



2017 Business Plan and Budget

Angela Erisman - Controller

2017 Statutory Budget Overview

- Budget decrease of 1.2%
- Assessments decrease by 7.0%
- Staffing:
 - 1 New Staff Addition
 - 0.60 decreased FTE's
 - Attrition factor of 13%
- Excess reserve of \$827K to reduce 2017 assessments

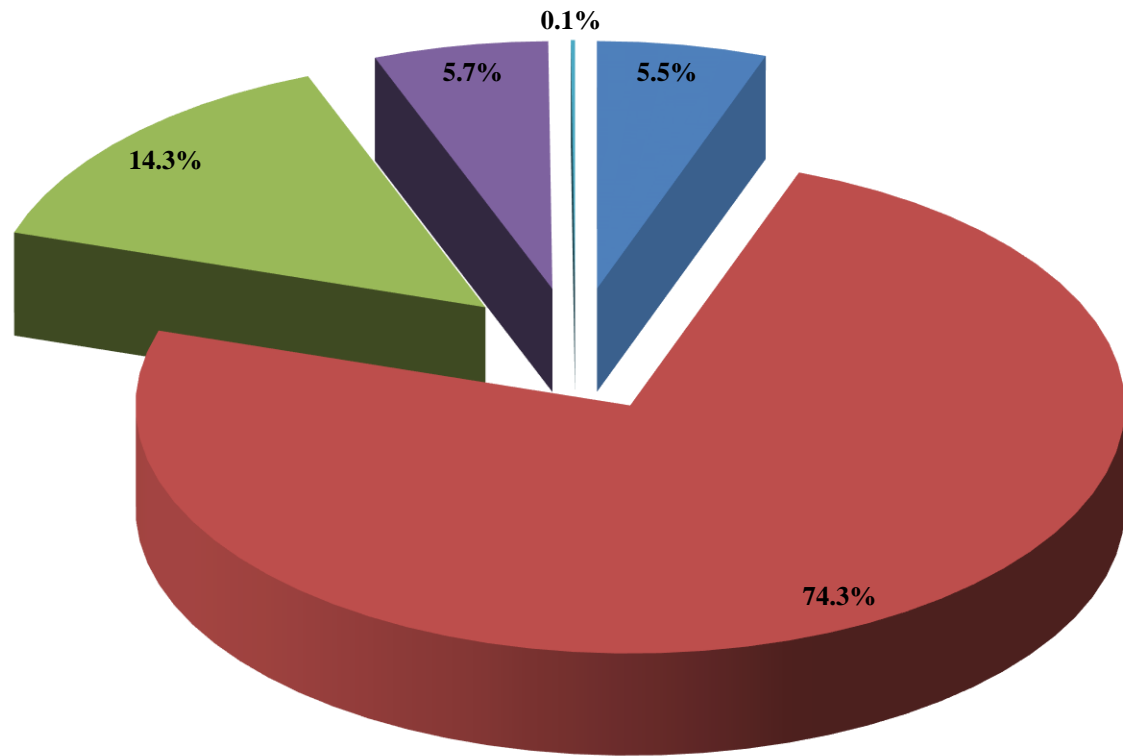
2017 Assessments

	2016	2017	% Change 2017:2016	\$ Change 2017:2016
Funding:				
Total Statutory Funding Assessment	6,628,457	6,163,895	-7.0%	(464,562)
Pass Thru Training & Education	92,000	92,000	0.0%	-
Pass Thru Software Maintenance	24,000	-	-100.0%	(24,000)
Cash Reserve Refund (Requirement)	436,070	826,959	89.6%	390,889
Penalty Assessment Allocation	81,000	95,000	17.3%	14,000
Total Statutory Funding (Equals Total Expenses)	7,261,527	7,177,854	-1.2%	(83,673)

Budget Assumptions

- 3% Salary increases
- 1 new position (CIP Auditor)
- 13% Attrition Factor
- Shift of shared staff time and expenses from the Reliability Assessment program to Member Services to align Eastern Interconnection Model development with NERC's expectations for MOD-032

2017 Budget by Functional Area



- Reliability Standards Development
- Compliance Monitoring & Enforcement and Org Reg
- Reliability Assessment and Performance Analysis
- Training, Education and Operator Certification
- Situation Awareness and Infrastructure Security

2016 - 2017 Budget Comparison

	2016 Budget	2016 Projection	Variance Over(Under)	2017 Budget	Variance 2016 vs 2017 Budget Over(Under)	
					\$	%
Funding						
ERO Assessments	\$ 6,628,457	\$ 6,628,457	\$ (0)	6,163,896	\$ (464,562)	-7.0%
Penalty Sanctions	81,000	81,000	0	95,000	14,000	
Services & Software	24,000	24,000	-	-	(24,000)	
Workshops	92,000	102,510	10,510	92,000	-	
Total Funding	\$ 6,825,457	\$ 6,835,967	\$ 10,510	\$ 6,350,896	\$ (474,562)	-7.0%
Expenses						
Personnel Expenses	5,513,692	5,308,808	(204,884)	5,472,437	(41,255)	
Meeting Expenses	262,648	242,154	(20,494)	264,579	1,931	
Operating Expenses	1,539,940	1,359,941	(179,999)	1,395,569	(144,371)	
Total Expenses	\$ 7,316,280	\$ 6,910,903	\$ (405,377)	\$ 7,132,585	\$ (183,695)	-2.5%
Fixed Assets						
Depreciation	\$ (171,380)	\$ (173,992)	\$ (2,612)	\$ (142,625)	\$ 28,755	
Total Fixed Asset Purchases	116,627	148,590	31,963	187,894	71,267	
Change in Fixed Assets	54,753	25,402	(29,351)	(45,269)	(100,022)	-182.7%
TOTAL BUDGET	\$ 7,261,527	\$ 6,885,501	\$ (376,026)	\$ 7,177,854	\$ (83,673)	-1.2%
FTEs	30.59	28.61	(1.98)	29.99	(0.60)	-2.0%

2016 - 2017 FTE Comparison

Total FTE's by Program Area	Budget 2016	Projection 2016	Direct FTEs 2017 Budget	Shared FTEs ¹ 2017 Budget	Total FTEs 2017 Budget	Change from 2016 Budget
STATUTORY						
Operational Programs						
Reliability Standards Development	1.41	1.41	1.48		1.48	0.07
Compliance Monitoring & Enforcement and Org Reg	18.83	17.47	19.58		19.58	0.75
Reliability Assessment and Performance Analysis	4.71	4.25	1.00	2.60	3.60	-1.11
Training, Education and Operator Certification	1.09	1.05		1.11	1.11	0.02
Situation Awareness and Infrastructure Security	0.08	0.08		0.03	0.03	-0.05
Total FTEs Operational Programs	26.12	24.26	22.06	3.74	25.80	-0.32
Administrative Programs						
General & Administrative	4.47	4.35		4.19	4.19	-0.28
Total FTEs Administrative Programs	4.47	4.35	0.00	4.19	4.19	-0.28
Total FTEs	30.59	28.61	22.06	7.93	29.99	-0.60

¹A shared FTE is defined by NERC as an employee who performs both Statutory and Non-Statutory functions.

Working Capital Reserves

- Excess reserve of \$827K to reduce 2017 assessments
- No change to reserve policy
 - Working capital and operating reserve requirement is one month of the total annual budget
 - \$1.5 million line of credit if needed
- Projecting 2017 EOY balance to be \$989,043

2018 and 2019 Projections

2018

- Total budget increase of \$392K or 5.5%
- Total assessments of \$7,477,495
- One new staff (CIP Auditor)
- Salary increases of 3%

2019

- Total budget increase of \$103K or 1.4%
- Total assessments of \$7,580,172
- No additional staff
- Salary increases of 3%

Questions?

