



RELIABILITY FIRST

2016 Business Plan & Budget

Jill Lewton



2016 Budget Overview

➤ Total 2016 Budget: \$19,367,209

Budget	3.25%	\$610,446
Personnel Expense	3.95%	\$598,904
Operating and Fixed Asset	.3%	\$ 11,543

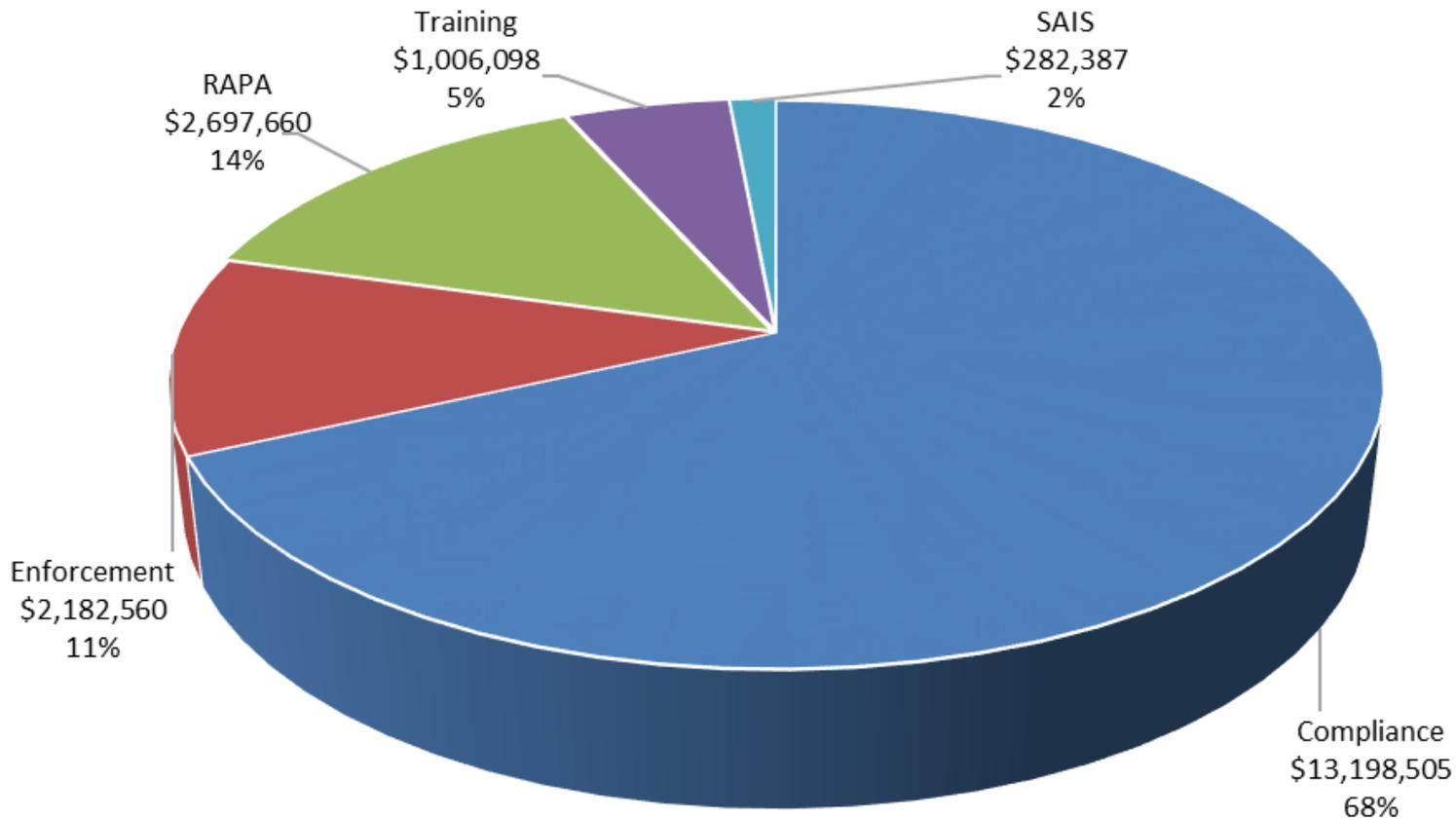
➤ Total 2016 Assessment: \$19,367,209

Assessment	3.49%	\$653,312
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- Efforts to Stabilize Assessments
 - Align assessment to budget
 - Manage the utilization of the working capital reserve to drive assessment stabilization



2016 Budget Summary By Program



2016 Major Budget Increases/(Decreases)

Personnel Expenses	3.95%	\$598,904	% of Budget Increase
Direct Salaries	3.1%	\$342,027	56%
Payroll Taxes	8.2%	\$52,949	8.6%
Medical Benefits	3.6%	\$46,351	7.6%
Retirement Costs	4.72%	\$83,783	13.72%
Training & Education	29.2%	\$73,042	11.97%
Operating Expenses	.3%	\$11,543	
Meeting	25.6%	\$45,400	7.4%
Travel	7%	\$55,021	9.0%
Contractors	(13%)	(\$80,624)	(13.2%)
Office Costs	(3.9%)	(\$29,293)	(4.8%)
Professional Services	7.3%	\$33,418	(5.5%)



FTEs by Program Area

Total FTEs by Program Area	Budget 2015	Projection 2015	Total FTEs 2016 Budget	Change from 2015 Budget
STATUTORY				
Operational Programs				
Reliability Standards	0.00	0.00	0.00	0.00
Reliability Assurance and Compliance Monitoring	37.50	37.50	37.50	0.00
Enforcement	8.25	8.25	8.25	0.00
Reliability Assessment and Performance Analysis	8.35	8.35	8.35	0.00
Training and Education	3.00	3.00	3.00	0.00
Situation Awareness and Infrastructure Security	0.50	0.50	0.50	0.00
Total FTEs Operational Programs	57.60	57.60	57.60	0.00
Total FTEs Administrative Programs	14.60	14.60	14.60	0.00
Total FTEs	72.20	72.20	72.20	0.00

- **No additional FTEs were requested.**
- **Will monitor resource impact of CIP V5 implementation and make any adjustments.**



Alignment with ERO

- **Support CIP V5 implementation**
- **Support risk based registration activities**
- **Support NERC RAPA efforts**
 - Assessments
 - TADS, GADS, DADS Data Analysis
 - Misoperation Analysis
 - Leadership of NERC groups
- **Support centralized enterprise IT applications**
- **Support Implementation of Reliability Assurance concepts**
- **Support the implementation of the revised BES definition**
- **Enterprise Risk Management**



2017 Budget Projection

Budget Projections		
Personnel Expense <ul style="list-style-type: none"> • Salary Increase: 3% • Medical/Dental/Vision Premiums: 15%/8%/8% 	3.5%	
Meeting Expense	1%	
Travel Expense	3.5%	
Operating Expense	4.4%	
Projected 2017 Budget Low Range		3.6%
Additional Budget Items (At Risk Areas)		
Personnel Expense <ul style="list-style-type: none"> • 2 Positions: RAI/Appraisal/Entity Development 	2.5%	
Fixed Assets Additions <ul style="list-style-type: none"> • Document and Data Management Application \$200,000 • Risk Management Software \$100,000 	1.1%	
Projected 2017 Budget (Including Risk Items)		7.2%

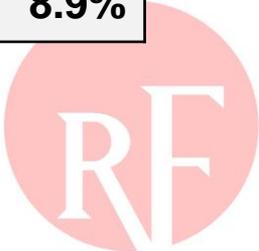
Projected Range of 2017 Budget: 3.6% to 7.2%



2018 Budget Projection

Budget Projections		
Personnel Expense <ul style="list-style-type: none"> • Salary Increase: 3% • Medical/Dental: 20%/8% • Life Insurance: 5% 	6.8%	
Meeting Expense	1%	
Travel Expense	3.5%	
Operating Expense	1.6%	
Projected 2018 Budget Low Range		5.9%
Additional Budget Items (At Risk Areas)		
Personnel Expense <ul style="list-style-type: none"> • 2 Positions: RAI/Appraisal/Entity Development 	2.4%	
Fixed Assets Additions <ul style="list-style-type: none"> • Document and Data Management Application \$100,000 • Risk Management Software \$100,000 	.6%	
Projected 2018 Budget (Including Risk Items)		8.9%

Projected Range of 2018 Budget: 5.9% to 8.9%



2016 Contingency Funding

- **The Working Capital Reserve of \$645K will be utilized to manage cash flow for daily operations and to stabilize future assessments.**
- **The Operating Reserve Fund of \$1M will be set aside with the intention of providing for unbudgeted or unexpected expenditures.**
- **Renewed the \$1M Line of Credit**



Questions & Answers

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