



NPCC Final 2015 Business Plan & Budget

**Presentation to NERC FAC
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2015 Final Budget Overview

- No material changes from Draft 1
- Total Operating Expenses increase of 3.5% over 2014
- Total Assessments increase of 3.5% over 2014



2014 Year-End Forecast

- Forecast to be on budget at year end.
- First quarter 2014 results used to project year-end variances at the time final draft was prepared. No material variances to report.
- NPCC will update its full year projection as needed in the second quarter 2014 financial report to NERC.



2016 and 2017 Assumptions

- 3% wage package increase in each year
- 6% increase in benefits expense each year
- Decrease in contracts and consulting after revised BES definition, RAI and Internal Control Assessments initial implementation in 2015



Working Capital and Operating Reserves

- Working Capital requirement remains unchanged with a targeted level of 8.33% (30 days) of the annual budget.
- Operating Reserves range between 8.33% and 25% (30-90 days) to provide more stability in annual funding assessments.
- Board authorization would be required for potential use of reserves to fund termination of pension plan.



Questions?

NPCC, Inc.