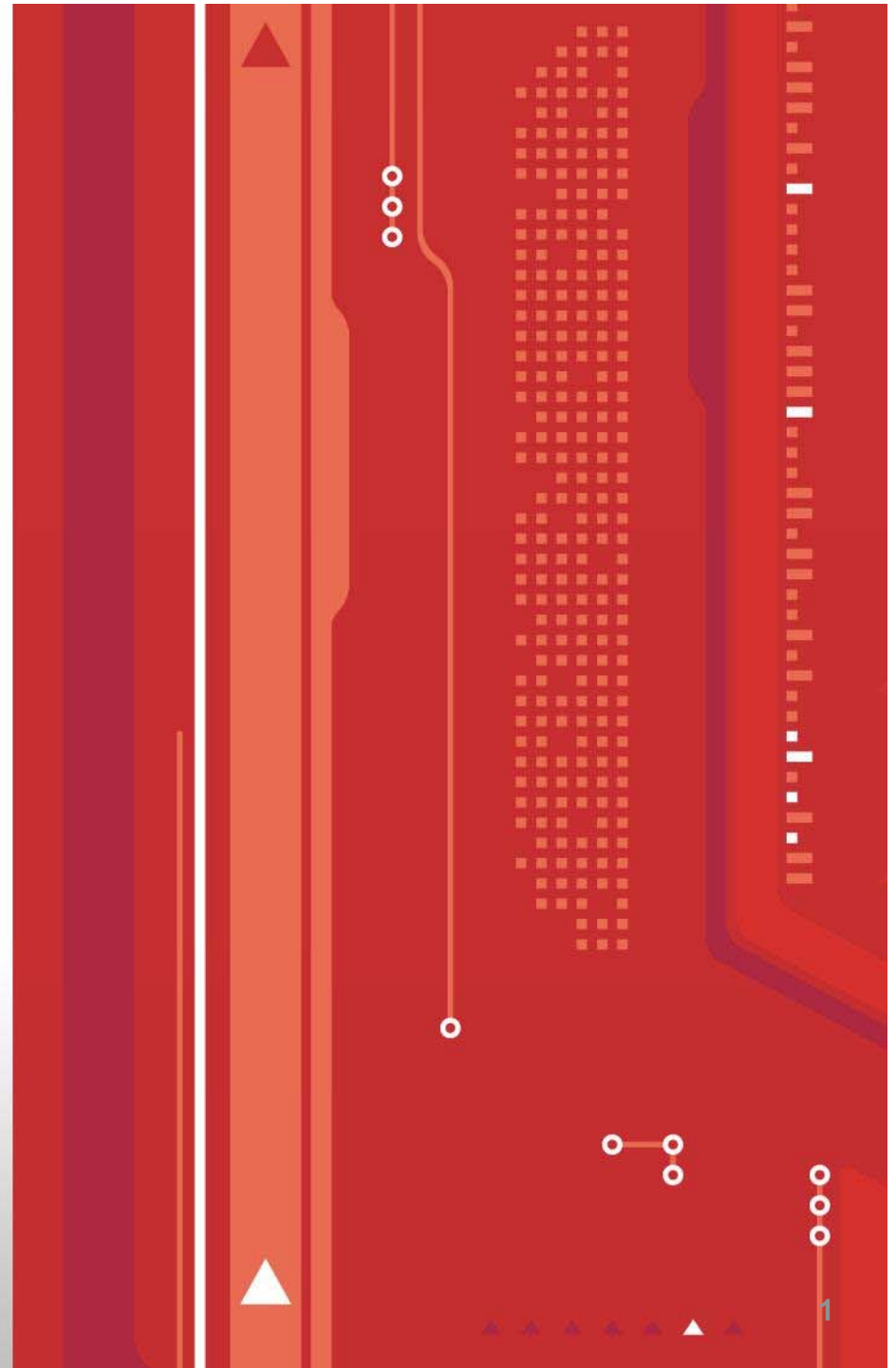


SPP RE 2015 Business Plan and Budget

July 17, 2014

Debbie Currie

RE Manager of Regulatory
Interface and Process
Improvement





2015 Budget Changes since Previous Draft

- **SPP RE made minor expense reductions totaling approximately \$100K or -0.8%**
 - **Preliminary Budget - \$11,907K**
 - **Final Budget \$11,808K**
- **Final 2015 Budget slightly lower than 2014 Budget**
 - **\$16k or -0.1%**



2014 Year-End Forecast

- **2014 Budget Variance projected to be \$407k**
- **Staff Reductions**
 - **Enforcement Attorney**
 - **Part-time Law Clerk**
- **Three Open Positions**
 - **Director**
 - **2 Lead Engineers**



2016-2017 Budget Projections

- **At this time, SPP RE does not anticipate material changes in its personnel or business operations for the years 2016 and 2017.**
 - **No projected change in FTEs**
 - **No projected change in operating costs other than inflationary adjustments**
 - **Budgeted merit pay increases**

Working Capital

- **No working capital requirement; backed by SPP, Inc.**
- **SPP RE will have approximately \$3.1 Million in cash at the end of 2014**
 - **\$500,000 of cash build-up credited to 2015 Assessments**
 - **Assuming that SPP RE remains on budget during 2015 and there are no penalty payments, the cash balance at year's end would be approximately \$1 Million**
 - **2015 Budget \$11.8 Million**
 - **2015 Assessments \$9.7 Million**



Working Capital

- **SPP RE will continue to use the cash build-up to credit the assessments over the next few years**
 - **SPP, Inc. charge has stabilized and penalties have leveled off**
 - **Assessment increases will be tempered as they are closer aligned to SPP RE's budgetary needs over time**
- **SPP RE has received no complaints about the cash build-up or the management of our budget or assessments**



Questions?

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**Manager, Regulatory Interface and Process
Improvement**

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