



# **FRCC 2015 Final Business Plan & Budget**

**NERC and Regional Entity Meeting with the NERC FAC  
July 17, 2014  
Reva R. Maskewitz - Controller**

## 2015 FRCC Regional Entity Division Budget Changes since Previous Draft

- There were additional Penalty Assessment Funds that were deposited before 6/30/2014 from the previous draft
- There were no changes made to the expenses – Total expenses remain at a 5.4% increase from 2014
- The reserve calculation was edited for an oversight in calculations resulting in a reduction of \$175,000 in the Funding Assessment – reducing the funding from an increase of 13.7% from 2014 to an increase of 10.5%.

# 2014 Year End Forecast

The 2014 projected expenses are estimated to be \$265,000 less than the 2014 Budget due to following:

- Delay in filling open positions
- Travel and meeting expenses projected to be less than budgeted
- Legal fees projected to be less than budgeted
- Offset by projected increases in Consultants & Contracts expense for software

## 2016 – 2017 Budget Projections

- Expected increases included for salaries, benefits, etc.
- Expected increases in Software Capital & Maintenance costs (Compliance)
- Changes necessary to implement RAI and changes arising from the security initiative
- Expected Consultants & Contracts increases for PSSE and Fuel Reliability (Reliability Assessment) studies

## 2015 Proposed RE Division Working Capital Policy

- Working Capital and operating reserve requirements shall be one (1) month of the total annual budget
- A 1.5 million line of credit is available for short term and other risks that may be needed to bridge budget cycles and approved assessments.
- Working Capital shall be utilized to satisfy projected annual cash flow and cash balance requirements.
- Operating reserves shall be utilized to satisfy known contingencies where the specific timing and amount is uncertain.
- The FRCC will be revisiting the Policy to refine the calculation of working capital and cash reserves as well as targeting a band.

# 2015 BP&B Summary

(Remains the same as the Previous Presentation )

- **Regional Entity**
  - Budget increase of 5.4%
  - 0 new Staff
  - 0.5 increased FTEs

# FRCC

---

**QUESTIONS?**