



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
3000 BAYPORT DRIVE, SUITE 600
TAMPA, FLORIDA 33607-8410
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

2019 Business Plan and Budget

Florida Reliability Coordinating Council, Inc.

FRCC Board Approved: 06-19-2018

Table of Contents

Introduction.....	3
Organizational Overview	3
Membership and Governance	4
Statutory Functional Scope	5
2019 Key Strategic Goals	6
2018 Statutory Budget and Projection and 2019 Budget Comparisons.....	11
Section A – Statutory Programs.....	12
Reliability Standards Development Program.....	13
Compliance Monitoring and Enforcement Program and Organization Registration and Certification Program.....	16
Reliability Assessment and Performance Analysis Program.....	21
Training, Education and Operator Certification Program.....	26
Situation Awareness and Infrastructure Security Program.....	30
General and Administrative	33
Section B – Supplemental Financial Information	37
Breakdown by Statement of Activity Sections	39
Section C – Non-Statutory Activities	47
Non-Statutory Members Services Division	48
Non-Statutory Functional Scope.....	48
2018 Member Services Budget and Projection and 2019 Budget Comparisons	54
Section D – Additional Consolidated Financial Statements	57
Statement of Financial Position	59
Statutory Organizational Chart	60

Introduction

TOTAL RESOURCES (in whole dollars)				
	2019 Budget	U.S.	Canada	Mexico
Statutory FTEs	20.75			
Non-statutory FTEs	20.07			
Total FTEs	40.82			
Statutory Expenses	\$ 6,709,129			
Non-Statutory Expenses	\$ 12,675,735			
Total Expenses	\$ 19,384,864			
Statutory Inc(Dec) in Fixed Assets	\$ (13,342)			
Non-Statutory Inc(Dec) in Fixed Assets	\$ (23,727)			
Total Inc(Dec) in Fixed Assets	\$ (37,070)			
Statutory Working Capital Requirement*	(775,862)			
Non-Statutory Working Capital Requirement**	0			
Total Working Capital Requirement	(775,862)			
Total Statutory Funding Requirement	\$ 5,919,925			
Total Non-Statutory Funding Requirement	\$ 12,652,008			
Total Funding Requirement	\$ 18,571,933			
Statutory Funding Assessments	\$ 5,827,925	\$ 5,827,925		
Non-Statutory Fees	\$ 12,388,798	\$ 12,388,798		
NEL	232,720,000	232,720,000		
NEL%				

*Refer to Table B-1 on page 38 in Section B.

**Refer to the Reserve Analysis on page 56 in Section C.

Organizational Overview

The Florida Reliability Coordinating Council (FRCC) is a Florida not-for-profit corporation that was formed in 1996 and is one of the eight regions of the North American Electric Reliability Corporation (NERC). FRCC's mission is to assure effective and efficient reduction of risk to the reliability and security of the peninsular Florida Bulk Power System (BPS). FRCC's web site is www.frcc.com. The FRCC Region is comprised of all of Florida east of the Apalachicola River. Florida's unique geography and its highly integrated transmission system coupled with its single interface boundary to the rest of the Eastern Interconnection required the development of a reliability focus in the FRCC Region. Membership in the FRCC's Regional Entity Division is open to any entity, without cost, that has a material interest in the reliability of the Bulk Electric System (BES) in the FRCC Region. Currently there are 40 Registered Entities within the FRCC Region. FRCC is governed by a balanced stakeholder Board of Directors and accomplishes its activities through qualified professional staff and standing committees which also have balanced stakeholder governance.

FRCC provides the statutory functions and services for the FRCC Region through its Regional Entity Division. Non-statutory services for the FRCC Region are provided through its Member Services Division. This divisional structure is an efficient and effective means of clearly

separating statutory and non-statutory activities and related funding for each. The FRCC Bylaws, creating this divisional structure, were first approved by the Federal Energy Regulatory Commission (FERC) on March 21, 2008.

The FRCC Regional Entity Division works to enhance the reliability of the BES in the FRCC Region pursuant to the approved Regional Delegation Agreement (RDA) with NERC, as the Electric Reliability Organization (ERO), under the authority of the FERC. The functions performed by the FRCC Regional Entity Division include regional reliability standards development, compliance monitoring and enforcement of Reliability Standards, reliability assessment and performance analysis, event analysis and reliability improvement, training and education, situation awareness and infrastructure security. The Regional Entity Division of the FRCC has one standing committee, the FRCC Regional Entity Committee and Compliance Forum (RECCF). This committee provides input to the FRCC in support of the delegated activities and functions. The RECCF actively participates in the development of the Regional Entity Business Plan and Budget by reviewing and providing comments on assumptions, goals, resources and verbiage to the FRCC staff and to the Board of Directors.

The Member Services Division of the FRCC provides, coordinates and administers a variety of services relating to the reliable planning and operation of the BES within the FRCC Region. These services are carried out by the FRCC Planning Committee (PC) and the FRCC Operating Committee (OC) and their various subcommittees, task forces and working groups, as well as FRCC Staff.

The FRCC PC and OC actively participate in the development and approval of their respective committee's budget. The budget reflects the activity of each committee's responsibilities, such as reliability coordination, resource adequacy, stability studies, transmission studies, operations tools, telecommunication tools and infrastructure.

Each year, the total FRCC budget is presented to the FRCC Board of Directors early in the second quarter for informational purposes prior to final approval in June. This process gives all FRCC members advanced indication of the funding level, both statutory and non-statutory, which will be required for the coming fiscal year (January 1 – December 31). This allows for timely inclusion of each member's funding responsibility in their individual budgeting process. The final budget is presented for approval to the FRCC Board of Directors in June of each year and is then submitted to NERC for approval by the NERC Board of Trustees and then by FERC.

Membership and Governance

The FRCC's members include investor-owned utilities, cooperative utilities, municipal utilities, power marketers, independent power producers and others. Membership is currently 31 FRCC members in the Regional Entity Division and 23 FRCC members in the Member Services Division including affiliate and adjunct members.

FRCC has six (6) membership sectors which include the following:

- Non-Investor Owned Utility Wholesale
- Load Serving Entity
- Generating Load Serving Entity
- Investor Owned Utility

- Suppliers
- General

The activities of FRCC are governed by its Board of Directors (Board). The Board is comprised of senior level executives from members of FRCC.

As part of its responsibilities, NERC, as the ERO, delegates its authority to Regional Entities to perform certain functions through delegation agreements. On November 4, 2015, FERC approved revised delegation agreements between NERC and the eight (8) Regional Entities that became effective January 1, 2016 and will expire at the end of 2020. These delegation agreements describe the responsibility and authority delegated to the Regional Entities. NERC and the Regional Entities worked collaboratively to revise the delegation agreements which were presented to the NERC Board of Trustees for approval mid-2015 and were approved by FERC and became effective January 1, 2016. The funding for Regional Entities is approved separately with each Regional Entity submitting its own business plan and budget for consideration by NERC and FERC.

Statutory Functional Scope

The FRCC carries out its delegated functions as outlined and detailed in the delegation agreement. NERC and the Regional Entities will continue to work under the existing regulatory framework governing the establishment and enforcement of Reliability Standards for BPS. The delegated functions as defined by the NERC Rules of Procedures include:

- Reliability Standards Development (RSD) - Section 300
- Compliance Monitoring and Enforcement (CMEP) - Section 400
- Organization Registration and Certification - Section 500 (This program budget has been combined with the Compliance Monitoring and Enforcement function budget.)
- Reliability Assessment and Performance Analysis (RA) - Section 800 (including necessary data gathering activities and Events Analysis)
- Training, Education and Operator Certification (TE) - Section 900
- Situation Awareness and Infrastructure Security (SA) - Section 1000

2019 Key Assumptions

In addition to supporting the ERO Enterprise Long-term Strategy and the ERO Enterprise Operating Plan, the significant assumptions underlying FRCC's 2019 business plan include:

- NERC and the Regional Entities will continue to work under the existing regulatory framework governing the establishment and enforcement of Reliability Standards for the BES.
- NERC and the Regional Entities collaboration to refine and revise processes and procedures to eliminate duplication, increase operational efficiencies, enhance ERO-wide consistency and achieve measurable reliability outcomes will continue.
- NERC and the Regional Entities will continue to develop their Business Plan and Budgets based upon the assumption of continued stakeholder participation in support of key program areas, while recognizing that stakeholder resource limitations may affect specific levels of participation in any given activity.

2019 Key Strategic Goals

NERC and the Regional Entities' business plans and budgets reflect the collaborative development of the ERO Enterprise Long-term Strategy and the ERO Enterprise Operating Plan (See <https://www.nerc.com/AboutNERC/Pages/Strategic-Documents.aspx>). FRCC supports both the long-term strategy and operating plan as well as deliverables specific to FRCC and described in each statutory program area in Section A.

Working collaboratively, the ERO Enterprise has established six perennial goals, each of which is supported by key contributing activities of the combined ERO Enterprise, that address:

1. Risk-responsive Reliability Standards;
2. Objective, risk-informed compliance monitoring, mitigation, enforcement and entity registration;
3. Reduction of known reliability risks;
4. Identification and assessment of emerging reliability risks;
5. Identification and reduction of cyber and physical security risks; and
6. Effective and efficient ERO Enterprise operations.

In addition to supporting the ERO Enterprise goals, FRCC has adopted an additional goal to address:

- Effective response during severe operating conditions

2019 Overview of Cost Impacts

FRCC's proposed 2019 Regional Entity budgeted expenses and net fixed assets (see page 11) is \$6,695,787 which is a \$818,325 or 10.9% decrease compared to the 2018 budget. The major drivers of the decrease are the net effect of:

- The assumption that the current vacancies will remain unfilled, partially offset by increased use of consultants and retention bonuses.
- A 13% attrition factor.

2019 Key Focus Areas by Program

In 2019, FRCC will achieve the following key objectives:

- **Reliability Standards Development** — Continue support of the ERO Enterprise in its efforts to further improve the quality and content of Reliability Standards, including using feedback loops as part of enhanced periodic reviews that are focused on conducting measured, in-depth reviews using the enhanced periodic review template. Support ERO activities necessary to incorporate Regional Standards into continent-wide standards as variances as standards are reviewed through the enhanced periodic review process. Support outreach during standard development and assist in the transition of standards to compliance monitoring and enforcement.
- **Compliance Monitoring and Enforcement** — Continue implementation of the risk-based compliance monitoring and enforcement program, including the completion of Inherent Risk Assessments, Internal Controls Evaluations, controls reviews during monitoring engagements and the development of Compliance Oversight Plans using consistent practices that are focused on higher reliability risks. Ensure timely and

thorough mitigation of all violations of mandatory Reliability Standards with the most focus on those violations that create serious risk to the Bulk Electric System. Promote a strong culture of compliance excellence, reliability improvement and risk-based methods among all Registered Entities in the FRCC Region.

- **Organization Registration and Certification** – Continue implementation of the risk-based registration activities with a focus on the collaborative development of a consistent registration program throughout the ERO Enterprise. Continue the regional efforts to utilize risk and materiality in the decision process for entity registrations and support the activities of the NERC-led Review Panel to focus on continent-wide resolutions for registration issues, while addressing individual entity issues concerning registration. Support the ERO activities to improve consistency in the Certification and Certification Review process. Focus Certification Review activities on areas of risk and tailor engagements based on entity performance and the results of Inherent Risk Assessments. Work with NERC and the other Regional Entities to support the BES Exception Process execution, technical validation of the definition and exception requests, self-determined notification submittals and periodic reviews of network changes affecting BES determinations.
- **Event Analysis** — Continue to support improved reliability through reporting and categorizing of system events and security incidents. Consistently analyze events for sequence, cause, system performance, remediation and improvement opportunities. Continue to identify potential reliability risks and gaps in standards, compliance monitoring effectiveness, registration and risk controls effectiveness. Work to ensure that the industry is well informed of large system events, emerging trends, risk analysis and lessons learned. Provide timely written lessons learned and recommendations from events (or occurrences) and provide to industry through various sharing methods (i.e. website posting and briefings at committee meetings).
- **Critical Infrastructure Protection and Cyber Security** — Facilitate, educate and support Registered Entities in their understanding of the CIP Reliability Standards and responding to cyber security alerts. Provide education and outreach to stakeholders to ensure their understanding of the technical aspects of the requirements CIP V5, CIP-013 and CIP-014.
- **Reliability Assessments** — Provide annual, seasonal, probabilistic and Short-Term special reliability assessments of the reliability of the FRCC BES in accordance with NERC definitions and requirements. Conduct special reliability assessments as necessary and provide input to NERC studies specific to the conditions and needs of the FRCC region. In support of NERC and FRCC objectives, advance analytical capabilities for identifying and determining reliability risks and conducting various reliability assessments. Work with NERC and the other Regional Entities to develop and track performance metrics that demonstrate the accuracy of the powerflow and dynamics models to replicate actual system conditions and reliability behavior. Work with NERC and the other Regional Entities to support the BES Exception Process execution, technical validation of the definition and exception requests, self-determined notification submittals, and periodic reviews of network changes affecting BES determinations.
- **Training, Education and Operator Certification** — Continue to conduct System Operator Training seminars to improve collaboration and communication between FRCC System Operators, conduct restoration drills and maintain reliability excellence. Continue to hold Compliance and Standards workshops and webinars to provide support

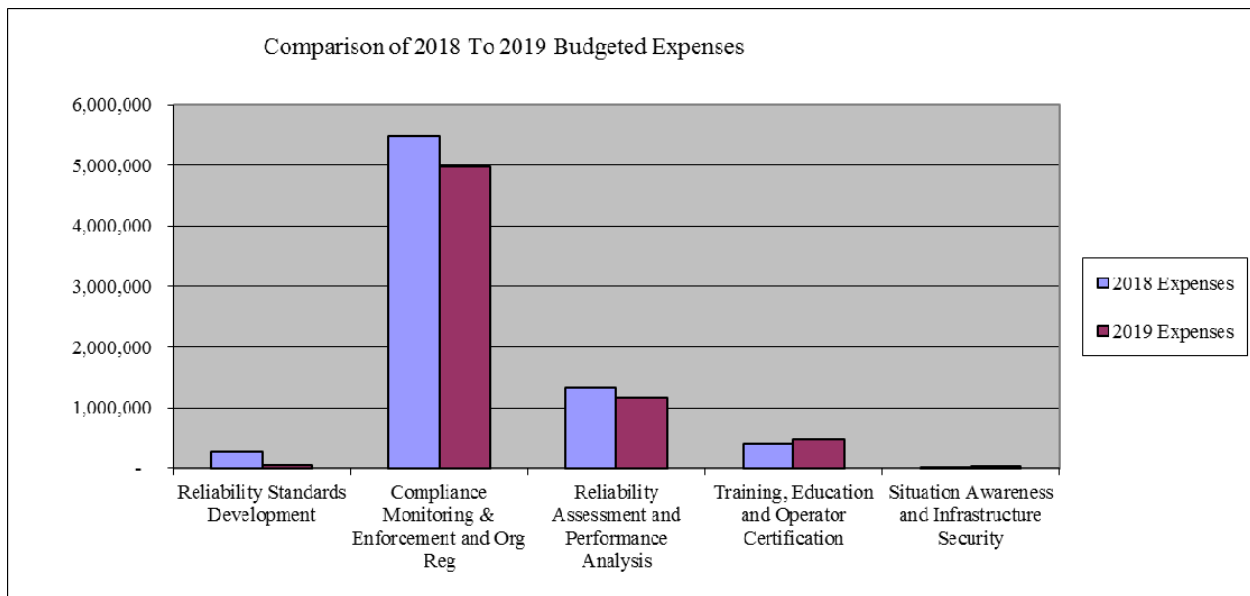
for stakeholders in understanding and implementing reliability standards requirements. Provide and maintain administrative support to the FRCC portion of the ERO Enterprise Learning Portal.

- **Situation Awareness** — Continue to support NERC in maintaining and enhancing the current and future situation awareness capabilities that include near real-time information and communications protocols that meet the needs of FERC, NERC and the Regional Entities (SAFNrv2). Issue and track security recommendations to protect the BPS. Share information learned in Situation Awareness with the Events Analysis program to develop relevant lessons learned and identify gaps in standards, compliance effectiveness, registration and risk control effectiveness. Support and promote rapid and appropriate sharing of situational awareness information regarding security occurrences.
- **Effective Financial Controls** — Continue to provide rigorous cost controls and efficient management of resources to remain an efficient provider of ERO delegated functions.

Detailed Business Plans and Budgets by Program

Details of the planning, operation, review and adjustment for each program area are included in Section A. The corresponding budget details are shown in Section B. Below is an overall summary of the changes by program area.

Program Funding	Budget 2018	Projection 2018	Budget 2019	Variance 2019 Budget v 2018 Budget	Variance %
Reliability Standards Development	\$ 270,452	270,453	\$ 37,193	\$ (233,259)	-86.2%
Compliance Monitoring & Enforcement and Org Reg	5,498,173	5,498,173	4,984,329	(513,844)	-9.3%
Reliability Assessment and Performance Analysis	1,337,329	1,337,330	1,160,663	(176,666)	-13.2%
Training, Education and Operator Certification	394,743	394,743	477,502	82,759	21.0%
Situation Awareness and Infrastructure Security	13,414	13,414	36,099	22,685	169.1%
Total Budget	\$ 7,514,112	\$ 7,514,112	\$ 6,695,787	\$ (818,325)	-10.9%



This graphical representation does not include an allocation of working capital requirements among the Program Areas.

Total FTE's by Program Area	Budget	Projection	Direct	Shared	Total FTEs	Change
	2018	2018	FTEs 2019 Budget	FTEs ¹ 2019 Budget	2019 Budget	from 2018 Budget
STATUTORY						
Operational Programs						
Reliability Standards Development	0.94	0.35	0.10		0.10	-0.84
Compliance Monitoring & Enforcement and Org Reg	19.65	14.36	12.18		12.18	-7.47
Reliability Assessment and Performance Analysis	4.31	3.09	1.21	1.71	2.92	-1.39
Training, Education and Operator Certification	1.07	1.04	1.07		1.07	0.00
Situation Awareness and Infrastructure Security	0.04	0.04	0.10		0.10	0.06
Total FTEs Operational Programs	26.01	18.88	14.66	1.71	16.37	-9.64
Administrative Programs						
General & Administrative	4.62	4.76		4.38	4.38	-0.24
Total FTEs Administrative Programs	4.62	4.76	0.00	4.38	4.38	-0.24
Total FTEs	30.63	23.64	14.66	6.09	20.75	-9.88

¹A shared FTE is defined by NERC as an employee who performs both Statutory and Non-Statutory functions.

² 2019 FTEs are calculated using a new method that captures attrition assumptions; in 2018 attrition assumptions were captured in the salary expense but not reported FTEs. 2018 FTEs calculated using the new methodology would have resulted in a total FTE count of 28.17. This results in a reduction of 7.42 FTEs from 2018 to 2019.

2018 Statutory Budget and Projection and 2019 Budget Comparisons

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2018 Budget & Projection, and 2019 Budget

STATUTORY					
	2018 Budget	2018 Projection	Variance 2018 Projection v 2018 Budget Over(Under)	2019 Budget	Variance 2019 Budget v 2018 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	\$ 6,660,518	\$ 6,660,518	\$ 0	5,827,925	\$ (832,593)
Penalty Sanctions	253,145	253,145	-	-	(253,145)
Total ERO Funding	\$ 6,913,663	\$ 6,913,663	\$ 0	\$ 5,827,925	\$ (1,085,738)
Membership Dues	\$ -	\$ -	\$ -	\$ -	\$ -
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	92,000	92,000	-	92,000	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 7,005,663	\$ 7,005,663	\$ 0	\$ 5,919,925	\$ (1,085,738)
Expenses					
Personnel Expenses					
Salaries	\$ 4,289,416	4,033,343	\$ (256,073)	\$ 3,595,017	\$ (694,399)
Payroll Taxes	249,708	251,526	1,818	221,845	(27,863)
Benefits	684,682	535,304	(149,378)	523,400	(161,282)
Retirement Costs	654,985	559,804	(95,181)	470,029	(184,956)
Total Personnel Expenses	\$ 5,878,791	\$ 5,379,977	\$ (498,814)	\$ 4,810,290	\$ (1,068,501)
Meeting Expenses					
Meetings	\$ 72,593	\$ 64,790	\$ (7,803)	\$ 68,826	\$ (3,767)
Travel	164,498	116,359	(48,139)	146,262	(18,236)
Conference Calls	15,150	14,655	(495)	10,319	(4,831)
Total Meeting Expenses	\$ 252,241	\$ 195,804	\$ (56,437)	\$ 225,407	\$ (26,834)
Operating Expenses					
Consultants & Contracts	\$ 481,554	\$ 579,076	\$ 97,522	\$ 875,842	\$ 394,288
Office Rent	625,292	586,079	(39,213)	565,921	(59,371)
Office Costs	113,073	115,784	2,711	106,862	(6,211)
Professional Services	35,824	37,694	1,870	44,071	8,247
Miscellaneous	-	-	-	-	-
Depreciation	113,181	109,894	(3,287)	80,736	(32,445)
Total Operating Expenses	\$ 1,368,924	\$ 1,428,527	\$ 59,603	\$ 1,673,432	\$ 304,508
Total Direct Expenses	\$ 7,499,956	\$ 7,004,308	\$ (495,648)	\$ 6,709,129	\$ (790,827)
Indirect Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 7,499,956	\$ 7,004,308	\$ (495,648)	\$ 6,709,129	\$ (790,827)
Change in Assets	\$ (494,293)	\$ 1,355	\$ 495,648	\$ (789,204)	\$ (294,911)
Fixed Assets					
Depreciation	\$ (113,181)	\$ (109,894)	\$ 3,287	\$ (80,736)	\$ 32,445
Total Fixed Asset Purchases	127,337	98,873	(28,464)	67,393	(59,944)
(Inc)Dec in Fixed Assets (C)	(14,156)	11,021	25,177	13,342	27,498
TOTAL BUDGET (=B-C)	\$ 7,514,112	\$ 6,993,287	\$ (520,825)	\$ 6,695,787	\$ (818,325)
TOTAL CHANGE IN WORKING CAPITAL	\$ (508,449)	\$ 12,376	\$ 520,825	\$ (775,862)	\$ (267,413)
FTEs	30.63	23.64	(6.99)	20.75	(9.88)

Section A – Statutory Programs 2019 Business Plan and Budget

Reliability Standards Development Program

Reliability Standards Development Program (in whole dollars)			
	2018 Budget	2019 Budget	Increase (Decrease)
Total FTEs	0.94	0.10	(0.84)
Direct Expenses	\$ 233,589	\$ 33,242	\$ (200,347)
Indirect Expenses	\$ 36,411	\$ 6,486	\$ (29,925)
Inc(Dec) in Fixed Assets	\$ 452	\$ (2,534)	\$ (2,986)
Total Funding Requirement	\$ 270,452	\$ 37,193	\$ (233,259)

Program Scope and Functional Description

FRCC may develop, through the FRCC Regional Reliability Standards Development Process, separate Regional Reliability Standards that are specific to the FRCC Region and go beyond, add detail to, or implement NERC Reliability Standards. FRCC Regional Reliability Standards will not be inconsistent with or less stringent than NERC Reliability Standards.

The FRCC Regional Reliability Standards Development Process is an open, balanced and fair process that ensures all interested and affected parties have an opportunity to participate in the development of FRCC Regional Reliability Standards for the FRCC Region.

While FRCC may develop separate Regional Reliability Standards, the preference is to support the development of continent wide Reliability Standards. FRCC staff follows and participates in NERC's Standards Development Process. FRCC supports and encourages stakeholder awareness and participation in the NERC standards development process through educational outreach efforts at workshops, webinars and committee meetings.

2019 Key Assumptions

The key assumptions included in the Shared Business Plan and Budget Assumptions affecting the Reliability Standards Program include:

- The number of continent-wide standards development projects is expected to remain relatively stable, except as required to address any new FERC directives to create or modify Reliability Standards, or industry submittals of standard authorization requests.
- Continent-wide standards projects will consist primarily of conducting enhanced periodic reviews to improve the content and quality of existing standards, responding to identified risks to reliability (including those that may be identified in the implementation of risk-based CMEP activities) and addressing FERC directives that may arise.
- The number of interpretation requests is expected to remain low, however the guidance requests associated with the implementation of Standards may increase.
- FRCC has no Regional Reliability Standards and none are currently planned for the future.

- FRCC has worked with registered entities to ensure that they can remain engaged and informed as standards are developed and following FERC approval of new and revised standards. Additionally, following FERC approval, FRCC will assist the transition of standards to compliance monitoring and enforcement by providing knowledge that supports industry and auditor training.
- As the FRCC registered entity engagement with NERC Standards process has increased, FRCC will reduce the FRCC staff involvement in the NERC standards development process.

2019 Goals and Key Focus Areas

The Standards Program objectives for 2019 are to follow and participate in the NERC Standards Development Process, continue to encourage stakeholder awareness and participation in the NERC Standards Development process to address reliability and stakeholder issues that may arise within the FRCC region and support the development of Standard's guidance requests as appropriate.

- Continue to monitor the need for development of Regional Reliability Standards or regional variances that are required by NERC Reliability Standards or are needed for reliability within the FRCC region.
- Assist FRCC members and Registered Entities in following and understanding NERC standards development activities by continuing education and outreach programs to include:
 - Development and presentation at workshops, webinars and committee meetings to address continent-wide and regional reliability issues.
 - Develop and deliver project level communications, education and training for new or revised Reliability Standards.
 - Review, analyze, and identify potential regional concerns and solutions associated with NERC Reliability Standards under development.
 - Continue to support the FRCC RECCF to fully vet and identify any concerns and assist in articulating the concern and possible solution to standard drafting teams as appropriate.
- Continue to utilize the regional feedback loop process to conduct measured, in-depth reviews to improve Reliability Standards in support of the Enhanced Periodic Review process.

Reliability Standards Development Program

Funding sources and related expenses for the Reliability Standards section of the 2019 business plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2018 Budget & Projection, and 2019 Budget					
Reliability Standards Development					
	2018 Budget	2018 Projection	Variance 2018 Projection v 2018 Budget Over(Under)	2019 Budget	Variance 2019 Budget v 2018 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	\$ 261,304	\$ 261,304	\$ 0	\$ 37,193	\$ (224,110)
Penalty Sanctions	\$ 9,149	\$ 9,149	\$ -	-	(9,149)
Total ERO Funding	\$ 270,452	\$ 270,453	\$ 0	\$ 37,193	\$ (233,259)
Membership Dues	\$ -	\$ -	\$ -	\$ -	\$ -
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 270,452	\$ 270,453	\$ 0	\$ 37,193	\$ (233,259)
Expenses					
Personnel Expenses					
Salaries	\$ 143,677	\$ 62,827	\$ (80,850)	\$ 19,111	\$ (124,566)
Payroll Taxes	8,428	3,948	(4,480)	1,190	(7,238)
Benefits	25,711	7,974	(17,737)	4,440	(21,271)
Retirement Costs	21,554	8,199	(13,355)	2,452	(19,102)
Total Personnel Expenses	\$ 199,370	\$ 82,948	\$ (116,422)	\$ 27,194	\$ (172,176)
Meeting Expenses					
Meetings	\$ 772	\$ 534	\$ (238)	\$ 39	\$ (733)
Travel	5,468	476	(4,992)	144	(5,324)
Conference Calls	3,138	3,010	(128)	7	(3,131)
Total Meeting Expenses	\$ 9,378	\$ 4,020	\$ (5,358)	\$ 190	\$ (9,188)
Operating Expenses					
Consultants & Contracts	\$ 3,992	\$ 1,910	\$ (2,082)	\$ 541	\$ (3,451)
Office Rent	14,044	6,197	(7,847)	1,870	(12,174)
Office Costs	3,874	3,017	(857)	555	(3,319)
Professional Services	1,301	703	(598)	265	(1,036)
Miscellaneous	-	-	-	-	-
Depreciation	1,630	3,269	1,639	2,627	997
Total Operating Expenses	\$ 24,841	\$ 15,096	\$ (9,745)	\$ 5,858	\$ (18,983)
Total Direct Expenses	\$ 233,589	\$ 102,064	\$ (131,525)	\$ 33,242	\$ (200,347)
Indirect Expenses	\$ 36,411	\$ 20,020	\$ (16,391)	\$ 6,486	\$ (29,926)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 270,000	\$ 122,084	\$ (147,916)	\$ 39,728	\$ (230,273)
Change in Assets	\$ 452	\$ 148,369	\$ 147,917	\$ (2,534)	\$ (2,986)
Fixed Assets					
Depreciation	\$ (1,630)	\$ (3,269)	\$ (1,639)	\$ (2,627)	\$ (997)
Total Fixed Asset Purchases	2,082	936	(1,146)	93	(1,989)
(Inc)Dec in Fixed Assets (C)	\$ (452)	\$ 2,333	\$ 2,785	\$ 2,534	\$ 2,986
TOTAL BUDGET (=B-C)	\$ 270,452	\$ 119,751	\$ (150,701)	\$ 37,193	\$ (233,259)
TOTAL CHANGE IN WORKING CAPITAL	\$ -	\$ 150,702	\$ 150,702	\$ -	\$ -
FTEs	0.94	0.35	(0.59)	0.10	(0.84)

Compliance Monitoring and Enforcement Program and Organization Registration and Certification Program

Compliance Monitoring and Enforcement and Organization Registration and Certification Program (in whole dollars)			
	2018 Budget	2019 Budget	Increase (Decrease)
Total FTEs	19.65	12.18	(7.47)
Direct Expenses	\$ 4,732,295	\$ 4,201,001	\$ (531,294)
Indirect Expenses	\$ 761,150	\$ 789,945	\$ 28,795
Inc(Dec) in Fixed Assets	\$ 4,728	\$ (6,617)	\$ (11,345)
Total Funding Requirement	\$ 5,498,173	\$ 4,984,329	\$ (513,844)

Program Scope and Functional Description

Implementation of a risk-based Compliance Monitoring and Enforcement program supports FRCC's mission to assure effective and efficient reduction of risk to the reliability and security of the peninsular Florida BPS. Appropriate registration and certification of entities also supports the mission of reliability. Reliable operation of the BES is in the public interest, because it will benefit all owners, operators and users of the BES and, ultimately, all users and consumers of electric power in the FRCC Region.

Organization Registration and Certification activities are carried out by the Reliability Performance and Registration staff and by utilizing the results of the regional BES assessments and the Inherent Risk Assessments (IRA) to properly register entities within the FRCC region based on risk and materiality. Certifications and Certification Reviews ensure the operational readiness of the Transmission Operators (TOP) and Balancing Authorities (BA) in the FRCC region. FRCC has focused the Certification and Certification Review activities on areas of risk and tailors engagements based on the entity's performance and the results of IRAs. The FRCC Reliability Performance and Registration staff work in collaboration with the Registration and Certification staff of the other Regional Entities and with NERC to consistently implement the Statement of Compliance Registry Criteria, detailed in Appendix 5B of the NERC Rules of Procedure and the ERO Organization Certification Program.

Compliance and Enforcement activities are independent of all users, owners and operators of the BES for which FRCC maintains CEA responsibility. Through a risk-based program that places the focus on those risks that are most important to the reliability of the BES, FRCC will strive to increase the level of reliable operation of the BES in the FRCC Region.

The NERC Compliance Monitoring and Enforcement Program (CMEP) is the program used by the FRCC to monitor, assess and enforce compliance with Reliability Standards within the FRCC Region. FRCC compliance and enforcement staff works with the compliance and enforcement staff of the other Regional Entities and with NERC to strive for consistency in the implementation of the CMEP.

2019 Highlights of Compliance Monitoring and Enforcement Processes

The implementation of risk-based compliance monitoring and enforcement will include an analysis of risk to develop an appropriate compliance oversight plan for each Registered Entity. Balancing Authorities and Transmission Operators will continue to be reviewed at least every 3 years. However, the application of risk-based principles will likely result in certain FRCC entities being monitored more frequently. The review of a Registered Entity's inherent risk will be the foundation in the development of each entity's specific compliance oversight plan. FRCC staff will continue to review and encourage registered entities toward the development and maintenance of entity internal controls that lower risk to compliance, reliability and security. Compliance staff will continue a strong outreach program to assist registered entities in their understanding of the risk-based compliance program as well as the details of CIP V5 Reliability Standards.

Organization Registration and Certification

FRCC has registered the organizations responsible for complying with Reliability Standards in accordance with Section 500 of the NERC Rules of Procedure and the Statement of Compliance Registry Criteria, detailed in Appendix 5B of the NERC Rules of Procedure. After implementing the reforms as part of the Risk-Based Registration effort in 2016, there are currently 40 Registered Entities with a total of 159 registered functions. Maintaining a complete and accurate registration database will be an ongoing activity. FRCC will develop, maintain and provide to NERC accurate information on entity registration within the FRCC Region with updates as changes occur. FRCC staff will continue to support and participate in the evaluation of appropriate levels of registration of Registered Entities. FRCC will support as needed, the implementation of the NERC-led review panel as part of the continuing efforts of the Risk-Based Registration program. FRCC will participate in certifications or certification reviews as circumstances warrant.

Enforcement and Mitigation

FRCC has implemented risk-based enforcement and actions may include the imposition of remedial action directives, sanctions and penalties for those risks that pose a more serious risk to reliability. FRCC will utilize other enforcement disposition methods, such as Compliance Exceptions and FFT's for those violations that pose less risk to reliability. Mitigation of violations of the approved Reliability Standards and the prevention of recurrence, remains central to FRCC's reliability focus. Registered Entities found in violation of a Reliability Standard will be required to fully mitigate the violation regardless of the type of enforcement actions taken.

2019 Key Assumptions - Compliance Monitoring and Enforcement

- As a minimum, audits are expected to continue under the current three-year schedule for BAs and TOPs. However, reliability risk profiles for all Registered Entities will be developed and compliance oversight plans will be tailored to the risk profiles which may increase the frequency, depth and complexity of monitoring for some entities and decrease the frequency, depth and complexity of others. The FRCC will continue implementing plans to complete and update IRAs, conducting voluntary Internal Control Evaluations (ICEs), conducting controls reviews during monitoring engagements, and ensuring that Compliance Oversight Plans (COPs) are addressing the appropriate risks for each Registered Entity.

-
- The use of Spot Checks and Self-Certifications is expected to increase as risk-based monitoring is implemented. Self-Certifications will remain risk focused and will require information from the entities that will be reviewed by the Monitoring staff to achieve reasonable assurance of compliance.
 - The effective date for compliance with the CIP Version 5 standards was July 1, 2016 for High and Medium impact assets and July 1, 2017 for Low impact assets. FRCC plans to continue to support CIP Version 5 outreach efforts.
 - A Compliance Monitoring and Enforcement Process Tool project will include an evaluation of software systems used for compliance, registration, analysis and tracking which will likely result in replacing existing systems in the 2020 timeframe. Regional Entities are expected to allocate resources to support the specification, development and testing of these software system changes over the next several years. Until the project is complete, Regional Entities will continue to budget to maintain current systems and tools.
 - NERC and the Regional Entities will continue ERO Enterprise-wide collaboration to implement more consistent compliance monitoring and enforcement practices and focus on higher reliability risks to increase efficiency and mitigate overall compliance costs.
 - NERC and the Regional Entities must plan to support the training and education requirements and guidelines necessary to meet the criteria set forth by the ERO Enterprise Compliance Monitoring and Enforcement Manual. NERC will continue to budget and incur the cost of an ERO Enterprise Learning Portal. NERC will work with the Regional Entities to consolidate training resources and promote better coordination, planning, delivery and management of training efforts across the ERO.
 - Regional Entities are expected to allocate resources and funds to meet the training requirements for the compliance and enforcement staff that are associated with the implementation of the risk-based compliance monitoring and enforcement.
 - FRCC plans to use more consultants to complement its current staff to complete work that would have previously been completed by FRCC staff.

2019 Goals and Key Focus Areas - Compliance Monitoring and Enforcement

The Compliance Monitoring and Enforcement Program objectives for 2019 are outlined below:

- Support and continue the implementation of Risk-based Compliance Monitoring and Enforcement, including implementing plans to complete and update Inherent Risk Assessments (IRA), implement refinements to Internal Controls Evaluations (ICEs) conduct control reviews during monitoring engagements and assure that Compliance Oversight Plans (COPs) are addressing appropriate risks for all Registered Entities in the FRCC Region.
- Continue collaboration with NERC and the other Regional Entities to improve consistency, quality and timeliness of compliance monitoring and enforcement practices that focus on higher risks to the reliability of the BES.
- Continue to promote the self-identification of non-compliance by Registered Entities and utilize increased risk-based discretion as appropriate. Ensure timely and thorough mitigation of all violations of mandatory Reliability Standards with a specific focus on the prevention of reoccurrence.

- Promote a culture of compliance excellence through education, transparency and information sharing.

2019 Key Assumptions - Organization Registration and Certification

- Results from the risk-based registration initiative have been prioritized and the following work will be completed per the Organization Registration and Certification group (ORCG) workplan:
 - The ORCG will develop Rules of Procedure (RoP) enhancements related to the NERC-led review panel processes, procedures and lessons learned from the implementation of the NERC-led Review Panel.
 - The ORCG will continue enhancing the Joint Registration Organizations (JROs)/Coordinated Functional Registrations (CFRs) processes and procedures.

2019 Goals and Key Focus Areas - Organization Registration and Certification

The Organization Registration and Certification Program objectives for 2019 are outlined below:

- Continue implementation of the risk-based registration activities with a focus on the collaborative development of a consistent registration program throughout the ERO enterprise.
- Continue the regional efforts to utilize risk and materiality in the decision process for entity registrations and support the activities of the NERC-led Panel to focus on continent-wide resolutions for registration issues, while addressing individual entity issues concerning registration.
- Support the ERO activities to improve consistency in the Certification and Certification Review process. Focus Certification Review activities on areas of risk and tailor engagements based on entity performance and the results of Inherent Risk Assessments.
- Work with NERC and the other Regional Entities to support the BES Exception Process execution, technical validation of the definition and exception requests, self-determined notification submittals and periodic reviews of network changes affecting BES determinations. Recertification for exceptions begins in 2019.

Compliance Monitoring and Enforcement Program and Organization Registration and Certification Program

Funding sources and related expenses for the compliance enforcement and organization registration and certification section of the 2019 business plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2018 Budget & Projection, and 2019 Budget					
Compliance Monitoring & Enforcement and Organization Registration & Certification					
	2018 Budget	2018 Projection	Variance 2018 Projection v 2018 Budget Over(Under)	2019 Budget	Variance 2019 Budget v 2018 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	\$ 5,306,927	\$ 5,306,927	\$ (0)	\$ 4,984,329	\$ (322,598)
Penalty Sanctions	191,246	191,246	-	-	(191,246)
Total ERO Funding	\$ 5,498,173	\$ 5,498,173	\$ (0)	\$ 4,984,329	\$ (513,844)
Membership Dues	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 5,498,173	\$ 5,498,173	\$ (0)	\$ 4,984,329	\$ (513,844)
Expenses					
Personnel Expenses					
Salaries	\$ 2,617,862	\$ 2,489,393	\$ (128,469)	\$ 2,053,977	\$ (563,885)
Payroll Taxes	151,653	156,064	4,411	127,564	(24,089)
Benefits	428,736	337,452	(91,284)	320,743	(107,993)
Retirement Costs	404,225	343,533	(60,692)	256,863	(147,362)
Total Personnel Expenses	\$ 3,602,476	\$ 3,326,442	\$ (276,034)	\$ 2,759,148	\$ (843,328)
Meeting Expenses					
Meetings	\$ 12,096	\$ 10,635	\$ (1,461)	\$ 11,127	\$ (969)
Travel	90,644	55,978	(34,666)	88,786	(1,858)
Conference Calls	6,602	6,373	(229)	6,357	(245)
Total Meeting Expenses	\$ 109,342	\$ 72,986	\$ (36,356)	\$ 106,270	\$ (3,072)
Operating Expenses					
Consultants & Contracts	\$ 343,034	\$ 442,948	\$ 99,914	\$ 751,034	\$ 408,000
Office Rent	461,903	422,631	(39,272)	403,411	(58,492)
Office Costs	82,718	84,748	2,030	78,255	(4,463)
Professional Services	27,052	28,671	1,619	32,807	5,755
Miscellaneous	-	-	-	-	-
Depreciation	105,770	98,221	(7,549)	70,076	(35,694)
Total Operating Expenses	\$ 1,020,477	\$ 1,077,219	\$ 56,742	\$ 1,335,583	\$ 315,106
Total Direct Expenses	\$ 4,732,295	\$ 4,476,647	\$ (255,648)	\$ 4,201,001	\$ (531,294)
Indirect Expenses	\$ 761,150	\$ 816,902	\$ 55,752	\$ 789,945	\$ 28,795
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 5,493,445	\$ 5,293,549	\$ (199,896)	\$ 4,990,946	\$ (502,499)
Change in Assets	\$ 4,728	\$ 204,624	\$ 199,896	\$ (6,617)	\$ (11,345)
Fixed Assets					
Depreciation	\$ (105,770)	\$ (98,221)	\$ 7,549	\$ (70,076)	\$ 35,694
Total Fixed Asset Purchases	110,498	86,854	(23,644)	63,459	(47,039)
(Inc)Dec in Fixed Assets (C)	\$ (4,728)	\$ 11,367	\$ 16,095	\$ 6,617	\$ 11,345
TOTAL BUDGET (=B-C)	\$ 5,498,173	\$ 5,282,182	\$ (215,991)	\$ 4,984,329	\$ (513,844)
TOTAL CHANGE IN WORKING CAPITAL	\$ -	\$ 215,991	\$ 215,991	\$ -	\$ -
FTEs	19.65	14.36	(5.29)	12.18	(7.47)

Reliability Assessment and Performance Analysis Program

Reliability Assessment and Performance Analysis Program			
(in whole dollars)			
	2018 Budget	2019 Budget	Increase (Decrease)
Total FTEs	4.31	2.92	(1.39)
Direct Expenses	\$ 1,162,748	\$ 974,368	\$ (188,380)
Indirect Expenses	\$ 166,949	\$ 189,379	\$ 22,430
Inc(Dec) in Fixed Assets	\$ 7,632	\$ (3,084)	\$ (10,716)
Total Funding Requirement	\$ 1,337,329	\$ 1,160,663	\$ (176,666)

Program Scope and Functional Description

FRCC will perform high quality assessments of the reliability of the BES in the FRCC region and will continue to ensure that the planned system is robust, reliable and stable. FRCC will continue to participate in Event Analysis teams to analyze any disturbances that may occur within the FRCC region.

FRCC performs transmission reliability studies in order to provide an assessment to NERC for its periodic NERC Reliability Assessments. These studies evaluate regional and inter-regional facilities. FRCC prepares a minimum of three reliability assessments each year and a probabilistic assessment every other year and will assist NERC with Short-Term Special Assessments as needed:

- A 10-year long-term reliability assessment report
- Seasonal assessments (Summer & Winter)
- Assist with Short-Term Special Assessments (up to four per year)
- A probabilistic long-term reliability assessment (biennial)

These reports evaluate electricity demand, the adequacy of supply and its deliverability, fuel reliability and the adequacy of the transmission system within the FRCC. FRCC will prepare special reliability assessment reports as conditions warrant and provide input to NERC studies specific to the conditions and needs of the FRCC region.

The FRCC Reliability Assessment and Performance Analysis Program (RA) will support NERC's efforts to move toward and implement high quality reliability assessments and performance analysis to achieve measurable improvements in the BES reliability. Risks will be identified and prioritized based on reliability impacts, cost/practicality of assessments, projected resources and emerging issues. This will help support the prioritization of risks to share with standards development and compliance and enforcement activities.

FRCC will continue to support NERC's efforts to develop and implement expanded and enhanced enterprise-based data collection and analysis systems and capabilities for performance analysis. In addition, the FRCC will support development of resource capabilities and tools,

including probabilistic and scenario evaluations, which address the impacts of new technologies, changing resource or demand resource composition and environmental related regulations or legislation.

FRCC will support the ERO Essential Reliability Services Working Group (ERSWG) focused on identifying and integrating essential reliability services and measures into the Long-Term Reliability Assessment, including identification of reliability issues due to a changing resource mix.

FRCC actively participates in the Eastern Interconnection Reliability Assessment Group (ERAG) which will continue to oversee and fund the development of the Eastern Interconnection transmission models and conduct Eastern Interconnection reliability assessments. FRCC Events Analysis Program will analyze or support the analysis of significant events and system performance that impact the BES within the FRCC Region. The FRCC will consistently analyze events for identification of sequence, root cause, system performance, remediation, and improvement opportunities to identify reliability risks, trends and lessons learned. FRCC's analysis may result in the identification of gaps in standards, compliance effectiveness, registration or risk controls effectiveness. FRCC will provide lessons learned and recommendations from events and identified risks keeping industry well informed of large system events, emerging trends, risk analysis, and lessons learned. FRCC will utilize various sharing methods (i.e. website posting and briefings at committee meetings) to ensure FRCC entities are exposed to the latest information in this area.

FRCC will also support NERC to continue to improve consistency, quality, time lines and cost effectiveness of NERC and Regional Entity data collection, analysis systems and capabilities through process improvements and more effective coordination and collaboration.

2019 Key Assumptions

- NERC and the Regional Entities will continue to focus resources on high quality reliability assessments that address goals and their associated contributing activities identified in the ERO Enterprise Operating Plan for Goal 3 – Reduction of Known Risks to Reliability and Goal 4 – Identification and Assessment of Emerging Risks to Reliability.
- NERC and the Regional Entities will continue to support a common approach for NERC reliability assessments and ensure consistent evaluation, aligned with the ROP Section 800, ERO Reliability Assessment Process Document and the Reliability Assessment Oversight Plan being finalized in 2018.
- NERC and the Regional Entities will advance data management strategies and analytical capabilities for identifying and determining reliability risks and conducting reliability assessments by:
 - Integrating the analysis and measures of essential reliability services (ERS) into the Long-Term Reliability Assessment. The process encompasses new data collection and analysis approaches needed to address assessment objectives of identifying reliability issues due to a changing resource mix.
 - Provide technical resources to examine transmission and deliverability studies and provide high-level evaluation for the Long-Term Reliability Assessment.

- Providing technical resources, advanced statistical analysis tools, objective expert input and reliability leadership for the advancement of probabilistic analyses supporting the Long-Term Reliability Assessment.
- Support the NERC Enterprise Reporting Project to ensure Reliability Assessment data is integrated and supported by analytical reporting, data checking and validation tools.
- Support the NERC Enterprise Reporting Project to ensure Performance Analysis data is integrated into consolidated system and supported by analytical reporting tools, as well as feedback loops to other parts of the ERO Enterprise such as compliance, standards, enforcement, etc.
- NERC and the Regions are advancing their analytical capabilities to assess and report on the reliability of the BPS. Additionally, newer and maturing technologies, such as synchro-phasor measurement unit (PMU) technology, are enabling innovative approaches for event analysis, power system analysis and model validation. NERC and the Regions are uniquely situated to perform analyses that require a wide-area view of the interconnections, as well as supporting industry in advancing software and analytical capabilities where appropriate. Support and leadership to the System Analysis Subcommittee and any of the subcommittees, working groups and task forces will continue.

2019 Goals and Key Focus Areas

The Reliability Assessment and Performance Analysis Objectives for 2019 are outlined below:

- Perform reliability assessments of the FRCC Region to determine if the planned resources and proposed transmission expansion plans will meet the needs of the projected demand throughout the planning horizon.
- Support NERC in preparing its reliability assessment reports.
- Support the existing BES Exception Process. This will include providing a technical review of exception requests that are submitted by the registered entities and periodic reviews of network changes affecting BES determinations.
- Support the integration of essential reliability services analysis and measures into the Long-Term Reliability Assessment, including use of new data collection and analysis approaches needed to address assessment objectives of identifying reliability issues due to a changing resource mix.
- Support ERO activities to identify key reliability risks and appropriate risk control projects designed to enhance reliability or mitigate risks.
- Support data gathering and reporting efforts for the Generating Availability Data System (GADS), the Transmission Availability Data System (TADS), Spare Equipment Database (SED) and Demand Response Availability Data System (DADS).
- Review and/or analyze significant events that impact the FRCC BES and work with NERC to identify the root causes of events that may be precursors of potentially more serious events.

- Support enhancement of risk analysis capabilities through integration of risk data sources, such as event analysis, Transmission Availability Data Systems (TADS), Generating Availability Data System (GADS) and relay misoperations.
- Assess past reliability performance for potential lessons learned.
- Maintain relationships with NERC, regulatory and governmental organizations involved with BES reliability (e.g., Florida Public Service Commission (FPSC), Department of Energy (DOE), FERC, Energy Information Administration (EIA), etc.).
- Ensure a databank of power flow, short circuit and dynamic models to use in planning and evaluating future systems and current operating conditions is available to the FRCC Regional Entity.
- Conduct Loss of Load Probability and the Scenario Analysis studies as needed.

Reliability Assessment and Performance Analysis Program

Funding sources and related expenses for the reliability assessment and performance analysis section of the 2019 business plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2018 Budget & Projection, and 2019 Budget					
Reliability Assessment and Performance Analysis					
	2018 Budget	2018 Projection	Variance 2018 Projection v 2018 Budget Over(Under)	2019 Budget	Variance 2019 Budget v 2018 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	\$ 1,295,382	\$ 1,295,382	\$ 0	\$ 1,160,663	\$ (134,718)
Penalty Sanctions	41,948	41,948	-	-	(41,948)
Total ERO Funding	\$ 1,337,329	\$ 1,337,330	\$ 0	\$ 1,160,663	\$ (176,666)
Membership Dues	\$ -	\$ -	\$ -	\$ -	\$ -
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 1,337,329	\$ 1,337,330	\$ 0	\$ 1,160,663	\$ (176,666)
Expenses					
Personnel Expenses					
Salaries	\$ 655,870	\$ 551,541	\$ (104,329)	\$ 565,884	\$ (89,986)
Payroll Taxes	38,474	34,654	(3,820)	35,248	(3,226)
Benefits	121,229	73,283	(47,946)	79,255	(41,974)
Retirement Costs	98,391	71,978	(26,413)	72,610	(25,781)
Total Personnel Expenses	\$ 913,964	\$ 731,456	\$ (182,508)	\$ 752,997	\$ (160,967)
Meeting Expenses					
Meetings	\$ 1,999	\$ 1,648	\$ (351)	\$ 1,158	\$ (841)
Travel	59,678	52,377	(7,301)	50,612	(9,066)
Conference Calls	380	353	(27)	205	(175)
Total Meeting Expenses	\$ 62,057	\$ 54,378	\$ (7,679)	\$ 51,975	\$ (10,082)
Operating Expenses					
Consultants & Contracts	\$ 97,819	\$ 96,366	\$ (1,453)	\$ 85,866	\$ (11,953)
Office Rent	64,109	54,398	(9,711)	55,355	(8,754)
Office Costs	14,192	14,197	5	14,487	295
Professional Services	5,937	6,168	231	7,859	1,922
Miscellaneous	-	-	-	-	-
Depreciation	4,670	6,269	1,599	5,828	1,158
Total Operating Expenses	\$ 186,727	\$ 177,398	\$ (9,329)	\$ 169,396	\$ (17,331)
Total Direct Expenses	\$ 1,162,748	\$ 963,232	\$ (199,516)	\$ 974,368	\$ (188,380)
Indirect Expenses	\$ 166,949	\$ 175,748	\$ 8,799	\$ 189,379	\$ 22,430
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 1,329,697	\$ 1,138,980	\$ (190,717)	\$ 1,163,747	\$ (165,950)
Change in Assets	\$ 7,632	\$ 198,350	\$ 190,718	\$ (3,084)	\$ (10,716)
Fixed Assets					
Depreciation	\$ (4,670)	\$ (6,269)	\$ (1,599)	\$ (5,828)	(1,158)
Total Fixed Asset Purchases	12,302	8,216	(4,086)	2,745	(9,557)
(Inc)Dec in Fixed Assets (C)	\$ (7,632)	\$ (1,947)	\$ 5,685	\$ 3,084	\$ 10,716
TOTAL BUDGET (=B-C)	\$ 1,337,329	\$ 1,140,927	\$ (196,402)	\$ 1,160,663	\$ (176,666)
TOTAL CHANGE IN WORKING CAPITAL	\$ -	\$ 196,403	\$ 196,403	\$ -	\$ 0
FTEs	4.31	3.09	(1.22)	2.92	(1.39)

Training, Education and Operator Certification Program

Training, Education and Operator Certification Program (in whole dollars)			
	2018 Budget	2019 Budget	Increase (Decrease)
Total FTEs	1.07	1.07	-
Direct Expenses	\$ 352,006	\$ 409,122	\$ 57,116
Indirect Expenses	\$ 41,447	\$ 69,396	\$ 27,949
Inc(Dec) in Fixed Assets	\$ 1,290	\$ (1,016)	\$ (2,306)
Total Funding Requirement	\$ 394,743	\$ 477,502	\$ 82,759

Program Scope and Functional Description

Maintaining the reliability of the BES requires informed and trained personnel. FRCC supports training activities through its staff and its System Operator Subcommittee (SOS) which reports to the FRCC Operating Committee. FRCC is a NERC-approved Continuing Education (CE) Provider. FRCC works with the SOS to develop and deliver training in which FRCC grants NERC CE hours (CEH) to those individuals who successfully complete a course.

FRCC provides educational workshops and web based seminars to improve Registered Entity understanding of the FRCC CMEP, NERC Standards Development and CIP topics and trends. In addition, the FRCC facilitates one-on-one face to face meetings with Registered Entities to help provide individual entity information. These outreach efforts are aimed at improving the effectiveness, understanding of and adherence to NERC reliability initiatives. The workshops also improve the working relationships between the FRCC Regional Entity program areas and the Registered Entities within the FRCC region.

System Operator Training Program

The FRCC SOS identifies and manages annual training activities for the FRCC System Operators and provides information to FRCC members regarding the NERC training standards and any issues they may have related to system operators obtaining/retaining required NERC Certification.

The training and education program activities are carried out by FRCC's professional/technical staff and FRCC members possessing the appropriate technical knowledge and competencies. In addition, vendors that specialize in System Operator training may be used. Providing the FRCC training and education programs helps to improve collaboration and communication between System Operators (and other operating personnel), conduct restoration drills and maintain reliability excellence. FRCC staff will work with the FRCC SOS to continue to improve the Training and Education Program by:

- Incorporating Human Performance improvement and critical thinking and reasoning into training modules
- Incorporating a simulator with a model of the FRCC system
- Preparing the scenarios for the restoration drills and performing the restoration drills using FRCC staff and FRCC SOS to better reflect operations in FRCC

FRCC staff in collaboration and coordination with the FRCC SOS plans to continue to make improvements in 2019 and future years to expand learning and sharing amongst System Operators.

Regional Entity Workshops

Regional Entity workshops (workshops) are typically held in the spring and fall of each year. The compliance portion of these workshops are aimed at providing information and updates to the Registered Entities on compliance program activities including information on new procedures, instructions on changes to FRCC compliance tools, lessons learned from previous violations and providing sufficient and appropriate evidence in a compliance audit. Each workshop will address technical aspects of the CIP Reliability Standards, including providing quality evidence, lessons learned and compliance processes specific to the monitoring and enforcement of the CIP standards.

The Reliability Performance and Registration portion of the workshop will be designed primarily to promote stakeholder awareness of Reliability Standards, Registration and Certification activities. In addition, workshops or webinars may be held to educate stakeholders on the NERC Risk-Based Registration program, Certification program enhancements and activities associated with the NERC led Review Panel.

In addition to the face to face venues, in 2019 FRCC compliance staff projects holding webinars that will address specific topics that may be identified by Registered Entities or by emerging trends within the FRCC.

2019 Key Assumptions

- The FRCC System Operator Certification Program and Continuing Education Program will continue to be self-funded through a fee based structure for the exams and applications for approval of continuing education activities.
- The Regional Entities, in collaboration with NERC, are expected to help assess and determine training needs. This includes flexibility in approach between Regional Entities and anticipating areas of support for their staffs and stakeholders for standards, compliance monitoring and enforcement, situation awareness and event analysis, and information technology.

2019 Goals and Key Focus Areas

The training, education and operator certification program objectives for 2019 are outlined below:

- Provide assistance to Regional Entity members in any issues they may have related to System Operator Certification.
- Conduct the annual System Operator training seminars over a five (5) week period, with two (2) days each for the training. The training seminars involve two (2) to four (4) FRCC staff members, as well as many industry volunteers who participate as presenters. This activity is funded primarily through registration fees.
- Host workshops and webinars open to all FRCC Members and Registered Entities aimed at providing updates on compliance procedures, instructions on changes to compliance

tools, changes associated with the implementation of risk-based compliance monitoring, enforcement, information concerning Reliability Standards and the associated Implementation Plans, the Risk-Based Registration program, Certification program enhancements and activities associated with the NERC led Review Panel.

- Work with NERC and the other Regional Entities to achieve improvements in the coordination, content and manner of internal and external training programs.

Training, Education and Operator Certification Program

Funding sources and related expenses for the training, education and operator certification section of the 2019 business plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2018 Budget & Projection, and 2019 Budget					
Training, Education and Operator Certification					
Funding	2018 Budget	2018 Projection	Variance 2018 Projection v 2018 Budget Over(Under)	2019 Budget	Variance 2019 Budget v 2018 Budget Over(Under)
ERO Funding					
ERO Assessments	\$ 292,329	\$ 292,329	\$ 0	\$ 385,502	\$ 93,173
Penalty Sanctions	10,414	10,414	-	-	(10,414)
Total ERO Funding	\$ 302,743	\$ 302,743	\$ 0	\$ 385,502	\$ 82,759
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	92,000	92,000	-	92,000	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 394,743	\$ 394,743	\$ 0	\$ 477,502	\$ 82,759
Expenses					
Personnel Expenses					
Salaries	\$ 162,980	\$ 184,791	\$ 21,811	\$ 207,429	\$ 44,449
Payroll Taxes	9,561	11,611	2,050	12,920	3,359
Benefits	21,307	21,866	559	24,546	3,239
Retirement Costs	24,450	24,116	(334)	26,616	2,166
Total Personnel Expenses	\$ 218,298	\$ 242,384	\$ 24,086	\$ 271,511	\$ 53,213
Meeting Expenses					
Meetings	\$ 57,707	\$ 51,952	\$ (5,755)	\$ 56,464	\$ (1,243)
Travel	8,665	7,470	(1,195)	6,581	(2,084)
Conference Calls	5,026	4,914	(112)	3,742	(1,284)
Total Meeting Expenses	\$ 71,398	\$ 64,336	\$ (7,062)	\$ 66,787	\$ (4,611)
Operating Expenses					
Consultants & Contracts	\$ 36,528	\$ 37,619	\$ 1,091	\$ 37,873	\$ 1,345
Office Rent	15,931	18,226	2,295	20,291	4,360
Office Costs	7,305	8,280	975	7,757	452
Professional Services	1,475	2,067	592	2,881	1,406
Miscellaneous	-	-	-	-	-
Depreciation	1,071	2,053	982	2,022	951
Total Operating Expenses	\$ 62,310	\$ 68,245	\$ 5,935	\$ 70,824	\$ 8,514
Total Direct Expenses	\$ 352,006	\$ 374,965	\$ 22,959	\$ 409,122	\$ 57,116
Indirect Expenses	\$ 41,447	\$ 58,883	\$ 17,436	\$ 69,396	\$ 27,949
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 393,453	\$ 433,848	\$ 40,395	\$ 478,518	\$ 85,065
Change in Assets	\$ 1,290	\$ (39,105)	\$ (40,395)	\$ (1,016)	\$ (2,306)
Fixed Assets					
Depreciation	\$ (1,071)	\$ (2,053)	\$ (982)	\$ (2,022)	\$ (951)
Total Fixed Asset Purchases	2,361	2,753	392	1,006	(1,355)
(Inc)Dec in Fixed Assets (C)	\$ (1,290)	\$ (700)	\$ 590	\$ 1,016	\$ 2,306
TOTAL BUDGET (=B-C)	\$ 394,743	\$ 434,548	\$ 39,805	\$ 477,502	\$ 82,759
TOTAL CHANGE IN WORKING CAPITAL	\$ -	\$ (39,805)	\$ (39,805)	\$ -	\$ -
FTEs	1.07	1.04	(0.03)	1.07	-

Situation Awareness and Infrastructure Security Program

Situation Awareness and Infrastructure Security Program (in whole dollars)			
	2018 Budget	2019 Budget	Increase (Decrease)
Total FTEs	0.04	0.10	0.06
Direct Expenses	\$ 11,811	\$ 29,705	\$ 17,894
Indirect Expenses	\$ 1,549	\$ 6,486	\$ 4,936
Inc(Dec) in Fixed Assets	\$ 54	\$ (91)	\$ (145)
Total Funding Requirement	\$ 13,414	\$ 36,099	\$ 22,685

Program Scope and Functional Description

FRCC and the other Regional Entities continue to support the ERO's situation awareness, cyber security preparedness and to provide independent reliability information to policy makers and regulators. The FRCC Reliability Coordinator Reliability Plan documents the various reliability roles and functions that are coordinated, monitored and established by FRCC to provide situation awareness of the reliability of the FRCC BES. Two of the primary reliability goals of the FRCC are continuous improvement of the situation awareness of the operators within the FRCC and ensuring that adequate physical, operational and cyber security objectives are in place for the Regions' shared communications networks.

FRCC continues to support and participate in NERC's Situation Awareness/Event Analysis coordination conference calls, supports the Situation Awareness for FERC, NERC and the Regions (SAFNR) Version 2 project and maintains the FRCC satellite phone for situation awareness across the FRCC Region.

The NERC Rules of Procedure, Section 1000, requires that NERC monitor present conditions on the BES and provide leadership coordination, technical expertise and assistance to the industry in responding to events as necessary.

The Situation Awareness process will be used to support NERC and FERC's efforts to maintain situation awareness of BES conditions.

2019 Key Assumptions

- NERC and the Regions will continue to provide required support and leadership for the Operating Committee and the Critical Infrastructure Protection Committee and standing committees' subcommittees, working groups and task forces serving the standing committees. Regional Entity involvement is expected to remain at current levels with no additional resources required from the Regional Entities.
- NERC will continue to budget and incur costs to operate and maintain the software applications and systems known as Situational Awareness for NERC, FERC and the Regional Entities (SAFNRv2). Additional resource investments are expected to be required to maintain the capabilities of SAFNRv2 throughout the planning period. Any

such investments will be NERC funded and not result in an allocation of cost to the Regional Entities.

- NERC will continue to fund the Grid Security Exercise (GridEx) with no increased cost to the Regional Entities. The Regional Entities will participate as appropriate in the wide-area exercises.
- NERC will continue to fund, operate and maintain the Electricity Information Sharing and Analysis Center (E-ISAC), with no increased cost to Regional Entities.
- There will be continued focus on detecting off-normal events to be analyzed by the responsible entity, FRCC or NERC.

2019 Goals and Key Focus Areas

- Ensure that FRCC goals and activities support the mission to provide FERC, NERC and the staffs from the eight Regional Entities a visualization tool that enables the appropriate level of situation awareness for the near real-time conditions on the BES. Continue to work with the FRCC Reliability Coordinator to ensure that SAFNRv2 and appropriate hardware and software resources are allocated. Continue to support future development of the situation awareness project capabilities.
- Issue and track security recommendations to protect the BES. Share information learned and recommendations in Situation Awareness with the Events Analysis program to develop relevant lessons learned.
- Support critical infrastructure security by promoting rapid and appropriate sharing of situational awareness information regarding security occurrences.
- Participate as appropriate in periodic wide-area grid security exercises.
- Participate in the analysis of significant events to identify gaps in standards, compliance effectiveness, registration and risk controls effectiveness.

Situation Awareness and Infrastructure Security Program

Funding sources and related expenses for the situation awareness and infrastructure security section of the 2019 business plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2018 Budget & Projection, and 2019 Budget					
Situation Awareness and Infrastructure Security					
	2018 Budget	2018 Projection	Variance 2018 Projection v 2018 Budget Over(Under)	2019 Budget	Variance 2019 Budget v 2018 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	\$ 13,025	\$ 13,025	\$ (0)	\$ 36,099	\$ 23,074
Penalty Sanctions	389	389	-	-	(389)
Total ERO Funding	\$ 13,414	\$ 13,414	\$ (0)	\$ 36,099	\$ 22,685
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 13,414	\$ 13,414	\$ (0)	\$ 36,099	\$ 22,685
Expenses					
Personnel Expenses					
Salaries	\$ 6,508	\$ 7,639	\$ 1,131	\$ 18,645	\$ 12,137
Payroll Taxes	382	480	98	1,161	779
Benefits	851	904	53	2,206	1,355
Retirement Costs	976	997	21	2,392	1,416
Total Personnel Expenses	\$ 8,717	\$ 10,020	\$ 1,303	\$ 24,405	\$ 15,688
Meeting Expenses					
Meetings	\$ 19	\$ 21	\$ 2	\$ 38	\$ 19
Travel	43	58	15	140	97
Conference Calls	4	5	1	7	3
Total Meeting Expenses	\$ 66	\$ 84	\$ 18	\$ 185	\$ 119
Operating Expenses					
Consultants & Contracts	\$ 181	\$ 233	\$ 52	\$ 528	\$ 347
Office Rent	636	753	117	1,824	1,188
Office Costs	2,112	2,156	44	2,322	210
Professional Services	59	85	26	259	200
Miscellaneous	-	-	-	-	-
Depreciation	40	82	42	182	142
Total Operating Expenses	\$ 3,028	\$ 3,309	\$ 281	\$ 5,115	\$ 2,087
Total Direct Expenses	\$ 11,811	\$ 13,413	\$ 1,602	\$ 29,705	\$ 17,894
Indirect Expenses	\$ 1,549	\$ 2,434	\$ 885	\$ 6,486	\$ 4,936
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 13,360	\$ 15,847	\$ 2,487	\$ 36,190	\$ 22,830
Change in Assets	\$ 54	\$ (2,433)	\$ (2,487)	\$ (91)	\$ (145)
Fixed Assets					
Depreciation	\$ (40)	\$ (82)	\$ (42)	\$ (182)	\$ (142)
Total Fixed Asset Purchases	94	114	20	90	(4)
(Inc)Dec in Fixed Assets (C)	\$ (54)	\$ (32)	\$ 22	\$ 91	\$ 145
TOTAL BUDGET (=B-C)	\$ 13,414	\$ 15,879	\$ 2,465	\$ 36,099	\$ 22,685
TOTAL CHANGE IN WORKING CAPITAL	\$ -	\$ (2,465)	\$ (2,465)	\$ -	\$ -
FTEs	0.04	0.04	-	0.10	0.06

General and Administrative

General and Administrative (in whole dollars)						
	Direct Expenses and Fixed Assets			FTEs		
	2018 Budget	2019 Budget	Increase (Decrease)	2018 Budget	2019 Budget	Increase (Decrease)
General and Administrative	\$ 1,007,507	\$ 1,061,691	\$ 54,184	4.62	4.38	(0.24)

Program Scope and Functional Description Background

Charges included in General and Administrative are general legal expenses, executive time and expenses, human resources, information technology and accounting and finance. Every effort is made to charge items and time directly to activities and to designate as statutory or non-statutory. Undesignated items are shared costs between the Regional Entity Division and the Member Services Division and are allocated based on actual labor hours charged.

Legal and Regulatory Background

FRCC General Counsel serves as the chief legal advisor to the President and CEO, Board of Directors, staff and stakeholders on all legal and regulatory matters affecting the FRCC. FRCC may use additional specialized legal resources on an as-needed basis, such as for tax matters, employee benefit plan issues and significant policy or FERC matters.

2019 Goals and Key Focus Areas

- Assist the FRCC in carrying out its responsibilities as required by the approved delegation agreement between NERC and FRCC.
- Provide general corporate legal advice, legal training and timely, accurate filings to Regulatory authorities.

2019 Assumptions

In the 2019 Budget, as in recent budgets, there are no specific funds for hearings under CMEP Rules.

Information Technology Background

FRCC maintains a number of tools and other support services for the benefit of its members, Registered Entities, Reliability Coordinator agent(s) and other system operators. These services include the FRCC Load and Resource Database (LRDB), the Compliance Tracking System (CTS), Compliance Issues Tracking System (CITS), the FRCC corporate website, as well as other systems for collaboration, communication, data gathering and analysis.

FRCC supports the ERO Enterprise efforts to implement, operate and maintain software tools and applications supporting common enterprise wide operations which have been approved by the ERO Executive Management Group (EROEMG), which is comprised of the senior leadership of NERC and each of the Regional Entities. FRCC's budget assumes the availability of enterprise software tools and applications as described in NERC's business plan and budget. If implementation of these software applications are delayed or otherwise not available as planned, FRCC could incur additional costs to conduct operations pending the availability of these applications.

NERC and the Regional Entities are committed to working collaboratively to minimize duplication of effort and investments and to improve operational efficiency. This collaboration continues to refine existing strategies, governance and procurement practices applicable to the development, operation and maintenance of enterprise architecture, software and data systems supporting combined NERC and Regional Entity operations.

The NERC information technology budget does not supplant the FRCC's need for IT expenditures for specific regional projects and internal region-specific IT support needs. FRCC's 2019 Business Plan and Budget assumes agreed-upon ERO Enterprise applications will be available and includes only costs for internal region-specific support needs.

2019 Goals and Key Focus Areas

- Improve the reliability, security and capability of FRCC IT systems by enhancing business critical IT infrastructure.
- Continue the implementation of needed changes to improve the FRCC corporate security posture; improve overall security in all programs, enhance access controls with improved processes and procedures.
- Continue to improve disaster recovery and business continuity capabilities by continuing to test and refine implemented geographically diverse data recovery solutions.

Human Resources Background

FRCC has assembled an exceptional team of highly qualified employees to carry out the activities of the FRCC. The human resources department, in adherence with applicable federal and state laws, develops plans and implements human resources policies and procedures, including staffing, compensation, benefits, employee relations, and training and development.

2019 Goals and Key Focus Areas

- Recruit and retain successful employees;
- Improve human resource policies and procedures;
- Provide management and training programs; and
- Ensure competitive employee compensation and benefits.

Finance and Accounting Background

FRCC will submit its annual budget for statutory and non-statutory activities to the FRCC Board of Directors for approval and then file the approved annual budget to NERC. This includes supporting materials such as a complete business plan and organizational chart and the proposed expenditure of funds collected in sufficient detail to justify the requested funding collection and budget expenditures.

The Finance and Accounting Department will: direct the overall financial plans and accounting practices of the organization; oversee treasury, accounting, budget preparation and reporting, tax and audit activities; and oversee financial and accounting system controls and standards.

2019 Goals and Key Focus Areas

- Prepare the 2020 statutory and non-statutory budgets
- Report budget variances to the FRCC Corporate Compliance Finance and Audit Committee, the FRCC Board and to NERC on a quarterly basis
- Prepare the 2019 audited financial statements
- Continue to provide on-going training to employees to ensure employees charge their time and expenses correctly

General and Administrative

Funding sources and related expenses for the general and administrative section of the 2019 business plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2018 Budget & Projection, and 2019 Budget					
General and Administrative					
	2018 Budget	2018 Projection	Variance 2018 Projection v 2018 Budget Over(Under)	2019 Budget	Variance 2019 Budget v 2018 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	\$ (508,449)	\$ (508,449)	\$ -	\$ (775,862)	\$ (267,413)
Penalty Sanctions	-	-	-	-	-
Total ERO Funding	\$ (508,449)	\$ (508,449)	\$ -	\$ (775,862)	\$ (267,413)
Membership Dues	\$ -	\$ -	\$ -	\$ -	\$ -
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ (508,449)	\$ (508,449)	\$ -	\$ (775,862)	\$ (267,413)
Expenses					
Personnel Expenses					
Salaries	\$ 702,519	\$ 737,152	\$ 34,633	\$ 729,971	\$ 27,452
Payroll Taxes	41,210	44,769	3,559	43,760	2,550
Benefits	86,848	93,825	6,977	92,210	5,362
Retirement Costs	105,389	110,981	5,592	109,095	3,706
Total Personnel Expenses	\$ 935,966	\$ 986,727	\$ 50,761	\$ 975,035	\$ 39,069
Meeting Expenses					
Meetings	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
Conference Calls	-	-	-	-	-
Total Meeting Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	68,669	83,874	15,205	83,170	14,501
Office Costs	2,872	3,386	514	3,486	614
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	\$ 71,541	\$ 87,260	\$ 15,719	\$ 86,656	\$ 15,115
Total Direct Expenses	\$ 1,007,507	\$ 1,073,987	\$ 66,480	\$ 1,061,691	\$ 54,184
Indirect Expenses	\$ (1,007,507)	\$ (1,073,987)	\$ (66,480)	\$ (1,061,691)	\$ (54,184)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ -	\$ -	\$ -	\$ -	\$ (0)
Change in Assets	\$ (508,449)	\$ (508,449)	\$ -	\$ (775,862)	\$ (267,413)
Fixed Assets					
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fixed Asset Purchases	-	-	-	-	-
(Inc)Dec in Fixed Assets (C)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET (=B-C)	\$ -	\$ -	\$ -	\$ -	\$ (0)
TOTAL CHANGE IN WORKING CAPITAL	\$ (508,449)	\$ (508,449)	\$ -	\$ (775,862)	\$ (267,413)
FTEs	4.62	4.76	0.14	4.38	(0.24)

Section B – Supplemental Financial Information 2019 Business Plan and Budget

Reserve Balance

Table B-1

Working Capital Reserve Analysis 2018-2019	
STATUTORY	
Beginning Working Capital Reserve (Deficit), December 31, 2017	1,321,468
Plus: 2018 ERO Funding (from LSEs or designees)	6,660,518
Plus: Projected 2018 Other funding sources	92,000
Plus: Penalty Sanctions Applied	253,145
Less: 2018 Projected expenses & capital expenditures	(6,993,287)
Projected Working Capital Reserve Surplus/(Deficit), December 31, 2018	<u>1,333,844</u>
Desired Working Capital Reserve, December 31, 2019	² 557,982
Less: Projected Working Capital Reserve, December 31, 2018	(1,333,844)
Increase(decrease) in assessments to achieve desired Working Capital Reserve	<u>(775,862)</u>
2019 Expenses and Capital Expenditures	6,695,787
Less: Penalty Sanctions ¹	0
Less: Other Funding Sources	(92,000)
Adjustment to achieve desired Working Capital Reserve	(775,862)
2019 Assessment	<u>5,827,925</u>

¹ Represents collections prior to June 30, 2018.

² On June 26, 2013, the FRCC Board of Directors set a working capital and operating working capital and operating reserve requirement of one (1) month of the total annual budget. The FRCC has a \$1.5 million line of credit. This reserve was established to ensure sufficient operating reserves and contingency reserves taking into account the risk of unbudgeted expenditures occurring in the period. The company also considered the policies adopted by the other regions.

Breakdown by Statement of Activity Sections

The following detailed schedules are in support of the Table on page 11, of the 2019 FRCC Business Plan and Budget.

Penalty Sanctions

Penalty monies received prior to June 30, 2018 are to be used to offset assessments in the 2019 Budget, as documented in the NERC Policy – ACCOUNTING, FINANCIAL STATEMENT AND BUDGETARY TREATMENT OF PENALTIES IMPOSED AND RECEIVED FOR VIOLATIONS OF RELIABILITY STANDARD. Penalty monies received from July 1, 2018 through June 30, 2019 will be used to offset assessments in the 2020 Budget.

All penalties received prior to June 30, 2018 are detailed below.

Allocation Method: Penalty sanctions received have been allocated to the following statutory programs to reduce assessments: Reliability Standards; Compliance Monitoring & Enforcement and Organization Registration & Certification; Reliability Assessments and Performance Analysis; Training, Education and Operator Certification; and Situation Awareness and Infrastructure Security. Penalty sanctions are allocated based upon the number of FTEs in the Program divided by the aggregate total FTEs in the Programs receiving the allocation.

Table B-2

Penalty Sanctions Received On or Prior to June 30, 2018	Date Received	Amount Received
Penalty #1		\$ -
Penalty #2		\$ -
Penalty #3		\$ -
Penalty #4		\$ -
Penalty #5		\$ -
Penalty #6		\$ -
Total Penalties Received		\$ -

Supplemental Funding

Table B-3

Outside Funding Breakdown By Program	Budget		Projection		Variance	
	2018	2019	2018	2019	2019 Budget v 2018 Budget	
Reliability Standards Development						
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compliance Monitoring, Enforcement & Org. Registration						
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reliability Assessment and Performance Analysis						
Services & Software Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Training, Education and Operator Certification						
Workshops	\$ 92,000	\$ 92,000	\$ 92,000	\$ 92,000	\$ -	\$ -
Total	\$ 92,000	\$ 92,000	\$ 92,000	\$ 92,000	\$ -	\$ -
Situation Awareness and Infrastructure Security						
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General and Administrative*						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Outside Funding	\$ 92,000	\$ 92,000	\$ 92,000	\$ 92,000	\$ -	\$ -

Assumes that no appreciable excess cash will be in the Bank Accounts and due to current low interest rates, no Interest is being budgeted.

Personnel Expenses

Table B-4

Personnel Expenses	Budget 2018	Projection 2018	Budget 2019	Variance	
				2019 Budget v 2018 Budget	Variance %
Salaries					
Total Salaries	\$ 4,289,416	\$ 4,033,343	\$ 3,595,017	\$ (694,399)	-16.19%
Total Payroll Taxes	\$ 249,708	\$ 251,526	\$ 221,845	\$ (27,863)	-11.16%
Benefits					
Workers Compensation	\$ 11,839	\$ 11,092	\$ 9,922	\$ (1,917)	-16.19%
Medical, LTD, STD Insurances	505,493	435,368	372,887	(132,606)	-26.23%
Temp to Perm Fees	-	-	-	-	-
Education	114,213	63,131	112,170	(2,043)	-1.79%
Employee Welfare & Contract Labor	28,136	25,714	28,421	285	1.01%
Relocation	25,000	-	-	(25,000)	-100.00%
Total Benefits	\$ 684,681	\$ 535,305	\$ 523,400	\$ (161,281)	-23.56%
Retirement					
Retirement Costs	\$ 654,985	\$ 559,804	\$ 470,029	\$ (184,956)	-28.24%
Total Retirement	\$ 654,985	\$ 559,804	\$ 470,029	\$ (184,956)	-28.24%
Total Personnel Costs	\$ 5,878,790	\$ 5,379,978	\$ 4,810,290	\$ (1,068,500)	-18.18%
FTEs	30.63	23.64	20.75	(9.9)	-32.26%
Cost per FTE					
Salaries	\$ 140,040	\$ 170,615	\$ 173,254	33,214	23.72%
Payroll Taxes	8,152	10,640	10,691	2,539	31.14%
Benefits	22,353	22,644	25,224	2,871	12.84%
Retirement	21,384	23,680	22,652	1,268	5.93%
Total Cost per FTE¹	\$ 191,929	\$ 227,579	\$ 231,821	\$ 39,892	20.78%

¹2019 FTEs are calculated using a new method that captures attrition assumptions; in 2018 attrition assumptions were captured in the salary expense but not reported FTEs

Salaries are budgeted to decrease primarily due to the decrease in FTEs, partially offset by the assumption of a 3% salary increase plus promotions, adjustments and retention bonus.

Payroll taxes are budgeted to decrease primarily due to the decrease in FTEs.

Medical Insurance is assumed to decrease due to the decrease in FTEs, partially offset by an assumed rate increase of 5%.

Relocation is budgeted to decrease due to no new hires requiring relocation.

Retirement costs are budgeted to decrease primarily due to the decrease in FTEs.

Meetings, Travel & Conference Calls**Table B-5**

Meetings, Travel and Conference Calls	Budget 2018	Projection 2018	Budget 2019	Variance	
				2019 Budget v 2018 Budget	Variance %
Meetings	\$ 72,593	\$ 64,790	\$ 68,826	\$ (3,767)	-5.19%
Travel	164,498	116,359	146,262	\$ (18,236)	-11.09%
Conference Calls	15,150	14,655	10,319	\$ (4,831)	-31.89%
Total Meetings, Travel & Conf Calls	\$ 252,241	\$ 195,804	\$ 225,407	\$ (26,834)	-10.64%

Meeting costs are budgeted to decrease due to a reduction in the number of meetings held for compliance.

Travel costs are budgeted to decrease due to reducing the travel budget to reflect vacancies.

Consultants and Contracts**Table B-6**

Contracts & Consultants and Software & Licenses	Budget 2018	Projection 2018	Budget 2019	Variance	
				2019 Budget v 2018	Variance %
Contracts & Consultants and Software & Licenses					
Reliability Standards Development	\$ 3,992	\$ 1,910	\$ 541	\$ (3,451)	-86.45%
Compliance Monitoring & Enforcement and Org Reg	343,034	442,948	751,034	408,000	118.94%
Reliability Assessment and Performance Analysis	97,819	96,366	85,866	(11,953)	-12.22%
Training, Education and Operator Certification	36,528	37,619	37,873	1,345	3.68%
Situation Awareness and Infrastructure Security	181	233	528	347	191.71%
General and Administrative	-	-	-	-	
Total Contracts & Consultants and Software & Licenses	\$ 481,554	\$ 579,076	\$ 875,842	\$ 394,288	81.88%

The Compliance Monitoring & Enforcement Program's Contracts & Consulting budget has increased due to the expected increased use of consultants with the projected staff vacancies .

The Reliability Assessment and Performance Analysis Program's budget has decreased due to new RE Gas Supply Studies not planned in 2019.

Office Rent**Table B-7**

Office Rent	Budget 2018	Projection 2018	Budget 2019	Variance	
				2019 Budget v 2018 Budget	Variance %
Office Rent	\$ 625,292	\$ 586,079	\$ 565,921	\$ (59,371)	-9.49%
Total Office Rent	\$ 625,292	\$ 586,079	\$ 565,921	\$ (59,371)	-9.49%

Rent is budgeted to decrease due to less allocated costs as a result of the reduction in FTEs.

Office Costs**Table B-8**

Office Costs	Budget 2018	Projection 2018	Budget 2019	Variance	
				2019 Budget v2018	Variance %
Telephone	\$ 42,866	\$ 40,851	\$ 42,986	\$ 120	0.28%
Internet	1,913	1,749	1,610	\$ (303)	-15.85%
Office Supplies	14,405	25,391	13,131	\$ (1,274)	-8.84%
Computer Supplies	6,195	5,959	5,840	\$ (355)	-5.73%
Publications, Subscriptions & Dues	11,291	8,074	10,288	\$ (1,003)	-8.89%
Postage	2,300	2,282	2,182	\$ (118)	-5.13%
Equipment Maintenance	4,009	3,140	2,666	\$ (1,343)	-33.50%
Copying				\$ -	
Printing	14,154	13,771	14,328	\$ 174	1.23%
Stationary Forms				\$ -	
Commerical Insurance	15,939	14,567	13,833	\$ (2,106)	-13.21%
Miscellaneous				\$ -	
Total Office Costs	\$ 113,072	\$ 115,784	\$ 106,863	\$ (6,209)	-5.49%

Professional Services**Table B-9**

Professional Services	Budget 2018	Projection 2018	Budget 2019	Variance	
				2019 Budget v 2018 Budget	Variance %
Outside Legal	\$ 15,735	\$ 14,639	\$ 23,715	\$ 7,980	50.71%
Accounting & Auditing Fees	20,089	23,056	20,357	\$ 268	1.33%
Total Services	\$ 35,824	\$ 37,695	\$ 44,071	\$ 8,247	23.02%

Miscellaneous Expenses**Table B-10**

Miscellaneous Expenses are not budgeted in 2018 or 2019.

Other Non-Operating Expenses**Table B-11**

Other Non-Operating Expenses	Budget 2018	Projection 2018	Budget 2019	Variance	
				2019 Budget v 2018 Budget	Variance %
Interest Expense	\$ -	\$ -		\$ -	
Office Relocation	-	-		\$ -	
Total Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	

Interest Rates are assumed to continue being so low that they remain immaterial.

Fixed Assets**Table B-12**

Professional Services	Budget 2018	Projection 2018	Budget 2019	Variance	
				2019 Budget v 2018 Budget	Variance %
Depreciation	\$ (113,181)	\$ (109,894)	\$ (80,736)	\$ 32,445	-28.67%
Total Fixed Asset Purchases	\$ 127,337	\$ 98,873	\$ 67,393	\$ (59,944)	-47.07%
Total Services	\$ (14,156)	\$ 11,021	\$ 13,342	\$ 27,498	-194.25%

Fixed Asset Purchases are budgeted to decrease in 2019 due to decreased Compliance Portal Software enhancements anticipating the development and implementation of the ERO CMEP Tool over the next several years.

2020 and 2021 Projected Expenses

The following table showing 2020 and 2021 budget projections is based on the following assumptions:

Personnel Expenses

- A 3% increase in personnel costs due to salary increases in both 2020 and 2021
- Estimated medical expense increase of 5% in both 2020 and 2021
- An attrition factor of 13% was used in both 2020 and 2021
- The current vacancies will remain unfilled, partially offset by increased use of consultants.
- Retention bonuses are included in 2020 but not in 2021

Meeting Expenses

- Travel and Meeting expenses increase by a 3% inflation factor in both 2020 and 2021

Operating Expenses

- Office Costs remains flat in both 2020 and 2021
- Office Rent includes increases due to Common Area Maintenance charges projected to increase, estimates for new lease for the 4th quarter of 2020 and yearly contracted rate increases
- Depreciation remains flat in both 2020 and 2021

Indirect Expenses – Administrative costs increase approximately 3% each year in 2020 and 2021

Fixed Assets

- Compliance Portal Software decreases in 2020 due to fewer planned enhancements and fewer FRCC software purchases for the SQL Server and SIEM Log Aggregation and Analysis System.

2019, 2020 and 2021 Projections

Table B-13

Statement of Activities and Capital Expenditures 2019, 2020 and 2021 Projections										
Regional Entity										
	2018 Budget	2019 Budget	\$ Change 2019:2018 Over(Under)	% Chg 2019:2018 Over(Under)	2020 Projection	\$ Change 2020:2019 Over(Under)	% Chg 2020:2019 Over(Under)	2021 Projection	\$ Change 2021:2020 Over(Under)	% Chg 2021:2020 Over(Under)
Funding										
ERO Funding										
ERO Assessments	\$ 6,660,518	\$ 5,827,925	\$ (832,593)	-12.50%	\$ 6,467,104	\$ 639,179	10.97%	\$ 6,305,416	\$ (161,689)	-2.50%
Penalty Sanctions	253,145	-	(253,145)	-100.00%	-	-	-	-	-	-
Total ERO Funding	\$ 6,913,663	\$ 5,827,925	\$ (1,085,738)	-15.70%	\$ 6,467,104	\$ 639,179	10.97%	\$ 6,305,416	\$ (161,689)	-2.50%
Membership Dues	\$ -	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Testing Fees	-	-	-	-	-	-	-	-	-	-
Services & Software	-	-	-	-	-	-	-	-	-	-
Workshops	92,000	92,000	-	0.00%	92,000	-	0.00%	92,000	-	0.00%
Interest	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Funding (A)	\$ 7,005,663	\$ 5,919,925	\$ (1,085,738)	-15.50%	\$ 6,559,104	\$ 639,179	10.80%	\$ 6,397,416	\$ (161,689)	-2.47%
Expenses										
Personnel Expenses										
Salaries	\$ 4,289,416	\$ 3,595,017	\$ (694,399)	-16.19%	\$ 3,553,295	\$ (41,721)	-1.16%	\$ 3,346,132	\$ (207,163)	-5.83%
Payroll Taxes	249,708	221,845	(27,863)	-11.16%	210,572	(11,274)	-5.08%	190,141	(20,431)	-9.70%
Benefits	684,682	523,400	(161,282)	-23.56%	544,040	20,640	3.94%	564,305	20,265	3.72%
Retirement Costs	654,985	470,029	(184,956)	-28.24%	486,898	16,870	3.59%	501,068	14,170	2.91%
Total Personnel Expenses	\$ 5,878,791	\$ 4,810,290	\$ (1,068,501)	-18.18%	\$ 4,794,805	\$ (15,485)	-0.32%	\$ 4,601,646	\$ (193,159)	-4.03%
Meeting Expenses										
Meetings	\$ 72,593	\$ 68,826	\$ (3,767)	-5.19%	\$ 70,893	\$ 2,067	3.00%	\$ 73,019	\$ 2,126	3.00%
Travel	164,498	146,262	(18,236)	-11.09%	150,683	4,421	3.02%	155,203	4,521	3.00%
Conference Calls	15,150	10,319	(4,831)	-31.89%	10,324	5	0.05%	10,324	-	0.00%
Total Meeting Expenses	\$ 252,241	\$ 225,407	\$ (26,834)	-10.64%	\$ 231,900	\$ 6,493	2.88%	\$ 238,546	\$ 6,647	2.87%
Operating Expenses										
Consultants & Contracts	\$ 481,554	\$ 875,842	\$ 394,288	81.88%	\$ 754,118	\$ (121,724)	-13.90%	\$ 758,179	\$ 4,061	0.54%
Office Rent	625,292	565,921	(59,371)	-9.49%	576,008	10,087	1.78%	592,341	16,333	2.84%
Office Costs	113,073	106,862	(6,211)	-5.49%	106,047	(815)	-0.76%	107,400	1,353	1.28%
Professional Services	35,824	44,071	8,247	23.02%	44,053	(18)	-0.04%	43,743	(310)	-0.70%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Depreciation	113,181	80,736	(32,445)	-28.67%	88,808	8,073	10.00%	97,031	8,223	9.26%
Total Operating Expenses	\$ 1,368,924	\$ 1,673,432	\$ 304,508	22.24%	\$ 1,569,034	\$ (104,398)	-6.24%	\$ 1,598,694	\$ 29,660	1.89%
Total Direct Expenses	\$ 7,499,956	\$ 6,709,129	\$ (790,827)	-10.54%	\$ 6,595,739	\$ (113,390)	-1.69%	\$ 6,438,886	\$ (156,852)	-2.38%
Indirect Expenses	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
Total Expenses (B)	\$ 7,499,956	\$ 6,709,129	\$ (790,827)	-10.54%	\$ 6,595,739	\$ (113,390)	-1.69%	\$ 6,438,886	\$ (156,852)	-2.38%
Change in Assets	\$ (494,293)	\$ (789,204)	\$ (294,911)	59.66%	\$ (36,634)	\$ 752,570	-95.36%	\$ (41,470)	\$ (4,836)	
Fixed Assets										
Depreciation	\$ (113,181)	\$ (80,736)	\$ 32,445	-28.67%	\$ (88,808)	\$ (8,073)	10.00%	\$ (97,031)	\$ (8,223)	9.26%
Total Fixed Asset Purchases	127,337	67,393	(59,944)	-47.07%	52,174	(15,219)	-22.58%	55,561	3,387	6.49%
(Inc)Dec in Fixed Assets (C)	\$ (14,156)	\$ 13,342	\$ 27,498	-194.25%	\$ 36,634	\$ 23,292	174.58%	\$ 41,470	\$ 4,836	
TOTAL BUDGET (=B-C)	\$ 7,514,112	\$ 6,695,787	\$ (818,325)	-10.89%	\$ 6,559,104	\$ (136,682)	-2.04%	\$ 6,397,416	\$ (161,689)	-2.47%
TOTAL CHANGE IN WORKING CAPITAL	\$ (508,449)	\$ (775,862)	\$ (267,413)	52.59%	\$ -	\$ 775,862	-100.00%	\$ -	\$ (0)	
FTEs	30.63	20.75	(9.88)	-32.26%	20.75	-	0.00%	20.75	-	0.00%

Section C – Non-Statutory Activities 2019 Business Plan and Budget

Non-Statutory Members Services Division

Member Services Activities (in whole dollars)			
	2018 Budget	2019 Budget	Increase (Decrease)
Total FTEs	20.21	20.07	(0.14)
Direct Expenses	11,325,743	12,675,735	1,349,992
Indirect Expenses	-	-	-
Inc(Dec) in Fixed Assets	409,284	(23,727)	(433,011)
Total Funding Requirement	11,735,027	12,652,008	916,981

Non-Statutory Functional Scope

The FRCC MS Division provides services that enhance the reliable coordination of planning and operations relating to the BPS within the FRCC Region. These services are carried out on behalf of FRCC MS members with oversight by two of the standing committees. The Planning Committee (PC) and Operating Committee (OC) and their various subcommittees, task forces and working groups, as well as the FRCC Planning and Operations (P&O) staff, support the MS activities of the Region. Two key activities include oversight of the two registered functions for which FRCC is a NERC registered entity: the FRCC Planning Authority (PA) and the FRCC Reliability Coordinator (RC). The PC has primary oversight of the FRCC PA function while the OC has primary oversight of the FRCC RC function.

Current Member Services Division Activities

Planning Committee (PC)

The PC reports directly to the FRCC Board of Directors and is charged with the responsibility to promote the reliability of the BES within the FRCC Region by assessing and encouraging generation and transmission adequacy. The PC assesses generation adequacy by performing a reliability assessment taking into account projected load and resources. The PC, through the FRCC Regional Transmission Planning Process, provides a vehicle for ensuring that transmission planning within the FRCC will provide for the development of a robust transmission network within the FRCC Region. The Regional Transmission Planning Process is a coordinated transmission planning process that evaluates all BES and non-BES transmission facilities. The major goal of this process is to ensure that the planning of transmission facilities will meet the needs of all market participants in a coordinated, open and transparent transmission planning environment.

The FRCC will continue to develop, on an annual basis, a Regional Transmission Plan following the Regional Transmission Planning Process. The Regional Transmission Planning process has been revised to incorporate the planning principles from FERC Order 1000. The Regional Plan is based on the Ten-Year Site Plans that are required to be submitted to the Florida Public Service Commission (FPSC) on April 1st of each year. The FRCC participates in an annual Ten-Year Site Plan Workshop held by the FPSC where the results of resource and transmission adequacy assessments are presented.

The FRCC PC relies on the following subordinate groups to achieve its goals: Regional Projects Subcommittee (RPS), Resource Subcommittee (RS), Stability Analysis Subcommittee (SAS), and the Transmission Technical Subcommittee (TTS).

Regional Projects Subcommittee (RPS)

The RPS has a focused team of experienced individuals dedicated towards implementing and carrying out the Biennial Transmission Planning Process (BTPP) portion of the overall FRCC Regional Transmission Planning Process (RTPP) under the advice and direction of the FRCC PC. Several of the responsibilities that the RPS would be assigned include: (1) analyze the Board approved regional plan, (2) pro-actively develop potential Cost Effective and Efficient Regional Transmission Solution (CEERTS) projects (and/or review proposed CEERTS project submittals) that provide regional benefits, (3) identify all project beneficiaries and impacted entities, (4) quantify the benefits and impacts, and (5) deliver the CEERTS project recommendations to the PC, at least biennially, in accordance with the timelines established in the RTPP and schedules set by the PC, which take into consideration jurisdictional utilities' OATT requirements and timing.

Resource Subcommittee (RS)

The RS updates the Load and Resource Database annually and develops an aggregated Load & Resource Plan. The RS performs reliability assessments of FRCC resource adequacy for the future 10-year period for peninsular Florida based on individual entity information that is the basis of their respective Ten-Year Site Plan filings with the Florida Public Service Commission. The RS compiles entity information in support of the FERC 715 filing. In addition, the RS collects and provides EIA-411 information to NERC.

Stability Analysis Subcommittee (SAS)

The SAS is responsible for assessing the dynamic performance of the FRCC BES under various credible system conditions. In addition, the SAS performs the following assessments and studies: Coordination and performance of Special Protection Systems, the effectiveness of FRCC under frequency load shedding (UFLS) program, coordination with other protection and control systems, Extreme Event Study and other assessments in support of the FRCC Regional Transmission Planning Process. The SAS annually develops FRCC dynamic models. In addition, the SAS develops evidentiary documentation to demonstrate compliance with applicable NERC Standards such as TPL-001-4, PRC-006.

Transmission Technical Subcommittee (TTS)

The TTS engages in active coordination of transmission planning within the FRCC Region under the direction of the FRCC Planning Committee in support of the FRCC Regional Transmission Planning Process. The TTS annually performs a FRCC Long Range Study, sensitivity studies as directed by the PC, evaluates Transmission Service Requests and evaluates Generator Interconnection Service Requests. The TTS annually develops a FRCC Transmission Map, FRCC power flow models and FRCC short circuit models. In addition, the TTS develops evidentiary documentation to demonstrate compliance with applicable NERC Standards such as FAC-010, FAC-013, PRC-023, and TPL-001-4.

FRCC Planning Authority (PA) Registered Function

The FRCC is a NERC registered Planning Authority that, by FERC order, comes under the jurisdiction of the SERC Regional Entity as its Compliance Enforcement Authority (CEA). In addition to the committee work and oversight of its subordinate groups, the PC supports

reliability assessment activities through the implementation and oversight of those FRCC PA functions for the reliability of the FRCC Bulk Electric System.

The PC, supported by FRCC MS staff, has the primary responsibility of the Planning Authority (PA) function including implementation of all applicable PA NERC Reliability Standards as outlined in the Coordinated Functional Agreement with the other Planning Authority entities within the FRCC.

Operating Committee (OC)

The FRCC Operating Committee (OC) has been established to carry out Member Services Activities on behalf of the Membership. The OC reports directly to the FRCC Board of Directors and is charged with responsibility for providing for the reliable operations of the BPS in the FRCC Region through coordination activities of operations and maintenance. The OC is responsible for the coordination, operations planning, operation and maintenance of the interconnected systems operating in the Region. The OC's primary reliability goals include effective implementation of the *Reliability Coordinator Reliability Plan* document by all operators within the Region. This includes oversight of the FRCC Reliability Coordinator (RC) registered entity function, development and approval of processes and procedures that support reliability and compliance with applicable regulations, including NERC Reliability Standards and support of the FRCC Internal Compliance Program (ICP) for the RC registered function. In addition, the OC supports continuous improvement of operations coordination, an effective and secure communications network, the Next-Day operations planning function, a robust operations planning study program as well as various training activities and initiatives. The OC relies on several subordinate groups to implement its objectives. These include the Operating Reliability Subcommittee (ORS), Data Exchange Working Group (DEWG), Fuel Reliability Working Group (FRWG), Operations Planning Working Group (OPWG), Telecommunications Subcommittee (TS), System Protection and Control Subcommittee (SPCS), Critical Infrastructure Protection Subcommittee (CIPS) and the System Operator Subcommittee (SOS).

Operating Reliability Subcommittee (ORS)

The ORS provides overall administration for the development and implementation of operating procedures and other reliability matters including the oversight of the FRCC RC function for Operating and Planning (non-CIP) NERC Standards and direct support of the FRCC Internal Compliance Program for the RC registered function. The ORS reviews and assesses regional import and export limits, scheduled transmission outages, real-time system reliability, events analysis, information and data exchange and other reliability issues. The ORS provides formal oversight and implementation of the *Reliability Coordinator Reliability Plan* document which establishes the reliability responsibilities of the various operating entities within the Region and specifically monitors the agent responsible for performing the RC functions.

Data Exchange Working Group (DEWG)

The DEWG, subordinate to the ORS, supports the real-time data needs of the FRCC RC and other operating entities. It is also responsible for developing methodologies to facilitate the exchange of real-time, modeling and other operational data to help ensure reliable BPS operations. Accurate data exchange and modeling of the FRCC is essential to maintaining situation awareness and ensuring reliability. Within the FRCC, operating entities provide system data via the FRCC Reliability Data Link (RDL). The FRCC RDL is used to share electric system reliability data from the operating entities on a real-time basis.

Fuel Reliability Working Group (FRWG)

The FRWG, subordinate to the ORS, has been established to deal with matters relating to fuel and impacts to BES reliability. Specifically, the FRWG provides the administrative oversight of a Regional fuel reliability forum that studies the interdependencies of fuel availability and electric reliability and supports coordinated Regional responses to fuel issues and fuel emergencies.

Operations Planning Working Group (OPWG)

The OPWG, also subordinate to the ORS, was established to provide oversight, guidelines and procedures to the FRCC Operations Planning Coordinator (OPC) function in accordance with the *Reliability Coordinator Reliability Plan* document. The OPWG focuses on BES reliability and developing operations planning processes and study protocols that support regional reliability and adherence to the NERC Reliability Standards as they relate to the OPC function.

Telecommunications Subcommittee (TS)

The primary purpose of the TS is to ensure that adequate and redundant communications facilities are made available to the operating entities within the FRCC, including the FRCC RC. The TS administers the FRCC Hotline program, Satellite phone program, and ensures that reliable and redundant communications are maintained within, and external to, the FRCC RC footprint. All TS programs are non-statutory and support the RC and operating entity functions; with the exception of the FRCC satellite phone (located at the FRCC office) which is a tool that can be used by the Regional Entity to enhance situation awareness and thus is budgeted as statutory.

System Protection and Control Subcommittee (SPCS)

The FRCC System Protection and Control Subcommittee (SPCS) has primary responsibility for supporting the coordination of protection and control systems within the FRCC region, including regional disturbance monitoring equipment, review of protective system mis-operations, protection related disturbance analysis and implementation of specific regional programs and procedures including the annual assessments of the FRCC Under-Frequency Load Shedding Program. The SPCS also reviews and coordinates system protection and control equipment installations, settings, protection philosophies and testing criteria within the Region when installations can impact multiple entities. The SPCS serves as an important forum for sharing subject matter expert guidance and lessons learned / best practices for equipment issues and protection coordination.

Critical Infrastructure Protection Subcommittee (CIPS)

The purpose of the FRCC CIPS is to recommend improvements to enhance the physical and cyber security of the critical BES infrastructure in the FRCC Region, with an emphasis on protecting, preventing, limiting and recovering from malicious activities directed at the FRCC critical energy infrastructure. The CIPS provides guidance to the OC on matters of critical energy infrastructure security, including cyber and physical security. The CIPS provides advice to the OC including impact and implementation of CIP NERC Reliability Standards that apply to the FRCC Reliability Coordinator registered function.

Event Analysis Working Group (EAWG)

The FRCC Event Analysis Working Group (EAWG) has been established as a peer review process within the FRCC Region to encourage consistency and quality of entity event reports submitted through the ERO Event Analysis Process. The EAWG also serves as a forum for FRCC registered entities to voluntarily disseminate individual entity lessons learned in a timely

manner as well as serve as an interface with the ERO to receive other relevant event and “lessons learned” information. The EAWG primarily supports the Regional Entity efforts in Event Analysis and Reliability Improvements.

System Operator Subcommittee (SOS)

The FRCC System Operator Subcommittee (SOS) develops and delivers training in which FRCC grants NERC Continuing Education Hours (CEHs) to those individuals who successfully complete sanctioned courses through the SOS organized activities. The SOS is made up of member company training personnel and supports FRCC training activities by reviewing and providing training content. While most of the activities of the SOS support FRCC Regional Entity efforts, the SOS reports to the FRCC Operating Committee.

FRCC Reliability Coordinator (RC) Registered Function

The FRCC is a NERC registered Reliability Coordinator that, by FERC order, comes under the jurisdiction of the SERC Regional Entity as its Compliance Enforcement Authority (CEA). In addition to the committee work and oversight of its subordinate groups, the OC supports reliable operations and maintenance activities through the implementation and oversight of those FRCC Reliability Coordinator (RC) functions as established in the *Reliability Coordinator Reliability Plan*. The FRCC RC responsibilities include the real-time operating function and the next-day operations planning function. The RC tasks are performed by a designated agent of the FRCC with direction and oversight by FRCC committees and support staff. The designated agent performs real-time operations and next-day planning operations. FRCC staff further supports Regional reliability by performing the roles of the Operations Planning Coordinator (OPC), and State Capacity Emergency Coordinator (SCEC) as defined in the *Reliability Coordinator Reliability Plan document*.

The FRCC RC function is accountable to the FRCC OC who has overall responsibility of the administration, development and implementation of RC and some non-RC operating procedures approved by the OC. Many of the policies and procedures developed by the OC and its sub groups, support Regional reliability as well as entity compliance with NERC Operations & Planning Reliability Standards.

Regulatory Oversight of Registered Functions

The FRCC continues to improve FRCC PA and RC compliance management programs under the Member Services Division. The Division along with its committees, support an independent Member Services Regulatory Department with a dedicated Regulatory Director who reports directly to the FRCC President and CEO and who has direct access to the FRCC Board of Directors. This position is responsible for the implementation, maintenance and oversight of the FRCC Internal Compliance Program (ICP) including all compliance activities for the FRCC registered entity functions and is the primary interface for all regulatory activities associated with the FRCC Member Services committees and is the FRCC liaison between external Compliance Enforcement Authorities.

Major 2019 Cost Impacts

The FRCC’s proposed 2019 Members Services budgeted expenses and net fixed assets are \$12,652,008 which is a \$916,979 or 7.8% increase over the 2018 budgeted expenses.

Planning Committee (PC)

The Member Services Planning Committee (PC) expenses for 2019 are made up of the PC Committee budget, as well as the administrative costs to provide support personnel for implementation of the FRCC Planning Authority (PA) functions and all other Member Services PC activities.

The 2019 PC budget is developed based on the activities of the Regional Projects Subcommittee (RPS), the Resource Subcommittee (RS), the Stability Analysis Subcommittee (SAS) and the Transmission Technical Subcommittee (TTS). These budgets are primarily for the labor involved in coordination activities performed by member representatives, software and meeting costs.

Operating Committee (OC)

The Member Services Operating Committee (OC) expenses for 2019 are made up of a 2019 OC technical budget as well as the Member Services Department related administrative costs to provide support personnel for implementation of the FRCC Reliability Coordinator (RC) functions and other Member Services (Non RC) activities. In 2019, the OC, along with staff, will continue to directly support implementation of the RC function, support RC and entity training, improve the compliance posture of the RC function as well as continue coordinating the activities of member companies to ensure continued reliability of the FRCC RC footprint.

The 2019 OC budget was developed based primarily on the activities of the Operating Reliability Subcommittee (ORS), the Telecommunications Subcommittee (TS), the Fuel Reliability Working Group (FRWG) and the Critical Infrastructure Protection Subcommittee (CIPS). These budgets are related to, or in support of both the FRCC Reliability Coordinator (RC) and Member Services entity's reliability functions and include consulting costs, contract costs, computer software purchases and expenses to support the associated activities. The technical budgets do not include FRCC staff salaries or associated personnel costs.

The staff includes dedicated employees as well as shared employees.

2018 Member Services Budget and Projection and 2019 Budget Comparisons

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital					
2018 Budget & Projection, and 2019 Budget					
NON-STATUTORY MEMBER SERVICES					
	2018 Budget	2018 Projection	Variance 2018 Projection v 2018 Budget Over(Under)	2019 Budget	Variance 2019 Budget v 2018 Budget Over(Under)
Funding					
ERO Funding					
ERO Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
Total ERO Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	\$ 11,584,228	\$ 11,584,228	\$ (0)	12,388,798	804,570
Testing Fees	-	-	-	-	-
Services & Software	204,100	204,100	-	263,210	59,110
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding (A)	\$ 11,788,328	\$ 11,788,328	\$ (0)	\$ 12,652,008	\$ 863,680
Expenses					
Personnel Expenses					
Salaries	\$ 3,003,436	\$ 2,913,005	\$ (90,431)	\$ 3,275,185	\$ 271,749
Payroll Taxes	175,873	176,618	745	195,805	19,932
Benefits	470,332	517,736	47,404	504,491	34,159
Retirement Costs	450,564	438,598	(11,966)	489,554	38,990
Total Personnel Expenses	\$ 4,100,205	\$ 4,045,957	\$ (54,248)	\$ 4,465,035	\$ 364,830
Meeting Expenses					
Meetings	\$ 34,999	\$ 34,642	\$ (357)	\$ 33,780	\$ (1,219)
Travel	113,458	117,191	3,733	109,291	(4,167)
Conference Calls	38,838	37,834	(1,004)	44,664	5,826
Total Meeting Expenses	\$ 187,295	\$ 189,667	\$ 2,372	\$ 187,735	\$ 440
Operating Expenses					
Consultants & Contracts	\$ 6,213,956	\$ 6,449,769	\$ 235,813	\$ 7,155,119	\$ 941,163
Office Rent	300,612	338,713	38,101	380,720	80,108
Office Costs	318,520	421,908	103,388	380,794	62,274
Professional Services	62,276	39,501	(22,775)	60,897	(1,379)
Miscellaneous	-	-	-	-	-
Depreciation	142,879	43,141	(99,738)	45,435	(97,444)
Total Operating Expenses	\$ 7,038,243	\$ 7,293,032	\$ 254,789	\$ 8,022,965	\$ 984,722
Total Direct Expenses	\$ 11,325,743	\$ 11,528,656	\$ 202,913	\$ 12,675,735	\$ 1,349,992
Indirect Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 11,325,743	\$ 11,528,656	\$ 202,913	\$ 12,675,735	\$ 1,349,992
Change in Assets	\$ 462,585	\$ 259,672	\$ (202,913)	\$ (23,727)	\$ 486,313
Fixed Assets					
Depreciation	\$ (142,879)	\$ (43,141)	\$ 99,738	\$ (45,435)	\$ 97,444
Total Fixed Asset Purchases	552,163	49,743	(502,420)	21,707	(530,456)
(Inc)Dec in Fixed Assets (C)	\$ (409,284)	\$ (6,602)	\$ 402,682	\$ 23,727	\$ 433,011
TOTAL BUDGET (=B-C)	\$ 11,735,027	\$ 11,535,258	\$ (199,769)	\$ 12,652,008	\$ 916,981
TOTAL CHANGE IN WORKING CAPITAL	\$ 53,301	\$ 253,070	\$ 199,769	\$ -	\$ (53,301)
FTEs	20.21	19.23	(0.98)	20.07	-0.14

Personnel Analysis

Total FTEs by Program Area	Budget 2018	Projection 2018	Direct FTEs 2019 Budget	Shared FTEs ¹ 2019 Budget	Total FTEs 2019 Budget	Change from 2018 Budget
NON-STATUTORY						
Operational Programs						
Operating Committee	10.43	9.75	9.89		9.89	-0.54
Planning Committee	5.60	5.36		5.72	5.72	0.12
Total FTEs Operational Programs	16.03	15.11	9.89	5.72	15.61	-0.42
Administrative Programs						
General & Administrative	4.18	4.13		4.46	4.46	0.28
Total FTEs Administrative Programs	4.18	4.13	0.00	4.46	4.46	0.28
Total FTEs	20.21	19.24	9.89	10.18	20.07	-0.14

¹A shared FTE is defined by NERC as an employee who performs both Statutory and Non-Statutory functions.

Member Services Reserve Analysis — 2018-2019

Working Capital Reserve Analysis 2018-2019	
NON-STATUTORY MEMBER SERVICES	
Beginning Working Capital Reserve (Deficit), December 31, 2017	1,376,649
	2018 Funding (from members) 11,584,228
	2018 Projected Other funding sources 204,100
Total Cash Available 2018	13,164,977
Less: '2018 Projected expenses & capital expenditures	(11,535,258)
Projected Working Capital Reserve Surplus/(Deficit), December 31, 2018	1,629,719
Desired Working Capital Reserve, December 31, 2019	¹ 1,054,334
Less: Projected Working Capital Reserve, December 31, 2018	(1,629,719)
Increase(decrease) in assessments to achieve desired Working Capital Reserve	(575,385)
	2019 Expenses and Capital Expenditures 12,652,008
	Less: Other Funding Sources (263,210)
Adjustment to achieve desired Working Capital Reserve	-
2019 Funding (reserve adjustment)	12,388,798

¹ On June 26, 2013, the FRCC Board of Directors set a working capital and operating working capital and operating reserve requirement of one (1) month of the total annual budget. The FRCC has a \$1.5 million line of credit. This reserve was established to ensure sufficient operating reserves and contingency reserves taking into account the risk of unbudgeted expenditures occurring in the period. The company also considered the policies adopted by the other regions.

**Section D – Additional Consolidated Financial
Statements**
2019 Business Plan and Budget

Section D — 2019 Additional Consolidated Financial Information

Statement of Activities and Capital Expenditures by Program 2019 Budget	Functions in Delegation Agreement										Non-Statutory Functions		
	Total	Statutory Total	Non-Statutory Total	Statutory Total	Reliability Standards Development (Section 300)	Compliance Monitoring and Org Reg % Cert (Section 400 & 500)	Reliability Assessment and Performance Analysis (Section 800)	Training and Education (Section 900)	Situation Awareness and Infrastructure Security (Section 1000)	General and Administrative	Non-Statutory Total	Operating Committee	Planning Committee
Funding													
ERO Funding													
ERO Assessments	\$ 5,827,925	\$ 5,827,925	\$ -	\$ 5,827,925	\$ 37,193	\$ 4,984,329	\$ 1,160,663	\$ 385,502	\$ 36,099	\$ (775,862)	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ERO Funding	5,827,925	5,827,925	-	5,827,925	37,193	4,984,329	1,160,663	385,502	36,099	(775,862)	-	-	-
Membership Dues	\$ 12,388,798	\$ -	\$ 12,388,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,388,798	\$ 10,162,385	\$ 2,226,413
Testing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Services & Software	263,210	-	263,210	-	-	-	-	-	-	-	263,210	239,210	24,000
Workshops	92,000	92,000	-	92,000	-	-	-	92,000	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funding	\$ 18,571,933	\$ 5,919,925	\$ 12,652,008	\$ 5,919,925	\$ 37,193	\$ 4,984,329	\$ 1,160,663	\$ 477,502	\$ 36,099	(775,862)	\$ 12,652,008	\$ 10,401,595	\$ 2,250,413
Expenses													
Personnel Expenses													
Salaries	\$ 6,870,202	\$ 3,595,017	\$ 3,275,185	\$ 3,595,017	\$ 19,111	\$ 2,053,977	\$ 565,884	\$ 207,429	\$ 18,645	\$ 729,971	\$ 3,275,185	\$ 2,078,208	\$ 1,196,977
Payroll Taxes	417,650	221,845	195,805	221,845	1,190	127,564	35,248	12,920	1,161	43,760	195,805	124,274	71,531
Benefits	1,027,891	523,400	504,491	523,400	4,440	320,743	79,255	24,546	2,206	92,210	504,491	327,624	176,867
Retirement Costs	959,583	470,029	489,554	470,029	2,452	256,863	72,610	26,616	2,392	109,095	489,554	310,633	178,921
Total Personnel Expenses	\$ 9,275,326	\$ 4,810,290	\$ 4,465,035	\$ 4,810,290	\$ 27,194	\$ 2,759,148	\$ 752,997	\$ 271,511	\$ 24,405	\$ 975,035	\$ 4,465,035	\$ 2,840,739	\$ 1,624,296
Meeting Expenses													
Meetings	\$ 102,606	\$ 68,826	\$ 33,780	\$ 68,826	\$ 39	\$ 11,127	\$ 1,158	\$ 56,464	\$ 38		\$ 33,780	\$ 18,620	\$ 15,160
Travel	255,553	146,262	109,291	146,262	144	88,786	50,612	6,581	140		109,291	85,661	23,630
Conference Calls	54,982	10,319	44,664	10,319	7	6,357	205	3,742	7		44,664	23,483	21,181
Total Meeting Expenses	\$ 413,142	\$ 225,407	\$ 187,735	\$ 225,407	\$ 190	\$ 106,270	\$ 51,975	\$ 66,787	\$ 185	\$ -	\$ 187,735	\$ 127,764	\$ 59,971
Operating Expenses													
Consultants & Contracts	\$ 8,030,961	\$ 875,842	\$ 7,155,119	\$ 875,842	\$ 541	\$ 751,034	\$ 85,866	\$ 37,873	\$ 528		\$ 7,155,119	\$ 6,809,415	\$ 345,704
Office Rent	946,642	565,921	380,720	565,921	1,870	403,411	55,355	20,291	1,824	83,170	380,720	241,165	139,555
Office Costs	487,656	106,862	380,794	106,862	555	78,255	14,487	7,757	2,322	3,486	380,794	345,198	35,596
Professional Services	104,968	44,071	60,897	44,071	265	32,807	7,859	2,881	259		60,897	25,670	35,227
Miscellaneous	-	-	-	-	-	-	-	-	-		-	-	-
Depreciation	126,170	80,736	45,435	80,736	2,627	70,076	5,828	2,022	182		45,435	28,706	16,729
Total Operating Expenses	\$ 9,696,397	\$ 1,673,432	\$ 8,022,965	\$ 1,673,432	\$ 5,858	\$ 1,335,583	\$ 169,396	\$ 70,824	\$ 5,115	\$ 86,656	\$ 8,022,965	\$ 7,450,154	\$ 572,811
Total Direct Expenses	\$ 19,384,864	\$ 6,709,129	\$ 12,675,735	\$ 6,709,129	\$ 33,242	\$ 4,201,001	\$ 974,368	\$ 409,122	\$ 29,705	\$ 1,061,691	\$ 12,675,735	\$ 10,418,657	\$ 2,257,078
Indirect Expenses	-	-	-	-	6,486	789,945	189,379	69,396	6,486	(1,061,691)	-	-	-
Other Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 19,384,864	\$ 6,709,129	\$ 12,675,735	\$ 6,709,129	\$ 39,728	\$ 4,990,946	\$ 1,163,747	\$ 478,518	\$ 36,190	\$ -	\$ 12,675,735	\$ 10,418,657	\$ 2,257,078
Change in Assets	\$ (812,931)	\$ (789,204)	\$ (23,727)	\$ (789,204)	\$ (2,534)	\$ (6,617)	\$ (3,084)	\$ (1,016)	\$ (91)	(775,862)	\$ (23,727)	\$ (17,062)	\$ (6,665)
Fixed Assets													
Depreciation	\$ (126,170)	\$ (80,736)	\$ (45,435)	\$ (80,736)	\$ (2,627)	\$ (70,076)	\$ (5,828)	\$ (2,022)	\$ (182)	\$ -	\$ (45,435)	\$ (28,706)	\$ (16,729)
Total Fixed Asset Purchases	89,101	67,393	21,707	67,393	93	63,459	2,745	1,006	90	-	21,707	11,644	10,064
(Inc)/Dec in Fixed Assets	\$ 37,070	\$ 13,342	\$ 23,727	\$ 13,342	\$ 2,534	\$ 6,617	\$ 3,084	\$ 1,016	\$ 91	\$ -	\$ 23,727	\$ 17,062	\$ 6,665
TOTAL CHANGE IN WORKING CAPITAL	\$ (775,862)	\$ (775,862)	\$ (0)	\$ (775,862)	\$ -	\$ 0	\$ 0	\$ 0	\$ (0)	(775,862)	\$ (0)	\$ (0)	\$ 0
Total Budget	\$ 19,347,794	\$ 6,695,787	\$ 12,652,008	\$ 6,695,787	\$ 37,193	\$ 4,984,329	\$ 1,160,663	\$ 477,502	\$ 36,099	\$ -	\$ 12,652,008	\$ 10,401,595	\$ 2,250,413

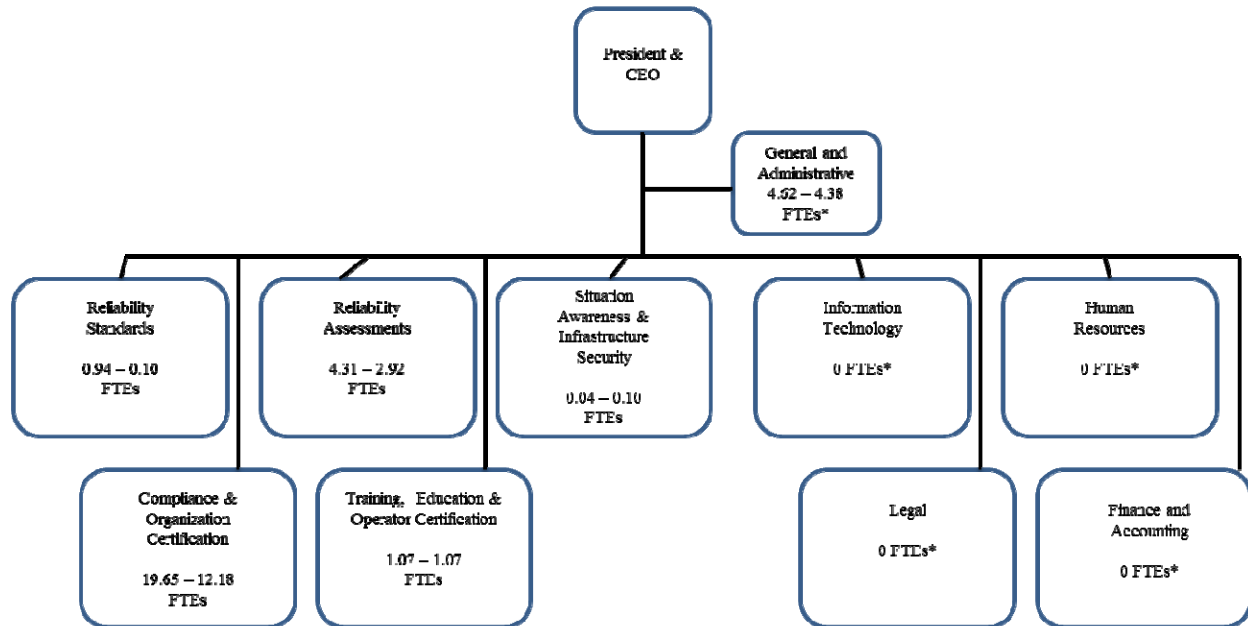
Statement of Financial Position

Statement of Financial Position				
2017 Audited, 2018 Projection, 2019 Budget and 2020 Projected				
STATUTORY and NON-STATUTORY				
	(Per Audit)	Projected	Budget	Projected
	12/31/2017	12/31/2018	12/31/2019	12/31/2020
ASSETS				
Cash	7,350,036	7,615,482	6,839,620	7,139,620
Accounts receivable	4,022,149	4,072,149	3,997,149	4,047,149
Other receivables	-	-	-	-
Prepaid expenses and other current assets	146,351	156,351	181,351	206,351
Other Assets	390,068	400,068	407,568	415,068
Property and equipment (net of depreciation)	393,413	398,413	358,413	308,413
Total Assets	12,302,017	12,642,463	11,784,101	12,116,601
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	4,311,714	4,761,714	5,211,714	4,311,714
Deferred income	4,564,945	4,561,187	4,554,181	4,627,847
Compliance Penalty Assessment	253,145	253,145	-	-
Accrued postretirement benefits obligation	417,760	223,048	192,615	162,182
Total Liabilities	9,547,564	9,799,094	9,958,510	9,101,743
Net Assets - unrestricted	2,754,453	2,843,370	1,825,592	3,014,859
Total Liabilities and Net Assets	12,302,017	12,642,463	11,784,101	12,116,601

Statutory Organizational Chart

**Florida Reliability Coordinating Council, Inc.
Statutory Organization Chart**

**2018 Budgeted FTEs 30.63
2019 Budgeted FTEs 20.75**



*All FTEs for Information Technology, Legal, Finance and Human Resources are recorded within General and Administrative