Helping our members work together to keep the lights on... today and in the future

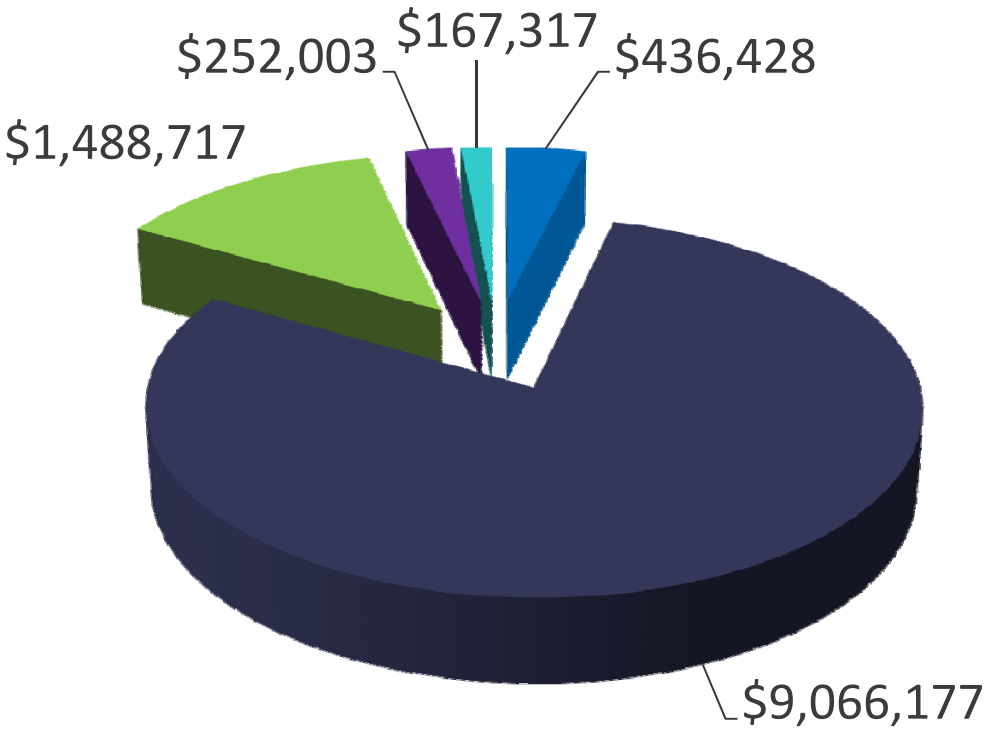
2012 Proposed Business Plan and Budget
Stacy Dochoda SPP RE General Manager
June 21, 2011 SPP RE Trustee Meeting

SPP Southwest Power Pool Regional Entity

2012 PROPOSED BUDGET

Overview

Proposed Budget- $11.4 Million



- Reliability Standards
- Compliance Enforcement and Organization Registration
- Reliability Assessments and Performance Analysis
- Training, Education, and Operator Certification
- Situation Awareness and Infrastructure Security

2012-2011 Budget Comparison
Cost Drivers

- **BES Definition & Exception Process**
  - Direct Staff (FTE) & Consultant Costs
- **Compliance Investigations**
  - Direct Staff (FTE)
- **CIP Compliance**
  - Direct Staff (FTE)
- **Enforcement Caseload Reduction**
  - Direct Staff (FTEs) & Consultant Costs

2012-2011 Budget Comparison

Item	2011 Approved	2012 Proposed	Increase/ (Decrease)
SPP RE Direct FTEs	25.92	30.25	4.33
SPP Shared FTEs	3.75	3.25	(.50)
Total FTEs	29.67	33.50	3.83
Direct Expenses (millions)	$5.9	$6.9	$1.0
SPP, Inc. Indirect Expenses (millions)	$3.9	$4.5	$0.6
Total Expenses (millions)	$9.8	$11.4	$1.6
Total Funding Requirement (millions)	$9.3	$10.1	$0.8
RE Assessments (millions)	$9.1	$9.9	$0.8

2012- 2011 Budget Comparison
FTEs

Total FTE's by Program Area	Budget 2011	Projection 2011	Direct FTEs 2012 Budget	Shared FTEs[1] 2012 Budget	Total FTEs 2012 Budget	Change from 2011 Budget
	STATUTORY					
Operational Programs						
Reliability Standards	1.50	0.92	1.00	0.25	1.25	-0.25
Compliance and Organization Registration and Certification	17.92	19.13	22.75	0.00	22.75	4.83
Training and Education	1.00	0.67	1.00	0.00	1.00	0.00
Reliability Assessment and Performance Analysis	5.00	4.42	1.75	2.75	4.50	-0.50
Situation Awareness and Infrastructure Security	0.25	0.50	0.50	0.00	0.50	0.25
Total FTEs Operational Programs	25.67	25.64	27.00	3.00	30.00	4.33
Administrative Programs						
Technical Committees and Member Forums	0.00	0.00	0.00	0.00	0.00	0.00
General & Administrative	4.00	3.46	3.50	0.00	3.50	-0.50
Information Technology	0.00	0.00	0.00	0.00	0.00	0.00
Legal and Regulatory	0.00	0.00	0.00	0.00	0.00	0.00
Human Resources	0.00	0.00	0.00	0.00	0.00	0.00
Finance and Accounting	0.00	0.00	0.00	0.00	0.00	0.00
Total FTEs Administrative Programs	4.00	3.46	3.50	0.00	3.50	-0.50
Total FTEs	29.67	29.10	30.50	3.00	33.50	3.83

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

2012 Proposed Budget
Enforcement Caseload Reduction

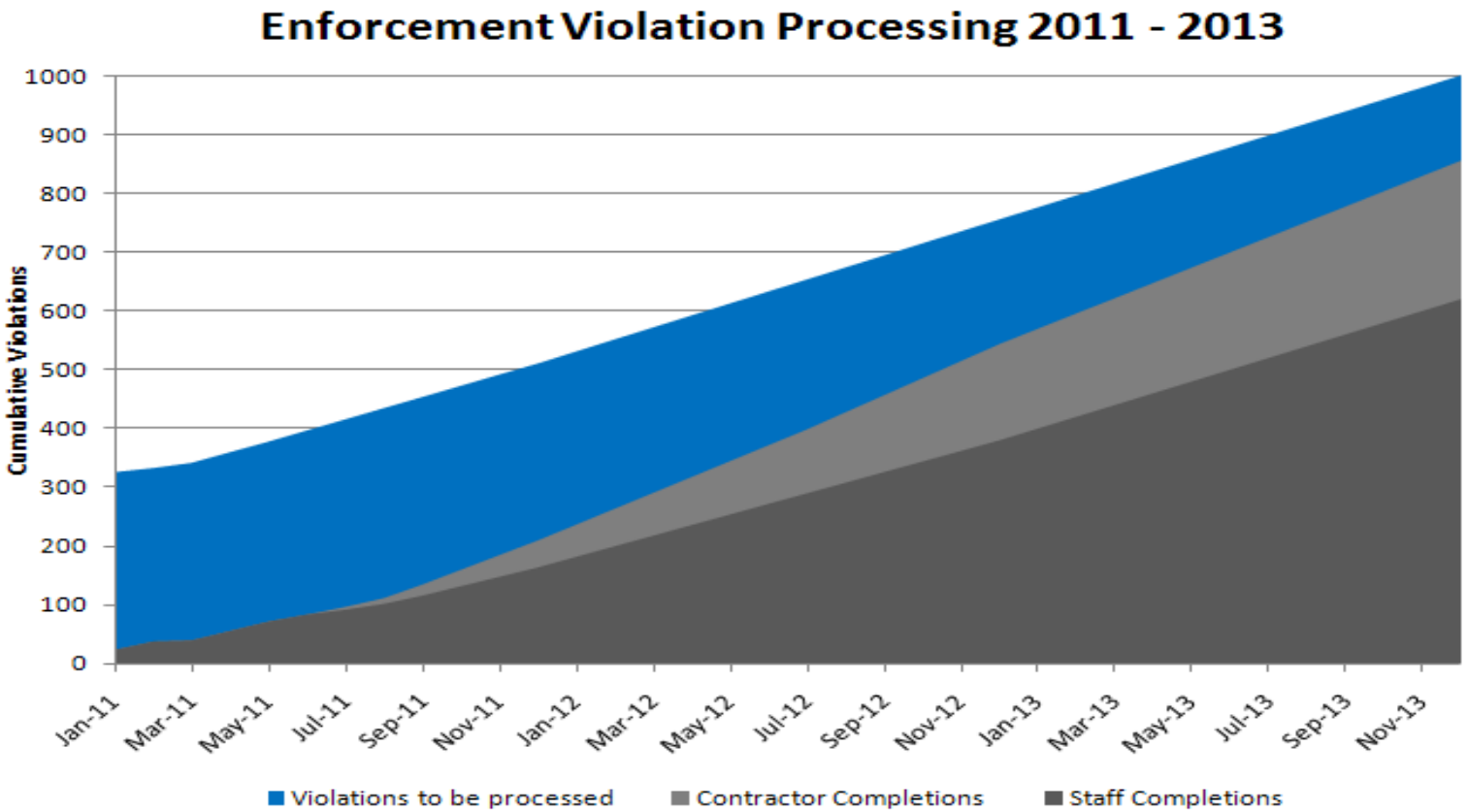


Chart Assumptions	12/31/2011	12/31/2012	12/31/2013
Incoming Violations	209	245	245
Staff Violation Completions	163	216	240
Contractor Violation Completions	46	118	0
Backlog	301	212	217

2012 Proposed Budget Summary

- **Proposed 2012 Budget-$11.4 million**
- **Increase in Expenses- $1.6 million or 16%**
- **Increase in Direct Expenses- $1 million**
- **Increase in FTEs - 3.83**
- **Increase Concentrated in CMEP**
- **Principal Cost Drivers for Increase:**
  - BES Definition & Exception Process
  - Compliance Investigations
  - CIP Compliance
  - Enforcement Caseload Reduction

FORECAST
2013-2014

- 2013
  - 2.2% Increase in Expenses
    - Inflation
    - 2.0 FTEs Addition
    - Offset by Reduction in Consulting Costs
- 2014
  - 3.0% Increase in Expenses
    - Inflation

Questions