



2015 Draft Budget Overview Presentation to NERC FAC

Jillian Lessner
Director of Finance and Accounting
May 21, 2014

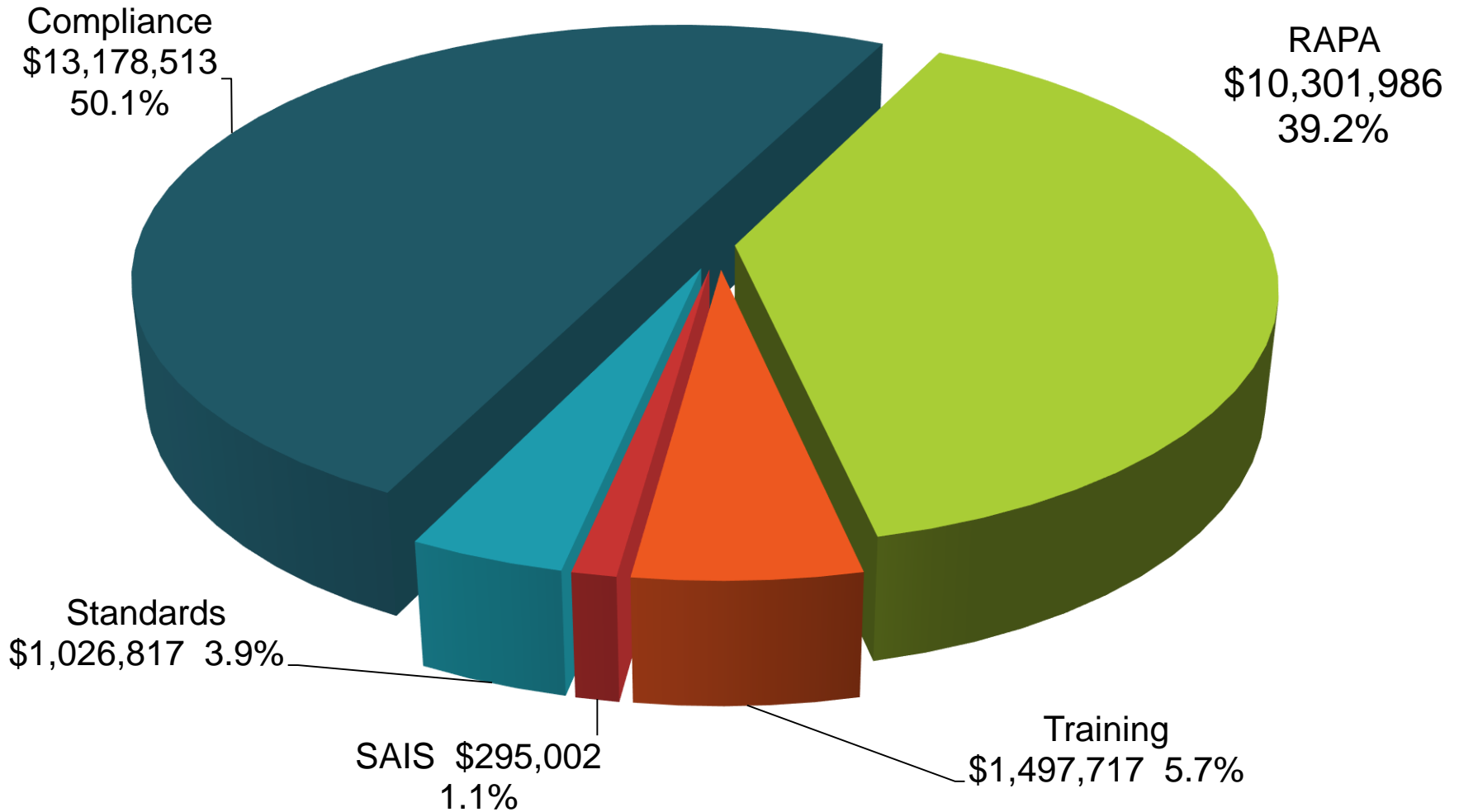
2015 WECC Budget Overview

- Total budget increases \$662K
- Assessments
 - Increase \$9.5MM
 - ARRA Funding ends in 2014
 - Reserves used to offset Assessments in 2014
 - Assume zero penalty funds available in 2015
- Headcount
 - Increases by 3 (2.5 FTE)

Key Factors/WECC Assumptions

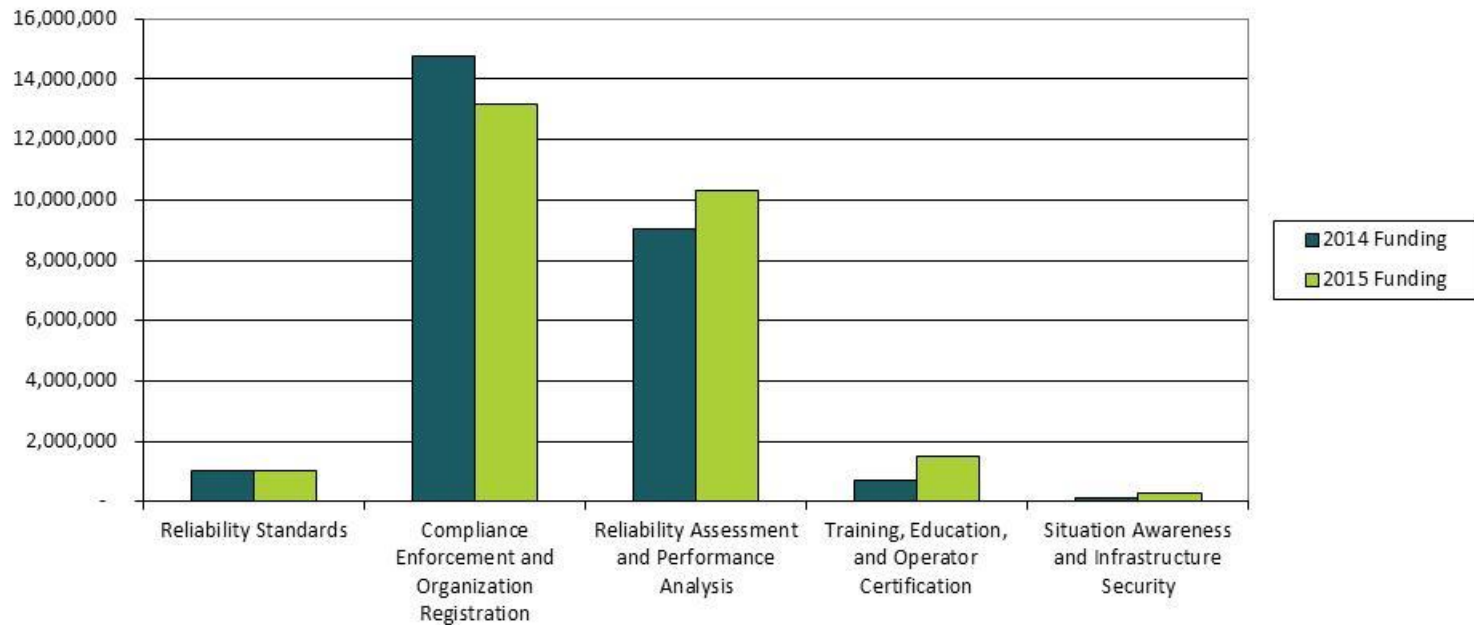
- Grants
 - RTEP ends 12/2014
- Program Areas
 - Service levels remain flat
 - RAS Modeling
 - BES exception processing
 - RAI
- Personnel
 - Labor float
 - Net addition of 3 positions
 - Retirement benefits increase 2%
 - Merit increase of 3.5%

WECC Budget by Functional Area



WECC Program Comparison

Comparison of 2015 to 2014 Budgeted Funding Requirements



WECC 2014-2015 Budget Comparison

	2015	2014	Variance	% Variance	Explanation
Funding					
Assessments	25,175,135	15,630,852	9,544,283	61.06%	
Penalties	-	2,933,050	(2,933,050)	-100.00%	
Other Income	1,124,900	4,655,237	(3,530,337)	-75.84%	RTEP grant ends in 2014
Total Funding	<u>26,300,035</u>	<u>23,219,139</u>	<u>3,080,896</u>		
Expenses					
Personnel	17,278,551	15,773,971	1,504,580	9.54%	Labor float, FTE increase, retirement increase
Meeting	2,311,610	2,472,154	(160,544)	-6.49%	RTEP grant ends in 2014, cost saving efforts
Operating Expenses ¹	5,726,317	7,487,584	(1,761,267)	-23.52%	RTEP grant ends in 2014
Indirect	(483,443)	(541,111)	57,668	-10.66%	
Total Expenses	<u>24,833,035</u>	<u>25,192,598</u>	<u>(359,563)</u>		
Fixed Assets ¹	<u>1,467,000</u>	<u>445,487</u>	<u>1,021,513</u>	229.30%	RAS modeling
Total Budget	<u>26,300,035</u>	<u>25,638,085</u>	<u>661,950</u>	2.58%	
Change in Working Capital	<u>-</u>	<u>(2,418,946)</u>	<u>2,418,946</u>		

¹Depreciation excluded from these values

WECC FTE Comparison

Total FTEs by Program Area	Budget 2014	Projection 2014	Direct FTEs 2015 Budget	Shared * 2015 FTEs Budget	Total FTEs 2015 Budget	Change from 2014 Budget
STATUTORY						
Operational Programs						
Reliability Standards	4.0	4.0	4.0	0.0	4.0	-
Compliance and Organization Registration and Certification	58.0	58.0	53.5	0.0	53.5	(4.5)
Training and Education	2.0	2.0	3.1	0.0	3.1	1.1
Reliability Assessment and Performance Analysis	23.6	23.6	30.8	0.0	30.8	7.2
Situation Awareness and Infrastructure Security	0.5	0.5	1.2	0.0	1.2	0.7
Total FTEs Operational Programs	88.1	88.1	92.6	0.0	92.6	4.5
Administrative Programs						
Technical Committees and Member Forums	9.0	-9.0	0.0	0.0	0.0	(9.0)
General & Administrative	15.2	15.2	20.9	0.0	20.9	5.7
Information Technology	9.0	9.0	10.0	0.0	10.0	1.0
Legal and Regulatory	6.0	6.0	6.0	0.0	6.0	-
Human Resources	3.0	3.0	3.0	0.0	3.0	-
Finance and Accounting	4.7	4.7	5.0	0.0	5.0	0.3
Total FTEs Administrative Programs	46.9	28.9	44.9	0.0	44.9	(2.0)
Total FTEs	135.0	117.0	137.5	0.0	137.5	2.5

* A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.



WECC Resource Adequacy

- All mission critical functions meeting expectations
- Program Area goals are reviewed and prioritized annually

WECC Process Improvements & Cost Control Efforts

- Enhancement of registration process
- Fine tuned expense reporting guidelines and training
- Fine tuned monthly forecasting process and training
- Continued streamlining of the audit process to shorten duration and days on-site
- Leverage technology to streamline information flow and reduce manual and duplicative work

Alignment of RE and ERO

- Review high level objectives in ERO Strategic Plan
- Ensure goals are in alignment and support ERO objectives
- Allocate resources as appropriate

Working Capital Reserves

- Target balance is one month of OpEx
- Projected EOY balance of \$2 million

Questions?



Jillian Lessner
Director of Finance and Accounting
jlessner@wecc.biz