2014 Preliminary Business Plan and Budget Overview

RE Trustee Meeting

April 29, 2013

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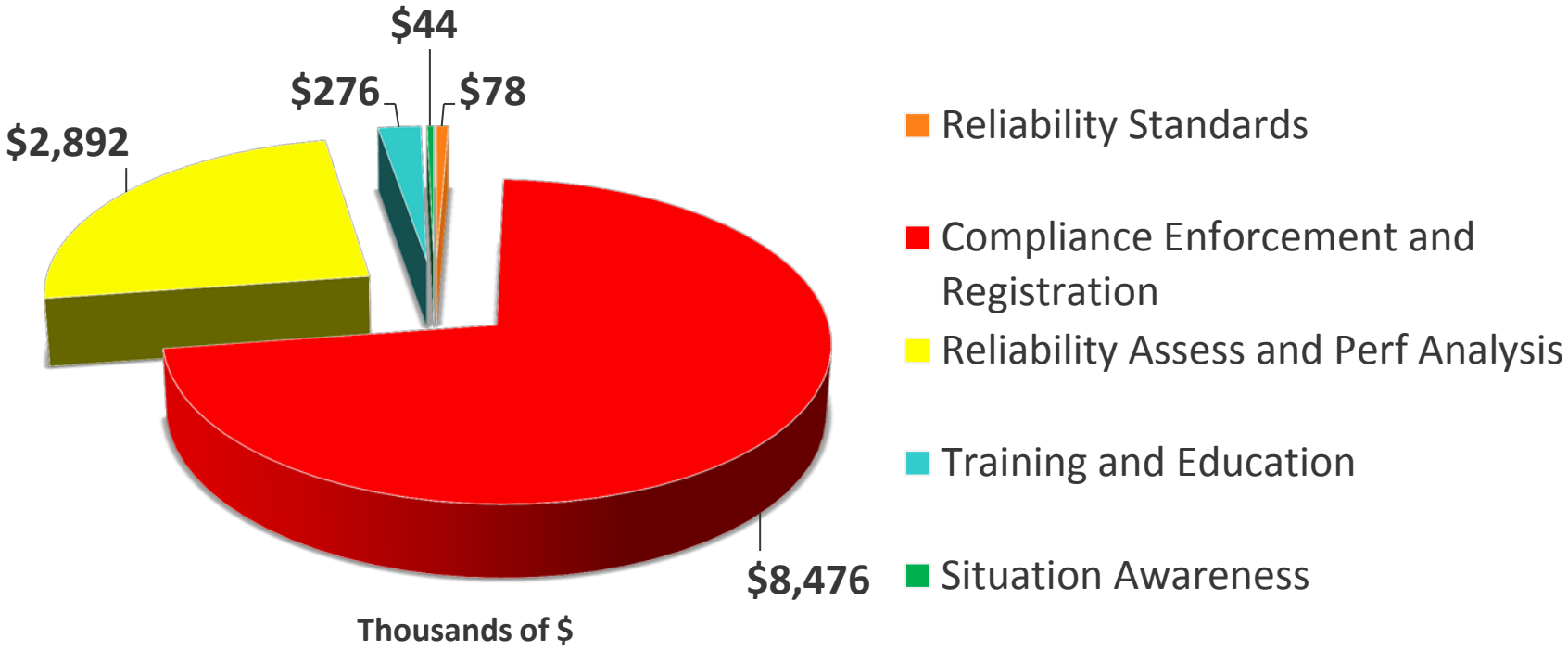
Southwest Power Pool Regional Entity

2014 Preliminary Budget Overview

Proposed Budget - $11.8 Million



2014-2013 Budget Comparison Overview

Resource Item	Approved 2013	Preliminary 2014	Increase / (Decrease)	% Increase / (Decrease)
SPP RE Direct FTEs	30.50	30.00	(0.50)	(2)%
SPP Shared FTEs	4.00	3.85	(0.15)	(4)%
Total FTEs	34.50	33.85	(0.65)	(2)%
Direct Expenses (millions)	$ 7.1	$ 6.9	$ (0.2)	(2)%
SPP, Inc. Indirect Expenses (millions)	$ 4.4	$ 4.8	$ 0.4	8%
Total Expenses (millions)	$ 11.5	$ 11.8	$ 0.3	2.2%
Total Funding Requirement (millions)	$ 9.5	$ 9.6	$ 0.1	1%
RE Assessments (millions)	$ 8.5	$ 9.1	$ 0.6	7%

2014-2013 Budget Comparison Direct Expenses

Cost Item	Increase/ (Decrease)	Explanation
Personnel	$ 53	2013 full-year merit and promotion increases
Consultant	$ (258)	Increase in direct staff's experience level coupled with process improvement efficiencies
Meetings/Office Costs	$ 11	RE Workshops and Trustee Meetings
Travel	$ (13)	Reduced to balance 2012 actual results with expected 2014 needs
Total Direct Expenses *	$ (208)	N/A
SPP Inc. Indirect Expenses	$ 460	Increase in overhead rate
Total Increase in Budgeted Expenses	$ 253	N/A
** Includes SPP RE General & Administrative Services and Legal and Regulatory program expenses*		

2014-2013 Budget Comparison FTEs

Total FTEs by Program Area	Budget 2013	Projection 2013	Direct FTEs 2014 Budget	Shared FTEs[1] 2014 Budget	Total FTEs 2014 Budget	Change from 2013 Budget
STATUTORY						
Operational Programs						
Reliability Standards	1.25	0.25	0.15	0.10	0.25	-1.00
Compliance and Organization Registration and Certification	22.25	21.85	22.10	0.00	22.10	-0.15
Training and Education	1.00	1.25	1.25	0.00	1.25	0.25
Reliability Assessment and Performance Analysis	6.50	6.38	3.38	3.75	7.13	0.63
Situation Awareness and Infrastructure Security	0.25	0.13	0.13	0.00	0.13	-0.13
Total FTEs Operational Programs	31.25	29.85	27.00	3.85	30.85	-0.40
Administrative Programs						
Technical Committees and Member Forums	0.00	0.00	0.00	0.00	0.00	0.00
General & Administrative	3.25	3.00	3.00	0.00	3.00	-0.25
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	3.25	3.00	3.00	0.00	3.00	-0.25
Total FTEs	34.50	32.85	30.00	3.85	33.85	-0.65

2014-2013 Budget Comparison Program Summary

Program	Budget 2013	Projection 2013	Budget 2014	Change 2014 Budget v 2013 Budget	% Change
Reliability Standards	391,641	79,189	78,011	(313,630)	-80.1%
Compl Enforce and Org Reg	8,164,097	8,116,229	8,476,417	312,320	3.8%
Reliability Assess and Perf Analysis	2,606,215	2,570,371	2,892,639	286,424	11.0%
Training and Education	217,591	270,063	276,204	58,613	26.9%
Situation Awareness	135,273	44,081	44,358	(90,915)	-67.2%
	11,514,817	11,079,933	11,767,629	252,812	2.2%
Working Capital Reserve	$ -	$ -	$ -	$ -	
Total Funding	11,514,817	11,079,933	11,767,629	252,812	2.2%

2014 Proposed Budget Summary

- Proposed 2014 budget $11.8 million
- Increase in expenses $.25 million / 2.2%
- Decrease in FTEs .65
- Reallocation of resources among programs
- Budget Change Drivers
  - Overall reduction in Direct Expenses
  - Increase in SPP, Inc. overhead cost

2014 Business Plan/Budget (BP&B) Preparation Schedule

Dates	NERC	Regional Entity
April 17	RE Preliminary BP&Bs Due to NERC	
May 3	Draft #1 of NERC BP&B posted	Draft #1 of RE BP&Bs posted on NERC.com
May 22	FAC Conference Webinar to review RE BP&Bs	
May 30	Comments due on Draft #1 of NERC BP&B NERC files 2012 true-up with FERC	
June 10	Draft #2 of NERC BP&B posted	

2014 BP&B Preparation Schedule

Dates	NERC	Regional Entity
June 18		SPP RE Trustee meeting for approval of 2014 BP&B
July 8		Final RE budget submittal due
July 10	Comments Due on Draft #2 NERC BP&B	
August 15	Business plan, budgeted financials, and assessments presented to NERC Board of Trustees for approval	
August 23	Submit package to FERC	