

WECC

2018 Business Plan and Budget

Jillian Lessner – Chief Financial Officer

2018 Statutory Budget Overview

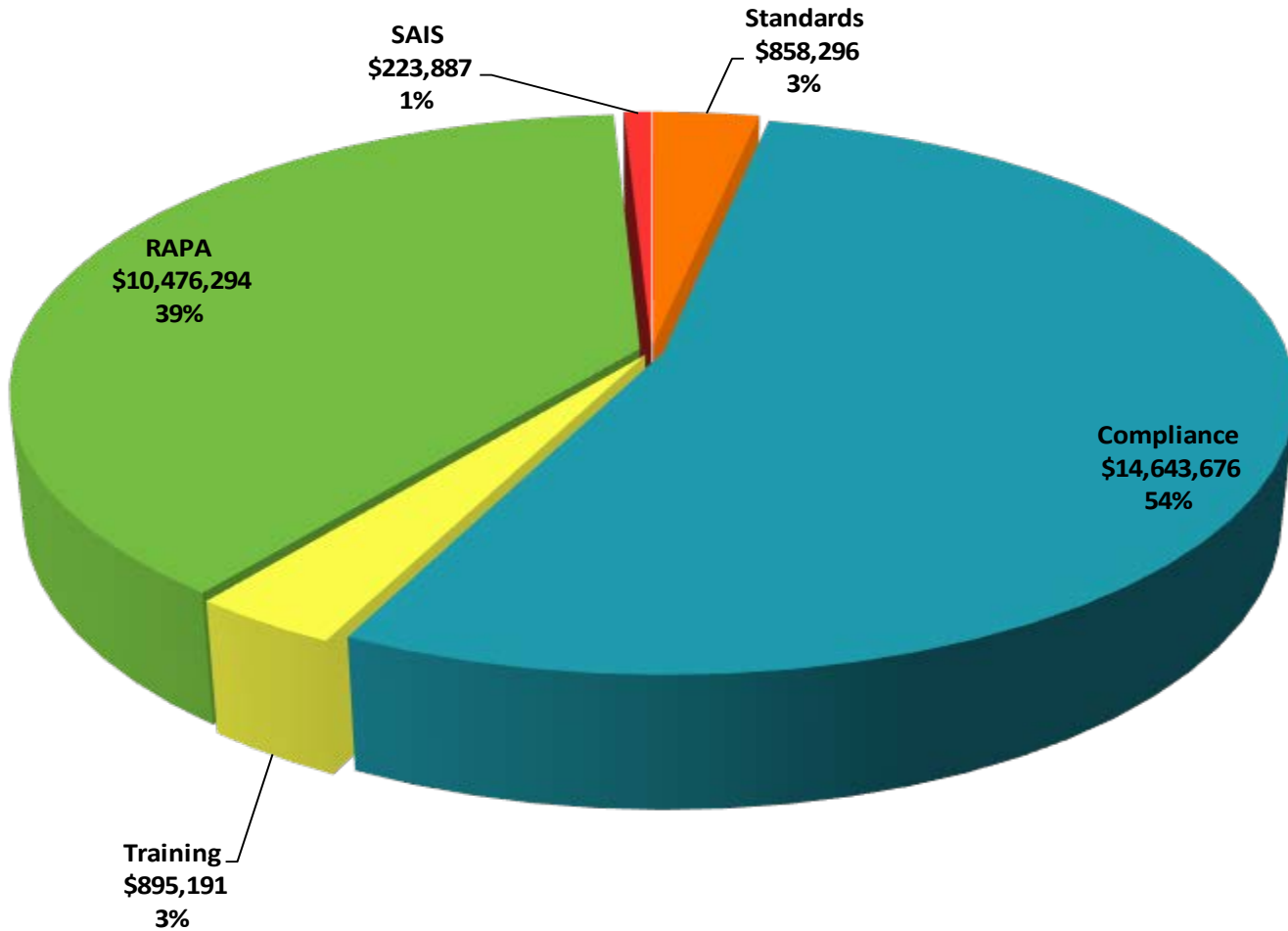
- Budget increases \$300K (1.12%)
- Assessments held flat
- Headcount increases by 3 (3.0 FTE)
 - Project Manager
 - Project Coordinator
 - Risk Analyst

2018 Draft Budget by Category

	2018 Budget	2017 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
Funding					
Assessments	\$25,282,000	\$25,282,000	\$ -	0.0%	Increase in Penalties collected
Penalties	2,100,000	1,059,500	1,040,500	98.2%	Confirmed violations approved by FERC and collected
Other Income	615,050	662,876	(47,826)	-7.2%	
Total Funding	\$27,997,050	\$27,004,376	\$ 992,674	3.7%	
Expenses					
Personnel Expenses	\$19,871,269	\$19,229,726	\$ 641,543	3.3%	3% merit pool, labor float adj, +3 FTE, insurance premium incr
Meeting Expenses	2,231,994	2,082,329	149,665	7.2%	Increase in travel for risk-based CMEP, CIP V5, CIP-014
Operating Expenses ¹	5,470,080	5,977,025	(506,945)	-8.5%	Decrease in consulting (\$401K) and Board Director comp (\$51K)
Indirect Expenses	(545,300)	(610,702)	65,402	-10.7%	Decrease in Corp Services budget; increase in statutory FTE
Total Expenses	\$27,028,043	\$26,678,378	\$ 349,665	1.3%	
Fixed Assets¹	\$ 69,301	\$ 118,550	\$ (49,249)	-41.5%	Transition to cloud-based storage
Total Budget	\$27,097,344	\$26,796,928	\$ 300,416	1.1%	
Change in Working Capital	\$ 899,706	\$ 207,448	\$ 692,258		
FTES	143.00	140.00	3.00	2.1%	

¹ Depreciation excluded from these values

2018 Budget by Program Area



2017 – 2018 FTE Comparison

Total FTEs by Program Area	Budget 2017	Projection 2017	Direct FTEs 2018 Budget	Shared FTEs* 2018 Budget	Total FTEs 2018 Budget	Change from 2017 Budget
STATUTORY						
Operational Programs						
Reliability Standards	3.0	3.0	3.0	0.0	3.0	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	55.0	54.0	59.0	0.0	59.0	4.0
Training, Education, and Stakeholder Outreach	2.0	1.3	1.3	0.0	1.3	(0.7)
Reliability Assessment and Performance Analysis	36.0	36.0	38.0	0.0	38.0	2.0
Situation Awareness and Infrastructure Security	1.0	1.0	1.0	0.0	1.0	-
Total FTEs Operational Programs	97.0	95.3	102.3	0.0	102.3	5.3
Corporate Services						
Technical Committees and Member Forums	0.0	0.0	0.0	0.0	0.0	-
General & Administrative	19.0	18.0	16.8	0.0	16.8	(2.3)
Information Technology	8.0	8.0	8.7	0.0	8.7	0.7
Legal and Regulatory	7.0	7.0	7.0	0.0	7.0	-
Human Resources	4.0	4.0	4.0	0.0	4.0	-
Finance and Accounting	5.0	4.0	4.3	0.0	4.3	(0.8)
Total FTEs Corporate Services	43.0	41.0	40.7	0.0	40.7	(2.3)
Total FTEs	140.0	136.3	143.0	0.0	143.0	3.0

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

Statutory Working Capital Reserves

- Reserves increase \$900K
- No changes to reserve policy
 - Current target is range of 1 to 2 months of OpEx
 - Use for assessment stabilization in future years
- Projected 2018 EOY balance of \$5.79 million

2019 and 2020 Statutory Budget

- 2019 projection
 - Budget increases \$35,000 (0.1%)
 - Assessments increase \$253,000 (1.0%)
 - No additional FTE
 - Personnel Expenses increase \$619,000 (3.1%)
 - Consulting decreases \$600,000 (29.7%)
- 2020 projection
 - Budget increases \$733,000 (2.7%)
 - Assessments increase \$255,000 (1%)
 - No additional FTE
 - Personnel Expenses increase \$639,000 (3.1%)
 - Consulting decreases \$100,000
 - Rent increases \$155,000

Q&A

