

WECC

Draft 2019 Business Plan and Budget

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2019 Statutory Budget Overview

- Budget decreases \$147K (0.54%)
- Assessments held flat
- Headcount held flat

2019 Draft Budget by Category

	2019 Budget	2018 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
Funding					
Assessments	\$ 25,282,000	\$ 25,282,000	\$ -	0.0%	
Penalties	503,686	2,100,000	(1,596,314)	-76.0%	Confirmed violations approved by FERC and collected
Other Income	544,500	615,050	(70,550)	-11.5%	Fine-tuned outreach event attendance and interest adjustments
Total Funding	\$ 26,330,186	\$ 27,997,050	\$ (1,666,864)	-6.0%	
Expenses					
Personnel Expenses	\$ 20,516,231	\$ 19,871,269	\$ 644,962	3.2%	3% merit pool, labor float adj, refined tax/benefit rates
Meeting Expenses	2,107,421	2,231,994	(124,573)	-5.6%	Fine-tuned outreach event attendance
Operating Expenses ¹	4,731,758	5,470,080	(738,322)	-13.5%	One time Gas/Electric Interdependence study completed
Indirect Expenses	(532,909)	(545,300)	12,391	-2.3%	
Total Expenses	\$ 26,822,501	\$ 27,028,043	\$ (205,542)	-0.8%	
Fixed Assets¹	\$ 128,065	\$ 69,301	\$ 58,764	84.8%	Refresh cycle of computer, server and other equipment
Total Budget	\$ 26,950,566	\$ 27,097,344	\$ (146,778)	-0.5%	
Change in Working Capital	\$ (620,380)	\$ 899,706	\$ (1,520,086)		
FTES	143.00	143.00	0.00	0.0%	

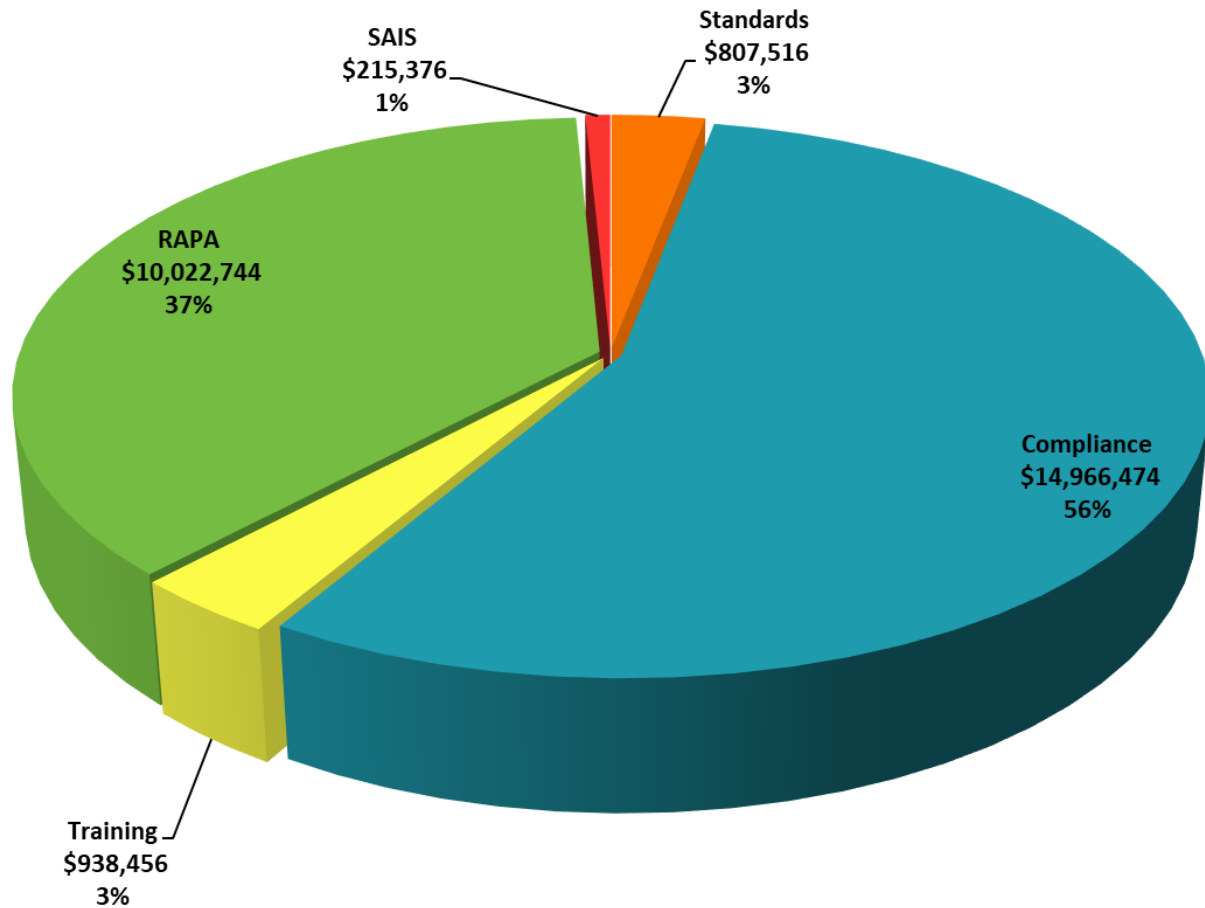
¹Depreciation excluded from these values

2018 – 2019 FTE Comparison

Total FTEs by Program Area	Budget	Projection	Direct FTEs	Shared	Total FTEs	Change
	2018	2018	2019 Budget	FTEs* 2019 Budget	2019 Budget	from 2018 Budget
STATUTORY						
Operational Programs						
Reliability Standards	3.0	2.8	3.0	0.0	3.0	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	59.0	58.5	60.0	0.0	60.0	1.0
Reliability Assessment and Performance Analysis	38.0	37.5	39.0	0.0	39.0	1.0
Training and Outreach	1.3	2.0	2.0	0.0	2.0	0.7
Situation Awareness and Infrastructure Security	1.0	1.0	1.0	0.0	1.0	-
Total FTEs Operational Programs	102.3	101.8	105.0	0.0	105.0	2.7
Corporate Services						
Technical Committees and Member Forums	0.0	0.0	0.0	0.0	0.0	-
General & Administrative	16.75	16.5	17.05	0.0	17.05	0.30
Legal and Regulatory	7.0	6.0	6.0	0.0	6.0	(1.0)
Information Technology	8.7	8.7	8.7	0.0	8.7	-
Human Resources	4.0	3.0	3.0	0.0	3.0	(1.0)
Finance and Accounting	4.25	2.9	3.25	0.0	3.25	(1.0)
Total FTEs Corporate Services	40.7	37.1	38.0	0.0	38.0	(2.7)
Total FTEs	143.0	138.9	143.0	0.0	143.0	-

* A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

2019 Budget by Program Area



Statutory Working Capital Reserves

- Reserves decrease \$620K
- Current proposed change to reserve policy
 - Current policy is range of 1 to 2 months of OpEx
 - Suggested change to 1 to 3 months of OpEx
 - For assessment stabilization in future years
- Projected 2019 EOY balance of \$5.69 million

2020 and 2021 Statutory Budget

- 2020 projection
 - Budget increases \$898,000 (3.3%)
 - Assessments increase \$253,000 (1.0%)
 - No additional FTE
 - Personnel Expenses increase \$639,000 (3.1%)
 - Consulting increases \$195,000 (15.1%)
 - Rent increases \$127,000 (13.1%)
- 2021 projection
 - Budget increases \$184,000 (0.7%)
 - Assessments increase \$255,000 (1%)
 - No additional FTE
 - Personnel Expenses increase \$659,000 (3.1%)
 - Consulting decreases \$445,000 (29.9%)

Q&A

