the NERC System of Accounts. This is especially critical due to the sizeable non-statutory activities reported by SPP. Accordingly, the Commission directs NERC to submit, within 30 days from the date of this order, a statement from SPP explaining whether it reconciled its accounts and income, revenue and expenses with the NERC System of Accounts and, if so, how it performed such reconciliation.

**NERC – SPP Response:**

SPP has not performed a reconciliation of its accounts and its income, revenues and expenses for 2007 with the NERC System of Accounts. Pursuant to §8(h) of the NERC-SPP Delegation Agreement, SPP is required by NERC to report quarterly unaudited financial information to NERC on the NERC Statement of Activities (formerly called the Treasurer's Report), using the format provided on the NERC form. Although SPP does not record its income, revenue and expenses using the NERC System of Accounts, SPP is able, as the result of its time and expense tracking and allocation procedures (described in Attachment 9 to the April 1 Compliance Filing), which provide for the direct charging or allocation of expenses to statutory programs or non-statutory activities, to identify the income and expense items and amounts that are to be reported on the NERC Statement of Activities.

**June 19 Order, P 42:**

42. NPCC's true-up statement provides explanations for summary items without distinguishing between statutory and non-statutory expenses. NPCC states that its statutory and non-statutory costs for professional services exceeded its budget by \$344,175, of which \$260,265, or 75 percent, was charged to statutory activities. NPCC states that this over-budget variance is due to its reorganization activities. It is not clear why NPCC charged such a large portion of its reorganization costs to its statutory activities. The Commission therefore directs NERC to file a statement from NPCC, within 30 days from the date of this order, supporting NPCC's allocation of reorganization costs to statutory activities.

**NERC – NPCC Response:**

NPCC allocated professional services costs for the 2007 merger and reorganization entirely to statutory activities for the following reason: NPCC originally formed a separate corporation to conduct Regional Entity activities in the expectation and belief that the separate corporate structure would be necessary and appropriate to properly maintain separation of

statutory Regional Entity activities from non-statutory activities (Criteria Services).<sup>4</sup> However, the Commission's April 19, 2007 Order initially approving NERC's proposed delegation agreements with Regional Entities accepted other entities as Regional Entities performing statutory and non-statutory activities within a single corporation, with appropriate internal separation of statutory and non-statutory activities, and the related delegation agreements.<sup>5</sup> NPCC recognized that performing both statutory Regional Entity activities and non-statutory Criteria Services within a single corporation with divisional separation would be a more efficient and cost-effective approach than maintaining two separate corporations. Therefore, on August 1, 2007 the two corporations were merged into one, NPCC, Inc., with divisional separation of the statutory Regional Entity and non-statutory Criteria Services activities. Since both the original formation of a separate Regional Entity corporation and the subsequent merger and reorganization back into a single corporation with divisions were intended to carry out the statutory purposes of the Regional Entity functions in a proper (*i.e.*, appropriately separated from non-statutory activities), efficient and cost-effective manner, NPCC concluded that it was appropriate to record the 2007 professional services costs incurred to implement the merger and reorganization to statutory activities.

**June 19 Order, P 43:**

43. FRCC reports that its statutory personnel expenses were over budget by \$144,000 at year end. FRCC states that this variance was due in part to its decision to buy out sick pay benefits from its employees. However, FRCC has not identified the amount paid for this buy out or the time period during which these benefits were earned. The Commission therefore directs NERC

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<sup>4</sup> Specifically, the Northeast Power Coordinating Council originally formed separate corporations, NPCC Cross Border Regional Entity, Inc. and NPCC Inc., to carry out statutory Regional Entity and non-statutory (Criteria Services) activities, respectively.

<sup>5</sup> *Order Accepting ERO Compliance Filing, Accepting ERO/Regional Entity Delegation Agreements, and Accepting Regional Entity 2007 Business Plans*, 119 FERC ¶ 61,060 (2007).

to file additional information from FRCC, within 30 days from the date of this order, identifying the amount paid and the time period in which the benefits were earned. Based on the submission, the Commission believes that to the extent any of these benefits were earned prior to FRCC becoming a Regional Entity, FRCC must reimburse those statutory funds used to buy out the benefits.

**NERC – FRCC Response:**

The references in the FRCC reconciliation in the April 1 Compliance Filing to a buy out of sick pay benefits may have been misleading, as the Commission may have construed it to have been payments to FRCC employees for accumulated unused sick days for which the employees otherwise would have been entitled to payment upon retirement, terminating employment with FRCC or at some other future date – a common employment policy. In fact, what transpired was that in June 2007, FRCC revised its policy concerning sick days to one, to be effective prospectively, that was somewhat less generous than the previous policy. This change in sick days policy had no impact on FRCC employees hired after the date of the change in policy; however, from the perspective of a FRCC employee hired prior to the date of the change in policy, the change could be perceived as a prospective reduction in an employment benefit from the benefits package in place when the employee was originally hired. FRCC determined that as a matter of fairness to and maintaining good relations with these incumbent employees, it would make one time payments to them in recognition of what could be perceived as a prospective reduction in their benefits package. These payments also secured releases from the affected employees for any claims they theoretically could have had due to the perceived reduction in their benefits packages. These payments were made to the affected employees on December 28, 2007. As reported in the FRCC Attachment (Attachment 4) to the April 1 Compliance Filing, a portion of these payments was charged to statutory expenses and a portion was charged to non-statutory expenses.

Because the payments were not consideration to employees to relinquish a benefit or entitlement (*e.g.*, the right to be paid for accumulated unused sick days) that had been accumulated over time periods prior to FRCC's commencement of delegated statutory Regional Entity activities (*i.e.*, 2007), but rather were payments in recognition of a prospective reduction in benefits for these employees, no part of the payments are attributable to years prior to the year in which FRCC became a Regional Entity and commenced delegated statutory activities. Further, the employees who received these payments did not "earn" them until 2007, when the sick days policy was changed prospectively. For these reasons, the portion of these payments charged to statutory activities is correctly reflected on the grounds that the payments related to obligations incurred by FRCC in the year 2007, and therefore FRCC should not be required to reimburse any portion of these payments to statutory funding.

**June 19 Order, P 44:**

44. RFC reports that general and administrative salaries are \$98,601 over budget due to an error of not accounting for multiple years of long-term incentives. RFC's reference to multiple years of long-term incentive indicates that this expense pre-dates RFC's role as a Regional Entity. It appears that only the portion of the error that is attributable to 2007 pay roll should be deemed statutory. However, RFC's explanation for this variance lacked sufficient detail to properly evaluate this variance. We therefore direct NERC to file additional information from RFC, within 30 days from the date of this order, providing further details on this error by year. Based on the information provided to date, we believe that to the extent any of these payments are the result of errors that pre-date RFC's function as a Reliability Entity, RFC must refund those amounts to its statutory funding for 2007.

**NERC – ReliabilityFirst Response:**

Of the total amount of \$98,601 by which ReliabilityFirst's administrative and general salaries were over budget in 2007, approximately \$85,000 represents an accrual for a long-term incentive for senior management that was not included in the 2006 or 2007 budget and for which an accrual was not recorded in 2006, due to an oversight by the accounting staff. Approximately



\$45,000 of the accrual relates to 2007 and approximately \$40,000 represents an increase in the 2007 accrual that should have been recorded in 2006.

The long-term incentive represents a portion of the total compensation package for senior management that will not be vested until 2009. Therefore, *ReliabilityFirst's* obligation to make any payments to management employees for this long-term incentive will not occur unless and until vesting occurs in 2009; the management employees must remain employed by *ReliabilityFirst* into at least 2009 in order to be entitled to payments under the long-term incentive program. The accrual recorded in 2007 is a non-cash expense for 2007. It does not represent any payments made which predate the commencement of *ReliabilityFirst's* status as a Regional Entity engaging in delegated statutory functions, but rather is an accrual for payments that may need to be made at a future date subsequent to when *ReliabilityFirst* was designated a Regional Entity and began to engage in delegated statutory activities.

In addition, as reported below in response to P 48, *ReliabilityFirst* began 2007 (its first year of operation as a Regional Entity) with a Net Funding Reserve of \$1,254,641. *ReliabilityFirst* also commenced its statutory, Regional Entity activities in 2007 using physical assets (*e.g.*, office furnishings and fixtures, computer hardware and software, etc.) that it acquired prior to being designated a Regional Entity. These beginning funding reserves and physical assets were acquired or accumulated during the period that *ReliabilityFirst* (and its predecessor organizations) operated as regional reliability organizations and were largely funded by assessments to their industry members; they were not funded by mandatory assessments to load-serving entities under the authority of §215 of the Federal Power Act and 18 C.F.R. §39.4. Just as *ReliabilityFirst* carried reserves and physical assets forward from the pre-Regional Entity period, it also necessarily carried liabilities and obligations forward as well. To the extent the

portion of the 2007 accrual that should have been recorded in 2006 (approximately \$40,000) is viewed as a liability or obligation incurred by *ReliabilityFirst* prior to becoming a Regional Entity (which it should not be for the reasons stated above), it should be weighed against the fact that *ReliabilityFirst* commenced operations as a Regional Entity with funding reserves and physical assets whose value far exceeded the amount of this “liability” and which were not financed or paid for by statutory revenues (*i.e.*, mandatory assessments to load-serving entities pursuant to FPA §215 and 18 C.F.R. §39.4).

For these reasons, *ReliabilityFirst* should not be required to charge any portion of the 2007 accrual of \$85,000 for the long-term management incentive to non-statutory activities or to refund any portion of the accrual to statutory funding.

**June 19 Order, P 47:**

47. Under its general and administrative function, WECC reports that it spent \$37,221 on consultants for a database project, which it budgeted in 2006 and completed in 2007. WECC reports that it did not budget for this cost in 2007. However, WECC has not provided enough information to demonstrate that this database is an appropriate statutory activity meriting use of statutory funds. The Commission, therefore, directs NERC to file additional information from WECC, within 30 days from the date of this order, explaining and supporting this expenditure. To the extent that this database does not serve an approved statutory function, WECC must reimburse the statutory funding used to cover its costs.

**NERC – WECC Response:**

Only \$14,955 (item 1 below) of the \$37,221 in consultant expenses was for a database project. The \$37,221 is comprised of the following items:

1. WREGIS (Western Renewable Energy Generation Information System) start-up expenses - \$14,955. WREGIS is a database system to record and track renewable energy credits, and is recognized by NERC and WECC as a non-statutory activity. The \$14,955 amount (which is also the subject of P 54 of the June 19 Order, discussed below) consists almost entirely of charges for work done by several consultants that were not reimbursed to WREGIS by the

California Energy Commission (“CEC”), the funding source for WREGIS, on one of the following grounds: (i) the work was done either before or after the period the relevant consulting contract was in effect; or (ii) the expenses charged exceeded the CEC’s standard reimbursement rates. A small portion of the amount (approximately \$300) was for expedite fees charged by the CEC to expedite reimbursements to WREGIS due to WREGIS’ slow cash flow. Reimbursement of this \$14,955 of non-statutory expenses is discussed in the response to P 54 of the June 19 Order, below.

2. Participation in the NERC Functional Model Working Group - \$11,878. WECC retained a consultant to act as WECC’s representative on (and to serve as Vice-Chair of) the NERC Functional Model Working Group (“FMWG”). In this role, the consultant attended and participated in all meetings and required coordination of the FMWG, under the supervision of WECC’s Director of Standards. The activities of the NERC FMWG support the statutory activities of Reliability Standard Development and Organization Registration and Certification. The FMWG is responsible to maintain the NERC Reliability Functional Model, and its scope includes reviewing Standards Authorization Requests and draft Reliability Standards for consistency with the NERC Functional Model, proposing revisions to the Functional Model as necessary, reviewing revisions to the Functional Model proposed by others for consistency with existing Reliability Standards, conducting industry comment periods for proposed revisions to the Functional Model, presenting revisions to the Functional Model to NERC standing committees for discussion and approval, submitting standing committee-approved revisions to the Functional Model to the NERC Board of Trustees for adoption, and answering questions about, and conducting or providing assistance for workshops that explain, the Functional Model. Therefore, this \$11,878 of consultant expense was appropriately recorded as a statutory expense.

3. Miscellaneous administrative services - \$10,388. The remainder of the consultant expense consisted of services for a human resources salary survey (\$5,000); assistance in developing WECC's strategic plan (\$3,226); and services evaluating opportunities for improvement in WECC's accounting function (\$2,162). These consultant expenses were incurred to support WECC indirect administrative functions which in turn support its direct statutory activities, and therefore were appropriately recorded as statutory expenses.

**June 19 Oder, P 48:**

48. . . . We direct NERC to file a report to the Commission, within 30 days from the date of this order, listing the amount NERC and each Regional Entity had in their cash reserves prior to the commencement of 2007 activities, and the amount remaining at the end of the year. To the extent any Regional Entity has spent in excess of its reserve, NERC must explain how the Regional Entity funded those excess costs.

**NERC – Regional Entity Response:**

The schedules in **Attachment 1** to this filing are provided in response to P 48. **Attachment 1** consists of Schedule 1, which presents the development of the Net Funding Reserve or Deficit for NERC and each Regional Entity at December 31, 2006 and December 31, 2007; and supporting Schedules 2 for NERC and 3 through 10 for the individual Regional Entities.

On Schedule 1, Column 1 shows the balance of Cash and Cash Equivalents as reported on the GAAP balance sheets of NERC and each Regional Entity at December 31, 2006. However, the Cash and Cash Equivalents balances of the entities at December 31, 2006 are not appropriate measures of their reserves at that date, because these balances (i) include 2007 revenues collected in 2006 (*e.g.*, statutory assessments for 2007 that were collected prior to January 1, 2007 but must be recorded as 2007 revenues) and (2) deferrals of certain expenses payable in 2007.

Columns 2 and 3 of Schedule 1 show, respectively, the statutory and non-statutory Net Funding Reserves (Deficits) of NERC and six of the Regional Entity at December 31, 2006.<sup>6</sup> The Net Funding Reserve (Deficit) is a more appropriate representation of the entity's reserve position at that date. The non-statutory Net Funding Reserve (Deficit) of each entity at December 31, 2006, is its Cash and Cash Equivalents balance at that date plus Other Current Assets and less Current Liabilities.<sup>7</sup> The entire Net Funding Reserve (Deficit) of each entity at December 31, 2006 is presented as non-statutory, and the statutory Net Funding Reserve (Deficit) of each entity at December 31, 2006 is presented as zero, because the entities' Net Funding Reserves (Deficits) at that date were solely the result of their historic funding and activities and did not reflect receipt of statutory funding through assessments to load-serving entities, which commenced in 2007.

Columns 4 and 5 show the Change in Net Assets for NERC and each Regional Entity during 2007. The Change in Net Assets is shown for statutory activities and for non-statutory activities (the latter for those entities that engaged in non-statutory activities.<sup>8</sup>) The statutory

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<sup>6</sup> Net Funding Reserves (Deficits) at December 31, 2006 could not be developed for the Regional Entities SPP or Texas RE because they are not separate legal entities from SPP, Inc. and ERCOT, respectively, and did not have separate financial reporting at that date.

<sup>7</sup> See page 1 of the supporting Schedules 2 through 10 for each entity. Other Current Assets include prepaid expenses, advances to vendors, security deposits, and cash surrender values of insurance policies. Current Liabilities include deferred revenues (for NERC and the Regional Entities, primarily statutory assessments and other fees attributable to 2007 that were received during 2006), deferred compensation, accrued retirement liabilities payable in future years, and vacation accruals.

<sup>8</sup> NERC, ReliabilityFirst and SERC did not have non-statutory activities in 2007. In addition, MRO engaged in non-statutory activities in 2007, but its non-statutory activity consisted of providing legacy services to MAPPCOR pursuant to an arrangement under which MRO is reimbursed for its actual costs incurred in providing the services; therefore, MRO's non-statutory Expenses equaled its non-statutory Income, resulting in a zero Change in Net Assets for non-statutory activities (see page 2 of Schedule 4). Further, MRO will terminate its non-statutory

Change in Net Assets for each entity is its statutory Income less its statutory Expenses. The non-statutory Change in Net Assets for each entity is its non-statutory Income less its non-statutory Expenses. Page 2 of each of Schedules 2 through 10 provide, for NERC and each of the eight Regional Entities, the entity's 2007 income statement showing its statutory and (if applicable) non-statutory Income and Expenses.<sup>9</sup> Column 4 shows that for 2007, statutory Income exceeded statutory Expenses – resulting in an increase in statutory Net Assets – for NERC and for each Regional Entity except SPP and WECC.

Columns 6 and 7 of Schedule 1 show statutory and non-statutory GAAP Adjustments to the 2007 Income and/or Expenses – and therefore to the 2007 Change in Net Assets – for each entity, where applicable. Page 1 of each of Schedules 2 through 10 shows details of the GAAP Adjustments (if any) for each entity.

Columns 8 and 9 of Schedule 1 show the statutory and non-statutory Net Funding Reserve (Deficit) for NERC and each Regional Entity at December 31, 2007. The Net Funding Reserve (Deficit) of an entity at December 31, 2007, is its Net Funding Reserve (Deficit) at

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activity by the end of 2008. Accordingly, the analysis on Schedule 1 treats MRO's entire Change in Net Assets for 2007 as statutory.

<sup>9</sup> Schedules 2 through 10, and the Change in Net Assets information on Schedule 1, are based on the audited 2007 financial statements of NERC and the Regional Entities. Therefore, the 2007 income and expense figures presented on these schedules are different from the 2007 income and expense figures provided for most of the entities in the April 1 Compliance Filing, since audited financial statements were not yet available at that time for most of the entities. Since audited financial statements for 2007 are now available, NERC and the Regional Entities concluded the information from the audited financials should be used for this analysis rather than the unaudited financial information reported in the April 1 Compliance Filing. In P 40 of the June 19 Order, the Commission directed NERC and the Regional Entities to file as part of their annual budget filing an exhibit showing and supporting any changes from the unaudited financial information reported in the budget-to-actual reconciliations submitted in the April 1 Compliance Filing to the audited financial results. NERC and the Regional Entities will include a detailed presentation of such true-ups and adjustments in their business plan and budget filing for 2009, which is to be filed on or before August 24, 2008.

December 31, 2006, plus its Change in Net Assets for 2007, plus (or minus) its 2007 GAAP Adjustments. For the entities that did not have non-statutory activities in 2007 (NERC, ReliabilityFirst and SERC), the non-statutory Net Funding Reserve (Deficit) in December 31, 2006 became the entity's statutory Net Funding Reserve (Deficit) at January 1, 2007.<sup>10</sup> For the other Regional Entities, the statutory and non-statutory Net Funding Reserves (Deficits) at December 31, 2006 were carried forward in these respective categories to December 31, 2007.

Finally, Column 10 of Schedule 1 shows the Cash and Cash Equivalents balance of NERC and each Regional Entity at December 31, 2007, per its GAAP balance sheet. As shown on page 1 of each of Schedules 2 through 10, the Cash and Cash Equivalents balance of each entity at December 31, 2007 is equal to its Net Funding Reserve (Deficit) plus Current Liabilities and less Other Current Assets.

Schedule 1 shows that NERC and the Regional Entities had positive statutory Changes in Net Assets and statutory Net Funding Reserves at December 31, 2007, with the exception of SPP and WECC. However, WECC had a non-statutory Net Funding Reserve at December 31, 2007 of \$5,043,445, which far exceeded its statutory 2007 Change in Net Assets of \$(875,648) and statutory Net Funding Deficit of \$875,648 at December 31, 2007. Therefore, Schedule 1 shows that WECC effectively funded its excess of 2007 statutory Expenses over statutory Income from its non-statutory Net Funding Reserve.

Schedule 1 shows that at December 31, 2007, SPP had a statutory Net Funding Deficit of \$438,754, all of which was attributable to SPP's excess of statutory Expenses over statutory

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<sup>10</sup> In addition, as noted above, MRO had non-statutory activities (provision of services to MAPPCOR) in 2007 but its non-statutory Expenses equaled its non-statutory Income and it will be terminating its non-statutory activities by the end of 2008. Therefore, MRO's Net Funding Deficit at December 31, 2006 has been treated as 100% statutory for purposes of calculating MRO's Net Funding Reserve (Deficit) at December 31, 2007.

Income during 2007 of \$438,754. On a cash basis, SPP is able to fund shortfalls in its statutory (Regional Entity) funding through its operating cash balances, and also has access to liquidity through a bank credit facility. SPP has used these options to address shortfalls in funding for its statutory Regional Entity activities. On a balance sheet basis, SPP expects to reduce and eliminate its statutory Net Funding Deficit at December 31, 2007 during the 2009 calendar year and future years through statutory Income exceeding statutory Expenses.<sup>11</sup>

**June 19 Order, P 54:**

54. The Commission is concerned regarding one instance in which it appears that a Regional Entity used statutory funding for non-statutory costs. The true-up filing indicates that WECC failed to reimburse funds related to the WREGIS start up activities to its statutory accounts. Moreover, WECC has not provided sufficient detail on the time and manner of the reimbursement expected from WREGIS. Accordingly, we direct NERC to file with the Commission, within 30 days of the date of this order, either a statement from WECC that WREGIS has reimbursed these funds to WECC or a detailed plan on how and when WREGIS will reimburse these funds to WECC.

**NERC – WECC Response:**

As stated in the response to P 47, above, the amount of expense that WECC paid on behalf of WREGIS in 2007 was \$14,955 in consultant charges. WECC originally intended to provide for reimbursement of this amount through future WREGIS revenues. However, the flow of WREGIS revenues is somewhat erratic and therefore WREGIS was unable to predict a definite date by which, or timetable on which, this amount of revenues would be received and available to reimburse WECC for the \$14,955 of consultant expense. Therefore, WECC reimbursed this expense as of June 30, 2008 out of non-statutory funds, by re-allocating \$14,955 from statutory consultant expenses to non-statutory consultant expenses. As shown by the analysis and schedules provided in response to P 48, at December 31, 2007, WECC had a non-

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<sup>11</sup> The statutory Net Funding Deficit of \$438,754 at December 31, 2007 is recorded on SPP's balance sheet as a long-term unbilled balance.



statutory Net Funding Reserve in excess of \$5 million, which was obviously more than sufficient to accommodate the \$14,955 transfer. WECC expects to be reimbursed by WREGIS as WREGIS' cash flow permits, but no specific timetable has been established.

#### **IV. CONCLUSION**

The North American Electric Reliability Corporation respectfully requests that the Commission accept this filing and Attachments as compliance with PP 12, 42, 43, 44, 47, 48 and 54 of the June 19 Order.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Chicago, Illinois this 21st day of July, 2008.

/s/ Owen E. MacBride  
Owen E. MacBride

*Attorney for North American Electric  
Reliability Corporation*

# **ATTACHMENT 1**

## **SCHEDULE 1**

	Cash Balance per GAAP Financials	Net Funding Reserve (Deficit)		Change in Net Assets		Adjustments from GAAP to Statement of Activities (Cash Basis) and other Balance Sheet adjustments impacting the Net Funding Reserve		Net Funding Reserve (Deficit)		Cash Balance per GAAP Financials
		Statutory	Non-Statutory	Statutory	Non-Statutory	Statutory	Non-Statutory	Statutory	Non-Statutory	
		1 12/31/2006	2 12/31/2006	3 12/31/2006	4 12/31/2007	5 12/31/2007	6 12/31/2007	7 12/31/2007	8 12/31/2007	
NERC	\$ 4,830,467	\$ -	\$ (676,307)	\$ 1,046,155		\$ 189,331		\$ 559,179	\$ -	\$ 8,532,029
FRCC	\$ 615,799		\$ (474,719)	\$ 246,617	\$ (121,034)		\$ 810,161	\$ 246,617	\$ 214,408	\$ 924,056
MRO	\$ 112,114	\$ -	\$ (666,540)	\$ 628,335		\$ 147,649		\$ 109,443	\$ -	\$ 590,521
NPCC	\$ 76,907	\$ -	\$ 1,335,983	\$ 284,735	\$ 149,462		\$ 95,462	\$ 284,735	\$ 1,580,907	\$ 44,543
RFC	\$ 3,658,719	\$ -	\$ 1,254,641	\$ 2,497,880				\$ 3,752,521	\$ -	\$ 4,685,261
SERC	\$ 422,823	\$ -	\$ 422,823	\$ 582,394				\$ 1,005,217	\$ -	\$ 1,005,217
TRE				\$ 3,290,858	\$ 60,997	\$ (38,837)		\$ 3,252,021	\$ 60,997	\$ 3,348,655
SPP	\$ 12,512,000			\$ (438,754)	\$ 1,659,780			\$ (438,754)	\$ 1,659,780	\$ 33,779,000
WECC	\$ 5,149,318	\$ -	\$ 4,234,711	\$ (875,648)	\$ 808,734			\$ (875,648)	\$ 5,043,445	\$ 2,851,512

**SCHEDULE 2**

**SUPPORTING SCHEDULES FOR NERC**



**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION**  
**Statement of Activities**  
**From 1/1/2007 through 12/31/2007**  
**Audited**

(In Whole Dollars)

	<b>2007 Actual per Audit</b>
Funding	
Assessments	22,487,331
Forum Membership Fees	70,000
Testing	664,564
Services & Software	298,488
Interest	198,140
Misc.	1,679
Total Funding	23,720,201
Expenses	
Personnel Expenses	
Salaries	9,874,787
Payroll Taxes	583,950
Employee Benefits	1,121,364
Savings & Retirement	990,861
Total Personnel Expenses	12,570,962
Meeting Expenses	
Meetings	1,009,087
Travel	1,595,039
Conference Calls	121,435
Total Meeting Expenses	2,725,561
Operating Expenses	
Rent & Improvements	841,132
Contracts	2,457,074
Consultants	1,394,561
Office Costs	840,289
Professional Services	1,175,017
Computer Purchase & Maint.	470,502
Furniture & Equipment	71,949
Total Operating Expenses	7,250,524
Bad Debt Expense	127,000
Total Expenses	22,674,046
Net Change in Assets	1,046,155

\*NERC had no Non-Statutory activities in 2007



**SCHEDULE 3**

**SUPPORTING SCHEDULES FOR  
FLORIDA RELIABILITY COORDINATING COUNCIL**

## Florida Reliability Coordinating Council

### Net Funding Reserve Analysis

	<u>31-Dec-07</u>	<u>31-Dec-06</u>
Unrestricted Net Assets (Deficit) per GAAP Financials	461,026	(474,719)
Net Change in Reserve, 2006 to 2007	935,745	
Total Change in Assets per P & L per Audit-Stat & Non-Stat	<u>125,587</u>	
	810,158	
<u>GAAP Adjustments to Statement of Activities</u>		
Adoption of SFAS 158	557,174	
Post Retirement Benefit gain	13,062	
Net Change in Property & Equip	239,922	
	<u>-</u>	
Net Funding Reserve (Deficit) - Statutory	246,618	0
Net Funding Reserve (Deficit) - NonStatutory	<u>214,408</u>	<u>(474,719)</u>
<b>Net Funding Reserve (Deficit)</b>	461,026	(474,719)

**Florida Reliability Coordinating Council, Inc.**  
**Statement of Activities**  
**From 1/1/2007 through 12/31/2007**  
**(Audited)**

*(In Whole Dollars)*

	PER AUDIT		
	TOTAL	Statutory	Non-Statutory
Funding			
Assessments	2,450,293	2,450,293	-
Membership Fees & Non-Stat Assessme:	2,566,459	-	2,566,459
Testing	-	-	-
Services & Software	322,897	-	322,897
Interest	10,925	10,925	-
Misc.	60,756	60,756	-
<b>Total Funding</b>	<b>5,411,330</b>	<b>2,521,974</b>	<b>2,889,356</b>
Expenses			
Personnel Expenses			
Salaries	1,995,710	1,148,931	846,779
Payroll Taxes	123,197	71,359	51,838
Employee Benefits	338,869	176,236	162,633
Savings & Retirement	214,800	123,616	91,184
<b>Total Personnel Expenses</b>	<b>2,672,576</b>	<b>1,520,142</b>	<b>1,152,434</b>
Meeting Expenses			
Meetings	102,759	84,346	18,413
Travel	101,564	72,818	28,746
Conference Calls	19,976	10,733	9,243
<b>Total Meeting Expenses</b>	<b>224,299</b>	<b>167,897</b>	<b>56,402</b>
Operating Expenses			
Rent & Improvements	249,928	119,295	130,633
Contracts	-	-	-
Consultants	1,061,350	107,574	953,776
Office Costs	545,735	44,043	501,692
Professional Services	179,352	136,437	42,915
Computer Purchase & Maint.	35,220	18,646	16,574
Furniture & Equipment	317,286	161,322	155,964
Miscellaneous	-	-	-
<b>Total Operating Expenses</b>	<b>2,388,871</b>	<b>587,317</b>	<b>1,801,554</b>
<b>Total Expenses</b>	<b>5,285,746</b>	<b>2,275,356</b>	<b>3,010,390</b>
<b>Net Change in Assets</b>	<b>125,584</b>	<b>246,618</b>	<b>(121,034)</b>

**SCHEDULE 4**

**SUPPORTING SCHEDULES FOR  
MIDWEST RELIABILITY ORGANIZATION**

**Midwest Reliability Organization****Net Funding Reserve Analysis**

	<u>31-Dec-07</u>	<u>31-Dec-06</u>
Ending Cash Balance per GAAP Financials	590,521	112,114
Plus: Other Current Assets	253,808	75,772
Less: Current Liabilities	(734,886)	(854,426)
Net Funding Reserve(Deficit)	109,443	(666,540)
Net Change in Reserve, 2006 to 2007	775,983	
Change in Assets per Statement of Activities per Audit	<u>628,334</u>	
	147,649	
<u>GAAP Adjustments to Statement of Activities</u>		
Post retirement benefits accrual - adoption of FASB 158	209,875	
<u>Balance Sheet Adjustments</u>		
Post retirement benefits accrued to Other Liabilities, without impact on the Net Funding Reserve(Deficit)	(209,875)	
Reclass Current Liability for Deferred Rent to Other Liabilities	(147,649)	
	<u>-</u>	
Net Funding Reserve (Deficit) - Statutory	109,443	0
Net Funding Reserve (Deficit) - NonStatutory	<u>-</u>	<u>(666,540)</u>
<b>Net Funding Reserve (Deficit)</b>	109,443	(666,540)

**Midwest Reliability Organization  
Statement of Activities  
From 1/1/2007 through 12/31/2007  
Audited**

(In Whole Dollars)

	<b>2007 Actual per Audit</b>		
	<b>TOTAL</b>	<b>Statutory</b>	<b>Non-Statutory</b>
<b>Funding</b>			
Assessments	5,021,588	5,021,588	
Forum Membership Fees	5,000	5,000	
Testing	-		
Services & Software	392,780		392,780
Interest	-		
Misc.	384,217	384,217	
<b>Total Funding</b>	<b>5,803,585</b>	<b>5,410,805</b>	<b>392,780</b>
<b>Expenses</b>			
<b>Personnel Expenses</b>			
Salaries	1,671,915	1,581,662	90,253
Payroll Taxes	133,668	126,457	7,211
Employee Benefits	284,265	269,112	15,153
Savings & Retirement	246,398	232,255	14,143
<b>Total Personnel Expenses</b>	<b>2,336,246</b>	<b>2,209,486</b>	<b>126,760</b>
<b>Meeting Expenses</b>			
Meetings	141,942	141,942	
Travel	379,291	379,291	
Conference Calls	58,005	58,005	
	<b>579,238</b>	<b>579,238</b>	<b>-</b>
<b>Operating Expenses</b>			
Rent & Improvements	147,646	147,646	
Contracts	-		
Consultants	1,080,924	949,412	131,512
Office Costs	452,618	318,108	134,508
Professional Services	277,778	277,778	
Computer Purchase & Maint.	300,801	300,801	-
Furniture & Equipment	-		
<b>Total Operating &amp; Meeting Expenses</b>	<b>2,259,767</b>	<b>1,993,746</b>	<b>266,020</b>
Bad Debt Expense	-	-	-
<b>Total Expenses</b>	<b>5,175,251</b>	<b>4,782,470</b>	<b>392,780</b>
<b>Net Change in Assets</b>	<b>628,334</b>	<b>628,335</b>	<b>-</b>

**SCHEDULE 5**

**SUPPORTING SCHEDULES FOR  
NORTHEAST POWER COORDINATING COUNCIL**

**Northeast Power Coordinating Council, Inc.**

**Net Funding Reserve Analysis**

	<u>31-Dec-07</u>	<u>31-Dec-06</u>
Ending Cash Balance per GAAP Financials	44,543	76,907
Plus: Other Current Assets	2,331,117	1,647,430
Less: Current Liabilities	<u>(510,018)</u>	<u>(388,354)</u>
Net Funding Reserve(Deficit)	1,865,642	1,335,983
Net Change in Reserve, 2006 to 2007	529,659	
Change in Assets per Statement of Activities per Audit	<u>434,197</u>	
	95,462	
<u>GAAP Adjustments to Statement of Activities</u>		
Pension accrual	<u>(95,462)</u>	
	-	
Net Funding Reserve (Deficit) - Statutory	284,735	0
Net Funding Reserve (Deficit) - NonStatutory	<u>1,580,907</u>	<u>1,335,983</u>
<b>Net Funding Reserve (Deficit)</b>	1,865,642	1,335,983



**NORTHEAST POWER COORDINATING COUNCIL, INC.**  
**Statement of Activities**  
**From 1/1/2007 through 12/31/2007**  
**Audited**

(In Whole Dollars)

	<b>2007 Actual per Audit</b>		
	<b>TOTAL</b>	<b>Statutory</b>	<b>Non-Statutory</b>
<b>Funding</b>			
Assessments	5,214,361	5,214,361	
ISO/BAA Membership Fees	2,153,034		2,153,034
Testing	-		
Services & Software	-		
Interest	143,853	102,136	41,717
Misc.	-		
<b>Total Funding</b>	<b>7,511,248</b>	<b>5,316,497</b>	<b>2,194,751</b>
<b>Expenses</b>			
<b>Personnel Expenses</b>			
Salaries	2,568,733	1,830,856	737,877
Payroll Taxes	149,179	105,917	43,262
Employee Benefits	486,041	345,089	140,952
Savings & Retirement	423,742	300,857	122,885
<b>Total Personnel Expenses</b>	<b>3,627,695</b>	<b>2,582,719</b>	<b>1,044,976</b>
<b>Meeting Expenses</b>			
Meetings	194,520	138,109	56,411
Travel	478,683	339,865	138,818
Conference Calls	40,524	28,772	11,752
<b>Total Meeting Expenses</b>	<b>713,727</b>	<b>506,746</b>	<b>206,981</b>
<b>Operating Expenses</b>			
Rent & Improvements	220,765	156,743	64,022
Contracts	822,887	584,250	238,637
Consultants	261,734	185,831	75,903
Office Costs	263,173	186,853	76,320
Professional Services	798,998	567,289	231,709
<b>Maint.</b>	95,104	67,524	27,580
Furniture & Equipment	-		
Miscellaneous	272,968	193,807	79,161
<b>Total Operating Expenses</b>	<b>2,735,629</b>	<b>1,942,297</b>	<b>793,332</b>
<b>Bad Debt Expense</b>	-		
<b>Total Expenses</b>	<b>7,077,051</b>	<b>5,031,762</b>	<b>2,045,289</b>
<b>Net Change in Assets</b>	<b>434,197</b>	<b>284,735</b>	<b>149,462</b>

**SCHEDULE 6**

**SUPPORTING SCHEDULES FOR  
RELIABILITYFIRST CORPORATION**



**Reliability First Corporation**  
Statement of Activities  
2007  
(Audited)

(In Whole Dollars)

	<b>2007 Actual per Audit</b>
Funding	
Assessments	9,372,472
Membership Fees & Non-Stat Assessments	
Testing	
Services & Software	
Interest	104,848
Investment	48,475
Misc.	2,250
Total Funding	9,528,045
Expenses	
Personnel Expenses	
Salaries	3,268,695
Payroll Taxes	207,011
Employee Benefits	314,064
Savings & Retirement	455,872
Total Personnel Expenses	4,245,642
Meeting Expenses	
Meetings	206,810
Travel	288,560
Conference Calls	116,216
Total Meeting Expenses	611,586
Operating Expenses	
Rent & Improvements	250,982
Contracts	209,520
Consultants	-
Office Costs	185,993
Professional Services	508,223
Computer Purchase & Maint.	426,530
Furniture & Equipment	88,361
Miscellaneous	503,330
Total Operating Expenses	2,172,937
Total Expenses	7,030,165
Net Change in Assets	2,497,880

\*RFC had no Non-Statutory activities in 2007

**SCHEDULE 7**

**SUPPORTING SCHEDULES FOR  
SERC RELIABILITY CORPORATION**

## SERC Reliability Corporation

### Net Funding Reserve Analysis

	<u>31-Dec-07</u>	<u>31-Dec-06</u>
Ending Cash Balance per GAAP Financials	1,005,217	422,823
Plus: Other Current Assets		
Less: Current Liabilities		
Net Funding Reserve(Deficit)	1,005,217	422,823
Net Change in Reserve, 2006 to 2007	582,394	
Change in Assets per Statement of Activities per Audit	<u>582,394</u>	
	-	
<u>Explanation of Difference</u>		
Net Funding Reserve (Deficit) - Statutory	1,005,217	
Net Funding Reserve (Deficit) - NonStatutory	<u>-</u>	<u>422,823</u>
<b>Net Funding Reserve (Deficit)</b>	<b>1,005,217</b>	<b>422,823</b>

**SERC Reliability Corporation**  
**Statement of Activities**  
**From 1/1/2007 through 12/31/2007**  
**Audited**

(In Whole Dollars)

	<b>2007 Actual per Audit</b>
Funding	
Assessments	5,518,555
Membership Fees	-
Workshops	182,450
Services & Software	-
Interest	37,315
Misc.	4,407
Total Funding	5,742,727
Expenses	
Personnel Expenses	
Salaries	2,556,025
Payroll Taxes	170,164
Employee Benefits	249,783
Savings & Retirement	64,827
Total Personnel Expenses	3,040,799
Meeting Expenses	
Meetings	339,335
Travel	310,859
Conference Calls	61,290
Total Meeting Expenses	711,484
Operating Expenses	
Rent & Improvements	60,780
Contracts	301,358
Consultants	577,805
Office Costs	158,017
Professional Services	114,998
Computer Purchase & Maint.	87,649
Furniture & Equipment	102,994
Miscellaneous	4,449
Total Operating Expenses	1,408,050
Bad Debt Expense	-
Total Expenses	5,160,333
Net Change in Assets	582,394

\*SERC had no Non-Statutory Activities in 2007

**SCHEDULE 8**

**SUPPORTING SCHEDULES FOR  
SOUTHWEST POWER POOL, INC.**



## Southwest Power Pool Regional Entity

### Net Funding Reserve Analysis

	<u>31-Dec-07</u>	<u>31-Dec-06</u>
Ending Cash Balance per GAAP Financials <sup>1</sup>	(438,754) <sup>2</sup>	-
Plus: Other Current Assets	-	-
Less: Current Liabilities	<u>-</u>	<u>-</u>
Net Funding Reserve(Deficit)	(438,754)	-
Net Change in Reserve, 2006 to 2007	(438,754)	
Change in Assets per Statement of Activities per Audit	<u>-</u>	
	(438,754)	
<u>GAAP Adjustments to Statement of Activities</u>	<u>-</u>	
	(438,754)	
Net Funding Reserve (Deficit) - Statutory <sup>3</sup>	(438,754)	-
Net Funding Reserve (Deficit) - NonStatutory	<u>-</u>	<u>-</u>
<b>Net Funding Reserve (Deficit)</b>	(438,754)	-

<sup>1</sup> Southwest Power Pool Regional Entity is not a separate legal entity and is audited as part of Southwest Power Pool, Inc.

<sup>2</sup> Southwest Power Pool, Inc. recorded a long-term unbilled balance in 2007 related to the underfunding of it's statutory activity. It is expected this balance would be relieved in 2009 as funding for the deficit is received from NERC.

<sup>3</sup> Southwest Power Pool Regional Entity does not require a working capital or cash reserve.

**Southwest Power Pool**  
**2007 Statement of Activities**  
*Preliminary and Unaudited*

(In Whole Dollars)

	<u>2007 YTD Actual</u>		
	<u>TOTAL</u>	<u>Statutory</u>	<u>Non-Statutory</u>
<b>Funding</b>			
Assessments	3,176,026	3,176,026	-
Membership Fees & Non-Stat Assessments	57,209,000	-	57,209,000
Testing	-	-	
Services & Software	-	-	
Interest	1,380,000	18,321	1,361,679
Misc.	19,331,000	-	19,331,000
<b>Total Funding</b>	<u>81,096,026</u>	<u>3,194,347</u>	<u>77,901,679</u>
<b>Expenses</b>			
<b>Personnel Expenses</b>			
Salaries	25,992,500	1,017,150	24,975,350
Payroll Taxes	1,756,250	77,402	1,678,848
Employee Benefits	3,512,500	68,444	3,444,056
Savings & Retirement	3,863,750	40,470	3,823,280
<b>Total Personnel Expenses</b>	<u>35,125,000</u>	<u>1,203,466</u>	<u>33,921,534</u>
<b>Meeting Expenses</b>			
Meetings	562,000	103,240	458,760
Travel	1,094,000	55,846	1,038,154
Conference Calls	2,213,000	-	2,213,000
<b>Total Meeting Expenses</b>	<u>3,869,000</u>	<u>159,086</u>	<u>3,709,914</u>
<b>Operating Expenses</b>			
Rent & Improvements	883,000	-	883,000
Contracts	-	-	-
Consultants	15,176,000	228,499	14,947,501
Office Costs	5,562,000	7,644	5,554,356
Professional Services	-	-	
Computer Purchase & Maint.	3,826,000	-	3,826,000
Furniture & Equipment	15,434,000	-	15,434,000
<b>Total Operating Expenses</b>	<u>40,881,000</u>	<u>236,143</u>	<u>40,644,857</u>
<b>Indirect Expense</b>	-	2,034,406	(2,034,406)
<b>Total Expenses</b>	<u>79,875,000</u>	<u>3,633,101</u>	<u>76,241,899</u>
<b>Net Change in Assets</b>	<u>1,221,026</u>	<u>(438,754)</u>	<u>1,659,780</u>

**SCHEDULE 9**

**SUPPORTING SCHEDULES FOR  
TEXAS REGIONAL ENTITY**

**Texas Regional Entity**  
**Cash Reserve Analysis**  
**Statutory & Non-Statutory Combined**  
**For the Year-Ended 12/31/2007**

	<u>31-Dec-07</u>	<u>31-Dec-06</u>
Ending Cash Balance per GAAP Financials	3,409,652	-
Plus: Other Current Assets	-	-
Less: Current Liabilities	<u>(96,634)</u>	<u>-</u>
Net Funding Reserve(Deficit)	3,313,018	-
Net Change in Reserve, 2006 to 2007	3,313,018	-
Change in Assets per Statement of Activities per Audit	<u>3,351,855</u>	<u>-</u>
	(38,837)	-
<u>GAAP Adjustments to Statement of Activities</u>		
Employee Benefits	32,272	-
Savings & Retirement	2,235	-
Rent & Improvements	<u>4,330</u>	<u>-</u>
	0	
Net Funding Reserve (Deficit) - Statutory	3,252,021	-
Net Funding Reserve (Deficit) - NonStatutory	<u>60,997</u>	<u>-</u>
<b>Net Funding Reserve (Deficit)</b>	<b>3,313,018</b>	<b>-</b>

**TEXAS REGIONAL ENTITY**  
**Statement of Activities**  
**From 1/1/2007 through 12/31/2007**  
**(Audited)**

*(In Whole Dollars)*

	<b>PER AUDIT</b>		
	<b>TOTAL</b>	<b>Statutory</b>	<b>Non-Statutory</b>
<b>Funding</b>			
Assessments	4,870,755	4,870,755	-
Membership Fees & Non-Stat	643,464	-	643,464
Testing	-	-	-
Services & Software	-	-	-
Interest	-	-	-
Misc.	-	-	-
<b>Total Funding</b>	<b>5,514,219</b>	<b>4,870,755</b>	<b>643,464</b>
<b>Expenses</b>			
<b>Personnel Expenses</b>			
Salaries	1,156,454	833,266	323,188
Payroll Taxes	82,603	61,585	21,018
Employee Benefits	128,741	79,928	48,813
Savings & Retirement	135,069	105,906	29,163
<b>Total Personnel Expenses</b>	<b>1,502,867</b>	<b>1,080,685</b>	<b>422,182</b>
<b>Meeting Expenses</b>			
Meetings	(1,714)	(1,714)	-
Travel	41,905	36,992	4,913
Conference Calls	-	-	-
<b>Total Meeting Expenses</b>	<b>40,191</b>	<b>35,278</b>	<b>4,913</b>
<b>Operating Expenses</b>			
Rent & Improvements	96,534	69,587	26,947
Contracts	-	-	-
Consultants	8,281	8,281	-
Office Costs	62,243	41,237	21,006
Professional Services	234,719	227,450	7,269
Computer Purchase & Maint.	217,529	117,379	100,150
Furniture & Equipment	-	-	-
Miscellaneous	-	-	-
<b>Total Operating Expenses</b>	<b>619,306</b>	<b>463,934</b>	<b>155,372</b>
<b>Total Expenses</b>	<b>2,162,364</b>	<b>1,579,897</b>	<b>582,467</b>
<b>Net Change in Assets</b>	<b>3,351,855</b>	<b>3,290,858</b>	<b>60,997</b>

**SCHEDULE 10**

**SUPPORTING SCHEDULES FOR  
WESTERN ELECTRICITY COORDINATING COUNCIL**

## Western Electricity Coordinating Council

### Net Funding Reserve Analysis

	<u>31-Dec-07</u>	<u>31-Dec-06</u>
Ending Cash and Cash Equivalents Balance per GAAP Financials	2,851,512	5,149,318
Plus: Other Current Assets	5,616,780	1,780,363
Less: Current Liabilities	<u>(4,300,495)</u>	<u>(2,694,970)</u>
Net Funding Reserve(Deficit)	4,167,797	4,234,711
Net Change in Reserve, 2006 to 2007	(66,914)	
Change in Assets per Statement of Activities per Audit	<u>(66,914)</u>	
	-	
<u>Explanation of Difference</u>		
Net Funding Reserve (Deficit) - Statutory	(875,648)	0
Net Funding Reserve (Deficit) - NonStatutory	<u>5,043,445</u>	<u>4,234,711</u>
<b>Net Funding Reserve (Deficit)</b>	<b>4,167,797</b>	<b>4,234,711</b>

**Western Electricity Coordinating Council**  
**Statement of Activities**  
**From 1/1/2007 through 12/31/2007**  
**(Audited)**

(In Whole Dollars)

	<b>PER AUDIT</b>		
	<b>TOTAL</b>	<b>Statutory</b>	<b>Non-Statutory</b>
<b>Funding</b>			
Assessments	16,943,168	16,943,168	-
Membership Fees & Non-Stat Assessme	1,514,448	-	1,514,448
Testing	-	-	
Services & Software	544,410	544,410	
Interest	574,713	574,713	
Misc.	15,806	15,806	
<b>Total Funding</b>	<b>19,592,545</b>	<b>18,078,097</b>	<b>1,514,448</b>
<b>Expenses</b>			
Personnel Expenses			
Salaries	4,903,104	4,598,219	304,885
Payroll Taxes	404,552	371,716	32,836
Employee Benefits	785,497	740,107	45,390
Savings & Retirement	374,810	370,244	4,566
<b>Total Personnel Expenses</b>	<b>6,467,963</b>	<b>6,080,286</b>	<b>387,677</b>
Meeting Expenses			
Meetings	753,030	753,030	
Travel	779,595	773,831	5,764
Conference Calls	98,879	98,201	678
<b>Total Meeting Expenses</b>	<b>1,631,503</b>	<b>1,625,061</b>	<b>6,442</b>
Operating Expenses			
Rent & Improvements	310,768	277,832	32,936
Contracts	5,789,460	5,755,373	34,087
Consultants	1,388,747	1,363,987	24,760
Office Costs	690,705	647,036	43,669
Professional Services	1,801,478	1,630,266	171,212
Computer Purchase & Maint.	1,578,833	1,573,902	4,931
Furniture & Equipment	-	-	
Miscellaneous	-	-	
<b>Total Operating Expenses</b>	<b>11,559,992</b>	<b>11,248,397</b>	<b>311,595</b>
<b>Total Expenses</b>	<b>19,659,458</b>	<b>18,953,744</b>	<b>705,714</b>
<b>Net Change in Assets</b>	<b>(66,914)</b>	<b>(875,648)</b>	<b>808,734</b>