

# 2018 Budget vs. Actual Status

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# **NYISO 2018 BUDGET VS. ACTUAL: *RATE SCHEDULE 1 RECOVERIES***

# RS1 Volume Statistics

STATISTICS ON MWH (in Millions) VOLUME PER YEAR										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	15.3	14.5	14.5	14.1	14.8	16.0	15.4	13.9	13.6	14.6
February	12.9	12.9	12.8	12.7	13.6	14.4	14.8	12.8	11.8	12.0
March	13.3	13.0	13.5	12.8	13.9	14.5	14.8	12.5	13.1	12.8
April	12.3	11.8	12.3	12.2	12.5	12.2	12.3	11.8	11.4	11.8
May	12.7	13.2	13.1	13.3	12.9	12.5	13.1	12.5	12.0	12.4
June	13.1	15.1	14.6	14.4	14.3	14.2	13.9	13.8	13.6	13.4
July	14.8	17.9	17.6	17.5	17.8	15.7	16.2	16.7	15.5	16.5
August	16.2	16.5	15.9	16.8	15.3	14.9	16.2	17.3	14.9	16.8
September	13.0	14.1	13.9	13.6	13.4	13.8	14.8	14.0	13.3	13.7
October	12.7	12.7	13.1	12.7	12.8	12.7	13.0	12.3	12.4	
November	12.3	12.6	12.5	12.9	13.2	13.2	12.8	12.1	12.2	
December	14.6	14.4	13.7	14.1	15.2	14.7	12.9	13.7	14.1	
<b>Total by Year</b>	<b>163.2</b>	<b>168.7</b>	<b>167.5</b>	<b>167.1</b>	<b>169.7</b>	<b>168.8</b>	<b>170.2</b>	<b>163.4</b>	<b>157.9</b>	<b>124.0</b>
<b>Average</b>	<b>13.6</b>	<b>14.1</b>	<b>14.0</b>	<b>13.9</b>	<b>14.1</b>	<b>14.1</b>	<b>14.2</b>	<b>13.6</b>	<b>13.2</b>	<b>13.8</b>

# Summary of 2018 Rate Schedule 1 Recoveries

2018 MWH (in Millions) Comparison: Budget vs. Actual						
Invoice Month	Budgeted MWH	Actual MWH	Monthly Differential MWH	Cumulative Differential MWH	Monthly \$ Impact	Cumulative \$ Impact
Jan	13.5	14.6	1.1	1.1	\$ 1.0	\$ 1.0
Feb	12.3	12.0	(0.3)	0.8	\$ (0.3)	\$ 0.7
Mar	12.7	12.8	0.1	0.9	\$ 0.2	\$ 0.9
Apr	11.5	11.8	0.3	1.2	\$ 0.2	\$ 1.1
May	12.1	12.4	0.3	1.5	\$ 0.3	\$ 1.4
Jun	13.7	13.4	(0.3)	1.2	\$ (0.3)	\$ 1.1
Jul	15.7	16.5	0.8	2.0	\$ 0.8	\$ 1.9
Aug	15.3	16.8	1.5	3.5	\$ 1.5	\$ 3.4
Sep	13.2	13.7	0.5	4.0	\$ 0.5	\$ 3.8
Oct	12.3					
Nov	12.1					
Dec	13.4					
<b>Total</b>	<b>157.8</b>	<b>124.0</b>	<b>4.0</b>			

# 2018

## Non-Physical Market Activity

Allocation of Rate Schedule 1 Costs to Non-Physical Market Activity												
Market Activity	Projected 2018 Annual Revenue Requirement	2018 Billing Rate/Unit	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Transmission Congestion Contracts	\$4.5M	\$0.0132/ TCC MWh	\$ 332,000	\$ 321,000	\$ 370,000	\$ 347,000	\$ 342,000	\$ 351,000	\$ 375,000	\$ 394,000	\$ 387,000	\$ 3,219,000
Virtual Trading	\$2.3M	\$0.0636/ Cleared MWh	\$ 160,000	\$ 134,000	\$ 148,000	\$ 142,000	\$ 137,000	\$ 151,000	\$ 169,000	\$ 190,000	\$ 170,000	\$ 1,401,000
SCR/EDRP	<\$10,000	2018 RS1 Rate for Physical Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$6.8M</b>		<b>\$ 492,000</b>	<b>\$ 455,000</b>	<b>\$ 518,000</b>	<b>\$ 489,000</b>	<b>\$ 479,000</b>	<b>\$ 502,000</b>	<b>\$ 544,000</b>	<b>\$ 584,000</b>	<b>\$ 557,000</b>	<b>\$ 4,620,000</b>

# NYISO 2018 BUDGET VS. ACTUAL: *BUDGETARY RESULTS*

# 2018 Budget vs. Actual Results

(\$ in millions)	ANNUAL AMOUNT	YTD AMOUNTS AS OF 9/30/18		
Cost Category	Original Budget	Original Budget	Actuals	Variance
Capital	\$ 10.2	\$ 8.9	\$ 4.3	\$ (4.6)
Salaries & Benefits	\$ 91.8	\$ 68.9	\$ 68.7	\$ (0.2)
Professional Fees (including Legal)	\$ 26.6	\$ 19.0	\$ 19.4	\$ 0.4
Building Services	\$ 6.4	\$ 4.8	\$ 4.3	\$ (0.5)
Computer Services	\$ 16.4	\$ 12.3	\$ 12.8	\$ 0.5
Insurance	\$ 2.9	\$ 2.2	\$ 2.1	\$ (0.1)
Telecommunications	\$ 2.9	\$ 2.2	\$ 2.3	\$ 0.1
Other Expenses (BOD, Travel/Trng, NPCC Fees)	<u>\$ 4.0</u>	<u>\$ 2.9</u>	<u>\$ 2.6</u>	<u>\$ (0.3)</u>
<b>Current Year Needs</b>	<b>\$ 161.2</b>	<b>\$ 121.2</b>	<b>\$ 116.5</b>	<b>\$ (4.7)</b>
Debt Service from Prior Year Financings	<u>\$ 32.0</u>	<u>\$ 24.3</u>	<u>\$ 26.6</u>	<u>\$ 2.3</u>
<b>Cash Budget</b>	<b>\$ 193.2</b>	<b>\$ 145.5</b>	<b>\$ 143.1</b>	<b>\$ (2.4)</b>
Less: Miscellaneous Revenues	\$ (3.7)	\$ (2.9)	\$ (4.5)	\$ (1.6)
Less: Proceeds from Debt	\$ (34.2)	\$ (18.5)	\$ (18.5)	\$ -
Less: Proceeds from budget underrun and volume overcollections	\$ -	\$ -	\$ (2.6)	\$ (2.6)
Add: Interest on Debt	<u>\$ 0.4</u>	<u>\$ 0.2</u>	<u>\$ 0.2</u>	<u>\$ -</u>
<b>Rate Schedule #1 Revenue Requirement</b>	<b>\$ 155.7</b>	<b>\$ 124.3</b>	<b>\$ 117.7</b>	<b>\$ (6.6)</b>

# 2018 Budget vs. Actual Variance Explanations

	Year-To-Date Variance
<b>Capital</b>	The year-to-date underrun of \$4.6M is primarily due to transfers to other budget line items, including \$1.7M to support the Network Infrastructure Upgrade, \$1.1M for the EIM Data Integration project and \$1.3M for the EMS/BMS Workstation Upgrade.
<b>Professional Fees</b>	The year-to-date overrun of \$0.4M is primarily due to timing of the EMS/BMS project schedule of \$1.2M, partially offset by savings of \$0.5M in External Legal Fees.
<b>Building Services</b>	The year-to-date underrun of \$0.5M is primarily due to timing of dues & subscriptions and general maintenance expenditures.
<b>Computer Services</b>	The year-to-date overrun of \$0.5M is primarily due to the EMS/BMS Workstation Upgrade, which was originally budgeted as Capital.
<b>Debt Service</b>	The year-to-date overrun of \$2.3M is due to additional principal payments on 2016 outstanding debt, offset by funds remaining from the prior year budget cycle.
<b>Misc. Revenues</b>	The year-to-date overrun of \$1.6M is primarily driven by \$1.1M in higher than anticipated Interconnection Study and Public Policy planning revenues, which offset related expenses, and \$0.5M in interest income.



# Outstanding Debt Summary

Debt Facility	Loan Status	Maturity Date	Amount Borrowed	Principal Outstanding at 9/30/18
Revolving Credit Facility	\$50M Available	Dec-18	\$ 12.8	\$ 5.8
2005 Mortgage - Bldg Acq. & Renovations	Term Loan Repayment	Aug-25, Jan-27	\$ 24.8	\$ 12.3
2016 Budget Loan	Term Loan Repayment	Dec-19	\$ 25.0	\$ 7.8
2017 Budget Loan	Term Loan Repayment	Dec-20	\$ 24.7	\$ 18.5
2018 Budget Loan *	Principal Payments begin in 2019	Dec-21	\$ 13.0	\$ 13.0
EMS BMS Loan	Term Loan Repayment	Dec-21	\$ 22.3	\$ 15.9
Infrastructure Master Plan Mortgage	Term Loan Repayment	Aug-31	\$ 45.0	\$ 33.9
<b>Total</b>				<b>\$ 107.2</b>

\*Interest only payments in 2018



## The Mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefits to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policy makers, stakeholders and investors in the power system



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