2015 Budget vs. Actual Status

($ in millions, unless otherwise noted)

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Rensselaer, NY

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NYISO 2015 BUDGET VS. ACTUAL:
RATE SCHEDULE 1 RECOVERIES

RS1 Volume Statistics

STATISTICS ON MWH (in Millions) VOLUME PER YEAR													
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
January	13.2	14.3	14.9	14.7	14.2	14.7	16.0	15.3	14.5	14.5	14.1	14.8	16.0	15.4
February	11.8	12.8	13.1	12.6	13.0	14.5	14.6	12.9	12.9	12.8	12.7	13.6	14.4	14.8
March	12.5	13.2	13.3	13.7	14.0	14.4	14.8	13.3	13.0	13.5	12.8	13.9	14.5	
April	12.0	12.0	12.0	12.3	12.3	13.4	13.4	12.3	11.8	12.3	12.2	12.5	12.2	
May	12.2	12.1	13.4	12.6	13.2	14.2	14.3	12.7	13.2	13.1	13.3	12.9	12.5	
June	13.7	13.4	14.1	15.6	15.0	15.2	16.6	13.1	15.1	14.6	14.4	14.3	14.2	
July	16.1	15.4	15.3	17.1	17.9	16.7	18.7	14.8	17.9	17.6	17.5	17.8	15.7	
August	16.0	15.4	15.2	17.7	17.1	17.3	16.4	16.2	16.5	15.9	16.8	15.3	14.9	
Sept.	13.8	13.1	13.5	15.2	13.4	14.7	14.6	13.0	14.1	13.9	13.6	13.4	13.8	
October	12.9	12.7	12.4	13.8	13.2	14.1	13.5	12.7	12.7	13.1	12.7	12.8	12.7	
November	12.5	12.4	12.2	13.2	13.1	13.7	13.8	12.3	12.6	12.5	12.9	13.2	13.2	
December	13.8	14.0	14.0	14.9	13.9	15.3	14.6	14.6	14.4	13.7	14.1	15.2	14.7	
Total by Year	160.5	160.8	163.4	173.4	170.3	178.1	181.3	163.2	168.7	167.5	167.1	169.7	168.8	30.2
Average	13.4	13.4	13.6	14.5	14.2	14.8	15.1	13.6	14.1	14.0	13.9	14.1	14.1	15.1

Summary of 2015 Rate Schedule 1 Recoveries

2015 MWH (in Millions) Comparison: Budget vs. Actual						
Invoice Month	Budgeted MWH	Actual MWH	Monthly Differential MWH	Cumulative Differential MWH	Monthly $ Impact	Cumulative $ Impact
Jan	14.3	15.4	1.1	1.1	$ 1.1	$ 1.1
Feb	12.9	14.8	1.9	3.0	$ 1.8	$ 2.9
Mar	13.4					
Apr	12.3					
May	12.9					
Jun	14.5					
Jul	16.3					
Aug	16.1					
Sep	13.7					
Oct	12.8					
Nov	12.6					
Dec	14.0					
Total	**165.8**	**30.2**	**3.0**			

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2015
Non-Physical Market Activity

Allocation of Rate Schedule 1 Costs to Non-Physical Market Activity					
Market Activity	**Projected 2015 Annual Revenue Requirement**	**2015 Billing Rate/Unit**	**JAN**	**FEB**	**TOTAL**
Transmission Congestion Contracts	$5.4M	$0.0276/ TCC MWh	$ 583,000	$ 522,000	$ 1,105,000
Virtual Trading	$2.8M	$0.1046/ Cleared MWh	$ 312,000	$ 231,000	$ 543,000
SCR/EDRP	<$10,000	2015 RS1 Rate for Physical Injections	$ -	$ -	$ -
Total	**$8.2M**		**$ 895,000**	**$ 753,000**	**$ 1,648,000**

NYISO 2015 BUDGET VS. ACTUAL:
BUDGETARY RESULTS

2015 Budget vs. Actual Results

($ in millions)	ANNUAL AMOUNT	YTD AMOUNTS AS OF 2/28/15		
Cost Category	**Original Budget**	**Original Budget**	**Actuals**	**Variance**
Capital	$ 8.5	$ 2.1	$ 2.0	$ (0.1)
Salaries & Benefits	$ 83.8	$ 13.6	$ 13.5	$ (0.1)
Professional Fees (including Legal)	$ 25.0	$ 3.5	$ 3.2	$ (0.3)
Building Services	$ 6.3	$ 1.1	$ 0.9	$ (0.2)
Computer Services	$ 14.8	$ 2.5	$ 2.2	$ (0.3)
Insurance	$ 2.9	$ 0.5	$ 0.5	$ -
Telecommunications	$ 3.8	$ 0.6	$ 0.6	$ -
Other Expenses (BOD, Travel/Trng, NPCC Fees)	$ 3.8	$ 0.7	$ 0.3	$ (0.4)
Current Year Needs (excluding FERC Fees)	**$ 148.9**	**$ 24.6**	**$ 23.2**	**$ (1.4)**
Debt Service from Prior Year Financings	$ 27.3	$ 4.8	$ 4.8	$ -
Cash Budget (excluding FERC Fees)	**$ 176.2**	**$ 29.4**	**$ 28.0**	**$ (1.4)**
Less: Miscellaneous Revenues	$ (3.1)	$ (0.5)	$ (0.5)	$ -
Less: Proceeds from Debt	$ (25.0)	$ -		$ -
Add: Interest on Debt	$ 0.3	$ -	$ -	$ -
Net Budget Needs (excluding FERC Fees)	**$ 148.4**	**$ 28.9**	**$ 27.5**	**$ (1.4)**
FERC Fees	$ 12.5	$ 2.1	$ 2.1	$ -
Rate Schedule #1 Revenue Requirement	**$ 160.9**	**$ 31.0**	**$ 29.6**	**$ (1.4)**

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2015 Budget vs. Actual Variance Explanations

	Year-To-Date Variance
Capital	N/A
Salaries & Benefits	N/A
Professional Fees	N/A
Building Services	N/A
Computer Services	N/A
Insurance	N/A
Telecommunications	N/A
Other Expenses	The year-to -date underrun of $0.4M is primarily due to timing of training and travel.
Debt Service	N/A
Misc. Revenues	N/A
Interest on Debt	N/A
FERC Fees	N/A

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Outstanding Debt Summary

Debt Facility	Loan Status	Maturity Date	Amount Borrowed	Principal Outstanding at 2/28/15
Revolving Credit Facility	$50M Available	Dec-17	$ -	$ -
2005 Mortgage - Bldg Acq. & Renovations	Term Loan Repayment	Aug-25, Jan-27	$ 24.8	$ 16.5
2012 Budget Loan	Term Loan Repayment	Dec-15	$ 25.8	$ 1.5
2013 Budget Loan	Term Loan Repayment	Dec-16	$ 24.2	$ 14.8
2014 Budget Loan	Term Loan Repayment	Dec-17	$ 25.0	$ 24.3
2015 Budget Loan*	Principal payments begin in 2016	Dec-18	$ -	$ -
Infrastructure Master Plan Mortgage	Principal payments begin in 2014	Aug-31	$ 45.0	$ 43.4
Total				**$ 100.5**

* Interest only until 2016

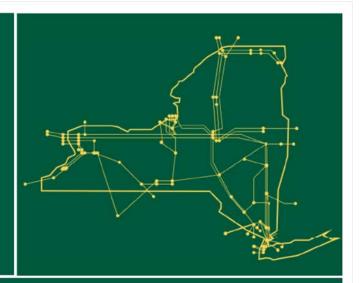**DRAFT – FOR DISCUSSION PURPOSES ONLY**

Disposition of Funds Remaining from 2014 Budget Cycle

◆ **NYISO's draft 2014 budget vs. actual results were presented to the NYISO Board and to Market Participants at the Budget & Priorities Working Group (BPWG) in February 2015**

◆ **NYISO's 2014 financial statement audit was completed in March. Final 2014 budget vs. actual results are as follows:**

- *A Rate Schedule 1 over-collection of $1.4M*
- *A spending under-run of $3.8M*
- *Total funds remaining from 2014 budget cycle of $5.2M*

◆ **NYISO staff recommends that NYISO retain the remaining $5.2M to pay down $4.2M of principal on outstanding debt and use $1.0M to fund the cost of unbudgeted planning studies requested by the PSC (pending NYISO Board acceptance of the 2014 financial statements in April)**

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