

2012-2013 BUDGET PROJECTIONS

Draft – For Discussion Only

Cheryl Hussey, Controller & Asst. Treasurer
Budget & Priorities Working Group
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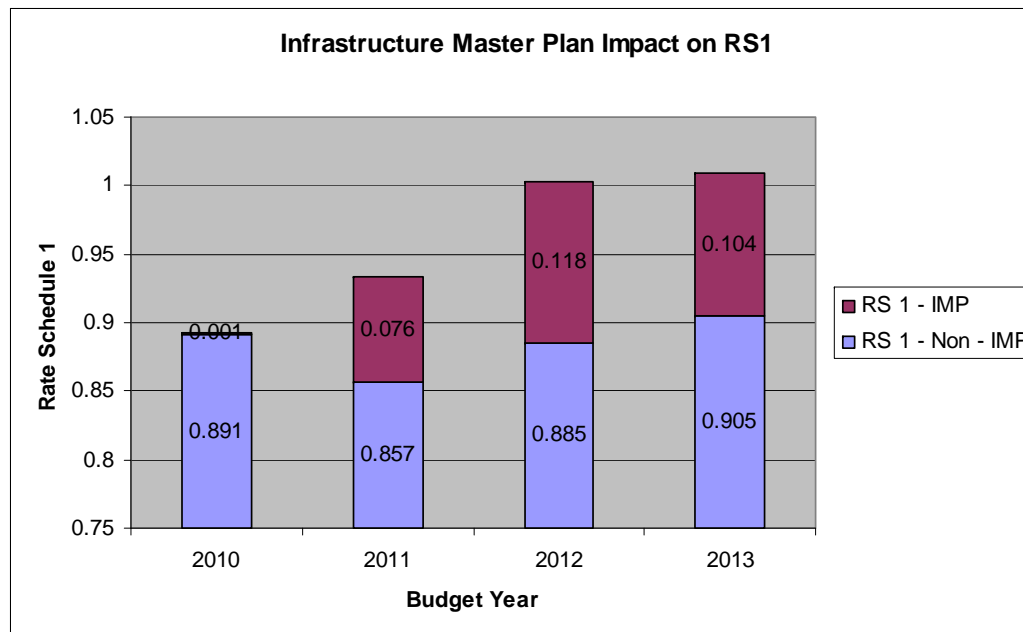
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Major Assumptions

<u>Cost Category</u>	<u>Major Assumptions for 2012-2013</u>
Capital	<ul style="list-style-type: none"> ➤ Purchases of Hardware and Software are estimated as follows: (2012 = \$8.0M, 2013 = \$8.0M) ➤ Infrastructure Master Plan costs are estimated as follows: (2012 = \$20.0, 2013 = \$18.0) ➤ Non- Infrastructure Master Plan Facility Improvements are estimated as follows: (2012 = \$0.3M, 2013 = \$0.3M)
Salaries & Benefits	<ul style="list-style-type: none"> ➤ Headcount will be budgeted at 491 FTEs annually (521 total less assumed 30 vacancies) ➤ No new benefit programs or significant changes to existing programs ➤ Average annual salary increases of 3% ➤ 10% annual increases in medical insurance costs
Professional Fees (including Legal)	<ul style="list-style-type: none"> ➤ Consultant costs, excluding DOE, are being held consistent with 2011 levels.
Building Services	<ul style="list-style-type: none"> ➤ 2% annual increase in overall Facilities costs
Computer Services	<ul style="list-style-type: none"> ➤ Hardware & Software maintenance is increasing 3% per year. All other components of Computer Services are being held consistent with 2011 levels.
Insurance	<ul style="list-style-type: none"> ➤ 5% annual increases in insurance
Telecommunications	<ul style="list-style-type: none"> ➤ Assumes increase of \$0.2M in 2012 and \$0.5M in 2013 for ongoing costs associated with the DOE Smart Grid project
Other Expenses (BOD, Travel/Trng, NPCC Fees)	<ul style="list-style-type: none"> ➤ Assumes no annual increases in Board of Directors' costs; ➤ Assumes 1.5% annual increases in Travel/Training/Meetings; ➤ 10% annual increases in NPCC Fees
Debt Service	<ul style="list-style-type: none"> ➤ Assumes no financing of costs associated with the Infrastructure Master Plan ➤ Annual borrowings (with 3-year repayment terms) to fund capital and product enhancements will be ~\$25M; ➤ All Federal match DOE costs are fully financed: \$5.0M in 2012 and \$2.6M in 2013; ➤ Interest rates for most borrowings through 2011 are between 3.3% – 6.0% and will approximate an average of 4.5% for borrowings following 2011; ➤ No reductions for "early payments" on debt from potential savings on annual budget or load overcollections have been included
FERC Fees	<ul style="list-style-type: none"> ➤ 5% annual increases in FERC Fees
MWH Hours	<ul style="list-style-type: none"> ➤ Estimating load as follows: 2012 = 169.9Million MWh, 2013 = 172.3Million MWh – Refer to Appendix for further details

Total Projections 2010 - 2013

	ANNUAL BUDGETS		BUDGET PROJECTIONS	
	2010 Budget	2011 Draft	2012 Projection	2013 Projection
<i>(\$ in millions, except RS#/MWH)</i>				
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$149.2	\$156.5	\$170.4	\$173.9
Budgeted MWH Hours <i>(in millions)</i>	167.3	167.7	169.9	172.3
Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.892	\$0.933	\$1.003	\$1.009



Detail Projections by Cost Category

(\$ in millions, except RS#1/MWH)	ANNUAL BUDGET	BUDGET PROJECTIONS	
	2011 <u>Draft</u>	2012 <u>Projection</u>	2013 <u>Projection</u>
Capital	\$21.1	\$30.0	\$27.3
Less: Proceeds from Mortgage/Renovations Debt	\$0.0	\$0.0	\$0.0
Capital – net of Proceeds from Mortgage/Renovations Debt	\$21.1	\$30.0	\$27.3
Salaries & Benefits	\$68.3	\$70.1	\$72.8
Professional Fees (including Legal)	\$31.2	\$31.3	\$28.0
Building Services	\$5.0	\$5.1	\$5.2
Computer Services	\$16.0	\$14.7	\$15.1
Insurance	\$3.5	\$3.7	\$3.9
Telecommunications	\$4.1	\$4.3	\$4.9
Other Expenses (BOD, Travel/Training, NPCC Fees)	\$3.2	\$3.3	\$3.4
Subtotal: Current Year Needs (excl. FERC Fees)	\$152.4	\$162.5	\$160.5
Debt Service	\$24.1	\$27.0	\$29.2
Subtotal: Cash Budget	\$176.5	\$189.5	\$189.7
Less: Miscellaneous Revenues	(\$7.5)	(\$7.3)	(\$4.8)
Less: Proceeds from Current Year Budget Debt	(\$25.0)	(\$25.0)	(\$25.0)
Add: Interest on Current Year Budget and Mortgage Debt	\$0.5	\$0.6	\$0.7
Subtotal: Net Budget Needs	\$144.5	\$157.8	\$160.7
FERC Fees	\$12.0	\$12.6	\$13.2
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$156.5	\$170.4	\$173.9
Budgeted MWH Hours (in millions)	167.7	169.9	172.3
Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.933	\$1.003	\$1.009

DOE Costs Projections by Cost Category

(\$ in millions, except RS#1/MWH)	2011 Draft	BUDGET PROJECTIONS	
		2012 Projection	2013 Projection
Capital	\$1.7	\$1.7	\$1.0
Salaries & Benefits	\$1.4	\$1.2	\$0.5
Professional Fees (including Legal)	\$7.0	\$6.9	\$3.5
Building Services	-	-	-
Computer Services	\$0.2	\$0.3	\$0.1
Insurance	-	-	-
Telecommunications	-	-	-
Other Expenses (BOD, Travel/Training, NPCC Fees)	-	-	-
Subtotal: Current Year Needs (excl. FERC Fees)	\$10.3	\$10.1	\$5.1
Subtotal: Cash Budget	\$10.3	\$10.1	\$5.1
Less: Miscellaneous Revenues	(\$5.3)	(\$5.1)	(\$2.6)
Less: Proceeds from Current Year Budget Debt	(\$5.0)	(\$5.0)	(\$2.5)
Subtotal: Net Budget Needs	\$0.0	\$0.0	\$0.0
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$0.0	\$0.0	\$0.0
Budgeted MWH Hours (in millions)	167.7	169.9	172.3
Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.000	\$0.000	\$0.000

These costs are included on Page 4 – Detail Projections by Cost Category and are provided here for informational purposes only.

Line Item Details – DEBT SERVICE

ANNUAL PRINCIPAL AND INTEREST REPAYMENTS **									
(\$ in millions)									
Debt Facility & Repayment Period	Borrowings	2008	2009	2010	2011	2012	2013	2014	2015
2004 Budget Loan (4 yrs)	n/a	\$10.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 KCC Bldg Mortgage & Renov. (20 yrs)	n/a	\$1.7	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1
2005 Budget Loan (4 yrs)	n/a	\$4.7	\$4.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Budget Loan (4 yrs)	n/a	\$4.3	\$3.9	\$4.0	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Budget Loan (3 yrs)	\$15.0M	\$5.7	\$5.4	\$5.1	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Budget Loan (3 yrs)	\$16.7M	\$0.5	\$6.3	\$6.0	\$5.7	\$ -	\$ -	\$ -	\$ -
2009 Budget Loan (3 yrs)	\$18.3M	\$ -	\$0.4	\$7.0	\$6.6	\$6.3	\$ -	\$ -	\$ -
2010 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$0.5	\$9.2	\$8.9	\$8.5	\$ -	\$ -
2011 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$0.5	\$9.0	\$8.8	\$8.5	\$ -
2012 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$ -	\$0.6	\$9.2	\$8.9	\$8.5
2013 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.7	\$9.4	\$9.0
Bank Fees	n/a	\$0.6	\$0.6	\$0.4	\$0.5	\$0.6	\$0.6	\$0.6	\$0.6
Total Debt Service Payments		\$28.2	\$23.3	\$25.1	\$24.6	\$27.5	\$29.9	**	**

** Note: Totals after 2013 are not presented as additional loans after 2013 are not factored into this table.

Line Item Details – DEBT SERVICE (cont'd)

PRINCIPAL BALANCE OUTSTANDING AT DECEMBER 31, (\$ in millions)									
Debt Facility	2008	2009	2010	2011	2012	2013	2014	2015	2016
2004 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 KCC Bldg Mortgage & Renov.	\$22.0	\$21.2	\$20.4	\$19.6	\$18.7	\$17.7	\$16.7	\$15.6	\$14.4
2005 Budget Loan	\$4.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Budget Loan	\$7.4	\$3.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Budget Loan	\$10.0	\$5.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Budget Loan	\$16.7	\$11.1	\$5.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Budget Loan	\$ -	\$18.3	\$12.2	\$6.1	\$ -	\$ -	\$ -	\$ -	\$ -
2010 Budget Loan	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -	\$ -	\$ -
2011 Budget Loan	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -	\$ -
2012 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -
2013 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -
Total Principal Outstanding	\$60.6	\$59.2	\$63.2	\$67.4	\$68.7	\$67.7	**	**	**

*** Note: Totals after 2013 are not presented as additional loans after 2013 are not factored into this table.*

Appendix 1:

Alternate Financing Scenarios for Infrastructure Master Plan

Executive Summary

- NYISO's draft 2011 budget assumes no long-term financing would be approved by the NY Public Service Commission to support the Infrastructure Master Plan.
- If Market Participants actively support NYISO pursuing long-term financing, two possible scenarios are depicted on the following slides. Scenario #1 assumes financing of \$50.0M over the years 2011-2013. Scenario #2 assumes financing of \$38.0M over the years 2012-2013.

Executive Summary Cont'd.

- Under Scenario #1 the Rate Schedule 1 impact would be as follows:

	ANNUAL BUDGET	BUDGET PROJECTIONS	
<i>(\$ in millions, except RS#1/MWH)</i>	2011 Draft	2012 Projection	2013 Projection
Projected Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.933	\$1.003	\$1.009
Reduction in Rate Schedule #1 Revenue Requirement in \$/MWH	(\$0.069)	(\$0.108)	(\$0.087)
Rate Schedule #1 Revenue Requirement in \$/MWH - with \$50.0M Financing	\$0.864	\$0.895	\$0.922

- Under Scenario #2 the Rate Schedule 1 impact would be as follows:

	ANNUAL BUDGET	BUDGET PROJECTIONS	
<i>(\$ in millions, except RS#1/MWH)</i>	2011 Draft	2012 Projection	2013 Projection
Projected Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.933	\$1.003	\$1.009
Reduction in Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.000	(\$0.114)	(\$0.093)
Rate Schedule #1 Revenue Requirement in \$/MWH - with \$38.0M Financing	\$0.933	\$0.889	\$0.916

Total Projections 2011 – 2013

	ANNUAL BUDGET	BUDGET PROJECTIONS	
	2011 <u>Draft</u>	2012 <u>Projection</u>	2013 <u>Projection</u>
<i>(\$ in millions, except RS#1/MWH)</i>			
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$144.9	\$152.0	\$158.8
Budgeted MWH Hours <i>(in millions)</i>	167.7	169.9	172.3
Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.864	\$0.895	\$0.922

Scenario #1 – Assumes Financing of Project Costs 2011-2013 of \$50.0M with 3 years of Interest only, followed by 17 years of Principal and Interest.

Detail Projections by Cost Category

Assumes Financing of Project Costs 2011-2013 of \$50.0M

<i>(\$ in millions, except RS#1/MWH)</i>	ANNUAL BUDGET	BUDGET PROJECTIONS	
	2011 <u>Draft</u>	2012 <u>Projection</u>	2013 <u>Projection</u>
Capital	\$21.1	\$30.0	\$27.3
Less: Proceeds from Mortgage/Renovations Debt	(<u>\$12.0</u>)	(<u>\$20.0</u>)	(<u>\$18.0</u>)
Capital – net of Proceeds from Mortgage/Renovations Debt	\$9.1	\$10.0	\$9.3
Salaries & Benefits	\$68.3	\$70.1	\$72.8
Professional Fees (including Legal)	\$31.2	\$31.3	\$28.0
Building Services	\$5.0	\$5.1	\$5.2
Computer Services	\$16.0	\$14.7	\$15.1
Insurance	\$3.5	\$3.7	\$3.9
Telecommunications	\$4.1	\$4.3	\$4.9
Other Expenses (BOD, Travel/Training, NPCC Fees)	<u>\$3.2</u>	<u>\$3.3</u>	<u>\$3.4</u>
Subtotal: Current Year Needs (excl. FERC Fees)	\$140.4	\$142.5	\$142.5
Debt Service	<u>\$24.1</u>	<u>\$27.9</u>	<u>\$31.4</u>
Subtotal: Cash Budget	\$164.5	\$170.4	\$173.9
Less: Miscellaneous Revenues	(\$7.5)	(\$7.3)	(\$4.8)
Less: Proceeds from Current Year Budget Debt	(\$25.0)	(\$25.0)	(\$25.0)
Add: Interest on Current Year Budget and Mortgage Debt	<u>\$0.9</u>	<u>\$1.3</u>	<u>\$1.4</u>
Subtotal: Net Budget Needs	\$132.9	\$139.4	\$145.6
FERC Fees	<u>\$12.0</u>	<u>\$12.6</u>	<u>\$13.2</u>
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$144.9	\$152.0	\$158.8
Budgeted MWH Hours (in millions)	167.7	169.9	172.3
Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.864	\$0.895	\$0.922

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Line Item Details – DEBT SERVICE

Includes \$50.0M Financing of Infrastructure Master Plan costs

ANNUAL PRINCIPAL AND INTEREST REPAYMENTS **									
(\$ in millions)									
Debt Facility & Repayment Period	Borrowings	2008	2009	2010	2011	2012	2013	2014	2015
2004 Budget Loan (4 yrs)	n/a	\$10.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 KCC Bldg Mortgage & Renov. (20 yrs)	n/a	\$1.7	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1
2005 Budget Loan (4 yrs)	n/a	\$4.7	\$4.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Budget Loan (4 yrs)	n/a	\$4.3	\$3.9	\$4.0	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Budget Loan (3 yrs)	\$15.0M	\$5.7	\$5.4	\$5.1	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Budget Loan (3 yrs)	\$16.7M	\$0.5	\$6.3	\$6.0	\$5.7	\$ -	\$ -	\$ -	\$ -
2009 Budget Loan (3 yrs)	\$18.3M	\$ -	\$0.4	\$7.0	\$6.6	\$6.3	\$ -	\$ -	\$ -
2010 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$0.5	\$9.2	\$8.9	\$8.5	\$ -	\$ -
2011 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$0.5	\$9.0	\$8.8	\$8.5	\$ -
2012 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$ -	\$0.6	\$9.2	\$8.9	\$8.5
2013 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.7	\$9.4	\$9.0
Infrastructure Master Plan Mortgage (20 yrs – est.)	\$50.1M Est.	\$ -	\$ -	\$ -	\$0.4	\$1.7	\$2.9	\$4.8	\$4.8
Bank Fees	n/a	\$0.6	\$0.6	\$0.4	\$0.5	\$0.6	\$0.6	\$0.6	\$0.6
Total Debt Service Payments		\$28.2	\$23.3	\$25.1	\$25.0	\$29.2	\$32.8	**	**

** Note: Totals after 2013 are not presented as additional loans after 2013 are not factored into this table.

Line Item Details – DEBT SERVICE (cont'd)

Includes \$50.0M Financing of Infrastructure Master Plan Costs

PRINCIPAL BALANCE OUTSTANDING AT DECEMBER 31, (\$ in millions)									
Debt Facility	2008	2009	2010	2011	2012	2013	2014	2015	2016
2004 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 KCC Bldg Mortgage & Renov.	\$22.0	\$21.2	\$20.4	\$19.6	\$18.7	\$17.7	\$16.7	\$15.6	\$14.4
2005 Budget Loan	\$4.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Budget Loan	\$7.4	\$3.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Budget Loan	\$10.0	\$5.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Budget Loan	\$16.7	\$11.1	\$5.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Budget Loan	\$ -	\$18.3	\$12.2	\$6.1	\$ -	\$ -	\$ -	\$ -	\$ -
2010 Budget Loan	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -	\$ -	\$ -
2011 Budget Loan	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -	\$ -
2012 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -
2013 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -
Infrastructure Master Plan Mortgage	\$ -	\$ -	\$ -	\$12.0	\$32.0	\$50.0	\$48.5	\$47.0	\$45.4
Total Principal Outstanding	\$60.6	\$59.2	\$63.2	\$79.5	\$100.8	\$115.8	**	**	**

*** Note: Totals after 2013 are not presented as additional loans after 2013 are not factored into this table.*

Total Projections 2011 – 2013

	ANNUAL BUDGET	BUDGET PROJECTIONS	
	2011 <u>Draft</u>	2012 <u>Projection</u>	2013 <u>Projection</u>
<i>(\$ in millions, except RS#1/MWH)</i>			
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$156.5	\$151.1	\$157.9
Budgeted MWH Hours <i>(in millions)</i>	167.7	169.9	172.3
Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.933	\$0.889	\$0.916

Scenario #2 – Assumes Financing of Project Costs 2012-2013 of \$38.0M with 2 years of Interest only, followed by 18 years of Principal and Interest.

Detail Projections by Cost Category

Assumes Financing of Project Costs 2012-2013 of \$38.0M

<i>(\$ in millions, except RS#1/MWH)</i>	ANNUAL BUDGET	BUDGET PROJECTIONS	
	2011 <u>Draft</u>	2012 <u>Projection</u>	2013 <u>Projection</u>
Capital	\$21.1	\$30.0	\$27.3
Less: Proceeds from Mortgage/Renovations Debt	<u>\$0.0</u>	<u>(\$20.0)</u>	<u>(\$18.0)</u>
Capital – net of Proceeds from Mortgage/Renovations Debt	\$21.1	\$10.0	\$9.3
Salaries & Benefits	\$68.3	\$70.1	\$72.8
Professional Fees (including Legal)	\$31.2	\$31.3	\$28.0
Building Services	\$5.0	\$5.1	\$5.2
Computer Services	\$16.0	\$14.7	\$15.1
Insurance	\$3.5	\$3.7	\$3.9
Telecommunications	\$4.1	\$4.3	\$4.9
Other Expenses (BOD, Travel/Training, NPCC Fees)	<u>\$3.2</u>	<u>\$3.3</u>	<u>\$3.4</u>
Subtotal: Current Year Needs (excl. FERC Fees)	\$152.4	\$142.5	\$142.5
Debt Service	<u>\$24.1</u>	<u>\$27.0</u>	<u>\$30.5</u>
Subtotal: Cash Budget	\$176.5	\$169.5	\$173.0
Less: Miscellaneous Revenues	(\$7.5)	(\$7.3)	(\$4.8)
Less: Proceeds from Current Year Budget Debt	(\$25.0)	(\$25.0)	(\$25.0)
Add: Interest on Current Year Budget and Mortgage Debt	<u>\$0.5</u>	<u>\$1.3</u>	<u>\$1.4</u>
Subtotal: Net Budget Needs	\$144.5	\$138.5	\$144.7
FERC Fees	<u>\$12.0</u>	<u>\$12.6</u>	<u>\$13.2</u>
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$156.5	\$151.1	\$157.9
Budgeted MWH Hours (in millions)	167.7	169.9	172.3
Rate Schedule #1 Revenue Requirement in \$/MWH	\$0.933	\$0.889	\$0.916

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Line Item Details – DEBT SERVICE

Includes \$38.0M Financing of Infrastructure Master Plan costs

ANNUAL PRINCIPAL AND INTEREST REPAYMENTS **									
(\$ in millions)									
Debt Facility & Repayment Period	<u>Borrowings</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
2004 Budget Loan (4 yrs)	n/a	\$10.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 KCC Bldg Mortgage & Renov. (20 yrs)	n/a	\$1.7	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1
2005 Budget Loan (4 yrs)	n/a	\$4.7	\$4.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Budget Loan (4 yrs)	n/a	\$4.3	\$3.9	\$4.0	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Budget Loan (3 yrs)	\$15.0M	\$5.7	\$5.4	\$5.1	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Budget Loan (3 yrs)	\$16.7M	\$0.5	\$6.3	\$6.0	\$5.7	\$ -	\$ -	\$ -	\$ -
2009 Budget Loan (3 yrs)	\$18.3M	\$ -	\$0.4	\$7.0	\$6.6	\$6.3	\$ -	\$ -	\$ -
2010 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$0.5	\$9.2	\$8.9	\$8.5	\$ -	\$ -
2011 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$0.5	\$9.0	\$8.8	\$8.5	\$ -
2012 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$ -	\$0.6	\$9.2	\$8.9	\$8.5
2013 Budget Loan (3 yrs)	\$25.0M Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.7	\$9.4	\$9.0
Infrastructure Master Plan Mortgage (20 yrs – est.)	\$38.0M Est.	\$ -	\$ -	\$ -	\$ -	\$0.8	\$2.0	\$3.5	\$3.5
Bank Fees	n/a	\$0.6	\$0.6	\$0.4	\$0.5	\$0.6	\$0.6	\$0.6	\$0.6
Total Debt Service Payments		\$28.2	\$23.3	\$25.1	\$24.6	\$28.3	\$31.9	**	**

** Note: Totals after 2013 are not presented as additional loans after 2013 are not factored into this table.

Line Item Details – DEBT SERVICE (cont'd)

Includes \$38.0M Financing of Infrastructure Master Plan Costs

PRINCIPAL BALANCE OUTSTANDING AT DECEMBER 31, (\$ in millions)									
Debt Facility	2008	2009	2010	2011	2012	2013	2014	2015	2016
2004 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 KCC Bldg Mortgage & Renov.	\$22.0	\$21.2	\$20.4	\$19.6	\$18.7	\$17.7	\$16.7	\$15.6	\$14.4
2005 Budget Loan	\$4.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Budget Loan	\$7.4	\$3.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Budget Loan	\$10.0	\$5.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Budget Loan	\$16.7	\$11.1	\$5.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Budget Loan	\$ -	\$18.3	\$12.2	\$6.1	\$ -	\$ -	\$ -	\$ -	\$ -
2010 Budget Loan	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -	\$ -	\$ -
2011 Budget Loan	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -	\$ -
2012 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -	\$ -
2013 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$25.0	\$16.7	\$8.3	\$ -
Infrastructure Master Plan Mortgage	\$ -	\$ -	\$ -	\$ -	\$20.0	\$38.0	\$37.0	\$35.9	\$34.8
Total Principal Outstanding	\$60.6	\$59.2	\$63.2	\$67.4	\$88.7	\$105.7	**	**	**

*** Note: Totals after 2013 are not presented as additional loans after 2013 are not factored into this table.*

Appendix 2:

2012 - 2013 Project Candidates

2012 – 2013 Potential Projects

The following list of projects is a draft list as of September 2010 based on information available to the NYISO at this time. The list is subject to change and is likely to evolve over the next couple of years. This list should not be viewed as a comprehensive or final list, nor should it be interpreted as a prioritized list to be budgeted and delivered in 2012 and/or 2013. The list remains subject to prioritization, stakeholder input, and NYISO Board approval per NYISO's annual budgeting process.

Potential Projects for 2012 - 2013

- Buy-through of Congestion
- Disaggregated Virtual Trading
- Disaggregated Virtual Trading – Real-time Congestion Hedge
- Dynamic Reserves
- Energy Storage Optimization
- Interregional Transaction Coordination Phase II – Ancillary Services
- Interregional Transaction Coordination Phase III – PJM
- Interregional Transaction Coordination Phase IV – ISO-NE
- Market to Market Coordination – PJM
- Market to Market Coordination – NE
- PAR Modeling Upgrades
- Proxy Bus Location Changes
- Performance Enhancements for Broader Regional Markets
- Scheduling and Pricing Improvements: Regulation Ramp
- Security Constrained Unit Commitment Time Window Optimization Evaluation
- Additional Capacity Zones
- Automation of ICAP Penalty Calculations
- Capability Year Adjustment
- Demand Response Event Notification
- Demand Response in Real-time Energy Market
- Environmental Disclosure Data Build
- ICAP AMS Report Migration
- GADS Portal
- NPCC Directory 9 Generator Testing
- Consolidated Invoice Redesign

Potential Projects for 2012 - 2013

- Oracle Financials Upgrade
- Performance Tracking System High Availability
- Rate Schedule 1 Automation
- Settlement System Architecture Redesign
- Unbalanced Bilateral Transactions
- Dynamic Pricing
- Integration of Wind Resource Outages with Outage Scheduler
- North Subzone Redistricting/Effective Dating of NYISO Resource Models
- Operational Tools Enhancements
- Phase I Metering Enhancements
- Phase I Metering Expansion
- Ranger Enhancements for Optimization and Performance
- Wind Resource Management Phase III: Report Automation
- Automation of System Upgrade Facilities
- Model-on-Demand Market Participant User Interface
- High Performance Computing/Advanced Analytics
- Implementation of Non-Historic Long Term TCCs
- TCC Auction: Automation to Support Attachments K and L
- TCC Auction: Multi-Duration/Balance of Period
- TCC Auction: Incremental TCC Upgrade for Multiple Developers
- Data Warehouse Platform Evolution
- ePlanning Enhancements
- Data Access for Market Mitigation and Analysis
- New Publishing Process for Public Website

Appendix 3:

2011-2013 RS 1 MWh Projections

For further details see full presentation given at the September 8th
BPWG meeting.

RS-1 Budget Summary 2011-2013

Year	Net Energy	Exports	Wheels	RS-1 Total
2005	163,039	10,396	546	173,981
2006	158,219	10,459	596	169,274
2007	163,371	13,087	874	177,332
2008	161,271	18,473	1,196	180,940
2009	154,450	7,380	685	162,515
2010*	159,875	7,750	975	168,600
2011	159,275	7,501	961	167,737
2012	161,160	7,799	949	169,908
2013	163,372	8,002	962	172,336

2010 figures are estimated, based on actual results through August.

DRAFT - For Discussion Only