



NPCC 2018 Draft Business Plan & Budget

Jessica Hala
Manager, Finance and Accounting



2018 Budget Overview

- No change in NPCC total budget and assessments
 - Regional Entity total budget decrease of -0.3% (-\$40k); assessment increase of 0.6% (\$87k)
 - Criteria Services total budget increase of 3.8% (\$40K); assessment decrease of -7.8% (-\$87k)
- Staffing Flat
 - Total of 39 FTEs (Regional Entity Division 36.86, Criteria Services Division 2.14)
 - Currently one open position expected to be filled by June 2017
- Business Continuity Reserve



2018 Preliminary Budget by Category

	2018	2017		
	Budget	Budget	Variance	% Variance
Personnel Expenses	\$ 9,820,770	\$ 9,426,071	\$ 394,699	4.2%
Meeting Expenses	1,224,550	1,269,332	(44,782)	-3.5%
Operating Expenses	4,632,100	4,838,800	(206,700)	-4.3%
Indirect Expenses	(416,453)	(413,149)	(3,304)	0.8%
Total Expenses	\$ 15,260,967	\$ 15,121,054	\$ 139,913	0.9%
(Inc)Dec in Fixed Assets	(154,000)	26,000	(180,000)	
TOTAL BUDGET	\$ 15,106,967	\$ 15,147,054	\$ (40,087)	-0.3%
FTEs	36.86	36.86	0.00	0.0%



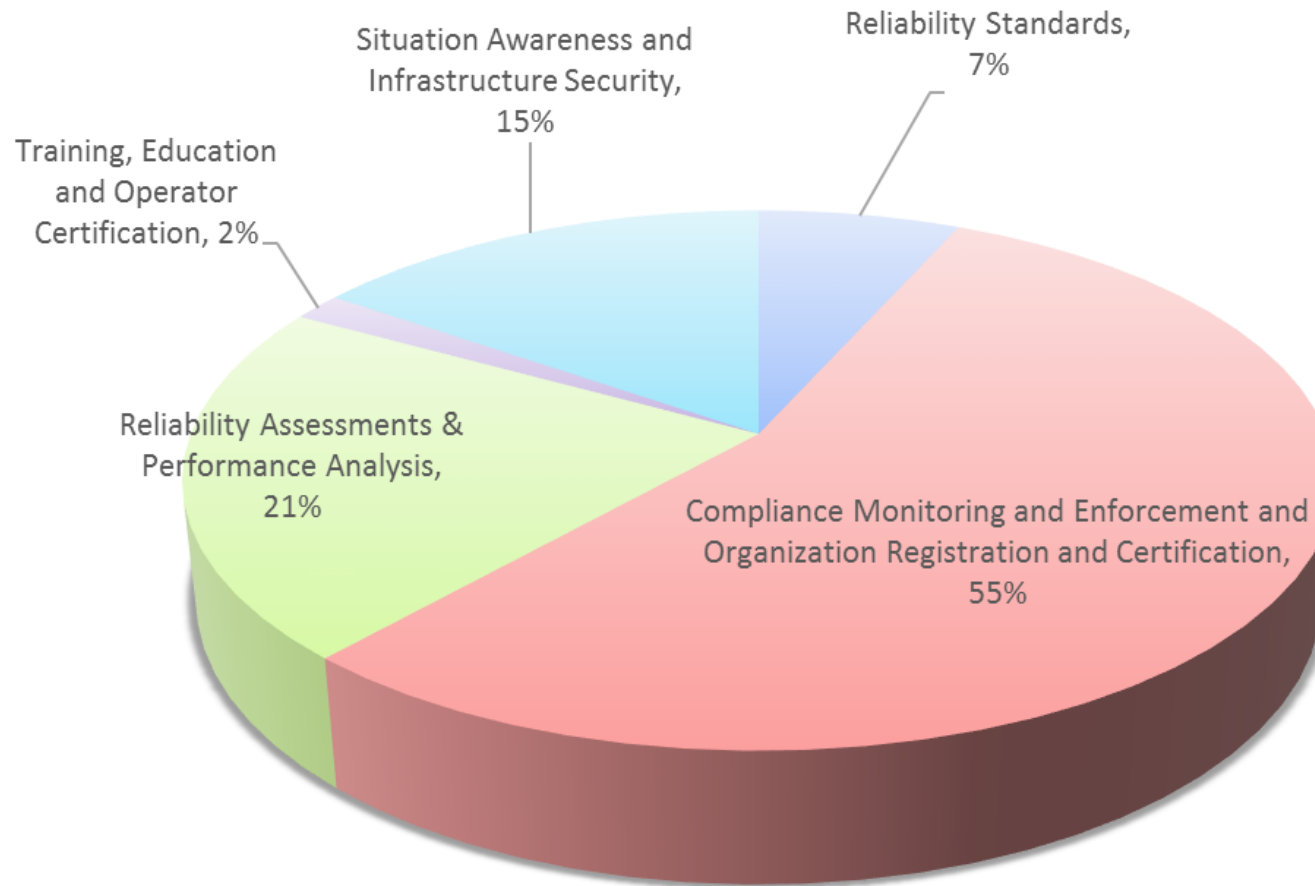
FTE Comparison

Total FTE's by Program Area	Budget 2017	Projection 2017	Direct FTEs 2018 Budget	Shared FTEs ¹ 2018 Budget	Total FTEs 2018 Budget	Change from 2017 Budget
REGIONAL ENTITY DIVISION						
Operational Programs						
Reliability Standards	1.93	1.93	1.00	0.93	1.93	0.00
Compliance Monitoring and Enforcement and Organization Registration and Certification	17.00	16.00	16.00	0.00	16.00	-1.00
Training, Education, and Operator Certification	0.10	0.10	0.10	0.00	0.10	0.00
Reliability Assessment and Performance Analysis	5.83	5.83	4.90	0.93	5.83	0.00
Situation Awareness and Infrastructure Security	4.00	5.00	5.00	0.00	5.00	1.00
Total FTEs Operational Programs	28.86	28.86	27.00	1.86	28.86	0.00
Administrative Programs						
Technical Committees and Member Forums	0.50	0.50	0.50	0.00	0.50	0.00
General and Administrative	2.50	2.50	2.50	0.00	2.50	0.00
Information Technology	2.00	2.00	2.00	0.00	2.00	0.00
Legal and Regulatory	1.00	1.00	1.00	0.00	1.00	0.00
Human Resources	1.00	1.00	1.00	0.00	1.00	0.00
Accounting and Finance	1.00	1.00	1.00	0.00	1.00	0.00
Total FTEs Administrative Programs	8.00	8.00	8.00	0.00	8.00	0.00
Total FTEs	36.86	36.86	35.00	1.86	36.86	0.00

¹A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.



2018 Total Resources by Program Area Regional Entity (RE) Division





Major Budget Impacts

- Personnel Expenses
 - 3.5% average wage package increase; 0% vacancy rate
 - No change in FTE's
- Consultants and Contracts
 - -6.5% decrease
 - Efficiencies gained from ICE and IRA resulting in lower CMEP contract auditor expenses
- Professional Services
 - -7.8% decrease
 - Additional workload taken on by in-house legal team
- CS Division continues to support international, interconnected BPS reliability through maintenance of and compliance monitoring with more-stringent, regionally-specific reliability criteria



2018 Preliminary Assessments

- No change in NPCC total assessments
 - Regional Entity assessment increase of 0.6%
 - Criteria Services assessment decrease of -7.8%
- CORC 2016 actual vs budget variance assigned directly to the CORC program to allocate CORC underage in the same manner and percentage as CORC assessments were collected in order to respect the specific compliance responsibilities and funding methodologies within each of the Canadian provinces within NPCC.



Working Capital and Operating Reserves

- No change in Working Capital and Operating Reserves requirement.
 - Working Capital requirement targets 8.33% (30 days) of the annual budget
 - Operating Reserves Range between 8.33% and 25.00% (90 days) provides more stability in annual funding assessments than a fixed target
- Projected RE Total Reserve balance at year end 2018:
\$2,933,713 (19.42% of total budget)
- Business Continuity Reserve (BCR) in the amount of \$1MM (allocated between RE and CS divisions)



Business Continuity Reserve

- Business Continuity Reserves to be established from existing Working Capital & Operating Reserves to identify funds available for succession planning during 2019 - 2021.
- Total: \$1,000,000 Allocated between RE and CS divisions.
- Endorsed by MDCC and FAC. Approved by NPCC Board.
- No change to Working Capital & Operating Reserves policy.
- Business Continuity Reserve to be drawn upon for President & CEO succession related activities associated with a planned or sudden retirement, as well as changing workforce staffing requirements.



Preliminary 2019-2020 RE Projections

2019

- Total budget increase of \$327k or 2.2%
- Total assessments of \$14.65 million
- No additional staff
- 3% average wage package

2020

- Total budget increase of \$351k or 2.3%
- Total assessments of \$14.98 million
- No additional staff
- 3% average wage package



Questions?

NPCC, Inc.