

Analysis of 2015 Total ERO Enterprise Budget - Draft 1

Total ERO Enterprise Budget and Assessments

The proposed 2015 budget for the Total ERO Enterprise¹, inclusive of expenses and fixed asset expenditures, is \$175.8M, which is an increase of \$3.85M, 2.2%, from the 2014 budget. NERC and all Regions, except SERC, are proposing increases, ranging from 0.7% for SPP to 6% for MRO. SERC's proposed budget is decreasing 3.7% primarily due to reductions in personnel expenses and fixed asset expenditures, as further explained below. WIRAB is proposing a 44% increase, with the percentage increase largely a reflection of its relatively small budget and the increase in costs driven by an increase in personnel to take over on reliability-related State-Provincial Steering Committee (SPSC) activities, monitoring two regional organizations WECC and Peak Reliability, as well as their Member Advisory Committees.

Total Budget						
Entity	2015 Budget	% of Total ERO Budget	2014 Budget	% of Total ERO Budget	Change 2015 v 2014	% Change
NERC	57,300,945	32.6%	56,390,097	32.8%	910,848	1.6%
FRCC	7,162,233	4.1%	6,794,932	4.0%	367,301	5.4%
MRO	10,328,687	5.9%	9,744,799	5.7%	583,888	6.0%
NPCC	14,778,540	8.4%	14,129,006	8.2%	649,534	4.6%
RFIRST	18,756,763	10.7%	18,063,200	10.5%	693,563	3.8%
SERC	16,247,822	9.2%	16,877,288	9.8%	(629,466)	-3.7%
SPP RE	11,906,628	6.8%	11,823,629	6.9%	82,999	0.7%
TRE	11,983,702	6.8%	11,771,248	6.8%	212,454	1.8%
WECC	26,300,035	15.0%	25,638,085	14.9%	661,950	2.6%
WIRAB	1,013,581	0.6%	703,700	0.4%	309,881	44.0%
	175,778,936	100.0%	171,935,984	100.0%	3,842,952	2.2%

¹ The ERO Enterprise consists of NERC, the eight Regional Entities and WIRAB.

Preliminary 2015 assessments for the total ERO Enterprise are \$163.6M, an increase of approximately \$19.25M, or average of 13.4%.², with the proposed increases by region ranging from a reduction of 0.1% to an increase of 61.1%. As detailed in the following table, four factors impact the change in assessments: (1) the decline in the amount of penalties that offset assessments results in an increase of \$4.1M, 2.8%; (2) the decline in the release of excess working capital and operating reserves increases assessments \$7.7M, 5.3%; (3) the decline in other funding, primarily related to the end of grant funding in WECC, results in an increase of \$3.6M, 2.5%; and (4) increase in the total ERO Enterprise and WIRAB budgets results in an increase of \$3.8M, 2.7%. It is important to keep in mind that the information related to assessments is still preliminary. Additional penalties that are received by June 30, 2014 may lower assessments. Also, NERC and the Regions will refine their projected 2014 year end working capital and operating reserve balances to determine if additional excess reserves are available for release to offset assessments. The allocation of assessments between U.S., Canadian and Mexican has not been finalized and is impacted by penalty sanctions and by the allocation of compliance costs among the Canadian provinces. A table showing the change in assessments by country and by Region will be provided when final budget drafts are presented to the NERC Board for approval.

	CHANGE IN ASSESSMENTS BY ENTITY				Factors Impacting the Change in Assessments							
	2014 Budget	2015 Budget	\$ Change	Change	Dec(inc) in		Dec(Inc) in Release		Dec(Inc) in		Budget Inc(Dec)	
	(\$000's)	(\$000's)	(\$000's)	%	(\$000's)	%	(\$000's)	%	(\$000's)	%	(\$000's)	%
NERC	51,401	54,252	2,851	5.5%	135	0.3%	1,725	3.4%	80	0.2%	911	1.8%
FRCC	5,488	6,238	750	13.7%	190	3.5%	192	3.5%	0.0%	0.0%	367	6.7%
MRO	8,741	9,446	705	8.1%	(239)	-2.7%	359	4.1%	0.0%	0.0%	584	6.7%
NPCC	13,612	14,078	466	3.4%	(128)	-0.9%	(55)	-0.4%	0.0%	0.0%	650	4.8%
RFIRST	15,160	18,522	3,362	22.2%	863	5.7%	1,805	11.9%	0.0%	0.0%	694	4.6%
SERC	13,734	13,734	(1)	0.0%	313	2.3%	284	2.1%	32	0.2%	(629)	-4.6%
SPP	9,219	10,332	1,113	12.1%	97	1.0%	933	10.1%	0.0%	0.0%	83	0.9%
TRE	10,509	10,500	(9)	-0.1%	(81)	-0.8%	(140)	-1.3%	(1)	0.0%	213	2.0%
WECC	15,631	25,175	9,544	61.1%	2,933	18.8%	2,419	15.5%	3,530	22.6%	662	4.2%
WIRAB	588	1,058	470	79.8%		0.0%	160	27.2%	0.0%	0.0%	310	52.7%
\$	144,085	\$ 163,336	\$ 19,251	13.4%	\$ 4,083	2.8%	\$ 7,683	5.3%	\$ 3,640	2.5%	\$ 3,843	2.7%

² In the NERC PowerPoint overview accompanying the posting of NERC's initial draft, the percentage change in assessments for the total ERO Enterprise on slide 13 was reported incorrectly to be 11.8%, due to dividing the increase of \$19.251M by total 2015 assessments rather than dividing by the total 2014 assessments. The percentage changes by factor were correctly reported and when added together, (2.8% due to loss of penalties, 5.3% due to loss of excess reserves, 2.5% due to decrease in other funding, and 2.7% due to the increase in the budget), equal a total change of 13.4%, which was correctly reported on slide 14

	CHANGE IN TOTAL ERO ASSESSMENTS BY REGION		CHANGE IN REGIONAL ENTITY & WIRAB ASSESSMENTS	CHANGE IN NERC ASSESSMENTS
	\$	%	\$	\$
FRCC	894,544	11.0%	749,781	144,763
MRO	889,676	7.3%	704,575	185,101
NPCC	822,291	4.1%	466,497	355,794
RFirst	3,953,582	15.3%	3,361,808	591,774
SERC	667,346	2.6%	(893)	668,239
SPP	1,255,840	10.6%	1,113,042	142,798
TRE	204,237	1.4%	(8,862)	213,099
WECC and WIRAB	10,563,416	42.1%	10,014,033	549,383
WIRAB	469,750		469,750	-
Total	19,250,932		16,399,981	2,850,951
% Change - NERC and Regional Entities Combined	13.4%		17.7%	5.5%
% Change for Total ERO	100.0%		85.2%	14.8%

Total ERO Enterprise Budget by Program

Overall, the consolidated ERO Enterprise budget reflects the ERO Enterprise’s allocation of resources and focus on the goals and objectives set forth in the Strategic Plan.

Attachment 1 to this report shows the fully allocated budget for direct and indirect expenses and the expenditures for fixed assets by statutory program and the percentage of the total budget allocated to each program for NERC and the eight Regional Entities. This table does not include the WIRAB budget because their activities of providing an oversight and advisory role in the WECC Region are unique.

Attachment 2 to this report shows the number of FTEs allocated to the direct statutory programs and to administrative services.

Standards

The total ERO Enterprise budget for the Standards Program area is \$14.9M, an increase of \$185.8k, 1.3%, over 2014. As a percent of total budget, the 2015 budget for the Standards Program area is increasing from 8.6% to 8.8%. The number of FTEs is decreasing by 2.26, 5.5%. As a percent of total budget, 5.7% of all FTEs have been allocated to the standards program in 2015, compared to 6.0% in 2014. NERC and all the regions, except Texas RE are reducing the number of FTEs in the Standards Program area in 2015. NERC’s reduction of 1.52 FTEs is due to a decrease in required resources to support standards development and the incorporation of a 6% attrition assumption, and reflects reorganization initiatives and increased efficiencies in connection with the transformation of NERC Reliability Standards to a “steady state”.

Compliance Monitoring and Enforcement (CMEP)

The total ERO Enterprise budget for CMEP is \$94.2M, an increase of \$596k, 0.6% over 2014. As a percent of total budget, the 2015 CMEP budget is increasing from 54.7% to 55.2%. NERC's budget for CMEP is increasing \$771k, 4.9%, primarily due to the transfer of auditors from the Critical Infrastructure department to NERC's Regional Entity Assurance and Oversight department to more closely align these personnel with other assurance and audit oversight functions, as well as reflect the separation of these activities and personnel from other activities and personnel which interact with the ES-ISAC. FRCC's budget for CMEP is increasing \$510k, 10.8%, due to the increase in FTEs attributed to work on the Organization Registration Program, implementation of Reliability Assurance Initiative (RAI), RAI associated updates to the Auditor Handbook, and support of ERO Enterprise IT application development projects supporting the CMEP function. The MRO and NPCC budgets for CMEP are increasing \$297k, 4.4%, and \$489k, 6.0%, respectively, primarily to add resources to support RAI. ReliabilityFirst's budget for CMEP is increasing \$1.3M, 9.4%, primarily due to staffing allocation increase of 2.75 FTEs in support of RAI activities. SERC, SPP RE, Texas RE, and WECC are decreasing their budgets for CMEP primarily based upon a variety of factors, including but not limited to a review of the resources required to support CMEP activities and to more properly align personnel with the program areas they currently support. Overall, the total number of CMEP FTES is decreasing by 15.0, 4.9%.

Reliability Assessments and Performance Analysis (RAPA)

The Total ERO Enterprise budget for RAPA is \$36.0M, an increase of \$2.6M, 7.7%, over 2014. As a percent of total budget, the 2015 RAPA budget is increasing from 19.5% to 21.1%. The number of FTEs in RAPA is increasing by 6.48, 7.2% and is driven by resource requirements associated with various risk identification, prioritization and assessment initiatives. NERC's budget is increasing by 1.2M, 14.9% primarily due to the reallocation of FTEs in 2014 to support various reliability risk initiatives, for additional contract support related to vegetation research (FAC3) and software application development. WECC's budget is increasing by \$1.3M, 13.8%, primarily due to enhanced Remedial Action Scheme (RAS) modeling as a result of findings in the *Arizona-Southern California Outages on September 8, 2011: Causes and Recommendations* report. The Texas RE budget is increasing by \$409k, 28.2%, due to the inclusion of Situation Awareness in RAPA, which increased FTEs in the department by 1.75. MRO's budget for RAPA is increasing \$377k, 17.2%, due to additional FTEs to support activities related to the BES definition, new modeling, and the Protection System standards. FRCC's budget is decreasing by \$209k, 15.0%, due to the revised committee structure and combining multiple meetings into the new Regional Entity Committee and Compliance Forum. ReliabilityFirst and SERC budgets are decreasing as a result of various reorganization initiatives which resulted in a decrease of FTEs required to support this program area.

Training, Education and Operator Certification

The Total ERO Enterprise budget for Training, Education and Operator Certification (Training) is \$8.9M, an increase of \$1.0M, 12.7%, over 2014. As a percent of total budget, the 2015 Training budget is increasing from 4.6% to 5.2%. The number of FTEs is decreasing 0.28, 1.4%. WECC's budget increased \$808k, 117.3%, due to moving Compliance Outreach and Stakeholder Relations from Compliance to Training and the expectation that stakeholder outreach activities and initiatives will increase in 2015.

Event Analysis

NERC budgets and reports the expenses of Event Analysis in a separate department. The Regional Entities primarily include the costs associated with event analysis in RAPA. The Event Analysis Program at NERC is increasing \$260k, 6.4%, primarily due to an increase in the allocation of indirect costs. As a percent of the total ERO Enterprise budget, the 2015 Event Analysis budget is increasing from 2.4% to 2.5%.

Situation Awareness and Infrastructure Security (SAIS)

The total ERO Enterprise budget for Situation Awareness is decreasing \$124k, 1.6%. As a percent of total budget, the 2015 SAIS budget is decreasing from 4.6% to 4.5%. NERC's budget is decreasing by \$882k, 19.2%, due to a reduction in contract costs related to SAFNR and NERCnet. Texas RE'S budget is decreasing by \$144k, 100%, due to inclusion of SAIS in the RAPA program beginning in 2015. SERC's budget is increasing \$660k, 57.6%, primarily due to the reclassification of 2.5 FTEs in 2014 from the RAPA program into the SAIS program to support events analysis work.

Critical Infrastructure Department (CID) and ES-ISAC

NERC budgets and reports activities supporting critical infrastructure protection initiatives and the ES-ISAC as a separate departments. The Regional Entities primarily budget and account for critical infrastructure resource support under the compliance function, which is also more in line with the regional entity responsibilities under their delegation agreements with NERC.

NERC's CID budget is decreasing \$962K, 19.2%, in 2015 primarily due to the previously described reorganization which resulted in a transfer of auditors from the CID department to the NERC Regional Entity Assurance and Oversight department and the associated reduction of FTEs and indirect costs. The budget for the ES-ISAC is slightly higher in 2015, \$95k, 2.3%. The budget for the ES-ISAC in this first draft of NERC's budget does not include funding for NERC's participation in CRISP or cost necessary to facilitate greater physical separation of the ES-ISAC in NERC's Washington, DC office.

Total ERO Enterprise Budget by Funding and Expense Category

Total ERO Enterprise Funding

The 2015 total funding requirement for the total ERO Enterprise is \$171.2M, an increase of \$11.6M, 7.3%, over 2014. Total funding requirements take into account funding from other sources such interest income and, in NERC's case, outside funding which supports operator certification and testing programs, conference fees, etc. The increase is due to the proposed increase in the total budget and the \$7.7M decrease in excess working capital and operating reserves that offset total funding requirement in 2014. The funding requirement for NERC, all the Regions except SERC, and WIRAB is increasing. SERC's decrease is due to a reduction in the total budget, which is primarily related to a reduction in personnel costs, offset by a decrease in the release of excess working capital and operating reserves.³

³ The 'Change' in the total funding requirement for each entity as detailed in the Total Funding table corresponds to the first table on page 2 by adding the amounts reflected in the columns "Dec(Inc) in Release of Excess Reserves" and "Budget Inc(Dec)".

Total Funding				
Entity	2015 Budget	2014 Budget	Change	% Change
NERC	56,371,633	53,735,382	2,636,251	4.9%
FRCC	6,504,838	5,945,057	559,781	9.4%
MRO	9,821,019	8,877,944	943,075	10.6%
NPCC	14,423,378	13,828,880	594,498	4.3%
RFirst	19,016,592	16,517,918	2,498,674	15.1%
SERC	16,029,961	16,375,104	(345,143)	-2.1%
SPP	10,743,665	9,727,456	1,016,209	10.4%
TRE	11,017,491	10,944,857	72,634	0.7%
WECC	26,300,035	23,219,139	3,080,896	13.3%
WIRAB	1,058,608	588,908	469,700	79.8%
	171,287,220	159,760,645	11,526,575	7.2%

Total Personnel Expenses and Total FTEs

Total 2015 personnel expenses for the ERO Enterprise are increasing \$4.4M, 3.9%, over 2014 and the number of FTEs is increasing 4.5, 0.7%. The increase in Personnel Expenses is primarily due to modest increases in salaries expense for existing staff and projected market increases in the cost of employee benefit plans. NERC, NPCC and Texas RE are maintaining the same staffing level in 2015 as in 2014. FRCC, ReliabilityFirst, and WECC have modest increases of less than 2% in 2015. WIRAB is adding 1.1 FTEs to increase its focus on physical and cyber security of the grid and educate state and principal reps in Western Interconnection. SERC is reducing FTEs by 0.6%, keeping the current headcount but delaying hiring for certain open positions. SPP RE is reducing FTEs due to the elimination of an enforcement case manager position and a slight reduction in the use of shared staff. Consideration has also been given to the projected timing of hiring open positions..

Total Personnel Expenses

Entity	2015 Budget	2014 Budget	Change	% Change
NERC	35,160,356	34,059,654	1,100,702	3.2%
FRCC	5,582,333	5,306,366	275,967	5.2%
MRO	7,352,260	6,898,834	453,426	6.6%
NPCC	8,929,242	8,850,160	79,082	0.9%
RFirst	15,175,232	14,386,100	789,132	5.5%
SERC	12,802,371	13,134,918	(332,547)	-2.5%
SPP	4,818,695	4,912,177	(93,482)	-1.9%
TRE	9,002,200	8,513,422	488,778	5.7%
WECC	17,278,550	15,773,971	1,504,579	9.5%
WIRAB	387,300	260,000	127,300	49.0%
	116,488,539	112,095,602	4,392,937	3.9%

Total FTEs

Entity	2015 Budget	2014 Budget	Change	% Change
NERC	189.5	189.5	0.0	0.0%
FRCC	30.9	30.4	0.5	1.7%
MRO	42.5	40.8	1.8	4.3%
NPCC	36.9	36.9	0.0	0.0%
RFirst	72.2	72.0	0.2	0.3%
SERC	78.7	79.2	(0.5)	-0.6%
SPP RE	32.8	33.9	(1.1)	-3.2%
TRE	60.0	60.0	0.0	0.0%
WECC	137.5	135.0	2.5	1.9%
WIRAB	4.0	2.9	1.1	39.3%
	684.9	680.4	4.5	0.7%

Total Meeting, Travel and Conferencing Expenses

The total ERO Enterprise budget for meetings, travel and conferencing expenses is decreasing \$332.7k, 2.9%. NERC has the most significant reduction of 8.3% attributed to lower travel costs due to various efficiency and cost reduction initiatives. SERC’s new office location has a large meeting space with intentions to schedule most meetings in-house or at a member’s facilities, substantially reducing the hotel hosting costs and resulting in a

reduction of 6.6%. The reduction in WECC’s budget is related to reassessment of meeting and travel requirements post-bifurcation and consideration of 2013 actual and 2014 projected costs. SPP RE reports an increase of \$112k, 19.4%, in travel and meeting expenses in order to reimburse the travel costs of registered entity personnel representing the SPP region at standard drafting team meetings, and travel by the enforcement and compliance groups related to NERC RAI initiatives and NERC working group meetings. MRO attributes the increase of \$29k, 4.2%, to increased staff travel related to the number of audits, implementation of RAI and more outreach. The reduction in NPCC’s 2015 by \$32k, 2.4%, is primary due to the lower negotiated rate for the conference calls.

Total Meeting, Travel and Conferencing Expenses

Entity	2015 Budget	2014 Budget	Change	% Change
NERC	3,476,146	3,789,526	(313,381)	-8.3%
FRCC	270,527	266,910	3,617	1.4%
MRO	728,800	699,414	29,386	4.2%
NPCC	1,300,000	1,332,000	(32,000)	-2.4%
RFirst	999,929	976,980	22,949	2.3%
SERC	906,749	970,679	(63,930)	-6.6%
SPP RE	689,500	577,500	112,000	19.4%
TRE	508,474	496,304	12,170	2.5%
WECC	2,311,610	2,472,154	(160,544)	-6.5%
WIRAB	111,520	54,500	57,020	104.6%
	11,303,255	11,635,967	(332,713)	-2.9%

Operating Expenses

Total operating expenses for the ERO Enterprise are decreasing \$2.4M, 5.4%. WECC’s budget is decreasing \$2.3M, 29%, due primarily to the conclusion of the Regional Transmission Expansion Program (RTEP) grant. ReliabilityFirst’s budget is decreasing \$527k, 18.0%, due to reduced telecommunications costs. In addition, ReliabilityFirst did not budget depreciation expense in the first draft, which resulted in a \$319.4k reduction in operating expenses. The exclusion of depreciation expense does not affect the change in ReliabilityFirst’s total budget because it is reversed from the fixed asset budget since NERC and the Regional Entities do not include depreciation expense in total funding requirements. Depreciation expense will be included in the next draft of the ReliabilityFirst budget. NERC’s budget for operating expenses is decreasing \$377.2k, 2.1%, primarily due to lower contract and consulting expenses and lower maintenance and service agreements which are included in office costs. SPP RE’s budget for operating expenses is increasing \$321k, 21.3%, is primarily due to an increase in consultant costs related to an engineering data validation tool.

Total Operating Expenses

Entity	2015 Budget	2014 Budget	Change	% Change
NERC	17,234,950	17,612,133	(377,183)	-2.1%
FRCC	1,326,984	1,249,332	77,652	6.2%
MRO	2,431,827	2,247,051	184,776	8.2%
NPCC	4,939,219	4,494,705	444,514	9.9%
RFirst	2,401,602	2,928,553	(526,951)	-18.0%
SERC	2,650,773	2,465,344	185,429	7.5%
SPP RE	1,826,245	1,505,100	321,145	21.3%
TRE	2,642,088	2,982,735	(340,647)	-11.4%
WECC	5,726,317	8,067,584	(2,341,267)	-29.0%
WIRAB	150,000	150,000	-	0.0%
	41,330,005	43,702,537	(2,372,532)	-5.4%

Fixed Assets (excluding the reversal of depreciation)⁴

The ERO Enterprise total fixed asset (capital) budget is increasing \$1.6M, 33.9%. NERC’s \$500.7k budget increase is related to funding requirements associated with a multiyear initiative to develop and implement software applications in support of common NERC and Regional Entity operations. FRCC’s budget is increasing \$102k primarily due to the cost of enhancements to FRCC’s existing compliance software, increased physical and cyber security measures and planned replacement of old computer equipment. NPCC’s budget is increasing due to an upgrade to their back-up and document management systems. ReliabilityFirst’s budget is increasing due to purchase of furniture, replacement servers and the associated software. WECC’s \$1.0 increase is related to RAS modeling. SERC’s budget is decreasing due to the completion of several projects in 2014.

⁴ Depreciation is reversed from fixed assets to eliminate the funding requirement that would otherwise be created due to the inclusion of depreciation expense in operating expenses.

Increase(Decrease) in Fixed Assets - excluding Depreciation

Entity	2015 Budget	2014 Budget	Change	% Change
NERC	3,618,500	3,117,790	500,710	16.1%
FRCC	184,676	82,814	101,862	123.0%
MRO	336,800	370,500	(33,700)	-9.1%
NPCC	222,000	108,000	114,000	105.6%
RFirst	180,000	91,000	89,000	97.8%
SERC	339,333	510,000	(170,667)	-33.5%
SPP RE	-	-	-	
TRE	43,680	42,000	1,680	4.0%
WECC	1,458,445	445,487	1,012,958	227.4%
WIRAB	-	-	-	
	6,383,434	4,767,591	1,615,843	33.9%

**Consolidated ERO
Statement of Activities, Fixed Assets and Change in Working Capital
2015 Budget v 2014 Budget**

	2015 Budget	2014 Budget	Change	% Change
Funding				
ERO Funding				
ERO Assessments	\$ 163,335,670	\$ 144,084,738	\$ 19,250,932	
Penalty Sanctions	4,096,000	8,179,349	(4,083,349)	
Total ERO Funding	\$ 167,431,670	\$ 152,264,087	\$ 15,167,583	10.0%
Federal Grants	\$ -	\$ 3,628,308	(3,628,308)	
Membership Dues	18,500	18,250	250	
Testing Fees	1,670,000	1,620,000	50,000	
Services & Software	74,000	74,000	-	
Workshops	1,710,555	1,733,534	(22,979)	
Interest	88,495	113,966	(25,471)	
Miscellaneous	294,000	308,500	(14,500)	
Total Funding (A)	\$ 171,287,220	\$ 159,760,645	\$ 11,526,575	7.2%
Expenses				
Personnel Expenses				
Salaries	\$ 87,761,253	\$ 84,524,303	\$ 3,236,950	
Payroll Taxes	5,812,131	5,450,529	361,602	
Benefits	11,846,523	11,665,546	180,977	
Retirement Costs	11,068,632	10,455,224	613,408	
Total Personnel Expenses	\$ 116,488,539	\$ 112,095,602	\$ 4,392,937	3.9%
Meeting Expenses				
Meetings	\$ 2,965,446	\$ 3,137,958	\$ (172,512)	
Travel	7,792,397	7,877,765	(85,369)	
Conference Calls	545,412	620,244	(74,832)	
Total Meeting Expenses	\$ 11,303,255	\$ 11,635,967	\$ (332,713)	-2.9%
Operating Expenses				
Consultants & Contracts	\$ 15,775,923	\$ 17,566,275	\$ (1,790,352)	
Office Rent	6,844,741	6,806,237	38,504	
Office Costs	7,978,584	8,175,677	(197,093)	
Professional Services	6,701,310	6,457,498	243,812	
Miscellaneous	106,991	151,055	(44,064)	
Depreciation	3,922,456	4,545,795	(623,339)	
Total Operating Expenses	\$ 41,330,005	\$ 43,702,537	\$ (2,372,532)	-5.4%
Total Direct Expenses	\$ 169,121,798	\$ 167,434,106	\$ 1,687,692	1.0%
Indirect Expenses	\$ 4,052,160	\$ 4,121,082	\$ (68,922)	-1.7%
Other Non-Operating Expenses	\$ 144,000	\$ 159,000	\$ (15,000)	-9.4%
Total Expenses (B)	\$ 173,317,958	\$ 171,714,188	\$ 1,603,770	0.9%
Change in Assets	\$ (2,030,738)	\$ (11,953,543)	\$ 9,762,986	-81.7%
Fixed Assets				
Depreciation	(3,922,456)	(4,545,795)	623,339	
Computer & Software CapEx	5,788,989	4,318,591	1,470,398	
Furniture & Fixtures CapEx	60,000	-	60,000	
Equipment CapEx	543,000	349,000	194,000	
Leasehold Improvements	-	100,000	(100,000)	
Inc(Dec) in Fixed Assets (C)	\$ 2,469,533	\$ 221,796	\$ 2,247,737	1013.4%
TOTAL BUDGET (=B + C)	\$ 175,787,491	\$ 171,935,984	\$ 3,851,507	2.2%
CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (4,500,271)	\$ (12,175,339)	\$ 7,675,068	-63.0%
FTEs	684.9	680.4	4.5	0.7%

Comparison - Draft 1 2015 to 2014 Business Plan and Budget
 Spending by Statutory Program
 Fully Allocated Direct, Indirect and Fixed Assets

	2015 Business Plan and Budget - Total Budget by Program (\$000's)										2015 Business Plan and Budget - % of Total Budget Allocated by Program								
	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	
NERC ¹	\$ 57,301	\$ 10,395	\$ 16,663	\$ 9,595	\$ 3,989	\$ 4,308	\$ 3,701	\$ 4,452	\$ 4,198	100.0%	18.1%	29.1%	16.7%	7.0%	7.5%	6.5%	7.8%	7.3%	
FRCC	7,162	423	5,212	1,182	322	-	23	-	-	100.0%	5.9%	72.8%	16.5%	4.5%	-	0.3%	-	-	
MRO	10,329	388	6,994	2,571	295	-	80	-	-	100.0%	3.8%	67.7%	24.9%	2.9%	-	0.8%	-	-	
NPCC	14,779	1,456	8,568	3,054	199	-	1,501	-	-	100.0%	9.9%	58.0%	20.7%	1.3%	-	10.2%	-	-	
RFirst	18,757	-	14,858	2,673	959	-	267	-	-	100.0%	0.0%	79.2%	14.3%	5.1%	-	1.4%	-	-	
SERC	16,248	527	11,050	1,798	1,065	-	1,807	-	-	100.0%	3.2%	68.0%	11.1%	6.6%	-	11.1%	-	-	
SPP RE	11,907	115	8,657	3,002	88	-	44	-	-	100.0%	1.0%	72.7%	25.2%	0.7%	-	0.4%	-	-	
TRE ²	11,984	607	9,009	1,857	511	-	-	-	-	100.0%	5.1%	75.2%	15.5%	4.3%	-	0.0%	-	-	
WECC ³	26,300	1,027	13,179	10,302	1,498	-	295	-	-	100.0%	3.9%	50.1%	39.2%	5.7%	-	1.1%	-	-	
\$	170,567	14,939	94,190	36,034	8,926	4,308	7,718	4,452	4,198	100.0%	8.8%	55.2%	21.1%	5.2%	2.5%	4.5%	2.6%	2.5%	

¹NERC budgets Event Analysis, Critical Infrastructure and ES-ISAC separately.

²In 2015, Texas RE combined Situation Awareness with RAPA.

³WECC will not have funding from federal grants in 2015

	2014 Business Plan and Budget - Total Budget by Program										2014 Business Plan and Budget - % of Total Budget Allocated by Program								
	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	
NERC ¹	\$ 56,390	\$ 10,167	\$ 15,892	\$ 8,351	\$ 3,737	\$ 4,048	\$ 4,583	\$ 5,508	\$ 4,104	100.0%	18.0%	28.2%	14.8%	6.6%	7.2%	8.1%	9.8%	7.3%	
FRCC	6,795	410	4,702	1,391	272	-	19	-	-	100.0%	6.0%	69.2%	20.5%	4.0%	-	0.3%	-	-	
MRO	9,745	435	6,698	2,194	333	-	84	-	-	100.0%	4.5%	68.7%	22.5%	3.4%	-	0.9%	-	-	
NPCC	14,129	1,447	8,079	2,942	196	-	1,464	-	-	100.0%	10.2%	57.2%	20.8%	1.4%	-	10.4%	-	-	
RFirst	18,063	194	13,585	3,121	916	-	246	-	-	100.0%	1.1%	75.2%	17.3%	5.1%	-	1.4%	-	-	
SERC ²	16,877	547	11,875	2,201	1,107	-	1,147	-	-	100.0%	3.2%	70.4%	13.0%	6.6%	-	6.8%	-	-	
SPP RE	11,824	79	8,663	2,757	279	-	45	-	-	100.0%	0.7%	73.3%	23.3%	2.4%	-	0.4%	-	-	
TRE	11,771	450	9,336	1,448	392	-	144	-	-	100.0%	3.8%	79.3%	12.3%	3.3%	-	1.2%	-	-	
WECC ³	25,638	1,023	14,763	9,054	689	-	108	-	-	100.0%	4.0%	57.6%	35.3%	2.7%	-	0.4%	-	-	
\$	171,232	14,753	93,594	33,460	7,923	4,048	7,842	5,508	4,104	100.0%	8.6%	54.7%	19.5%	4.6%	2.4%	4.6%	3.2%	2.4%	

¹NERC budgets Event Analysis, Critical Infrastructure and ES-ISAC separately.

²SERC did not allocate \$10,000 of indirect overhead expenses to the Statutory Programs because they are offset by interest income. As a result, the "Total" budget reflected above does not exactly match the total budgeted spend for expenses and fixed assets as reflected on the Statement of Activities and Capital Expenditures.

³WECC's 2014 RAPA budget included \$3,628,308 associated with federal grant activity.

	Variance - 2015 to 2014 Business Plan and Budget - Total Budget by Program (\$000's)										Variance - 2015 to 2014 Business Plan and Budget - % of Total Budget Allocated by Program								
	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	
NERC	\$ 911	\$ 228	\$ 771	\$ 1,244	\$ 251	\$ 260	\$ (882)	\$ (1,056)	\$ 95	1.6%	0.1%	0.9%	1.9%	0.3%	0.3%	-1.7%	-2.0%	0.0%	
FRCC	367	14	510	(209)	49	-	4	-	-	5.4%	-0.1%	3.6%	-4.0%	0.5%	-	0.0%	-	-	
MRO	584	(47)	297	377	(38)	-	(4)	-	-	6.0%	-0.7%	-1.0%	2.4%	-0.6%	-	-0.1%	-	-	
NPCC	650	9	489	112	3	-	37	-	-	4.6%	-0.4%	0.8%	-0.2%	0.0%	-	-0.2%	-	-	
RFirst	694	(194)	1,273	(448)	43	-	20	-	-	3.8%	-1.1%	4.0%	-3.0%	0.0%	-	0.1%	-	-	
SERC	(629)	(19)	(825)	(403)	(42)	-	660	-	-	-3.7%	0.0%	-2.4%	-2.0%	0.0%	-	4.3%	-	-	
SPP RE	83	36	(6)	245	(191)	-	(1)	-	-	0.7%	0.3%	-0.6%	1.9%	-1.6%	-	0.0%	-	-	
TRE	212	156	(328)	409	119	-	(144)	-	-	1.8%	1.2%	-4.1%	3.2%	0.9%	-	-1.2%	-	-	
WECC	662	4	(1,585)	1,248	808	-	187	-	-	2.6%	-0.1%	-7.5%	3.9%	3.0%	-	0.7%	-	-	
\$	3,438	186	596	2,574	1,003	260	(124)	(1,056)	95	2.4%	0.1%	0.6%	1.6%	0.6%	0.2%	-0.1%	-0.6%	0.1%	

	2015 Business Plan and Budget - Total FTEs by Program										2015 Business Plan and Budget - % of Total FTEs Allocated by Program									
	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Administrative Services	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Administrative Services
NERC	189.44	24.40	38.45	19.70	7.97	9.38	6.10	8.40	7.50	67.54	100.0%	12.9%	20.3%	10.4%	4.2%	5.0%	3.2%	4.4%	4.0%	35.7%
FRCC	30.91	1.71	19.77	4.40	0.90		0.09			4.04	100.0%	5.5%	64.0%	14.2%	2.9%		0.3%			13.1%
MRO	42.50	1.01	22.08	7.55	0.28		0.16			11.42	100.0%	2.4%	52.0%	17.8%	0.7%		0.4%			26.9%
NPCC	36.86	2.93	16.00	5.83	0.10		3.00			9.00	100.0%	7.9%	43.4%	15.8%	0.3%		8.1%			24.4%
Rfirst	72.20		45.75	8.35	3.00		0.50			14.60	100.0%	0.0%	63.4%	11.6%	4.2%		0.7%			20.2%
SERC	78.70	2.11	38.50	5.90	2.61		6.45			23.13	100.0%	2.7%	48.9%	7.5%	3.3%		8.2%			29.4%
SPP RE	32.76	0.15	20.85	7.13	-		0.13			4.50	100.0%	0.5%	63.6%	21.8%	0.0%		0.4%			13.7%
TRE ¹	60.00	2.25	33.50	6.50	2.25					15.50	100.0%	3.8%	55.8%	10.8%	3.8%		0.0%			25.8%
WECC	137.50	4.00	53.50	30.80	3.10		1.20			44.90	100.0%	2.9%	38.9%	22.4%	2.3%		0.9%			32.7%
Total	680.87	38.56	288.40	96.16	20.21	9.38	17.63	8.40	7.50	194.63	100.0%	5.7%	42.4%	14.1%	3.0%	1.4%	2.6%	1.2%	1.1%	28.6%

¹ In 2015, Texas RE combined Situation Awareness with RAPA.

	2014 Business Plan and Budget - Total FTEs by Program										2014 Business Plan and Budget - % of Total FTEs Allocated by Program									
	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Administrative Services	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Administrative Services
NERC	189.53	25.92	41.28	18.99	8.16	9.6	6.24	12.48	7.72	59.14	95.9%	13.7%	21.8%	10.0%	4.3%	5.1%	3.3%	6.6%		31.2%
FRCC	30.40	1.74	19.26	5.29	0.67		0.08			3.36	100.0%	5.7%	63.4%	17.4%	2.2%		0.3%			11.1%
MRO	40.75	1.17	21.26	6.49	0.65		0.22			10.96	100.0%	2.9%	52.2%	15.9%	1.6%		0.5%			26.9%
NPCC	36.86	2.93	16.00	5.83	0.10		3.00			9.00	100.0%	7.9%	43.4%	15.8%	0.3%		8.1%			24.4%
Rfirst	72.00	0.50	43.00	10.00	3.10		0.60			14.80	100.0%	0.7%	59.7%	13.9%	4.3%		0.8%			20.6%
SERC	79.20	2.31	42.50	7.60	2.81		4.15			19.83	100.0%	2.9%	53.7%	9.6%	3.5%		5.2%			25.0%
SPP RE	33.86	0.25	22.10	7.13	1.25		0.13			3.00	100.0%	0.7%	65.3%	21.1%	3.7%		0.4%			8.9%
TRE	60.00	2.00	40.00	4.75	1.75		0.75			10.75	100.0%	3.3%	66.7%	7.9%	2.9%		1.3%			17.9%
WECC	135.00	4.00	58.00	23.60	2.00		0.50			46.90	100.0%	3.0%	43.0%	17.5%	1.5%		0.4%			34.7%
Total	677.60	40.82	303.40	89.68	20.49	9.60	15.67	12.48	7.72	177.74	100.0%	6.0%	44.8%	13.2%	3.0%	1.4%	2.3%	1.8%	1.1%	26.2%

	Variance - 2015 to 2014 Business Plan and Budget - Total FTEs by Program										Variance - 2015 to 2014 Business Plan and Budget - % of Total FTEs Allocated by Program									
	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Administrative Services	Total	Standards	Compliance	RAPA	Training	Event Analysis	Situation Awareness	Critical Infrastructure	ES-ISAC	Administrative Services
NERC	(0.09)	(1.52)	(2.83)	0.71	(0.19)	(0.22)	(0.14)	(4.08)	(0.22)	8.40	0.0%	-0.8%	-1.5%	0.4%	-0.1%	-0.1%	-0.1%	-2.2%	4.0%	4.4%
FRCC	0.51	(0.03)	0.51	(0.89)	0.23		0.01			0.68	1.7%	-0.2%	0.6%	-3.2%	0.7%		0.0%			2.0%
MRO	1.75	(0.16)	0.82	1.06	(0.37)		(0.06)			0.46	4.3%	-0.5%	-0.2%	1.8%	-0.9%		-0.2%			0.0%
NPCC	-	-	-	-	-		-			-	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%			0.0%
Rfirst	0.20	(0.50)	2.75	(1.65)	(0.10)		(0.10)			(0.20)	0.3%	-0.7%	3.6%	-2.3%	-0.2%		-0.1%			-0.3%
SERC	(0.50)	(0.20)	(4.00)	(1.70)	(0.20)		2.30			3.30	-0.6%	-0.2%	-4.7%	-2.1%	-0.2%		3.0%			4.4%
SPP RE	(1.10)	(0.10)	(1.25)	-	(1.25)		-			1.50	-3.2%	-0.3%	-1.6%	0.7%	-3.7%		0.0%			4.9%
TRE	-	0.25	(6.50)	1.75	0.50		(0.75)			4.75	0.0%	0.4%	-10.8%	2.9%	0.8%		-1.3%			7.9%
WECC	2.50	-	(4.50)	7.20	1.10		0.70			(2.00)	1.9%	-0.1%	-4.1%	4.9%	0.8%		0.5%			-2.1%
Total	3.27	(2.26)	(15.00)	6.48	(0.28)	(0.22)	1.96	(4.08)	(0.22)	16.89	0.0%	-0.4%	-2.4%	0.9%	-0.1%	0.0%	0.3%	-0.6%	0.0%	2.4%