



NPCC 2019 BOD Approved Business Plan & Budget

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2019 Budget Overview

- NPCC total budget and assessments increase 4.6% (\$701k)
 - Regional Entity total budget increase of 4.6% (\$696k);
assessment increase of 4.6% (\$661k)
 - Criteria Services total budget increase of 4.0% (\$42K);
assessment increase of 4.0% (\$40k)
- Headcount
 - Increase by 2 FTEs for a total of 41 FTEs (Regional Entity Division 38.86,
Criteria Services Division 2.14)
 - Currently fully staffed at 39 FTEs



2019 BOD Approved RE Budget by Category

	2018 Budget	2019 Budget	Variance \$ Over (Under)	Variance % Over (Under)
Personnel Expenses	\$ 9,820,770	\$ 10,248,862	\$ 428,092	4.4%
Meeting Expenses	1,224,550	1,252,650	28,100	2.3%
Operating Expenses	4,632,100	4,803,197	171,097	3.7%
Indirect Expenses	(416,453)	(415,818)	635	-0.2%
Total Expenses	\$ 15,260,967	\$ 15,888,891	\$ 627,924	4.1%
(Inc) Dec in Fixed Assets	(154,000)	(85,000)	69,000	
TOTAL BUDGET	\$ 15,106,967	\$ 15,803,891	\$ 696,924	4.6%
FTEs	36.86	38.86	2.00	5.4%



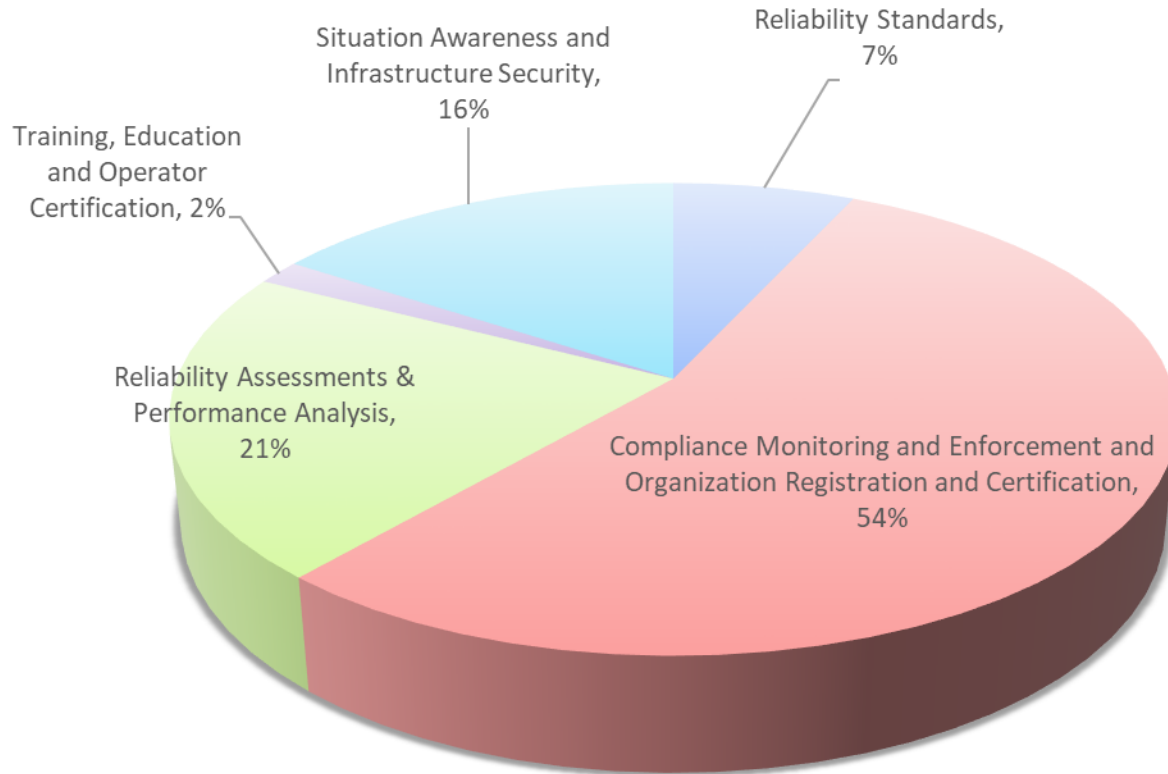
FTE Comparison

Total FTE's by Program Area	Budget 2018	Projection 2018	Direct FTEs 2019 Budget	Shared FTEs ¹ 2019 Budget	Total FTEs 2019 Budget	Change from 2018 Budget
REGIONAL ENTITY DIVISION						
Operational Programs						
Reliability Standards	1.93	1.93	1.00	0.93	1.93	0.00
Compliance Monitoring and Enforcement and Organization Registration and Certification	16.00	16.50	17.00	0.00	17.00	1.00
Training, Education, and Operator Certification	0.10	0.10	0.10	0.00	0.10	0.00
Reliability Assessment and Performance Analysis	5.83	5.33	4.90	0.93	5.83	0.00
Situation Awareness and Infrastructure Security	5.00	5.00	5.00	0.00	5.00	0.00
Total FTEs Operational Programs	28.86	28.86	28.00	1.86	29.86	1.00
Administrative Programs						
Technical Committees and Member Forums	0.50	0.50	0.50	0.00	0.50	0.00
General and Administrative	2.50	2.50	2.50	0.00	2.50	0.00
Information Technology	2.00	2.00	2.00	0.00	2.00	0.00
Legal and Regulatory	1.00	1.00	1.00	0.00	1.00	0.00
Human Resources	1.00	1.00	1.00	0.00	1.00	0.00
Accounting and Finance	1.00	1.00	2.00	0.00	2.00	1.00
Total FTEs Administrative Programs	8.00	8.00	9.00	0.00	9.00	1.00
Total FTEs	36.86	36.86	37.00	1.86	38.86	2.00

¹A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.



2019 Total Resources by Program Area Regional Entity (RE) Division





Major Budget Impacts

- Personnel Expenses
 - 3.5% average wage package increase (2% merit plus 0-2% promotions and market adjustments, averaging 3.5%)
 - 0% vacancy rate
 - 2 FTE increase driven by ongoing need in CORC and Accounting (currently being met through the use of contractors and interns)
 - Partially offset by recent retirements of seasoned professionals
- Consultants and Contracts
 - 8.3% increase primarily related to greater technical sophistication and number of reliability assessment activities as well as increase in compliance activity



2019 Assessments

- NPCC total assessments increase 4.6%
 - Regional Entity assessment increase of 4.6%
 - Criteria Services assessment increase of 4.0%
- CORC 2017 actual vs budget variance assigned directly to the CORC program to allocate CORC underage in the same manner and percentage as CORC assessments were collected in order to respect the specific compliance responsibilities and funding methodologies within each of the Canadian provinces within NPCC.



Working Capital and Operating Reserves

- No change in Working Capital and Operating Reserves requirement.
 - Working Capital requirement targets 8.33% (30 days) of the annual budget
 - Operating Reserves Range between 8.33% and 25.00% (90 days) provides more stability in annual funding assessments than a fixed target
- Business Continuity Reserve (BCR) in the amount of \$1MM (allocated between RE and CS divisions)
- Projected RE Total Reserve balance at year end 2019:
\$3,720,590 (23.54% of total budget)



Preliminary 2020-2021 RE Projections

2020

- Total budget increase of \$312k or 2.0%
- Total assessments of \$15.3 million
- No additional staff
- 3% average wage package

2021

- Total budget increase of \$346k or 2.1%
- Total assessments of \$15.6 million
- No additional staff
- 3% average wage package



Questions?

NPCC, Inc.