2003 BUDGET VS ACTUAL BY PROJECT *($ in millions)*

Report to:

Project Priorities Team: February 12, 2004

Budget, Standards & Performance subcommittee: February 17, 2004

2003 Budget vs. Actual By Project
SUMMARY OVERVIEW *($ in millions*)

	2003 BUDGET VS. ACTUAL STATUS			
			OVER/(UNDER)	
PROJECT DESCRIPTION	BUDGET	ACTUALS	$ Variance	% Variance
SMD & RELATED PROJECTS	$ 25.9	$ 29.0	$ 3.1	12.0%
OSS & RELATED PROJECTS	$ 2.0	$ 2.8	$ 0.8	40.0%
DATA WAREHOUSE	$ 7.2	$ 6.2	$ (1.0)	(13.9%)
EAI	$ 2.5	$ 2.1	$ (0.4)	(16.0%)
OTHERS	$ 4.0	$ 4.5	$ 0.5	12.5%
TOTALS	$ 41.6	$ 44.6	$ 3.0	7.2%

Budget vs. Actual by Project Explanations

SMD & RELATED PROJECTS: $3.1

Capital (hardware)	$2.0
Consultants/Proj. Dev.	$3.0
Legal	($2.1)
Other	$0.2
Total	**$3.1**

$2.0M in additional hardware was purchased in 2003 to expand the QA environment. This was originally budgeted under baseline needs, but was classified as part of the SMD 2.0 project.

The overrun in consultants/project development costs occurred as NYISO was not able to staff certain projects with onsite contractors as quickly as projected, and therefore, outsourced certain project development efforts to outside consultants. *(Note: the cost of onsite contractors is not included in the budget vs. actual by project results, but consultants are monitored according to project.)*

The underrun on legal costs occurred since the amount included in the budget for FERC filings & related efforts was not required once the actual filing was prepared.

Budget vs. Actual by Project Explanations

OSS & RELATED PROJECTS: $0.8

The overrun on these projects was entirely in the project development costs line item, and occurred due to the following reasons:

In early 2003, a delay in the MIS portion of the Oracle 9i upgrades forced a delay in the timeline of these projects. This caused an overrun on the outsourced consultants working on these projects. As such, NYISO noted that the budget for these projects would not be sufficient to cover anticipated activities/deliverables, and discussed the need for budget transfers with market participants. Secondarily, this project was also forced to provide resources from outsourced consultants rather than onsite contractors (as budgeted).

DATA WAREHOUSE: ($1.0)

This underrun is comprised of an underrun of ~$2M on hardware, offset by an overrun of ~$1M in project development costs. The hardware underrun occurred since less hardware was required than originally anticipated and since the amount purchased was less costly than budgeted. The overrun in project development costs occurred for the same reason as previously noted on other projects (contractor vs. outside consultant mix).

Budget vs. Actual by Project Explanations

EAI: ($0.4)

Capital (software)	$0.6
Capital (hardware)	($1.2)
Consultants/Proj. Dev.	$0.2
Total	**$0.4**

Software was higher than anticipated since NYISO upgraded to a newer EAI software product line sooner than expected. There were certain features in this version that could also be used to upgrade NYISO's web posting interface. An underrun on hardware exists as NYISO was able to leverage existing hardware.

A slight overrun on consultants/project development costs occurred for the same reason as previously noted on other project explanations (I.e. inability to hire contractors as quickly as anticipated).

Budget vs. Actual by Project Explanations

OTHER: $0.5

The largest variances in other projects are an underrun of $0.5M on the Documentum Implementation, offset by a $1.0M overrun on costs related to the 8/14/03 Blackout.

The Documentum Implementation was delayed in 2003 since internal IT resources originally scheduled for this project were reprioritized to the SMD 2.0 project. There was no budget provision for costs related to the Blackout.